

Diversity, Equity, and Inclusion Spotlight

Examining DEI Across the Talent Lifecycle

Adapted from the Lever 2022 State of Diversity, Equity, and Inclusion Report



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Introduction

Improving Diversity, Equity, and Inclusion (DEI) efforts in the workplace exploded over the last two years, and for a good reason. For too long, corporations of all sizes had workforces that did not reflect the population of the world that we live in today. While most companies have implemented DEI programs to prioritize and improve workforce diversity, we wanted to know if DEI programs are working and how employees and employers rate the quality of these initiatives.

We sought to uncover how DEI impacts hiring throughout the entire recruitment lifecycle – from the initial hiring phase through long-term employment from both an employer and employee lens.

The benchmarks in this report are intended to capture current successes, challenges, and opportunities for DEI programs and ignite progress for your organization's efforts. There has been progress made since last year's report, but there will always be more work to be done.

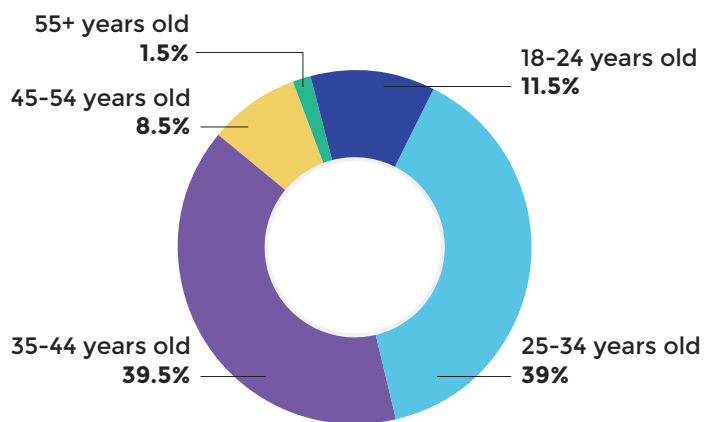
Some key takeaways from the report include:

- Many candidates feel bias against them in the hiring process, as half **(50%)** of employees think their race, gender, or ethnicity has hindered them in securing a job.
- Nearly two-thirds **(60%)** of employees think their race, gender, or ethnicity was a contributing factor in securing their job.
- Over half **(62%)** of employees surveyed have felt they were interviewed for a job so the company could meet a diversity requirement.
- Four in five **(80%)** employers say they provide communication about their DEI efforts during the hiring process.
- Three-quarters **(75%)** of employers require DEI training as a part of their onboarding experience, while just **63%** of employees say their company required it.
- Nearly half **(48%)** of employees surveyed who completed required diversity training thought the training felt like a checkbox on their company's diversity goals.

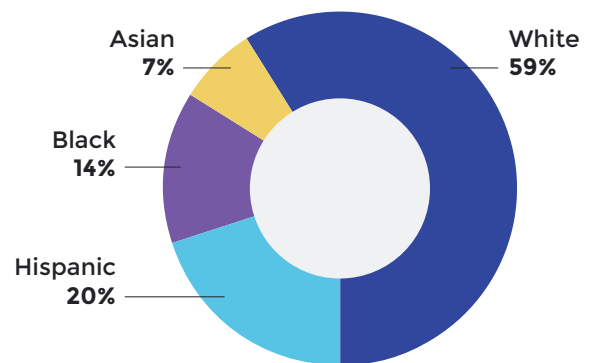
Methodology

Employ worked with direct-to-mobile users via Pollfish to survey 1,000 employees, 18 years of age and older, and currently employed full-time in the U.S. and have worked at their company for roughly one year (i.e., 9-15 months). We also polled 500 employers involved in the hiring process, including 300 HR managers, 100 C-Suite executive level, and 100 CEO/Presidents in September 2022.

Age Breakdown



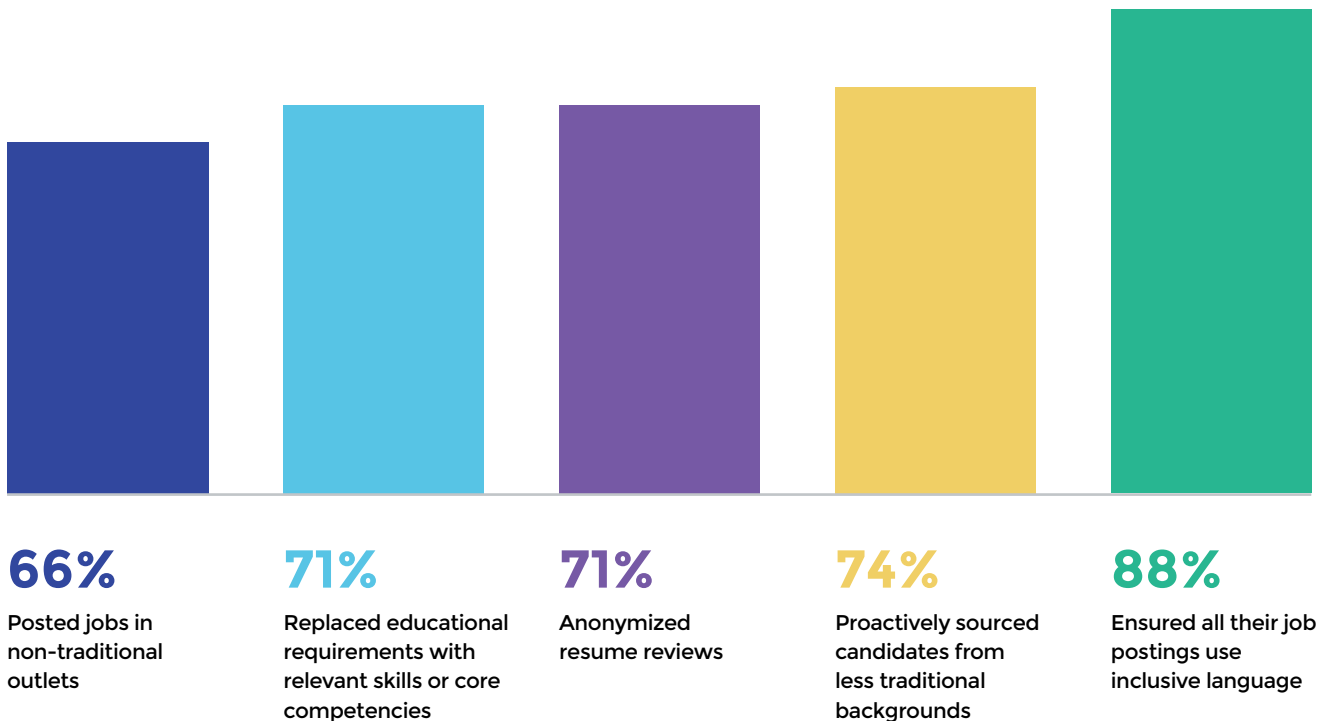
Ethnicity Breakdown (aligned with 2020 Census)



Drastic Improvements Made Over the Last Year

It's great to see that over the past year, companies have made drastic improvements regarding DEI. Overall, employers worked hard to provide more DEI-focused hiring practices, more communication around DEI efforts, and increased training for onboarding experiences. For most companies, the root of a DEI program's progress and challenges start with the hiring process. Since last year, employers have seen a significant 164% increase year over year in providing more DEI-focused hiring practices.

Actions taken by companies to create more DEI hiring practices in the past 12 months:



83%
of employers think their company accurately depicts its diversity efforts

While employers have made significant progress, there is still a large disconnect between employers and employees on the progress of DEI programs. **Let's take a look at the various stages within the employee lifecycle and where there is misalignment.**

Last year's **report** noted that one of the most difficult challenges was communication between employers and employees around DEI efforts. **However, drastic improvements have been made in this area:**

Provided communication around DEI efforts by directing prospective employees to a DEI page on their website

40% increase YoY **90%**

Shared their company DEI stats

54% increase YoY **79%**

Required DEI training as a part of their onboarding experience

240% increase YoY **75%**

Provided the DEI section of their employee handbook

64% increase YoY **74%**

Looking at DEI from the Hiring Stage

Hurdles in Finding a Diverse Pipeline

One area that significantly impacts corporate DEI programs is recruiting. According to our partners at Gem, nearly 80% of talent professionals ranked “diversity hiring” as the most important part of the recruiting industry for 2022.¹ However, companies still struggle to build a diverse pipeline of talent. When approaching DEI at work, 63% of employers have difficulty finding diverse applicants, 59% have prioritized other company goals, 52% struggle to create workplace policies inclusive of all employees, about half (49%) have difficulty retaining diverse talent, and 44% don’t have buy-in for executives. However, companies will find that not taking the opportunity to find diverse candidates or deprioritizing DEI will make them less attractive to potential employees. According to our survey:

Challenges companies face with approaching DEI at work:

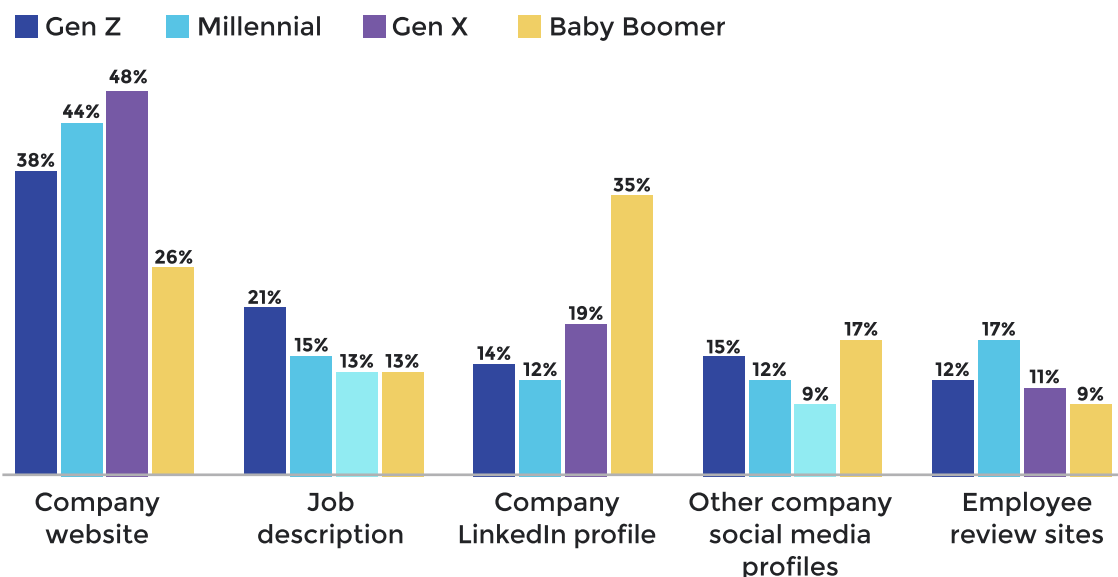


81% of job candidates checked a company's website for their stance on DEI before applying and 71% reviewed job postings to ensure inclusive language was used.

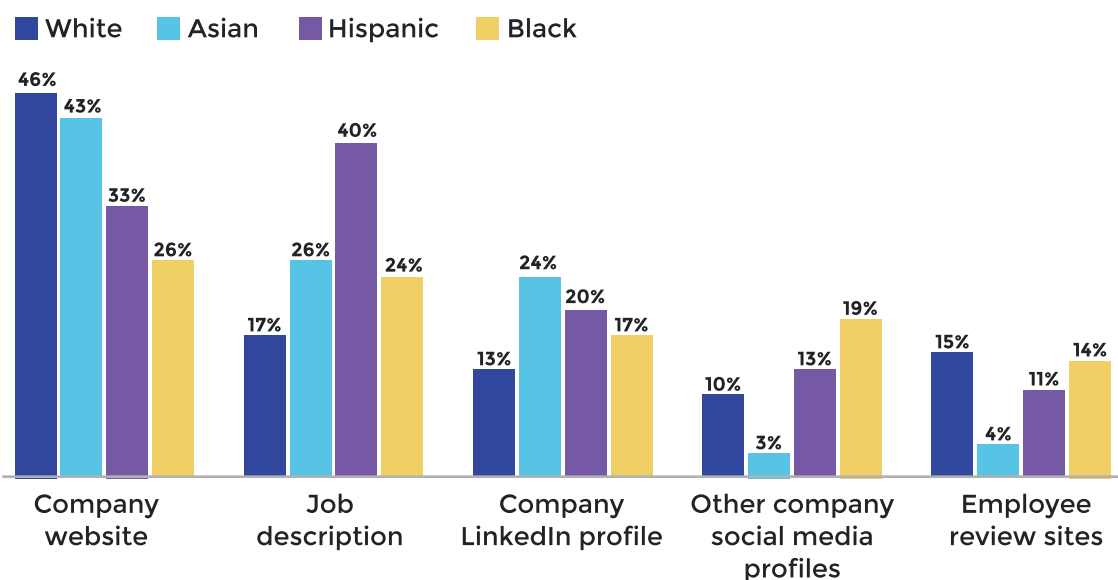
1. Gem. (2022). 2022 Recruiting Trends. Data-Driven Talent Engagement; CRM Software. Retrieved October 24, 2022

These job seekers are searching multiple channels to understand a potential employer's DEI programs. In fact, 40% of employees surveyed are most likely to look for information about a company's DEI practices on the company's website. And, 20% of respondents look at the job description, followed by 16% researching a company's LinkedIn profile. Around 13% of potential employees also use review sites, and 11% search other company social media profiles. Nearly two-thirds (65%) also researched a company's stance on social issues, and 64% checked a company's website for diversity stats. Candidates are not shy about inquiring about DEI practices. More than half (57%) of employees ask their employer about the culture of DEI at the company in the interview process, compared to 38% who do not ask.

Findings by Generation: Gen Zs (21%) are the most likely to look for information about a company's DEI practices in the job description, compared to Millennials (15%), Gen Xs (13%) or Baby Boomers (13%).



Findings by Ethnicity: Hispanic employees (40%) are the most likely to look for information about a company's DEI practices in the job description, compared to Asian (26%), Black (24%) and White (17%) employees.





40% of employees are most likely to look for a company's DEI practices on the company's website.

The data reveals that companies must clearly communicate their commitment to DEI and demonstrate these programs' effectiveness to attract top talent. This further underscores how DEI has become an integral part of the candidate and employee experience and is not just a checkbox, but great for scaling a business with top, diverse talent.

Top inclusive observances that companies acknowledge:

Women's History Month + Black History Month



Indigenous Peoples Day



Pride Month



Juneteenth + Asian American and Pacific Islander Heritage Month

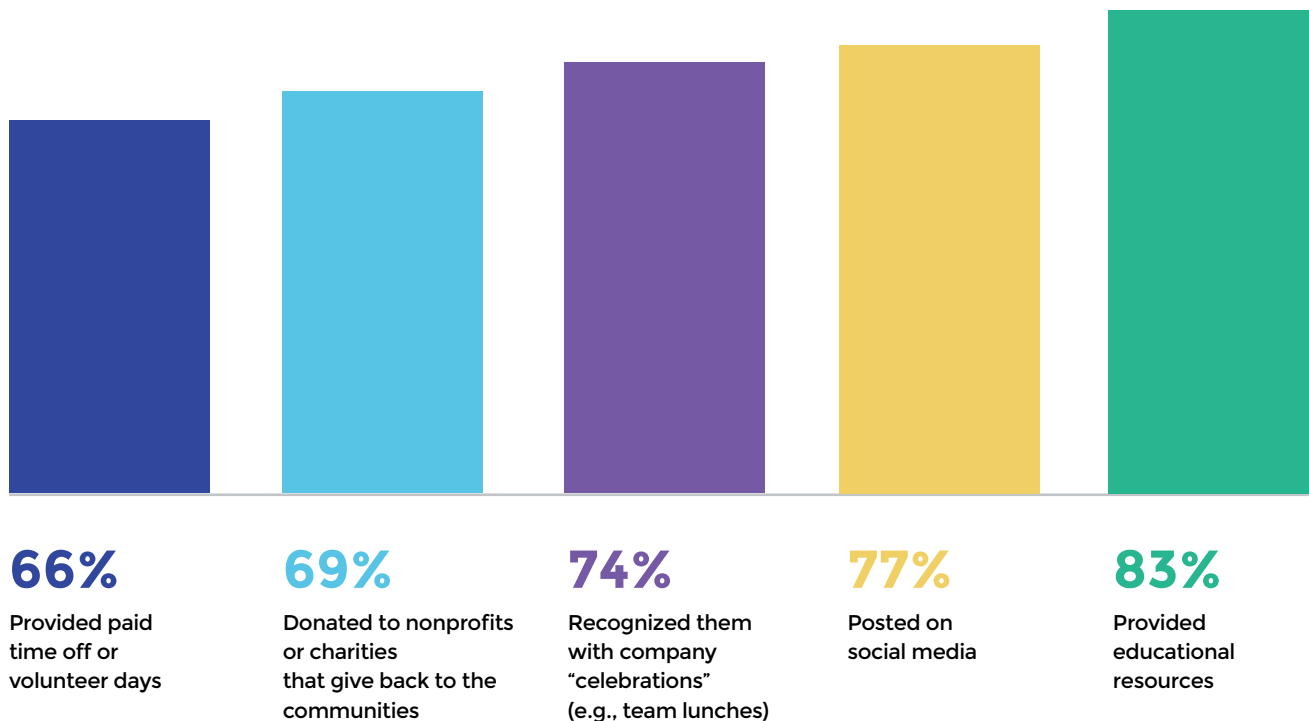


National Hispanic Heritage Month



Employers celebrate diversity within their company by observing days of importance to diverse communities on their corporate social media channels. These employers also use other external efforts that will be visible to job candidates who are evaluating a company based on their DEI initiatives.

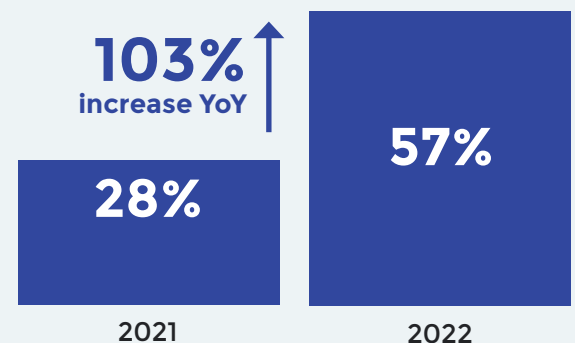
How companies acknowledge DEI observances:



Progress is There, But Diverse Candidates Still Feel Pressure to 'Blend In'

Companies have made an increased effort to ensure candidates are aware of existing DEI initiatives, and employees agree with that assessment – another positive sign of the progress made. More than half of employees surveyed (57%) said they received communication about their company's DEI efforts during the hiring process, a 103% increase from the previous year. The communication about these efforts becomes more apparent depending on the candidate's ethnic or racial background: 73% of Asian, 66.5% of Hispanic, and 66% of Black employees are more likely than White employees (50%) to have received communication about the company's DEI efforts during the hiring process.

Percentage of employees who received communication about their company's DEI efforts during the hiring process:



When it comes to securing a job, employees often feel their race, gender or ethnicity had a major impact on their employment. Nearly two-thirds (60%) of employees think their race, gender or ethnicity was a contributing factor in securing their job, especially for Asian (70%) and Hispanic employees (70.5%). And 50% of employees surveyed think their race, gender or ethnicity has hindered them in securing a job.

Additionally, 62% have felt like they were interviewed for a job so the company could meet a diversity requirement. Furthermore, 71% of respondents who identified as Hispanic and 71% who identified as Black employees echoed this sentiment. These feelings may coincide with employer hiring goals: 82% of employers have recruiting diversity metrics they're required to meet, and two-thirds (66%) of employers have interviewed someone to meet a diversity quota.



82%

of employers have recruiting diversity metrics they're required to meet



66%

of employers have interviewed someone to try to meet a diversity quota, while only 30% have not

To break this down, **male employers (76%) are more likely** than female employers (50%) to interview someone to try to meet a diversity quota. And **CEOs (75%) are more likely** than other C-level executives (64%) or HR managers (63%) to say they've interviewed someone to meet a diversity quota.

Unfortunately, many employees work to hide parts of themselves to increase their chances of getting hired. Nearly two-thirds (63%) of employers review candidates' social media before interviewing them, which may be why 51% of employees have removed their profile picture from LinkedIn so their future employer couldn't identify their race or gender.

Nearly half (47%) have covered up tattoos or piercings to avoid any bias about their lifestyle; 44% have hidden a physical disability; 44% have avoided speaking in their normal accent; 43% have changed or altered their name so their future employer could not identify their ethnicity or nationality, and 42% have avoided wearing their natural hair to avoid bias.

Findings by Generation: Gen Xs (53%) are the most likely to have removed their profile picture from LinkedIn so their future employer couldn't identify their race or gender, compared to Gen Zs (38%), Millennials (50%) and Baby Boomers (35%).

■ Gen Z ■ Millennial ■ Gen X ■ Baby Boomer

Removed your profile picture from LinkedIn so your future employer couldn't identify your race or gender



Abbreviated your first name so your future employer couldn't identify your gender



Changed or altered your name so the future employer could not identify your ethnicity or nationality



Avoided speaking in your normal accent to avoid bias



Avoided wearing your natural hair to avoid bias



Covered up tattoos or piercings to avoid any bias about lifestyle



DEI Must Be Addressed During Employee Onboarding

As an employee is going through their onboarding journey, it's critical that they feel a sense of belonging before they start. If a new employee experiences a lack of belonging, there's a good chance the employee will have a higher attrition rate. McKinsey found in its Great Attrition Survey of 2022 that more than half of employees who left their job in the past six months did not feel valued by their organization (54%) or manager (52%), or they lacked a sense of belonging (51%).

Employees Believe DEI Is Still Just a Checkbox for Their Company

Employers are working to ensure efforts are not performative and some employees noticed. Two-thirds (66%) of employees think their company is doing enough to address DEI in their workplace, while four in five (80%) employers think they're doing enough to address diversity, equity, and inclusion. However, only 50% of employees think their organization cares about DEI. And even though an overwhelming majority of survey respondents say their organization's DEI efforts are not performative, nearly two in five (39%) disagree and think their organization views DEI as a checkbox.

Findings by Organizational Role: C-level executives (82%) and President/CEOs (73%) are more likely than HR managers (71%) to say their company has diversity retention metrics it is required to meet.

■ C-Level ■ HR ■ President/CEO

My company has recruiting diversity metrics it is required to meet



My company works to have at least one interviewer be of the same race, gender, or ethnicity as the candidate



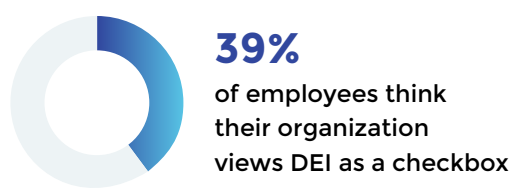
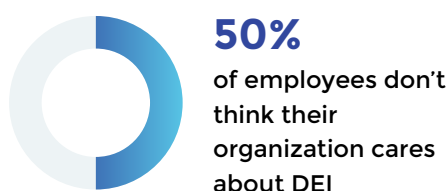
My company reviews candidates' social media profiles before interviewing them



My company has diversity retention metrics it is required to meet



Now employers are requiring DEI training as a component of onboarding and throughout employment at the company. In fact, 63% of employees say their company requires it. But refining the training could lead to a more impactful result. **Nearly half (48%) of employees who took required diversity training said that it felt like a checkbox on their company's diversity goals.** Employees may be on to something as 28% of companies' investment in DEI has stayed the same over the past year, while 18% of companies have decreased their investment in DEI.



DEI Needs to Be Better Reflected on External Channels

Employers are doing a much better job at communicating than last year, and it seems employees agree.



76%

of employees have a good understanding of company DEI policies



67%

of employees have a good understanding of company DEI efforts



60%

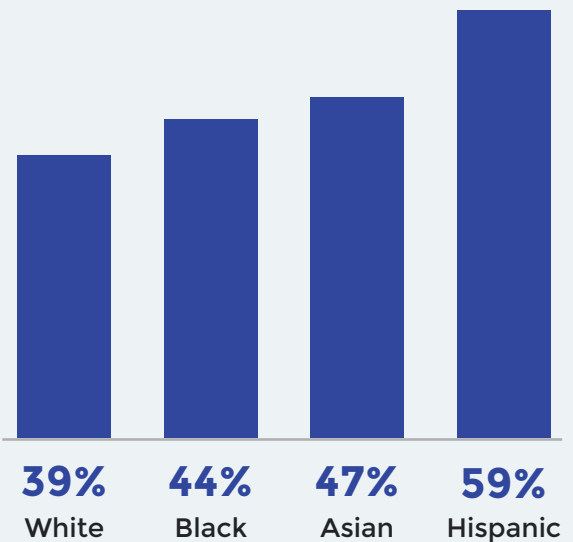
of employees have a good understanding of company DEI goals for the year

Additionally, 62% of employees surveyed feel that the company accurately depicts its diversity efforts. And even though most employees surveyed have a positive response to their company's approach to DEI, **32% think their company is less focused on diversity than it appeared – showing room for improvement.** This is especially true for Hispanic employees, as 49% think their company is less focused on diversity than it appeared during the hiring process.

However, 33% of employees don't believe their company accurately depicts its diversity publicly, and the company is less diverse than it appears on external assets. Furthermore, 44% of employees have felt that because of their gender, ethnicity, or race, they are overly promoted on company assets so their company appears more diverse.

Findings by Ethnicity

Employees who feel that they are overly promoted on company assets because of their gender, ethnicity or race:



Hispanic employees (59%) are the most likely to feel they're overly promoted on company assets so their company can appear more diverse.



How DEI Progresses During Long-Term Employment

DEI in Practice: Is DEI Reducing Discrimination in the Workplace?

Despite DEI efforts, many employees have felt discriminated against at work, and employers agree that their organizations have discrimination and bias issues. Nearly half (46%) of employees think their organization has an issue with discrimination or bias in the workplace, and 51% of employers agree. Millennials (47%) and Gen Xs (47%) are the most likely to think their organization has an issue with discrimination or bias. In fact, 40% of employees have felt discriminated against at their company due to their race, gender, or ethnicity. Hispanic employees (51.5%) are most likely to have felt discriminated against at their company due to their race, gender or ethnicity, followed by Asian employees (46%), Black employees (36%), and White employees (36%).

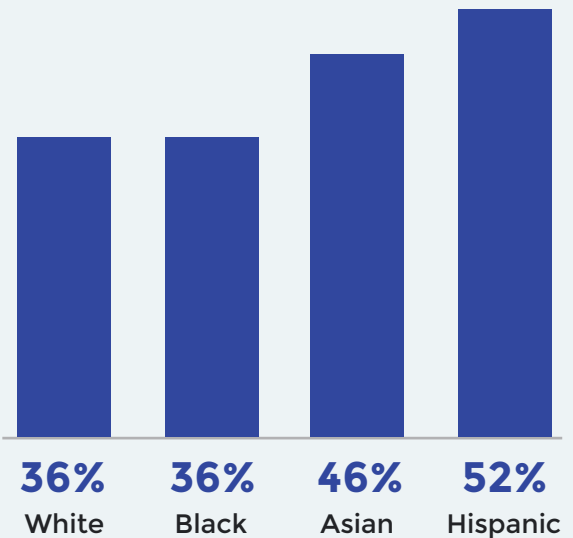


46%

of employees think their organization has an issue with discrimination or bias in the workplace

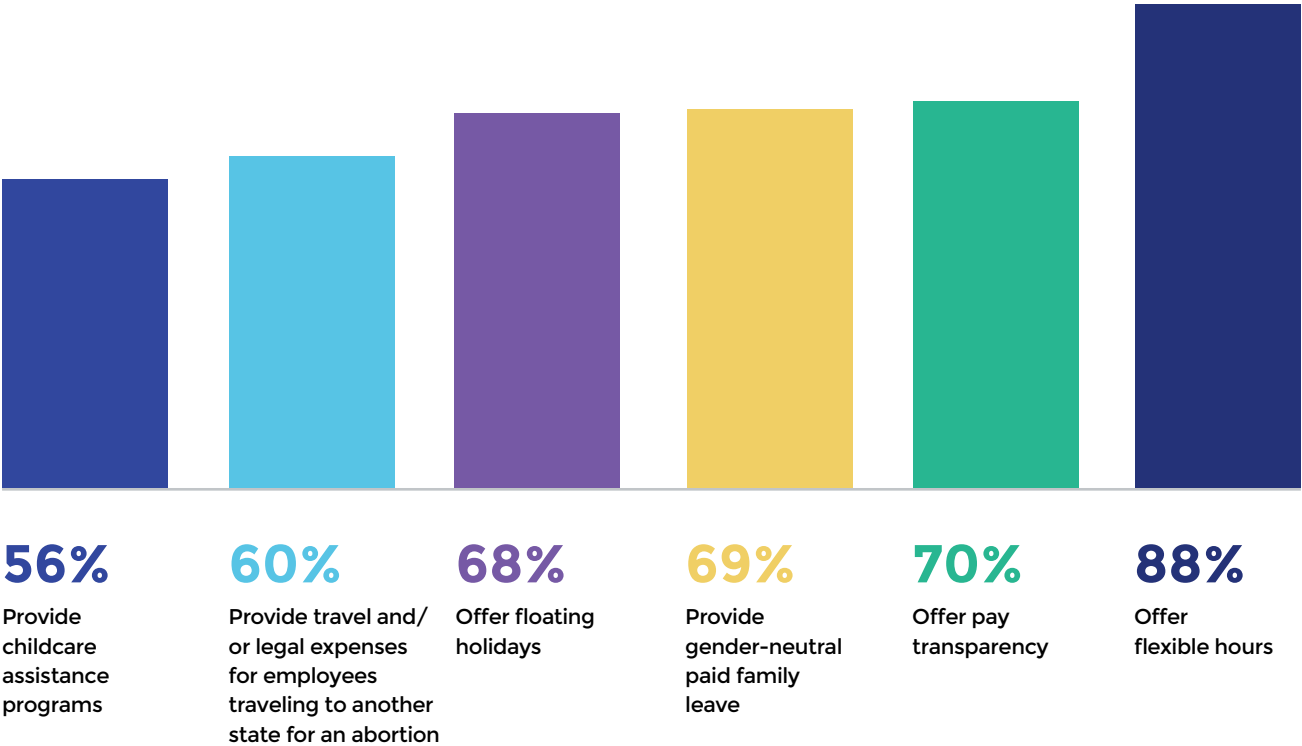
Findings by Ethnicity

Employees who have felt discriminated against at their company due to their race, gender or ethnicity:



While many companies offer DEI policies to support their diverse employee base – and employees report having an overall understanding of what’s offered – a small contingent of workers may not know the details of the inclusive policies.

More employers say they offer these inclusive policies. Here’s a breakdown of what employers offer today:



The small knowledge gap of these important policies underscores the importance of keeping employees informed of these specific policies so that they can take advantage of them.

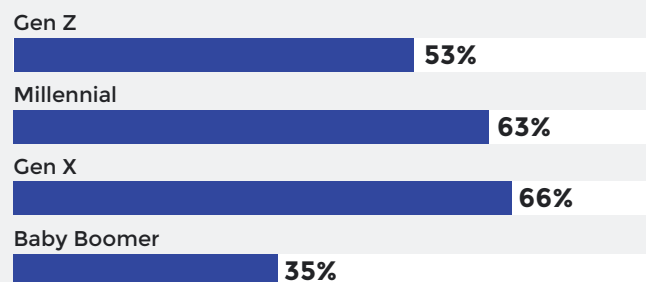
The majority of employees are aware of these specific policies, as the remainder is unaware. Our survey found that 80% of employees know they have flexible working hours, compared to 20% that say they do not. And, while 65% know they have a floating holiday policy that allows employees to celebrate holidays other than federal holidays, 35% do not know of this policy.

Additionally, 64% have pay transparency, while 36% aren’t sure; 57% have gender-neutral paid family leave policies compared to the 43% that don’t know if this is offered. About 54% know that their company provides travel and/or legal expenses for employees who need to travel to another state for an abortion, and 52% have childcare assistance programs, while nearly half (48%) aren’t aware of this important policy.

More Diverse Employees Voice Opinions about DEI Efforts

To drive DEI change in the workplace, employees must feel like what they say matters. While most employees (63%) feel like they have a voice at their company, more work needs to be done to include all staff, as nearly a third (30%) don't feel like they have a voice. What's even more surprising is Gen Xs (66%), Millennials (63%) and Gen Z (53%) are nearly twice as likely as Baby Boomers (35%) to feel like they have a voice at their company.

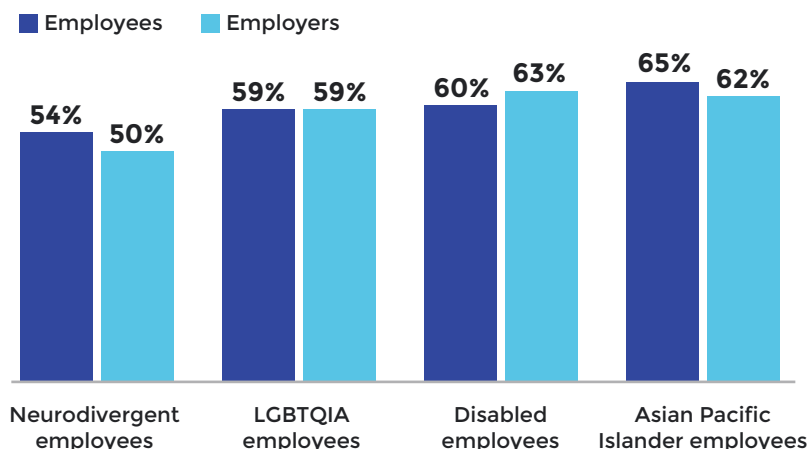
Percentage of employees by generation that feel like they have a "voice" at their company:



Challenges Still Present Themselves in Successful DEI Programs

Even though companies have worked steadily to have successful DEI programs, challenges still exist. And, employers and employees agree that more needs to be done to truly have an inclusive workplace. Only 54% of employees and 50% of employers believe neurodivergent employees are included in DEI initiatives. Similarly, more than half of employees and employers (59% respectively) believe LGBTQIA+ employees are included in DEI efforts. With regard to the disabled community, 60% of employees and 63% of employers think employees with disabilities are included in DEI initiatives. And, when it comes to being inclusive of all ethnic minorities, only 65% of employees and 62% of employers believe Asian Pacific Islander employees are included. But, what's surprising is White, Asian, Hispanic, and Black employees were consistently the most likely to report that their own ethnicity is included in their company's DEI initiatives.

Percentage of employees and employers that believe the following groups of people are included in DEI initiatives:



Employers are Generating Positive Awareness Around ERGs and Forums

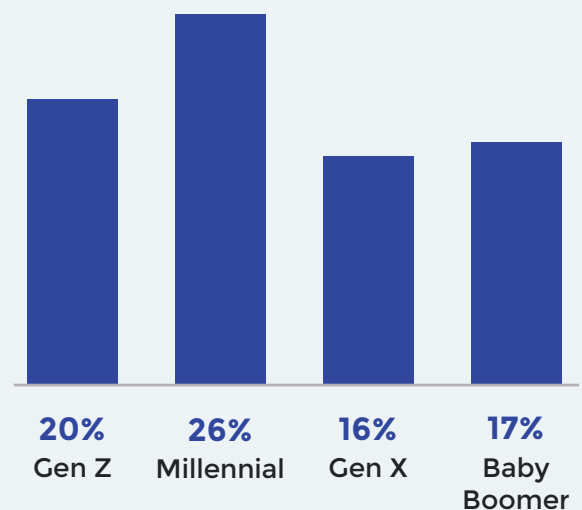
As DEI initiatives become more prominent in organizations, employers have done a great job creating awareness for the DEI forums and committees. In fact, 76% of employers report having an Employee Resource Group (ERG), and 73% of employees report being aware of these ERGs. Additionally, 64% of employees say they have a diverse C-suite, and 67% of employers agree. Many employers (65%) added a Head of DEI to their leadership team, and 63% of employees know about this role in their organization. Fifty-eight percent of employees say they have a DEI forum, and 60% of employers agree. While 58% of employees say they have external DEI consultants, 59% of companies agree with that assessment.

However, employees from different generations have differing views when asked if their company is doing enough to address DEI. Overall, 66% of employees think their company is doing enough to address DEI in their workplace, while 80% of employers think they're meeting the challenge. But Millennials (26%) are the most likely to think their company is not doing enough to address DEI, followed by Gen Zs (20%), Gen Xs (16%) or Baby Boomers (17%).

Even though the majority of employees from various generations agree that their company is doing enough to address DEI, the small majority that feels differently can lead to conversations about addressing and improving age diversity within the workplace.

Findings by Generation

Employees that don't think their company is doing enough to address DEI:



Conclusion

It is clear that companies are committed to launching and improving DEI policies in a meaningful way. The improvement in some findings year over year is a promising sign as we look to the future.

Several companies believe that progress within DEI efforts starts with a diverse pipeline. While this is a major contributor to having a more diverse talent pool, the key to success is having a strong existing culture of inclusivity and belonging. Furthermore, organizations can establish a strong culture and include trainings, ERGs, and recruit more diverse talent by using resources, such as job boards for underrepresented groups.

Alternatively, if your diverse pipeline converts to employees and there are no programs to support them, it can lead to a potentially less equitable work environment. It's clear that one of the biggest changes companies must make when it comes to DEI is to shift their approach to lead with more empathy. With so many employees feeling hesitant to bring their full selves to work, companies need to ensure that they are empowering employees to showcase their authenticity and individualism.

Also, as some companies continue to have remote or hybrid offices, having and promoting policies that provide flexibility can drive a deeper connection between the employee and your corporate values. Every coworker you interact with has a personal and professional identity that may be rooted in their diversity. For companies to be less performative, conduct listening tours with various employees across different levels and teams to hear what they need from a benefits perspective, what types of training they would like, and moments in time worth celebrating based on employee backgrounds.

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