

The state of equity, diversity and inclusion in Europe

From good intentions to lasting change



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Executive summary

Introduction

In spring 2021, Workday commissioned a survey of HR and business leaders across Europe to better understand motivation, activity and progress around equity, diversity and inclusion (ED&I).

More than 2,200 leaders responded from a wide range of sectors, giving us some great insights.



The current state of play

Overall, the outlook is positive. The majority of respondents told us their executive teams understand the importance of ED&I and have invested in the infrastructure to develop it. Despite current economic challenges, over three-quarters said they plan to maintain or increase their investment. Almost all of the respondents are running initiatives in the ED&I area and just over half feel the majority in their organisation hold a positive and mature view on diversity.

While this is a good start, we know there is still a long way to go to achieve diversity, equity, inclusion and belonging in the workplace. ED&I is a journey, not a pitstop.

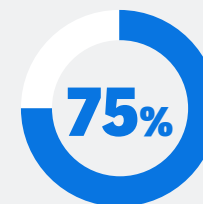
Setting the intention

Our survey suggests a growing recognition of clear business drivers for ED&I. Interestingly – given the context of the pandemic – ‘improving staff wellbeing’ was the most commonly selected driver and a priority for organisations.

Set up for success

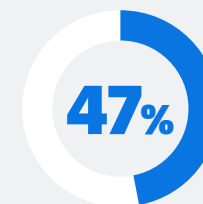
Organisations are at different stages of laying their fundamental building blocks:

Dedicated resources to fund and sustain initiatives:



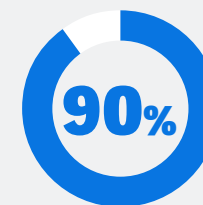
Three in four have a dedicated ED&I budget in place.

Organisational structure to ensure implementation and accountability:



Nearly half attribute ownership and management of ED&I to HR.

Data to drive a strategic approach of continuous improvement:



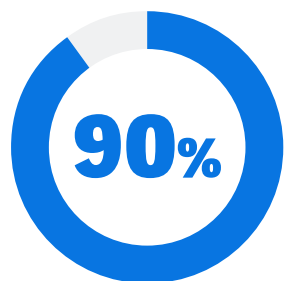
Almost all participating organisations are carrying out at least one initiative in this area, yet over a third (36%) don't have a strategy in place.

Data: from compliance to outcomes

Most organisations are collecting some ED&I workforce data, but not all are confident enough to take action based on the data they have. Those that do make data-based decisions don't always seem to have the right information.

KPIs are frequently attached to collected data – this seems positive, but may be premature or counterproductive when there's an absence of clear strategy to drive change and an accurate way to measure it.

Take action



90% of respondents reported their organisation has at least one ED&I initiative running.

The most common are campaigns, awareness raising and positive action. But less than one in five organisations measure the impact and value their ED&I initiatives have on their business. This makes it difficult to see whether the initiatives are working. In turn, this makes it harder to argue the case for future initiatives.

Use of technology

92% of respondents said they use technology to support ED&I initiatives

But most seem to only use generic solutions employed for standalone tasks. Just 32% said they used technology 'all the time', and almost all of this group said they trusted their ED&I data enough to make decisions based on it.

Where datasets exist, reporting is often only available to ED&I professionals and not to managers and decision-makers across the business.

What works

To develop ED&I at their organisation, respondents cited a need for better staff engagement and/or more commitment from the top.

- **Culture and strategy are partners** – the extent to which organisations have developed a strategic approach seems to be associated with the maturity of their organisational culture in relation to diversity.
- **Trust in data and technology go hand-in-hand** – trust in ED&I data is highest where more aspects of diversity are being monitored, data is being recorded against individual employee records and technology is being used 'all the time' to support ED&I.
- **Embedding ED&I in the organisation and sustainable investment are essential** – those that have set up a dedicated cross-functional ED&I team outside of HR are most likely to report a commitment to increasing investment.

Strengthening the quality and strategic use of data to target, evaluate and review actions taken may be key to unlocking the engagement and investment needed at the very heart of organisations. This needs to happen within HR and beyond. It's time to view ED&I as a critical business process and embed it within business strategy, implementing the information systems needed to manage it effectively.

This evidence-driven approach is what can help turn good intentions into lasting change. It means the workplace will get better for everyone, and business outcomes will improve as products, services and sales strategies will resonate with – and reach – an organisation's entire potential customer base.



Introduction

A pivotal moment for belonging and diversity



The last year has challenged us like no other. It's forced us to reflect on issues such as global health and wellbeing, equity, social justice, and the role that each of us can play in confronting these issues in an increasingly tumultuous world.

We've seen a dramatic change in our relationship with work. What we expect from employers in the future will vary, depending on the unique situations we've experienced away from 'business as usual'. It's likely that the 'certainties' of the past – how we work and where we work – will be shaken up, and the social contract between employer and employee will need to be rewritten.

This puts us at a pivotal point for equity, diversity, inclusion and belonging. We've reached a 'now-or-never' moment, where societal pressures are high, but so too are our opportunities to seize the moment.

At Workday, we've assessed and reflected on our own belonging and diversity efforts and we know we have an opportunity to accelerate our progress. One way we've done that is through a structured approach we call VIBE™ – Value Inclusion, Belonging and Equity – which is led by Carin Taylor, our Chief Diversity Officer. We use this to make sure our employees are included, feel a sense of belonging within the organisation, and that our workplace is equitable.

Thankfully, we no longer need to spend a lot of our time and effort justifying why diversity, belonging and inclusion matter. Given the impact it has on organisational and individual performance, employee wellbeing, the health of the talent pipeline, and innovation and business outcomes, the business case is clear, proven and more accepted than ever.

This can be attributed in part to the digital age we live in.

We've reached a point where technology can provide us with a much more detailed view of the workforce and its impact on the business. Data can now show us if unconscious bias is creating unbalanced hiring practices, if a company's promotion process is inclusive or not, or if there's higher attrition among certain groups of employees and why that might be. As a result, diversity, belonging and inclusion is evolving and moving closer to the core of human capital management and the business.

We commissioned this survey to better understand the state of progress on equity, diversity and inclusion across all sectors within Europe, in a rapidly changing environment. In an increasingly global world – where businesses

operate across borders – understanding local cultural differences can feel complex and difficult. But doing so gives us an opportunity to learn from each other, which can be invaluable.

We're passionate about inspiring a brighter work day for all and helping companies successfully drive change.

We want to share the learning and insights from this research because we believe we've reached a pivotal moment. And to make the most of it, we have to understand the nature of the opportunity before us.

Among our customers and partners, we see so many companies like us striving to build diverse and inclusive workplaces. We know that by working together and combining our varied perspectives, we can drive lasting change that will benefit us all.

A handwritten signature in blue ink that reads "Carolyne Horne".

Carolyne Horne
President, EMEA, Workday

About this research

This survey was conducted among 2,217 HR professionals and business leaders that have influence over ED&I in their organisations, across 14 countries:

Austria	Italy
Belgium	Netherlands
Denmark	Norway
Finland	Spain
France	Sweden
Germany	Switzerland
Ireland	UK

The interviews were conducted online by Sapio Research in February and March 2021 via an email invite and online survey. The report was written in collaboration with the EW Group. EW Group is a London-based consultancy with over 28 years of expertise in the areas of equality, diversity and inclusion, working with businesses across the UK and overseas.

Note: percentages may not total 100% due to rounding.



ED&I

THE CURRENT STATE OF PLAY



Overall, survey responses suggest a positive outlook for the future

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Three in four respondents say their executive leadership teams see ED&I as important.

66%



Two in three have a dedicated person or team focusing on ED&I.

75%



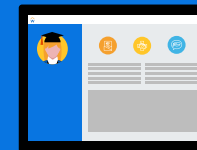
Three in four have a dedicated budget for ED&I initiatives.

1/3



One in three say they plan to increase their investment in ED&I.

3/4



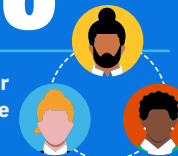
Three in four provide ED&I training to at least some of their employees.

84%



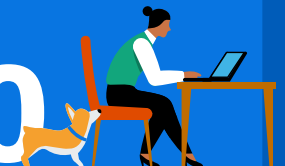
Four in five are collecting at least some employee data for ED&I monitoring purposes.

62%



Two in three feel their senior management team is diverse in terms of gender.

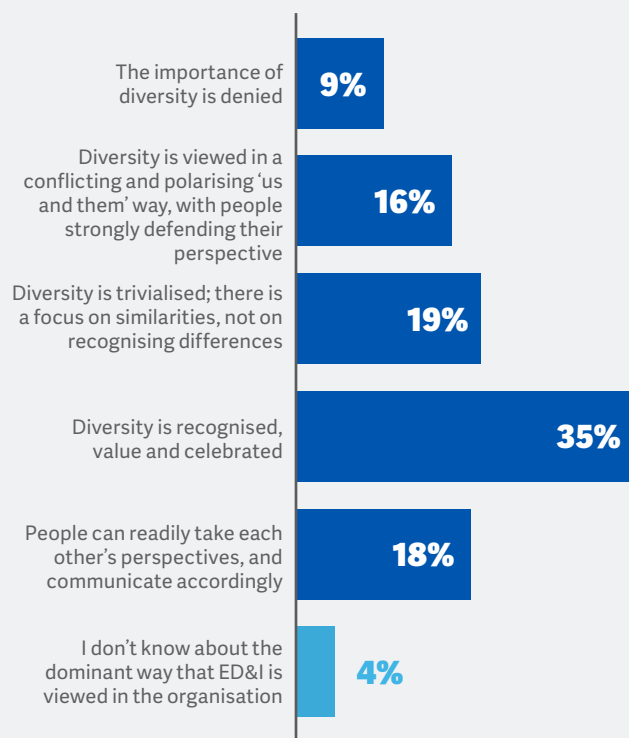
9/10



Nine in 10 report ED&I initiatives in their organisations – from events and campaigns, to positive action and employee groups.

Survey respondents were asked to select which of the following statements they felt best described the majority view of diversity at their organisation (see Figure 1). The statements reflect the different stages of the Intercultural Development Continuum model.

Figure 1: Majority views of diversity.



Achieving results

It's encouraging that just over half of people reported a 'positive and relatively mature dominant view of diversity' in their organisation, but this does leave a large percentage of others who can't say the same for their workplace and who might struggle to gain traction from others who do not understand the impact or value of difference. The findings suggest that for some, the topic of diversity is divisive. The culture in some of these organisations may even be described as toxic – especially for those who are in the minority and/or those experiencing disadvantage.

Wider research findings also confirm there's still a long way to go to achieve ED&I in the workplace:

Equality	Diversity	Inclusion and belonging
<p>According to the UN, the gender pay gap globally stands at 16%. This means that:</p> <p>on average, women earn 84% of what men do.</p> <p>The gap is even greater for women of colour, immigrant women and women with children.</p>	<p>According to EgonZehnder's 2020 Global Board Diversity Tracker:</p> <p>59% of FTSE 350 companies have no ethnic diversity on their boards.</p> <p>30% of people we asked 'disagreed' or 'strongly disagreed' that their senior management team was ethnically diverse.</p>	<p>Research reported in the Harvard Business Review found:</p> <p>40% of us feel isolated and excluded at work.</p>

While our findings show good intentions and considerable activity in ED&I from many European companies, they also highlight areas for development:

One third...

say engagement from staff is needed to make further progress on ED&I.

say leadership and commitment from the top is needed to make further progress.

don't have a strategic approach to ED&I. A fifth have taken some initial steps to create one.

Employee data is being gathered, but there are limitations in what's being collected, and how it's being used.

The majority report using technology to support them in their ED&I initiatives, but responses suggest they're not maximising technology's true potential.

Different starting points

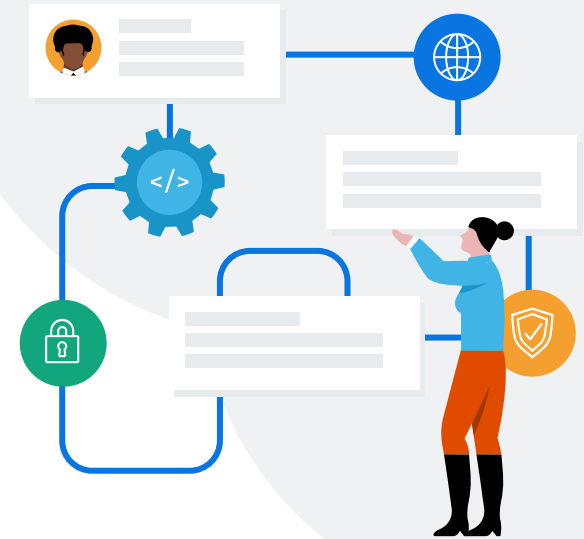
Our survey findings give insight into where different companies across Europe are positioned along their ED&I journey. It's clear that many organisations have good intentions and have invested in the resources needed for success.

The best-performing organisations have recognised the importance of taking a strategic approach. They've put the necessary systems in place to collect and use a range of data to plan targeted actions, evaluate and refine their strategies.

There are a vast array of starting points, cultural norms and sensitivities and government policies across Europe. It's important to tune into these differences between nations, especially in multi-national organisations. When doing so, it's also important to avoid stereotyping different countries, or referring to just one version of history.

While the survey highlights significant differences between nations, the differences between companies operating in the same country are just as striking.

It's clear that while size, sector and even national context may have some influence, they don't determine how companies experience, interpret and manage ED&I.

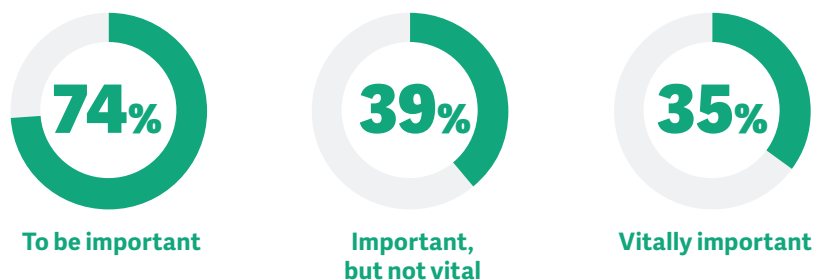


Setting the intention

A clear business case

The commitment of senior leaders to this agenda is essential for real progress.

Respondents' executive teams believe ED&I:



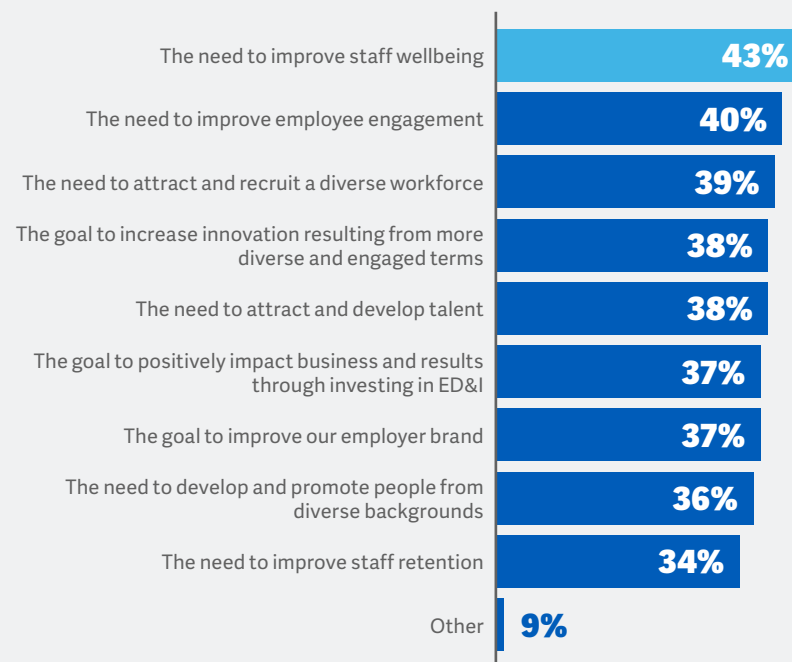
To make further progress on ED&I:



To engage employees at all levels of the organisation, ED&I must be employee-centric and regularly listen to, and act on, the concerns of its diverse workforce. A clear business case for ED&I is key to engaging leaders and staff.

Our survey asked about the main business drivers for ED&I in organisations, and gave respondents the opportunity to select more than one option from a list. Each received a sizable response, suggesting that organisations have multiple, well-established business drivers to promote ED&I (see Figure 2).

Figure 2: The business case for ED&I.



The main business case for ED&I was the need to improve staff wellbeing (43%). One in four respondents said a 'shared vision and understanding of the business case' is needed to progress the ED&I in their organisation.

Employee wellbeing and the pandemic

Employee wellbeing – linked to physical, mental and financial security and a sense of belonging – was a priority for many organisations even before the pandemic, and is even more so now. So it's not surprising to see the most frequently selected option for ED&I main business drivers was 'the need to improve staff wellbeing'.

As businesses adapted to remote working during 2020, the care responsibilities and home circumstances of their employees became apparent in a way they may not have been before. Risk assessments highlighted the increased vulnerability to the virus of older workers, pregnant women and those with underlying conditions – which might previously have been hidden – and workers from black and minority ethnic backgrounds.

Many employers recognised during the lockdown period – some perhaps for the first time – that talking about and supporting their employees' mental health is critical to sustaining productivity.

Recent research published by Workday in partnership with Yonder Consulting, 'The Employee Outlook report', found almost a third of European employees feel trapped in their current roles or have missed out on career development opportunities due to economic uncertainty. As we emerge from the pandemic, we could see considerable staff turnover.

The 2016 Deloitte Millennial Survey found nearly half of millennials actively consider the inclusion and diversity performance of prospective employers when considering new roles. Taken together, these insights suggest a positive approach to employee wellbeing, one which considers ED&I, will be critical for companies to retain existing staff and attract new talent in the future.



The 'need to improve employee engagement' was the second most frequently selected business driver for ED&I. Effective employee engagement is both a requirement for, and a product of, good ED&I performance.

Without buy-in from staff, a good ED&I strategy can't be implemented.

If employee engagement misses diverse voices, leaders will only ever hear part of the story and patterns of inequity and exclusion will continue.

External drivers

The survey explored the perceived strength of different sources of external pressure when implementing ED&I.

A total of 12% of respondents said their executive team saw ED&I as being of little or no importance, or were unsure of their view.

Where government policy and legal obligation were felt to be weak, the proportion reporting this more than doubled.

Where customers' and clients' demands and expectations to implement ED&I were 'strong' or 'very strong', the percentage with an executive team who felt ED&I was 'vitaly important' increased to 42%, from an average of 35%.

These insights suggest that national policy and law can help kickstart implementation among late adopters of ED&I.

Companies that prioritise ED&I the most see a strong business driver for doing so.

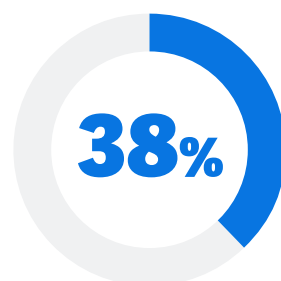
In the 2020 'Diversity Wins' report, McKinsey & Company notes that following the COVID-19 pandemic there was more disparity between companies that see ED&I as a 'nice to have', and those that understand the competitive advantage it can give them.

The business case for ED&I is becoming increasingly compelling:

- The McKinsey report finds a stronger-than-ever-before relationship between senior management diversity and financial performance
- Research carried out by Accenture in 2019 found an 'innovation mindset' is six times higher in the 'most-equal' workplace cultures than in the 'least-equal'

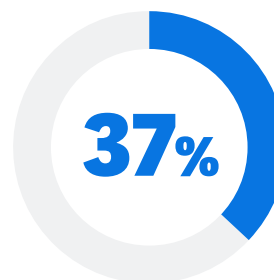
In a changing world, the willingness and ability to innovate and adapt – to both a shift in working lives and customer behaviours – is business critical.

In our survey:



of respondents could see the direct link between more diverse and engaged teams and innovation.

37% felt investing in ED&I positively impacts business success and results.



Where it's widely understood to drive business performance directly, ED&I naturally becomes mainstream, sitting at the core of an organisation's business and strategic planning.

This is key for countering what the Organisation for Economic Co-operation and Development has described as 'the persistent misconception that diversity policies only benefit women and minorities, and come at the detriment of majority groups'.

ED&I can make work better for everyone and improve business performance.

Set up for success

ED&I is a journey.
An ongoing
process, and not
just a moment.



Having established a reason to change and a commitment to make it happen, time is needed to achieve sustainable change. Investment, power and evidence are also key to a successful ED&I journey.

Fundamental building blocks for ED&I

The fundamental building blocks include:

- Dedicated resources to fund and sustain initiatives.
- An organisational structure that ensures implementation and accountability.
- Data to drive continuous improvement.

It's clear from our survey that organisations of varying sizes, sectors and national contexts are at very different stages of laying these foundations.

Dedicated resources to fund and sustain initiatives

Three quarters of respondents said they have a dedicated ED&I budget in place. One in four said they needed a dedicated budget and/or more investment to further develop ED&I in their organisations.

Despite the financial pressures and uncertainty resulting from the pandemic, it's encouraging that:

36% plan to increase their financial investment in ED&I in the next financial year.

42% will maintain the same level of investment.

Half of those who have an ED&I budget have time constraints on their spending – some can only budget for short-term initiatives, while others can budget for long-term initiatives. Organisations with leaders who saw ED&I as vitally important were more likely to have budgets for both short and long-term initiatives.

Organisation size and budget available are closely linked – 32% of respondents with less than 500 employees reported that they didn't have a budget at all, compared to 14% overall.

One in five respondents from public sector organisations don't have a budget for ED&I, perhaps due to the economic recession in many European countries.

Organisational structures and ownership

We asked respondents to tell us who is responsible for the management of ED&I within their organisation. We saw some diversity but a dedicated team sitting within HR is still the most common structure. Nearly half said their ED&I management sits within HR, regardless of whether it's one person or a whole team dedicated to this function (see Figure 3). A dedicated team within HR was most likely to be responsible for ED&I management (28%)

There are potential pros and cons in relation to these different organisational structures.

While HR clearly plays a key role, there may be a risk that ED&I is seen as just an employment issue if responsibility for its management sits solely within HR. Opportunities to think about ED&I within product development, marketing, procurement and service delivery could be missed as a result.

Placing responsibility for ED&I with senior management can give it greater weight and influence, but there's also a risk that the agenda will get lost amid competing pressures. A council or network drawn from across the organisation can help promote staff engagement and activity throughout the business, but only if it has enough power to influence decision-making.



Figure 3: Organisational responsibility for ED&I.



The survey highlighted the advantages of a dedicated team, outside of HR, or of cross-departmental ownership:

- Where ownership of ED&I initiatives sits within a dedicated cross-functional team, 69% of respondents say ED&I has company-wide priority (there are no comparative statistics for HR).
- One in 10 respondents in an organisation of this structure told us their dedicated teams have an average of 13 employees, which suggests a significant investment in ED&I.
- Those with dedicated cross-functional teams outside of HR are more likely to report increasing ED&I budgets. Those with HR team owned ED&I initiatives are more likely to report a decrease.
- We saw a link between having a dedicated cross-functional team outside of HR and identifying business drivers linked to innovation, business results and staff engagement. HR ownership of ED&I is linked with a greater focus on staff wellbeing.

We need ED&I both inside and outside of HR, and integrated strategies that understand the importance of ED&I. This is because diverse and included teams are more productive, have lower rates of sickness absence and see less turnover. Also, businesses need products and sales strategies to resonate with the widest audience possible, and procurement strategies that help find the best suppliers, and customer services will be fully accessible to all.

“

These findings suggest that a more mainstream approach can impact on a range of business drivers, thereby creating a virtuous circle of attention, investment and results. At Workday we have a dedicated Belonging and Diversity team with a unique structure. While based in HR, it has a cross functional role where the team is empowered to drive the entire business forward.”

Carin Taylor

Chief Diversity Officer, Workday





Data: from compliance to outcomes

Collection and compliance

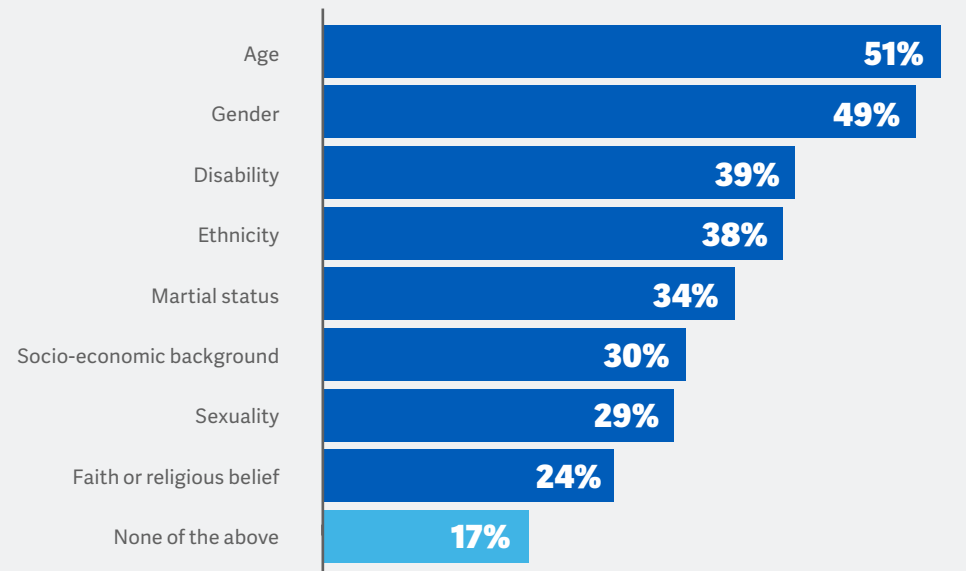
The survey found around half of companies in Europe are monitoring their workforce and/or job applicants by age and gender. Looking at aspects of social identity such as ethnicity, socio-economic background, sexuality and faith can be a much more sensitive and, in some European countries, a legally and culturally challenging process.

17% of respondents said their organisation wasn't monitoring for any diversity characteristics (see Figure 4).

Given the different legal and cultural contexts across Europe, there's considerable variation in what's being monitored in each nation. Regulations on the collection, storage and reporting of workforce diversity data are complex and vary from country to country. In some countries, certain organisations are required to monitor particular characteristics. Over a third of respondents identified 'compliance' and a need to report either to government or a regulator as one of the primary drivers for collecting monitoring data.

Figure 4: Diversity monitoring.

Half of respondents monitor age (51%) and gender (49%) within their workforce and/or recruitment – 17% did not monitor any of the listed aspects of diversity.



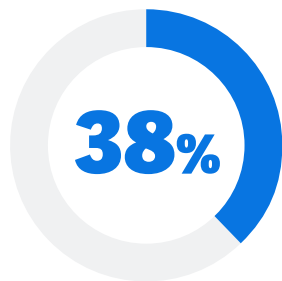
On the other hand, privacy and data protection regulations restrict the way personal data is collected, stored and used.

23% say they don't collect more data because of compliance concerns.

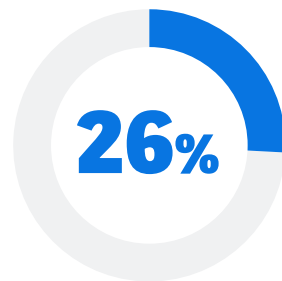
Our findings also suggest different approaches to monitoring within each country. For example, compliance concerns are highest in Austria with 39% of respondents saying this was a concern, compared to an overall average of 23%. However, 47% of respondents still store some ED&I data in HR records against individual employees' records.

We asked respondents which parts of the employee lifecycle they monitor by ED&I characteristics. We saw that around one in three monitor promotions and exits by protected characteristics (see Figure 5).

Monitoring exits by different groups or characteristics can give useful insights for future improvement, but it's often not enough to look at this data retrospectively. Some organisations are taking steps to better understand current employees' feelings of belonging and inclusion. This will hopefully lead to proactive steps that will improve people's working lives and improve retention.

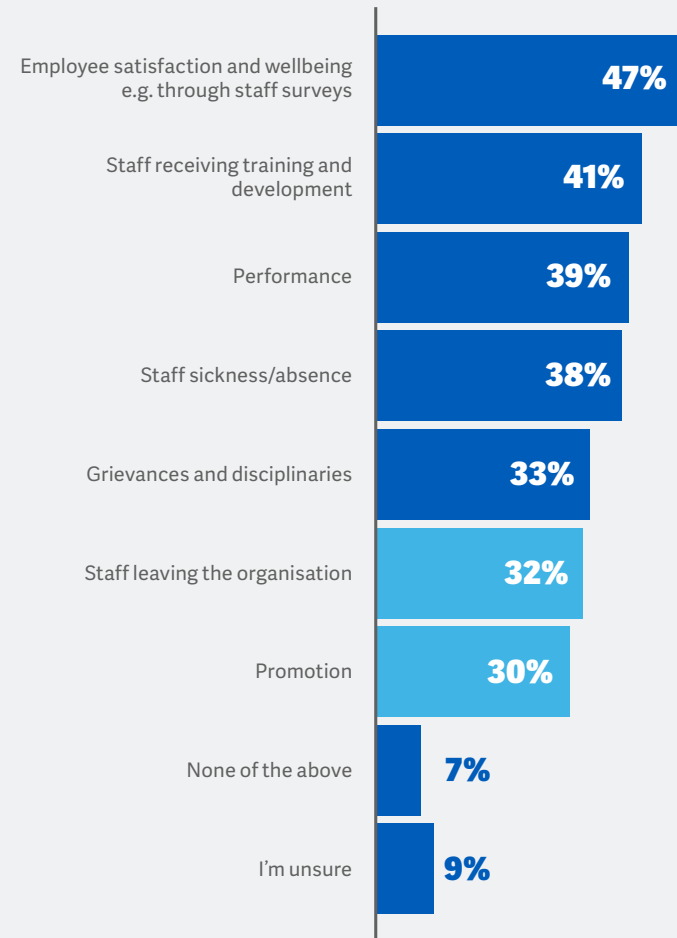


said they had carried out sentiment surveys to get insights on belonging.



had set up employee-led networks, groups or belonging councils, which can provide valuable qualitative insights into the engagement of different staff groups.

Figure 5: Monitoring ED&I characteristics along the employee lifecycle.



Around one in three monitor promotions and exits by protected characteristics.

Trust in data

Collecting data is one thing, but being able to trust its accuracy enough to inform decision making is another. There's a chicken and egg situation here – staff and managers are more likely to trust and volunteer data when they believe it's being used to make a positive difference. For this to happen, reports must be readily available to decision-makers and the data must be sufficiently complete and accurate, so that it can be trusted.

Our survey found that even where significant datasets exist, they're not always accessible to decision-makers:

- 80% of respondents said ED&I reports were readily available in their organisations.
- Around half said they were only available to ED&I professionals, the other half said they were available to all managers.

Three-quarters of all respondents said they trust their data and believe it to be 'complete, reliable and actionable'. This confidence may be misplaced. And we found some of the people who said they trust their data also said they're not monitoring any aspects of diversity.

64% of respondents say they store ED&I data in their organisation's core HR system, against employee records.

These organisations are much more likely to trust their data. The remainder are presumably reliant on anonymous surveys to get insights into diversity composition – two in five of all respondents said they used these.

Anonymous surveys can be a good way to start building employee engagement in nations and organisations where there are compliance concerns. But with limited understanding of the profile of non-responders, organisations will find it tough to apply the findings of these surveys to the whole workforce. It's difficult to measure change accurately over time with this method too – when repeated, organisations won't know how much overlap there was between those who responded to the original and those who responded to the follow-up survey.

It's also impossible to drill down into the data to move from insight to action and to actually address issues found for specific employee groups, leaving organisations empty-handed in actually moving towards change.

Our survey found trust in data to inform decision-making increases with the number of characteristics being monitored.

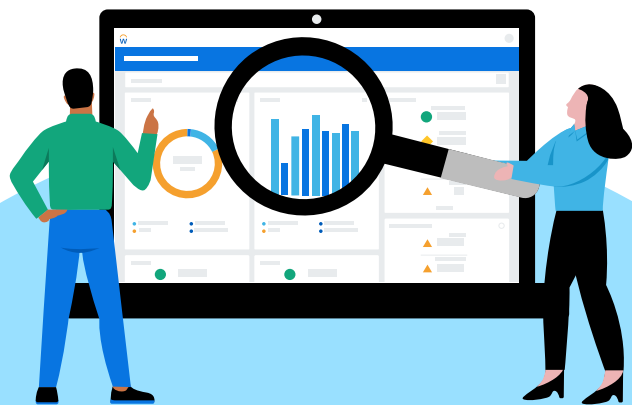
69% of those collecting just one or two characteristics said they trusted the data, but this rose to 80% for those collecting between three and six characteristics.

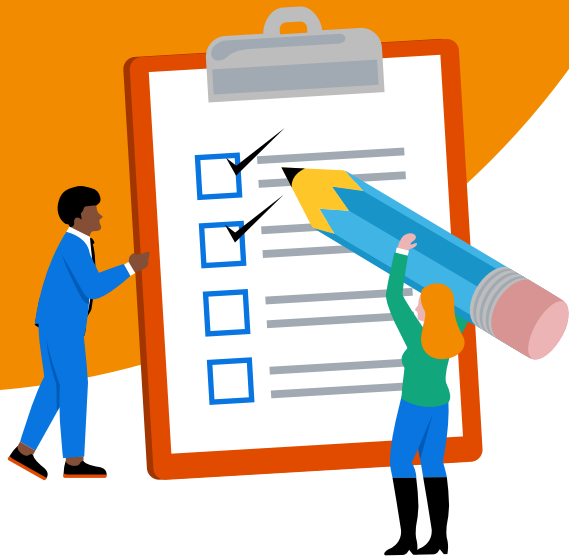
84% of those collecting seven or more characteristics said they trusted their data.

This may be because monitoring is better established in these organisations or because these organisations are able to look at intersectionality between characteristics.

Trust in data also increases significantly with use of technology. Almost all those who reported using technology to support their ED&I initiatives 'all the time' said they trust their data enough to take action on it.

Through Workday, Fugro now has precise data on the number of women across the business. It knows the number of women holding leadership positions, figures to ensure equal pay for women, and details on which managers have completed unconscious bias workshops. "We can finally drive real change." Erwin Hoogeveen, Chief Human Resources Officer, Fugro.





Taking action

From action to strategic action

Our survey identified considerable activity in relation to ED&I in organisations across Europe.

90% of respondents reported at least one initiative in place within their organisation.

The most frequently cited were campaigns, raising awareness and positive action – both to support the development and progression of existing staff and to encourage diverse applicants (see Figure 6).

There's also considerable investment in staff learning and development on ED&I:

- Three in four respondents said they were providing training to at least some of their staff.
- Where organisations are providing training, they're most likely offering it to middle managers, which can help with reducing unconscious bias, improving skills and confidence in fair recruitment and in managing diverse teams.

Where the executive team sees ED&I as vitally important, organisations are more likely to offer training to all staff.

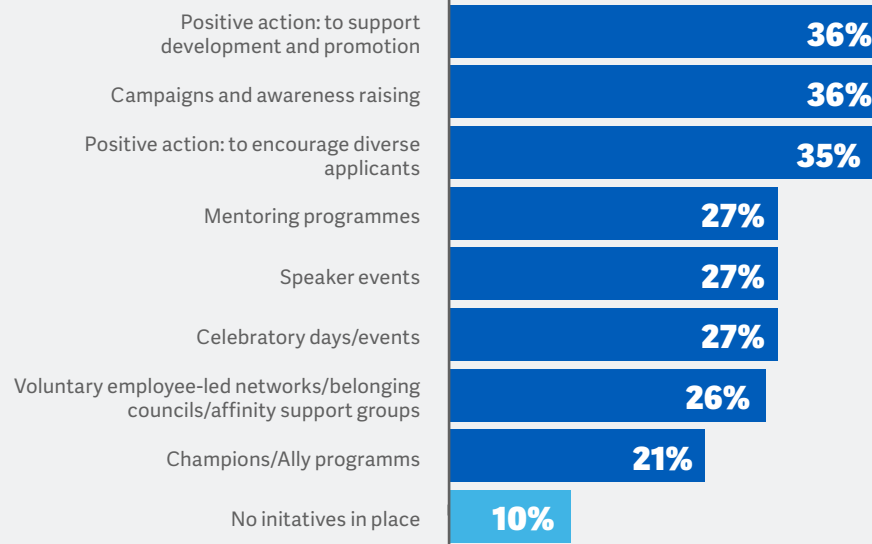
This activity and investment is all undoubtedly positive.

But despite 90% of organisations carrying out at least one ED&I initiative, 36% don't have a strategy in place yet.

Where actions aren't taken as part of an evidence-based strategic approach, there's a risk that they won't be targeted effectively, their purpose is misunderstood or miscommunicated, or they're seen as tokenistic.

Figure 6: ED&I initiatives.

The most popular ED&I initiatives were campaigns and awareness raising (36%), positive action to support development and promotion (36%), and positive action to encourage diverse applicants (35%).

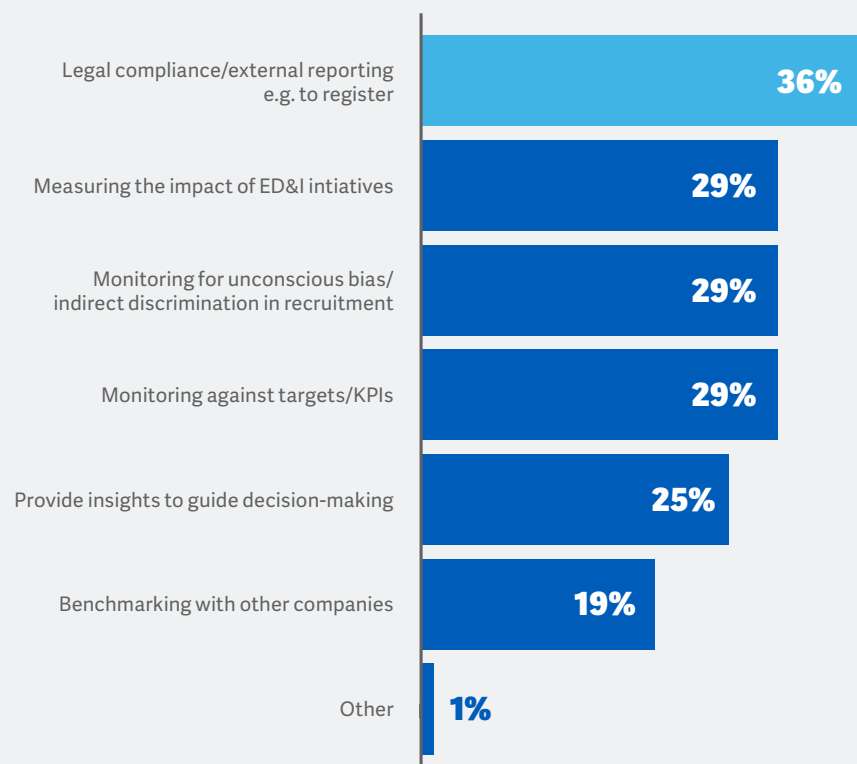


Measuring outcomes

Respondents were asked, 'what are the top two drivers for equality monitoring within your organisation?'

It's positive to see that measuring the impact of ED&I initiatives was the second most popular response. The flip-side to this finding is that it isn't a top priority for 71% of respondents (see Figure 7). The top driver for equality monitoring was legal compliance/external reporting (36%).

Figure 7: Top drivers for equality monitoring.



Elsewhere in the survey, only **17%** confirmed they measure the impact and value of ED&I initiatives on their business.

Without this evaluation, organisations can't refine and re-target initiatives or make a business case for further investment.

The majority of organisations monitoring aspects of diversity among their employees or potential employees said they attached key performance indicators (KPIs) to these metrics. This was true of two-thirds of those monitoring gender and age, falling to just over half of those monitoring sexual orientation or socio-economic background.

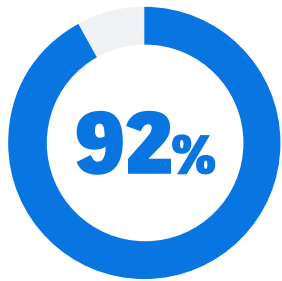
At first glance, this seems positive as it can demonstrate a commitment to improving workforce diversity. But it can mean that some organisations:

- **Run before they can walk:** some organisations set up KPIs before they have datasets they trust.
- **Could be more focused:** some believe that if it's being measured, it needs to be a KPI. Prioritising a more focused set of KPIs can be more effective.
- **Focus on the destination, not the journey:** where organisations don't have a coherent strategy in place, there's no clear route to drive progress in relation to their KPIs. Attaching a KPI to a diversity measure without an evidence-based and targeted action plan can be counter-productive. For example, rumours may spread that 'anyone of a particular background' will be hired or promoted just to hit targets. Those who do progress at work are viewed with suspicion and start to doubt their own abilities, those passed over begin to feel resentful. It's a recipe for division, not diversity.

In conclusion, it's important to build an evidence-based strategy first and then select which processes and outcomes to measure. This will ensure the actions you take have the desired impact.

Use of technology

Technology as an enabler – from analysis to action



of respondents said they use technology to support ED&I initiatives at least to some degree.

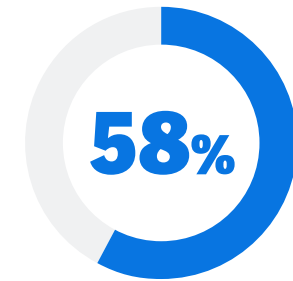


said they did so 'all the time'.

But we also found that:



say they use 'reporting and analytics solutions that support ED&I use cases'.



agreed that recording ED&I data is a challenge and that they need new systems and software to better manage this.

Trust in data increases when technology is frequently used. Of those who use technology 'all the time', 93% say they trust their ED&I data enough to take action based on it.

For many respondents, 'use of technology' seems to involve generic solutions employed for particular stand-alone tasks, such as generic software used to conduct online staff surveys and internal communication tools. Recruitment tools that support ED&I use cases are popular and used by 40% of those using technology.



The Workday VIBE™ approach

We studied our own organisation at Workday and understood that diversity shouldn't be our sole focus. Fostering inclusion, belonging and equity in the workplace is key. We looked at how to create an environment where everyone feels valued for who they are and what they bring to the organisation.

We believe it starts with a deep understanding of who your people are and how each person is unique. Traditional ways of analysing employees focus on one dimension, such as gender, age or ethnicity. But a person's identity is made up of multiple dimensions that impact their experience in the workplace. We recognise the unique identities of our employees by looking at these intersections.

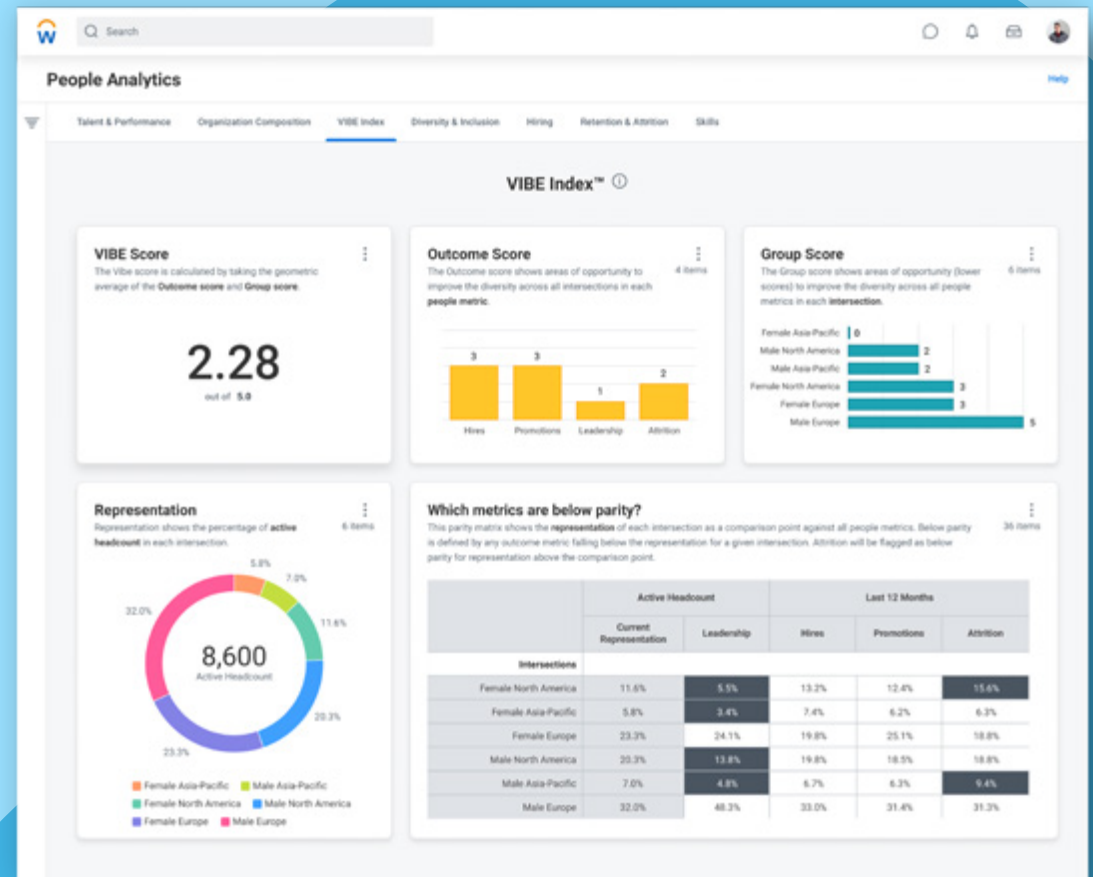
Measure outcomes with the VIBE Index™

A key part of our approach is looking at measurable outcomes across the entire lifecycle of the employee – from candidacy to onboarding to development to advancement – based on these intersections. From there, we can see any disparities across intersection groups and where in the employee lifecycle we have the greatest opportunity to improve.

“

Workplace diversity is something we're working on. But you can't fix it if you don't have the data. Using Workday, we can measure diversity against our goals and stay on track.”

Erwin Hoogeveen
Chief Human Resources Officer, Fugro



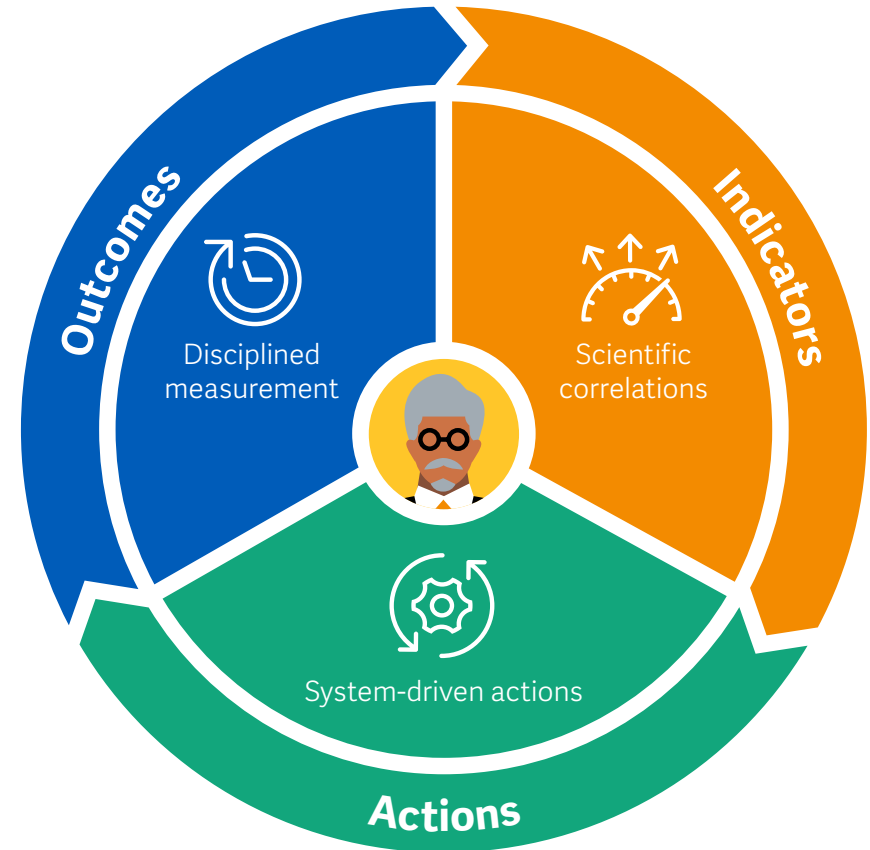
Note: Image is for illustrative purposes only and may differ from the actual product.

We call this approach VIBE™: Value Inclusion, Belonging and Equity

VIBE is our unique Workday way of approaching belonging and diversity. We share our best practices and methodologies with our customers and partners as we advance in our own journey.

To shift the focus from goal setting to goal getting, successful organisations have a system of accountability. This helps them understand where they are today, where they want to go, and how they can get there. This approach establishes a virtuous cycle for continuous 'goal getting,' enabling organisations to set new goals after achieving the initial ones.

- **Outcomes** – understand where you are today on hiring, promotions, leadership, belonging and attrition outcomes. Use disciplined measurements to surface areas that need improvement, and for which employee groups.
- **Indicators** – identify scientific correlations to outcomes. For example, if you are trying to improve diverse hiring, a key indicator to understand and track is the conversion ratio, which correlates with hiring outcomes.
- **Actions** – drive actions by changing HR processes in screening, hiring, development or succession planning to remove bias or promote diversity. Sustain new practices by leveraging technology systems.



“

Intersectionality is a powerful way to measure diversity and improve inclusion for many groups of people. Workday's new solutions will help companies identify new groups in the workforce that need attention and give companies highly actionable information to pinpoint diversity and inclusion efforts.”

Josh Bersin
Global Industry Analyst and CEO
The Josh Bersin Company

ED&I at the heart of the business

64% of survey respondents reported having some degree of 'strategic approach' to ED&I

But a third of these feel they're still at the 'initial steps' stage. Most of the remainder say they have the intention, but haven't been able to act and create a strategy yet.

Culture and strategy go hand-in-hand

Organisations that take a strategic approach to ED&I are more likely to say 'diversity is recognised, valued and celebrated' in their workplace, or that 'people can readily take each other's perspective, and communicate accordingly' than organisations that don't. The data doesn't tell us whether taking a strategic approach causes these beliefs and behaviours or vice versa, but the pattern is clear. For an ED&I strategy to be effective, it needs to be evidence-based.

Trust in data and technology are partners

Strengthening the quality and strategic use of data to target, evaluate and review actions taken may be key to unlocking engagement and investment. This needs to happen within, but also beyond, HR. It's time to afford ED&I the same status as other critical business processes, and to embed it within business strategy, implementing the information systems needed to manage it effectively.

Technology availability and data-driven insights are at a peak. We have more digital tools available than ever before to get insights in real-time, explore the data we have, target our actions and evaluate their impact. Yet our survey suggests that this potential has yet to be unlocked by the majority of organisations in relation to ED&I.

Embedding ED&I across the whole organisation

We've seen organisations with a dedicated and cross-functional ED&I team are very likely to report cross-company traction. They're also most likely to report a commitment to increasing investment.

If we evidence the value and impact of our targeted ED&I actions, the agenda starts to take centre stage in our organisations.

Leaders begin to appreciate the business case and articulate this in a way that feels authentic and convincing to staff, and invest more in initiatives and technology to support them. Managers start to trust the data and use it, they're able to explain the importance of ED&I to others within the business and point to real benefits for all that come from this way of working.



This evidence-driven approach is what can help turn good intentions into lasting change. It means the work will get better for everyone and so will business outcomes – with products, services and sales strategies resonating with and reaching the entirety of an organisation's potential customer base.

This is a fundamental way of making business more resilient as we move through a period of societal change and into the future of work.



We believe a supportive and inclusive workplace, where everyone feels valued and included, is the key to great products, happy customers and an enduring company.”

Carin Taylor
Chief Diversity Officer, Workday

From good intentions to lasting change: considerations for your organisation

ED&I is moving to the heart of business and with that comes a unique opportunity to make lasting change by treating it the same as other key business initiatives.

A new approach is needed, which includes setting clear goals for success, using data as a solid basis for decisions, applying a systematic approach and maximising the use of technology to drive progress.

Based on our research, considering the following five questions will help you review where you are, and where you're headed on your ED&I journey.



1. Do you have a clear idea of what you want to achieve?

Staff wellbeing and engagement emerged as leading drivers in our research. While economic and external factors support the case, it's clear that the human element is most important to organisations when thinking about ED&I. Companies are investing because it's the right thing to do for their employees.

Consider reviewing how employee-centric your ED&I strategy is:

- Do you have the mechanisms in place to understand staff sentiment, sense of belonging, wellbeing and engagement?
- Are you able to truly listen to your employees, using employee resource groups and continuous listening tools?

Our research shows staff buy-in is equally important for success as executive commitment.

- Are you ready to link your ED&I goals back to employee needs and share a clear and convincing plan that resonates with your staff?

2. Are you set up for success?

Looking at the fundamental building blocks for ED&I, there's evidence that cross-functional organisational structures lead to greater success – both in terms of the sustainability of efforts and in driving positive outcomes.

Consider reviewing how embedded ED&I is across your company:

- Is this a regular topic for managers and employees outside of your ED&I team?
- Do you have a team that brings diverse views from across the company to the table and have you considered a cross-functional set up?
- Are there communication structures in place to ensure the value of the ED&I work is regularly shared across the company?

3. Have you thought about data – from compliance through to outcome?

While trust in data is high, so are the limitations some companies see in terms of the data available for use. There are also compliance concerns and the need for better systems to manage data better.

Consider reviewing how holistic your view of ED&I data is:

- Do you have any blind spots?
- Can you measure your progress against your goals?
- Are you making the most of your data and turning it into actionable insights?
- Are you able to embed real-time insights about employee sentiment?

4. Are you taking the right course of action?

Moving from action to data-based action is crucial according to our research. But not all organisations have data-based plans in place.

Consider reviewing how evidence-based your approach is:

- Can you measure progress and outcomes against set goals?
- Could you better your approach with a framework that allows for continuous improvement – clearly interlinking outcomes, indicators and actions?

5. Are you making the most of available technology?

Technology is an enabler of ED&I, supporting a strategic, evidence-based approach. Technology also plays a critical role in increasing trust in data, and enabling plan execution across your organisation.

Consider reviewing how you're using technology now and how you can use it in the future:

- Are you making full use of the tools available – from managing insights and listening to the employees, to understanding outcomes and their drivers?
- Are you using technology to drive your actions and evaluating the impact on success across the organisation?





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