The relationship between diversity, equity and inclusion in the workplace

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The Wharton School, with support from Moody's Corporation and DiversityInc, published a new study, "Improving Workplace Culture Through Evidence-Based Diversity, Equity and Inclusion Practices," examining the relationship between diversity, equity and inclusion (DEI) practices and a variety of workplace outcomes. The study reveals key findings and provides recommendations for managerial DEI actions designed to improve workplace culture.

Stephanie Creary, assistant professor of management at Wharton and the project's lead researcher said: "Recently, calls to understand 'what works' in relation to DEI practices have amplified in both academia and industry. Our study takes a large step towards answering this question. We are excited that we have been able to produce this report in partnership with industry DEI experts, Moody's and DiversityInc. We hope that our collaborative approach will spark more academic-industry partnerships in the future."

The study seeks to understand how U.S. companies are defining five key concepts (diversity, inclusion, belonging, equity and respect), implementing practices related to those concepts and measuring whether those practices are effective. Results show that new concepts in the U.S. often emerge in accordance with prominent social movements and highly publicized workplace challenges. Findings also reveal a range of demographic differences across the study's key concepts, which include:

- People of color report greater access to DEI practices than white employees. In many cases, Black employees feel that they have greater access to DEI practices than all other racial groups.
- People of color and women more strongly agree that they engage in "speaking up" behavior at work (e.g. speaking out against bias or promoting DEI in hiring processes and practices). However, white women more strongly agree that they engage in helping behavior at work relative to women of color.
- People of color, particularly Black employees, report greater turnover intent relative to white employees.

DK Bartley, chief diversity officer, Moody's Corporation states: "Moody's understands the value of credible insights because data is what we do. Evidence-based research is especially relevant as companies look to shift their approach to DEI during a time of heightened awareness on gender, racial and social inequities. We're proud to support the study and to share findings and recommendations that are instrumental to helping managers and companies advance their DEI efforts."

The study shows a high correlation between managerial involvement and better work engagement, job satisfaction, sense of belonging and reduced turnover intent. Respondents also indicate that access to education and training and
internal diversity partners are the most effective tools for empowering them to engage in "speaking up" behavior at work. Additionally, the study reveals that mentorship and sponsorship opportunities are essential for developing an inclusive climate.

"The report shows that while diverse workforces and inclusive cultures and policies are essential, measuring the impact is critical to the health and success of an organization," said Carolynn Johnson, chief executive officer, DiversityInc. "Researchers found that managerial involvement, workplace policies and mentoring and sponsorship programs were the most common factors that shaped inclusivity in the workplace."

"In fact, 43.3% of employees' affective commitment is driven by managerial involvement, and 51.5% of the experience of inclusion is driven by mentoring and sponsorship programs. This data has the potential to inform leadership of the impact of their investment and reform infrastructural processes related to diversity and inclusion. We look forward to our continued work with Wharton as well as with U.S. companies to create cultures where all employees can thrive," said Johnson.

Research for the study was conducted by Wharton between September 2018 and January 2021. More than 30 diversity, talent and analytics experts and 6,600 working adults around the world have participated in the study to date. This new report focuses on results from the research team's Inclusion & Belonging Assessment taken by 1,628 adults in the U.S. who work across more than 15 industries.


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