ACCELERATING PROGRESS FOR STRUCTURAL INEQUITIES

A roadmap for corporate decision-makers on how to advance solutions to structural inequities and accelerate progress on diversity, equity and inclusion.
Companies faced increased expectations to contribute to the urgent goal of racial equity in 2020 and address the health and economic disparities laid bare by the COVID-19 pandemic. In 2021, the world continues to grapple with these challenges and widening gaps across health, economic and social outcomes. This is particularly true in the U.S., where the Biden-Harris Administration has made addressing systemic inequities a priority. Equity will be a primary policy lens—especially for economic solutions—but President Biden and Vice President Harris are also modeling what diversity, equity and inclusion can look like through careful attention to language and tone, and by recruiting a Cabinet that reflects the diversity of the country. Other countries and regions are prioritizing equity issues, particularly gender equality, as the public and private sectors collaborate to advance progress against the UN Sustainable Development Goals agenda.

This advisory shares the wider context behind the business case for greater investment in solutions to structural inequities and outlines a roadmap for corporate decision-makers on how to accelerate progress on diversity, equity and inclusion (DE&I).

**CONTEXT**

The significant and enduring focus on activism inspired by the racial justice movement that emerged in summer of 2020 served as a wake-up call for companies to reevaluate and reinvigorate their perspectives, policies, and practices for DE&I overall. This includes rethinking how to address racial equity, but also gender equity, gender identity, sexual orientation, culture and ethnodiversity, disability and accessibility issues, mental health considerations and more—both within organizations and alongside employees, customers, and in society overall.

Companies are auditing their DE&I activities and asserting new commitments and partnerships to foster shared DE&I values. Specifically, research by Weber Shandwick, in partnership with United Minds and KRC Research\(^1\), shows that most employees expect their organizations and leaders to take the following actions:

![Employee DE&I Expectations of Their Employers](image)

But according to our research, 46 percent of employees don’t believe that their employers are “walking the talk” when it comes to DE&I.

IMPLICATIONS

It is clear that DE&I is a fundamental component of stakeholder capitalism and the ability of companies to build long-term and sustainable value for employees, customers, suppliers, the environment, and local communities alongside shareholders. The private sector plays a vital role in advancing progress for structural inequities. Companies set internal DE&I policies and practices that support all employees (and remove racial, gender, and other biases) when they proactively embed DE&I into business strategy. They also uphold DE&I values in society when they prioritize inclusive marketing and brand activism to speak out against unfair policies and advocate for more equitable solutions.

Further, DE&I considerations are increasingly driving the policy and regulatory agenda. China enacted new rules aimed at clarifying gender equality laws and expanding women’s workplace protections. The U.K. is focused on exposing the pay gap through mandatory reporting and working to ensure men and women achieve pay equity. The EU has a Gender Equality Strategy to filter policies and solutions through a gender lens and large companies are required to report on the policies they implement in relation to environmental, social and governance (ESG) factors, including diversity on boards. Now in the U.S., the Nasdaq stock exchange has filed a proposal with the U.S. Securities and Exchange Commission (SEC) to require all listed companies to publicly disclose board diversity statistics. And President Biden has asserted that, “advancing equity, civil rights, racial justice and equal opportunity is the responsibility of the whole of our government” and that equity issues will be infused across policy responses to pandemic relief, economic recovery, housing, criminal justice, voting rights, healthcare and education.

AREAS FOR ACTION

No company has cracked the code when it comes to truly creating and sustaining a diverse, equitable, and inclusive ecosystem. While each organization’s DE&I journey is—and should be—unique and designed to address the needs of its key stakeholders (most especially its employees, customers, and the communities it serves), embracing DE&I as a core component of strategy and operations is the most universally effective way of accelerating meaningful change. And that should start at the top with endorsement from the CEO and representation in the C-suite.

Above all, 2021 is a critical year for companies to demonstrate their commitments through action, operating with consistency and transparency across values, policies and practices. There is more scrutiny than ever on the private sector and employees, customers and activists will be quick to call out companies that fail to connect the dots across their DE&I and purpose-related activities.


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As companies prepare to engage with stakeholders on their DE&I programs, here are a few principles to keep in mind:

+ **Align DE&I policies and practices with your purpose.** DE&I should be a shared priority of your senior leadership team. Every organization should ensure that its DE&I commitments reinforce and complement broader organizational goals including corporate responsibility, sustainability and purpose priorities that are vital to growth and long-term success.

+ **Demonstrate how DE&I informs strategy.** Show shareholders how your company is improving performance and innovation through your investments in DE&I, while driving better outcomes and impact for employees, customers, partners, and communities.

+ **Reinforce leadership commitment to DE&I.** Commitments to and investments in DE&I are most respected when they come from the inside-out, are understood and supported at all levels of the organization and are upheld by leadership.

+ **Show evidence of progress.** Ideally, your company is embedding DE&I behaviors across the business, measuring impact over and above “people” metrics and in accordance with business outcomes—similar to how many companies have addressed environmental sustainability.

+ **Decide if and how you will demonstrate corporate awareness, engagement and activism.** Determine how you will engage and communicate to employees about racial, gender and other equity issues. Plan for how and when to speak out externally, including when to deploy the CEO, Chief Diversity Officer or other senior executives.

+ **Plan carefully for observances.** Approach historical and societal milestones with empathy, consistency and understanding. These events should not be viewed as branding opportunities; avoid self-serving promotion or general statements. Instead, leverage these important moments as opportunities to underscore your ongoing commitments to creating a more inclusive society.