

12 Ways Companies Are Boosting Their DEI

By Dale Buss

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The modern corporate move to embrace diversity, equity and inclusion was spawned by the murder of George Floyd and the rise of Black Lives Matter in 2020, but it is on its way to becoming institutionalized across the American business landscape and beyond.

"The last two years have made a big difference in DEI," said Joan Williams, a professor in work-life law at the University of California, Hastings. "DEI used to be considered a nice-to-have, but now it's considered a must-have. But whether that's a difference that delivers organizational change is still up in the air."

The routinization of remote work and the career shuffle set off by the Great Resignation also have intensified DEI issues, as employees now in the driver's seat survey their career options and evaluate softer factors than compensation and location. For example, women with children have been especially strained to deal with working and schooling at home, so they're looking for more flexibility from employers.

Meanwhile, an increasingly diverse workforce is demanding to see itself in the company mirror. "Cultural issues come to the fore when all other things are equal," said Leah Reynolds, principal in the engagement practice at Buck, an HR consultancy. "If you're with an organization that isn't as diverse as what you have come to know the world to be, or as diverse as you consider yourself to be as an individual, you're questioning why those values aren't reflected in the organization."

Thus a flurry of new DEI initiatives has ranged from the symbolic to the systematic. Last year, for example, 22Squared, a marketing agency in Atlanta, worked with the NAACP to map the hundreds of Confederate monuments still standing in the United States, share their history, let visitors add graffiti-style tags to a statue, then contact a local elected official to call for its removal.

And McDonald's recently announced that it would offer \$250 million in low-interest loans to new franchisees over the next five years as a way to help increase diverse ownership of its U.S. restaurants. That followed the chain's move to tie executives' annual incentives to increasing the share of women and racial minorities in corporate leadership roles by 2025.

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The most important work at companies so far has been happening in between these extremes. The moves range from taking an inventory of the workforce on diversity measures to systematizing an approach for changing the status quo, from implementing change through a sweeping remake of leadership to starting with sparks from a DEI-focused town-hall meeting, from building an organizational hierarchy for DEI to business leaders' embracing individual responsibility.

For example, freight transporter XPO Logistics last year became one of the first in its industry to establish a DEI office. The company, based in Greenwich, Conn., also invested in development programs for employees at all levels, launched "employee resource groups" for particular demographic and psychographic cohorts among its workforce, launched an "Inclusion" broadcast series internally and developed new partnerships with organizations including those for historically Hispanic and Black colleges and universities.

"These initiatives have yielded fantastic results," said LaQuenta Jacobs, XPO's chief diversity officer. "And we're constantly measuring their progress to ensure they're growing as much as possible."

Over the last year, the most frequent action taken by companies on the DEI front has been to conduct DEI-focused "employee listening," such as surveys and focus groups, with 47% of respondents to a recent survey by the American Productivity & Quality Center executing such moves. Also, 36% increased staff dedicated to DEI; 32% increased their DEI budgets; 31% "established new avenues for reporting DEI complaints;" and 30% each had disclosed DEI metrics publicly and invested more in employee resource and affinity groups.

Indeed, employee resource groups—ERGs—have become extremely popular, as more companies are using them to widen their lens on diversity and, especially, inclusion. Since the beginning of 2020, about 35% of companies have added or expanded their support of these internal clusters, according to a study by McKinsey and Leanin.org. Since the 1970s, ERGs very recently have evolved from an organizational inroad for Black employees to a forum for similar inclusiveness of self-identified groups of various ethnicities, LGBTQ individuals, people with disabilities and military veterans, among others.

The "E" in DEI is relatively new to the equation—solidified there by recent concerns over social injustice—and only lately has begun to get attention in the corporate realm.

"A lot of work some companies have done in the past has focused quite a bit on diversity and not on equity and inclusion," said Trisch Smith, global chief diversity and inclusion officer at Edelman, a large public-relations firm. "You have to foster increased inclusion and attain equity to prosper diversity."

Employment law specialist Cindy-Ann Thomas said that many companies "continue to focus on the diversity piece because diversity is easy; inclusion is hard; and equity is harder." The Littler Mendelson attorney added, "It's easy to focus on filling the pipeline and getting people in and hiring and screening and attracting. [But] companies aren't doing the really hard work of pushing their sleeves up and looking at their infrastructure and answering: Why are people leaving?"

DEI concerns are global as well. While no other country has experienced quite the pangs of renewed racial division that the U.S. has suffered over the last couple of years, the problems of lack of diversity, inclusivity and equity are evident in operations worldwide.

"In India, there isn't the same concept of 'people of color,' but there are gender inequities and parity that's needed," said Lori Stahl, chief people officer of Vocera, a California-based provider of telecommunications services in healthcare, with operations in India. "Also, there is a religious component to their hierarchy, such as the caste system, which is sort of foreign to us in the U.S. So as we think about our diversity initiatives in general, we're going to have some foundational approaches that apply around the world and that we'll have to adapt culturally."

Despite its breathtaking rise up the ladder of corporate priorities across America and around the world, common objections to DEI initiatives continue to surface. One is around the notion—much like the decades-old critique of affirmative action in higher education—that a focus on equity runs counter to a meritocratic system. But Professor Williams noted research that says "a huge majority of white men feel like they're operating within a meritocracy, but no other group agrees."

For such reasons, Williams said, even some of the newest DEI actions won't be enough to truly change a company's culture. "They will increase belonging for people of color at least in the short term, but if you still have well-documented forms of bias constantly being transmitted through talent-management systems and access to opportunities, nothing much is going to change."

To make a significant difference long-term, she said, companies "must be willing to take a driven approach to diversity and treat it the way they treat any other business problem: gather data, establish metrics to set baselines and measure progress, and keep trying strategies until they meet their goals. That's something companies have never done in the diversity arena."

Here's how a dozen companies are boosting their DEI quotient:

GO UP AND DOWN THE CHAIN**Dannis Mitchell**

National Director of Community Engagement

Barton Malow Builders

Construction company

Southfield, Mich.

We established a steering committee on diversity in 2018, and at that time, with our suppliers, we set a corporate goal: Out of gross revenues, as an organization we wanted to dedicate at least 10% of our contracts to first- and second-tier minority- and women-owned businesses.

What has happened the last couple of years reaffirmed that we were on the right path. We reconvened the executive steering committee to talk about our messaging and the sensitivity around this topic. One thing that has kept us ahead of the curve is transparency.

We increased our outreach with suppliers and subcontractors, asking how diverse their company is and what we could do to create diversity efforts. On some of our projects, local-inclusion diversity is already mandated [by governments]. So we have the ability to ask the relevant questions.

But more important around transparency, we had an event last year called ConstrucCon–like ComiCon. We did it all virtually, with an opportunity for one-on-one engagement. We asked, "How are you as a minority business leader being impacted?" Because a lot of minority- and women-owned businesses led the pack in shutting down during Covid. They had the ability to talk with us about their financial state, and we put some measures in place, such as expediting our payments to them for their payroll.

Also, our clients have started to reach out and ask what we are doing about DEI as an organization. They're looking to build on their own DEI efforts. We don't have to reinvent the wheel with them. Our input creates a level of sharing that strengthens our relationships and shows we're moving toward the same goal.

TAKE A PERSONAL STAKE IN CHANGE**Sal Mancuso**

Chief Financial Officer

Altria

Tobacco company

Richmond, Va.

There's a shift in how we're approaching this. We are embracing having "uncomfortable conversations" in which we truly explore our differences from our peers and colleagues who might have a different perspective than I have, because they are diverse, might be a person of color or part of the LGBTQ community. Having those conversations and being OK with being a little bit uncomfortable teaches us a lot about each other.

And I do think it requires steps beyond just being "colorblind." For example, I'm co-executive sponsor of Unify, our Black ERG. Black employees are actually a minority of the membership of that group. This tells me that our employees are engaging with each other to understand what makes us different and alike in many ways.

I've gotten more out of being an executive sponsor than the ERG has out of that. I would like to think I'm helping make progress. But anyway, for me it's been a wonderful experience. I've gotten to know employees in a much deeper way than if I'd not been a member. Fantastic relationships where I've learned a lot about myself and others. It has broadened me as a leader and an executive. Every time I meet with the leadership team of Unify, I thank them, and I know I'm not the only one who feels this way.

EMBRACE ACCIDENTAL DEI

Rick Carey

CEO

Metal Ware

Kitchen-appliance maker

Two Rivers, Wis.

Our philosophy is that we're always stronger with diversity, which helps you move away from groupthink. The hardest thing about this is that Two Rivers is a small town that isn't a diverse place. Nearby Sheboygan is a little more diverse because it has some global companies, such as Kohler.

Diversity is incredibly important to me and Ross Niemi, my partner in the company, for other reasons. It's how we look at the world. Here, there's a homogeneous atmosphere, but for us—who were expats and lived in urban areas—we miss diversity and inclusion.

By happenstance, our administration and manufacturing have more women than men; there are more women on the shop floor and offices and in leadership positions. It's not a conscious choice—we just hire the best person for the job.

But sometimes we get an opportunity that others chose not to take. That is, we have been able to hire some really high-quality women that maybe other employers here didn't, for reasons that I wouldn't support—"Well, I don't hire women for particular positions." That gave us the opportunity to hire better people as a result.

It's a very old town with lots of old values, and this is the arbitrage that ended up working for us. But of course a lot of that stuff is changing here, and the reality is that is a short-lived opportunity. It won't be the same with the next generation.

PRIORITIZE AFFINITY GROUPS

Trisch Smith

Chief Diversity and Inclusion Officer

Edelman

PR firm

Chicago

We started affinity groups a few years back, and over the last four years, we have added five others. Those groups have been instrumental during the pandemic and the time of social unrest and the fight for racial justice. They've also been critical for us to have difficult and courageous conversations about all the things happening, and to curate these moments and provide a safe space.

They not only foster conversations but conduct programming throughout the year, to create a family within a family for those who are members of groups or want to learn more. For example, we have men in women's groups and members of other ethnicities in [ethnic] groups—it's not just for those of the community. They may do programming around heritage months, or adopt organizations, groups and causes in the community. They also help inform our clients if there's a need for understanding around a specific topic or issue.

We have employee resource groups for women, LBGTQIA, Black and African Americans, Hispanic-Latinx, AAPI and veterans' groups. We're launching new ones in 2022, one for disabilities and one for religious tolerance.

We're not focusing on one religion over another, but having a place to share and learn about others, so we can learn more and work better together. We've been talking about this for some time. It was further confirmed when we looked at the rise of anti-Semitism.

We're working actively to create this environment that, while religions might be different, our values might be similar, and values are what create culture. We hosted four interfaith leaders from around the world recently and curated their conversation for our global workforce. It was one of the most powerful conversations we've had in terms of opening eyes—about how we can be curious and still not necessarily agree about everything but agree with one another.

SET BOLD GOALS, TAKE BOLD STEPS

LaDavia Drane

Head of DEI

Amazon Web Services

Cloud-services provider

Seattle

This is not for the faint of heart. It's hard work. You have to have the courage and conviction and experience. Don't compromise. If you have those things that you know the company needs to do, what leadership and [software] builders need to succeed and thrive, no matter what dimensions of diversity they fall into, you can't compromise. You must have the courage to say, "Take on hard things."

While incremental progress is valuable, we've compromised long enough with incremental steps, so we need to make a quantum leap forward to see real change. We're setting really big goals and not backing down, starting with representation, hiring, promotion and retention. And because the Great Resignation is happening at Amazon, we have to work even harder.

For example, while after George Floyd a lot of companies are focused on Black talent, we're actually focused on Black talent anyway. In addition, we're focused specifically on women in science.

And we have launched an autism initiative, understanding what types of tools we need to provide for builders who have accessibility and disability challenges. We're looking for meaningful and sustainable partnerships like this, globally, focusing on the intersection of community and diversity and on scaling through our builders.

BUILD A DEI HIERARCHY

Korryn Williamson

Director of DEI

Insight Global

Staffing company

Atlanta

Sixty percent of our leadership is women, but we don't stop and say we're good at DEI just because of that. We'd be missing out on offering inclusivity to all of those other statuses. That's what we talk to clients about as well—that it is more than just race and gender and checking the boxes and saying, "We did this." But is your environment really reflective of the country you're serving as a whole and the geographic location you're in?

At Insight Global, we have worked to integrate DEI into how we function. We have a DEI team and a diversity council that involves voices and perspectives of people at all levels who want to ignite change. You can be on the council for two years and then re-apply later.

There is an application process that is difficult because this council is fundamental in driving change. People have to interview with our three [council] co-chairs, our general counsel, our chief revenue officer and practice director, and our vice president of sales. You must have at least one year with the company. We want people who exhibit leadership principles and are willing to put in the extra work, but we offer the opportunity to everyone.

We also have diversity ambassadors in all our regions and all our offices, a lower level where you can be brand new to the company. They are the eyes and ears in the field on a daily basis.

In our DEI hierarchy, we also have task forces for recruiting, culture and inclusion, and communications. They partner with business functions. For example, with anything that has to do with marketing, they make sure that we're cognitive of different cultural holidays and things happening in the world.

CONDUCT TOWN HALLS

Eileen Benwitt

Executive Vice President and Chief Talent Officer

Horizon Media

Marketing company

New York

Recently we had our first town hall dedicated to DEI, called Agency of Belonging. This was 100% dedicated to our mission and work we've done in this area, and moving forward we will have regular meetings. It was two-way: We set up a link to inform the organization this was happening, and their questions let us know what was on people's minds.

These were things like how do we integrate an "agency of belonging" with our work for our clients? How do we ensure this is part of our DNA? How do we recognize the work that people are doing, and how do we find the balance of our work versus serving clients? Those were the more powerful questions. Others focused on benefits we've introduced, tactics, our changed time-off policy and our fertility benefit.

The value of what we shared at that meeting elevates the importance of DEI and gets people to think about what they want to do and how they show up and where they're leaning in.

It followed up on what we did in 2020, when we had a lot of open forums and created space for that discourse and conversation for people to share their own experiences and reactions and how they felt about what was going on around us. That room to be more vulnerable in the corporate world increased significantly, and it shouldn't be taken lightly. The level of vulnerability of people of color expressing their

own experiences with cops and any other experiences with that level of emotionality wasn't something I'd experienced before.

My worry is, how do you keep that safe space a reality or a norm? It's still there, but I also think it very easily can go away without the right pressure to keep a focus on it.

ENLIST DIVERSE VENDORS

Patricia Karam

CEO and Owner

Mission Recruit

Employment agency

Atlanta

As a minority and female owner, we count as a diverse spend for Fortune 500 companies, which has been instrumental for us. We have a beautiful client list of companies that care about DEI Initiatives.

But many companies spend a lot of money to show off their brands and investments in groups for DEI purposes but they don't actually bring on diverse vendors. That's because when you look at Fortune 500 companies, they're so big that it's hard to streamline something in such a huge, matrixed organization. It has to come from leadership.

Teams that are dedicated to DEI can't do much; their hands are tied. They're not able to tell the business leaders, "These are our goals and initiatives, and stop bringing in vendors that aren't diverse." Ultimately, to be inclusive, it has to come from the leadership.

BE INTENTIONAL AND SYSTEMATIC

Michelle Hay

Global Chief People Officer

Sedgwick

Insurance-claim management service

Memphis

I came here a year ago and found a focus on "D" and "I," and in the last couple of years a shift to adding "E," like other companies. We're focused on ensuring that DEI isn't a standalone function that operates independently in the business. It has to exist solely to solve business problems, and we need to declare what business problems we're trying to solve.

Diversity increases profitability. We have to get in diverse talent, and to do that, we have to create an environment where diverse people want to be and stay.

To get to "E," you have to start with "D," and it's important to set a baseline. What do your demographics look like at all levels in the organization and at different locations? Also, from the "I" perspective, how do colleagues feel about being welcomed, valued, respected and heard? You need an index for capturing that.

Then what does that tell you about what different populations in the organization feel, and where do the gaps exist? We've developed our strategy to fill in the gaps and set goals for that from our diversity metrics. For example, if there are imbalances, we need to set goals and dissect specifically what is happening through that funnel to understand where we're losing women – and action that. That's where equity comes into play: developing specific programs that different cohorts need.

AIM BROADLY FOR INCLUSIVITY

Julie Kae

Vice President of Sustainability and DEI

Qlik

Provider of analytics software

King of Prussia, Pa.

It's not about a scorecard for us, or a 50% target or goal, but about being a truly inclusive workplace where, from the C-Suite down to new hires, people feel they come and are expected and can bring their full energy to work.

We are looking at DEI to include what's the best way to bring new faces to our workforce. For instance, we may have rewritten a job description that requires a college degree and five years of experience. Maybe now it's a two-year degree and more experience. That brings diversity that we need as a growing business.

We also watch so that our DEI efforts don't swing so far one way that we actually create more silos than you have. You could be so focused on hiring women, for instance, that you might not bring some very talented men into the organization. By broadening our scope of inclusion, we want to hire the best individual for the job and surround them with the resources so they can fly.

We also are launching a new ERG along the lines of disabilities. That has been largely ignored by the DEI movement of the last few years. And the emails I'm getting back on this from across the globe are thanking us for addressing this and bringing it to the forefront of the DEI platform.

TRANSFORM THE MANAGEMENT TEAM

David Morales

General Manager, UniCare division

Anthem

Health insurer

Boston

DEI is crucial to me. I'm Hispanic. And when I got to the company two years ago, it was...me. There were few associates of color at the leadership and management level. In customer service, we had diversity. Now, in the health-plan space in Massachusetts, we have the most diverse leadership team.

I'm Hispanic and our leader; an Indian American woman leads our analytics; an African American woman heads our operations; an Army veteran is our chief medical director; a woman leads our account management; and an African American woman heads our operations. I'm very proud of that.

We did it all in 18 months. We had to transition a good number of people, about 10% of our workforce, of our 500 people. But I was recruited by Anthem to enhance this business, which was in dire need of transformation.

The previous lack of diversity was crucial. The state of Massachusetts is 14% people of color, and state employees that we service are roughly the same percentage. The majority of our members work in urban areas, which are 20% to 50% minorities. I thought it was extremely important to represent the communities we serve from a racial, ethnic and income perspective.

Income trumps race and ethnicity across the board and often is a major determinant of health. So we have to make sure we understand our members from an income perspective as well. If you're a wealthy Black or Hispanic, you can typically access or buy most services. But if you're low-income of any race, oftentimes it can be significantly challenging.

MAKE WAY FOR ORGANIC ERGS

Lori Stahl

Chief People Officer

Vocera

Healthcare telecom provider

San Jose, Calif.

I've been leading our team since 2014, and while diversity has always been a subject of interest, 2021 was definitely a year of intention and awareness-raising. We worked to define the term and promote dialogue with employees, defining action and laying a foundation. In mid-2020 we also were able to add a dedicated employee on my team focused on DEI issues and the employee experience in general.

We've initiated three pivotal things. First, we've truly built a foundation with a very thorough assessment of our diversity numbers. What do we have? We have a very robust diversity framework, but how do we think about and build our program? We published our first diversity statement.

Second, we launched an intentional communications campaign aimed at driving awareness, celebrating different cultures and telling stories. We even defined [Islamic holidays] for people who might not know what they mean.

And we launched our first ERG: WISE, for Women In Search of Excellence. That's been fun to get going after employees developed it. Their mission is to make sure all women are provided the career opportunities they need to advance, raising their visibility, broadening their networks, sharpening their skills and sharing.

Early in the year we celebrated women in leadership and in their careers and threw it out to the organization. Who's interested and passionate about these issues? With that, we got more volunteers. It shocked us the number of people who raised their hands and said it was important to them. And they're getting recognition and executive awareness.

Dale Buss is a long-time contributor to Chief Executive, Forbes, The Wall Street Journal and other business publications. He lives in Michigan.

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