

Making Your DE&I Goals Meaningful



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Conversations around business goals – sales targets, growth targets, share of market targets, competitive positioning, and so on – are entirely natural. That's how businesses run. You need to know where you go, how to get there and how you 'course correct' if you need to.

But talk about Diversity, Equity and Inclusion (DE&I) goals and the conversation suddenly changes – it becomes emotional and people around the table start to feel uncomfortable.

It doesn't need to be this way. DE&I goals can be a driver of sustainable business success in the same way as goals to increase sales, increase market share or improve competitive positioning.

In this article, we explore some of the misconceptions around DE&I goals and offer practical advice for setting meaningful DE&I goals.

DE&I goals uphold the principle of meritocracy

Some organizations undoubtedly feel uncomfortable about setting DE&I goals. But why?

This sad reality is founded in a critical misconception: that setting DE&I goals is contrary to the principle of meritocracy; that setting the goals will somehow lower the standards when it comes to the type of talents that we value.

However, talent, skill, competence, ambition and drive are equally spread – it's 50% male, 50% female, and very diverse in terms of race and ethnicity, sexual orientation, age nationality, and working with a disability status. As such, the principle of meritocracy is not compromised by driving forward DE&I change. It is, in fact, supported.

Organizations should be seeing DE&I goals as a targeted, intentional and measured way to proactively manage the careers of high-potential, diverse talent as they move their way up in organizational settings that were not designed with their specific needs in mind.

In this way, DE&I goals allow organizations to take a firm step towards a genuine meritocracy, not a step away from it.



How to set meaningful DE&I goals?

1. Focus on outcomes

A DE&I goal is a key result that shows how an organization is moving towards the objective of DE&I. They should be both quantitative and qualitative:

- Quantitative DE&I goals relate to representation and where an organization stands on pay equity
- Qualitative DE&I goals relate to the inclusiveness of the organization's culture and the effectiveness of their policies and practices for ensuring equitable career flows.

EDGE Certified organizations commit to provide assistance with childcare. They also make sure that in helping with childcare they make it equally available not just for women but for men as well."

However, DE&I goals are not declarations of intent. A good DE&I goal must be about outcomes – how the culture of the organization is progressing towards being more inclusive and how the representation in the organization is evolving to include more diversity.

Stating that "DE&I is an important strategic objective for our organization," is not a goal. A DE&I goal is a commitment to increase a company's representation of diverse talents by X% or wanting to reduce the gender pay gap by half.

2. Create a time frame

To be effective at driving change, DE&I goals must be measurable. Organizations must have a clear, specific way to track progress against that goal or target. And one way to do this is to make them time-bound. For example: "We want to increase the representation of diverse talents by X% within the next three years," or "We want to cut our gender pay gap in half during the next financial year."

A deadline is important because the moment it is hit, it triggers a meaningful conversation about how DE&I is advancing:

- If the goal is achieved, your organization knows exactly what it must continue doing for continued <u>DE&I success</u>
- If the goal has been missed, understanding why allows your organization to course correct.

For your outcomes to be truly measurable, your organization must have a way to track progress within a set timeframe – one that allows you to have those meaningful conversations about why you are, or are not, hitting your targets.

3. Ensure transparency and accountability

As with any business-critical goal, DE&I goals should be communicated to the relevant internal and external stakeholders. And that means there must be a clear mechanism of transparency around what those goals are.

There are many ways to set DE&I goals, but above all, they must be realistic. Many leaders believe that they must inject a high amount of energy into the system to change the status quo. But being too ambitious can mean that nobody in the organization truly believes that those goals can be met. Or that nobody really understood how those goals were set or how they were meant to contribute to achieving those goals.

So, while ambition is admirable and DE&I goals should be stretch goals, they must also be <u>realistic</u> <u>and transparent</u>. Employees at different levels and across different functions must have a clear view of:

- How those goals were set
- How they are expected to contribute towards reaching those goals
- The accountability mechanisms in place



So, next time when you apply for a job, ask what the organization is doing to achieve workplace gender equality."

4. Consider intersectionality

It's natural for organizations to tackle one aspect of DE&I at a time – for example through the lens of gender or through the lens of race and ethnicity – and set goals in terms of outcomes and results that are expected.

However, how can you dive deeper? Can you consider, for example, the representation of women in a certain age group or ethnicity, or coming from a certain part of the world, and the same for men?

It is important to be broad in terms of the aspects of diversity within your organization and base your DE&I goals on the characteristics of your workforce and the talent which is available for your country of operation and for your specific industry.

This can best be achieved by <u>taking an intersectional</u> <u>lens</u> when setting goals for your organization.

5. Think holistically

A common trap many organizations fall into is focusing on inputs. For example, they will say "We want to increase representation in hiring" and set a goal based on the input (recruitment) rather than on the outcome (representation).

The result of this approach is that diverse hiring may increase but that promotions have not been considered, and that high-performing talent exits the organization. Nothing has moved in terms of representation, despite the actions the organization has taken. This is why it's essential to consider DE&I holistically and unpack all the elements of the outcome you want to achieve. Instead of focusing on diversity hiring goals alone, for example, also consider promotions and retention. Ensure all inputs are working towards the common goal rather than tackling specific elements in isolation.

Without this holistic view, many organizations assume that they are in control when in reality, they are not.

The difference between mandatory and voluntary DE&I goals

It is important to make the distinction between mandatory DE&I quotas and voluntary DE&I goals.

Mandatory quotas are straightforward. They are timebound and focused on important outcomes, which are board representation, pay equity and executive committee representation.

They are very powerful instruments – public policies that allow legislators to signal the importance of these issues for the health and wealth of that society. And, of course, these requirements are non-negotiable.

In contrast, DE&I goals set by an organization are, as with any other business goal, voluntary.

In this way, mandatory targets and voluntary goals work well together. Legislative requirements stay focused on a small number of ultimate outcomes – they represent the tip of the iceberg. And the voluntary business goals form the rest of that iceberg by allowing organizations to proactively manage DE&I within their company.

Legislation can help or to hinder what companies are doing, but quotas are not a replacement and are not a substitute for the efforts of the organization.



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How to achieve your DE&I goals

DE&I goals must be an objective measurement, timebound, trackable and transparent, and with accountability mechanisms set in place. And this is where <u>EDGE Certification powered by EDGE Empower</u> can help, by providing:

- An analytical framework that allows your organization to understand its current status – benchmarking to understand what **outcomes** your organization can achieve
- Two-year cycles to ensure goals are time-bound
- **Transparency** and accountability through independent third-party verification of EDGE Certification
- EDGEplus, which looks at men and women as diversified groups and measures the **intersectionality** between gender and other aspects of diversity: race/ethnicity, gender identity, working with a disability, nationality, age, and sexual orientation
- A rigorous and proven data-led approach, shaped by leadership thinking and the experience of real-world practitioners, to ensure a holistic DE&I strategy.

Success fosters motivation

EDGE Certification works in two-year cycles because we know that setting ambitious but reachable goals within shorter timeframes can help your organization accelerate progress.

For example, if your organization has management levels with only 20% female representation, it is likely unrealistic to say: "We want to be to have a 50:50 male and female representation in the next five years across all the management levels."

A more realistic goal would be "30:70 representation across all management levels within the next two years."

Once that target is achieved, you can set a new one to achieve 40:60 representation in the following two years. And then two years after that is achieved, you can realistically aim for 50:50.

This keeps your organization focused on achieving the goals it has set and keeps you motivated by allowing you to demonstrate progress. This is also exactly how the <u>three levels of EDGE Certification function</u>:

- EDGE Assess recognizing commitment
- EDGE Move showcasing progress
- EDGE Lead celebrating success

Organizations achieving an EDGE Certification will analyse their workplace from a gender-binary standpoint. At any of the three levels, organizations may choose to deepen their analysis, through a gender and intersectional lens, by choosing EDGEplus.

Contact us to see how we can help

Request your EDGE Empower demo at edgeempower.com