

What is DEI: Diversity, Equity and Inclusion?



The attitude toward workplace dynamics and inclusivity has made promising strides over the past decade. Where once the conversation was stalled on whether or not measures should be taken to increase diversity in the workplace, there is now a widespread understanding that organizations and businesses with a more diverse workforce perform better.

This realization has led many organizations to focus on diversity, equity, and inclusion (DEI) initiatives as a way to improve their bottom line. [69 percent of executives](#) say that diversity and inclusion is an important issue, and 92 percent agree that companies should [use education and training](#) to increase diversity and inclusion in the workplace.

However, there is still some confusion about what DEI actually is.

Diversity includes factors such as race, ethnicity, gender identity, and sexual orientation. Equity means that everyone has an opportunity to succeed in the workplace regardless of their personal characteristics. Inclusion goes beyond simply having a diverse workforce and focuses on creating an environment where all employees feel welcome and respected.

Together, these concepts make up the foundation of DEI. Organizations that want to [create a more inclusive workplace](#) need to focus on all three areas. This article will provide an overview:

- What is diversity in the workplace?
- What is equity?
- What is inclusion?
- The current state of DEI in the workplace
- Why you should care about DEI in the workplace
- How to improve DEI in your organization

Let's get started!



What is diversity in the workplace?

An unfortunate characteristic of business culture is that we tend to create a lot of buzzwords. We use these words to refer to quite serious and important topics, but we also use them to avoid serious and important conversations. Diversity is one of these words. We throw it around a lot in the workplace, but what does it actually mean?

Diversity can be defined as differences in [race, ethnicity, gender identity and expression](#), sexual orientation, socio-economic status, age, religion, ability, and national origin. It can also refer to differences in thinking styles, communication preferences, and life experiences.

In the workplace, diversity means actively hiring and promoting people from all walks of life. It means creating an environment where everyone feels safe and respected, regardless of their differences. And it means working to understand and embrace those differences.

Where does diversity stem from?

To the younger generations, having a diverse workplace may simply seem like the normal way of life. However, this has not always been the case. The shift towards diversity in the workplace has been a long time coming.

In the past, there were a number of demographics [severely marginalized or outright excluded](#):

- Women,
- People of color,
- LGBTQIA+ individuals, and
- People with disabilities.

This was largely due to systemic discrimination and exclusionary practices.

For example, women were often paid less than men for the same work, people of color were excluded from certain industries and positions, LGBTQIA+ individuals were persecuted and fired from their jobs, and people with disabilities were often overlooked for employment altogether.

Thankfully, society has progressed over the years, and we have recognized the importance of diversity in the workplace. We now understand that a diverse workplace is not only more equitable, but it also [increases employee wellbeing](#) and boosts profits.

What is equity?

In a nutshell, equity is the principle that everyone should have an opportunity to participate in the benefits of society, regardless of their social and economic backgrounds. This includes having access to education, healthcare, housing, and employment opportunities.

In the workplace, equity means that everyone is [given the resources they need](#) to succeed, regardless of their gender, race, religion, or sexual orientation. This includes equal pay for equal work and opportunities for advancement.



Equality versus equity

Equality was an incredibly overused word for many years in the diversity, equity, and inclusion (DEI) sphere. It's thrown around a lot in relation to race, gender identity, sexual orientation, and other areas where people may feel they are not treated equally.

The problem with equality is that it assumes everyone starts from the same place and that if everyone is given exactly the same resources, they will all be able to [achieve the same outcomes](#). This is not the case in reality, as people's starting points are often very different.

Equity, on the other hand, takes into account people's individual backgrounds and circumstances, and ensures that everyone has an opportunity to participate in society. Workplaces that endorse equity are more likely to be successful, as all employees feel that they are valued and have a voice.

What is inclusion?

After diversity and equity are fostered within a company, you may assume that inclusion would naturally follow. However, inclusion is not always an automatic process.

Inclusion means that individuals feel welcomed and respected in their environment, regardless of their identity or background. It also means that everyone has an opportunity to participate in the workplace and contribute to the organization's success.

[48 percent of employees](#) agree that respect is the number one determinant of inclusion in the workplace. If employees feel that they are respected – in everything from their dignity and beliefs to their appearance and lifestyle – they are much more likely to feel included.

Inclusion is not a one-time event, but rather a continuous journey that starts with creating an inclusive environment and culture. Organizations must work continuously to identify and remove any barriers that prevent employees from feeling included.

What does exclusion look like?

Believe it or not, exclusion can occur in even the most diverse of workplaces. When individuals or groups are not given the opportunity to fully participate in the workplace, or [when they are treated differently](#) because of their identity or background, exclusion has occurred.



Some signs that your company may not be as inclusive as you think include:

- Employees feel uncomfortable discussing their personal lives at work
- Individuals avoid certain areas of the office or work tasks because they do not feel comfortable
- Colleagues do not socialize outside of work
- Promotions, raises and other opportunities are given to a select few

Often, this is because the organization [has not created an environment](#) where everyone feels comfortable and respected.

Perhaps there are an equal number of women and men in leadership positions, but the women are not given equal pay or opportunity for advancement. Or maybe people with disabilities – while being given the position within a company – are not given the same accommodations as other employees.

In order for companies to be successful, they must first acknowledge that everyone is different and that [differences should be celebrated](#). Only then can organizations foster an environment of inclusion, where everyone feels comfortable and respected – regardless of their identity or background.

The current state of DEI in the workplace

The prevalence of diversity, equity, and inclusion in the workplace has grown exponentially in recent years, and certainly since the late '90s. This may be due to the many social movements that have taken place since then, such as marriage equality, Black Lives Matter, and the Me Too movement. But despite this progress, there is still a lot of work to be done when it comes to ensuring that workplaces are truly inclusive for everyone.

So, what is the current state of DEI according to facts and figures? Let's take a look at some of the key findings from [this year's Culture Amp report](#):

- 81 percent of HR reps agreed that DEI is important to their employee wellbeing and company success; however, only 34 percent of respondents believed they had enough resources to address it
- Just 49 percent of organizations in the study reported having a practical, strategic plan for diversity, equity, and inclusion
- Over the past year, the workplace experience improved for certain minorities (Black and Asian employees) but declined for others (Latinx and LGBTQ employees)

- Only 21 percent of responding organizations offered child care support benefits, and under 10 percent offered aid for senior employees

These data points are significantly better than what we've seen in past reports, and the fact that a gender pay gap isn't featured on every page of the report is a sign of progress. However, it's clear that there is still much work to be done when it comes to DEI in the workplace.



A lot of the time, the positive changes we see in the workplace around DEI can be attributed to the efforts of individuals and groups who are [passionate about their cause](#). Efforts like Black Lives Matter, for instance, have brought to light the fact that people of color still face significant barriers in the workplace and beyond.

The report mentioned above found that improvements correlated directly with movements like these, while declines in the experience of certain groups could be linked to inactivity in the public eye. Organizations aren't paying enough attention to the quieter conversations happening in their workplaces, and this is where the gaps still exist.

Another issue is that companies are doing a lot of saying, but hardly any doing. There are talks of diversity and inclusion in most organizations – after all, it's now a board-level issue – but when it comes to putting those words into practice, organizations often fall short.

So, why are these pitfalls an issue that companies should address? Besides making their workforce happier, what's in it for the CEOs and COOs? Let's take a look.

Why you should care about DEI in the workplace

When it comes to increasing the diversity, equity, and inclusion of your workplaces, there are obviously benefits for your employees. Minorities in your workplace can feel more comfortable and accepted in their environment, and be better able to perform their jobs.

But alongside these benefits, did you know that there are a number of proven advantages for your business?



Increasing diversity has been linked with all sorts of positive outcomes for companies, from improved creativity and innovation to increased financial returns. Let's zoom in a little.

- According to McKinsey and Company, companies in the top quartile for racial and ethnic diversity are [35 more likely to have financial returns](#) above their industry medians.
- The same study found that more gender-diverse companies are 15 percent more likely to outperform their competition.

- In 2021, [67 percent of jobseekers](#) were actively looking for workplaces with a diverse workforce.
- Companies that diversify their workforce are [three times more likely](#) to retain millennial employees in the long-term.
- Employees of diverse and inclusive workplaces are [18 percent more committed](#) to their roles, and 26 percent better at collaborating with colleagues.

As you can see, there are a lot of good reasons to focus on diversity, equity, and inclusion in your workplace. Not only is it the right thing to do morally, but it can also have a positive impact on your business's bottom line. So where do you start?

How to improve DEI in your organization

Now that you possess all of the facts relevant to DEI in the workplace, it's time to take action. The first step is to assess your organization and its current climate.

Consider the diversity of your employees, customers, vendors, and other stakeholders. What policies and practices are in place to ensure everyone feels welcome, respected, and [able to trust one another](#)? Are there areas where improvement is needed?

Here are a few signs that you may need to work on your DEI initiatives:

- Your workforce is not representative of the population at large.
- Employees do not feel comfortable discussing diversity and inclusion issues.
- Harassment or discrimination is tolerated or goes unreported.
- The organization lacks cultural competency.
- There is a lack of diversity in leadership roles.

If your organization exhibits any of these signs, you're not alone. But it's important to address them head-on if you want to create a more inclusive workplace.

1. Develop a diversity and inclusion policy.

As we saw in the research, many companies fail their employees by talking the talk without walking the walk. Don't just talk about being inclusive; [write out a mission statement](#), and make sure everyone in the organization is aware of it. This includes your board, management team, and employees at all levels.

Your policy should cover topics such as diversity, equity, inclusion, bias, discrimination, and harassment. It should also outline expectations for employee behavior, including how to handle complaints. And finally, it should spell out the consequences for violating the policy.



2. Train your employees on diversity and inclusion.

It's not enough to simply have a policy in place; employees need to understand what it means and how to put it into practice. This is where training comes in. Offer [diversity and inclusion training](#) to all employees, and make sure it's regularly updated.

Your employees should walk away from training with a better understanding of:

- The business case for diversity and inclusion.
- How to recognize and address unconscious bias.
- What constitutes harassment and discrimination, and how to report it.
- How to create an inclusive environment in which everyone feels comfortable sharing their perspectives.

You'll know you're doing a good job if employees start applying the principles they've learned to their day-to-day interactions.

3. Assess your progress and make course corrections.

It's important to track the progress you're making on your DEI initiatives. This will help you identify areas where [more improvement is needed](#), and it can also be used to measure the impact of your efforts.

Make sure you're assessing all aspects of diversity, including race, ethnicity, gender identity and expression, sexual orientation, religion, ability, and socio-economic status. Use both quantitative and qualitative data to get a complete picture.

Keep your thumb on the pulse of the DEI industry, too, monitoring new research and best practices. The landscape is constantly changing, so it's important to stay ahead of the curve.

With these three steps, you're well on your way to creating a more diverse and inclusive workplace.



Final thoughts

It can feel overwhelming to think about implementing a new DEI strategy, especially if this is your first time addressing diversity, equity, and inclusion in the workplace. However, by starting small and taking things one step at a time, you can make meaningful progress towards creating an inclusive environment for all employees.

Above all, remember that diversity, equity, and inclusion are about people. When you view DEI as a human-centered approach, it becomes easier to see the value in these concepts and the importance of implementing them in your workplace.