

ORACLE

Create a Culture Built on DE&I to Attract and Retain Your Workers



Introduction

Diversity, equity, and inclusion (DE&I) must be integral to every organization's culture. First and foremost, improving DE&I is the right thing to do, but it's also essential for organizations that want to compete in today's talent marketplace. As employees and candidates rethink the types of companies they're willing to work for and search for shared values, it's vital that your organization is genuinely committed to the cause.

People care about DE&I. 76% of job seekers and employees say a diverse workforce is important when evaluating companies and job offers. Nearly a third wouldn't apply if there were a lack of diversity, and the percentage is even higher for Black (41%) and LGBTQIA+ (41%) people.¹ Everyone wants DE&I in the workplace, but many organizations still have much work to do.

“Diversity is having a seat at the table, inclusion is having a voice, and belonging is having that voice be heard.”

*Liz Fosslie and Mollie West Duffy,
authors²*

In 2022, CEOs expect the labor and skills shortage to continue to be the top external disruptor of business.³ And, to make a challenging situation even more so, CEOs also say that DE&I is the area where there's the biggest lack of trust between the organization and stakeholders. If your employees don't believe you're committed, candidates won't either, and fewer people will want to work for you. Your already small pool of viable talent will continue to shrink.

Companies with diverse, inclusive workplaces have higher retention rates and an easier time recruiting candidates because these environments are desirable, and naturally, people are more likely to feel like they belong. Your organization can leverage your DE&I program to help retain and recruit talent if you're willing to do the work. HR must lead and help their company demonstrate commitment and build trust, infuse DE&I into the brand's public image, and continuously improve the status quo.

Build trust by demonstrating your commitment to DE&I

While more companies are publicly talking about societal issues in 2022, there's been an uptick in performative activism, meaning organizations take a public stand for the glory but never actually do anything to help the cause.⁴ Diversity, equity, and inclusion are increasingly imperative to job seekers and employees, and they know when organizations aren't sincere. Invest in the right areas to demonstrate your commitment to DE&I, build trust with your workforce and candidates, and make a positive impact.

Deloitte surveyed a diverse group of US workers in the fall of 2021 to find ways organizations can build trust in their DE&I commitments. The following recommendations show genuine intent⁵ and are globally relevant:

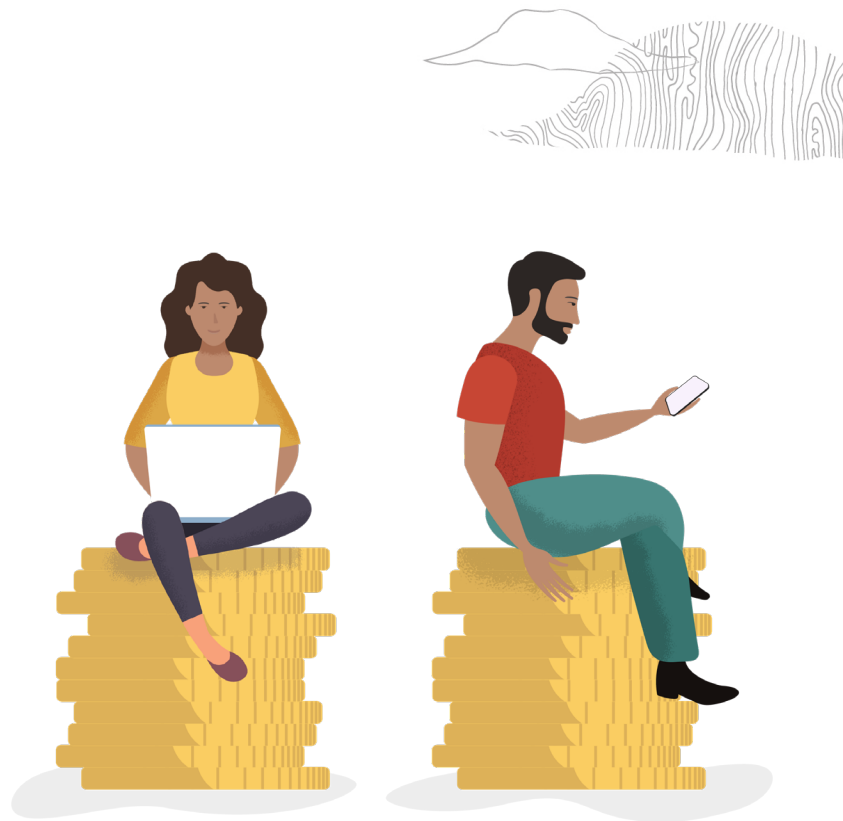
- Solicit input and involvement from all employees throughout program phases and cycles.
- Set clear, well-researched goals, especially those that address challenges faced by diverse groups within the organization.
- Commit funding for expertise, personnel, and programs that demonstrate and reflect the strategic importance of DE&I work.
- Increase accountability and demonstrate this by regularly communicating evidence of progress.
- Stay committed in the long term to hiring, training, and promoting employees from diverse groups, including for leadership roles.

CEOs reported that DE&I is the area where there is the biggest lack of trust between organizations and their stakeholders.³

Having a DE&I leader is critical to the success of your program. Someone needs to be responsible for collecting the right information, making strategic decisions, and driving the adoption of initiatives, such as the ones listed above, that will strengthen trust in your overall strategy. However, nearly 31% of organizations worldwide don't have a DE&I leader.⁶ These companies are at a severe disadvantage because problems baked into their policies and strategies are more likely to go undiagnosed and untreated—and their employees will notice.

Data should also play an important role in shaping your DE&I strategy. 80% of workers queried in PwC's global diversity and inclusion survey said their organizations don't gather and analyze data on discrepancies in compensation, hiring, performance, and promotions.⁶ It's no wonder employees don't think their organizations are serious about making real progress because gathering and analyzing data is one of the best ways companies can combat unconscious bias.

Pay transparency is widely discussed due to the persistent gender and racial wage gaps, and some governments are taking action that will force organizations to change their policies. For example, Finland is planning a new law to let workers see their colleagues' pay if they think they're being discriminated against.⁷ And a growing number of states and cities in the US now require companies to disclose pay ranges in their job postings.⁸ Openly sharing pay ranges is an excellent way to boost candidate and employee confidence in your organization because it shows transparency. Further, it saves precious time when filling positions by automatically weeding out candidates whose salary needs are too far apart from your budget.



Organizations that don't advance their DE&I efforts will further erode the thin layer of trust they have with their employees and lose good faith with candidates. The right technology can provide crucial support for DE&I initiatives—and help you track and demonstrate your progress. For example, Oracle Fusion HCM Analytics, part of Oracle Fusion Cloud HCM, has data models and KPIs prebuilt to immediately identify areas where your organization can improve by removing bias. You can easily see if advancements are awarded equitably by inputting data about worker ethnicities, gender ratios, and promotions. Oracle Fusion HCM Analytics also lets you track recruiting and talent management efforts to verify that your organization is reaching, interviewing, hiring, and retaining a diverse range of candidates. This includes people with disabilities, as many as 70% of whom are unemployed in industrialized countries.⁹

Teams that include neurodivergent workers can be **30% more productive than those without them.¹⁰**

Not all disabilities are physical. One in seven people in the UK is neurodivergent,¹¹ meaning their brain processes information differently than how society expects. Many impactful figures from the past and present are neurodivergent. Einstein likely had autism,¹² and Muhammad Ali had dyslexia.¹³ American gymnast Simone Biles is an Olympic legend and openly talks about having ADHD.¹⁴ Daniel Radcliffe has dyspraxia, which impacts his motor skills.¹⁵ Neurodivergent employees have much to offer their teams and organizations. Unfortunately, neurodivergent workers have historically been left out of the DE&I conversation, but that's changing.

Remote work has made it easier for people with disabilities to enter the labor force by eliminating physical and geographical barriers. Additionally, more technology companies are adopting new design and web accessibility standards so neurodivergent employees and customers can easily navigate web pages and software, making them more accessible.¹⁶ HR needs new standards, too, as they help their companies redesign day-to-day work so everyone feels welcome.

Of course, reasonable accommodation, which is any change to the hiring process, job, or the work environment that allows a person with a disability who is qualified for a job to perform the essential functions of that job,¹⁷ is the law in many countries—and rightly so—but your organization can go further and actively attract candidates in this segment of the population by preemptively creating an employee experience that makes people with disabilities feel included. Your DE&I leader can spearhead this initiative and rethink typical business practices and roles to make them more inclusive. Education is critical as well so all employees know how to interact respectfully with anyone who has a disability—visible or invisible.

Once HR has implemented a solid DE&I strategy, your organization should promote your efforts to help attract and retain people from every background.



Infuse DE&I into your public image

As an organization, your brand is more than your logo. It's what you're known for. Are you considered trustworthy? What does your advertising tell people about what you stand for as a company? Organizations that truly value DE&I understand that it needs to flow through every aspect of the business, both internally and externally. Infusing DE&I into your organization's public image helps reinforce your commitment and shows that your company is driving meaningful change.

HR can start by reviewing job posts and any templates you use to verify that all requirements are, in fact, essential and that you're not discouraging someone from applying who may have a disability. For example, does someone applying for an accounting job really need to be able to lift 50 pounds? Erroneous job descriptions may prevent people with disabilities from applying to a position and may violate the law. Language matters too. Does the worker need to be able to *stand* for a long time or just be at their workstation? Do they need to *drive*, or do they just need reliable transportation?

Next, you should work with IT to ensure that your website is accessible to everyone. For instance, videos need closed captions to accommodate people who are deaf or hard of hearing. Visually impaired people navigate the internet using screen readers that read everything aloud, from the alternative text that describes photos to the text on buttons. Using simple, clear language such as "apply now" makes it easier to submit a job application. This has ramifications for consumers as well. One study found that 71% of people with a disability who have access needs will leave a site that's difficult to use,¹⁸ meaning companies lose out on candidates and customers.

Representation matters too. As an HR team, you can talk about your commitment to diversity all day, but the photos shared on your company's website, social media channels, and in ad campaigns will undermine your message if everyone always looks the same. It's critical to partner with marketing and corporate communications to confirm that everyone understands that diversity, equity, and inclusion are a part of the company's identity and should be reflected in the public image. This also helps prospective candidates recognize that your organization cares about DE&I and is committed to improving it, which can lift your recruiting efforts.

Over the
last two
years

44% and 49%
of millennials
of Generation Z

made choices about the type
of work they'd be willing to do
or organizations they'd work
for based on personal ethics.¹⁹



As more members of Generation Z enter the workforce, a demonstrated commitment to DE&I is likely to be even more important for talent acquisition. Generation Z is on track to be the most diverse age group in US history—with only 52% identifying as white—and the most educated.²⁰ This is also the first generation in the industrialized world that has never known life without the internet. As a result, Generation Z values diversity more because they've always been connected, making it easy to learn about different parts of the world and other cultures. This sensitivity and awareness drive major decisions. Generation Z is more likely to buy products from or work for a company that shares their values—for example, a commitment to DE&I.

It's not surprising that the highest-growing brands are committed to achieving equitable outcomes across all areas they influence, including their workforce, the marketplace, and society at large.²¹ Younger generations expect organizations to take responsibility for how they impact others. HR and marketing often share overlapping goals in this respect because candidates and employees could be customers too. Even when that's not the case, HR and marketing are bonded by the effect your organization's public image has on people—whether they're considering employment or a product. By sharing insights, you can help each other gain a deeper perspective on what matters to shared target personas and use that information to keep progressing.



Continuously improve the status quo

Every company can do better when it comes to DE&I, climate change, and other social issues, but not every company chooses to do better. Employees and candidates want to work for organizations that share their core values, are sincere in their commitment to DE&I, and take action to drive progress. If diversity never advances and only select people are given opportunities, it doesn't matter what senior leaders say in their communications or what's written on your website. The real message is clear because actions speak louder than words.

Sometimes the disconnect between how a company rates its DE&I progress and what employees think is due to a lack of communication rather than inaction. If your organization takes diversity, equity, and inclusion seriously, as an HR professional, you know what steps are being taken, but does your workforce? Regularly communicating your accomplishments is necessary to build trust, and surveying your employees is an excellent way to solicit feedback and verify that they feel good about your progress against key initiatives. It also helps HR and the greater organization hold themselves accountable.

66% of people trust an employee when it comes to understanding how diverse and inclusive a workplace is, while only 19% trust senior leaders, and 6% trust recruiters.¹

Understanding your employees' experience with DE&I within your organization impacts your ability to invest in the right areas and make continuous improvements. Listening to chatter around the office and paying attention to sites such as Indeed and Glassdoor are critical because employees use these forums to share what they really think about your company—especially when their name isn't attached—and candidates see that feedback. 71% of US employees say they'd be more likely to share their opinions and experiences with diversity and inclusion at work if they could do so anonymously.¹ This should be a warning sign for employers. Creating a psychologically safe environment where workers can share honest feedback without fear of consequences is essential for a successful DE&I program⁴ and your organization's overall health and agility. Otherwise, you won't truly know what's working and what needs to change.

Some HR leaders may avoid anonymous surveys because they want to address concerns directly with the individual—or they’d prefer that unknown truths remain unspoken. Nevertheless, unless you’re certain that workers feel confident that they can report any concern without penalty and action will be taken, anonymous surveys may be necessary to understand your employees’ experiences at work—at least until workers feel secure enough to share their honest feedback openly. As an HR leader, you may immediately assume that employees at your organization feel this sense of security. However, in the US, 47% of Black employees and 49% of Hispanic employees have quit a job after witnessing or experiencing discrimination at work.¹ Members of underrepresented groups typically report higher levels of discrimination, and without being empowered to speak up, these workers feel voiceless.

In the US, more than half of transgender professionals aren’t comfortable being out at work, and two-thirds aren’t comfortable being out in professional interactions outside their companies.²²

Making continuous progress toward your DE&I goals requires buy-in from everyone throughout your organization, but support from leadership can be particularly influential. A research report by Harvard Business Review and SHRM discovered that companies with the most successful DE&I programs are significantly more likely to set diversity goals at the senior level with executives and board members.²³ Their buy-in gives DE&I leaders extra momentum and sets the tone, saying diversity, equity, and inclusion are important and a part of our very fabric as an organization. Having diversity at all levels is crucial as well.





Gartner found that underrepresented groups are two and a half times more likely to face barriers in progressing to senior roles because of their managers.²⁴ We see the result of this across organizations today, but especially in the C-suite. Women of color account for only 4% of C-suite leaders and men of color account for 13%, while 62% of C-suite positions are held by white men.²⁵ The number of men and women of color in corporate jobs lags behind the number of white women and significantly behind the number of white men at all job levels as well. This needs to change. To make real progress in DE&I, your organization must proactively train the workforce on how to be inclusive because globally only 5% of leaders are.²⁶ Gartner predicts that when senior leaders take responsibility for talent progression, organizations will reach gender parity in their leadership roles 13 years earlier and racial parity six years earlier.²⁷

But when the status quo doesn't improve, especially when there's a DE&I problem, the consequences are vast. Innovation suffers because it's born from people who think differently and challenge each other to push beyond what's considered possible. Unique insights are a critical part of that, so you need a team made up of people from different backgrounds in every department, at every level. Diversity also influences the quality of your customer care because diverse teams better reflect your customer base and better understand their needs. Unsurprisingly companies with above-average diversity report 19% higher innovation revenue,²⁷ in part because inclusive teams are better problem solvers.



Conclusion

When employees don't feel welcome, one of the greatest consequences is that they leave. The top three reasons people quit their jobs, according to a 2021 McKinsey survey, are because they don't feel valued by their organizations, don't feel appreciated by their managers, or don't feel a sense of belonging at work.²⁸ When companies enhance their diversity and inclusion efforts and make the workplace equitable, employees feel valued and like they belong.

Once you've built trust with your workforce and candidates by creating a solid foundation for your DE&I strategy and demonstrating the organization's commitment to the cause, you must work to maintain that trust. This means making DE&I central tenets of the organization's culture, reflected in how you operate, act, think, and present the brand to the world. It means living up to your promise that diversity, equity, and inclusion are essential and continuing to take steps to make the workplace even better for




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