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## **ARTICLE** **DEMOGRAPHICS**

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*by Avivah Wittenberg-Cox*

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# Deloitte's Radical Attempt to Reframe Diversity

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Deloitte has started a major debate in diversity circles by [turning its approach upside down](#). The firm is ending its women's network and other affinity groups and starting to focus on...men. The central idea: It'll offer all managers — including the white guys who still dominate leadership — the skills to become more inclusive, then hold them accountable for building more-balanced businesses.

“A lot of our leaders are still older white men, and they need to be part of the conversation and advocate for women,” is how Deepa Purushothaman, national director of Deloitte's soon-to-be-disbanded women's employee resource group (ERG), [puts it](#).

This is a reversal from the strategy large companies have been trying for decades: focusing on empowering “out groups” through dedicated networks, known as affinity groups or ERGs. This approach was pioneered in 1970 when Xerox launched [the first one](#), now called the National Black Employees Association. Today many large companies have ERGs for employees of color, LGBTQ employees, women, and so on. The idea was to help these groups feel more engaged in corporate cultures created and dominated by straight white men. Out-group employees would gain confidence and help each other. Their concerns could more easily be heard and addressed. The groups would also offer easy, in-house access to insights into different customer segments.

It was a well-intentioned and — to be fair — pretty radical idea in 1970. Some of those aims were achieved. But the overarching objective and promise of these groups never quite materialized: that they would help out-group employees reach the top echelons of leadership. This was never achieved in part because of a flawed underlying assumption that the ERGs’ unspoken purpose was to help out-groups figure out how to assimilate, and assimilation was a prerequisite for promotion.

Not that ERGs haven’t been popular with the people in them. Nearly every major company, for example, has introduced women’s networks, run by women for women. Many women in them love them; they enjoy talking together and sharing strategies for coping with male-dominated corporate cultures (often criticized by skeptical men as “wine and whine” sessions). As one woman in a prominent law firm told me, “It is the only place I feel I can be myself.”

A lot of white men also liked this approach to managing diversity — sponsoring or setting up an ERG offers a feel-good sensation of “doing something.”

But the reality was that few of these networks were properly funded, their leaders were usually doing all the work in their spare time, and the visibility they gained from running an ERG didn’t necessarily serve them well in getting a promotion to a big operational role in the business.



**VIDEO** WHY THE MOST COMMON DIVERSITY PROGRAMS DON'T WORK

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Over the decades, these efforts too often became a convenient excuse for a lack of progress. Their continued presence today allows in-group men to say they “support women” (or people of color, or LGBTQ employees) and then explain the lack of representation at the top as a lack of will or skill or ambition.

In the end, as Deloitte rightly [points out](#), these networks divide people up into artificial subgroups (which group does a black lesbian join?) and isolate them from the networks of power and influence that are such a key part of how leaders identify and promote people.

As the American population — and corporate talent pools — grow ever more diverse, the meaning of “diversity” is shifting. The sum of all the groups considered to be minorities ends up being something

entirely new: the majority. In this context, what was a radical idea in 1970 seems especially backward. Why tell the out-groups they have to figure out how to fit in, [instead of teaching the in-groups how to reach out?](#)

Consider gender. Women make up [more than half of university graduates \(PDF\)](#) in many countries, earn the majority of MAs and PhDs in the U.S. today, and are becoming the majority of customers, end users, and regulators in an ever-expanding range of businesses. They are the majority of many large companies' graduate intakes. Framing them as a special interest group has not been a useful way to address the business opportunities of an increasingly female talent pool and customer base.

Today's diversity challenge isn't getting more people to adapt to obsolete norms of leadership preferred by Baby Boomer white men. The challenge is to get all managers — and especially current leaders — skilled and ready to lead vastly more-diverse businesses and respond to increasingly diverse customer groups.

If ERGs framed inclusion as a special-interest-group issue, then Deloitte's shift to eliminate them is a powerful reframing. It's a way of saying that diversity is everyone's issue, and that the dominant group is who needs to evolve.

Deb DeHaas, Deloitte's chief inclusion officer, [sums it up clearly](#): "The key to unleashing the power of our diversity is inclusion. To us, inclusion is leadership in action.... It's everyone's responsibility, every day and at every level, to create the culture that can make that happen."

The reality is that most female CEOs who get appointed to the top are selected, groomed, and appointed [by male leaders](#). Xerox's Anne Mulcahy, IBM's Ginni Rometty, and GM's Mary Barra are the result of CEOs and companies that had pushed for better gender balance for decades. Google recently gender balanced its top team not because of incremental, organizational diversity efforts but because the CEO, Sundar Pichai, [decided to appoint](#) six women and seven men to run the business. Meanwhile, the rest of the tech sector continues to insist that such qualified women are impossible to find. Sad as I am to have to admit it, the future of female leadership in business is still in male hands.

Which leaves us with the task ahead: to educate and convince today's dominant group that inclusion is good for business. We won't do that without making it their issue and responsibility. That's where Deloitte and [some other global innovators](#) are headed. The question now is, Who will follow?

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