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Expanding Equity:
Lessons learned from
more than 100 companies
working to advance
workplace diversity,
equity and inclusion



Introduction

In 2019, the W.K. Kellogg Foundation (WKKF) launched Expanding Equity to help companies transform into more equitable places of opportunity. Since then, we have dedicated thousands of hours to working hand in hand with more than 100 companies to develop and implement diversity, equity and inclusion (DEI) strategies. These strategies are designed to be grounded in each company's data, tailored to its specific context, and built to withstand the uncertainties of an ever-evolving business environment and talent market. These efforts offer a unique perspective on how organizations can best unlock the benefits of DEI for their business, workers and communities.

While on this journey, Executive Orders, public sentiment, and media coverage has raised questions about the value of prioritizing DEI and the viability of the corporate sector's long-term commitment to it.¹ Our Expanding Equity experience suggests the opposite: companies are doubling down on DEI impact and doing so in an inclusive, dynamic and evolving way. A 2023 survey done of companies participating in Expanding Equity found that 80% had internally reiterated their commitment to DEI since the U.S. Supreme Court's ruling on affirmative action in higher education.² More broadly, despite headlines about a possible reduction in DEI roles,³ a survey of 300 companies for McKinsey & Company's latest *Women in the Workplace* report revealed that 60% of respondents increased their staff and budget for DEI work over the past year, 34% maintained their staff and budget, and just 4% reported a decrease.

Legal Disclaimer: WKKF is a nonprofit, private philanthropic organization with fewer than 250 employees. Our strategies and tools reflect this. Implementing initiatives are context-specific to each organization and can raise various legal compliance considerations. The information and examples in this report are for informational purposes only, and nothing in this report should be construed as legal advice. Users should seek advice from legal counsel in their relevant jurisdictions before implementing any initiatives or otherwise acting based on the information in this report.

Diversity, Equity, and Inclusion (DEI) Disclaimer: For the purposes of the Kellogg Foundation's Expanding Equity Program, "DEI" refers to advancing opportunity and fairness for all people—of all identities, backgrounds, and experiences—to attract qualified talent and build an inclusive culture in organizations.

¹ Theo Francis and Lauren Weber, "The Legal Assault on Corporate Diversity Efforts Has Begun," *Wall Street Journal*, Aug. 8, 2023; Curtus Bunn, "Hamstrung by 'golden handcuffs': Diversity roles disappear 3 years after George Floyd's murder inspired them," NBC, Feb. 27, 2023; Taylor Telford, "Critics of corporate diversity efforts emerge, even as initiatives falter," *Washington Post*, April 1, 2023.

² In June 2023, the Supreme Court of the United States ruled that colleges and universities could no longer consider race in admission decisions. Survey of Expanding Equity attendees at an October 2023 virtual event, n = 20.

³ Te-Ping Chen and Lauren Weber, "The Rise and Fall of the Chief Diversity Officer," *Wall Street Journal*, July 21, 2023; Paige McGlauffin and Joseph Abrams, "Attacks on corporate diversity programs are ramping up after Supreme Court's affirmative action decision," *Fortune*, Aug. 10, 2023.

The question is not *if* companies are investing in DEI but *how* they can best approach DEI efforts to maximize their effectiveness.

Our work to support the DEI efforts of more than 100 companies provides three insights into how leaders are effectively advancing DEI in their organizations (Exhibit 1).

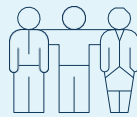
EXHIBIT 1: **THREE INSIGHTS FOR CORPORATE LEADERS WORKING TO ADVANCE DEI**



Make DEI everyone's job

BEST-IN-CLASS DEI IS EMBEDDED THROUGHOUT THE ORGANIZATION

Companies that effectively advance DEI are embedding it across the organization by linking it to other strategic priorities and holding all leaders accountable for progress—ultimately engaging all employees to advance the strategy.



Anchor on inclusion and belonging

A CULTURE OF INCLUSION AND BELONGING IS FOUNDATIONAL TO AN EFFECTIVE DEI STRATEGY

While the most effective DEI strategies are holistic across four pillars (Attract, Belong, Promote and Influence), leading organizations report more progress when they emphasize inclusion and belonging in particular.



Identify your archetype

THERE'S NO ONE-SIZE-FITS-ALL APPROACH TO DEI STRATEGY

Organizations often follow one of four archetypes when designing and advancing their DEI strategy, reflecting on how other successful strategic efforts have built support and traction.

For Expanding Equity companies, making DEI everyone’s job, anchoring on inclusion and belonging, and correctly identifying their archetype have paid off: roughly 90% of Expanding Equity companies have made measurable progress in advancing DEI.⁴ Since joining Expanding Equity, these companies have made significant strides in making their workplaces more inclusive, equitable and diverse as they’ve begun implementing the strategies they developed through the program. Examples include the following:

- A retailer trained more than 70,000 workers on inclusive mindsets and behaviors regarding vulnerability, empathy and courage in just over 12 months, accelerating progress toward its aspiration of creating a culture of inclusion and belonging to support all employees in bringing their best selves to the workplace.
- A consumer goods company strengthened its competitive advantage by attracting a more diverse talent pool in an increasingly competitive talent market. At one office location with 3,000 employees, the company achieved nearly 20% representation of diverse employees, bringing the workforce in line with the diversity of the broader surrounding community.
- An investment management firm increased the proportion of operating expenses spent with diverse vendors and suppliers by nearly sevenfold, amplifying its external impact and advancing equity for the community in which it operates.

While the road ahead may have internal and external challenges, these examples offer inspiration for how other companies can harness our three insights to increase the impact of their DEI efforts in a relatively short period of time. (For more about our approach, see sidebar “Our methodology for deriving the insights in this report.”)

MAKING DEI EVERYONE’S JOB, ANCHORING ON INCLUSION AND BELONGING, AND CORRECTLY IDENTIFYING THEIR ARCHETYPE HAVE PAID OFF: ROUGHLY 90% OF EXPANDING EQUITY COMPANIES HAVE MADE MEASURABLE PROGRESS IN ADVANCING DEI.

OUR METHODOLOGY FOR DERIVING THE INSIGHTS IN THIS REPORT

This report is informed by data on the DEI efforts of 88 companies that participated in our Expanding Equity Core Program. The data was largely gathered through interviews, surveys, articles, public statements and annual reports published between 2020 and 2023.¹ The examples in this report feature companies that took part in the Expanding Equity program.

¹ Data was gathered for 85 participating companies through a scan of public articles, statements and annual reports on DEI efforts published between 2020 and 2023. The interviews and survey included 32 and 36 companies, respectively.

INTERESTED IN LEARNING MORE about Expanding Equity and how it can help your company advance workplace DEI? Visit ExpandingEquity.com today.

⁴ Measurable progress is documented as a quantitative improvement on one of the four pillars (i.e., attract, belong, promote and influence) reported through an Expanding Equity survey, interview or public-facing document (e.g., an organization-published report, web page, etc.), n = 88.

Expanding Equity: A transformational DEI program

Expanding Equity aims to transform corporate America through a robust suite of offerings designed to help leaders create and implement effective DEI strategies. Meeting organizations where they are in their DEI journey, the offerings include online learning courses, networking events with DEI peers and experts, and how-to resources on the latest DEI trends—all provided free of charge. The more than 100 companies that have participated to date span a wide range of industries and account for an estimated \$20 trillion in assets under management (AUM) and more than \$760 billion in revenue. Through this work, we have engaged more than 600 corporate professionals⁶ and had an indirect impact on 3.5 million U.S. employees (about 2% of the total U.S. workforce) and an estimated 1.2 million children under the age of 18 (see sidebar “The reach and influence of Expanding Equity”).

THE REACH AND INFLUENCE OF EXPANDING EQUITY

100+

organizations across several industries with 600+ corporate professionals participating in Expanding Equity¹

3.5M

U.S.-based employees indirectly impacted by their organizations' new DEI strategies to drive equity for all employees²

1.2M

children under 18 indirectly impacted in working families across the U.S.³

\$760B

in revenues by publicly held participant organizations across industries (e.g., consumer goods, manufacturing and retail)⁴

\$20T

in assets under management (AUM) by investment management participant organizations⁴

¹Based on organizations and individuals who participated in Expanding Equity from 2020 to 2023.

²Total number of employees estimated based on a search of public records for each participating organization.

³If ~91% of the ~33.3M households with children under 18 have at least one employed household member and an average of 1.94 children per household, there are an estimated ~59M children under 18 in the U.S. living in households with one or more employed adults. Assuming employees of Expanding Equity participating organizations represent ~2% of all households, Expanding Equity has indirectly reached ~1.2M children under 18. The 2% assumption is based on the proportion of the total U.S. workforce represented by Expanding Equity (~3.5M divided by ~160M).

⁴Total revenues and AUM based on a search of public records for relevant participating organizations. Source: Bureau of Labor Statistics; U.S. Census Bureau

⁶ The most-represented types of corporate leaders include C-suite executives and HR/DEI leaders, accounting for almost 60% of all participants.



Insight 1: Make DEI everyone's job

Leading companies embed DEI throughout their organization and view it as a critical part of their broader business strategy. They do not think of DEI as a stand-alone role, group or function but believe that leaders across the organization share accountability for DEI progress. After analyzing the DEI strategies of companies participating in Expanding Equity, we identified five common enablers necessary to effectively embed DEI across an organization (Exhibit 2).

EXHIBIT 2: FIVE COMMON ENABLERS TO EMBED DEI INTO AN ORGANIZATION'S OVERALL STRATEGY

- 1 Leadership commitment and action:** meaningful engagement from senior leaders as well as middle managers and supervisors who visibly commit to and support DEI efforts
- 2 Clear DEI strategy and aspirations:** defined goals, objectives and metrics that guide prioritization of efforts
- 3 Sufficient resources and capacity:** dedicated budget, resources and capacity from leaders with the necessary knowledge and capabilities to execute the DEI strategy
- 4 Investment and business imperative understood:** alignment on the business imperative for DEI efforts, the organizational case for change and the need for resource investment
- 5 Externally supportive environment:** surrounding stakeholders (e.g., customers, community, investors, peers) inquire about or expect DEI progress, generating increased conviction internally

Leadership commitment and action emerged as the most important enabler; 92% of participating companies listed it as a top reason for progress (Exhibit 3). Without support from other leaders, participating DEI leaders reported feeling isolated and ineffective.

EXHIBIT 3: TOP REASONS COMPANIES REPORT FOR MAKING DEI PROGRESS, % OF COMPANIES

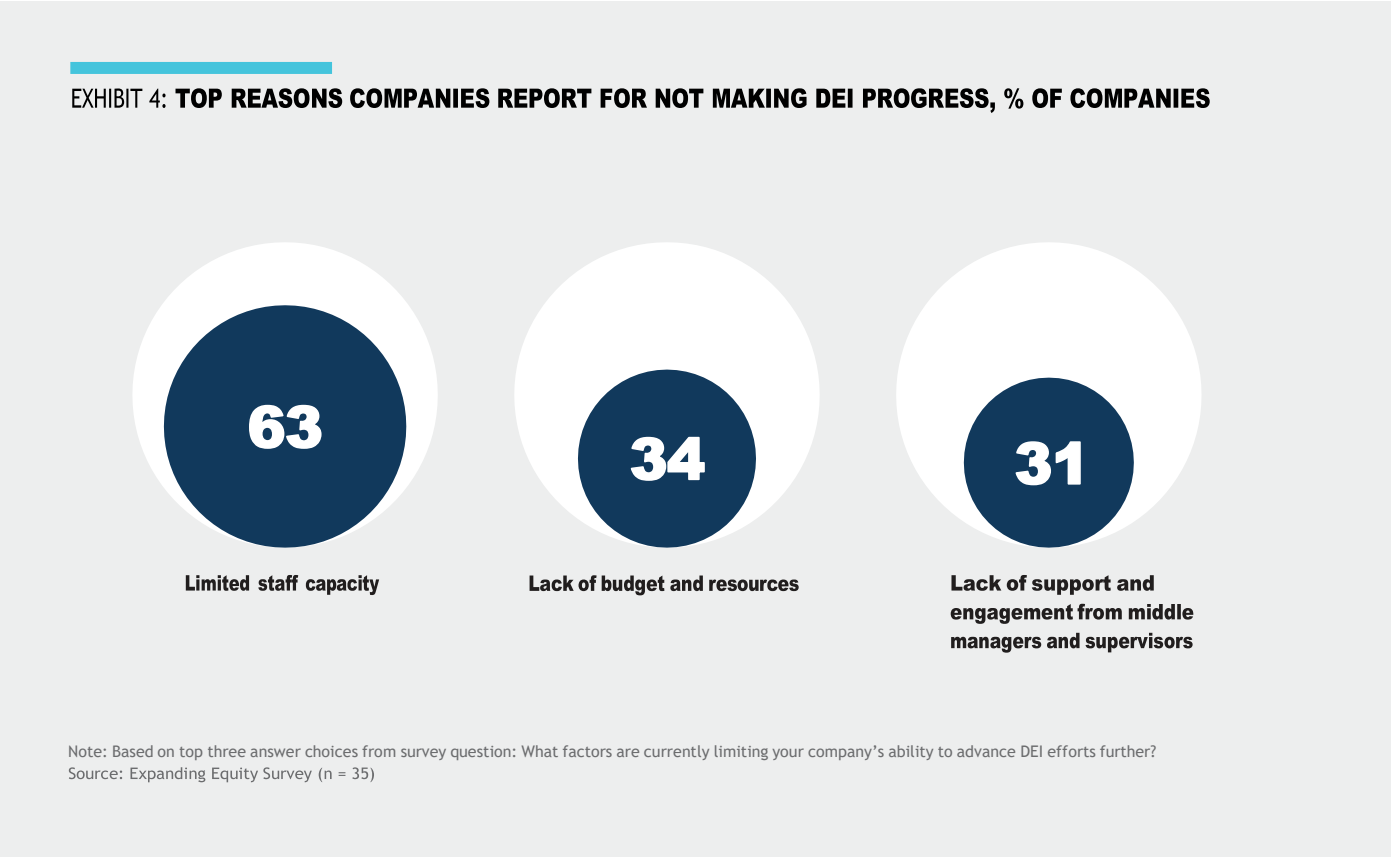


Note: Based on the top three answer choices from the survey question: Reflecting on overall DEI initiatives that have made progress, what are the main reasons for that progress?
Source: Expanding Equity Survey (n = 24)

COMPANY VIGNETTE

AN EQUIPMENT DISTRIBUTOR'S DEI PROGRESS HAD STALLED. THAT CHANGED WHEN THE CEO BEGAN INCLUDING DEI ON THE AGENDA FOR MONTHLY BUSINESS CHECK-INS WITH THE TOP EXECUTIVE TEAM, ACTIVELY CHAMPIONING HOW THE ORGANIZATION'S DEI EFFORTS DIRECTLY AFFECTED ITS ABILITY TO ACHIEVE BROADER BUSINESS GOALS. BY REINVIGORATING BROADER ACCOUNTABILITY FOR DEI PROGRESS AND IMPLEMENTING MORE-EQUITABLE PATHWAYS TO PROMOTION (FOR EXAMPLE, A MORE TRANSPARENT INTERNAL JOB BOARD), THE COMPANY IS ON TRACK TO ACHIEVE ITS ASPIRATIONS.

While senior leadership engagement is critical, it is not enough. Corporate DEI leaders reported several barriers to progress, the most common being insufficient staff capacity, limited budget and a lack of support from middle managers (Exhibit 4). Almost two-thirds of respondents highlighted limited staff capacity as a challenge to making DEI progress. “It sometimes feels like you’re alone,” one chief diversity officer (CDO) said. “Either you have all the answers or none at all.”



We consistently find that DEI leaders without sufficient resources struggle to make measurable progress. This can make it challenging to advocate for more resources in the future and leads to frustration all around. But a recent SHRM survey offered hope: 65% of HR leaders reported that their DEI budgets increased in 2023, and 67% were investing more in dedicated DEI staff.⁷

⁷ “Is Corporate IE&D Dying? Maybe Not,” SHRM, Oct. 12, 2023.



COMPANY VIGNETTE

A HEDGE FUND PARTICIPATING IN EXPANDING EQUITY TOOK A FIRST STEP TOWARD CREATING A MORE INCLUSIVE AND EQUITABLE WORKPLACE BY ESTABLISHING TWO SENIOR LEADERSHIP ROLES CRITICAL TO ITS NEW DEI STRATEGY: A VICE PRESIDENT OF HUMAN CAPITAL MANAGEMENT TO DRIVE DEI TALENT EFFORTS AND A DIRECTOR OF EMPLOYEE BENEFITS TO IMPLEMENT MORE-EQUITABLE POLICIES. THE CEO THEN REALIZED THESE CHAMPIONS AT THE TOP WERE NOT ENOUGH—THE HEDGE FUND NEEDED TO DEDICATE MORE CAPACITY AND RESOURCES TO DRIVE SYSTEMIC CHANGE RATHER THAN ASKING EMPLOYEES AND RECRUITING AGENCIES TO SUPPORT DEI EFFORTS ON TOP OF THEIR PRIMARY SCOPE OF RESPONSIBILITIES. THE HEDGE FUND HIRED MULTIPLE EMPLOYEES SPECIFICALLY TO SUPPORT DIVERSITY RECRUITING EFFORTS, TRACK DEI IMPACT AND REPORT ON PROGRESS. IT ALSO RESTRUCTURED ITS EMPLOYEE RESOURCE GROUPS (ERGS), ASSIGNING EACH AN EXECUTIVE SPONSOR AND EMPOWERING THEM TO ELECT A GROUP PRESIDENT. THESE INVESTMENTS PAID DIVIDENDS: FOR EXAMPLE, THE NUMBER OF WOMEN IN INVESTING ROLES ROSE BY FIVE PERCENTAGE POINTS, AND THE NUMBER OF WOMEN IN SENIOR LEADERSHIP ROLES INCREASED SIXFOLD.





Insight 2: Anchor on inclusion and belonging

The Expanding Equity program organizes DEI strategies across four pillars: attract, belong, promote and influence (Exhibit 5). While the most effective DEI strategies span all four, leading organizations report more progress when they emphasize inclusion through the belong pillar, in particular.

Organizations often see myriad benefits from cultivating a more inclusive workplace. Job satisfaction and engagement is 3.4 times higher in workplaces where managers are seen as inclusive, and employee commitment to the organization is 2.7 times higher.⁸ One report estimated that a high degree of belonging among all workers at a 10,000-person company could translate to \$52 million in productivity gains annually.⁹ It also found that turnover risk was 50% lower in workplaces where employees feel a sense of belonging.

EXHIBIT 5: EXPANDING EQUITY'S FOUR PILLARS OF DEI STRATEGY



Attract

Attracting qualified talent to apply for open roles in the organization to increase diverse representation at all levels of the organization



Belong

Creating an inclusive work environment that supports well-being, connection and retention so that all workers feel respected and can be successful



Promote

Ensuring that all workers have comparable, equitable development and advancement opportunities



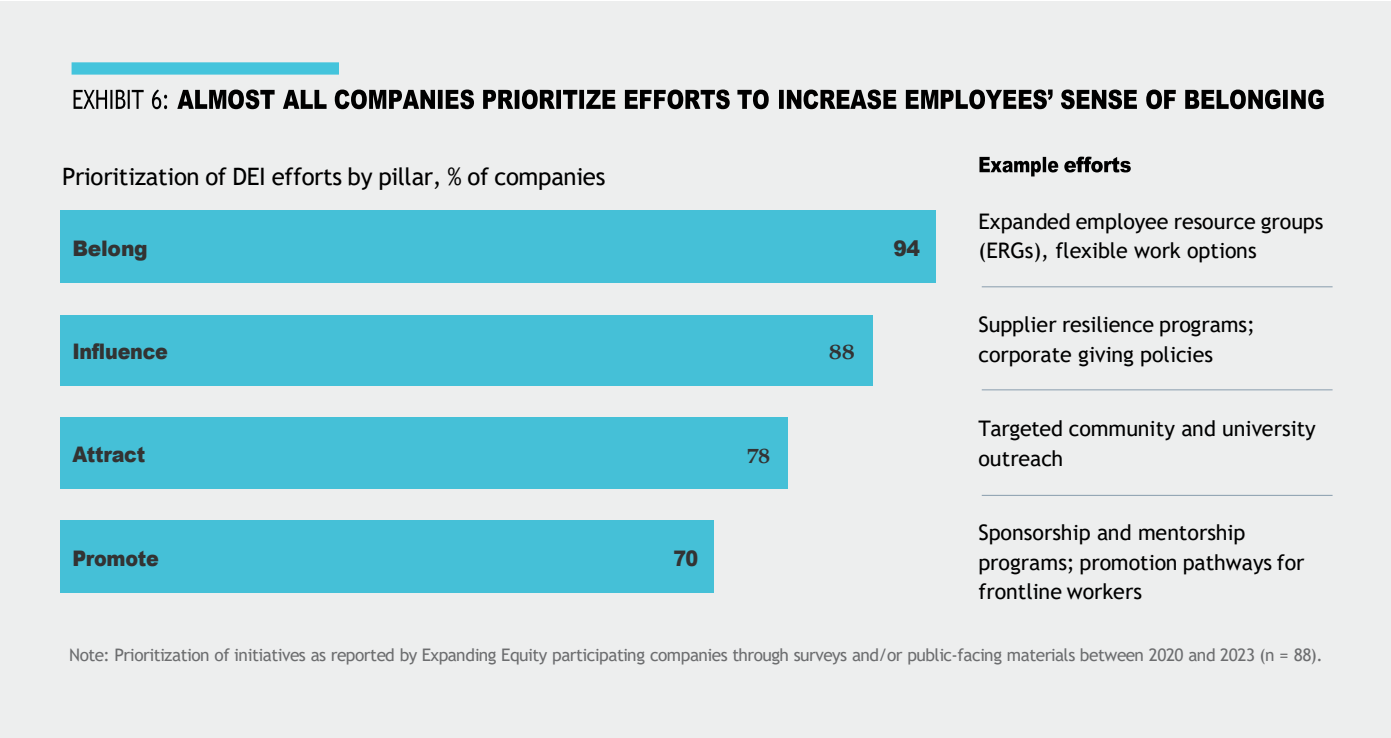
Influence

Using an organization's products, services or processes to advance DEI in the industries and communities in which it operates

⁸ Simi Rayat, "The Powerful Connection Between Inclusion and Well-Being," *Forbes*, July 18, 2022.

In the early days of Expanding Equity, we often saw companies focus primarily on efforts to attract more-diverse employees. Companies are now more likely to prioritize initiatives that foster inclusion and belonging: 94% of participating companies implemented at least one initiative related to the belong pillar (Exhibit 6).

In our interviews, many leaders of Expanding Equity companies said they succeeded in increasing the diversity of their workforce but noticed that inclusion scores remained low, especially among diverse employees. Such results can have a negative impact on retaining current employees and attracting new employees, ultimately decreasing the diversity of the workforce. Expanding Equity companies are anchoring their efforts on the belong pillar with an increasing realization that initiatives to increase diversity are not sufficient for a transformative DEI impact.



⁹ The value of belonging at work: New frontiers for inclusion in 2021 and beyond, BetterUp, accessed Jan. 4, 2024.



COMPANY VIGNETTE

A CONSUMER PRODUCTS COMPANY PRIORITIZED INITIATIVES TO INCREASE DIVERSITY AND SUCCESSFULLY REACHED REPRESENTATION PARITY FOR DIVERSE EMPLOYEES BASED ON U.S. WORKFORCE BENCHMARKS. HOWEVER, WHILE THE DIVERSITY OF WORKERS INCREASED SIGNIFICANTLY, INCLUSION SCORES REMAINED LOW. THE COMPANY ADJUSTED ITS DEI STRATEGY TO PRIORITIZE FOSTERING A SENSE OF BELONGING FOR ALL EMPLOYEES AND LAUNCHED INCLUSIVE LEADERSHIP TRAINING, INCLUSIVE NORMS IN TEAM MEETINGS, EMPLOYEE LISTENING SESSIONS TO CAPTURE REFLECTIONS AND DIVERSE PERSPECTIVES, AND OTHER INITIATIVES. A RECENT COMPANY-WIDE INCLUSION SURVEY FOUND THAT IT IS NOW IN THE TOP 25% OF SURVEYED COMPANIES, AND THE INCLUSION SCORE GAP HAS SHRUNK TO LESS THAN 1%.

Attracting and retaining diverse talent must be done in tandem with building an environment in which all workers feel they belong and can thrive. Research has shown that companies making the most progress on increasing workforce diversity are simultaneously prioritizing concerted efforts to increase inclusion.¹⁰ Our experience with Expanding Equity companies is consistent with this. In fact, we find that many organizations are more effectively rallying broader support by anchoring DEI efforts on the concepts of inclusion and belonging (see sidebar “Examples of initiatives companies can take to build a culture of inclusion and belonging for all employees”).

EXAMPLES OF INITIATIVES COMPANIES CAN TAKE TO BUILD A CULTURE OF INCLUSION AND BELONGING FOR ALL EMPLOYEES

- Complete an inclusion assessment of the full organization to understand the baseline and identify specific target areas for improvement.
- Add inclusive leadership capability building into all signature learning and development programs.
- Deploy an inclusive leadership tool kit for team leaders to utilize with their teams.
- Host inclusion and belonging panel discussions and roundtables with workers.
- Strengthen the employee resource group strategy to improve belonging.
- Create mechanisms to surface and escalate workers' ideas and concerns related to company initiatives and policies.
- Offer more-inclusive and competitive benefits (for example, flexible work options, paid and parental leave, caregiver support).

¹⁰ *Diversity wins: How inclusion matters*, McKinsey & Company, May 2020.

Insight 3: Identify your DEI archetype

There's no one-size-fits-all approach to DEI strategy, and the way a company designs and advances its DEI strategy can make a significant difference in whether (and how successfully) it achieves its goals. We have seen strategies fall flat because they were not developed with the company's unique context in mind. Some senior leadership teams require a robust quantitative fact base for all strategic decisions, while others rely on bottom-up ideas from employees closer to the front line. DEI professionals tend to make faster progress when they identify how strategic priorities in other domains (such as operations and technology) are determined and then apply that to DEI strategy.

We observed four archetypes from our Expanding Equity network for how organizations most effectively design and advance their DEI strategies in ways that mirror other strategic efforts (Exhibit 7). These archetypes demonstrate where organizational leaders tend to have a bias or preference for a type of decision-making. Best-in-class DEI efforts eventually incorporate all four approaches—the archetypes are not meant to be mutually exclusive. Typically, companies anchor on one but incorporate elements of the others when building their DEI strategies. (For more, see sidebar “‘No regret’ components of a DEI strategy.”)

EXHIBIT 7: FOUR ARCHETYPES FOR DESIGNING AND ADVANCING A DEI STRATEGY



Data-driven

WHAT DOES THE DATA SAY?

Sets strategic goals and prioritizes initiatives based on quantitative metrics and baseline of organization's DEI journey



Senior leadership-driven

WHAT DO OUR SENIOR LEADERS THINK?

Defines DEI strategy based on clear vision and priorities that have been defined by the CEO or senior executive



Best practice-driven

WHAT ARE BEST PRACTICES, OR WHAT ARE OUR PEERS DOING?

Defines DEI strategy based on what has worked for others and is achievable for the organization



Worker-driven

WHAT DO OUR PEOPLE THINK?

Shapes DEI strategy based on the bottom-up interests and the efforts of empowered employees



Archetype 1: Data-driven

When making big strategic decisions, some companies start by asking, “What does the data say?” In the realm of DEI, these companies build a baseline for diversity (such as talent pipeline analyses examining trends in turnover, promotions and external hires), inclusion (for example, employee surveys and focus groups) and equity (for instance, HR policy benchmarking and analysis of which employees are using available benefits). This data enables DEI practitioners to build a stronger business case for their DEI strategies with senior leaders who may index heavily on analytics for decision-making. While almost all organizations capture basic DEI data, this archetype describes the organizations that build robust fact bases using more detailed and sophisticated analyses.

With this data in hand, DEI practitioners can partner with business leaders to align on which gaps to prioritize when building a DEI strategy. A robust analytical baseline also enables organizations to set specific aspirations about the gaps they will close and the corresponding timelines. DEI practitioners can help hold the organization accountable by regularly tracking metrics and updating leadership on progress.

‘NO REGRET’ COMPONENTS OF A DEI STRATEGY

Across all archetypes, we have found that diversity, equity and inclusion (DEI) strategies should include the following components:

1. A “North Star” or guiding aspiration for the ultimate success the organization hopes to achieve with its DEI efforts.
2. A baseline understanding of DEI “hot spots”—critical DEI challenges that frequently surface through talent pipeline analysis, focus groups, employee inclusion surveys and HR policy benchmarking.
3. A defined governance structure specifying which leaders, teams or councils are responsible for driving DEI impact and what mechanisms (for example, performance management) will be used to increase accountability.
4. Regular impact tracking using key performance indicators (KPIs) and employee feedback across diverse backgrounds, business units and tenures.



While this approach is effective in many companies, one challenge is that seeing data-backed progress can take time. As data-driven organizations work to quantify progress on their DEI strategies, they may lose momentum and morale if progress seems slow. One remedy is to employ early feedback mechanisms (such as pulse surveys, employee discussion channels, or feedback from DEI councils or ERGs) to surface quick wins and early successes.

Companies may also focus narrowly on easily measured initiatives, overlooking other initiatives that would also address critical challenges. For example, we often see companies place a heavy focus on increasing diversity through recruiting but ignore the need to increase sentiments of belonging across all employee groups. Organizations can counteract this tendency by exploring best practices for measuring and tracking DEI progress. They should also ensure the DEI fact base includes qualitative insights from a variety of sources, such as employee focus groups, exit interviews and industry case studies.

**OVERALL
APPLICANT VOLUME
INCREASED BY
MORE THAN 25%.**

Company Example: How a consumer products company reshaped its talent pipeline

A consumer products company with more than 25,000 employees had one person driving most of the organization’s DEI efforts, which led to an overreliance on ERG leaders with limited resources to implement critical initiatives. In addition, senior leaders wanted to see robust analyses of projected business impact before committing additional resources to DEI initiatives.

The company’s DEI leader used talent pipeline data to build a digital metrics dashboard to help the company track candidate success rates throughout the interview process. Analysis of the dashboard revealed that representation across the pipeline did not reflect the talent pools available to the organization—an indication of potential bias in the hiring process. These insights validated where and how to focus on increasing diversity across the talent pipeline. When senior leaders saw the analysis, they agreed to provide the necessary resources to hire recruiters dedicated to increasing workforce diversity. As a result, the company implemented initiatives to attract and hire more-diverse talent.

Within a year, the percentage of women applicants jumped from 40% of the total applicant pool to 55%. In addition, overall applicant volume increased by more than 25%. Because capacity remains a challenge for the DEI leader, ERG members—motivated by the organization’s significant progress—have stepped up to help recruiters tap into more-diverse networks and platforms. The DEI leader hopes to capitalize on this momentum by building a core team of dedicated individuals who can drive initiatives and track progress to continue to provide quantitative results for the company.

Archetype 2: Senior leadership-driven

Some companies rely heavily on senior leadership to provide guidance and sponsor ideas before making strategic choices, asking “What do our senior leaders think?” These organizations often succeed when DEI priorities and initiatives are set from the top (for example, by the CEO or chief human resources officer). An inspirational CEO who sets the tone with a compelling case for change and strong endorsement of the selected topics can motivate other leaders across the organization to align their priorities accordingly.



In this archetype, senior executive support for DEI is a critical enabler of the company’s broader strategic agenda. DEI practitioners should prioritize building relationships with senior leaders—bringing them along with relevant DEI insights, iterating together on DEI priorities and getting to know each other outside of formal strategic review meetings. DEI leaders within these organizations open new doors to DEI progress when they invest in collaborating with senior leaders to inspire and pressure-test ideas with them.

Within this archetype, watch out for the “frozen middle”: while senior leaders can be supportive, accountability may get lost among middle managers. Effectively cascading the case for change and engaging leaders at all levels takes creativity and persistence. Interventions might include “fireside chats” with senior leaders about inclusive leadership, public recognition of leaders who have achieved DEI impact, and high-profile opportunities for middle managers to lead DEI initiatives, such as serving on the DEI leadership council or being an ERG sponsor.

Company Example: **How a manufacturer engaged business units to drive DEI**

A manufacturing company CEO who was committed to improving DEI sought to improve the overall diversity of their board of directors and established a head of DEI role. But the organization still needed more meaningful engagement across geographies and business units to bring the CEO’s DEI vision to life.

The new head of DEI revamped the DEI council to include representatives from each business unit to help design a DEI strategy that would improve engagement across the company. Specifically, the DEI team worked with business unit leaders to set customized goals informed by geographic-specific demographic data for each business unit. For example, one business unit aimed to increase the share of women on its senior leadership team by 20%. The head of DEI also met with business unit leaders quarterly to discuss progress and implementation challenges.

The company's business-unit-specific approach resulted in significant progress in two years: an overall increase of three percentage points in diverse employees, 13 percentage points in diverse new hires, and 17 percentage points in diverse interns.

In addition, the approach fostered conviction among leaders in each business unit as they tailored DEI initiatives for their respective areas while still aligning with the CEO's vision. The revamped DEI council also accelerated progress by enabling business unit leaders to identify quick wins that could be replicated across the organization.

Archetype 3: Best practice-driven

When making strategic decisions, some companies start by asking, "What are best practices?" or "What are our peers doing?" These organizations are more likely to begin with an external benchmarking exercise to define what "good" looks like and then develop their DEI strategy accordingly.

This archetype allows companies to accelerate internal progress by learning from the proven efforts of others. These companies often take an external idea and pilot it before investing in an enterprise-wide initiative. DEI practitioners working with this archetype should incorporate research- and impact-

backed tools (for example, playbooks, frameworks and case studies) when shaping a DEI strategy that will resonate with internal stakeholders. Within this archetype, senior leaders might be more convinced to implement bold DEI strategies if DEI practitioners say, for example, that they have created a playbook based on best practices at other companies in an effort to improve retention.

One risk of following this approach is that in implementing initiatives designed for another organization, companies may miss opportunities to adopt ideas better suited to their specific organizational context. To mitigate these risks, DEI practitioners might marry external best practices with internal insights and ideas based on what employees would like to see.

THE COMPANY'S BUSINESS-UNIT-SPECIFIC APPROACH RESULTED IN SIGNIFICANT PROGRESS IN TWO YEARS: AN OVERALL INCREASE OF THREE PERCENTAGE POINTS IN DIVERSE EMPLOYEES, 13 PERCENTAGE POINTS IN DIVERSE NEW HIRES, AND 17 PERCENTAGE POINTS IN DIVERSE INTERNS.



82% OF EMPLOYEES NOW FEEL THEIR MANAGER FOSTERS A DIVERSE AND INCLUSIVE ENVIRONMENT.

Company Example: **How best practices transformed an investment firm's DEI efforts**

In 2020, a global investment firm hired a new CDO who had decades of experience in various talent management and DEI roles at another company. The firm had begun its DEI efforts several years earlier but had not leveraged best practices or seen significant progress. Leveraging a playbook based on what she had seen work before and customizing it to her new organizational context, the CDO implemented many initiatives that had an impact, such as inclusive leadership training, panel discussions for leaders about best practices in inclusive leadership, and formalized ERGs.

She also worked diligently to effectively increase leadership accountability for DEI progress. Supported by an internal human capital center of excellence, the team has trained leaders on inclusive behaviors designed to improve employee engagement, productivity and retention.

This firm's DEI strategy has translated into increasingly positive employee sentiment: 82% of employees now feel their manager fosters a diverse and inclusive environment. Representation has also improved, with a sixfold increase in women in senior roles and a sevenfold increase in individuals from previously underrepresented communities in investment roles.



Archetype 4: **Worker-driven**

Some companies start major strategic efforts by asking “What do our people think?” and relying on grassroots, bottom-up ideas to shape and drive innovation. When applied to DEI, this approach helps practitioners prioritize ways to capture employee ideas and feedback through surveys, ideation workshops, innovation competitions and ERG focus groups.

In this archetype, we often see a largely decentralized DEI approach in which employees are empowered to design and implement initiatives based on what matters most to them and where

they believe efforts will have the most significant impact. This approach results in a wide variety of efforts based on the specific DEI context of each location, function or group. In many cases, this approach can lead to pockets of true innovation in which a person or group can quickly test an idea to prove its impact.

A potential drawback of the worker-driven archetype is that it allows projects to proliferate without strategic clarity or consistent best practices. This can lead to incremental or no progress if different parts of the organization are working in separate silos without coordination. It can also produce fragmented efforts reliant on specific individuals who may lose momentum, burn out or leave the organization.

There are two ways to avert such issues in the worker-driven archetype. One is to align on strategic objectives from the start, which allows employee-driven innovation to have more impact and focus. Another is to build “connective tissue” across the organization to surface lessons learned and highlight leading practices that can help prioritize initiatives with the most potential to scale. This connective tissue can take many forms, including an internal social network, DEI committee meetings or a change agent network.

Company Example: **How employees helped a manufacturer craft its DEI strategy**

A manufacturer was in the process of establishing its first DEI strategy. Given the company’s entrepreneurial and decentralized culture, the CDO sought to make the process more inclusive by involving leaders across the organization.

The CDO consciously avoided setting overarching mandates across business units. Instead, each unit was encouraged to develop a strategy that addressed its respective employees’ DEI pain points. Employee feedback was integrated into each step of the process, from identifying challenges to prioritizing which initiatives to implement.


The CDO also launched a DEI change champion network to tap into influential, passionate employees who could help achieve DEI goals. The program took employees through courses and exercises to understand the DEI case for change and how they could support progress. To be certified as a “champion,” participants implemented at least one DEI initiative, such as launching a rotational development program to support increased mentorship, creating an educational area for DEI resources in break rooms or designing an inclusive holiday calendar for cultural awareness. To date, 52 diversity champions have been certified across the organization.

The CDO’s approach resulted in measurable progress in talent diversity and broader employee engagement, with 10 active ERGs and more than 900 employees participating in a workshop on building inclusion capabilities. Additionally, the manufacturer has received widespread recognition for its DEI efforts; for example, it was named one of America’s Best Employers for Diversity by *Forbes* and earned a top score on the Human Rights Campaign Foundation’s Corporate Equality Index.¹¹

THE CDO’S APPROACH RESULTED IN MEASURABLE PROGRESS IN TALENT DIVERSITY AND BROADER EMPLOYEE ENGAGEMENT, WITH 10 ACTIVE ERGS AND MORE THAN 900 EMPLOYEES PARTICIPATING IN A WORKSHOP ON BUILDING INCLUSION CAPABILITIES.

¹¹ Launched in 2002, the HRC Foundation’s Corporate Equality Index is a road map and benchmarking tool for U.S. businesses in the evolving field of lesbian, gay, bisexual, transgender and queer equality in the workplace.





“We were just trying to do a lot of different things. I think the Expanding Equity program gave us a chance to pause, step back a little bit, look at our data and be more thoughtful about what our initiatives could be.”

—DEI leader, consumer goods company



Looking ahead

Expanding Equity was launched in 2019 to transform corporate workplaces into equitable places of opportunity and improve the lives of everyday working families. Now, with a growing network of more than 100 companies, we find ourselves uniquely positioned to share our insights into what truly unlocks DEI progress:

- **Organizations cannot treat DEI as a side project and expect transformative results.** DEI should be approached as a business strategy with adequate resources, leadership engagement and a shared vision for success.
- **Diversity alone is not enough.** An equitable workplace requires investment in inclusion and belonging to empower employees to bring their whole selves to work, experience deeper levels of employee commitment, and achieve higher levels of innovation and impact.
- **There is more than one way to approach DEI strategy.** Companies can and should harness what is unique about their people, culture and ways of working (for example, how they collaborate or what processes they use to make business decisions) to select the best approach to set themselves up for success.

We have witnessed powerful, inspirational examples of DEI leadership in the Expanding Equity network. We are looking forward to the next horizon of collective DEI impact and will continue supporting more companies in advancing holistic, dynamic DEI strategies that will stand the test of time. In service of this aim, DEI leaders and other supporters can keep our insights in mind as we all continue the ongoing work of making our workplaces better for everyone.

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MORE ABOUT
EXPANDING EQUITY?**

Visit ExpandingEquity.com.

About the W.K. Kellogg Foundation



Founded in 1930 by cereal entrepreneur Will Keith Kellogg, the W.K. Kellogg Foundation is committed to ensuring that all children, families and communities have opportunities to reach their full potential.

WKKF has been on its own decades-long journey to create a more equitable workplace and lean into our 2007 commitment to be an “effective anti-racist organization that promotes racial equity.”

We bring knowledge, experience, a network of relationships, and a collection of proven tools and human-centered approaches on racial equity, diversity and inclusion to share with organizations and leaders seeking to do similar transformational work.

As one of the largest independent, private philanthropic foundations in the U.S., Expanding Equity puts our capital, influence, knowledge and reputation to work in new ways. By sharing action-oriented tools, we can help advance racial equity, diversity and inclusion by transforming policies and practices in the industries and systems that shape society; drive better results for companies; and ultimately build equitable communities and an economy where all people can thrive.

In 2022, WKKF had \$8.7 billion in total assets, more than \$1 billion in new grant commitments from 2019-2022, 824 new grant commitments and more than 1,400 active grantee organizations. WKKF has given more than \$11 billion in cumulative grants since inception.

Additional resources

including how-to guides, case studies, guidebooks and more are available at ExpandingEquity.com.



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