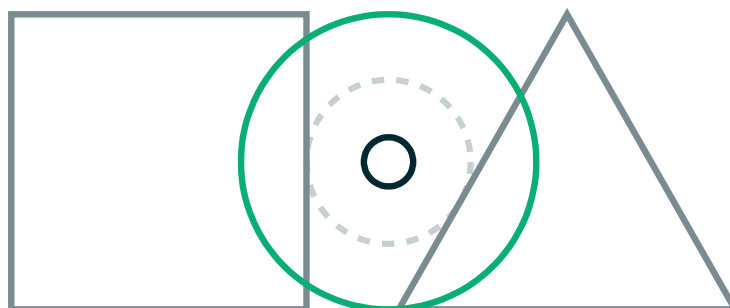**Quantive launches the Dreams with Deadlines community**   Read the blog to learn more →   ✕

ARTICLES

What is DE&I in the Workplace: Diversity, Equity, and Inclusion

🕐 12 min read

DE&I key takeaway

What you need to know: Your company needs to embed diversity, equity, and inclusion (DE&I) into its daily operations to keep up with the increasingly competitive market. Not only is this the right thing to do for your employees, but it helps a workplace that promotes growth, profitability, and well-being.

In this article, we'll explore the what, why, and how of successfully integrating diversity, equity, and inclusion in the workplace.

What is DE&I?

Diversity, equity, and inclusion (DE&I) involves cherishing the differences among your employees while shielding them from discrimination. So what does DE&I mean when it comes to its practical steps?

> It focuses on representation, fairness, and equal opportunities for all genders, ethnicities, nationalities, sexual orientations, religions, disabilities, and ages.

As such, DE&I initiatives can help you establish a welcoming workplace that offers growth and development opportunities for employees across the board.

What does DE&I stand for?

DE&I stands for diversity, equity, and inclusion. Each component is very different, but they're all necessary to create a thriving workplace.

What is diversity?

Diversity as part of DE&I refers to how diverse or varied your workforce is.

> Workplace diversity involves having employees with different demographic characteristics, identities, and experiences.

These employees should feel welcome to contribute and bring fresh perspectives to the table.

Examples of diversity include:

- Ethnic and cultural diversity
- LGBTQ+ inclusion
- Gender diversity
- Disability inclusion
- Religious and spiritual diversity

What is equity?

Equity in DE&I encourages fair processes, treatment, and possibilities for everyone, resulting in an equal playing field for all employees. It

acknowledges that oppressive systems have created varied circumstances for different employees.

Using equity, you redistribute resources and power to diminish the impact of such circumstances and ensure similar opportunities.

Examples of equity include:

- Pay equity
- Educational equity
- Hiring and recruitment processes
- Training and development
- Policy and procedure reviews

What is inclusion?

Inclusion in DE&I refers to a state of belonging, meaning all employees are respected, empowered, and valued.

> Inclusivity should therefore be engrained in your daily operations and work culture, with employees feeling comfortable being their authentic selves.

Inclusion also involves extensive representation across roles (e.g., decision-makers, collaborators, colleagues).

Examples of inclusion include:

- Inclusive leadership
- Inclusive policies and practices

- Mentorship and sponsorship programs
- Inclusive decision-making
- Employee engagement and feedback

What is the difference between DE&I and D&I?

While D&I encompasses diversity and inclusion, DE&I also includes equity. Equity solves the power imbalance between groups within your organization.
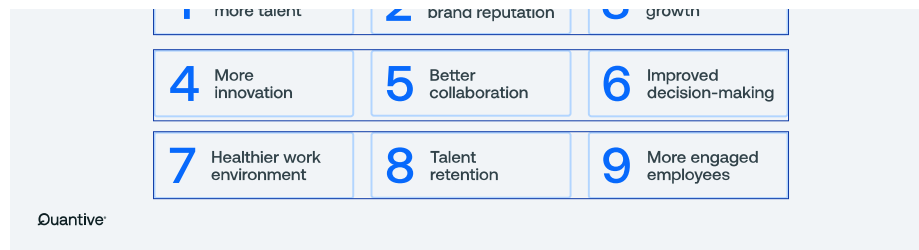
> This is crucial as differing power dynamics affect how employees behave, interact with, and influence one another.

Integrating equity into your D&I initiatives ensures that underrepresented groups have the same starting point as everyone else. It creates an environment where everyone has similar conditions, advantages, and opportunities.

Therefore, equity is the necessary stepping stone between diversity and inclusion, propelling impactful change within your organization.

Benefits of DE&I in the workplace

As part of the growing interest in environmental, social, and governance (ESG) factors, incorporating DE&I intiatives into your organization can benefit your business significantly.

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DE&I key takeaway

1 more talent	2 brand reputation	3 growth
4 More innovation	5 Better collaboration	6 Improved decision-making
7 Healthier work environment	8 Talent retention	9 More engaged employees

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Access to a larger talent pool

Being recognized as a company that promotes diversity, equity, and inclusion in the workplace can help you access a large talent pool. A willingness to hire different demographic groups can help you assemble a team with superior knowledge, skillsets, and experiences.

Moreover, solid DE&I initiatives tell prospective employees they can progress within your company, making them more willing to apply for positions in your organization and stay once they're hired.

Enhanced brand reputation

Establishing diversity, equity, and inclusion in the workplace also improves your reputation. A powerful statement of commitment to DE&I initiatives can instill trust among wider communities and enhance customer bonds. Moreover, you can develop targeted products and services using the expertise of a diverse workforce. These can help you resonate with various customer groups, cultivating loyalty and positive brand experiences.

Financial growth

One of the most attractive benefits of diversity, equity, and inclusion in the workplace is greater profits, with multiple studies corroborating this. Some of these studies conclude that:

- Organizations with a heterogeneous workforce have 2.3 times more cash flow compared to companies that don't
- Gender-diverse companies are 15% more likely to exceed the industry average for financial returns
- Companies with a diverse workforce have revenue that's 19% higher than companies with a homogenous workforce

More significant innovation

DE&I in the workplace can increase your innovation by up to 20% as employees are more willing to lead discussions when they don't fear judgment from others. As such, DE&I can cultivate open conversations, where employees can hone their lateral thinking skills using unique viewpoints.

Better collaboration

Diversity, equity, and inclusion in the workplace also promotes collaboration, with DE&I initiatives diminishing subconscious superiority and inferiority complexes. When employees feel appreciated and respected, they're more willing to voice their honest opinions. This fosters more confidence when interacting with others, facilitating higher engagement levels in 83% of millennial employees.

Improved decision-making

Prioritizing DE&I can help you cultivate a workforce with superior decision-making skills. As teams become increasingly diverse, they

have more information to work with given their various backgrounds and experiences. According to Cloverpop, companies with diverse and inclusive employees make better team and business decisions up to 87% of the time. Additionally, teams using an inclusive approach to decision-making make decisions twice as quickly as less diverse teams.

Healthier work environment

Another reason for workplace diversity, equity, and inclusion is a healthier work environment. Research by BCG found that inclusiveness is vital to the well-being of employees. In inclusive workplaces, 81% of employees said they were happy. This figure is three times higher compared to companies where employees don't feel included. Additionally, employees who work in a culture that supports DE&I report feeling less stress and anxiety while claiming they have a healthier work-life balance.

81% of employees said they were happy in inclusive workplaces

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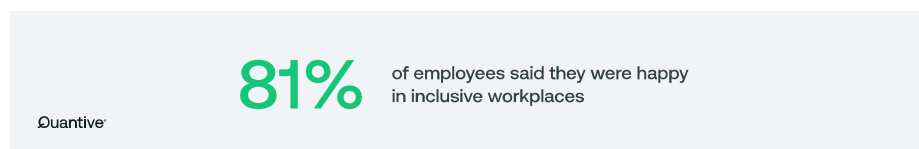
Retain great talent

A national study by Kapor Center revealed that "workplace culture drives turnover, significantly affecting the retention of underrepresented groups." As your employees are more satisfied when there's DE&I in the workplace, they're also more eager to contribute to your organization. This makes them less prone to feeling isolated or wanting to leave your company. A decrease in

turnover also reduces business costs related to recruiting, interviewing, onboarding, and training new employees.

More engaged employees

A study by Deloitte on employees in the manufacturing, retail, and healthcare sectors found that diversity and inclusion in the workplace can boost engagement by 101%. This is because DE&I caters to the three primary motivators for 21st-century workers, namely:

1. **Autonomy**: the desire to own our life
2. **Mastery**: the desire to improve on something that matters
3. **Purpose**: the desire to contribute to something beyond ourselves

Diversity, equity, and inclusion allows employees to feel pride when working for your organization. They feel at ease using their unique skills and experiences to contribute to your company.

DE&I challenges

While the benefits of DE&I are vast, implementing such initiatives isn't always easy. This may be due to the following reasons:

- Differing levels of commitment
- Lack of clarity
- Insufficient budget allocated to DEI
- Disconnect between employees and the company

Differing levels of commitment

One major challenge in adopting diversity, equity, and inclusion in the workplace is inconsistent levels of commitment. For some companies and teams, DE&I is a top priority, meanwhile others may place it on the backlog.

As commitment levels to DE&I can vary from company to company and team to team, its perceived importance — both at the organizational and team level — may be skewed. Yet, your organization must be internally aligned on DE&I initiatives to see consistent progress. This may require frequent alignment meetings or even a complete cultural shift, depending on how embedded DE&I is in your company in the first place.

Lack of clarity

DE&I initiatives are often unspecified, leaving activities, tasks, and to-do lists open to interpretation. To avoid uncertainty on what's meant to be done, clearly define your company's version of diversity, equity, and inclusion, describing procedures and steps concretely. This intra-organizational alignment can help establish a united front and create more momentum when undertaking DE&I.

Insufficient budget allocated to DE&I

Companies commonly believe they can incorporate DE&I into their organization without creating and allocating resources for diversity, equity, and inclusion. However, DE&I requires a solid budget to be effective. This budget would be spent on things like:

- Diversity, equity, and inclusion training programs
- Hiring DE&I staff

- Upgrading outdated hiring and promotion procedures
- Employer branding
- External partnerships

To obtain the resources necessary for an impactful change, company executives and department heads must be fully on board with implementing DE&I. Therefore, you must create a compelling case to justify a diversity, equity, and inclusion budget. To strengthen your arguments, communicate statistics on how DE&I improves profitability, employee well-being, and retention.

Disconnect between employees and the company

Often, DE&I initiatives are unsuccessful because employees and the company aren't on the same page regarding diversity, equity, and inclusion. As a company, it's your job to get everyone on board for your DE&I programs. A great way to evangelize your DE&I initiatives is to highlight the benefits these programs bring to your workplace. For example, you can communicate how DE&I improves employees' jobs, influence, and perceived value inside the company.

Read more on DE&I challenges
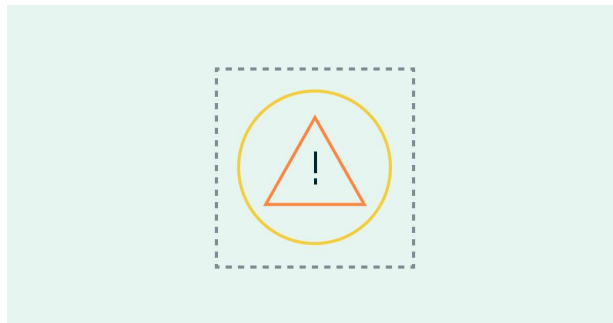
Build a DE&I culture in 8 steps

Now that you understand the DE&I meaning and what DE&I stands for the, let's look at eight great ways to build diversity, equity, and inclusion into your workplace culture.

1. Tackle microaggressions

To ensure the well-being of all employees, your organization must establish a zero-tolerance policy for discrimination and microaggressions of any type (e.g., microassaults, microinsults, microinvalidations). Addressing these can stop your organization from becoming a toxic workplace that causes poor performance and employee churn.

2. Hold leaders accountable

Accountability and visibility are vital to DE&I initiatives. According to Gartner Research, about 60% of organizations state that leadership accountability is the biggest obstacle to progress on diversity and inclusion. As such, top-level accountability and visibility are necessary for DE&I initiatives to be successful.

You can hold leaders accountable for DE&I outcomes by:

- Encouraging them to define and own DE&I responsibilities clearly
- Providing them with adequate resources and education around diversity, equity, and inclusion

- Determining which channels, content, and frequency of communication is best suited for DE&I accountability

3. Reduce biases in key processes

Everyone has implicit biases (e.g., race bias, name bias, gender bias) about people with different demographic attributes. These can influence decision-making during key processes, producing a lack of diversity in the workplace. Your organization should actively work towards redesigning procedures such as performance reviews, L&D budget allocation, and promotions to ensure they're unbiased.

4. Introduce DE&I training during onboarding

To convey the importance of diversity, equity, and inclusion to new hires, communicate your commitment to DE&I during onboarding. Doing so clearly highlights the mindset incoming employees must have to thrive within your organization. Moreover, this helps incoming employees from diverse backgrounds feel welcome and appreciated in your company.

5. Have measurable DE&I metrics in place

To ensure you progress towards a DE&I culture, include DE&I metrics in your action plan. Using goal-setting frameworks such as OKRs and KPIs, you can establish measurability around DE&I in the workplace. For example, you can create and align on goals surrounding:

- Diverse talent pipelines representing a broad range of identities
- Hiring processes that require input from various team members to ensure the most qualified person is hired

- Support and traineeship on unconscious biases and the use of appropriate language

You can also choose from various metrics to support your DE&I goals from things like:

- Employee engagement scores
- Employee satisfaction
- Retention rate
- Company demographics
- Promotion rate

6. Review company holidays and events

Acknowledging employees' cultural holidays can signify that you embrace diversity, equity, and inclusion. Consider offering employees flexible holidays, allowing them to celebrate their holidays as they please. Additionally, you should account for cultural holidays when scheduling company meetings and events to avoid overlaps. Yet, keep in mind that doing this is only meaningful in combination with additional DE&I efforts. On its own, acknowledging cultural holidays can be seen as virtue signaling.

7. Encourage employee feedback

Another way to build a DE&I culture is to encourage employees to speak up and provide regular feedback. Valuing their opinions and contributions validates them and makes them feel connected to your company. Additionally, a workplace environment that fosters open

communication and feedback cultivates trust, comfort, and honesty among employees.

8. Create an accessible workplace

Accounting for DE&I also involves accommodating different physical disabilities in the workplace. You can make your workplace more accessible by:

- Making it wheelchair accessible
- Purchasing assistive technology for employees with hearing or visual impairments
- Staying up to date on legislation regarding workplace accessibility
- Offering remote/hybrid work options or flexible hours
- Training and educating employees on creating a better work environment for everyone

Examples of successful DE&I initiatives

BCG

BCG cultivates DE&I in the workplace by promoting equity throughout the employee lifecycle, fostering an inclusive culture, and driving innovation and access to opportunities for clients. The company collaborated with industry partners, invested in diverse communities, and as a result significantly increased diversity among

new hires, with over 50% identifying as women and people of color in the US in 2021.

While progress in leadership representation has been slower, BCG has a notable percentage of non-white leaders and is committed to fostering an inclusive environment.

Deloitte

Deloitte is deeply committed to DE&I in the workplace, achieving a 43.8% increase in Black and Hispanic/Latinx professionals since 2020 and an overall racial and ethnic diversity of 46.8%. The company addresses talent experience disparities, supports diverse suppliers, and actively engages in policy changes. Moreover, they make mental health a top priority, aiming to impact 10 million individuals through education and workforce initiatives by 2030.

LinkedIn

LinkedIn's DE&I focus lies in fostering an inclusive workplace, diversifying the company, and prioritizing growth and development. They've vastly diversified their senior levels, with an increase of over 50% in Black representation and 17% Latino representation. Notably, women now comprise more than 45% of the global leadership population.

Additionally, the company has made significant strides in improving retention rates and providing underrepresented groups with increased mentorship and sponsorship opportunities.

DE&I in a nutshell

Diversity, equity, and inclusion facilitate a healthy, fruitful, and reputable work environment. Therefore, it's become a vital asset to the continued success of your organization.

While challenges such as the need for clarity, incentives, and commitment may arise, you can leverage the best practices highlighted in this article to establish a clear and actionable DE&I strategy. Moreover, using metrics such as OKRs and KPIs, you can lay the foundations for your DE&I initiatives, improving collaboration, revenue, and accessibility to skilled talent.

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