

INSIGHT PAPER

Most Organizations' DEI Talent Strategies Are Failing—Yours Doesn't Have To

Seramount's Talent Strategy DEI Maturity Model

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The Current State of Long-Term Progress on DEI Talent Objectives

Although there has been an increased interest in DEI in the last three years, little has changed. Historically excluded groups have seen only pledges and promises without their lived experiences at work becoming more diverse, inclusive, or equitable. Progress has been stagnant because many organizations are implementing assumed solutions rather than *listening* to what their employees need.

Long-Term Progress on DEI Talent Objectives is Rare

Reactionary rather than informed initiatives are proving insufficient

Since the murder of George Floyd in 2020 and the increased attention to social issues in the years since, both in the United States and globally, organizations have given diversity, equity, and inclusion (DEI) increased attention. This attention has come in the form of public statements, budget adjustments, and monetary investments. Many organizational leaders seem genuinely disheartened by domestic and international inequities and personally moved to investigate and remedy those present in their workplaces.

Throughout our 40+ years of research, advisory, and consulting at Seramount, we have watched senior leaders be quick to throw money—at times up to millions—at their DEI challenges. And since 2020, this tendency to invest in a reactionary rather than *informed* way has only increased. Leaders are funding popularized and “quick fix” DEI solutions rather than stepping back to strategically address the root causes of their ‘DEI problems.’

The “Quick Fix” DEI Solutions Are Proving Ineffective

Only 1.3%

Increase in people of color in corporate America

0.3%

Decrease in women in corporate America

< 2 years

Average tenure of a Chief Diversity Officer

Real-Life Example

One of our CDO partners recently told us that after George Floyd’s murder, he and his CEO did not know what to do but felt that the imperative to do *something* was overwhelming. Acting on an immediate need and seeking out an immediate solution, the CDO came to the solution that so many arrive at: unconscious bias training. Was their culture rife with unconscious bias? They didn’t know. Was unconscious bias the reason their employees weren’t advancing or being included? They didn’t know.

This solution was reactionary, driven by the immediate need to do *something* rather than driven by the strategic need to do the *right thing*. They ran too fast at the problem and guessed at the solution. What’s worse, the content provided in the training, such as imagining a person stealing a car and then reflecting on what that person looked like, was overly simplified as well as inapplicable to the actual experiences occurring within the workplace. The CDO told us, “As I watched the training unfold, I realized the topic areas were far too generic. Not a single leader was going to leave that training with actionable DEI solutions around the organization’s known employee success drivers.”

As you can imagine, the solution failed spectacularly. The CDO shared that, in observing participant disengagement and content inapplicability, they stopped the training halfway through and vowed to the executive leadership team, “In the future, when I ask for your time and attention to DEI and improving our workplace culture, I promise I will make it meaningful.”

Why Are DEI Talent Initiatives Consistently Failing?

Lack of employee listening leads to organizational talent issues

Because so few organizations listen to their employees to learn the *root causes* of organizational talent issues, there is often pressure from all sides to take immediate action and provide immediate solutions. This means there is simply no time to hear about the employee experience to learn why certain talent challenges are showing up in data. As a result, few organizations know what they are solving for, so the initiatives that they are implementing become guesswork.

Many DEI efforts to advance talent objectives and improve the employee experience are taken in response to an immediate or perceived need. They are often either **risk-driven** (fear of being sued and/or not following laws and regulations) or **initiative-driven** (desire to do something along with a mere guess at what will work) and therefore do not have an impact. These **risk-driven** or **initiative-driven** DEI efforts are often short-term projects owned exclusively by CDOs to respond to immediate or perceived need. It is still the exception rather than the norm for organizations to listen to, learn from, and map out the employee experience to inform talent objectives.

Having an Informed Talent Strategy Comes With Many Benefits

42%

Employees are 42% less likely to leave their jobs when working on inclusive teams.

30%

Inclusive teams have a 30% higher performance rating than noninclusive teams.

22%

Promoting DEI results in 22% higher retention rates for an organization.

20%

Inclusive teams have 20% higher innovation rates and innovation revenue rates.

Having an Informed Talent Strategy Offers a Competitive Advantage

Greater Loyalty

Employees who are able to bring their whole selves to work are 42% less likely to say they intend to leave their job within a year.¹

Better Performance

Inclusive teams improve team performance by 30%.²

Increased Productivity

75% of high-performance organizations say that inclusion improves productivity.³

Better People Relations

22% less turnover is achieved by companies that incorporate DEI into the workplace experience.⁴

Increased Innovation

Companies with a diverse employee population have up to 20% higher rates of innovation and 19% higher innovation revenues.⁵

Increased Profits

Gender-diverse and ethnically diverse companies are more likely to outperform those within their industry by 25% and 36%, respectively.⁶

1. "Diversity Doesn't Stick Without Inclusion," *Harvard Business Review* 2017, 2. [Gartner](#), 3 [I4co](#), 4 [Deloitte](#), 5. [World Economic Forum](#), 6. [McKinsey](#).

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Three Pillars That Cultivate Long-Term Progress on DEI Talent Objectives

We've identified three pillars that define and advance an informed talent strategy:

1. Strategic Objectives-Led
2. Leadership-Led
3. Culturally Embedded

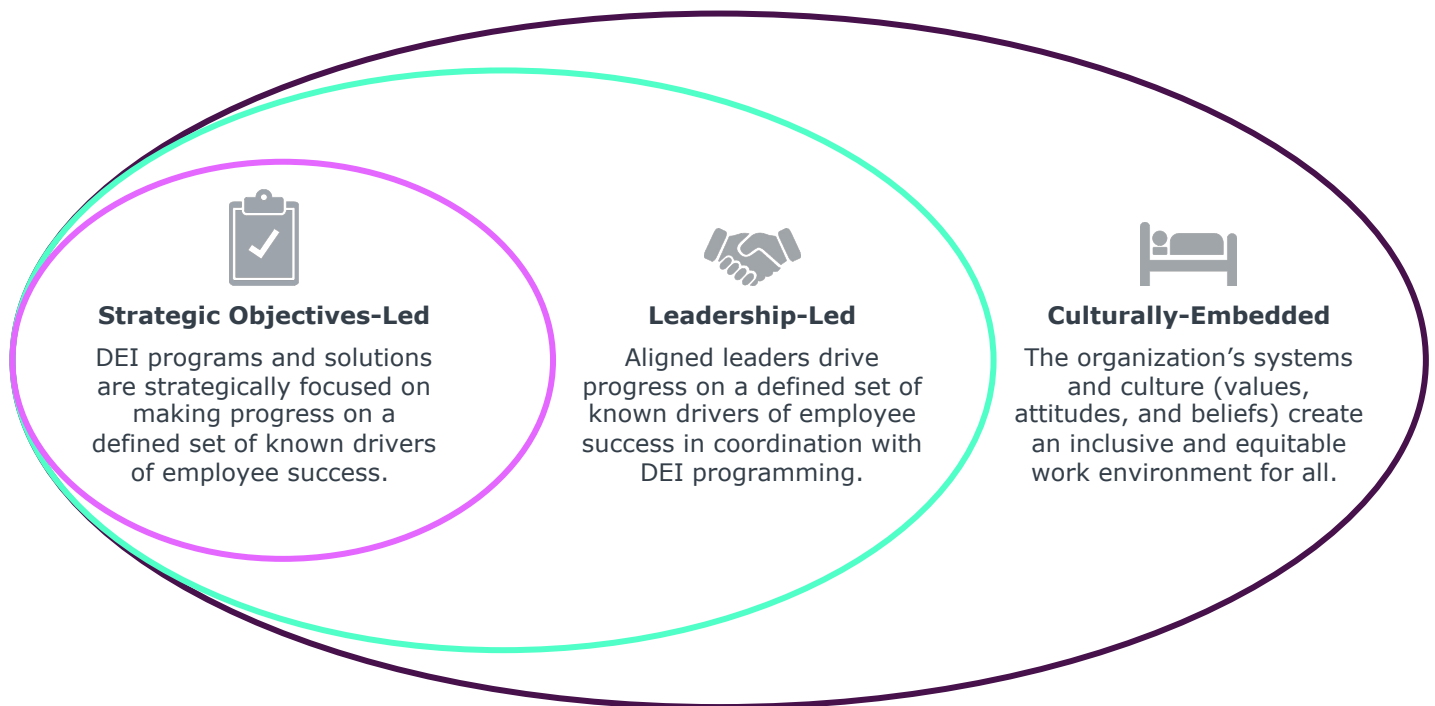
What Defines an Informed Talent Strategy?

The key is gaining data that comes from listening to employees

For effective and long-term progress on DEI talent objectives, organizations must leverage best-practice research AND listen to their employees. By listening to employees to get at root causes, organizations can develop an **informed talent strategy**, where employee insights inform what talent best practices you deploy in your organization.

We've identified three pillars that define and advance an **informed talent strategy**: *strategic objectives-led, leadership-led, and culturally embedded*. Best practice talent strategies are **informed** by *strategic objectives* (rather than hypothesized needs), are cascaded to all business function leaders to be *leadership-led* and then scaled to become an organization-wide, *culturally embedded* business imperative.

Three Pillars That Define and Advance an Informed Talent Strategy



Pillar #1: Strategic Objectives-Led

Why is having a strategic objectives-led talent strategy so important?

DEI solutions on the employee experience must be strategically focused on making progress on a *defined* set of *known drivers* of employee success. Seramount experts have worked with many DEI and talent leaders, and too often, they know only their workplace's employee experience *lagging* indicators and have not yet collected data on the *leading* indicators.

Real-Life Example

One CDO knew their turnover rate for female middle managers, but they do not know *why* their middle managers were leaving. They did not know the root cause. As a result, they were *guessing* the solution. This leader came to us after they had been trying, unsuccessfully, to advance their DEI talent objectives and build a retention strategy around only their lagging indicators, or the turnover rate.

After working with Seramount to gather the necessary data to identify their leading indicators, our partners can build out a talent strategy for structured and long-term change focused on making progress on leading indicators. In other words, they are led by *strategic objectives on the employee experience*.

Most organizations listen through engagement surveys or traditional focus groups, but those alone are unable to capture true leading indicators. Instead, you need to listen to employees in a way that offers complete anonymity and psychological safety as well as captures both qualitative and quantitative data. In their recent article with *Harvard Business Review*, psychological safety pioneer Amy Edmunson and organizational behavior scholar Mark Mortensen stress the need for employee data capturing leading indicators for successful talent management as well as how critical it is to continually revisit and reassess leading indicators.

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“To truly investigate the causes of changes, it is critical for an organization to listen in an anonymous and psychologically safe manner, capturing the quantitative metrics to ensure leaders believe the employee experience and qualitative metrics to ensure leaders understand the root cause of the employee experience.”

Amy Edmunson and Mark Mortensen
Harvard Business Review

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Seramount's Assess360

We Listen Differently

Put an End to Guesswork DEI and Talent Initiatives

Powered by innovative technology, we capture unparalleled and unfiltered insight into the experiences and perceptions of your workforce and identify levers to drive meaningful and lasting change.

Pillar #2: Leadership-Led

Why is having a leadership-led talent strategy so important?

Aligned leaders must drive progress on the defined set of known drivers of employee success or the strategic objectives on the employee experience. Leaders set the tone at the top and shape the culture of an organization. As a result, they determine the day-to-day employee experience. If leaders are not driving progress on a defined set of known drivers of employee success, how can anyone believe that anything will be done to improve the employee experience?

Effective and long-term progress on your DEI talent objectives therefore requires going beyond having your CDO and their team serving as the central function that “owns” DEI for the entire organization. Effective change cannot and does not happen solely in a DEI office. Change comes from culture change. Therefore, change comes from leadership. Leaders must be involved in listening to, learning from, and mapping out the employee experience, and leaders must lead the resulting talent objectives.

To Make Continual Progress on a Diverse, Inclusive, and Equitable Talent Strategy, Leaders Must:

1

Buy Into DEI Work

Leaders need to prioritize DEI and commit to investing time and money into change management.

2

See DEI Success as Integral to Their Responsibility's Success

When all employees feel included, team productivity and innovation increases.

3

Align on a Common Direction for DEI Change

Misaligned interests stagnate DEI progress. Ensuring all stakeholders are aligned on goals is key.

4

Drive DEI Progress

Leaders set the tone for organizational culture. Employees take cues and gauge authenticity based on their words and actions.

A Collaborative Effort

When all leaders drive DEI progress and especially the talent objectives, DEI can become an integral part of the organization's culture.

Pillar #3: Culturally Embedded

Why is having a culturally embedded talent strategy so important?

An organization's systems and culture must create an inclusive and equitable work environment for all. Organizational culture shapes and informs individual employee behavior, both good and bad. For a work environment to shape employees to behave inclusively, the workplace culture must be one that drives and rewards equitable employee experiences at the individual employee behavioral level. The workplace culture must be one in which every individual, from senior leadership to junior employees, is responsible for diverse, equitable, and inclusive values, attitudes, and beliefs and advancing DEI talent objectives, rather than leaving the responsibility to a separate team or department.

WHAT MAKES UP AN ORGANIZATION'S CULTURE?



VALUES

An individual's perception of the usefulness, importance, or worth of something



ATTITUDES

An individual's general predisposition toward something as being good or bad, right or wrong, or positive or negative



BELIEFS

A proposition or position that an individual holds as true or false without positive knowledge or proof

In April 2022, Seramount convened 30 Chief Diversity Officers (CDOs) from around the globe to discuss how corporations will know when they've achieved transformative DEI change within their organizations. Two of the strong indicators that CDOs mentioned would signal this transformation are as follows: *DEI is no longer a stand-alone topic, and every business unit is held accountable for DEI.*

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“When DEI is no longer a stand-alone topic, it is so engrained in the culture of an organization that it's a ‘concept in how we do business.’ At this point in the transformative change process, DEI is part of everything from hiring practices and client interactions to communications and learning and development programs. ALL employees at all levels feel a responsibility to help shape the culture of their company and, as a result, are conditioned to notice the inequities that do exist. The CDO is a trusted partner and advisor, not the go-to for every issue. Instead of ‘helping’ the DEI team, employees take it upon themselves to say, ‘This is what I’m doing to advance DEI.’”

Subha Barry
President, Seramount

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Seramount's Talent Strategy DEI Maturity Model

Through our 40+ years of working with partners to advance DEI, we have identified that shifting to an *informed strategy*—a strategy that is strategic objectives-led, leadership-led, and culturally embedded—is necessary to cultivate effective and long-term culture change and advance talent objectives. This maturity model is designed to help you get there.

The Five Stages of Talent Strategy Maturity

Where is your organization in your journey to reach effective and long-term progress on DEI talent objectives?

Consistently using a maturity model can allow you to continuously and carefully map where you are and where you need to go. Regardless of which stage you are in, knowing where you are in your DEI maturity can help you focus and streamline your plan forward. Even if you are at a more advanced stage of maturity, true DEI commitment necessitates constant reassessment as the world, your organization, and the employee experience all inevitably grow and change.

Seramount experts have developed an effective **Talent Strategy DEI Maturity Model** that we successfully leverage with partners to help them understand where they are and where and how they need to move to strategically advance their DEI talent objectives to improve their employees' experiences. We have identified five stages of maturity that rest under two strategic approaches: selective strategy and informed strategy.

Seramount's Talent Strategy DEI Maturity Model

Selective Strategy

Reactively offering DEI programs and initiatives without developing an informed strategy to drive meaningful change

- Stage 1: Risk-Driven
- Stage 2: Initiative-Driven

Informed Strategy

Proactively targeting efforts to meaningfully enhance employees' experience and well-being through known drivers

- Stage 3: Strategic Objectives Led
- Stage 4: Leadership Led
- Stage 5: Culturally Embedded

Client Success Story

A Multi-Billion Dollar Finance Company Moves From Selective to Informed Strategy

- **Challenge:** The company hired a new CDO, and in preliminary strategy conversations with senior leadership, it became clear that the organization was operating under the use of a selective strategy. Initiatives were reactionary and senior leadership believed that the firm should focus solely on increasing representation of historically excluded talent. The CDO was deeply concerned this was not the right strategic path forward based on previous experience as well as preliminary conversations with HET groups where they shared disengagement and low levels of satisfaction.
- **Solution:** Our Assess360 strategy included 31 stakeholder interviews, followed by 14 Employee Voice SessionsSM (EVS) with more than 260 participants. The EVS allowed for employees to communicate the drivers behind their low levels of engagement and satisfaction in a safe space. The information gathered painted a detailed picture of the company culture for senior leaders and led to the launch of a formal, Seramount-run sponsorship program to ensure that all top talent was nurtured and developed.
- **Impact:** With guidance from Seramount, a new DEI strategy was created that was championed by senior leadership. One key pillar in the strategic results achieved was through a targeted sponsorship program that resulted in a 30% increase in retention. One hundred percent of the cohorts reported that they had more clarity and positivity about career development leading to the identification and development of people of color and women for leadership positions.

The Five Stages of Talent Strategy Maturity

Most organizations do not have the data needed to make it past stage two



Crucial Questions to Ask When Beginning Your Journey

Leaders should investigate their organization within these five categories

Five Areas to Investigate When Building Your Talent Strategy:



Investigating DEI Current State

What do you know about your employee experience, especially across lines of difference, from representation data, engagement data, previous assessment data, etc.?



Investigating DEI Motivation

Are DEI actions driven by legal precedent or momentary special interests of leaders or by a strategic plan to make progress on a defined set of known drivers of employee success?



Investigating DEI Ownership

Who owns and drives your DEI strategy? Is it the CHRO, or CDO, or is it embedded across the organization? What is the corresponding accountability measurement structure?



Investigating DEI Leadership Alignment

Does your senior leadership team understand the DEI goals and are they motivated to take DEI action, or are they looking to the CHRO or the CDO to make all the DEI change?



Investigating DEI Effort

Are there any stubborn DEI problems that you have tried to solve but have not been able to? Are you able to properly isolate the cause of the problem?



How Can Seramount Help?

Assess360 Can Help You Design and Maintain an Inclusive and Engaging Employee Experience

ASSESS360

Capture unparalleled and unfiltered insight into the perceptions of your workforce to identify levers for building a culture of trust and transparency.

One partner organization **avoided \$600K+ in disengagement tax** after surveys showed a 12-point drop in inclusion scores.

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“Our HR leaders were shocked to see the results from Seramount because in comparison to reading through the results from the big consulting organization we used last year that we moved away from, this information was so much more insightful. To see the Assess360 results and have them be so powerful and the findings named so explicitly, they couldn't believe it. They were shocked, but in a really validating way. They believe all of this is happening at our organization but had never seen it written out so plainly and explicitly. It is going to be incredibly helpful for change going forward. We invested in Seramount, and we are already seeing our ROI.”

Manager, Diversity, Inclusion, Equity, and Belonging
Assess360 Partner Organization

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LEARN MORE

Schedule a consultation with one of our experts by visiting seramount.com/contact-us.

We empower the world's
most inclusive workplaces.

Trusted Partner to Organizational Change Agents

ASSESSMENT AND STRATEGY

Uncover the Real Levers to Unlock DEI Progress

Unfiltered insight into the employee experience powered by innovative technology and over 40 years of DEI data and insights

RESEARCH AND ADVISORY SERVICES

Set Strong Foundations and Build Actionable Roadmaps

Expert guidance rooted in research and benchmarking to support your strategic talent priorities

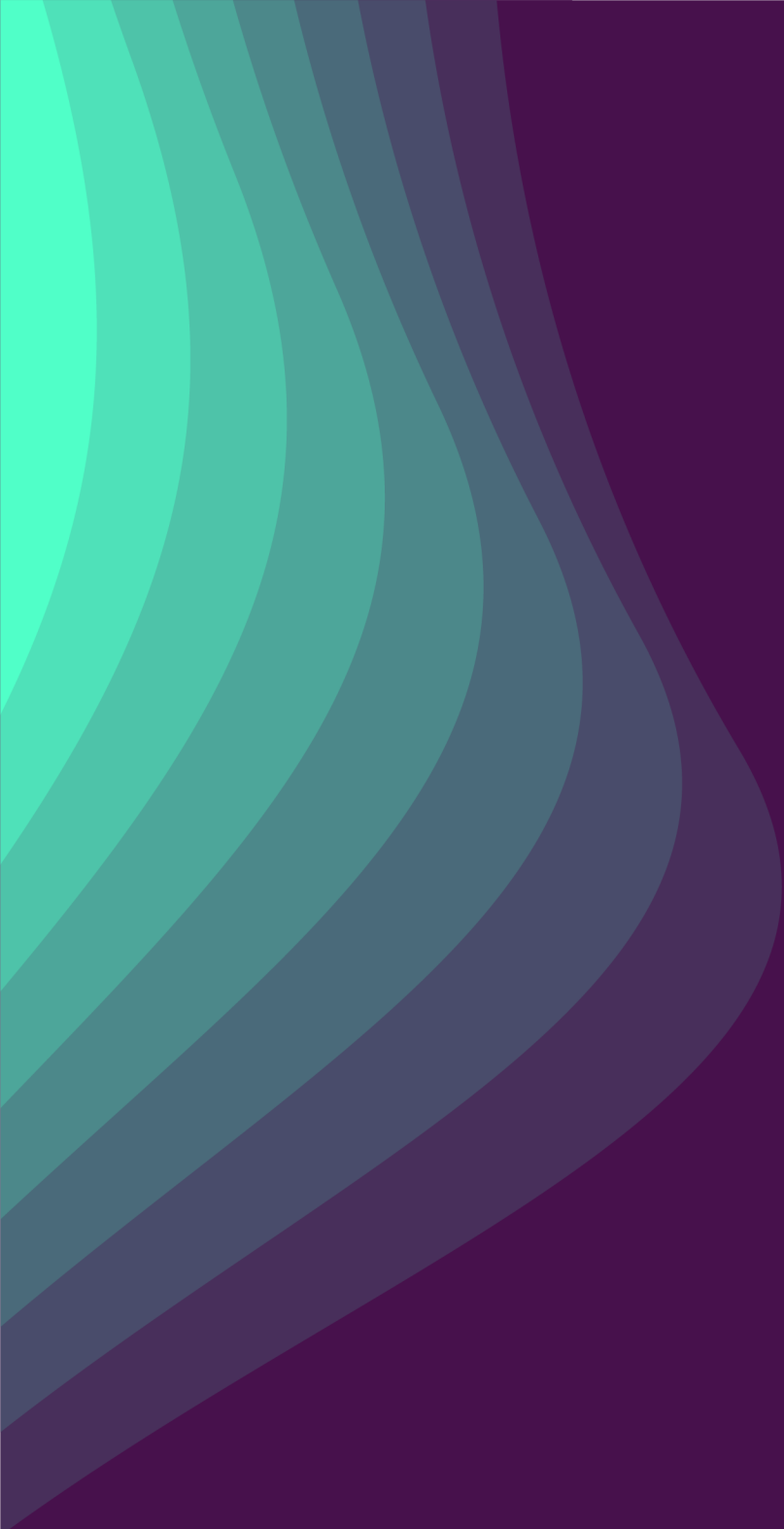
LEARNING AND DEVELOPMENT

Transform Your Culture by Enabling DEI at Scale

Impactful workshops and events that build core leadership competencies at every level

We partner with **450+** corporations, government entities, and nonprofits **globally**.

We guide **~50% of the Fortune 100** and **~25% of the Fortune 500** on their DEI journey.



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