

Diversity, Equity, and Inclusion (DEI) – A Post-Pandemic Imperative for Companies Across the Globe

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Diversity, equity, and inclusion (DEI) are serious topics for businesses everywhere. Building a more diverse, equitable, and inclusive workplace was a pre-COVID priority, as many companies had already created positions and initiatives to address DEI issues, including discrimination in talent acquisition, lack of race and gender diversity in teams, departments, and management, as well as equity of performance assessments, pay scales, and promotability.

The coronavirus caused setbacks to many of these efforts, as companies went remote and many businesses downsized. Women and minorities have been disproportionately impacted, experiencing higher percentages of job loss. The concurrent rise of the Black Lives Matter movement across the globe has heightened sensitivities to inequalities in the workplace. Employees expect DEI to be discussed and addressed, making it a post-pandemic imperative.

Talent Management and DEI

Viewing DEI through the lens of talent management is useful when developing actions to produce results. A recent McKinsey podcast entitled “The Elusive Inclusive Workplace” (3/23/2021) emphasized the importance of creating initiatives throughout the “talent life cycle.”

Diversity

To address diversity, companies should focus on where talent is sourced, and which skills are actual proven indicators of performance success. Technologies such as artificial intelligence can provide deeper insights but only if built on data which accounts for human bias in existing norms. If an attribute or skill is not supported by data as an accurate indicator, it has no place in the assessment conversation.

According to IMSA Denmark Managing Partner Jens Christian Jensen, “We see a continuous and growing trend in executive search for larger companies to ensure diversity through a non-biased process. This begins with the initial job analysis, and continues with the job description, making sure it is gender neutral and that the process focuses exclusively on competencies, not gender, ethnicity, religion, etc. There is also an effort to ensure diversity on the hiring committee.”

Equity

In its “2021 Predictions on DEI” (Deloitte.com, 1/22/2021) Deloitte suggests fairness in compensation is today’s greatest equity issue, as employees demand transparency in this hyper-connected, hyper-data-driven world. Perceptions about fairness affect employer brand, employee engagement, and workplace well-being. Statistics reinforce this perception: Pay inequity is significant between similarly educated Black and white men (22%) and similarly educated Black and white women (8%) for the same work.

Inclusion

It is not enough for companies to offer talent development such as support mechanisms and sponsorship programs to foster an inclusive work environment; they must activate these initiatives across the entire employee population. McKinsey reports while 87% of companies surveyed had some form of a sponsorship program, fewer than half of their employees reported having a sponsor, indicating a gap between program offerings vs. implementation. (McKinsey.com 3/23/2021) Assessing the workplace environment is critical, asking questions such as what’s the current environment for women and people of color? And are we having open conversations about what it takes to succeed?

The Millennial Effect

Due to the influence of millennials, the definition of diversity in the workplace is broadening. The traditional list of demographic differences such as race, religion, gender, sexual orientation, and age has expanded to include lifestyles, backgrounds, and personal experiences. This allows for more in-depth understanding of employees’ unique perspectives and contributions when conducting DEI conversations, which can enhance inclusiveness.

According to Gallup, millennials now make up over 70% of today’s workforce, and over 44% of millennials are nonwhite. So DEI resonates deeply with today’s workforce, and as millennials continue to replace retiring boomers, with today’s emerging management, as well. Millennials value purposeful work, professional development, and consistent feedback from managers. Through coaching managers form authentic relationships with employees, engaging in open, honest communication which is the foundation for creating an inclusive environment.

Yet according to Boston Consulting Group in a February 2021 Gallup.com article, less than half of managers (41%) and their employees (42%) report having attended DEI training. Companies have a lot of work to do to if they are to close this education gap and empower top-down and bottom-up DEI discussions.

DEI A Global Conversation

Diversity, equity, and inclusion is part of the workplace conversation in companies around the world. IMSA Portugal Partner Pedro Hipólito reports a growing focus on inclusive recruitment of people with disabilities: “We’ve built a database specifically for these candidates. We identify their main inclusion problems and work to integrate them into the workplace.” Hipólito adds, “They feel they are being recognized for their skills and capacities, not their disabilities. And we have had success in their recruitment by major companies.”

Country-specific dynamics such as discrimination against religious or ethnic minorities can affect international business. Definitions of diversity, equity, and inclusion, and what constitutes meaningful demographic groups may differ from country to country. Global teams must establish common ground and allow for employee resource subgroups. Adapting to regional cultures and customs within a global mindset is critical to success when operating across borders and geographies.

IMSA Search Global Partners President Monika Ciesielska confirms the criticality of DEI: “Now more than ever, as we search for senior executive candidates on behalf of our clients worldwide, we see a demand for leaders who value and can create a diverse and inclusive corporate culture. It’s an essential component of today’s top managers.” Corporations will continue to benefit by closing the DEI gap and harnessing the power of included and engaged employees for long-term success.