



# The Road to Measurable Impact: Driving Enterprise Performance Through Diversity, Equity and Inclusion

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At the intersection of challenges driven by the pandemic, societal division and the current cultural crisis, it has become increasingly important to address issues of diversity, equity and inclusion (DE&I) in the workplace. As enterprises prepare for 2021, investing in the experience of employees, and ensuring that they feel valued, respected, connected and included, is critical to forging the straightest path forward to revenue rebound, sustainability and enterprise success. While enterprises recognize

this is a time of opportunity, many are uncertain where to start, what to do, and how to drive measurable impact to human capital and enterprise performance through their DE&I efforts.

To successfully move any DE&I effort forward, it is essential to first recognize that discomfort is the gateway to change. Conversations around gender, race, sexual orientation and disability can be difficult and uncomfortable for anyone to navigate, and often people are concerned that they may say or do the wrong thing. The key to overcoming this is to accept discomfort and forge ahead with open eyes, ears, hearts and minds. Listen to co-workers and diverse employees, ask them about their experiences and perspectives, authentically own that we do not always know. That is how trust is built, and how we advance a process of learning and development.

While leaders inherently understand that engaging in DE&I work is the “right thing to do,” actually investing and committing enterprise time, money and resources to creating a systemic, integrated DE&I initiative often requires a business

nexus. Data shows that companies with diverse executive teams are 35 percent more likely to see better-than-average profits and that those with diverse boards of directors are 43 percent more likely to see better-than-average profits (See 2017, McKinsey & Co., *Delivering Through Diversity Report*). Part of the science behind this data is that including people with diverse ideas – diversity of thought – creates team discussion, dissection and debate of issues, leading to a wider range of thinking processes and increased creativity. Diversity of thought allows enterprises to create value from people’s different perspectives, perceptions and experiences, and to use those different approaches to develop better, and more innovative, solutions to problems.

Another critical DE&I driver of enterprise performance is the alignment of Employee Experience (EX) with Customer/Client Experience (CX). This vital link between customers and employees, and the need for enterprises to align these experiences holistically, is crucial as markets rapidly change and customers/clients are becoming increasingly more diverse. To compete effectively, and to maximize enterprise performance, enterprises must first understand their customers and then equip employees with the tools to meet these customers’ diverse needs. If employees feel valued, heard, included and invested in, not only will they perform more effectively and efficiently, but they will also interact with clients and customers in a way that strengthens customer service and relationships. An internal commitment to diversity, and, even more importantly, to a culture of inclusion, builds a bridge between employee experience and an equitable, positive customer experience, resulting in enterprise financial success and performance. (See *The 2020 CFO/CHRO Collaborative: Centralizing the Value in People-Centered Functions in the Midst of the Fourth Industrial Revolution*, February 2020).



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And, finally, particularly in this current cultural climate, the ability to attract and retain diverse talent is tied directly to the ability of an enterprise to compete effectively in the marketplace. Internally, employees are demanding real action and a commitment to DE&I; externally, clients, customers and the community are equally demanding change. Too many enterprises have taken an ad hoc, haphazard approach to DE&I without an outline of clear goals and outcomes. To positively impact the performance of people, process and enterprise financial performance, overall enterprise strategy must include a focused, intentional commitment to DE&I. That commitment creates results and success only when a structured framework is in place. A structured framework will help enterprises:

**Assess:** It is critical that enterprises on this DE&I journey begin with an assessment. That assessment can take the form of an enterprise-wide survey of all employees, small focus groups, one-on-one interviews or a combination of all three. Conducting an assessment on topics like voice, dignity, respect and trust creates a baseline of employee experience and sentiment – point A – so that the enterprise can use that data to determine where it needs to go – point B. Assessment provides the foundation for every successful DE&I initiative as it reveals the areas of strength and opportunity objectively, using data and metrics, and allows the employee voice to be heard.

**Analyze:** Once the assessment has clearly identified the enterprise current state, and the root causes that underlie areas of opportunity, the next step in the journey is to take that data and create a strategic plan/roadmap. Just like a business plan for growth, rolling out a new marketing strategy or starting a technology initiative, having a focused, intentional DE&I strategic plan is just as critical to integration into the enterprise. The roadmap is built on specific measurable goals, actions and KPIs so success can be benchmarked along the way. Of course, enterprises are at different stages of the journey and have different resources, so it is important to be realistic about what can be done and when. Regardless, what is undertaken has to be something that creates real change, and the way to achieve that is through process and prioritization, applying the data across the four verticals of the employee life cycle: *Talent Acquisition, Talent Development, Leadership Development and Succession Planning*. Enterprises must ask themselves where along the employee life cycle continuum is the greatest DE&I pain? Where can impact be created quickly? What needs to be done now, and what can be done later?

**Adopt:** Adoption and implementation of prioritized, actionable, short- and long-term solutions is where enterprises begin to see the greatest impact on the employee experience. Many enterprises look solely to education and training as the panacea for all DE&I challenges, when, in fact, training is but one tool in an array of options to comprehensively address issues. For example, solutions to attract a more diverse pool of candidates as part of the talent acquisition process start with equitable job descriptions, move to a pipeline development strategy and include behavioral interview coaching. Creating a culture where employees feel engaged and empowered requires an investment in their development through mentoring, focused career-mapping and an analysis of performance and evaluation processes to ensure equitable access and opportunity. Building a bench of diverse leaders who can take an enterprise to the next level of performance involves teaching them how to strengthen business relationships, augmenting their financial performance and analysis competency, and giving them sponsors who can accelerate their professional growth. And designing a sustainable strategy for succession planning requires an analysis of diverse talent, 360 assessment and accountability mechanisms.

As action is adopted, and solutions are integrated into culture, enterprises can begin to determine the impact of the work by measuring results against the metrics and KPIs that were established at the beginning. Understanding what works, and where agility and pivot is required, is a critical step in the journey to meaningful change.

It is a challenge for many employers to embrace the changes needed to create equitable, inclusive workplaces. Understanding that DE&I is a business imperative is critical to overcoming fear of change. The ability to use DE&I to impact people, processes and performance throughout the employee life cycle, from talent acquisition to development, leadership and succession planning, becomes the catalyst that aligns employee experiences with those of customers, clients and communities.

As we move through the remainder of 2020 and into 2021, it is clear that next-level talent and financial performance will depend heavily upon how enterprises intentionally and meaningfully embrace DE&I, and how effectively they advance along the road to measurable impact. 🌐

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