

# What's Wrong with Current DEI Initiatives and WHAT NEEDS TO CHANGE?"

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MCE Quarterly - Autumn 23 Edition

# Systemic changes are needed to make diversity, equity, and inclusion initiatives sustainable and effective.



In November 2022, amid the tech layoffs already disproportionately affecting Black and Latinx professionals, Elon Musk reportedly dissolved all of Twitter's employee resource groups (ERGs), including Blackbird and Twitter Women.

These groups had been formed to look after the career development and safety of workers from marginalized groups. Founded by Shavone Charles,

Blackbird was known as an impactful business resource for Black tech employees and allies. To many Black professionals, Musk's axing of ERGs at Twitter is representative of how DEI initiatives have been dismissed in the professional world as a whole.

"For many Black people, Blackbirds is the reason they chose to work at Twitter," said Blackbird member Siobhan V. Massiah in a LinkedIn post at the time the layoffs took place. "We supported Black people who had never worked in tech to excel in their new spaces." In an industry dominated by White men, it has always been a challenge for diverse professionals to begin a tech career. With DEI efforts seeming to fall by the wayside, encouraging women and people of color to pursue a career in fields such as tech is becoming even harder.

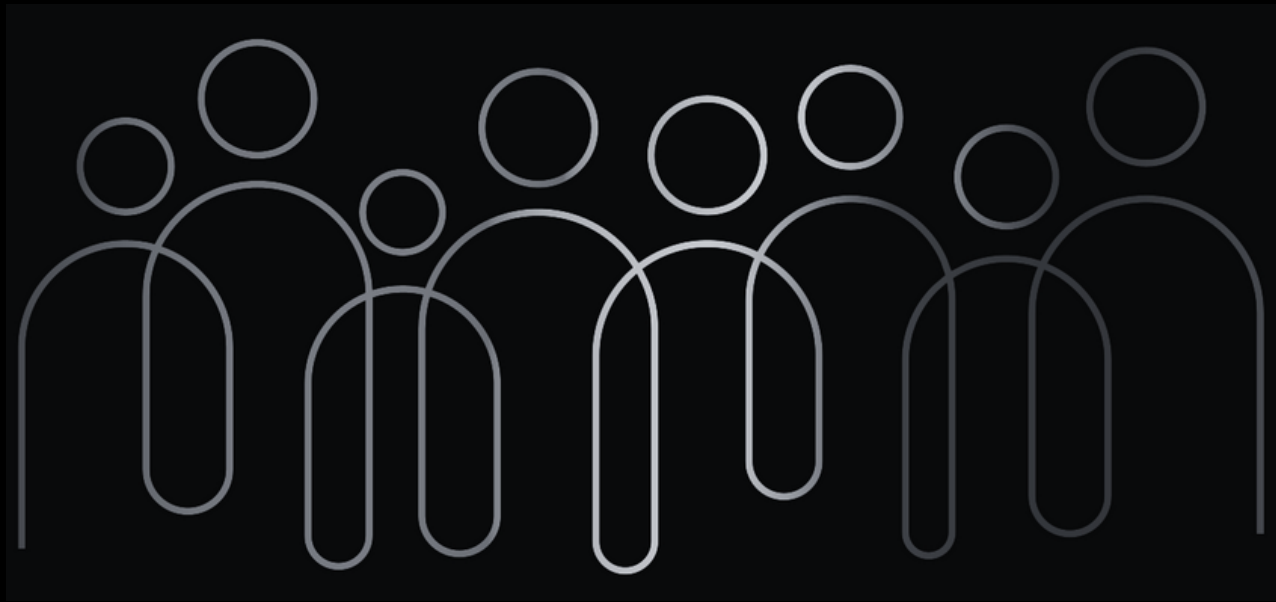
To remedy the shortcomings of DEI initiatives, business leaders need to learn from past mistakes and take a more authentic, thought-out, and long-term approach to creating real change.

From 2019 to 2021, DEI initiatives jumped from 29% to 43%, according to statistics cited in Glassdoor's November 29, 2022 post "Who Cares About Diversity, Equity and Inclusion?" Through the third quarter of 2022, this number dipped to 41%. In 2023, DEI initiatives are still lacking. The Monster 2023 Work Watch Report stated that only 5% of recruiters see DEI as one of their top three priorities for 2023. In the same report, 10% of respondents said diversity initiatives are among the "first to go" in the unstable economy.

These are the key reasons why DEI initiatives have not been effective in a sustainable way.

## THE PROBLEM OF INAUTHENTICITY

If employees do not trust their employer to have their best interests at heart, they become disengaged and unsatisfied in their positions, which is costly for organizations. When there is a lack of trust regarding DEI efforts, employers lose trust not only among their employees but also their consumers, stakeholders, and the general public.



In a May-June 2020 Harvard Business Review article, “Begin with Trust,” Frances X. Frei and Anne Morriss break down the driving factors of trust—the Trust Triangle, they call it.

The Trust Triangle is made up of authenticity, logic, and empathy. They write, “People tend to trust you when they believe they are interacting with the real you (authenticity), when they have faith in your judgment and competence (logic), and when they feel that you care about them (empathy).”

Organizations will benefit from applying the Trust Triangle to their DEI initiatives. By now we know that inauthenticity plays a huge factor in the failure of DEI efforts. When employees and consumers detect performative allyship, they do not trust that the organization will see its goals through.

Weak logic comes into play when business leaders do not incorporate facts and tangible metrics into their DEI initiatives—that is, if an organization’s plan solely consists of vague aspirations with no tangible action steps or key performance indicators (KPIs).

Leaders show empathy by demonstrating that they truly care and believe in their employees. In terms of DEI, this looks like investing in diverse employees as professionals and people. A great way to implement an empathetic approach to DEI is to promote long-term career development for diverse employees in all departments and at all levels.

### **BLAMING THE ECONOMY**

When the economy is in a vulnerable place, DEI positions become an easy scapegoat and vulnerable to cuts. While most positions affected by the surge of

layoffs were in the tech and startup industries, it begs the question, why were DEI professionals some of the first to be let go?

Many corporations hurried to demonstrate their dedication to DEI, focusing more on the optics than the movement’s true purpose. As a result, many organizations did not take ample time and care to invest in the proper resources and map out the proper objectives.

If thoughtfully implemented and monitored, DEI initiatives will lead to more diversity, higher employee engagement, and greater innovation among teams. DEI programs and their leaders will be as mission-critical as the CFO regardless of the state of the economy.

### **MISGUIDED RESOURCES**

In response to the demand for more DEI initiatives, many organizations allocated resources to presentations and workshops centered around diversity and inclusion.

While initiatives such as sensitivity and unconscious bias training may seem to be positive steps in the right direction, they can be severely damaging to trust if there is no follow-through with continuing DEI initiatives. Without follow-up efforts, these trainings end up looking more like a band-aid solely meant to appease employees and stakeholders.

Further, employees are often led to believe that one-off presentations are the beginning of a long-term commitment to DEI, setting them up for disappointment down the road when nothing further is executed.



**“Creating real, lasting change in DEI requires business leaders to implement medium- to long-term interventions that alter the structures of power and resources on a systemic level.”**



Not only do leaders need to implement ongoing, consistent DEI initiatives, but they need to bring in the right experts. Many organizations look to the most visible “DEI influencers” to deliver one-size-fits-all talks and workshops to their entire workforce. Instead, business leaders need to spend time researching and vetting DEI leaders and looking into ones who specialize in their industry and a specific department (that is, finding a DEI leader who specializes in working with C-suite executives in the consulting industry) for maximum impact.

### **HOW TO CREATE REAL CHANGE IN DEI**

Creating real, lasting change in DEI requires business leaders to implement medium- to long-term interventions that alter the structures of power and resources on a systemic level.

An organization that has found success in its DEI efforts is Progressive Insurance, which claimed the top spot in Forbes’ “America’s Best Employers for Diversity” in April 2023. Progressive recognized that the best way to earn their employees’ trust was to demonstrate their dedication to DEI through action. Here are some action steps organizations can take to model Progressive’s success in DEI.

### **PUT YOUR RESOURCES TO GOOD USE**

While Elon Musk was dissolving Twitter’s employee resource groups, Progressive was strengthening its own—all nine of them.

According to Progressive’s website, ERGs “act as a valuable resource for our business by providing first-hand knowledge and information about our customers and the marketplace.” In the past two years, Progressive’s ERG population has grown 28%, making a total of 42% of the company’s employees members of at least one ERG. Progressive has credited ERGs for improving employee engagement a promotion.

Forming and maintaining ERGs is a far better investment of resources than one-off inclusion workshops and sensitivity training. With these groups in place, organizations not only give underrepresented employees support but also give them a voice. Another way to manage resources is to have those doing the work inform the budget for it. Too often, executive-level leadership hands off these responsibilities to HR. But DEI touches all parts of a business, including both the employee and consumer experience.

### **PUT DIVERSE VOICES IN LEADERSHIP POSITIONS**

Zippia reported the following chief diversity officer statistics in the U.S.:

- 54.5% of chief diversity officers are women, while 45.5% are men.
- 76.1% of all chief diversity officers are White, 7.8% are Hispanic or Latinx, 7.7% are Asian, and 3.8% are Black or African American.
- Chief diversity officers who are White have the highest average salary at \$93,981, while Black or African American chief diversity officers have the lowest average salary at \$89,538.



These numbers reveal an ironic juxtaposition in which the very roles meant to champion diversity in the workplace are still dominated by the very people who are getting paid considerably more than people of color. This data reinforces the trust problem in current DEI initiatives.

If employees from traditionally marginalized communities feel represented in DEI leadership, they will have more trust that their employer truly has their best interests at heart. Seeing people who look like them in higher-level positions is empowering because it demonstrates an opportunity for career advancement.

Further, business leaders need to put more diverse voices in all leadership positions. The benefits of diverse leadership stretch beyond morale. In a sample of Fortune 500 firms, according to a study titled “Demographic Diversity in the Boardroom: Mediators of the Board Diversity–Firm Performance Relationship,” featured in the May 26, 2009 issue of the *Journal of Management Studies*, researchers found a positive relationship between board racial diversity and firm reputation and innovation, along with a positive relationship between board gender diversity and innovation.

One of Progressive’s DEI objectives reads, “Our leadership reflects the people they lead.” The company also says it must double the representation of people of color in senior leadership by the end of 2025. Collecting and analyzing data is a standard procedure for companies to keep an eye on how different procedures are working, so why shouldn’t DEI initiatives be measured too? Too often, organizations focus solely on what they do on the front end—the resources they allocate to DEI initiatives and the

number of diverse employees they hire—when they should be spending more time measuring the long-term outcomes of their efforts (how employee demographics have changed or not changed years after DEI efforts are initiated).

DEI leaders should set tangible goals for how they want their DEI initiatives to affect the organization in the long term, such as how many diverse voices are in leadership positions five years down the road.

“These indicators and metrics allow an organization to hold stakeholders accountable, identify and celebrate an initiative’s success or failure, measure return on investment, and make important decisions to tweak or change initiatives that aren’t working,” writes Lily Zheng, DEI strategist, consultant, and speaker in her December 1, 2022 article in *Harvard Business Review*, “The Failure of the DEI-Industrial Complex.” By formally measuring the outcomes of DEI initiatives, businesses are communicating an authentic dedication to their efficacy.

The backlash from Elon Musk’s dismantling of ERGs and the success of Progressive’s DEI initiatives can guide business leaders in transforming how their businesses foster diversity and inclusion. By investing resources where they matter, empowering diverse leaders, and measuring outcomes, leaders will raise the standards of DEI efforts to generate widespread, long-term change. AQ

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