



How to Build an Effective **DEI Program**

Leveraging Leadership and Training to Drive an Enduring Culture of Diversity, Equity and Inclusion



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Executive Summary

Diversity, equity and inclusion (DEI) initiatives have been a part of organizations' cultural shift toward more equitable hiring practices for years. However, for many organizations in almost every industry, recent events have underscored the need to take a more holistic approach to DEI—one that requires meaningful behavioral and cultural change.

Effective DEI programs span the entire organization—recruiting and retention, mentoring and professional development, as well as other practices, policies and procedures that can track and measure progress. Further, ongoing DEI education and training are key to promoting the organization's DEI goals and values and the benefits of a more diverse and inclusive workforce.

Not only can training help to amplify what inclusion means throughout the organization, it can also help employees and managers identify their own unconscious biases, which create barriers to advancing DEI.

This report explores how organizations in various industries are progressing in their DEI journeys amid a range of internal and external challenges. It also highlights the importance of senior leadership being visible and proactive in DEI activities, the need to allocate budget and resources for DEI, and the role of training in helping organizations make positive changes in workplace behaviors and culture.



About the Respondents

The WBR Insights research team surveyed 300 respondents from across the U.S. to generate the results featured in this report.

How many employees does your organization have?



The respondents represent companies of varying sizes based on employee count. About one-third of the respondents are from companies with 100 to 999 employees (32%), 1,000 to 4,999 employees (35%), or more than 5,000 employees (33%).

The respondents represent a variety of industry verticals, including healthcare (9%), manufacturing (8%), business services (8%), finance (8%), retail (7%), construction (7%), and the nonprofit sector (7%).

All the respondents self-identified with diversity-related titles. For example, respondents include chief diversity officers, diversity vice presidents and diversity directors.

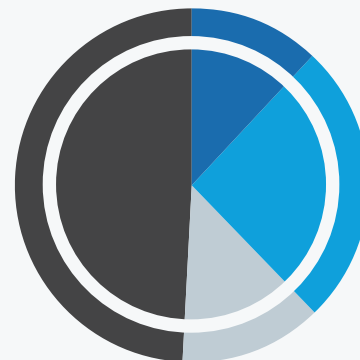
Almost half of the respondents (49%) hold a director level position at their organization. The remaining respondents are vice presidents (26%), department heads (13%), and C-suite executives (12%).

In which vertical does your organization operate?



- 9% Healthcare
- 8% Industrial/manufacturing
- 8% Business Services
- 8% Finance
- 7% Retail
- 7% Construction
- 7% Nonprofit
- 7% Education
- 6% Tech
- 6% Restaurants
- 6% Government
- 6% Insurance/Real Estate
- 6% Energy/Utilities
- 5% Hotels
- 4% Hospitality

What is your level in your organization?



- 12% C-Suite
- 26% Vice President
- 13% Department Head
- 49% Director

Key Insights

Among the organizations in this study:

Every company either already has a formal DEI strategy (89%) or expects to implement a formal DEI strategy within the next 12 months (11%). However, 57% have no dedicated DEI resources or budget.

65% conduct DEI training. Most respondents claim DEI training is “important” (61%) or very important (9%) to their organizations.

58% have defined and trained teams to **identify unconscious bias and microaggressions.**

48% say their HR teams “own” their DEI strategy while 44% say their executive team “owns” their DEI strategy.

79% will allocate more budget and/or resources to DEI in 2022, whether they have any allocated to date.

21% believe their organization’s level of DEI maturity is “Exceptional” and 49% believe they are ahead or at parity with industry norms in their DEI journey, respectively. Nearly half (49%) claim DEI is a part of their company culture and everyday operations.

However, only 43% believe their DEI maturity has improved over the past year. 33% say they communicate DEI goals and progress to employees only on a biannual basis and 30% do so on an annual basis.

71% say their executives are involved in decisions about endorsing and advancing DEI; however, only 13% of respondents within that group claim their executives are proactive and visible in those activities; 58% say they are not.

50% said COVID-19 has not impacted their DEI efforts, while 18% say it has complicated, delayed or worsened their DEI efforts. Only 32% say the pandemic has reinforced or driven improvements in their DEI efforts.

61% are only **“somewhat confident”** that their employees feel a sense of belonging, inclusion, and psychological safety.

The top-three most important factors when choosing a DEI training strategy or solution are **regular updates** so employees aren’t taking the same training every year (72%), **alignment with their DEI strategy and goals** (62%), **cost effectiveness** (59%) and **coverage of topics that are important to their organization and employees** (59%).

Effective DEI Programs Need Dedicated Leaders and Budgets

While diversity, equity and inclusion in the workplace is not a new concept, events such as the COVID-19 pandemic and the racial and social justice movement were calls to action for many organizations.

As a result, many organizations are taking a hard look at their DEI strategies, the expectations of employees and customers, and different ways to make measurable improvements.

In many cases, organizations are making progress in their DEI efforts, with dedicated budgets and formal programs. For others, there is still much more work to do when it comes to creating and executing a DEI strategy across all levels and functions.

Does your organization have a formal DEI strategy?

Yes, we currently have a formal DEI strategy.

89%

No, but we expect to implement a formal DEI strategy within the next 12 months.

11%

At 89%, most of the respondents to this study already have a formal DEI strategy in place at their organizations. The remaining 11% don't currently have a formal DEI strategy, but they are planning to implement one in the next 12 months.

These numbers are a significant indicator of how seriously HR departments and their organizations are taking DEI.

This is due to increasing awareness of issues of discrimination and bias in the workplace and multiple analyses of how discrimination and bias impact the economy at large. According to one report, racial discrimination against African Americans alone has cost the U.S. economy a total of \$16 trillion.¹

Is DEI a business priority at your organization, with dedicated resources and a budget?

Yes, it is a business priority with dedicated resources and a budget.

43%

Yes, it is a business priority, but with neither dedicated resources nor a budget.

57%

Every respondent to this study also indicated that DEI is a business priority. However, there is a disconnect between how seriously organizations prioritize DEI and how willing they are to devote budget and resources to it. Most of the respondents (57%) say their DEI initiatives have neither dedicated resources nor a budget. Instead, these organizations are relying on other budgets, such as the HR budget, to fund DEI efforts.

Among those organizations that have dedicated resources and a budget for DEI, most have allocated between \$7 million and \$10 million to DEI projects, regardless of company size. Some respondents even claim to be devoting hundreds of millions of dollars to DEI.

¹Akala, Adedayo. "Cost of Racism: U.S. Economy Lost \$16 Trillion Because of Discrimination, Bank Says." NPR, September 23, 2020. < <https://www.npr.org/sections/live-updates-protests-for-racial-justice/2020/09/23/916022472/cost-of-racism-u-s-economy-lost-16-trillion-because-of-discrimination-bank-says> >

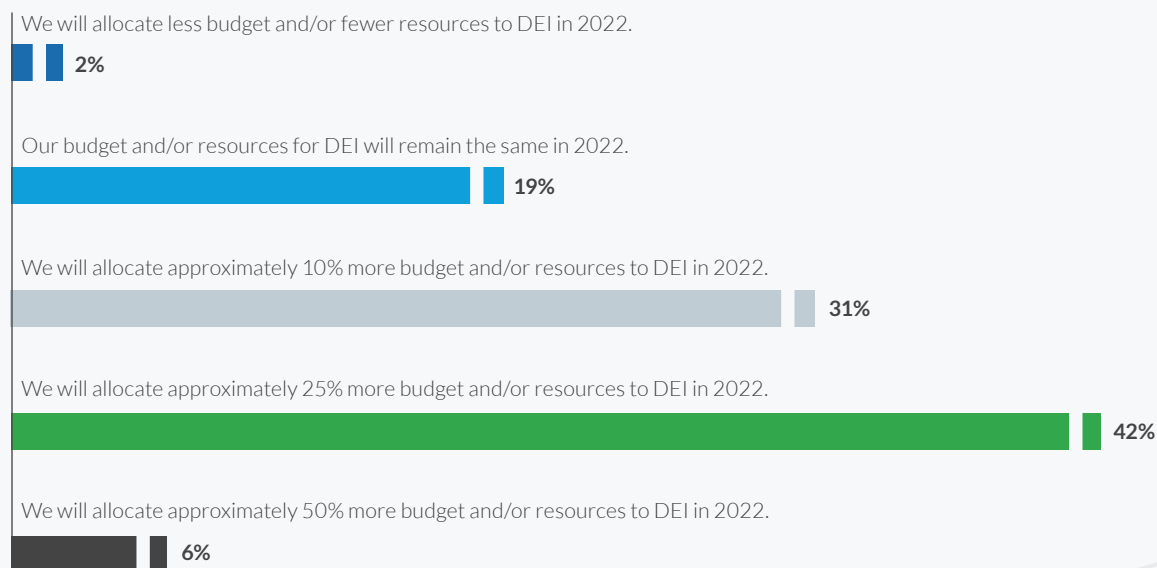
Significantly, most of the respondents say that their DEI budgets are on track to increase in 2022. Almost half of the respondents (48%) will increase DEI budgets by 25% or more in 2022. This includes 6% of the respondents who say they will allocate approximately 50% more budget and resources to DEI in 2022.

Although most of the respondents say they don't currently have a dedicated budget for DEI, it's clear that their organizations are at least devoting additional resources to the endeavor. Ultimately, where the organization's DEI budget comes from and how it gets used must be decided by executive leadership, along with those individuals or departments who take ownership of DEI initiatives.

According to the respondents of this study, about half (48%) rely on their HR team to "own" the organization's DEI strategy. Another 44% say their executive team takes ownership of the DEI strategy and another 8% say no team "owns" the organization's DEI strategy.

When asked to identify the person or persons within the organization who "own(s)" the DEI strategy, several respondents say that this question did not apply to them. Other respondents cite several leadership positions, most of which are diversity-related. For example, several diversity directors say they have ownership of the company's DEI strategy, while others claim other diversity leaders within the organization have ownership.

How will your DEI budget and/or resources change in 2022—whether or not you have any allocated to date?

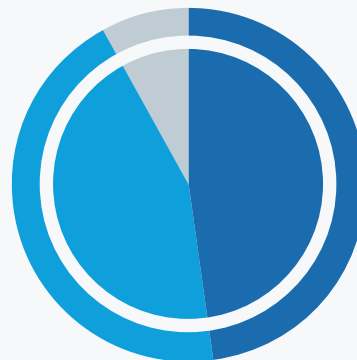


Significantly, many of the respondents claim that their HR teams take ownership of the strategy. Although DEI has traditionally been housed under HR, this could be problematic.

Placing DEI under the ownership of the HR department could signal to other departments that DEI isn't their responsibility. It could also indicate that DEI is somehow removed from regular business operations.

While it's true that much of the effort involved in DEI initiatives is centered on HR-related functions like recruiting and training, DEI must be a holistic effort that encompasses the entire organization if it is to be effective. It requires the visible and active support of leadership, clear metrics, and a dedicated budget and resources.

Who in your organization "owns" the DEI strategy, so to speak?



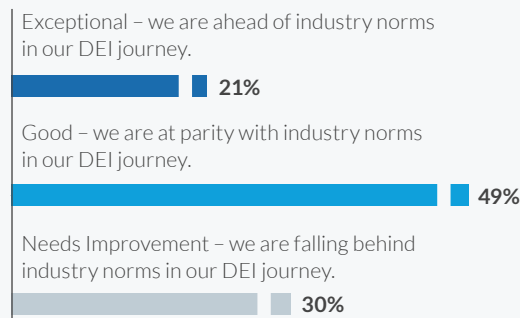
- **48%** HR Team
- **44%** Executive Team
- **8%** No team "owns" the DEI strategy.



DEI Maturity Improves Amid Opportunities for Communication and Endorsement

DEI maturity becomes possible when an organization has a multi-pronged strategy in place—backed by resources—that promotes both behavioral inclusion and structural inclusion. This means the strategy must help individuals improve their behavior and recognize instances of bias in the workplace while also working to make systems within the organization more equitable and inclusive. Bias manifests in systems like pay structures, team selection and responsibility delegation just as it manifests in interpersonal relationships.

From your own perspective, what is your level of DEI maturity?

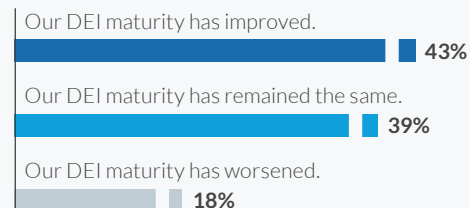


An organization reaches DEI maturity when its initiatives empower associates and leaders to include sustainable DEI practices as part of doing business.

Currently, most of the respondents believe their organization’s level of DEI maturity is either exceptional (21%) or good (49%). These respondents believe they are at parity with industry norms or that they are ahead of other organizations in their industry.

The remaining 30% of respondents believe their DEI maturity “needs improvement” and their programs are behind industry norms. Based on previous responses, many of the respondents have an opportunity to improve their DEI initiatives, by formalizing and embedding DEI throughout the organization and by devoting more budget. It’s a positive sign that most organizations plan to increase their DEI budgets.

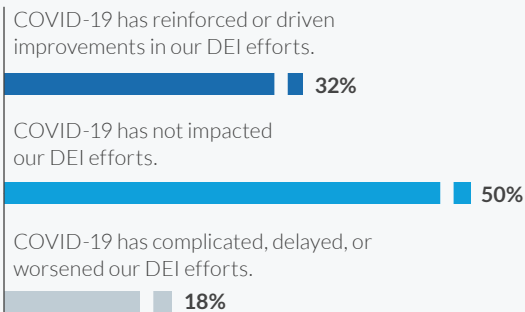
From your own perspective, how has your DEI maturity evolved over the past year?



This would align with other trends recognized by the study. At 43%, many respondents believe their DEI maturity has improved over the last year. Another 39% believe their DEI maturity has remained the same.

Significantly, 18% of the respondents believe their DEI maturity has worsened over the past year. This could be due, in part, to insufficient support and resources or disruptions and uncertainties caused by the COVID-19 pandemic.

What has been the impact of COVID-19 on your DEI efforts?



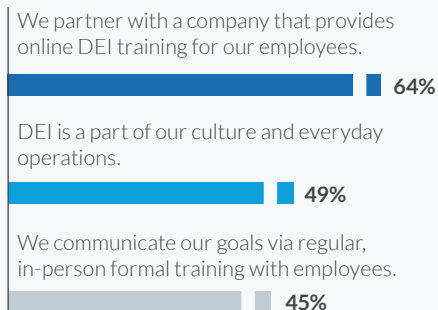
For 18% of the respondents, COVID-19 has complicated, delayed or worsened their DEI efforts. The pandemic impacted industries in different ways. Whereas some industries were mostly successful in addressing the challenges brought on by the pandemic, others suffered setbacks due to supply chain constraints, regional crises, and challenges associated with shifting to remote work. These setbacks caused a ripple effect in the organization, affecting plans and budgets for initiatives laid out in the previous year.

The success of DEI programs is also affected by how well they are communicated across the organization. Organizations that focus mainly on diversity hiring can overlook other important needs across the organization, such as addressing issues of unconscious bias and microaggressions in the workplace and ensuring opportunities for training and career advancement are inclusive and equitable.

At 64%, most of the respondents say their organizations partner with a company that provides online DEI training for employees.

In spoken responses, many respondents say stakeholders will partner with a third-party for DEI training if the provider has a strong background in DEI and can provide unique expertise.

How are you communicating your DEI strategy and goals to employees, and involving them in the process?



“It’s about creating better solutions,” says an executive director of diversity at an insurance firm. “If the solution is better than what we have, then we have no problem moving things forward.”

Similarly, a global director of diversity from an industrial manufacturing company says,

“We may consider an external vendor if we identify specific actions that are unique compared to our current solutions.”

Other respondents say that training solutions must be “within the budget” to be viable, whereas others believe external solutions could help them augment their programs and make them more effective.

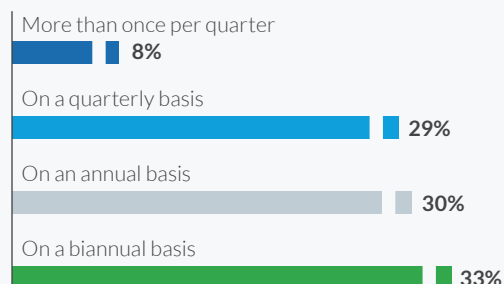
Almost half of the respondents (49%) incorporate DEI as part of their culture and everyday operations. This should be an objective for most organizations, and DEI shouldn’t be siloed in any single department. So, too, should regular communications about DEI, which 45% of the respondents say they engage in.

Unfortunately, most of the organizations surveyed communicate DEI goals and progress on an annual basis or less often. About one-third of the respondents (33%) only communicate organizational DEI goals and progress to employees every two years (biannually).

Multiple respondents also say that communicating DEI principles is a challenge.

“Choosing the right words to communicate is what challenges us because not everyone is educated in certain aspects,” says a head of diversity at a finance organization.

How often do you communicate DEI goals and/or progress to employees?



“The communication barriers are a challenge,” says a VP of diversity at a nonprofit. “We are working on campaigns where we bring in people from diverse backgrounds to speak about the importance and process of communication.”

Ideally, DEI leaders should provide more regular updates about what goals have been set and how the organization is doing in reaching those goals. For example, 29% of the respondents communicate this information quarterly—however, only 8% communicate this information more than once per quarter.

While talking about DEI issues and challenges can be difficult—even uncomfortable—regular digital and in-person communication is essential.

How involved is your CEO and/or executive management in actively endorsing and advancing DEI?

Our executives are proactive and visible in endorsing and advancing DEI.

13%

Though not very visible, our executives are involved in decisions about endorsing and advancing DEI.

58%

Our executives support DEI, but they are not directly involved in endorsing or advancing it.

29%

Establishing Employee Resource Groups (ERGs) and providing different channels for employees to submit questions, concerns and comments, also help keep employees informed, engaged and connected.

It is also integral that executive leaders take a role in endorsing and championing the organization’s DEI initiatives.

While 58% of respondents say their executives are involved in decisions about endorsing and advancing DEI, only 13% of those senior leaders are proactive and visible in demonstrating their support.

The respondents say they are dedicated to developing more DEI leaders within the organization. One senior director of diversity at a healthcare organization says, “creating leaders under DEI” is their organization’s biggest DEI challenge. Some respondents are prepared to look for external assistance in doing so.

“We want someone who will create leaders and not just help us be more inclusive,” says a director of diversity at a restaurant.

Organizations Are Only “Somewhat Confident” Employees Feel a Sense of Belonging

The purpose of DEI programs isn't just to improve diversity metrics within the workplace. When implemented holistically, DEI programs can help to foster a sense of belonging, inclusion and psychological safety, where employees feel they can bring their whole selves to work.

While many organizations are already working toward these goals, it's the early days for other companies, especially those that are just beginning to take a company-wide approach to DEI and address behavioral changes.

For example, a vice president at a construction company says that any DEI guidance must include programs that cover “the consequences of unconscious bias and ways to build an inclusive culture in a practical manner.” The same respondent says their organization is struggling because its allocation of resources for DEI has been reduced since the start of the pandemic.

Organizations who are serious about fostering a sense of belonging and inclusion recognize the need to address unconscious bias and microaggressions. Unconscious or implicit bias is the tendency to make snap judgments—good or bad—about certain people or groups that are based on stereotypes.

Microaggressions, often stemming from unconscious bias, are everyday slights, snubs or insults that convey hostile or negative messages to individuals who are part of underrepresented or marginalized groups.

If left unchecked, unconscious bias and microaggressions can have a negative impact on recruitment and retention, employee engagement, health and well-being, productivity - and lead to discrimination.

Currently, 58% of the respondents say their organizations have defined and trained teams to identify unconscious bias and microaggressions. Another 12% say they are proactive and routine in identifying and addressing such incidents.

While these are positive developments, 30% of the respondents still say their organizations are “passive” when it comes to unconscious bias and microaggressions. Although they've defined examples of them, they haven't trained their teams yet to identify and act upon them.

To what degree is your team aware of incidents of unconscious bias and microaggressions?

Proactive—we continue to identify and routinely mitigate unconscious bias and microaggressions.

12%

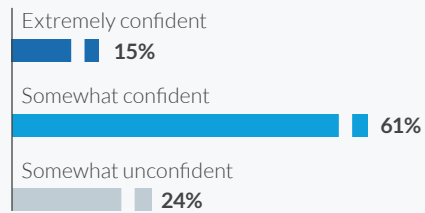
Active—we have defined and trained teams to identify unconscious bias and microaggressions.

58%

Passive—we have identified unconscious bias and microaggressions, but have not trained our teams.

30%

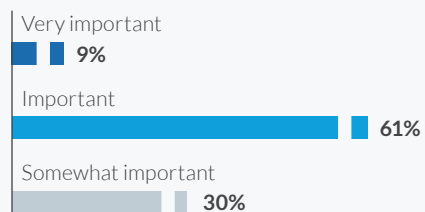
How confident are you that employees feel a sense of belonging, inclusion, and psychological safety?



Currently, most of the respondents (61%) say they are only somewhat confident that their employees feel a sense of belonging, inclusion, and psychological safety in the workplace. About one-quarter of the respondents (24%) say they are somewhat unconfident that this is true.

Similarly, although 61% of the respondents say DEI training is important, only 9% of say that DEI training is “very important” to their organization.

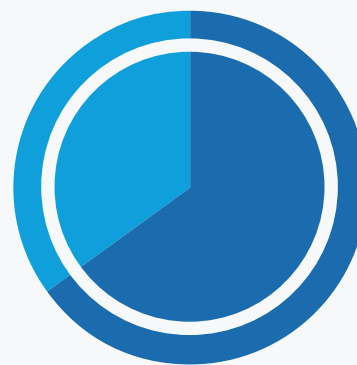
How important is DEI training to you and your organization?



While training alone is not enough, it is one of the essential elements of a comprehensive DEI program.

At 65%, most of the respondents say their organizations conduct some form of DEI training. The remaining 35% of the respondents may belong to organizations that have recognized the importance of DEI but haven't yet begun a formal training program.

Does your organization conduct any DEI training?



● 65% Yes
● 35% No

Among those organizations that are conducting some form of DEI training, most (58%) rely on a third-party vendor in some fashion. This includes 33% that rely on a third-party vendor only and 25% that rely on both internal resources and a third-party vendor.

Third-party vendors can provide outside expertise to help strengthen and reinforce organization-wide internal DEI efforts.

Exactly half of the respondents use online training for their DEI programs. This includes 26% who use both online and in-person training to further their DEI initiatives.

Many organizations rely on a mix of digital and in-person training. In-person training often takes the form of role-playing, discussions, or seminars.

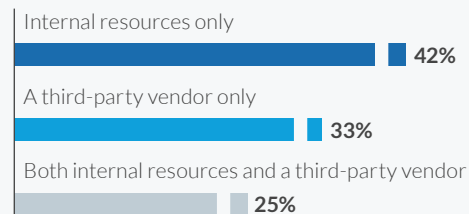
In the past, online training has been static and tedious. That's changing. By focusing on raising awareness and changing behaviors – and leveraging new technologies and eLearning strategies – online training offers learning experiences that are interactive, engaging and relevant. Online DEI training is also more flexible, as it allows employees to take training sessions on their own time and on any device. This helps the company save time and reduce costs while enabling employees to be productive, whether they are on-site or working remotely.

For most of the respondents (72%), it is most important that a DEI training strategy or solution is updated regularly, so employees don't have to engage in the same training year after year. This is also important as companies' understanding of how best to institute DEI strategies change.

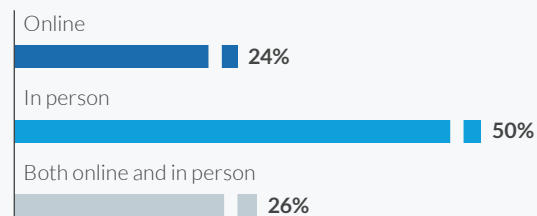
Most of the respondents also prefer a solution that aligns with their internal DEI strategy (62%), is cost-effective and easy to customize

(59%), and covers topics that are important to the organization and its employees (59%). As we learned in written responses, many of the respondents prefer to work with a vendor that can provide new and unique expertise to their DEI programs.

Since you said "Yes," do you use a third-party vendor for DEI training, internal resources, or both?



Is your training online, in person, or a combination?



When choosing a DEI training strategy or solution, what factors are most important to you?



— Organizations Struggle Most with the **Direction, Metrics, and Results of DEI Programs**

The findings of this study indicate that organizations of various industries have made progress in DEI. Many are devoting more budget to DEI initiatives, identifying DEI leaders within the organization and taking a more holistic approach across the organization. Still, many organizations face significant challenges to their DEI programs. In spoken responses, many of the respondents say COVID-19 and its effects on the economy are the primary challenges to their DEI goals. Others, however, cite more specific challenges, such as changing the company's culture to support DEI.

"Building enough trust and understanding without awkward situations" is a challenge according to one director of diversity at a construction company. "It's not something that can be changed overnight."

"Integrating DEI into the corporate culture throughout all locations can be the real challenge," says a senior director of diversity at a retailer. **"By increasing collaboration, we expect to see some positive change by 2022."**

According to one director from a healthcare organization, customer behavior poses a significant challenge for their industry and must be addressed to continue work on institutional changes: "The greatest challenge in our industry is the way customers behave. We need to change this, and a lot can change from this year on because its all about educating and communicating in the right way."

Several other respondents say their organizations simply need more direction.

They don't have clear objectives when it comes to DEI, and they can't identify a correlation between their spending on DEI projects and successful outcomes.

"The spending on DEI efforts has increased, but we are not seeing very noticeable results."

Similarly, a global head of diversity at a tech company says they've been challenged with "understanding the objectives, personal challenges, and language to communicate" about DEI. However, they say, "This will keep improving as we move further into the future, and we sensitize everyone about aspects" of diversity, equity, and inclusion.

While many respondents acknowledge that DEI is a challenge and that some factors, such as COVID-19, have had an impact on their objectives, they also recognize that there is plenty of hope for the future.

"There were policies that didn't support a lot of inclusion earlier," says a director of a tech company. **"Now that we have the benefits of these policies, 2022 seems a year where we can maximize the impact of DEI."**

By augmenting internal initiatives with outside expertise, organizations can leverage new approaches and technologies to communicate and reinforce their DEI strategy, goals and practices. Incorporating DEI into the organization requires a cultural shift that takes time, allocated budgets and resources and the commitment and active support of senior leadership. Based on the responses of DEI decision makers in this report, many organizations are committed for the long term.

Key Takeaways

If you haven't already done so, institute a formal DEI strategy, make DEI a business priority, and provide your DEI program with a dedicated budget. Although most respondents recognize DEI as a priority, most have not allocated a dedicated budget for their initiatives.

Ensure executive leadership is proactive and visible in their endorsements of advancing DEI. This sets the tone for the entire organization and encourages other leaders to be more proactive.

Communicate information about your DEI strategy and goals to employees regularly. Most respondents say their organizations only communicate this information on an annual or biannual basis.

Raise awareness of unconscious bias and microaggressions and take steps to manage and minimize their impact on improving DEI.

Make employees feel heard.

Creating a work environment in which employees feel a sense of belonging and psychological safety improves team dynamics and performance and strengthens DEI.

Partner with a company that provides DEI training that is updated regularly and aligned with your strategy and goals. Use external training solutions to augment your existing DEI program and help you reinforce and communicate your strategy and goals.





About the Authors



With a mission to transform compliance training from boring to brilliant, Traliant's award-winning training helps organizations create and maintain respectful, inclusive workplaces. Our modern approach to eLearning is designed to motivate positive behavior through realistic video scenarios and up-to-date content that is interactive, easy to customize and connects with today's mobile workforce.

Traliant currently serves over 7,000 organizations across industries and geographies. The company is ranked No. 234 on Inc. magazine's list of the 5000 fastest-growing private companies in America, and is No. 13 on Deloitte's 2020 Technology Fast 500 list. Traliant is backed by PSG, a leading growth equity firm partnering with lower middle-market software and technology-enabled service companies.

For more information, **please visit www.traliant.com.**



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Diversity, Equity & Inclusion Training

A Program Built to Inspire Change

An effective Diversity, Equity & Inclusion training program requires more than just rolling out one course, once a year. As a comprehensive approach to behavior-based training our Diversity, Equity & Inclusion Training Suite is built to inspire positive change within your organization through training on key concepts and inclusive actions.

Nearly 90% of users say they are “likely or very likely” to use the skills and behaviors learned from Traliant training courses.

Together, these 4 courses provide a solid foundation for supporting your DEI training and education initiatives.

Workplace Diversity, Inclusion and Sensitivity

This 35-minute course explains racial identity and racism alongside core DEI concepts while providing practical steps to help employees choose inclusive actions, improve cultural competency, and address unconscious bias. The course further emphasizes the role civility and workplace sensitivity play in promoting a respectful culture.

Unconscious Bias

This 20-minute course is focused on raising awareness of unconscious bias and provides suggestions to help employees reach a higher level of awareness so they are better able to prevent personal biases from affecting their actions at work. This course will train your staff to understand and manage their hidden biases and assumptions.

Microaggressions in the Workplace

This 15-minute course explains microaggressions and the effect they can have on others. Employees learn to recognize and prevent verbal and nonverbal messages that contain hidden meanings based on unconscious bias and receive guidance for responding to microaggressions in a positive and effective manner.

Cultural Competency and Humility

This 20-minute training gives employees an understanding of what cultural competency and cultural humility are, and why they matter. In addition to providing practical knowledge, the training also offers valuable inspiration for improved interactions in the workplace and in life in general.



Reinforcing your values and culture is fundamental to the success of your DEI training program, which is why all Traliant courses can be fully customized with your branding, policies, and leadership message.

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