Are Your Organization’s DEI Efforts Superficial or Structural?

Harvard Business Review |Tsedale M. Melaku & Christoph Winkler | June 29, 2022

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Diversity, equity, and inclusion efforts are not a “thing” like a program, office, or title. They cannot rest on a single person, initiative, or place. For too many organizations, DEI ends up a mere scaffold that does little to bring about actual, substantive change. And scaffolds are additive, instead of becoming integral parts of the existing organizational structure.

We have watched these scaffolds evolve in a number of ways over the last two years, including the spate of organizations hiring Chief Diversity Officers (CDOs), frequently women of color, without empowering them to root out the cause of systemic inequities. CDOs become the point person tasked to manage and mitigate DEI problems raised by internal and external stakeholders. They serve as a buffer for the organization’s leadership and, unfortunately, the buck tends to stop there.

So what can organizations do to determine if their DEI initiatives are mere scaffolds or performative solidarity — or whether they’re positioned to put racial and gender equity at the center of the company’s core values and move the needle on change. Building on our personal and professional experiences, research, and work with organizations, we developed the following framework intended to help leaders move DEI to something deeply woven into an organization's mission, culture, and values. We describe them here as a series of questions leadership teams should ask themselves, including:

Are we providing equitable access to career opportunities?

While it's essential to recognize that representation at all levels in the organization is critical, it's even more important to pay attention to what happens to Black, Indigenous, Latinx, Asian, and other people of color as they gain entry into the organization. Are they afforded access to equitable professional development, mentorship, sponsorship, pay, performance reviews, networking, and opportunities for advancement and promotion?

We suggest going beyond a diversity "scorecard" approach that measures progress in descriptive terms. These scorecards are often flawed as they look at progress incrementally in relation to peers. In particular, the emphasis of scorecards is on quantification as opposed to the qualitative experiences of individuals which can speak to high attrition, low promotion, and advancement rates. We recommend organizations utilize both the numeric value of representation and couple this with strategic ways to measure the actual experiences of individuals within the organization.

Are we promoting a culture of allyship?

Leaders too often remain silent in the face of overt and subtle forms of racial aggression, making them complicit in upholding systemically racist structures. For organizations to promote a culture of allyship that ultimately raises accountability at individual and organizational levels, they need to do the work of empowering individuals to take risks to create the environment that will sustain change. This requires acknowledging, supporting, and rewarding behaviors and practices that promote equity across the organization.

Leaders need to be vocal and transparent about what allyship means within their workplace, how every individual can practice it, and how every individual can contribute to building an inclusive and equitable environment. This requires evaluating internal practices and policies, developing sustainable equity programs that target systemic issues such as pay, and creating a reward structure that acknowledges the impact of authentic allyship on workplace culture.

Have we made a public commitment to DEI with external partners? And are we prepared for pushback?

When an organization's leaders make themselves publicly accountable to the realities of systemic racism and other inequities, we begin to see metrics and deliverables that target structural change. In the last two years, the heads of organizations, including Nasdaq, Goldman Sachs, and The Coca-Cola Company, have made public announcements not just about their general commitment to diversity and equity but to how they will hold themselves and their business partners accountable.

Nasdaq issued a proposal that requires Nasdaq-listed companies to disclose their board diversity with regards to "self-identified gender, race, and self-identification as LGBTQ+." Based on board size, companies will be required to have at least one person from an underrepresented group for boards with less than five people, and a minimum of two for larger boards within a set period. If companies do not comply with Nasdaq's diversity objectives, they will be required to explain why they are unable to meet these objectives.

Similarly, in 2020, one of Goldman Sachs' diversity initiatives targeted boards, where they planned to only underwrite IPOs of companies with at least one diverse board member. In 2021, they increased this to at least two members, of which at least one must be a woman.

The Coca-Cola Company, meanwhile, has undergone its own, quite public, journey on diversity initiatives. In September 2020, they hired Bradley Gayton as general counsel. He outlined new diversity initiatives compelling all law firms the company contracts with to establish clear diversity and accountability metrics via an open letter in January 2021. This set an important precedent since it ultimately puts pressure on law firms to hire and develop a more diverse workforce. For instance, 30% of the billable hours must go directly to diverse attorneys, of which half must be Black lawyers. As a result, law firms are forced to rethink hiring, retention, and promotion strategies, making a diverse workforce a requirement instead of an aspiration. And Gayton's strategic targeting of Black lawyers paved the way for them to receive the necessary professional development, substantive assignments, and networking opportunities that would increase their chances for promotion and advancement.

While Coca-Cola was initially lauded for this bold diversity objective, it soon faced backlash from dissenters who argued that these new diversity goals were discriminatory. This led the initiative to come to an abrupt pause following the unexpected resignation of Gayton in April 2021. There was strong pushback from company shareholders who believed the initiative was violating the fiduciary responsibilities of the board since they feared potential lawsuits in violation of Title VII and IX of the 1964 Civil Rights Act, as well as the American Disabilities Act. Given the outside pressures and internal pushback, The Coca-Cola Company recently confirmed that this diversity initiative has never gone into effect, and it will not move forward.

Public commitments are essential mechanisms to establish clearly defined accountability metrics across all stakeholder groups. While substantive and structural changes are often met with pushback, these statements need to be followed with a conviction toward long-term outcomes that invite everyone to become part of that change, potentially forcing organizations to rethink whom they do (or do not do) business with.

Do we know how we'll measure our progress (or lack thereof?)

While we know that substantive change often does not happen overnight, we cannot become complacent with slow, incremental progress. Organizations need a plan for measuring their DEI efforts. As critical race and legal scholar Kimberlé Crenshaw argued in 1988 with respect to antidiscrimination law, "There is no longer a perpetrator, a clearly identifiable discriminator. Company Z can be an equal opportunity employer even though Company Z has no blacks or any other minorities in its employ. Practically speaking, all companies can now be equal opportunity employers by proclamation alone."

We see accountability metrics that include outside requirements as a potential catalyst for better, faster change. For example, at a law firm, requiring a breakdown of the racial and gender makeup of teams, as well as billable hours, and quantifications of substantive work assignments during the contract negotiation process would provide transparency with respect to diversity goals. In other industries, these could take the form of vendor or supplier requirements, banking strategies, and other ways to connect the ways of doing business with the need for substantial DEI progress. These outside requirements may utilize penalties or incentives based on compliance.

Leaving DEI scaffolds in place can create the "illusion of inclusion," which organizations must fight against. A moral imperative is lost when these efforts become a signal instead of a cultural and social necessity. It becomes a public relations and human resource function that maintains the status quo. It is only through critical self-examination that organizations can learn to face this uncomfortable reality, which has the potential to empower them to create an equitable work environment based on a foundation and culture of shared responsibility and organizational accountability.

Consider that since 1955, out of 1,800 CEOs in Fortune 500 companies, there have only been 22 Black chief executives. Presently, there are only five Black CEOs in the Fortune 500. A similar picture presents itself in the legal profession where Black men and women lawyers remain abysmally underrepresented in partnership positions, at 1.36% and .86%, respectively. Similar issues can be observed in academia, medicine, and STEM. This systemic leadership gap makes it apparent that Black decision-makers are still not seated at the table today, despite the call.

We start to challenge these racist and gendered systems by acknowledging their inequities and creating new ways of holding ourselves and our external partners accountable for how we either maintain or disrupt them.