



## DIVERSITY BENCHMARK INITIATIVE



### NC TECH Inaugural Diversity Benchmark Initiative: Executive Summary

No matter who you talk to, the last two years challenged businesses and caused everyone—from employees to management—to rethink what matters. From the COVID-19 pandemic to an increase in global tensions, from the racial reckoning brought about by violence against members of marginalized communities to rising socioeconomic disparity, if we learned one thing, it's that much work remains to be done when addressing diversity, equity, and inclusion (DEI).

NC TECH, The Diversity Movement, and Racepoint Global partnered together to sponsor Inclusion Analytics' DEI benchmark report. While the goal of DEI is to help shape a better future, we need to first understand the challenges companies face and the solutions they imagine before we all continue the work of creating equitable change. The 12 companies in this inaugural report had already defined their DEI strategies and initiatives, but were looking to reexamine their policies to create sustainable impact.

If we look at a maturity model, you can see that 33% of companies have strong foundational policies and practices in place, and are working to progress towards full integration of practices that address inequity and inequality. Another 42% of the companies surveyed have actively progressed to the application phase of DEI program development. And 25% of companies surveyed have fully integrated programs. But no matter where a company falls on the maturity model, one trait is the same across all these businesses: they know that DEI must become deeply embedded into their company cultures and not just a talking point or a lunch-and-learn monthly program.

The 12 companies included large enterprises and traditional small- and medium-businesses. The common denominators are that they are all based in North Carolina and all considered technology or technology-enabled companies. Inclusion Analytics surveyed 2,100 employees from the 12 companies between January 31 and February 18. They explored 33 policies and more than 20 different experiences of inclusion. Here is a high-level summary of the findings.

### **Making Progress Quickly by Closing Gaps**

Several changes exist to improve areas that already show progress. For instance, 90% of companies surveyed mandate DEI training for managers and top leaders, while just more than 50% have a policy to look at inclusion competencies as part of these leaders' performance reviews. And a little more than 40% of individual contributors are reviewed on their inclusion competencies. Simply implementing this as part of all employees' performance reviews can help ensure leaders and employees are experiencing the same company and influence company insights and behaviors. Also, by tying DEI outcomes to personal and business performance, it becomes easier to uncover inequities and identify their intersectionality—and that much faster to make progress.

Or, consider that all participating organizations track race, ethnicity, and gender identity, but only 50% of the businesses track age, even though this is a federally protected category. Adding in these categories allows for a fuller picture of the employee landscape and armed with an awareness of these gaps, companies can begin to immediately make measurable progress towards their DEI goals.

Another area that stands out is improving the diversity of companies' supplier networks. Currently, approximately 30% of those surveyed have developed supplier diversity programs. By intentionally diversifying companies to do business with, DEI efforts can impact the broader business community and the lives of people outside of these benchmarked companies.

A big win is that more than 80% of those surveyed provide some form of DEI training. While DEI education often gets a groan from employees and can have a bad reputation, providing high-quality company or job specific training in DEI can help get all employees on the same page in terms of organization definitions and expectations—and drive real, measurable change for business.

### **Areas for Improvement**

When it comes to equity, progress still must be made. Statistics show the majority of employees at each job level—top leaders, managers, and individual contributors—are white. The percentages for white employees get larger as we move up the job levels. They are overrepresented in management and leadership positions compared to their representation as individual contributors. The opposite pattern is true for Asian and Hispanic or Latino employees. They are underrepresented in management and top leadership positions compared to their representation at the individual contributor level.

Approximately 15% of workers in individual contributor roles and leadership roles are Black. However, fewer than 10% are managers, possibly indicating that companies are turning outside their companies to hire leaders, rather than promoting from within. This can leave managers with fewer growth options and conceivably lead to a retention problem. Although all participating organizations conduct some form of exit interview, only half of participating organizations currently analyze interview results by demographic identity.

To understand this more, contemplate a hypothetical organization that finds employees are leaving based on lack of development opportunities. When the results are examined by race/ethnicity, the company may find that these responses are specifically true for Black and African American employees. In this case, rather than creating new DEI programs, the business may need to examine inclusion practices and ensure equitable access to current opportunities across groups.

Women are also underrepresented in management and top leadership positions. Rather than seeing proportional representation across levels, here there is a stair-step pattern. This pattern for women is often called the “broken rung phenomenon,” where women are missing critical access to the next step up in the career ladder, which ultimately limits their lifetime job achievement. It’s a pattern seen nationwide, and knowing this trend exists locally identifies the need to explore policies and practices that may be contributing to it.

### **Using Benchmarks to Help Drive Change**

We are grateful to all of you who have shared your feedback, insights, and talent in this effort, and look forward to continuing this critical work with your help. There is no one-size-fits-all approach to DEI work, nor is there a single way to benchmark results. However, armed with an awareness of these benchmarks, leaders should feel empowered to act and drive real, measurable change for their organizations. This affects employees as well as a company’s bottom line: Organizations with the most ethnic and cultural diversity [outperform those with less diversity by 36%](#). With your broad support across each of your companies, you can help propel DEI work within your companies and throughout North Carolina.

*For more information, visit: [Diversity Benchmark Initiative \(nctech.org\)](https://nctech.org)*