

NationSwell Trend Report

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The state of play: **DEIB** in 2022

Table of contents

Definitions.....	4
Trends and pulse checks.....	6
Policy and regulatory movement.....	22
Practitioner spotlight.....	24
Further reading.....	27



Organizations have taken a larger interest in the practice of Diversity, Equity, Inclusion, and Belonging since COVID-19, the murder of George Floyd, and other pivotal events brought long-entrenched societal inequities into the spotlight. While their arc of progress is uneven, the simple fact remains: injustice occurs as prominently in workplaces as anywhere else, affording companies the opportunity – perhaps the responsibility – to model solutions that could ultimately yield a wider societal benefit.

DANIELLE BENEDETTI

Research Analyst, Insights
NationSwell

NICK CERICOLA

Vice President, Insights
NationSwell

Definitions

Clarifying our terms



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DIVERSITY, EQUITY, INCLUSION, AND BELONGING (DEIB)

Diversity - refers to the representation of race, ethnicity, gender identity, sexualities, age, ability, culture, and beliefs among an organization's workforce

Equity - refers to the fairness of opportunity for all employees in the workplace based on their individual needs

Inclusion - refers to the integration of all people and identities into the workforce, highlighting the importance of creating a welcoming environment that ensures everyone has equal and fair opportunity to be heard and respected

Belonging - a strong culture of Diversity, Equity, and Inclusion within an organization can create feelings of "belonging" among its employees, i.e. the experience of feeling accepted, valued, and respected in the workplace

Trends and pulse checks

Understanding where the market is heading and diagnosing your preparedness



TREND ONE

With high expectations from current and prospective employees, companies are revamping recruitment to meet diversity goals

But they are struggling to employ complete strategies



Diverse hiring is a high priority for employees and companies, but tactical gaps persist

DEIB is a high priority for job seekers and employees alike

- In Glassdoor's 2020 Diversity Hiring survey, 76% of respondents said that a diverse workforce is an important factor when evaluating companies and job offers, and 32% would not apply to a job at a company where there is a lack of diversity among its workforce ([Glassdoor](#))
- Glassdoor data analysis also showed that, for every additional star an employer receives in their Diversity & Inclusion (D&I) rating, the likelihood of an employee recommending the employer to a friend increases by 26% in the U.S. ([Glassdoor](#))
- LinkedIn users view companies with a DEIB team as 22% likelier to be “an industry-leading company with high-caliber talent” and 12% likelier to be an “inclusive workplace for people of diverse backgrounds” ([LinkedIn](#))

Diversification via recruitment is a top goal, but many companies have yet to build out a complete set of tactics

- Companies are rapidly creating teams dedicated to DEIB, with LinkedIn data from 2015 - 2020 showing a 71% increase in available DEIB roles ([LinkedIn](#))
- Companies are making hiring and recruiting a top DEIB concern – NationSwell's 2022 survey of social impact professionals found that 75% of respondents' organizations are evaluating their recruiting and retention strategies to better execute diverse hiring and advancement ([NationSwell](#))
 - Evaluation has not always turned to action: a minority of social impact professionals say their organizations are training HR business partners and hiring managers on unconscious bias (44%), removing education requirements from job postings (39%), or practicing blind screening (14%) ([NationSwell](#))

Retention strategies are not improving at the same rate

McKinsey's 2021 Women in the Workplace report found that while 71% of companies track outcomes to check for bias in the hiring process, only 55% do so in performance reviews, and bias training is given to 63% of hiring evaluators compared to 47% of performance review evaluators ([McKinsey](#))

How we're doing: Diversity in recruitment and retention

	YES	NO, BUT WE HAVE A PLAN	NO
We have specific, ambitious, and actionable targets for employee diversity that we can track our progress against			
We routinely evaluate the opportunity to adopt proven and emergent strategies to find and attract diverse candidates into our organization			
We invest as much strategic attention in eliminating bias and promoting equity in our performance management systems as we do in our hiring			
We have retention strategies to support and promote employees from diverse backgrounds			

TREND TWO

To advance equity and inclusion, companies are leaning into stronger benefits, policy updates, and employee resource groups

Data on efficacy is scarce, but makes clear that the work is just beginning



Companies are pulling a range of levers to create more equitable and inclusive environments, but they're likely at the beginning of a long journey

In response to societal challenges, companies are expanding benefits to meet diverse employee needs

- McKinsey's 2021 LeanIn report tracked how benefits changed since the start of COVID-19, with 29% of companies expanding health care benefits and 38% expanding sick leave since 2020 ([McKinsey](#))
- Kaiser Family Foundation's 2021 annual survey on employer healthcare benefits found that 39% of companies expanded mental health benefits in response to COVID-19 ([Kaiser Family Foundation](#))
- As of February 2022, 59% of workers whose jobs can be mainly done from home are doing so the majority of the time, higher than the 23% who say they teleworked frequently before the coronavirus outbreak ([Pew Research](#))
- Indeed found that 43% of survey respondents whose companies did not previously offer abortion care assistance have changed their stance since *Roe v. Wade* was overturned; top changes include adding financial assistance for travel (reported by 60%) or related medical services (73%) ([Indeed](#))

Not all benefits are improving

SHRM's 2022 Employee Benefits Survey found that leave for new parents beyond what is legally required returned to pre-pandemic levels, with 35% of organizations offering paid maternity leave, down from 53% in 2020 ([SHRM](#))

To foster inclusivity, companies are redesigning policies, launching employee resource groups, and sponsoring trainings for staff

- The use of policies and procedures continue their popularity: 85% of surveyed companies have and 6% are planning to add in the next year non-discrimination, bullying, and harassment policies, and 67% have and 17% are planning to add a DEIB vision statement ([Korn Ferry](#))
- Though 45% of companies supported employee resource groups before the pandemic, 35% have added or expanded their support since 2020 ([McKinsey](#))
- Trainings are increasingly common ways that companies attempt to improve inclusion efforts among their entire workforce – 34% of employees participated in anti-racism training in 2021 compared to 19% in 2020 ([McKinsey](#))

The work of inclusivity remains an uphill climb

A majority (57%) of workers who quit their jobs in 2021 cite "feeling disrespected at work" as a reason for doing so, just behind low pay (63%) and lack of opportunities for advancement (63%) as the chief causes ([Pew Research](#))

How we're doing: Workplace equity and inclusion

	YES	NO, BUT WE HAVE A PLAN	NO
We track changes in legislation, economic well-being, and other factors that influence what our employees need from their workplace experience and benefits			
Our employees can regularly provide feedback on the benefits that matter most to them			
Our DEIB programming is communicated to employees from their first day of work forward, with frequent opportunities for participation and feedback			
We are taking steps to accelerate inclusion by creating and investing in participatory structures like ERGs			

TREND THREE

Employee perspectives on DEIB effectiveness vary in ways that are unsurprising

Company leadership has a responsibility for more open and reciprocal communications to better respond to these differences



Perceptions of DEIB progress vary across identity groups, demanding closer attention and better dialogue from leaders

Employees aren't always on the same page in their assessments of DEIB programming and outcomes

- 47% of respondents to American Psychological Association's 2022 Work and Well-being Survey felt that DEIB initiatives are mostly for show; this varies by age, with 53% of 18-25 year olds feeling that way but only 25% of those 65 or older ([American Psychological Association](#))
- Workers providing feedback to Glassdoor disagree about the current state of workplace DEIB at their companies, with Asian workers across all industries reporting an average of 3.98/5 stars, Hispanic/Latinx workers reporting 3.8/5, White workers reporting 3.74/5, and Black workers reporting the lowest average at 3.49/5 ([Glassdoor](#))
- When asked about DEIB policies, 59% of frontline hourly employees said their employer's policies are effective, compared to 81% of senior vice presidents and 74% of salaried frontline workers or entry-level employees ([McKinsey](#))

Communication between employers and employees may not be helping

- JUST Capital measured the difference between employers' and workers' knowledge of their company's DEIB program – 69% of employers said “the company has a formal DEIB plan with clearly defined goals” compared to 49% of workers ([JUST Capital](#))
- 26% of workers say they are “not sure” how far along their employer is in developing a DEIB program ([JUST Capital](#))
- While 82% of surveyed CDOs say they're satisfied with their organization's efforts to build a DEIB culture, only 59% strongly agree their organization adequately communicates its DEIB efforts ([UnitedMinds](#))
- 66% of employees and job seekers trust employees the most when it comes to understanding what diversity and inclusion really looks like at a company, far more than the percentage who most trust senior leaders (19%), the company's website (9%), and recruiters (6%) ([Glassdoor](#))

How we're doing: Employee communication

	YES	NO, BUT WE HAVE A PLAN	NO
Our employees know where to access our DEIB policies and who they can provide feedback to			
We provide regular updates to our employees about our DEIB goals, initiatives, and progress			
We solicit feedback from all levels of the company, including part time and contract workers			

TREND FOUR

Reporting and disclosures around DEIB are improving

But the data is inconsistent and incomplete



More companies are reporting DEIB data, but comparability and utility remain elusive

Internal and external reporting outputs are improving quickly

- As part of their commitment to DEIB, CEOs are increasing their data reporting, with 72% disclosing DEIB metrics to employees in 2022 compared to 59% in 2021 ([Fortune/Deloitte](#))
- The share of Russell 1000 companies disclosing EEO-1 data more than doubled from 4% to 11% from September 2020 to September 2021 ([JUST Capital](#))
- JUST Capital's 2022 Corporate Racial Equity Tracker, measuring actions of America's 100 largest employers, found many increases in data disclosures from 2021 to 2022, including workforce diversity (86% to 91%) and board diversity (84% to 95%) ([JUST Capital](#))
- JUST Capital analysis of the Russell 1000 in September 2021 found that 55% disclose some type of racial and ethnicity data, up from 32% in January 2021 ([JUST Capital](#))

For now, the data remain inconsistent and variable

- The 2022 Corporate Racial Equity Tracker highlighted the lack of disclosed information in key DEIB areas, such as internal hire/promotion rate by ethnicity (only 7% disclosure rate) and diversity targets (23%) ([JUST Capital](#))
- The 2021 Fortune 500 list included analysis of DEIB metrics, but only 256/500 (51%) had published any kind of racial and ethnic data to measure and only 22 (4%) published a full breakdown of racial demographics in their companies ([Fortune](#))
- Recruitment dashboard Lever's survey of HR-decision makers found that hiring is their top metric to measure DEIB success (57%), but there's a large gap to other metrics, such as retention rate (37%) or compensation increase/promotion rates (35%) ([Lever](#))
- Analysis of the S&P 100 revealed that 90% of companies disclosed their 2021 EEO-1 forms, but the form does not align with the reality of structure at all companies, forcing companies to devise their own metrics and individual reporting ([Bloomberg](#))

Recent EEOC resources include:

- Technical assistance regarding the use of AI tools in employment decisions, focusing on ADA compliance ([May 2022](#))
- Revised guidance regarding COVID-19 and ADA compliance ([July 2022](#))

How we're doing: Data and reporting

	YES	NO, BUT WE HAVE A PLAN	NO
We actively track changes in guidance and requirements from the EEOC and other relevant governing / regulatory bodies so we can adapt accordingly			
We have mechanisms in place to routinely collect data on employee DEIB beyond the EEOC requirements			
We have a strategy to publish and communicate our DEIB data, including targets and progress against those targets, to our employees and other stakeholders			

TREND FIVE

DEIB executives are turning over at an increasingly high rate

Lack of resourcing, insufficient company-wide engagement, and burnout are major contributors



Leading DEIB can be a challenge when not met with proper employer support and strategic integration

Without organizational buy-in and proper resourcing, DEIB work quickly becomes siloed and difficult

- A survey of Chief Diversity Officers (CDOs) named the lack of integration with other business functions as their biggest challenge (30%), followed closely by making DEIB values visible externally (27%) and limited staffing (24%) ([UnitedMinds](#))
- One study found that 36% of organizations link DEIB goals to performance and pay ([Fortune/Deloitte](#)) and another found that only 34% of manager performance reviews include progress on DEIB goals ([McKinsey](#))
- Post-2020 analysis found that only 36% of surveyed and analyzed companies have begun to integrate DEIB into other business processes like R&D or marketing ([KornFerry](#)), leaving DEIB team leaders to fill in the knowledge gaps in these different areas when necessary

DEIB leaders face a number of additional professional expectations and responsibilities that make them susceptible to burnout and turnover

- The average tenure for CDOs in the S&P 500 was 1.8 years in 2021, compared to 3.1 years in 2018 ([Russell Reynolds](#))
- Of 2018 S&P 500 CDOs, 44% were in a non-CDO role and 56% were CDO at another organization by 2021 analysis ([Russell Reynolds](#))
- Of S&P 500 DEIB leaders, turnover is most attributed to unrealistic expectations pulling CDOs in too many directions, lack of horizontal power that allows CDOs to drive substantive change, and the struggle to create long-term investments when there's a focus on visible results ([Russell Reynolds](#))
- 54% seniormost DEIB professionals reported unfair treatment (discrimination, harassment, and/or microaggressions) at their organization in the past year ([UnitedMinds](#))

"I've been so worried about how we move the company forward. How do we move our employees and their well-being forward and give them the space to grieve? You are literally the person who has to take it all in and can't really have the space to process your own feelings. It's all business. It's all work."

Randall Tucker, head of diversity and inclusion at Mastercard, to [Business Insider](#)

How we're doing: DEIB leadership support

	YES	NO, BUT WE HAVE A PLAN	NO
Our DEIB leadership has access to—and accountable engagement from—the C-suite and is a part of high-level strategic discussions			
Our DEIB leadership has adequate financial resourcing, clarity of role and purpose, and the staffing support needed to advance their priorities			
We have integrated DEIB strategies and accountability beyond the social responsibility office and into the work of all our business units and teams			

Policy and regulatory movement

The rules that matter



Nasdaq adds Board Diversity Rule, effective August 2022

Through its [Board Diversity Rule](#), Nasdaq requires all listed companies on the U.S. exchange to disclose board-level diversity statistics

Companies must:

- Publicly disclose board-level diversity statistics [using a standardized template](#) annually
- Have or explain why they do not have at least two diverse directors (*with exceptions based on company size and listing level*)

The rule is SEC-approved but not without controversy

- The SEC approved these new rules in August 2021, citing that any company not wishing to comply with the rule need not list itself on Nasdaq ([Morgan Lewis](#))
- Two conservative groups are seeking to invalidate the rule, saying it violates the Fifth Amendment
- The case was heard in the 5th U.S. Circuit Court of Appeals on August 29, 2022; results and further action are pending ([Reuters](#))

Compliance timeline

- **August 8, 2022 or the date the company files its 2022 proxy, whichever is later** - initial statistics matrix must be complete (companies listed after this date have one year from date of listing to comply)
- **August 7, 2023** - all companies must have one diverse board member or provide explanation why not
- **August 6, 2025** - Nasdaq Global Select or Global Markets listings must have two diverse board members or provide explanation
- **August 6, 2026** - Nasdaq Capital Market listings must have two diverse board members or provide explanation

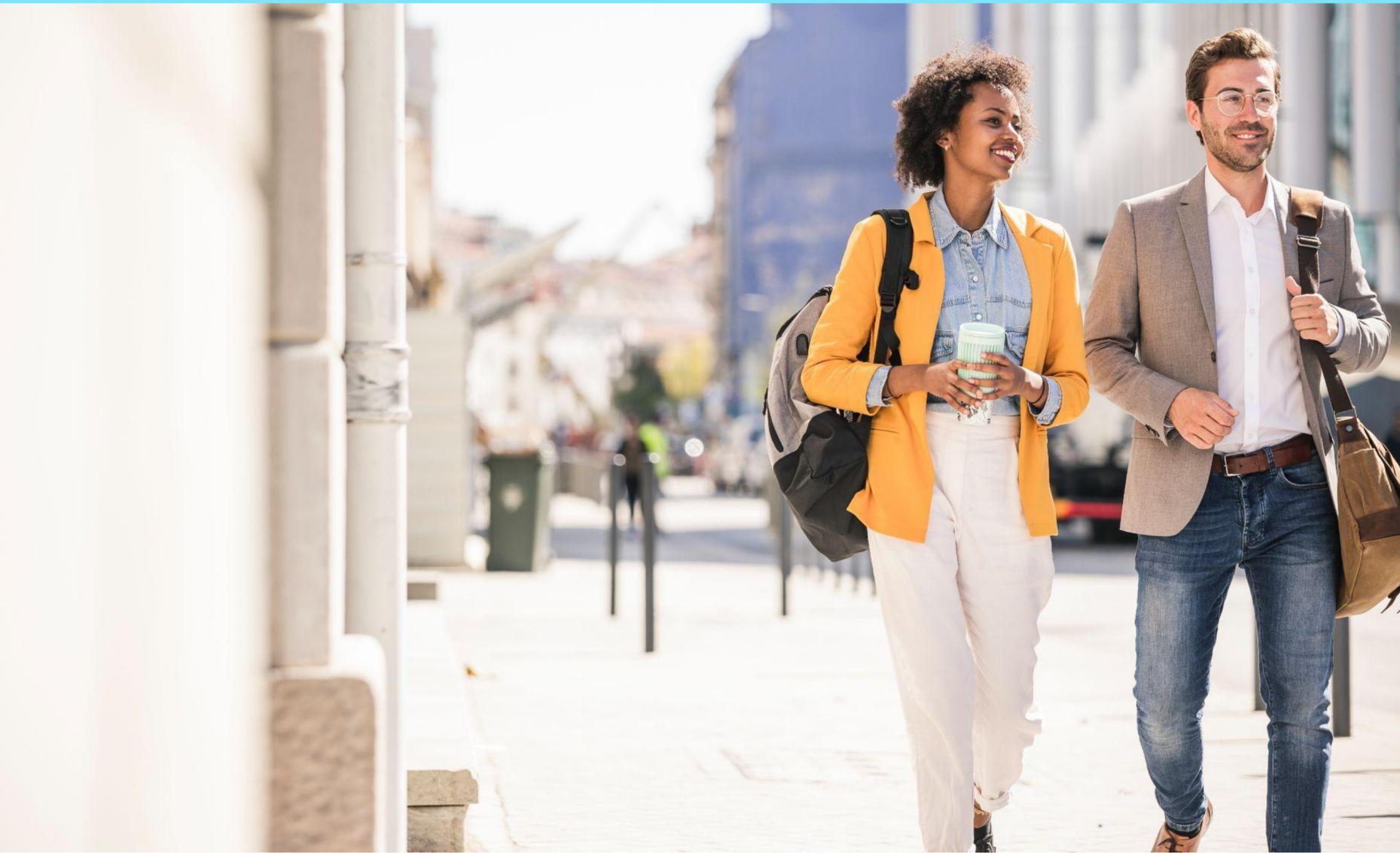
Nasdaq provides [templates](#) and defines the categories in [its accompanying instructions](#).



ISS Corporate Solutions data shows directors from underrepresented groups occupy 17% of board seats, up from 14% in 2020 ([New York Times](#))

Practitioner spotlight

One organization helping to set the pace



Synchrony

Synchrony

ADVANCING TALENT

The Synchrony Advancing Diverse Talent Leadership Institute is a career development framework designed to increase the diversity of leadership pipeline and retain diverse talent ([Synchrony](#))

Its Strategic Pathways program offers nine-month mentorship programs for participants with senior executive leaders; the ADT Fellows program provides networking and development opportunities in partnership with executive leadership ([Synchrony](#))

The Advancing Diverse Talent initiative began in January 2020; by December 2021, 40% percent of total participants had moved into new roles, 19 were promoted to a new level in the organization, and 4 moved laterally into a new role ([Synchrony](#))

UTILIZING PARTNERSHIPS

Synchrony is the founding member of the Latinx Executive Alliance, a coalition of executives from different companies working together to help Latinx employees advance in corporate America ([Synchrony](#))

Synchrony is a member of the [OneTen](#) Coalition and is committed to hiring or advancing Black individuals with high school diplomas and other certifications into middle skill jobs, with 566 Black individuals without college degrees hired in 2021 ([Synchrony](#))

INVESTING IN COMMUNITIES

Synchrony launched “Education as an Equalizer” initiative in 2021 with \$50 million to expand access to higher education, skills training, and financial knowledge ([Synchrony](#))

The initiative includes the creation of the Synchrony Skills Academy High School Program, an immersive training program for local Stamford youth to help build digital and software skills ([Synchrony](#))

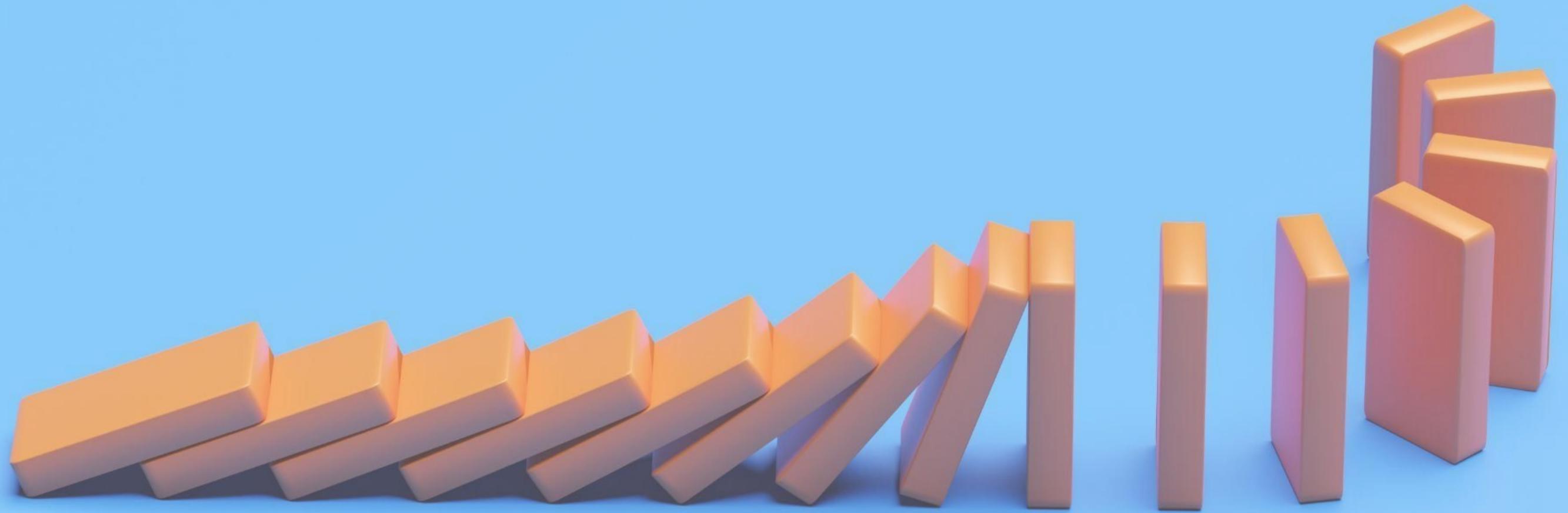
Other community investments include \$5 million for nonprofits working on national social justice issues and \$15 million for venture capital funds run by Black, Latinx, and female partners ([Synchrony](#), [Synchrony](#))

2021 Awards and Recognitions (Selected)



Further reading

From our library to yours



Suggested reading



1. [Social impact professionals' views on the changing talent pipeline](#) | NationSwell
2. [The 2022 Corporate Racial Equity Tracker](#) | JUST Capital
3. [Women in the Workplace 2022](#) | McKinsey
4. [What Your Chief Diversity Officer Needs](#) | Time
5. [Positioning Your Chief Diversity Officer For Top Performance](#) | Russell Reynolds
6. [Awake to Woke to Work: Building a Racial Equity Culture](#) | Equity in the Center
7. [Designing Equitable and Effective Workplaces for a "Corona-normal" Future of Work](#) | New America

NationSwell would love your feedback on this resource so that we can continue providing valuable insights to you and your organization. Please consider taking 30 seconds to complete [this brief questionnaire](#). For more information about this project, please contact Danielle Benedetti at daniellebenedetti@nationswell.com.



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If you are able to address harm with empathy and compassion, accurately understand its root causes, and open yourself and your organization up for improvement even if it makes you look vulnerable and imperfect in the short-term, you'll not only build trust among your stakeholders but be well on your way to achieving the end goals of diversity, equity, and inclusion.

LILY ZHENG

Diversity, Equity, and Inclusion Strategist and
Consultant

[Harvard Business Review](#), April 15, 2022

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