



Enabling Diversity, Equity & Inclusion through Technology

Technology can foster Diversity, Equity, and Inclusion in organizations by providing platforms for diverse voices to be heard and enabling data-driven decision-making to identify and address biases in various human-centric processes.

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Executive Summary

Diversity, equity, and inclusion (DEI) in organizations are crucial to creating an inclusive environment and harnessing a diverse workforce's benefits. The new workforce considers equity and inclusivity as the fundamental parameters while choosing their workplace. By gauging the organization's DEI maturity level, processes should be adjusted to infuse DEI objectives and technology to gain a competitive advantage by amplifying diverse voices, facilitating a hybrid work environment and accessibility, and employing data-driven approaches to address biases in various human-centric processes.

Minimizing unconscious biases at the workplace when dealing with employees, external partners, and the community requires a shift in thought. Technology plays a vital role in enhancing DEI through inclusive design practices, which acknowledge that everyone has different capabilities and limitations and aim to remove barriers and promote equal opportunities, such as building accessible digital interfaces and tools.

Moreover, it enables virtual collaboration, breaks down geographical barriers, and allows diverse perspectives to be seamlessly integrated into decision-making processes.

This whitepaper focuses on why DEI is vital and has become a boardroom discussion topic, how it plays a critical role in enhancing the employee experience, and how to strategically infuse technology in DEI efforts to strengthen organizational culture, promote equal opportunities, and foster innovation and productivity.

Introduction

Every organization aspires to have a diverse workforce that has equitable opportunities and feels inclusive. It is a psychological need to be respected and feel that you belong in your workplace. The concept of "Diversity in the workplace" dates to the 1960s in corporate America because of the anti-discrimination legislation—the Equal Pay Act of 1963, Title VII of the Civil Rights Act of 1964, and the Age Discrimination in the Employment Act of 1967.¹

It led to the start of diversity conversations in boardrooms across industries. Over the years, the depth of diversity has incorporated parameters beyond gender and ethnicity, such as race, demographics, socio-economic status, sexual orientation, religion, etc., which mirrors the global customer base.

Companies across the globe have been indulging in various initiatives to increase their diversity, equity, and inclusion (DEI) metrics to benefit from its results.

For example, at the Walt Disney Company, DEI initiatives concerning people, culture, content, and community are in progress. Further, they are exploring additional ways to report DEI analyses and are committed to disclosing quantitative metrics for hiring, promotion, and retention by gender, race, and ethnicity by calendar year-end 2024.²

Quoted by Latondra Newton, Senior Vice President, Chief Diversity Officer, The Walt Disney Company, "At Disney, we amplify underrepresented voices and untold stories and champion a multitude of perspectives, recognizing that we are all greater than a single story and we all deserve to feel seen, heard and understood."

When working to enhance DEI offerings, it is imperative to understand that one size doesn't fit all. The systemic challenges of pay equity, leadership representation, equal work opportunities, and day-to-day discriminatory experiences demand ongoing focus. The companies must ask if today's approaches and interventions are tapping into the diverse sets of needs that influence outcomes across their workforce, mainly consisting of millennials and Gen Z, which will comprise 75 percent of the workforce by 2025.¹⁴

It is established based on various research findings that engaged employees deliver better results. "Gallup's Q12® engagement framework" results show that only 15% of employees worldwide fall in the "engaged" category.³ People want purpose and meaning from their work and need to know what makes them valuable and unique. They want a relationship with their manager who can mentor them to the next level. Equity and inclusion factors have become increasingly critical for today's workforce to feel engaged in an organization.

Deloitte conducted a survey⁴—"Unleashing the Power of Inclusion," which covered more than 1300 full-time employees in the U.S. It was found that more than 80% of respondents indicated that inclusion was an important factor when choosing an employer. 39% mentioned they would leave their current company for a more inclusive one, and 25% said they've already left an organization for a more inclusive one—30% of those being millennial workers.

DEI is linked to enhancing the employee experience, business revenues, innovations, and technology acting as a catalyst to expedite the implementation of DEI initiatives. Technology-enabled tools that are easy to implement and accelerate the reach of DEI initiatives to the workforce and beyond are the need of the hour.

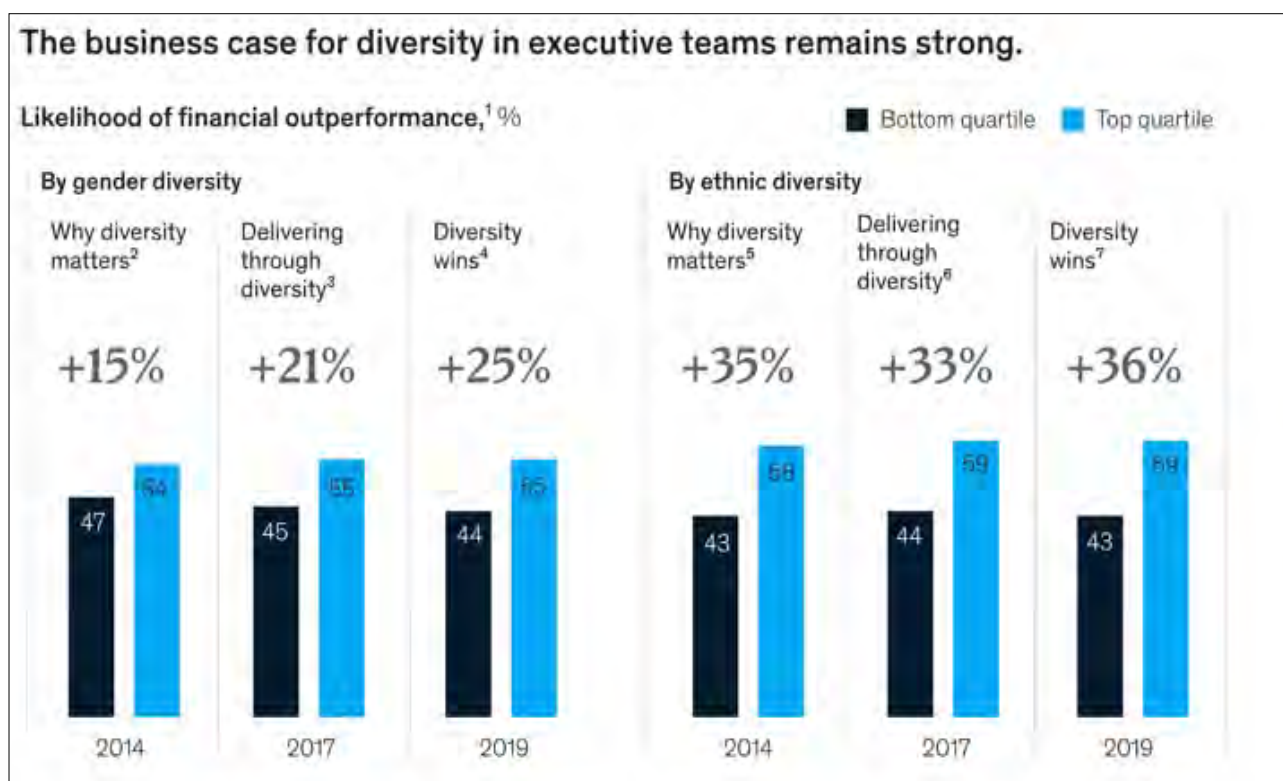
To further deep dive, we need first to understand the importance of DEI and what challenges are faced by the organizations in today's scenario to achieve the DEI goals.

Why is Diversity, Equity & Inclusion substantial to elevate employee experience?

It is a fact that organizations that perform better than others in their industry also rank high on DEI. With the dynamic economic and social scenarios, the length and breadth of DEI goals have also changed, making it more challenging for the organization.

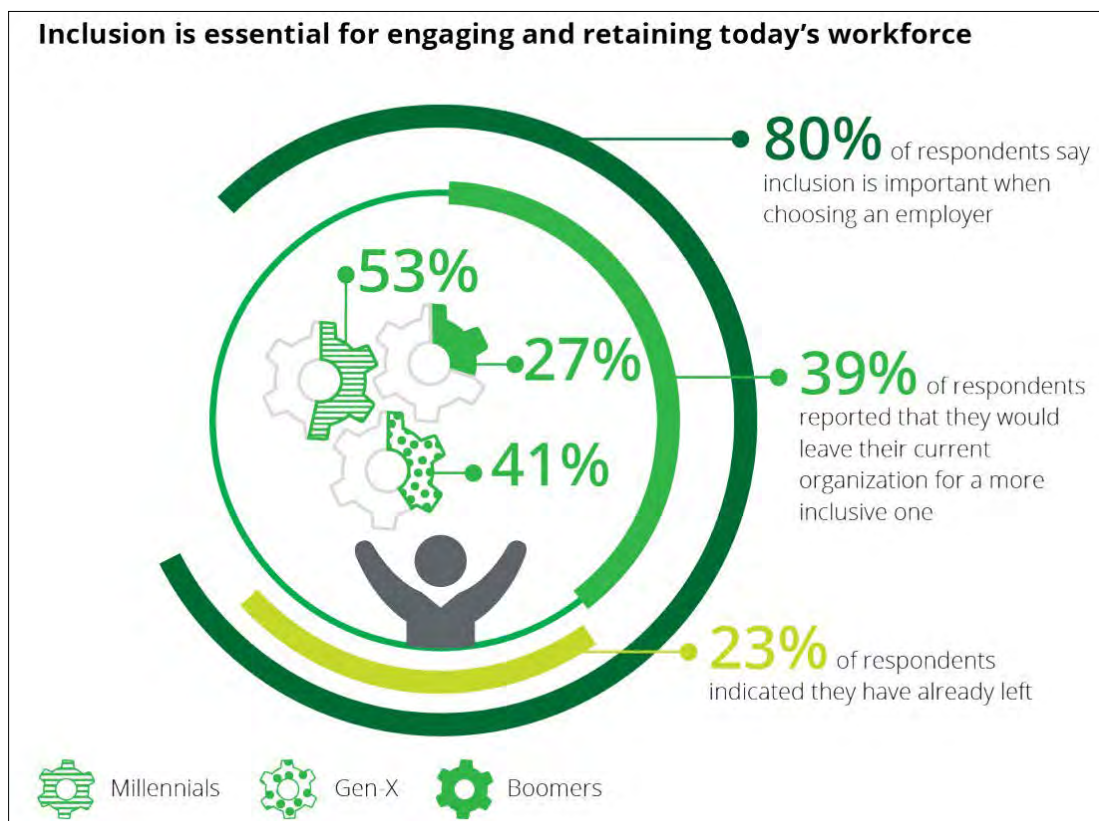
Based on a study by McKinsey on DEI, "Diversity wins: How inclusion matters", states that - ⁵

The companies in the top quartile for gender diversity on executive teams were 25 percent more likely to have above-average profitability than companies in the fourth quartile—up from 21 percent in 2017 and 15 percent in 2014.



Source: Diversity wins: How inclusion matters, McKinsey & Company, May 19, 2020

The covid-19 pandemic has brought more awareness about work-life balance and quickly led to the advent of technology. Now every employee wants to work with an organization that offers a hybrid work environment, flexible working hours, and better health benefits and wants to bring their whole self to work. Millennials and Gen Z see equity and inclusion as the fundamental cultural parameter defining an organization's work.



Source: Unleashing the power of Inclusion: Deloitte, 2017

Even the C-suite executives believe that inclusion is paramount in an organization's culture to attract and retain talent. Deloitte's study also found that the proportion of executives who cited inclusion as a top priority rose by 32% from 2014 to 2017.¹⁵ This is due to the challenges in keeping today's workforce engaged and retained.

Key benefits that an organization can reap by investing in DEI initiatives are:

Winning talent and easing out retention

Hiring new talent is costly, and losing that talent to competition or due to non-engagement depreciates the organization's value as a preferred employer. Keeping high performers/potential leaders in making engaged, leads to better performance results and, helps define and drive company culture from top to bottom.

Research done by "Great Places to Work" shows that when employees trust that they, and their colleagues, will be treated regardless of race, gender, sexual orientation, or age and they are:⁶

- 9.8 times more likely to look forward to going to work
- 6.3 times more likely to have pride in their work
- 5.4 times more likely to want to stay a long time at their company

More efficient decision-making

Bringing in people from different demographics in the leadership teams fosters innovation and creativity through a greater variety of problem-solving approaches, perspectives, and ideas.

Strengthens customer orientation

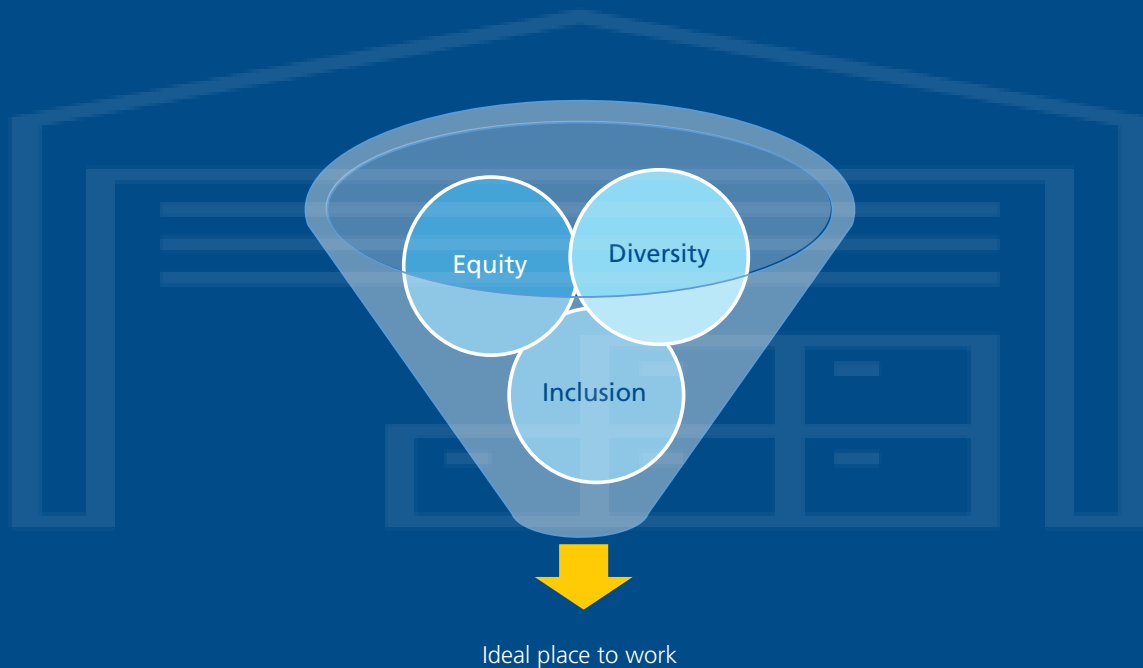
Diverse C-suite executive teams strengthen customer orientation as every customer is unique and requires a personal perspective to ensure their long-term commitment to the organization. This is making the companies head towards hyper-personalization to provide a unique experience to every customer.

Higher work satisfaction

Encouraging every employee to share their opinions and ideas during critical discussions and assignments gives a sense of inclusivity and belongingness. Creating avenues to share and own their ideas will lead to higher productivity and job satisfaction. For example, at Swan Vesta, a match manufacturing company, a factory worker proposed the idea to put sandpaper strike only on one of the matchboxes rather than on both sides. Upon implementing this, the company benefitted by cutting down on manufacturing costs.¹⁶ This case study depicts providing equal opportunities among employees will provide a sense of security and encourage them to take ownership of work to deliver results.

Increases employee value proposition

The way of working has seen a paradigm shift after COVID-19, where home responsibilities, personal interests, and hobbies have become equally important as work. Companies that strive to build a culture of care and support to promote personal and professional growth by keeping people at the core, boost their organization's employee value proposition.



What makes it difficult for DEI to become a company culture?

Approaching it as “good to have” rather than “must have”

Most organizations start with DEI initiatives due to regulatory or compliance needs, and then it is left at that. A focused approach to making DEI the organization's driving force is not considered. Equity and inclusion are crucial components in defining the culture, but no concrete and long-term commitment to these areas pave the way to unconscious bias, which influences decisions and actions.

Millennials and Gen Z workforce's behavior and commitment to an organization are driven by how much they are valued for their work, whether they can bring their whole self, i.e., unique and individual attributes, to work, they are given the flexibility to work and is their work making an impact in the overall strategy of the organization.

Behavioral bias

Human traits, behavior, and cognitive bias are a few crucial reasons for the lack of diversity, equity and inclusion in the workplace, leading to implicit biases. Unhealthy sociological behavior patterns lead to forming groups and environments with favoritism, affecting decision-making.

Based on the report published by McKinsey, “Why Diversity Matters, 2015”, the most relevant reasons for DEI are:⁷

Ingroup favoritism: a preference for people like us so that an individual might choose to work with someone of the same nationality, gender, and race.

Outgroup homogeneity bias: the tendency for an individual to think that the group of people they belong to (their "ingroup") is more diverse. In contrast, their "outgroup" is more homogeneous, with members who appear alike or interchangeable.

Proximity bias

Post COVID-19 pandemic, many organizations are working on the "Return to Work" strategy by enabling a hybrid work environment, providing remote work opportunities, and making it the new "Normal." But this may also lead to inequities between in-office and remote employees, ultimately exacerbating inequities regarding race and gender. Thus, a term coined for this inequality is "proximity bias."⁸

It can create unease among those who work remotely than those who are physically in the office and face-to-face with decision-makers and leaders. They are to be seen more favorably and advance quickly, regardless of overall performance. In a new world of remote work policies, flexible, and hybrid work schedules, the burning question for leaders will be whether results are more valuable than physical face time.

Lack of performance linked work culture

Organizations strive to cultivate a culture where performance is supported by quantitative data for performance appraisals and retention strategies. Line managers must be equipped with the right tools and training to promote a performance-based work culture to conduct dialogue with their subordinates. Continuous feedback sessions throughout the performance cycle should become a default activity as part of their role. The absence of relevant and equal opportunities across all the team members leads to job dissatisfaction.

In a survey conducted by a top recruitment agency,⁹ 62% of employees were keen on switching jobs post the appraisal season. Out of these, 64% of employees gave unsatisfactory appraisals as the reason for wanting to change their careers.

Understanding the DEI stages of an organization

In this paper, "The Five Stage Maturity model" for DEI defined by professor and organizational psychologist Ella F. Washington in her book, "The Necessary Journey: Making Real Progress on Equity and Inclusion" is referred to draw actionable technical solutions at each stage. Knowing the DEI maturity stage of your organization will assist in including DEI goals in its processes, policies, and practices, making it part of its culture.

But first, let's briefly understand the five stages of maturity.

Awareness

Awareness is the first or the starting point of the DEI journey for an organization. Here, the leaders consider including DEI initiatives in the organization's culture. A DEI vision for the organization begins to formulate based on what goal they choose to accomplish or focus on. Internal DEI maturity levels are accessed to decide on the way forward. The primary reason could be compliance or statutory regulations, which leads to this initiation.

Complaint

Here, DEI initiatives are undertaken to meet compliance needs. Generally, the leaders believe that DEI initiatives are good and that minimal actions will provide results.

Tactical

This stage is reached when organizations start to make a difference in the culture as C-suite leaders look at devising organizational-level strategies that are standardized across all departments and functions. They emphasize that mid-level executives own DEI initiatives and equip them to lead and be responsible for driving the initiatives, resulting in quantifiable outcomes.

Integrated

At this stage, the organizational culture is fully integrated with DEI aspects among internal and external stakeholders. Top-down and bottom-up efforts are connected, considering the impact of DEI on all stakeholders. DEI is integrated into the organization's decision-making process and culture considering it as a way of working.

Sustainable

The sustainable stage is reached when DEI is fully integrated with the culture and operations of an organization. It is no longer perceived as a separate initiative. Areas to improve are identified, even by the bottom layer. Corporate-level initiatives are just one driving force for DEI. The organization is committed to ongoing learning and improvement and recognizes that DEI is a continuous process. Thus, creating a truly inclusive culture.

Using technology to achieve DEI goals

To achieve the DEI goals of an organization, the thought needs to be driven by the top leaders of the organization, which percolate downward as strategies and action plans. These action plans will change organizational policies, processes and philosophy, and be supported by technology for quantifiable changes.

The pandemic has changed the outlook of today's workforce regarding "What to expect from their workplace." To meet their expectations, CEOs, and CHROs are now working in tandem with CIOs/CTOs of their organization to implement actionable changes in policies, processes, and technology to bring cultural change in making it more equitable and inclusive. Rob O'Donohue, Senior research director, Gartner, quoted about the changed work environment that⁻¹⁰

“ The disruption from the pandemic and social injustices at the workplace has raised employee expectations regarding DEI. CIOs have an enormous opportunity to use their position as digital business leaders to support marginalized groups and meet executive commitments with action. ”

Rob O'Donohue
Senior research director at Gartner

Below is a glimpse of technology solutions proposed by LTIMindtree, which are mapped to the five stages of DEI maturity to be explored as per one's requirement. With support from technology and process change, organizations can achieve a cultural shift towards DEI faster.

Stages of DEI	Area of focus	DEI process approaches	Tech-enabled actionable ideas
<p>Awareness</p> <p>Some thoughts for leaders:</p> <p><i>Why does DEI matter to us personally?</i></p> <p><i>Where do we want to go?</i></p> <p><i>Do we have the right data and tools to formulate DEI strategies?</i></p>	<p>Data Harmonization</p> <p>1st step is to move toward creating DEI focused database.</p>	<p>Process</p> <ul style="list-style-type: none"> • Create a vision and define DEI goals at an organizational level and further empower senior & mid-level leaders to own and deliver. • Culture of trust and respect • Have a robust data strategy keeping DEI in focus <p>Example: Capture gender identity data along with ethnicity & demographics</p> <ul style="list-style-type: none"> • Curate data privacy guidelines & policies for the collection & usage of employee data • Implement software/ applications which run analytics. 	<p>Technology</p> <ul style="list-style-type: none"> • Establish a unified platform for capturing DEI data. <p>Example: Enhance HRIS platform to capture DEI data such as No. of events organized by ERGs, the No. Of participants / ERG event. No. Of diversity training & programs.</p> <ul style="list-style-type: none"> • Cloud-based dashboards to explore data and track DEI trends & KPIs • Descriptive analytics based on employee data and DEI trends.
<p>Compliant</p> <p>Some thoughts for leaders:</p> <p><i>Are we DEI compliant?</i></p> <p>We do DEI because we have to.</p>	<p>Being Sufficient</p> <p>Develop strategies and practices which include DEI.</p>	<p>Process</p> <ul style="list-style-type: none"> • Include DEI initiatives in the organizational policies to meet regulatory compliances. • Define policies considering the diverse workforce and create an inclusive culture. <p>Example: Providing health policies & benefits which includes various gender identity & expression.</p>	<p>Technology</p> <ul style="list-style-type: none"> • Achieve gender diversity by implementing AI-driven software for recruitment which collects data and addresses potential biases. <p>Example: Joonko's solution</p> <ul style="list-style-type: none"> • Measure velocity of movement (How long does it take to promote or move laterally) and % of development & succession plans. Check data for under-represented groups.

Stages of DEI

Tactical

Some thoughts for leaders:

How can DEI help us to meet our other goals?

Where can we set goals that are bigger than our compliance targets?

Where do we need to standardize?

Area of focus

Increase Engagement

Extend DEI thinking & culture to the lowest level

DEI process approaches

Process

- Embrace DEI goals at every department rather than being on the agenda of only CHRO & CIOs

Example: Marketing dept-Create content to address a diverse population

- Manufacturing dept- Ensure safe working conditions for women employees.
- Establish YoY achievable DEI targets & track them regularly.
- Introduce an incentive bonus linked to achieving the DEI goal for their department.

Tech-enabled actionable ideas

Technology

- Induction or L&D content creation with AR/VR which represents diversity and shows an inclusive culture.
- Implement digital tools to increase engagement opportunities to connect, collaborate and expand networks/connections. Below shown tools can be deployed.

Example: The contact information on these tools showcases gender pronouns next to the employee's name, as on LinkedIn.

- Pronunciation of the meeting attendees' name is saved as audio which can be heard before the start of the meeting.
- Pay equity analysis considers DEI factors such as gender, roles, demographics, etc.¹³
- Alum portals that consider DEI data and send job opportunity notifications to ex-employees.

Case Study: Joonko: HR Tech Startup

Joonko's novel approach is the company's "silver medalist" concept, whereby algorithms examine current openings and identify candidates who previously made it through multiple levels of vetting for relevant positions with similar skill and experience requirements. The system then feeds these silver medalists – who are often women, military veterans, or ethnic minorities – directly into hiring companies' applicant tracking systems (ATS), so recruiters can find the talent they're looking for.¹¹

Stages of DEI	Area of focus	DEI process approaches	Tech-enabled actionable ideas
<p>Integrated</p> <p>Some thoughts for leaders:</p> <p><i>What is our whole sphere of influence?</i></p> <p><i>How do we want to engage with our external forces?</i></p>	<p>Think Beyond</p> <p>Inculcate DEI thinking beyond the purview of employees.</p>	<p>Process</p> <ul style="list-style-type: none"> • Outreach to marginalized communities and diverse vendor partners to engage them in business solutions. • CSR initiatives to be part of every department's KPI. • Partnerships with external organizations which focus on advancing DEI at their workplace. <p>Example: Black Enterprise, U.S. 30% Club</p> <ul style="list-style-type: none"> • Embrace the formation of Employee Resource Groups (ERGs) within the organization to promote equity and belongingness. 	<p>Technology</p> <ul style="list-style-type: none"> • Evaluate vendors/partners based on their commitment to DEI factors before engaging. <p>Example: Integrate DEI data for the vendors/partners with your DEI dashboard</p> <ul style="list-style-type: none"> • Based on vendor/ partner data, create engagement programs for those who belong to marginalized communities. • LCNC, Portals
<p>Sustainable</p> <p>Some thoughts for leaders:</p> <p><i>Are we done yet?</i></p> <p><i>Will our DEI strategies be able to sustain change?</i></p> <p><i>Are we the preferred place to work?</i></p>	<p>DEI culture</p> <p>Showcase DEI initiatives, trends, and results to increase EVP.</p>	<p>Process</p> <ul style="list-style-type: none"> • To be recognized as an organization that commits to DEI, publish reports on DEI goals and metrics. • Continuous refinement of DEI strategies can be done based on the data showcased in the reports. 	<p>Technology</p> <p>Measure Employee experience score to evaluate the DEI initiatives.</p> <p>Example: Calculate the eNPS score</p> <ul style="list-style-type: none"> • Publish real-time demographic data on company websites to showcase commitment to Diversity. • Internally publish at department or function level reporting to showcase commitment to DEI metrics.

Case Study: Lattice: Engagement calculation platform

Lattice has developed a platform that integrates employee performance metrics with employee engagement data to measure a company's employee experience score based on the concept of Net Promoter Score (NPS), pioneered by Bain & Company and Fred Reichheld. Based on the feedback, respondents are grouped into one of three categories: "promoters," "detractors," and "passives." Subtracting your percentage of detractors from your percentage of promoters will yield your company's eNPS. The Lattice software does this.¹²

Conclusion

Diversity, equity, and inclusion are critical components for engaging and retaining today's workforce. The employees expect equity and inclusion to be a way of day-to-day working and interactions among their peers and leaders rather than just running programs for DEI. Most of the workforce seek to be respected, feel purposeful for the work that they do, and be themselves when at work.

Every organization can be diverse and still provide equitable and inclusive culture to become a preferred workplace. For this, reinforcement needs to be driven from the top to every level and function of the organization. Technology can assist at every stage of DEI to smoothly implement the changes in the organization's philosophy, processes, and policies, which brings in an inclusive culture.

Based on the research done and solutions provided in this whitepaper, the organizations can plan to assess at what stage they are in their DEI journey and what process and technological changes they would want to bring to their workplace. It is essential to be aware of the need and be prepared to reexamine the approaches to diversity, equity, and inclusion, which are vital for building an "ideal place to work" among the existing talent and attracting prospective talent. Never the least to be prepared for the coming changes in work culture as every generation will come with its own set of expectations from a workplace.

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Simran Longia Sharma is a Senior Specialist with Interactive Practice at LTIMindtree. She comes with over 12 years of extensive experience in the HR IT domain and has successfully led and implemented various technology-driven initiatives to streamline H.R. processes to enhance organizational efficiency. She is proficient in Agile methodology and has a proven track record of delivering projects on time. She has spearheaded various client engagements and business process improvements across geographies.

Currently, Simran is focused on creating technology-driven solutions to improve the employee experience. She aims to enhance collaboration, communication, and productivity among employees with the intersection between H.R. and technology, thus creating meaningful and engaging workplace environments. She holds an MBA in Human Resource Management from the Welingkar Institute of Management and Research and brings a strong foundation of knowledge and expertise to her work. Overall, a result-oriented professional with a people-centric approach to driving organizational success.

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