



Diversity, equity
and inclusion:
A business priority



Always Designing
for People®



"Diversity and inclusion is as much about equity and belonging as it is about innovation and growth."

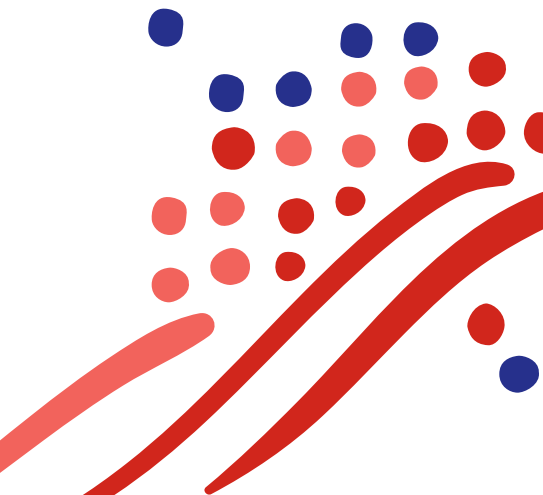
Bob Lockett
ADP Chief Diversity and
Talent Officer

Employees care about belonging and working at companies with strong social responsibility. DE&I makes a significant difference in the lives of people, their careers and their communities.

It's also critical for company success. Diversity in business can bring underrepresented thoughts and experiences to the table, inspiring increased creativity and innovation within teams. According to McKinsey and Company: "For diverse companies, the likelihood of outperforming industry peers on profitability has increased over time, while the penalties are getting steeper for those lacking diversity." Organizations can better attract and retain employees at a greater rate. It can be one of the most powerful business tools you have for moving the needle in your organization.

In 2020, the global health event, economic uncertainty and high-profile racial justice events are all issues that have informed the direction of DEI initiatives, and these factors will likely influence DE&I trends in the coming year as well.

Whether your organization has just dipped its toes in diverse and inclusive workplace practices or has been actively implementing them for years, there are several actions your organization can take to keep improving.



Benefits of a diverse and inclusive workplace



Higher revenue growth: Companies in the top quartile for diversity financially outperform those in the bottom quartile¹

- Gender diverse companies are 25% more likely to outperform companies that are not gender diverse¹
- Ethnically diverse companies are 36% more likely to outperform companies that are not ethnically diverse¹



Greater ability to innovate



Increased ability to recruit a diverse talent pool



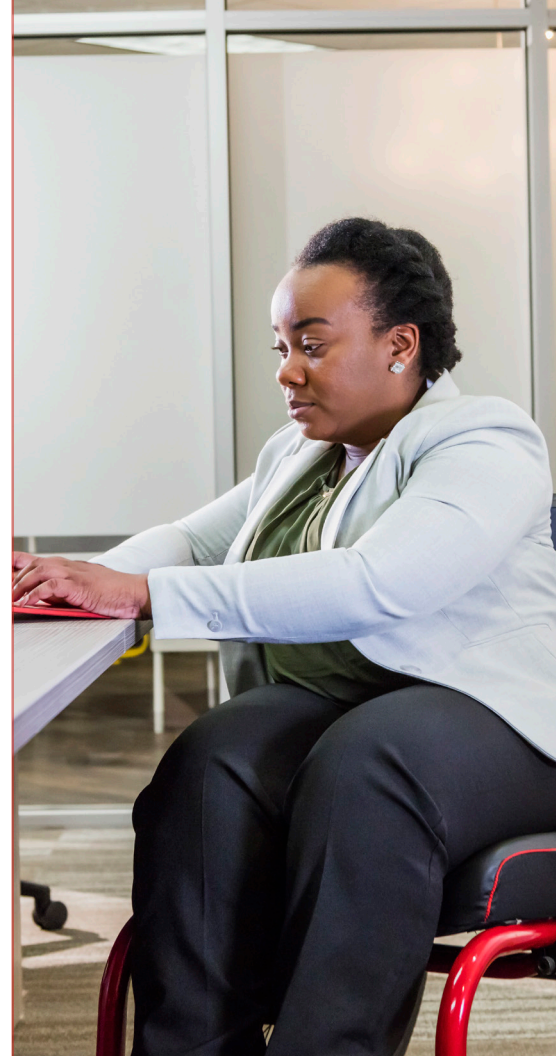
Companies with a diverse workplace can experience 5.4X higher employee retention rates²

A framework for successful DE&I

When advancing DE&I initiatives in the workplace, many companies have the best intentions but don't know where to start. They often lack the right data, resources and most importantly, strategic plans.

There are four key steps to a successful DE&I program:

1. Develop an awareness and understanding of the current state of your workforce/and how DE&I aligns with your company strategies and mission
2. Build an action plan with measurable objectives best suited for your business
3. Execute on that plan and track results
4. Optimize and improve over time



"If you're struggling to move your diversity metrics, ask yourself a simple question. Is DE&I an HR program or is it truly essential to your business?"

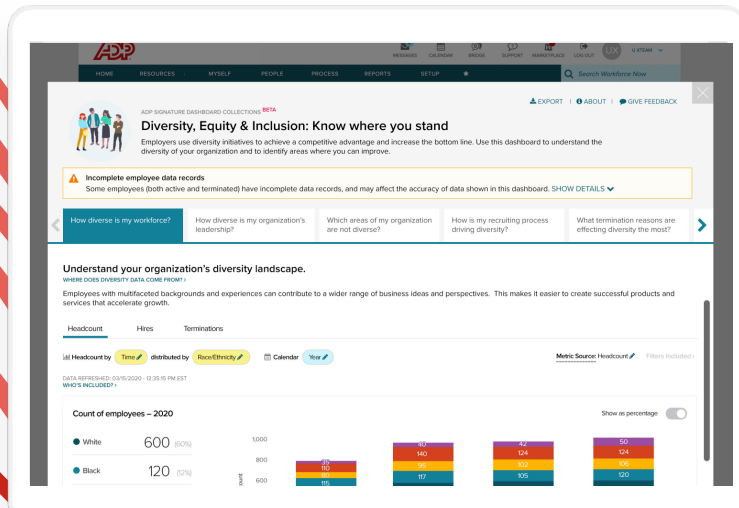
Josh Bersin

President and founder of Bersin & Associates, a leading-industry research and advisory firm

Awareness of diversity, inclusion and equity in your organization

Leaders in the company must first buy-in to why DE&I is critical. They need to see the current state of diversity and inclusion in the company. This means having visibility into the current state of workforce demographics.

Creating an action plan and making recommendations grounded in accurate data is key.



ADP DataCloud is an exceptionally powerful people analytics solution, designed to give your company an edge with actionable insights delivered to the right people in your business. An online, easy-to-use dashboard helps your practitioners and executives understand the organization's diversity landscape. The dashboard provides access and visibility into the composition of your workforce. It enables you to set targets and objectives for diversity and inclusion, and it comes without costly implementation.

ADP tools are not substitutes for professional legal advice. You should consult with your legal counsel before conducting a pay equity and/or diversity analysis.

View your workforce by several attributes, including race/ethnicity, gender, age, veteran and disability status.

The dashboard equips you with a guided experience to help answer common questions for management, like:

- How diverse is my workforce?
- How diverse is my organization's leadership?
- Which areas of my organization are not diverse?
- What termination reasons are affecting diversity the most?



Alignment with your company strategies and workforce

Aside from having the right data, it's also important that DE&I aligns with your company's mission, values and overall strategic objectives. You need to ensure your leaders are aligned with your organizational purpose. And their behaviors positively reflect and support DE&I objectives.

Best-in-class organizations do so by having open and honest conversations with their employees about societal issues that may be affecting them. These discussions can create space for employees to process what's going on and express what it means to them, which can give everyone a chance to connect with each other and their leaders on a human level.

DEI practitioners can support these conversations by training leaders, from the CEO down, on how to take an understanding and empathetic approach to discussions with their colleagues. To that end, it may be helpful to create a DEI task force with buy-in and regular support from senior leaders. Tool kits designed to help facilitate conversations around sensitive issues could also be shared with business leaders.

Taking time to ensure that your employees can voice their concerns and be heard is essential to sustaining a culture of equality, inclusion and belonging. When differences of perspective and circumstance are accepted and thoughtfully addressed in the workplace, employees will feel a sense of belonging.



Action plan with DE&I objectives

Now that you have data and insights into your workforce diversity and inclusion, what comes next? You need to develop an action plan with measurable objectives and opportunities best suited to your business.

This should include talent management practices. There are several recruiting tactics to support diversity. You can broaden job requirements and expand scope for candidates. And you can help neutralize bias by removing demographic identifiers from applications.

You can also develop mentoring and development programs around the topic of DE&I. These programs with leaders and managers will gather information around diversity challenges and opportunities, as well as top concerns and issues the organization faces.

Almost

60%

of organizations say holding leaders accountable is their biggest challenge to implementing D&I priorities.³



DE&I resources and support

You must have the resources and support to achieve your organization's DE&I objectives. A DE&I toolkit provides resources and best practices for diversity awareness, talent management and training.

The DE&I toolkit can be a document with external and trusted resources for quick reference at any time by leaders and managers. It's a great way to explore your company's DE&I journey. The toolkit can be used to have DE&I conversations among your colleagues, leveraging the researched best practices to improve organizational awareness and employee self-discovery.

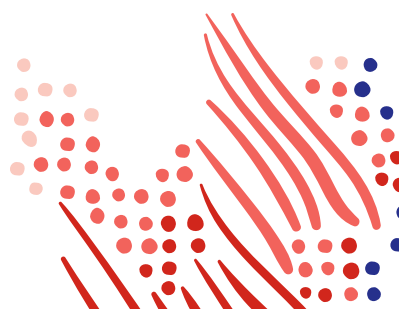
DE&I execution, tracking and optimization

The third component to a successful DE&I program is executing on a DE&I plan and tracking its progress. You can evaluate success by re-visiting the workforce data on a quarterly basis to track diversity and inclusion objectives. Or send out internal surveys to your employees to gauge progress made.

The final step to building a successful DE&I program is optimizing and improving over time.

Diversity, equity and inclusion isn't achieved over night. It takes corporate alignment and new processes to reach your DE&I objectives. Re-shaping your DE&I strategy will lead to better business results and more productive and engaged employees.

ADP can help you embed diversity and inclusion strategies in your company's mission, talent management, and employee training. We have the technology and people support to make a significant impact.



To learn more how ADP can help evolve your organization's diversity, equity and inclusion strategies, visit adp.com.

