Taking bold action for equitable outcomes
The DEI conversation shifts from activities to outcomes
Coauthored by Devon Dickau.

Diversity, equity, and inclusion (DEI) are often treated as a single monolithic objective, rather than separate but mutually reinforcing sets of actions—with diversity and inclusion being necessary prerequisites to achieve equitable outcomes. DEI progress has traditionally been measured based on activities and effort, often with little consideration for actual outcomes achieved. DEI actions should be in service of achieving equitable outcomes in the workforce—and broader society—while boosting an organization’s innovation, competitiveness, and long-term business success.

In the last two years, large multinational organizations made more than 1,000 public DEI commitments and pledged more than US$210 billion to DEI initiatives, inviting increasing accountability for DEI-related promises. Workers across the ecosystem, customers, suppliers, shareholders, and society now expect organizations to fulfill their commitments and responsibility to make a positive impact on the world not simply by demonstrating activity but by proving progress and living up to the expectations of a social enterprise. For example, Generation Z and millennial workers who are satisfied with their employers’ societal and environmental impact, and their efforts to create a diverse and inclusive environment, are more likely to want to stay with their employers for more than five years. Meanwhile, performative actions—those focused on appearing to address issues...
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without the commitment of time and resources to achieve real outcomes—may erode trust in leadership and the organization, potentially impacting attrition and employer brand, particularly among marginalized identity groups.⁵

Some organizations are making progress on DEI actions. Specific to diversity, there has been a 1% increase in the representation of women in the global workforce since 2017, and a 6% rise in the number of women in C-suite roles (although only 26% of C-suite roles are filled by women).⁶ As it relates to inclusion, we have observed that many organizations are making progress in that there are increased perceptions of being able to bring one’s “authentic self” to work. This is the case at Deloitte, as our 2022 DEI Transparency Report reveals a year-over-year increase in the perceptions of bringing one’s “authentic self” to work across several identity groups.⁷

However, actions and programs that are diversity- or inclusion-focused do not always result in equitable outcomes. As an illustration, many organizations have developed leadership programs for women in pursuit of more gender diversity in senior leadership roles. These programs often are intended to promote diversity and enable a culture in which the program participants feel included. Yet, many organizations may not update systemic processes, such as internal mobility or performance management practices, which may serve as barriers to equitable advancement. A focused program does not guarantee equity for those program participants. Instead, equity acknowledges that the organization as a system is designed to give everyone—with both consideration for and regardless of identity—equitable opportunities to thrive. While the representation of women in the workforce may be increasing globally, the fact remains that for every 100 men who are promoted, only 87 women are promoted—and women leaders are still leaving organizations at higher rates than men.⁸

Organizations face four common challenges in furthering DEI progress:

- **Too much emphasis on activities, not enough on equitable outcomes.**
  According to the Deloitte 2023 Global Human Capital Trends survey, 23% of organizations measure progress regarding diversity commitments through adherence to compliance standards—which may focus on activities instead of the impact of those activities. For example, the existence of mentoring programs for specific identity groups versus the outcomes those programs produce such as intent to stay and perceptions of fairness.

- **More focus on solving for the individual than on solving for the system.**
  Organizations typically prioritize DEI activities that address professional development, unconscious bias, and inclusive behaviors at the individual level. Often this comes in the form of training alone, yet research shows that individual-focused DEI training alone, which is point-in-time and widely distributes accountability, generally does not instigate the behavior change required to improve equitable outcomes.⁹ Focusing on the individual is insufficient in overcoming the underlying institutional (within the organization) and structural biases (acknowledging that an organization is a system within broader systems of culture and society) that are barriers to DEI progress.
• **Over-aggregated data to report progress or results.**
  Many organizations do not proactively collect and synthesize data needed to deliver actionable insights on DEI beyond workforce representation (i.e., diversity)—and even then, the data may be over-aggregated, making it difficult to surface equity challenges facing specific identity groups. For example, organizations often track internal mobility of workers by identity groups, but fewer analyze internal application rates to understand potential disparities in the number of attempts to apply for internal roles—potentially surfacing inequities across identity groups in accessing internal mobility opportunities.

• **A disconnect between DEI objectives and other business objectives.**
  Social enterprises prioritize societal value as a component of (not separate from) business outcomes. Deloitte calls this the “Purpose Premium,” suggesting that organizations with a focused strategy that articulates the differentiated role it serves in society realize value and competitive advantage through improved reputation, innovation, market valuation, operational efficiency, risk mitigation, and talent outcomes. Similarly, decades of research has revealed correlations between more diverse and inclusive organizations and core business objectives such as innovation and profit. Yet, according to Deloitte 2023 Global Human Capital Trends survey respondents, only 15% (diversity) and 30% (inclusion) indicate that their organizations connect diversity and inclusion progress—which contribute to equitable outcomes—to business outcomes such as increased profitability or productivity. Equitable outcomes should be considered business outcomes, not separate from “the business.” Senior executives, in collaboration with DEI leaders, should consider taking the lead on systemic change. Although more than 90% of CEOs have built DEI into their strategic priorities/goals, bold actions are required to achieve equitable outcomes.

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**GLOSSARY OF DEI TERMS**

**Equitable outcomes** are when all people have fair access, opportunity, resources, and power to thrive, with consideration for and elimination of historical and systemic barriers and privileges. Equality, by comparison, is when all people are treated identically, without consideration for historical and systemic barriers and privileges.

**Diversity** is the representation, in a group, of various facets of identity, including (but not limited to) race, ethnicity, nationality, gender identity, LGBTQIA+ identity, socioeconomic status, ability, religion, geography, education, and age.

**Inclusion** is the actions taken to understand, embrace, and leverage the unique strengths and facets of identity for all individuals so that all feel welcomed, valued, and supported.

**Systems** are sets of things working together as part of a mechanism or an interconnecting network. Society is a system that includes organizations. Organizations are systems. Within organizations, the talent life cycle is a system. Therefore, a change in one part of the talent life cycle can impact other parts of the talent life cycle.
The readiness gap

In the Deloitte 2023 Global Human Capital Trends survey, 86% of the business leaders we surveyed say embedding DEI into everyday ways of working and teaming while measuring outcomes is important or very important to their organizations’ success. Yet only 25% feel they are very ready to address the issue.

FIGURE 1
The readiness gap for DEI

Embedding DEI into everyday ways of working and teaming while measuring outcomes is important or very important to my organization’s success

My organization is very ready to embed DEI into everyday ways of working and teaming while measuring outcomes

86%

25%


According to the Deloitte 2023 Global Human Capital Trends survey, most organizations have prioritized diversity and inclusion actions over equitable outcomes. In fact, the top benefits of organizations’ DEI efforts are primarily focused on inclusion-related outcomes such as “worker engagement and well-being.” Meanwhile, equitable outcomes such as “stronger leadership pipeline and increased talent access” and “contributions to positive community or societal outcomes” fall within the bottom four, along with “increased innovation” and “enhanced ability to anticipate future disruptions and agility in meeting business and workforce needs.”

Looking ahead 2–4 years, surveyed respondents expect their organizations’ DEI efforts to have a large impact on “increasing brand recognition” (27%), but much less of an impact on achieving equitable outcomes such as a “stronger leadership pipeline or increased talent access” (9%) and “contributing to positive community or societal outcomes” (10%). What’s more, 24% of organizations are not establishing accountability or measuring progress in their equity commitments. Our conclusion in evaluating these survey results is that there may be a DEI “commitment drift” on the horizon.

The new fundamentals

Re-orient to outcomes, not activities. It’s important to measure DEI success according to DEI outcomes (that is, what is changing?), not what is being done (such as dollars spent, trainings completed, or participation in affinity groups). Organizations should identify the specific inequities that exist across identity groups within their own organizations, uncover the root causes of those inequities, and design interventions and
solutions to address them. Just as every business strategy is tailored to the individual organization’s customer needs, achieving equitable outcomes requires a tailored approach specific to each organization’s strategy, context, and history of engagement with communities.

**Focus on the system, not the individual.**
Inequity is a dynamic, systemic challenge requiring a systemic response. Deloitte’s Equity Activation Model (figure 2), introduced in *The Equity Imperative*, presents a systems-based view of how businesses can activate equitable outcomes within and outside of their own organizations. The model is structured around three primary spheres of influence (each of which includes activators and enablers) that are within every organization’s reach: workforce, marketplace, and society, all of which are encircled by organizational culture.

To unleash an organization’s potential to make DEI impact in the marketplace and society at large, organizations should first prioritize equitable outcomes for the workforce. Yet, many DEI efforts have historically focused on single workforce processes (such as talent acquisition or succession planning) rather than the interconnected system of workforce processes across the talent life cycle. Systemic change requires that DEI efforts cascade across the talent life cycle and traverse multiple talent processes to mutually reinforce equitable outcomes.

**Produce disaggregated actionable insights, not aggregated descriptive data.**
Disaggregated data can uncover equity barriers that exist at each stage of the talent life cycle, enabling an understanding of the unique root causes associated with individual and intersectional identities. A comprehensive assessment can reveal moment-in-time inequities and establish a baseline for continuous sensing to enable immediate intervention and predictive modeling to address the needs of specific identity
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Disaggregation of data also allows for intersectional analyses or a multivariate synthesis of multiple identity groups. For example, surfacing insights about the experiences of people with disabilities who are LGBTQIA+ compared to those with disabilities who are not LGBTQIA+.

**Center DEI as intrinsic to, versus separate from, the business.** Equitable outcomes impact and are impacted by every part of the business, suggesting an interconnection between HR-anchored DEI efforts and DEI efforts focused on products, services, supply chain, community impact, and more. The Deloitte 2018 Global Human Capital Trends report introduced the concept of a symphonic C-suite, which entails leaders acting as a symphony of experts playing in harmony instead of a cacophony of experts who sound great alone, but not together. That concept applies here, too. Executives across the organization should be held accountable for championing systemic change and driving accountability in others to achieve equitable outcomes. Many organizations have evolved from having assigned HR leaders solely responsible for DEI, to creating roles such as chief DEI officers who are members of or report to the C-suite. However, accountability for achieving equitable outcomes is not just the responsibility of DEI leaders or HR but all leaders across the organization—including members of the C-suite. Addressing systemic inequities requires a commitment to improving equity in all organizational decisions, policies, practices, and actions across spheres.

In applying these new fundamentals, organizations should consider a “glocal” (global-local) approach. As organizations make the shift to solving inequities, one global DEI strategy will likely not work for every region or country. For example, there are elements of representation such as gender, age, disability status, and sexual orientation that may be relatively consistent worldwide, while other elements, such as race, ethnicity, and religion, as well as regulations, culture, and history vary greatly across geographies. A truly global DEI strategy is not one created by headquarters or the leaders in the most populous country, but one that is globally designed from the outset.

**Current experiments: What leading organizations are exploring**

- **Google** has been reporting its workforce representation data since 2014, significantly earlier than most other companies. In 2022, Google publishes trend data for workforce representation, hiring, attrition, exits, and self-ID, tech versus non-tech versus leadership roles, by race/ethnicity and by gender—globally and by region. Such depth and specificity allow workers to see themselves in the data and pinpoint areas of strength and opportunity. Importantly, intersectional data for the US workforce—for example, hires of Black women compared to Black men, or attrition for Asian women compared to Asian men—allow even more precision to enable development of solutions to drive equitable outcomes for cohorts that are most underrepresented. Chief diversity officer Melonie Parker, speaking to the power of data, notes, “We are seeing promising progress in the improved attrition for many of our intersectional communities...The data from our Diversity Annual Report also shows us areas where we’ll work to do better, and we remain focused on improving hiring and retention for [those specific communities].”
• **Unilever**: UK-based consumer products company Unilever created a disabilities inclusion program informed by comprehensive analysis of the physical accessibility of sites, the accessibility of virtual sites, and recruitment processes. The organization conducted a survey of more than 2,000 employees across Brazil, India, and the United Kingdom, carried out in-depth interviews, and asked individuals to keep a diary of their working environment to inform both root causes and potential solutions. Global guidelines for disability inclusion facilitate accessibility in IT, talent acquisition, communications, and workplace design.17

• **Genentech, a member of the Roche Group**: In 2021, nearly all Genentech senior leaders identified specific actions to advance the three strategic pillars of the pharmaceutical company’s DEI strategy: foster belonging, advance inclusive research and health equity, and transform society on their own teams. For greater transparency, Officer Action Plans are shared with employees annually. “Awareness among our employees drives accountability and pushes these plans forward,” said Emily Reyna, head of Diversity & Inclusion Business Partners.18

### The path forward

**FIGURE 3**

**Survive. Thrive. Drive.**

<table>
<thead>
<tr>
<th>Survive</th>
<th>Thrive</th>
<th>Drive</th>
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<tbody>
<tr>
<td><strong>Survive</strong></td>
<td><strong>Thrive</strong></td>
<td><strong>Drive</strong></td>
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<tr>
<td><strong>Remain viable in the marketplace</strong></td>
<td><strong>Differentiate to gain competitive advantage</strong></td>
<td><strong>Lead the market by radically innovating and transforming</strong></td>
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<tr>
<td>- Set DEI goals and assign them to leaders</td>
<td>- Identify and execute goals based on desired equitable outcomes, with a focus on finding insights and root causes that will directly impact goals and actions</td>
<td>- View workforce processes as a system to understand equity implications within and across processes</td>
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<td>- Use currently available data as a basis for measurement and reporting</td>
<td>- Embed equity goals in the strategy and execution of each talent practice</td>
<td>- Build trust so workers understand how data will be used, benefits of sharing, and feel safe self-identifying</td>
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<tr>
<td>- Report on representation, participation rates, and workforce sentiment broadly internally and as is required by local regulators</td>
<td>- Launch campaigns such as self-ID (as allowed by local law) to increase data accuracy</td>
<td>- Shift analysis from historical and current to predictive to determine where the next inequity might occur</td>
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<td>- Designate a full-time DEI leader who is informed about all workforce practices, policies, and processes</td>
<td>- Hold all leaders accountable for equitable outcomes (tied to their performance management and compensation)</td>
<td>- Make DEI part of the leadership DNA, exemplifying and actioning DEI priorities on their teams</td>
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<td></td>
<td>- Identify leading practices to try as experiments, and iterate over time</td>
<td>- Provide the DEI leader with investment, influence over work practices, and access to the C-suite</td>
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<td></td>
<td>- Release publicly available transparency reports (as transparent as local laws allow)</td>
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Source: Deloitte analysis.
Looking ahead

Delivering meaningful and equitable outcomes requires a well-crafted DEI strategy and implementation plan that has leadership buy-in and support and that is supported by financial resources and dedicated full-time workers across the organization. Key focus areas include changes to organizational capabilities, operating models, and governance—and transforming the organizational culture.

When measurable progress on equity is not being made, the instinct might be to double down on programmatic DEI. However, sustainable change happens by connecting all internal and external parts of the business across the entire business ecosystem. Organizations should orient themselves toward equitable outcomes and then equip individuals accordingly.

Transparency and clarity around success metrics can enable accountability to internal and external communities affected by inequities and help people within the organization understand what is being done. Sharing the why and how helps build trust and enhances worker engagement—making everyone in the organization part of the DEI journey.

The new fundamentals of DEI lay a path to bold action in pursuit of more equitable outcomes for all.

Deloitte’s 2023 Global Human Capital Trends survey polled 10,000 business and HR leaders across every industry, with 105 countries participating. The survey data is complemented by interviews with executives from some of today’s leading organizations. These insights gathered shaped the trends in this report.
Endnotes


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