

Global blueprint for belonging and diversity



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Carin Taylor
Chief Diversity Officer, Workday

Executive foreword

The past two years have been complex and challenging; there has been as much uncertainty as there has been innovation in the workplace. Employee needs and wellbeing have been at the centre of change as employers have contended with the Great Resignation, ushering us into a new world of work. We've seen new approaches to work across all sectors, including increasingly flexible and hybrid ways of working, preferences for remote working, increased focus on employee wellbeing and recognising burnout. Each shift represents a challenge for employers as they respond to evolving employee needs while also welcoming a new generation of Gen Z employees.

As CEOs and organisational leaders navigate rising uncertainties and reevaluate business strategies, it is important that we continue to drive the business case for diversity, equity and inclusion (DEI), and recognise it as a business imperative. It is also essential to recognise that attracting, hiring, promoting and retaining talent from different backgrounds and lived experiences not only fosters diversity and inclusion, but also enhances productivity and drives better business outcomes. Companies that embrace DEI and make steady progress towards data-driven goals outperform those that do not. Our report gives insight about how to best generate and evaluate measurable goals that lead to measurable outcomes.

At Workday, we regularly assess and reflect on our own belonging and diversity efforts, with full knowledge there is always opportunity to improve. Our vision of Value Inclusion, Belonging and Equity (VIBE™) for all means we are a workplace where all Workmates are valued for their unique perspectives, respected as equal and integral, and given fair access to opportunity. It's a multidimensional approach that includes cultivating a culture where all employees can bring their best selves to work, deploying diversity initiatives that support all, developing innovative products free of bias and investing in underrepresented communities around the world. Since our 2021 survey, numerous

organisations have started on their unique DEI journey, but increasingly employees expect a sharper and stronger focus on creating lasting change and evidence-based DEI outcomes. This means that we all need to leverage technology to help us monitor and understand the different groups that make up our workforce.

Once we know the “who”, we can evaluate progress towards achieving data-driven goals that bring balanced representation and stronger retention. Our research shows that having a clear DEI vision and strategy, driven by dedicated and engaged leaders from across the organisation, enhances a company's ability to accelerate DEI awareness and education, drive adoption and accountability, and create meaningful change.

We commissioned the 2022 survey to better understand the challenges, opportunities and current state of DEI across all industries at a global level covering North America, Europe, the Middle East and Africa, and Asia-Pacific Japan markets. As the world of work continues to evolve with the rise of hybrid working and a distributed workforce, understanding regional nuances and different cultural norms helps to ensure that organisations are in a position to incorporate diversity into the very way that work gets done.

We believe that we can all benefit from the insights from this research, and from each other. There are many benefits to welcoming different perspectives as we build for tomorrow. No matter which countries our businesses operate in, we are increasingly living in a truly global and digital world. The need to pave the way forwards and make continuous progress stems from the integral part that DEI plays, as we solve for the challenges of today and tomorrow and capitalise on the opportunities that lie ahead of us all.

Introduction

Global trends such as “quiet quitting” and “the Great Resignation” have increased awareness of employee wellbeing as it relates to diversity, equity and inclusion (DEI). Across the globe, the correlation between employee wellbeing, belonging and increased productivity and output for the company is clear. Employees who experience a high level of wellbeing tend to perform better and support company initiatives and core values. Successful DEI programmes rely heavily on companywide commitment and are impacted significantly by factors such as laws and regulations, customer demand and reputational pressure.

In autumn 2022, Workday commissioned a survey of global HR and business leaders to better understand the drivers behind diversity, equity and inclusion, as well as the current state of global DEI. Respondents came from a group of 3,114 HR professionals and business leaders across 23 countries.¹ The interviews were conducted by Sapio Research and written in collaboration with EW Group.

Read this study to learn more about the state of global DEI, including:

- Business cases and drivers
- The range of strategic approaches across the globe
- Levels of global investment in DEI initiatives
- The role of technology in enabling DEI



¹ Survey respondents are organised into five brackets: 1. Europe (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, the UK); 2. South Africa; 3. North America (Canada and the US); 4. ANZ (Australia and New Zealand); and 5. APJ (Hong Kong, Japan, Korea, Singapore).

Current global landscape for belonging and diversity



41%

of respondents say that the main business case for DEI is employee wellbeing



Among respondents,

76%

have a budget for DEI initiatives

35%

expect an increased investment in the coming financial year

45%

plan to maintain a DEI budget



39%

of respondents report that a strategic approach for diversity, equity, inclusion and belonging doesn't exist



60%

of respondents report that recording DEI data is a challenge



Only 20%

of respondents measure the business impact and perceived value of DEI



Global blueprint for belonging and diversity

Overall, the global outlook towards DEI is positive. However, there is a divide when it comes to the workforce composition at a senior-management level versus the rest of the workforce. This includes attributes such as gender, age, race and ethnicity, socio-economic backgrounds, accessibility needs and sexuality.

While 36% of respondents report that diversity is recognised, valued and celebrated within their organisations, 18% report that there isn't enough focus on recognising differences and diversity.

What does diversity, equity and inclusion mean?

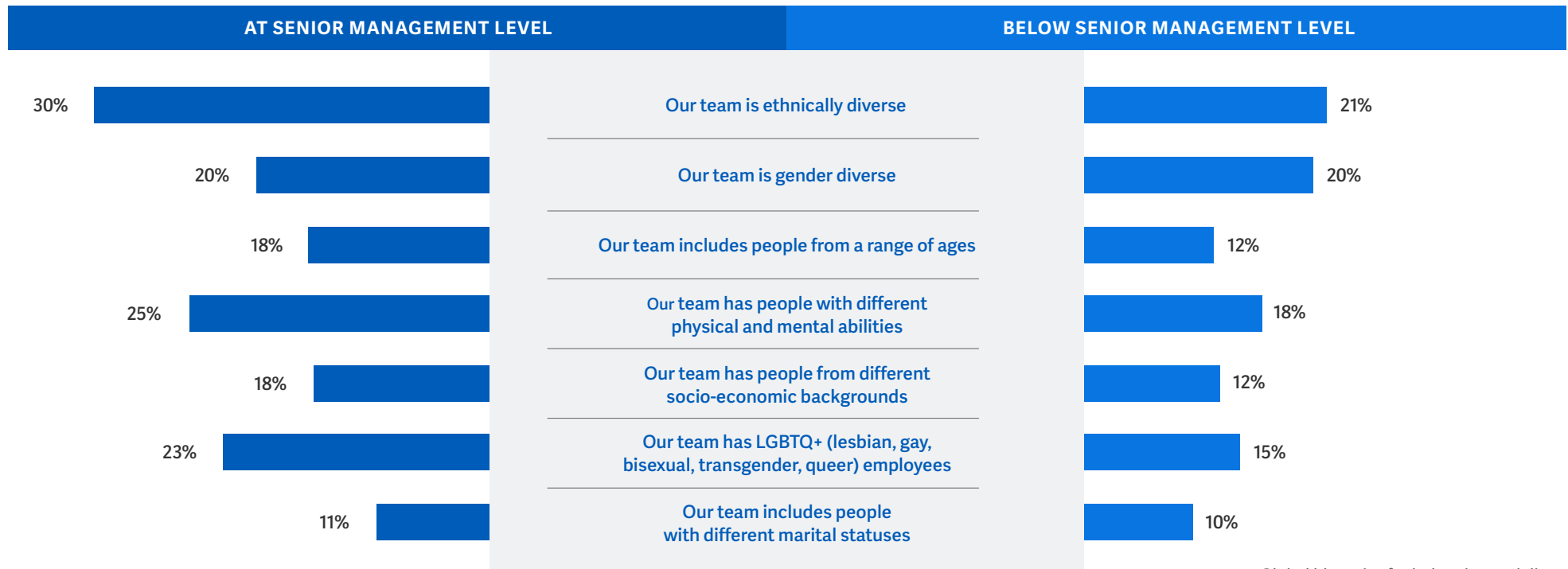
Diversity is a fact – it's the mix of people within your workforce.

Inclusion is a behaviour – how well your people treat each other.

Belonging is an emotion – how valued your people feel within the organisation.

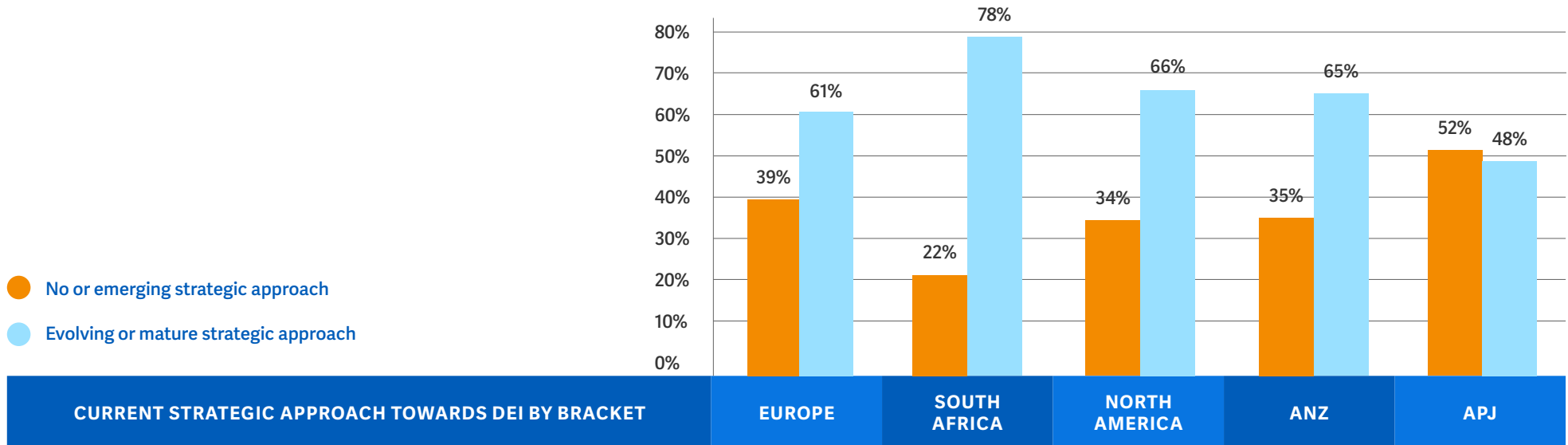
Equity means fairness – how resources are distributed based on employees' needs

Workforce composition divide between senior management vs the rest of the workforce



Current strategic approach towards DEI

Despite a stated commitment to DEI, it's clear that there's a lot of progress still to be made in creating lasting change and improving outcomes across the globe. In fact, 39% of respondents report they lack a strategic approach to DEI – making it difficult to go from goal-setting to goal-getting. In order to create a cycle of opportunity, engagement and innovation, a systematic approach with accountable analytics is necessary.



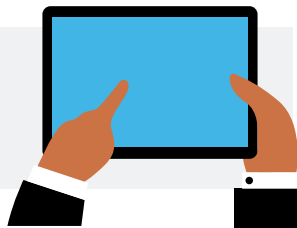
Setting the intention

Internal drivers of DEI

Another key driver of DEI is the need to attract and develop talent. Recent trends around “the Great Resignation” and “quiet quitting” have forced organisations to make this a clear priority, as employee expectations continue to evolve and reflect the new world of work. CHROs and talent leaders are realising the need for a diverse pool of candidates as part of the hiring process. They’re also recognising the importance of developing and promoting employees who are part of underrepresented groups in order to create a culture of trust and belonging. Across the globe, we have also seen rising levels of burnout, which poses challenges to companies, managers and employees, and emphasises the importance of employee wellbeing.

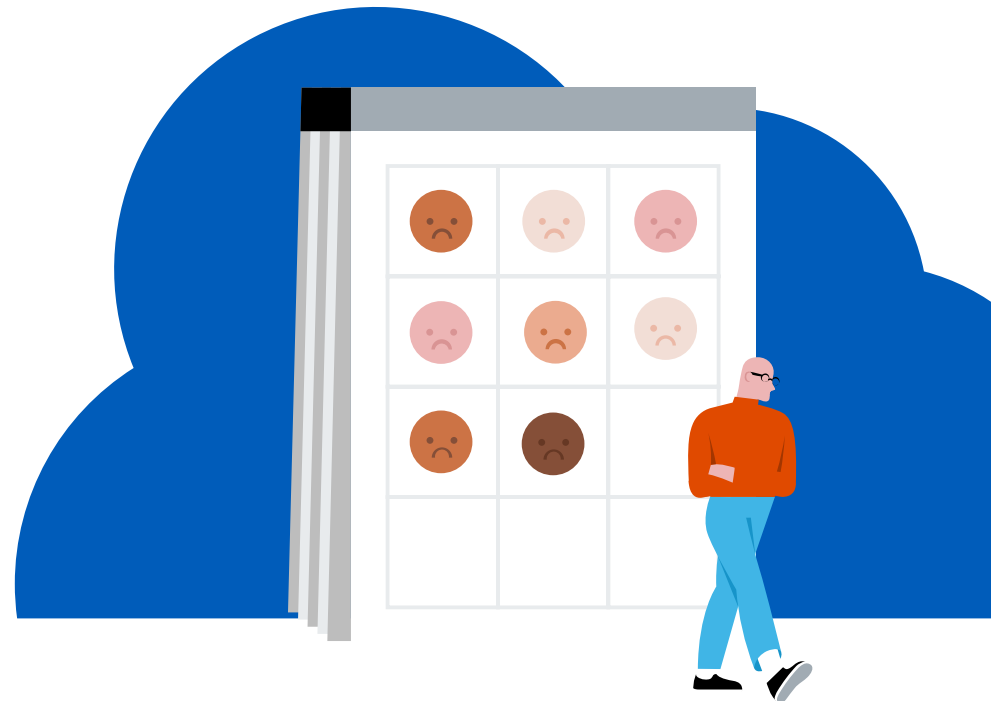
Our survey results show that improving employee wellbeing is the top reason companies and HR leaders continue to drive DEI initiatives forwards (41%).

Learn more about addressing burnout risk in the [2022 Heartbeat Report](#).



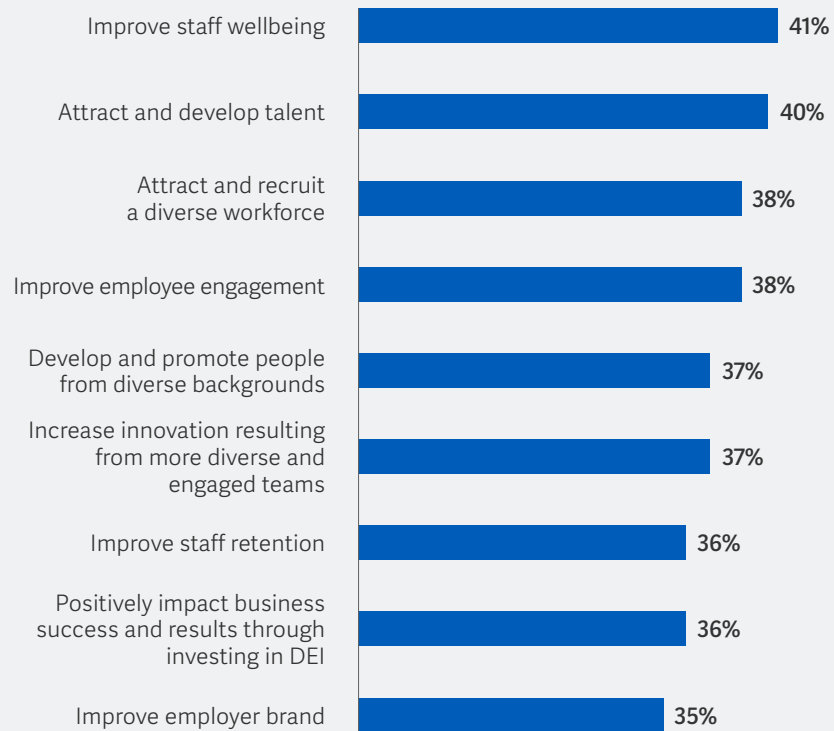
Questions for organisational decision-makers:

- Do we understand the power of intersectionality within the workforce?
- Do we consider the multiple facets of employee identity?



Business case for DEI within the organisation

Internal driving forces for DEI



Topics and questions for CHROs and HR leaders

BOOST EMPLOYEE WELLBEING

- How do we ensure employees are being treated fairly and have equal opportunities regardless of whether the employee is in the office or remote?
- How can we best encourage employees to take care of their physical and mental health?
- Are all employees able to access support resources including benefits, programmes and local activities?

ATTRACT, DEVELOP, RETAIN AND PROMOTE DIVERSE TALENT

- Are internal mobility options available for all employees? How do we provide cross-functional projects to facilitate collaboration, connection and knowledge-sharing?
- Are we utilising employee resource groups (ERGs) to build diverse talent pools, create mentorship opportunities and problem solve for current challenges?
- Do we currently have any metrics and KPIs for minimum representation across the organisation for various employee population groups (wherever legally permissible)? Do we have methods for measuring progress periodically?

IMPROVE EMPLOYEE ENGAGEMENT

- Do we have mechanisms in place to understand individual employee perspectives, aspirations and needs on an ongoing basis?
- Do we have systems that support career development, growth and training to ensure that employees feel they are doing meaningful work?
- Is there a way for people leaders to monitor employee sentiment data across different employee lifecycle phases from onboarding to exit?



External drivers of DEI

The top three external drivers of DEI include government policies and legal obligations, customer and client demand, and reputational pressure for corporate social responsibility (CSR) and environmental, social and governance (ESG) initiatives.

External driving forces for DEI



1. Government policies and legal obligations

Organisations need to strike a balance between the collection of data in compliance with data privacy laws and adhering to reporting requirements.

Questions for organisational decision-makers:

- How do we currently collect data? Do we use self-ID to collect employee data? Are we able to combine demographic data with employee sentiment data?
- Are we being transparent with our employees by sharing details about how the data is going to be used?
- Do we have the right tools and systems in place to analyse the data, measure progress and share results?
- Are we creating the right actions to improve the overall employee experience?

2. Customer and client demand

Over the past few years, there has been an increased awareness of the challenges people may face in with regard to their ethnicity, gender, age, socio-economic status and more. As organisations step up their DEI efforts and strive to implement changes globally, it causes employees, business partners, customers and suppliers to also have higher expectations of the organisation's commitment to DEI and the progress and impact of these dedicated DEI initiatives.

3. Reputational pressure for CSR and ESG initiatives

Overall, a global awareness of and heightened focus on organisational commitment towards CSR and ESG reporting have come to the forefront as investors, shareholders and consumers request transparency into DEI initiatives, metrics and KPIs. The social element of ESG reporting can be the most difficult for organisations to show measurable impact and similarly for investors to assess and translate how social issues affect business performance and growth.

Business case for DEI

Both external and internal factors influence the strategic direction of various DEI initiatives, as well as the resources and support needed to drive strategy across the organisation.



We're using Workday to look at things such as who our talent is within the organisation. We did some analysis around the gender pay gap and have executed diversity initiatives in the UK to understand the background of our workforce. We also looked at how that impacts trends such as who has been promoted, who is exiting the organisation and how that might affect or drive our diversity.

VP People Technology, Warner Music Inc.

BUSINESS CASE FOR DEI BY BRACKET	EUROPE	SOUTH AFRICA	NORTH AMERICA	ANZ	APJ
Improve staff wellbeing	45%	55%	34%	47%	35%
Attract and develop talent	40%	50%	38%	41%	42%
Attract and recruit a diverse workforce	37%	60%	45%	37%	33%
Improve employee engagement	37%	55%	38%	32%	38%
Develop and promote people from diverse backgrounds	36%	63%	41%	48%	24%
Increase innovation resulting from more diverse and engaged teams	36%	63%	38%	36%	36%
Improve staff retention	35%	50%	38%	45%	33%
Positively impact business success and results through investing in DEI	35%	57%	37%	33%	33%
Improve our employer brand	35%	56%	34%	39%	28%

Set up for success

Across the globe, organisations use a variety of approaches to set up their DEI function. Strategies include creating a dedicated position within HR, a team inside or outside of HR, a group or council drawn from across the organisation, a senior management team or a network. While it may still seem obvious for DEI efforts to come from within HR, only 30% of respondents say the management and implementation of DEI initiatives are conducted by a dedicated team within HR. Overall, we see investment in dedicated roles on the rise: 59% say they have seen an increase in investment in dedicated DEI roles compared to last year.

Many organisations also recognise that support for DEI must flow both top down and bottom up: it's just as important to have staff buy-in (30%) as it is to have leadership support (32%) to make true and lasting progress and move to the next stage of DEI.

Drivers that increase, maintain and reduce investment in DEI

It's notable that despite the current global economic climate, 76% of respondents report that they do have a budget for DEI initiatives. Most report not only an increased number of dedicated DEI roles within their organisation, but also that they anticipate increasing (35%) or decreasing or maintaining (45%) the overall financial investment

in DEI in the coming year. The main driver behind the increase in investment appears to come from a strong commitment from leadership teams and from DEI being embedded in company goals (50%).

While investment levels in DEI vary across the globe, turning these commitments into measurable outcomes is universally challenging.

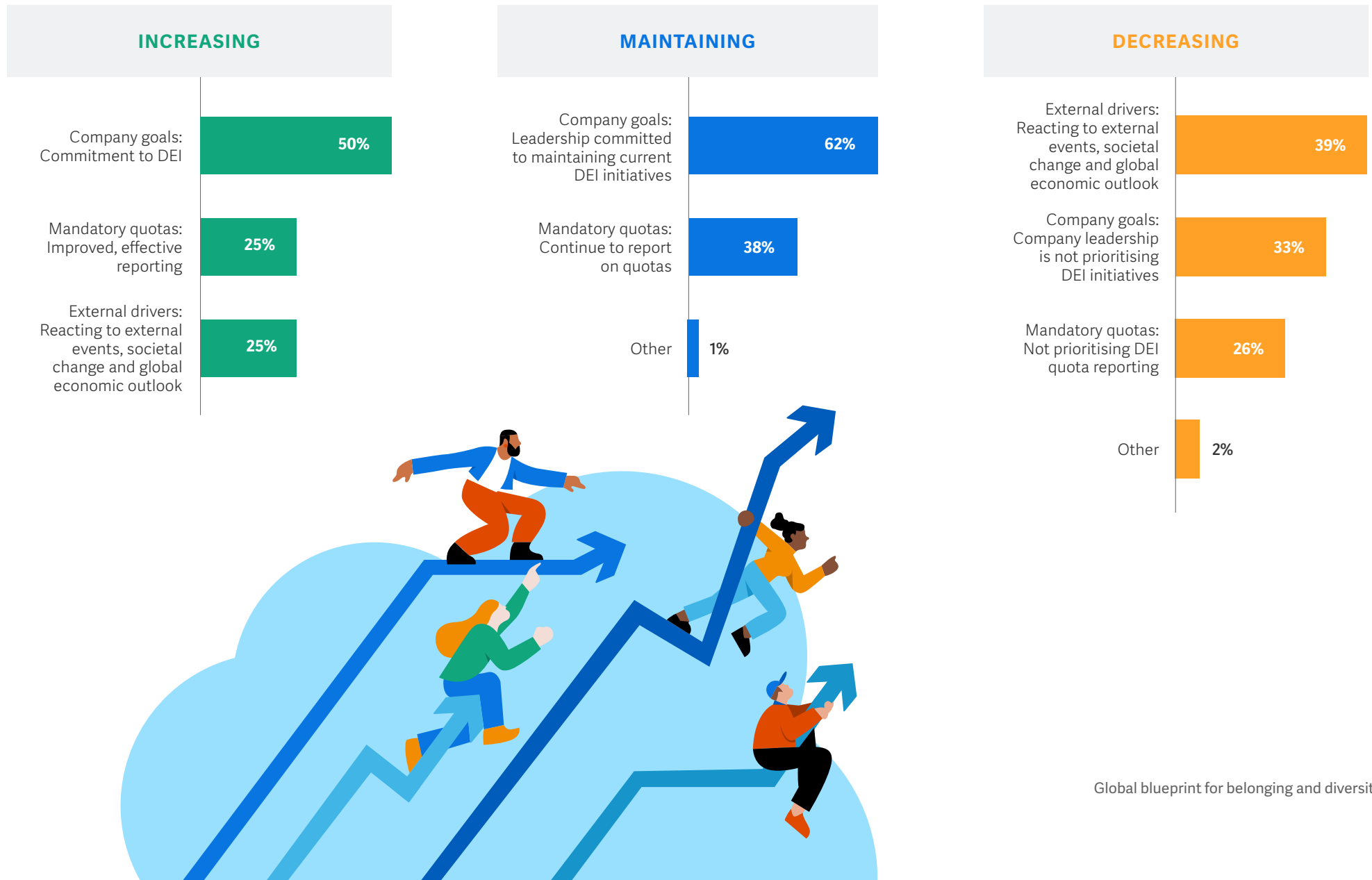


For HR leaders to be successful, they need to have a diversity of skills. And so the more opportunities they can take to play different roles in human resources – recruiting and talent acquisition, employer relations, analytics and HR systems, compensation and benefits – the better.

CHRO, University of Southern California

INCREASE IN DEDICATED DEI ROLES BY BRACKET	EUROPE	SOUTH AFRICA	NORTH AMERICA	ANZ	APJ
Increased roles %	59%	74%	66%	52%	44%

Financial investment drivers for DEI



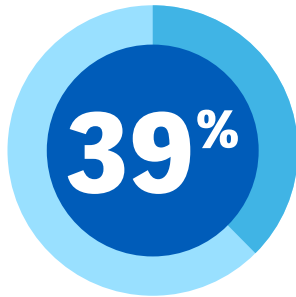
Data: from compliance to outcomes

There is a significant gap between DEI data compliance and positive outcomes, particularly in the case of pay equity. According to the World Economic Forum's "Global Gender Gap Report 2022", it will take 132 years to reach full parity when it comes to the global gender pay gap. Gender gaps within the workforce exist due to multiple factors – including structural barriers, socio-economic and technological transformation, and economic shocks. Despite ongoing initiatives, in many cases progress is elusive. In fact, World Bank Group notes that equal pay for work of equal value is mandated in fewer than half of the economies worldwide. Organisations must ensure that diverse talent

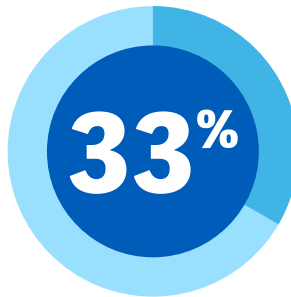
can thrive, upskill and adapt to a continuously evolving landscape of work. And one of the critical ways to achieve this is by having the relevant data to get insights into trends and make the workplace equitable for all.

While trust in DEI data is relatively high (73%), a significant percentage of respondents don't measure the business impact and perceived value of DEI initiatives at all (48%).

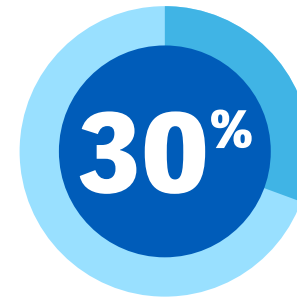
The top three reasons for a lack of trust in DEI data:



Data privacy and regulatory compliance issues



Lack of relevant technology



Ineffective internal employee communication

Why DEI data isn't trusted

When asked if they'd like employees to self-report, 72% of respondents answered "yes". This makes sense given that self-reporting makes it easier to get a richer, more in-depth picture of the entire workforce. When enabled by the right technology, self-ID captures more aspects of diversity at higher levels of granularity.

The right technology is also very important for the other critical aspect of self-ID: regulatory compliance. This is particularly challenging within the context of equal employment opportunity (EEO) laws, as well as the privacy compliance requirements of GDPR and other regulations.



We wanted to ensure that as many current employees as possible globally can self-disclose relevant diversity data in Workday and feel safe and comfortable doing so, while also upholding data collection privacy and processing compliance. After all, you can't make progress on what you can't measure.

Thomson Reuters
Vice President of Diversity

TRUST LEVELS IN DEI DATA BY BRACKET	EUROPE	SOUTH AFRICA	NORTH AMERICA	ANZ	APJ
Data privacy and regulatory compliance issues	36%	57%	44%	24%	47%
Lack of relevant technology to help	34%	43%	25%	43%	32%
Ineffective communication with employees around how data will be used	28%	43%	42%	29%	30%
Collecting this data goes against cultural norms	24%	14%	15%	10%	21%
Other	6%	0%	7%	5%	2%

Ensure data is complete, actionable and reliable

84% of respondents say that DEI data is complete, actionable and reliable.

COMPLETE, ACTIONABLE AND RELIABLE DEI DATA BY BRACKET	EUROPE	SOUTH AFRICA	NORTH AMERICA	ANZ	APJ
Yes	84%	92%	83%	80%	86%
No	8%	1%	10%	9%	9%
Not sure	8%	7%	7%	11%	5%

Data sharing with employees

Progress towards DEI data transparency, even when required by many regulations across the globe, is happening slowly. And even though the importance of transparency is recognised, surprisingly few respondents (27%) say their organisation shares pay- and compensation-related data with its employees.

It's also surprising that whereas almost 93% of people say they have some DEI initiatives in place, fewer than half of respondents say they measure the effectiveness and impact of DEI initiatives.

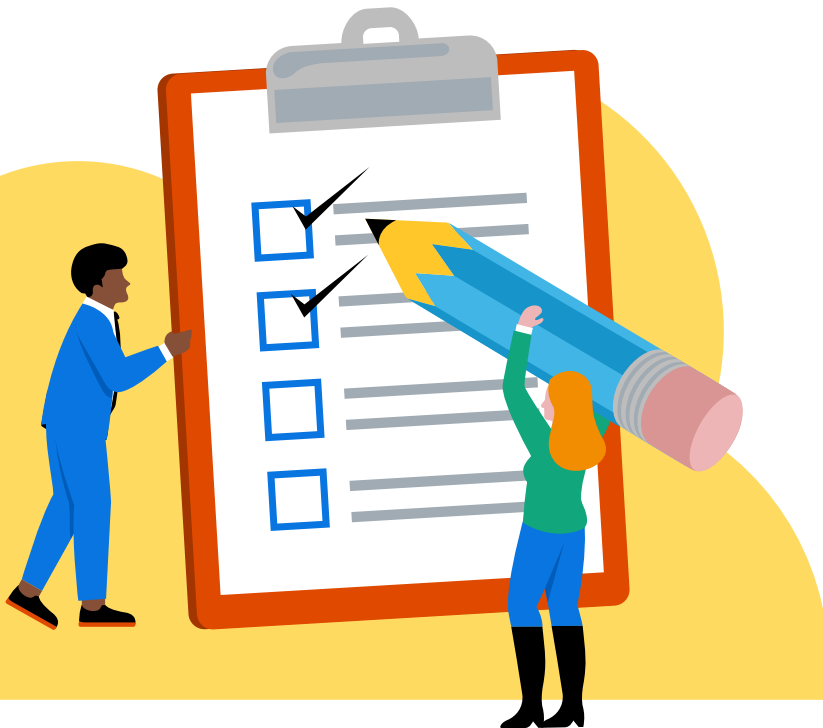
Both of these points guide us to opportunities to drive more progress in the future.

Pay and compensation data sharing with employees

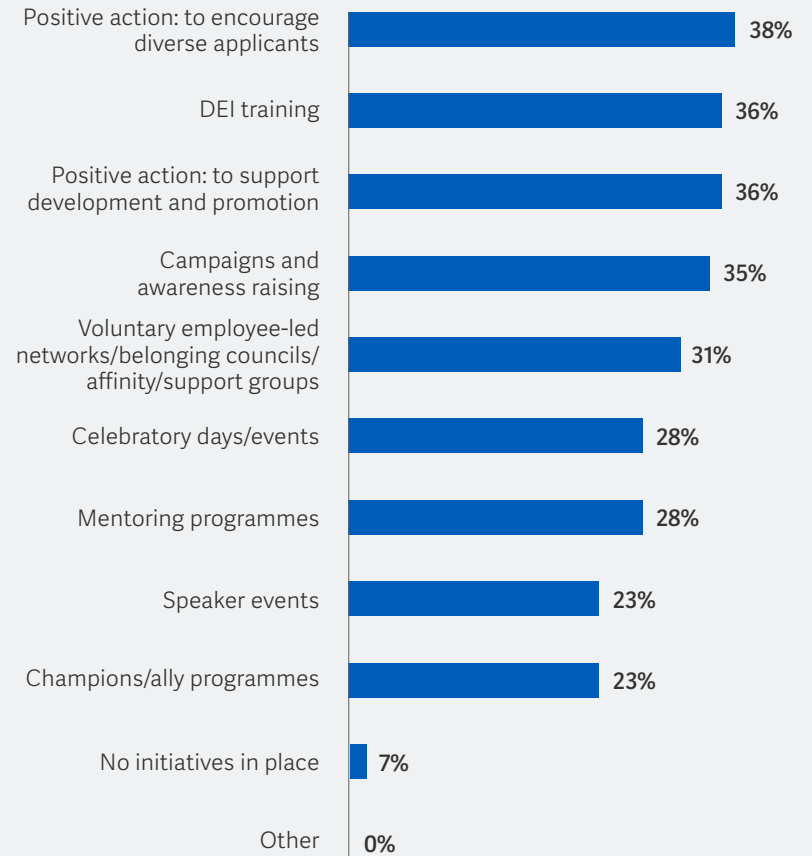


Taking action

Articulating DEI goals that are measurable is key to driving lasting change. Yet it is difficult to track progress and improve diversity, equity, inclusion and belonging strategies when organisations are unable to provide clear, measurable and well-defined ways of achieving those goals.



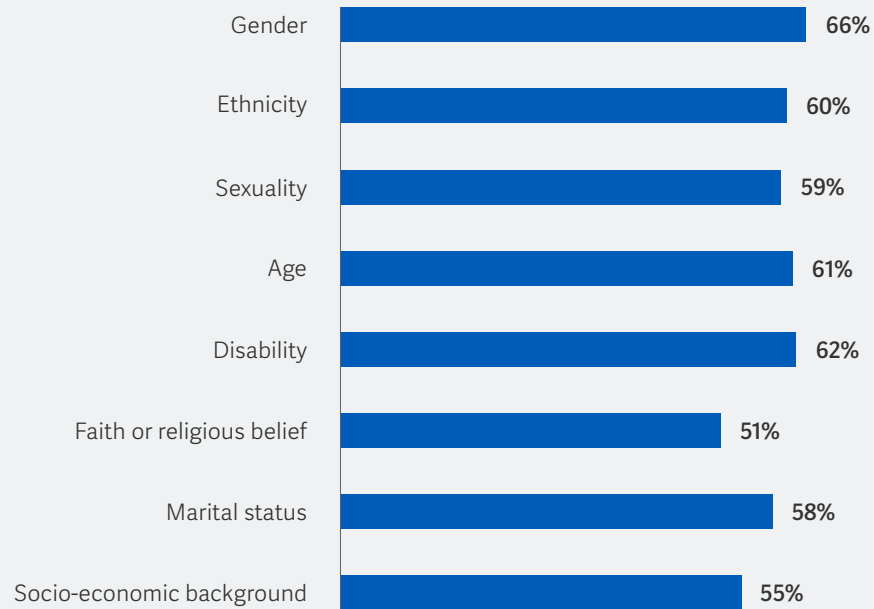
Global DEI initiatives



Key performance indicators used to measure DEI

Across the globe, organisations use a variety of key performance indicators (KPIs) to measure DEI. However, gender (66%) and disability (62%) are most likely to have attached KPIs.

DEI attributes and KPIs



Equality variations across countries and organisations

While the top reasons behind monitoring equality across the globe are unconscious bias in hiring and legal compliance requirements, it is just as important to consider how this data can drive intentional actions at all levels and embed belonging and diversity across various organisation-wide programmes.



EQUALITY-MONITORING DRIVERS BY BRACKET	EUROPE	SOUTH AFRICA	NORTH AMERICA	ANZ	APJ
Monitoring for unconscious bias/indirect discrimination in recruitment	34%	36%	32%	44%	33%
Legal compliance/external reporting (for example, to regulator)	33%	33%	27%	27%	30%
Measuring the impact of DEI initiatives	26%	38%	35%	21%	29%
Providing insights to guide decision-making	26%	30%	29%	24%	26%
Monitoring against targets/KPIs	26%	26%	24%	23%	31%
Benchmarking with other companies	20%	25%	23%	27%	21%

Questions for organisational decision-makers:

- What is our baseline for diversity, equity, inclusion and belonging in all countries where we operate?
- Have we implemented the same principles when it comes to external partners, suppliers, customers, and product and services experiences?
- Do we have defined processes for measuring DEI metrics and a cadence to evaluate the impact on an ongoing basis? Is there a way to capture belonging sentiment data across the organisation?
- Do we show progress by sharing results with all employees in an open and transparent way?
- Are there forums for employees, such as employee resource groups (ERGs), to collectively share ideas and solutions that can help drive momentum?
- Are employees, people leaders and executives empowered to express unique perspectives and take action, and address issues quickly and effectively?
- Do we have the right technology in place to create feedback loops to ensure that the right actions are taken to improve DEI outcomes, including belonging?

“

We have to adapt our listening approach to a new world of work, ensuring more leadership accountability, driving change management at a faster pace and using employee feedback to inform our company’s business strategy and priorities as well as our programmes, initiatives and systems – especially our DEI strategy.

VP Global Talent & Development, Avantor



Technology as an enabler

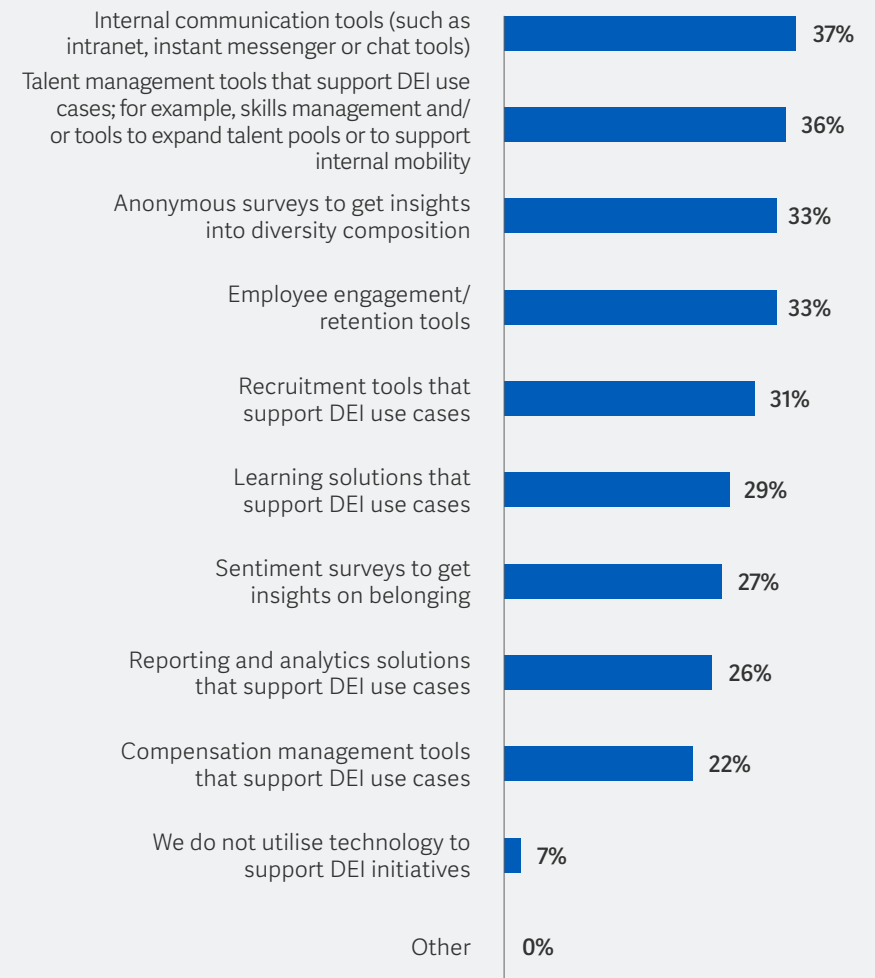
Prior chapters have established that diversity, equity, inclusion and belonging matters to organisations around the globe, and it's also clear that significant progress still needs to be made. Only 20% of organisations say that their strategic approach to DEI is a priority and their performance on it is good. And 60% of respondents recognise that recording DEI is a challenge that requires new systems and software; 93% report already using technology to support DEI initiatives in varying degrees globally.

From HR to finance, from marketing to sales, it's quite common to use technology and data to manage key processes, develop strategies, set goals and make evidence-based, measurable progress against corporate objectives. It follows that DEI requires the same data- and evidence-based approach, supported by equally potent technology systems, especially in terms of monitoring, tracking and reporting on progress against DEI goals.

Looking at the use cases for which organisations are implementing technology, we found that internal communication tools (37%) and talent management systems (36%) followed by employee engagement tools, including anonymous surveys (33%), are being deployed today.

It is interesting to note that performance development, hiring and sentiment surveys are the most frequently cited use cases when asked if their organisation is investing in technology that has bias mitigation capabilities such as machine learning, natural language processing and so on.

DEI technology use cases



Technology can also be leveraged to build workplaces that celebrate diversity and promote equity and fairness, and where employees feel they belong. Having tools and systems that work in a way to support your organisational DEI needs can help mitigate unconscious bias, diversify talent pools, develop leaders, benchmark against global peers and industries, and take an evidence-based and a human-centric approach to DEI to meet the needs of ever-evolving work from both the employee and employer. It's equally important to embed DEI in how you do business and work with your people, partners, customers, prospects and vendors.



When you are able to integrate your talent, your performance, your pay, your equity and your diversity, you can tell a better overall company story. Workday is truly holistic, giving you everything you need in one system, in one place.

Senior Manager, Adcorp Holdings Ltd.

BIAS MITIGATION TECHNOLOGY INVESTMENTS BY BRACKET	EUROPE	SOUTH AFRICA	NORTH AMERICA	ANZ	APJ
Performance development	32%	58%	36%	27%	32%
Hiring	29%	47%	36%	27%	34%
Sentiment surveys	29%	28%	25%	23%	26%
Promotion discussions	24%	43%	30%	13%	32%
Grievances and disciplinary issues	23%	38%	28%	17%	22%
Exit surveys	23%	20%	24%	31%	21%
Returnships or boomerangs	17%	13%	20%	13%	22%

Driving momentum: achieving goals globally

We studied our own organisation at Workday and understood that diversity shouldn't be our sole focus. Fostering inclusion, belonging and equity in the workplace is key. We looked at how to create an environment where everyone feels valued for who they are and what they bring to the organisation. We believe it starts with a deep understanding of who your people are and how each person is unique. Traditional ways of analysing employees focus on one dimension such as gender, age or ethnicity. But a person's identity is made up of multiple dimensions that impact their experience in the workplace. We recognise the unique identities of our employees by looking at these intersections.

We call this approach VIBE™: Value Inclusion, Belonging and Equity

VIBE is our unique Workday way of approaching belonging and diversity. We share our best practices and methodologies with our customers and partners as we advance in our own journey.

How can Workday help you achieve your DEI goals?

Driving real change and positively highlighting the impact of DEI on business results and the workforce requires the right tools and technology so that organisations are prepared to take on the future. Workday provides you with the technology to help you embed belonging and diversity into everything you do – from recruiting, to learning, to leadership development and promotions, to analysing workforce data and to identifying areas of improvement for overall engagement, productivity and representation across all levels within the organisation.



WORKDAY PEAKON EMPLOYEE VOICE



Workday Peakon Employee Voice provides a holistic overview of the employee experience across the organisation with real-time insights into employee engagement, sentiment, productivity, wellbeing, DEI, and transformation and change data.

Adopting an active listening approach provides continuous insights into how to maximise engagement, productivity and business performance by actively listening to employees, understanding what matters most and taking swift action.

VIBE INDEX™



VIBE Index™ enables organisations to holistically measure and benchmark diversity, equity, belonging and inclusion metrics.

- **Breadth and depth:** Measure across the employee lifecycle, from sourcing and hiring diverse talent; to retaining, developing and promoting that talent; all the way to understanding belonging sentiment and positively impacting attrition.
- **Intersectionality:** Compare and assess performance based on multiple dimensions of a person's identity, such as gender, ethnicity, sexual orientation and much more (based on legally permissible attribute collection guidelines).
- **Equity and parity:** Identify disparity across intersectionalities and prioritise the biggest areas for improvement.

VIBE CENTRAL™



Dive deeper into the data and analyse indicators and actions to drive outcomes continuously. VIBE Central™ enables organisations with a view of all belonging and diversity metrics and reporting tools, including benchmarks, in one centralised place.

For example, let's say you see hiring is low for a certain intersection group. Where in the hiring process is the issue? Is it a lack of diverse candidates applying, or that diverse candidates are dropping off in the pipeline – for example, from the screening to the interview stage? VIBE Central surfaces these indicators.

Learn how you can move beyond the status quo and drive lasting change with [Workday solutions for belonging and diversity](#).



End notes

About EW Group: EW Group is a London-based consultancy with over 28 years of expertise in the areas of equality, diversity and inclusion, working with businesses across the UK and overseas.

About Sapio Research: Sapio Research is a UK-based consumer and B2B market research company that was launched in 2016, having access to 100 million people across 150 countries.



Workday | Phone: +31 (0) 20 808 1836 | [workday.be](https://www.workday.be)

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