Employees at the Center: What It Takes to Lead on DE&I Now

Getting DE&I right is more important, and more complicated, than ever. A survey of 420 executives from eight countries—along with our ongoing conversations with executives working on DE&I every day—offer insights into how companies are trying to keep up with the pace of change and what questions to ask next.

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What leaders need to know now

- Fundamentally, this survey indicates that

businesses' activity around diversity, equity, and inclusion (DE&I) has changed faster than some thought,

though the areas of activity have been interesting. Companies on the cutting edge of success with DE&I in 2019—only 20% of all respondents—got there by taking a mix of actions that are now table stakes, activities 58% of respondents in our current survey report taking.

- Ninety-three percent of executives in countries around the world said that

diversity, equity, and inclusion are more important to their company now

than at the beginning of 2020.

93%

- Respondents cite many reasons for this shift that make the very high number believable, including the effects of COVID-19 and the rise in calls for racial and social justice following the murder of George Floyd. Other factors may include the shift to hybrid ways of working, inflation and general economic anxiety, a global rise in nationalism, and increasing political polarization and extremism that extend to all facets of life, including the workplace, in ways that profoundly affect relationships and therefore culture. But we also identified a through line in the data that offers the most important reason.

- Fifty-two percent of executives said

their DE&I efforts contribute to their business success to a large extent,

up from 22% three years ago.

52%

- Why? The data shows that

employees are at the center of why DE&I matters and how it contributes

—ahead of customers, external factors, or anything else. The most important ways in which DE&I was seen to contribute to business success were, first, engaging current employees and, second, attracting a wide pool of talent so companies can hire the best.

- With that clarity,

leading companies indicate they are approaching DE&I like any other strategic initiative:

leaders (including the board) setting the standard, clearly defining the scope and vision, linking to business strategy and goals, tracking progress, and aligning to processes and operations throughout the organization. This signals a higher probability of progress than many earlier approaches to DE&I. But even the best companies are still finding their way.

Our initial insights

DE&I matters more to companies around the world than it did at the beginning of 2020: 93% of executives who responded to this year's survey, from eight countries around the world and in every industry, say so. And they are doing more to try to succeed in their DE&I efforts: in a survey we conducted three years ago, we identified a group of companies on the cutting edge of success—only 20% of all respondents. Those companies got there, they said, by taking a mix of actions that are now table stakes, activities 58% of this year's respondents report taking.

The change in importance is intuitive. The effects of COVID-19 on ways of working, the murder of George Floyd that amplified global calls for racial and social justice around the world, inflation and general economic anxiety, a global rise in nationalism, and increasing political polarization and extremism that extend to all facets of life, including the workplace, all play a role. And those factors are part of a broader shift in the role of corporations in society; trust in government as an institution to address not only DE&I but also climate change, geopolitical instability, and other global challenges is at historic lows and dropping, while trust in—and expectations for—business to do so is growing.[1]

But the pace of change is striking, and it is underscored by the finding that more than half of executives now see DE&I as contributing to a large extent to their business success, up from 22% three years ago. For too long, in most companies, DE&I efforts were marginalized, of interest only to a few HR executives. In the past decade, the evidence connecting diversity to improvement on crucial business outcomes—including resiliency, innovation, talent attraction and retention, and, of course, financial results—has become impossible to ignore, though the links are still being debated inside many organizations.

So perhaps the most fundamental insight we take from this survey is that the connection between DE&I and business success is basic: every corporate leader wants to improve employee engagement, attraction, and retention, and these are the ways in which survey respondents most often saw their DE&I efforts contributing to business success.

The connection between DE&I and business success is basic.

Care for employees has become a core responsibility of senior leaders, starting with COVID-19's effects on the workplace and rippling far beyond. The greater expectations for corporations to meet broad social needs, combined with many employees' growing preference to work for a company with values that match their own as well as a greater ability and willingness to switch jobs, have all led to a new and comprehensive focus on employees from senior leaders, rather than considering employees as just subjects of one-off initiatives.[2]

Leading companies are beginning to understand and visibly act on this. A recent survey by Just Capital, for example, showed that 31% of surveyed Americans said that large corporations valued employees the most among all stakeholders, up from 9% six years ago.[3] And to us it is clear that companies that don't improve their transparency with and about employees will incur greater and greater risk and competitive disadvantage. In the context of ongoing talent shortages and the likelihood of slower economic times, that's a risk most corporate leaders can't afford.

But identifying and taking effective actions is hard. One reason is fatigue: it's been a long two years for everyone, and DE&I efforts are among those where progress can be hard to see and resistance is more common, leaving leaders overwhelmed.[4] Other reasons are that companies are in very different stages of progress on DE&I, and each organization has a unique culture. So, although there are common tactics to make progress on DE&I, those tactics need to be adapted to each organization—and, most important, visibly committed to by leaders and woven through the company's processes, operations, and incentives.
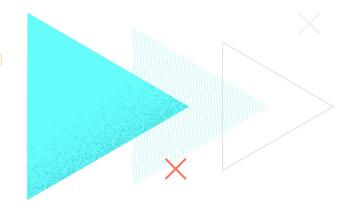
The leading companies we identified in this year's survey are, the data shows, more often taking those steps, though in our experience no company is all the way there. Furthermore, change is continuing at speed.

All that said, these findings give us hope. It is clear that more and more companies are taking concrete steps toward treating DE&I like any other strategic, enterprise-wide change initiative. Changing human behavior is hard. When leaders approach DE&I like safety, or Six Sigma, they have a better chance of success. And executives' perception of the fundamental importance of employees clarifies both the why and the what of DE&I.

2   For more, see Dorothy Badie, Lisa Baird, and Steven Krupp, "The overlooked weapon in the war for talent," Heidrick & Struggles, heidrick.com; and Jennifer Flock and Dustin Seale, "Creating an inclusive culture: Five principles to create significant and sustainable progress," Heidrick & Struggles, heidrick.com.

3   Jennifer Tonti, *On the 3rd Anniversary of the Business Roundtable's Redefined Corporate Purpose, Corporations Aren't Living up to Americans Expectations*, Just Capital, August 2022, justcapital.com.

4   James Serrano, "Here's a large obstacle to DEI you could overlook (...and what to do about it)," LinkedIn, September 22, 2022, linkedin.com.

Digging deeper

From leader to average in just three years

Companies on the cutting edge of success with DE&I in 2019—only 20% of all respondents—got there by taking a mix of actions that are now table stakes, activities 58% of respondents in this year's survey report taking.

All in all, the data suggests an accelerated rate of change. Three years ago, we identified six elements to be in the DE&I Vanguard—a level of commitment to DE&I that only 20% of that year's respondents met—by taking a clear and business-focused approach; being in the Vanguard also correlated with stronger revenue growth.[1]

It is clear that the events of the past two years significantly accelerated trends that were already in motion, since this year, 58% of respondents indicate their companies are taking these actions. Not only has the leading group evolved quickly, but it is smaller than it was three years ago. In other words, in this period of hyper focus, leading the pack has become harder.

As we tried to understand why, we drew on our ongoing conversations with clients around the world in the context of all the changes of the past two years. We took into account the fact that many leaders are asking more discerning questions about DE&I and how companies address other strategic priorities.

In that context, it made sense to us that what differentiates companies today is a deep, intentional focus on clarity and culture.

Steps toward the Vanguard 2019: Now table stakes

	2019		2022	
Step 1 Clearly define diversity, equity, and inclusion	86%	●	98%	●
Step 2 Clearly define why DE&I is strategically important	83%	●	96%	●
Step 3 Communicate importance of DE&I internally and externally	71%	●	84%	●
Step 4 Include DE&I goals in business strategy	49%	●	74%	●
Step 5 Assess progress toward DE&I goals for contributions to financial performance	30%	●	66%	●
Step 6 Have an inclusive company	25%	●	65%	●
Step 7 Must say entirely/to a large extent in step 4, 5, or 6	20%	●	58%	●

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420;
Heidrick & Struggles' diversity and inclusion survey, August–September 2019, n=412

1   Krishnan Rajagopalan and Lyndon Taylor, *Meeting the Inclusion Imperative: How Leaders Can Link Diversity, Inclusion, and Accelerated Performance*, Heidrick & Struggles, heidrick.com.

Of all the respondents that would have been a part of the Vanguard three years ago (58% of this year's respondents), less than half are a part of the new Vanguard. These select companies have, it is clear, been among the first to grasp that employees really need to understand the details of what their company means by "DE&I" to connect with that work, and then to ensure that their leaders, their culture, and their systems and processes really commit to it. A business-led approach is the foundation, but companies' commitment must be felt and understood deeply throughout the organization for them to stand out today.

More steps toward the Vanguard today

Step 8
Clearly and entirely define "diversity," "equity," and "inclusion.'
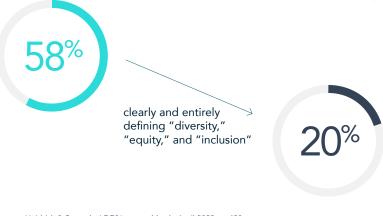
Step 9
Have systemic alignment and a strong example set from leadership to be in the new Vanguard.

To be in the current Vanguard, executives have to say that their company has entirely defined each of "diversity," "equity," and "inclusion." This definitional clarity is hard: two-thirds of respondents who indicated their companies were in the old Vanguard dropped off here. But it matters because a clear articulation of these terms is fundamental both to being able to link DE&I goals to strategy and to engaging employees with DE&I goals and initiatives. Given that employees are so often the reason companies are focusing more on DE&I and seeing it contribute to business success, both are crucial.

Where most companies fall out today

58%

clearly and entirely defining "diversity," "equity," and "inclusion"

20%

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420

Companies in the survey operate in at least two regions of the world, so it is not surprising, given how different definitions of "diversity" can be in different regions, that respondents say "equity" is least often entirely defined.

Extent to which "diversity," "equity," and "inclusion" are each defined (%)

■ Entirely ■ Mostly ■ Somewhat ■ Not at all ■ Don't know

Diversity

62	29	5	3	1

Equity

51	38	7	2	2

Inclusion

61	31	3	3	1

Note: Numbers may not sum to 100%, because of rounding.

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420

The last step in being part of this year's Vanguard comes back to how companies influence employees' felt experience of whether the culture is inclusive or not. Respondents at companies in the Vanguard far more often that others indicate that as they seek to create inclusive workplaces, their companies embrace two principles of culture shaping we have long known to be important: role modeling by leaders and alignment of processes and systems with culture principles.[2] Since, historically, many companies did not see DE&I as a core aspect of performance, they also didn't see it as one that leaders should particularly focus on in shaping their cultures. Today, it's clear that that approach is insufficient to meet the expectations of employees, particularly, as well as other stakeholders. And, as so many other corporate initiatives have shown, sustained behavior change always requires systemic support. (See sidebar "Drawing on the power of authenticity by linking culture and strategy.")

Finally, it's notable that the Vanguard companies span countries, industries, and sizes. This topic can often be confused for a United States–centric one, but it is clear that leading companies around the globe are arriving at similar beliefs about DE&I's centrality to future success, as well as what to do about it, though details vary considerably in different countries, as we are continuing to explore.

Extent to which companies embrace two principles of culture shaping to create inclusive workplaces: role modeling by leaders and systemic alignment (%)

Vanguard ▪ Other

Leader's role

Managers respecting diversity and differences to create a psychologically safe environment
Vanguard: 69
Other: 40

Senior leaders role-modeling inclusive leadership
Vanguard: 57
Other: 30

Systemic alignment

Regular communication from leaders about the strategic importance of diversity, equity, and inclusion and progress toward meeting those goals
Vanguard: 57
Other: 34

Clearly defining and communicating the company's purpose internally and reflecting it accurately in external products, services, and communications
Vanguard: 48
Other: 27

Specific procedures to ensure that diverse voices are heard and all employees feel they belong
Vanguard: 21
Other: 22

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420

It is clear that leading companies around the globe are arriving at similar beliefs about DE&I's centrality to future success.

Drawing on the power of authenticity by linking culture and strategy

Other work we've done on culture offers some striking parallels. A global survey of CEOs we conducted in 2021[1] shows that the companies most successful at linking culture and financial performance had leaders that acted similarly to DE&I Vanguard leaders in several ways. They:

- Linked culture to business strategy: just as with DE&I, to be successful with culture required a link to business strategy—underscoring the centrality to performance today of organizational attributes that were once marginalized

- Put their own people first in their design and approach: they focused more often on collaboration and trust, for example, than did other companies, and put culture efforts front and center, as well as made sure those important qualities were prevalent in their own cultures and clearly communicated—all the way down to the front lines

- Took the time to develop fully committed leaders—perhaps not all, but a core group who lead a sustained effort. At a subgroup of companies where employees consistently applied the culture in their day-to-day work, 80% of CEOs were personally committed to shaping the culture, compared with 45% of CEOs at the less successful companies

- Made room for meaningful communication to sell the message to employees: they far more often showed appreciation for employees and held two-way dialogues and large-scale discussion of culture issues

In the same way that a culture has to be authentic to thrive, a company's commitment to DE&I has to be authentic, sustained, and systemic in order to have the effect on employees that it does at the best companies. Culture and brand, both internal and external, can, it is clear, support one another in a virtuous cycle.

1   Rose Gailey, Ian Johnston, and Andrew LeSueur, *Aligning Culture with the Bottom Line: How Companies Can Accelerate Progress*, Heidrick & Struggles, heidrick.com.

DE&I matters more than ever

Ninety-three percent of executives in countries around the world said that diversity, equity, and inclusion are more important to their company now than at the beginning of 2020.

DE&I matters more to companies around the world than it did at the beginning of 2020. That is intuitive, given the effects of COVID-19 on ways of working, the murder of George Floyd that amplified global calls for racial and social justice, inflation and general economic anxiety, a global rise in nationalism, and increasing political polarization and extremism. Nonetheless, it is striking that 93% of executives from eight countries around the world and across industries say that DE&I matters more now than it did in early 2020. These significantly heightened expectations for corporations to get DE&I right are part of a broader shift in the role of corporations in society; trust in government as an institution to address not only DE&I but also climate change, geopolitical instability, and other global challenges is at historic lows and dropping, while trust in—and expectations for—business to do so is growing.[3]

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3   For example, see *Edelman Trust Barometer 2022*, Edelman, January 2022, edelman.com.

Founded on business—and more material than ever

Fifty-two percent of executives said their DE&I efforts contribute to their business success to a large extent, up from 22% in our survey three years ago.

Compared with our survey three years ago, far more executives are treating DE&I as material to business results. One way is more often including specific goals in business strategy.

Specific DE&I goals are mostly or entirely included in business strategy

2019
65%

2022
85%

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420; Heidrick & Struggles' diversity and inclusion survey, August–September 2019, n=412

Another way is through assessing progress toward DE&I goals as part of overall corporate performance, as well as for contributions to financial performance. On the latter point, 44% are doing so to a large extent now, compared with 22% in 2019.

Extent to which a company's progress toward DE&I goals is assessed as part of overall corporate performance (%)

■ To a large extent ■ Somewhat ■ Minimally ■ Not at all

2022

| 53 | 37 | 6 | 4 |

2019

| 45 | 36 | 13 | 5 |

Note: Numbers may not sum to 100%, because of rounding.

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420; Heidrick & Struggles' diversity and inclusion survey, August–September 2019, n=412

Executives say these efforts are paying off: more than half now say that DE&I efforts have contributed to their business success to a large extent.

Extent to which DE&I efforts have contributed to business success (%)

■ To a large extent ■ Somewhat ■ Minimally ■ Not at all

2022

| 52 | 36 | 8 | 4 |

2019

| 22 | 54 | 18 | 6 |

Note: Numbers may not sum to 100%, because of rounding.

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420; Heidrick & Struggles' diversity and inclusion survey, August–September 2019, n=412

Employees at the center

The data shows that employees are at the center of why DE&I matters and how it contributes—ahead of customers, external factors, or anything else. The most important ways in which DE&I was seen to contribute to business success were, first, engaging current employees and, second, attracting a wide pool of talent so companies can hire the best.

For many executives, one reason underlies both DE&I's increased importance and its contributions to success: employees. Employees are the stakeholders CEOs and companies feel most responsible for in the debate about DE&I, and they are by far the most cited reason DE&I has become more important to companies. The second most cited reason is customers.[4]

Employees are also the most cited connections between DE&I and business success—the drivers of returns from doing work on DE&I—and the range of ways they are making the connections, from engagement to reputation to transformation, highlights how fundamental DE&I is to organizations.

Reasons for the increase in DE&I's importance

Employees **43%**

Customers **35%**

The effects of the COVID-19 pandemic **31%**

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420

How DE&I efforts contributed to business success (%)

■ 2022　■ 2019

By increasing employee engagement
40
36

By enhancing our brand reputation with employees and potential employees
37
27

By ensuring we're able to transform to meet changing market conditions
34
33

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=403; Heidrick & Struggles' diversity and inclusion survey, August–September 2019, n=412

4　It's notable that 23% of respondents specifically cited the murder of George Floyd as one of their top-three factors. It is likely that that event, and the calls for racial and social justice that followed, strongly affected both employee and customer sentiment over the course of the two years that have passed.

As companies face an intense war for talent, we believe this focus on employees as the reasons for action, not just the subjects of one-off initiatives, will be central to success in DE&I and in attracting and retaining employees overall. Employee engagement and inclusive cultures are central to a good work experience, but those have become harder for many companies to create over the past two years of disruption and will take continued innovation in a hybrid world. And employees are continually paying attention to whether efforts are working or not, whereas attention from other stakeholders may be fickle. Only when leaders make it clear that employees are authentically valued as individuals will they stay and contribute at their best.

Leading companies are beginning to put these ideas into visible action. Indeed, a recent survey by Just Capital showed that 31% of surveyed Americans said that large corporations valued employees the most among all stakeholders, up from 9% six years ago.[5]
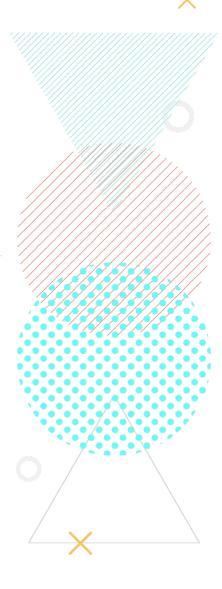
Only when leaders make it clear that employees are authentically valued as individuals will they stay and contribute at their best.

5   Jennifer Tonti, *On the 3rd Anniversary of the Business Roundtable's Redefined Corporate Purpose, Corporations Aren't Living up to Americans Expectations,* Just Capital, August 2022, justcapital.com.

HEIDRICK & STRUGGLES

Moving into the Vanguard today:
Top down, bottom up, middle out

Leading companies indicate they are approaching DE&I like any other strategic initiative. This signals a higher probability of progress than many earlier approaches to DE&I. But even the best companies are still finding their way.

The current Vanguard's mix of communication, leadership commitment, and strategic and systemic alignment—a comprehensive, long-term approach—is, in our experience, what it takes to succeed with DE&I. It mirrors the comprehensive approaches companies take to succeed with other enterprise-wide changes, such as safety initiatives, implementing Kaizen,[6] or reorganizations.

Communication

Communication is crucial. The one step where non-Vanguard companies most often lose steam is communicating DE&I's importance internally and externally. Conversely, at Vanguard companies, even the board is seen to play a more active role (see sidebar "Vanguard boards more often communicate the importance of DE&I to employees").

2022

Step 2 Clearly define why DE&I is strategically important	↓12pp	96% ⬤
Step 3 Communicate importance of DE&I internally and externally		84% ⬤

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420;
Heidrick & Struggles' diversity and inclusion survey, August–September 2019, n=412

6 Kaizen is a strategy of continuous improvement in which employees at all levels of a company work together proactively to achieve regular, incremental improvements to the manufacturing process.

Vanguard boards more often communicate the importance of DE&I to employees

Boards' core responsibilities are choosing and evaluating CEOs and overseeing strategy and risk. Companies' commitment to and progress on DE&I are now important considerations in both. Overall, respondents say boards most often engage on DE&I by encouraging the executive team to make DE&I a priority and requiring them to make specific plans.

Roles boards most often play in defining their company's DE&I aspirations (%)

Encouraging the executive team to make it a priority
69

Requiring the executive team to set specific goals and implementation plans
58

Playing a role in communicating with employees about the company's plans
56

Requiring regular reports from the executive team on progress toward meeting goals
53

Playing a role in communicating with external stakeholders about the company's plans
52

Setting high-level aspirations for the company
48

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=162

As boards assess their roles in driving DE&I, they will benefit from assessing their own composition. Our annual Board Monitor reports show progress toward gender diversity on the largest public company boards in most countries, and racial or ethnic diversity in some countries, though on the whole there is still significant work to be done to reach equitable representation.[1] Boards can also benefit from continuously reassessing their role in supporting and shaping organizational purpose, and in thinking of their own succession planning—and that for the CEO—as an ongoing exercise in response to different time horizons and strategic scenarios. All this will help them in assessing the goals and implementation plans that executive teams set.

1   For more, see Board Monitor 2022: Around the Globe, Heidrick & Struggles, heidrick.com.

At Vanguard companies, however, boards significantly more often are seen to play a role in communicating with employees about the company's plans, underscoring once again these companies' focus on working from the top down and the bottom up. Respondents also indicate that these boards are overall more active on DE&I in all areas.

Roles Vanguard boards and others most often play in defining their company's DE&I aspirations (%)

■ Vanguard   □ Others

Playing a role in communicating with employees about the company's plans
83
52

Encouraging the executive team to make it a priority
72
68

Requiring the executive team to set specific goals and implementation plans
72
56

Requiring regular reports from the executive team on progress toward meeting goals
61
52

Setting high-level aspirations for the company
61
46

Playing a role in communicating with external stakeholders about the company's plans
56
51

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=162

Leadership commitment

At Vanguard companies, the CEO or senior business leader is, respondents say, more often responsible for developing the DE&I strategy, implementing it, and meeting its goals at the global level: consistent leadership from the very top, and those people's personal commitment, make a difference.[7]

CEO or senior business leaders responsible for global DE&I initiatives at each stage (%)

■ Vanguard   ■ Others

Developing DE&I policies

77
67

Implementing DE&I policies

74
66

Accountable for meeting DE&I goals

77
64

Responsible for all three

65
52

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=334

Furthermore, respondents say that these companies link their inclusion efforts to talent goals at all levels, including the individual. This underscores the importance of leaders at all levels being role models and being held responsible for progress, what we call "middle out" leadership. Such an approach helps address one frequent barrier to progress on many kinds of change, which is at the middle management level: a lot of hiring happens there but middle managers are always hard to reach through a cascade (as was shown in much earlier work describing the "frozen middle"). (The Vanguard's focus on clarity of definition of DE&I and linking it to business strategies also helps thaw the middle; one often-cited reason for these managers' lack of action is not understanding why they should change.)

Extent to which inclusion efforts and talent goals are mostly or entirely linked, by level (%)

■ Vanguard   ■ Others

Global

100
87

Business unit or functional

100
92

National

100
91

Individual

100
87

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420

7 According to the *2022 Edelman Trust Barometer*, 63% of those surveyed worry that business leaders are purposely trying to mislead people by saying things they know are false or gross exaggerations. This highlights the absolute necessity for leaders to demonstrate their authentic personal commitment to issues that matter, including DE&I. See *Edelman Trust Barometer 2022*, Edelman, January 2022, edelman.com.
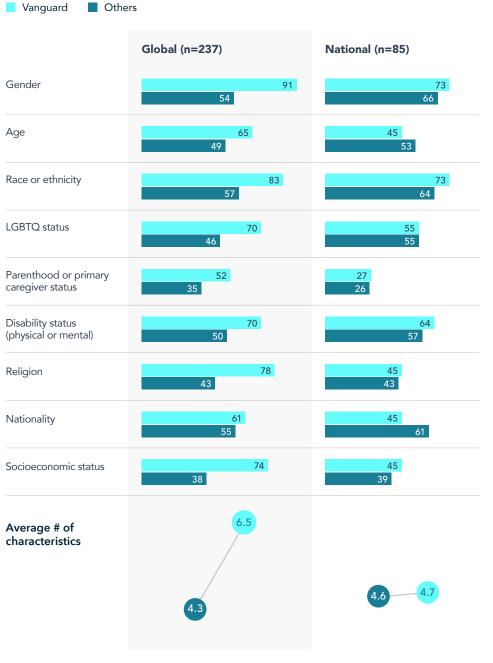
Strategic and systemic alignment

One finding that highlights the systematic nature of Vanguard companies' approach is that all of them, respondents say, link DE&I goals to strategies across the board—not only business strategy, but also hiring, culture, compensation, and more.

Extent to which DE&I goals are mostly or entirely included in each type of strategy (%)

■ Vanguard   ■ Others

Business strategy
- Vanguard: 100
- Others: 83

Hiring strategy
- Vanguard: 100
- Others: 91

Talent management, retention, and promotion strategy
- Vanguard: 100
- Others: 89

ESG strategy
- Vanguard: 98
- Others: 83

Community relations strategy
- Vanguard: 98
- Others: 83

Culture-shaping strategy
- Vanguard: 100
- Others: 86

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420

Extent to which compensation is tied to progress on DE&I goals (%)

■ Vanguard   ■ Others

Global
- Vanguard: 97
- Others: 86

Business unit or functional
- Vanguard: 97
- Others: 89

National
- Vanguard: 96
- Others: 87

Individual
- Vanguard: 95
- Others: 85

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420

Characteristics of employees considered in company's approach to DE&I, by level (%)

■ Vanguard   ■ Others

	Global (n=237)	National (n=85)
Gender	Vanguard 91 / Others 54	Vanguard 73 / Others 66
Age	Vanguard 65 / Others 49	Vanguard 45 / Others 53
Race or ethnicity	Vanguard 83 / Others 57	Vanguard 73 / Others 64
LGBTQ status	Vanguard 70 / Others 46	Vanguard 55 / Others 55
Parenthood or primary caregiver status	Vanguard 52 / Others 35	Vanguard 27 / Others 26
Disability status (physical or mental)	Vanguard 70 / Others 50	Vanguard 64 / Others 57
Religion	Vanguard 78 / Others 43	Vanguard 45 / Others 43
Nationality	Vanguard 61 / Others 55	Vanguard 45 / Others 61
Socioeconomic status	Vanguard 74 / Others 38	Vanguard 45 / Others 39
Average # of characteristics	Vanguard 6.5 / Others 4.3	Others 4.6 / Vanguard 4.7

Source: Heidrick & Struggles' DE&I survey, March–April 2022, n=420

Vanguard companies also seek to include more types of people than do other companies in their DE&I policies, particularly for policies at the global and business unit or functional levels. This highlights the importance they place on reaching all employees.

Looking ahead: Next steps

As a leader, what practical actions might you take to advance DE&I efforts in your company?

There are seven actions we recommend:

1 **Clearly define** diversity, equity and inclusion and make sure your organization **understands** what you mean when you use those terms.

2 Put **employees at the center** of your effort and keep them there. Use what you learned by engaging directly with employees in the summer of 2020. **Keep those channels open** to all employee groups, not just a few.

3 As hybrid work takes hold and more employees are back in the office, **embrace the full range of engagement approaches available**, from digital town halls to brown-bag lunches. Don't assume they need to hear less from you just because they are sitting in their cubicles.

4 At many companies, close to 40% of employees have joined since January 2020 and hybrid work has raised a range of inclusion questions. **Ensure your company has a clear sense of the cultural and inclusion experience of new hires versus longer serving employees.** Consider how everyone can move forward together into a new culture.

5 **Take a systematic, enterprise-wide approach to DE&I.** This means leveraging existing systems for driving change or creating new ones, measuring your progress, and communicating your results to employees.

6 **Get your board engaged** and talking to stakeholders, including employees, about DE&I.

7 Finally, ask yourself and your team a few questions:

a. Have you defined "diversity," "equity", and "inclusion" for your organization? Have you measured how well understood they are across your organization?

b. Are your employees the primary constituency for your DE&I strategy? Are you as sophisticated in how you talk to them about it as you would be to any customer?

c. Are you taking a systematic approach to this work that looks like other major initiatives you have undertaken to change behavior or thinking at scale (such as safety, lean, or agile)? If not, why?

d. Are you leveraging your board as effectively as you could?

We look forward to continuing this conversation with you.

Diversity, Equity & Inclusion Practice

Heidrick & Struggles' Diversity, Equity & Inclusion Practice helps our clients recruit, build, and develop inclusive leaders and diverse organizations that encourage the exchange of ideas and drive innovation.

Across industries and geographies, diversity, equity, and inclusion are now strategic imperatives—and for good reason. Companies that are committed to building a more diverse, equitable, and inclusive workplace not only better reflect the customers and constituencies they serve, they encourage different ways of thinking and promote policies that open doors of potential greatness for individuals, as well as organizations.

Our top-down approach helps senior leaders understand the real state of DE&I within their organizations so they can better identify opportunities for positive change. Working alongside our clients, we create comprehensive, data-driven strategies that foster inclusive cultures and deliver sustainable results.

Leader of Heidrick & Struggles' Diversity, Equity & Inclusion Practice

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WE HELP OUR CLIENTS CHANGE THE WORLD,
ONE LEADERSHIP TEAM AT A TIME®