



Benchmarking DEI A Roadmap for Inclusive Innovation & Growth

DEI In European Tech Benchmark Report 2024

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Foreword

This year, we proudly present the third edition of the DEI in Tech Benchmark Report under the unified umbrella of Diverse Leaders in Tech. Originally launched under DiversityHero, the report provides invaluable insights into the state of DEI across the tech sector. Last year, 42.3% of companies were in the early stages of DEI implementation, showing its importance but lacking concrete steps to achieve tangible outcomes.

In response we've developed a maturity model to guide companies toward DEI Excellence. Together with our esteemed partners, we present this year's benchmark results, featuring participation from many companies across Europe.

A cultural transformation is underway. The tech industry, crucial for creating future skills and impactful solutions, must mirror the world's diversity to truly benefit all communities. A new generation of tech talent sees DEI (Diversity, Equity, and Inclusion) as non-negotiable, demanding diverse leadership, inclusive work environments, and equity in all forms. Achieving this requires both top-down and bottom-up approaches, making it complex but not impossible. Our mission is to help navigate this challenge.

For those who didn't participate, you can still take the DEI Scan and join our community of leaders committed to fostering an inclusive tech industry.

Visit <u>diverseleadersintech.com</u> to learn more.

Gillian Tans Partner Diverse Leaders in Tech



About Our Partners

This report is designed with business impact at its core and aims to provide you with data that sparks change - and drives action. Guided by research frameworks developed in collaboration with Techleap, Booking.com, the University of Amsterdam, and D&I Taskforce, we're proud to call this exceptional group our partners.

techleap

Techleap is a non-profit organization partly subsidized by the Ministry of Economic Affairs and Climate Policy that aims to accelerate the growth of Dutch tech startups and scaleups. They promote the environment for technology companies to scale up faster by gathering and sharing knowledge, improving the conditions in the field of valorization, financing, talent, and market access, and strengthening an inclusive community of tech entrepreneurs.

ម្ភុំ University of Amsterdam

Established in 1632, the University of Amsterdam is one of Europe's oldest and most prestigious institutions. It is renowned for its commitment to research excellence and innovation, consistently driving advancements across diverse academic fields.

Booking.com

Part of Booking Holdings Inc. (NASDAQ: BKNG), Booking.com's mission is to make it easier for everyone to experience the world. By investing in the technology that helps take the friction out of travel, Booking.com's marketplace seamlessly connects millions of travelers with memorable experiences every day. For more information, follow @bookingcom on social media or visit news.booking.com.



The Diversity & Inclusion (D&I) Taskforce is a collaboration between government and business and will work to set objectives and formulate concrete actions that lead to a more diverse and inclusive digital sector. The Taskforce D&I is an initiative of the Ministry of Economic Affairs and Climate and industry association NLdigital.

A Journey Towards DEI Excellence

Defining DEI Excellence

As you delve into this report, you will frequently encounter the term "DEI Excellence." To me, this represents a "North Star" for companies to aspire to—a continuous journey towards seamlessly integrating DEI practices into core business strategies.

When achieved, it becomes a driver of innovation and sustainable growth. It also plays a key role in fostering inclusive spaces where everyone, from anywhere, can show up as their authentic selves. Without it, people are impeded from delivering at their fullest potential.

Reflecting on my own journey, I recall the challenges of facing exclusion based on preconceptions of who I was supposed to be. Even today, I encounter assumptions made about me simply because of the way I look or other aspects of my identity. Fortunately, my parents instilled in me the value of embracing my authentic self, enabling me to face challenges head-on and lead me to where I am today.

The Importance of Inclusive Spaces

My personal experiences underscore the importance of creating inclusive spaces in an industry uniquely equipped to lead change. Our future depends on innovation, which thrives in workplaces that welcome all types of people and encourage sharing unconventional ideas—ideas that might initially seem outlandish but could spark incredible inventions. To innovate effectively, we need the power of DEI.

A Call To Action

Looking at our current state it is clear that it's time to move from talk to action, making DEI an integral part of our industry's DNA. As you explore the outcomes of this report, we hope you find the inspiration and guidance needed to advance your DEI journey. Together, we can build a tech industry that not only embraces DEI but thrives because of it. Let's embrace this journey towards DEI Excellence and make change happen, together.

"Not everything that is faced can be changed, but nothing can be changed until it is faced." - James Baldwin



Executive Summary

Our report provides a comprehensive analysis of the tech industry's current DEI landscape. Aimed at tech leaders, HR professionals, and diversity advocates, it offers data-driven insights and practical recommendations to move beyond surface-level efforts. Designed to help companies at all stages, our insights will guide you on ways to create more inclusive and innovative workspaces, leverage technology to measure impact, ensuring your DEI initiatives are impactful and meaningful.

1.Psychological Safety Leads the Way Increasing awareness within the industry about psychological safety is a positive trend. Companies are now recognizing the crucial role of fostering cultures of belonging and addressing issues like discrimination, racism, and harassment in the workplace.



An impressive 91% of respondents say their companies create safe spaces for employees to express authenticity



encourage open communication, offering safe ways for employees to voice issues and concerns

2. Opportunity for Improvement: Accountability

Clear, measurable outcomes and alignment when goals aren't achieved are crucial in addressing this issue. By enhancing accountability, companies can effectively move from awareness to implementing practical applications for their DEI goals.



Only 28% of respondents actively hold employees accountable for DEI behaviors

3. Room for Growth: DEI as a Business Enabler Building DEI into business practices is key for making this a higher priority and sharing responsibility across the board. Boosting accountability in this area can significantly enhance their DEI outcomes, ensuring these efforts are fully integrated into their operational framework and strategic planning.



Over half of companies don't have a DEI strategy in place, limiting the possibility of aligning DEI with business goals



Only 8% have fully integrated DEI into performance reviews and promotions

4. Analyzing & Implementing Demographic Data for Impact

By focusing only on gender, critical aspects like race, ethnicity, sexual orientation, and diverse abilities are overlooked. Expanding the types of data collected could give companies a better understanding of their workforce. Neglecting this broader data scope can hinder diversity efforts and limit insights into employee needs, potentially impacting business performance.



of respondents capture and store demographic data, primarily on gender but miss other key identifiers



don't analyze career advancement by demographics

5. Moving Beyond Assumptions and Beliefs

This underscores the importance of adopting a factbased approach when assessing DEI impact. Validating these perceptions with measurable evidence is essential, and establishing clear KPIs to track progress represents the critical first step in making this shift.



of companies have concrete evidence showing their progress in achieving DEI goals

Methodology

Participation

A total of 160 companies took part in the DEI Scan, sharing insights about their DEI practices and how advanced they are in these areas.

DEI Scan Format

The DEI Scan featured 45 questions, all mandatory to ensure a thorough assessment. These questions were designed to cover a wide range of DEI practices and strategies used by the companies.

For each question, respondents could choose from four options:

- Yes
- · Yes, to a certain extent
- No
- No, not right now but considering it for the future

These choices allowed companies to indicate how far along they were in implementing or considering various DEI practices.

External Data

To enhance the DEI Scan responses, we've included external data on the participating companies. We categorized companies based on their growth phase determined by employee count:

• Start-ups: 0-49 employees

• Scale-ups: 50 - 199 employees

• Grown-ups: 200+ employees

Organizing the DEI Scan

We structured the DEI Scan questions to give a clear picture of where companies stand with their DEI practices. This method helped identify both overarching strategic commitments and specific actions companies are taking to promote diversity, equity, and inclusion.

DEI Areas

We've pinpointed five strategic areas packed with impactful DEI practices, along with two tactical areas where the impact is less significant when used in isolation. The next section will dive deeper into these areas.

Our Framework

To provide you with a clear picture of company's DEI practices, we structured our assessment around both strategic and tactical areas, as well as the overall impact of their DEI practices. These areas are used to determine their current DEI maturity level.

Strategic Areas

Based on extensive research, we have identified DEI practices yielding the greatest impact in the workplace. When these practices are prioritized collectively, they represent crucial steps toward achieving DEI Excellence.



Business

Creates business alignment, identifies gaps in DEI strategies, links intentions to performance, driving improvements for innovation and success.



Culture

Ensures DEI plays a role in your company's DNA. Establishing desired behaviors and mindsets across all levels through learning, policies and leadership development.



Data

Offers a deep understanding of your current state of DEI, and the measurability of its impact, creating space for effective and strategic improvements.



Stakeholder Involvement

Emphasize the importance of involving both internal and external stakeholders to mitigate leadership bias and create equity in decisionmaking processes.



Systemic Change

Sets organizational standards and processes in place to ensure fair opportunities for all. Unbiased hiring, career growth, and bringing an end to discrimination stand at its core.

Tactical Areas

DEI practices in the two tactical areas play a supporting role and have most impact when the DEI practices in the strategic areas are sufficiently in place.



Workspace

These DEI practices ensure the adaptability of your physical and operational environment to support diverse needs and promote an inclusive work environment.



DEI Enablers

Implementing enablers like employee groups and codes of conduct are supportive practices that facilitate efforts to build safe and inclusive cultures.

Impact

To validate the self- assessment of DEI maturity and mitigate leadership bias, this area creates accountability and measures tangible proof of DEI impact.



DEI Strategy Goals

Companies should have measurable proof that they have successfully achieved their strategic objectives.



Employee Feedback

Capturing qualitative and quantitative employee feedback is essential to ensure DEI objectives are reached and perceived as such.

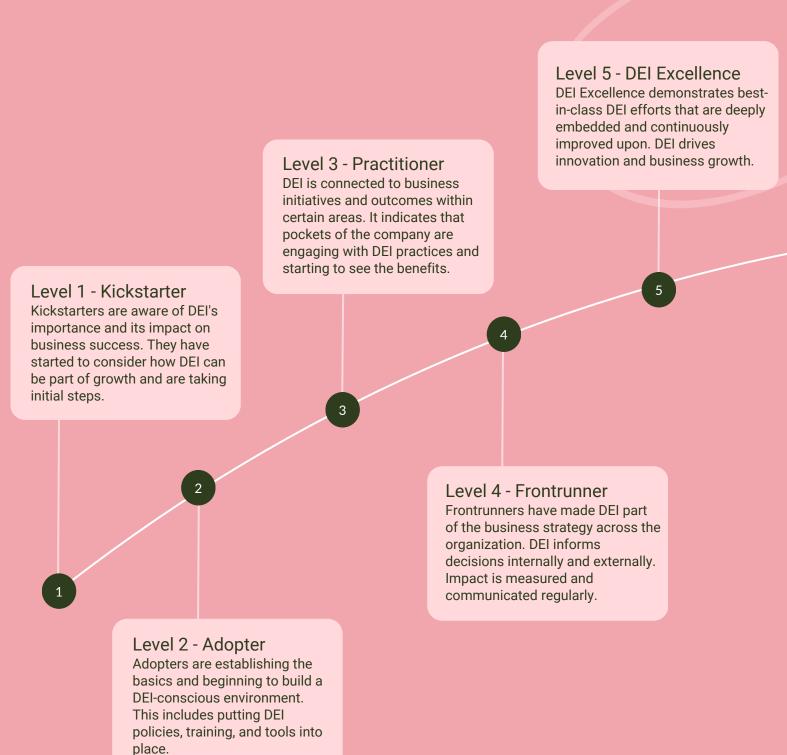


External Stakeholders

Industry recognition and data that demonstrate positive change in relation to stakeholders, such as communities and suppliers are proof of DEI impact.

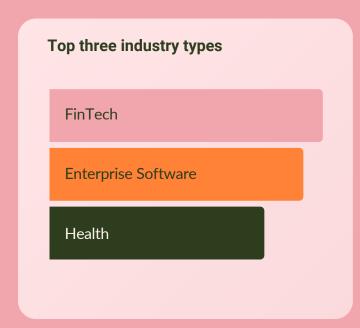
DEI Maturity Levels

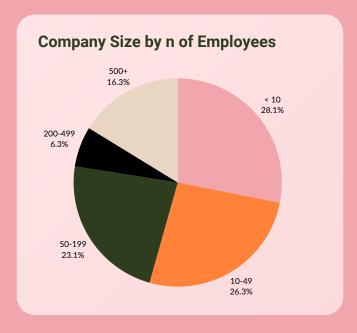
We have defined five levels to assess DEI maturity for the respondents of the DEI Benchmark Scan. These levels represent where companies currently stand on their DEI Excellence Journey and serve as milestones for the path ahead.

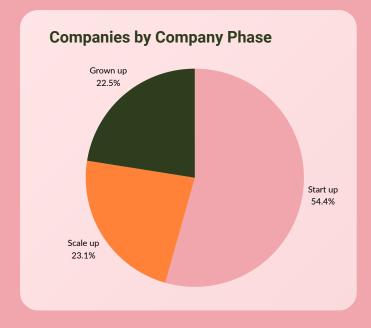


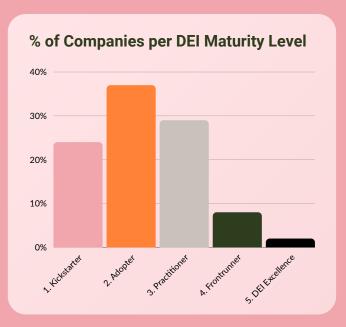
General

Our DEI Scan collected responses from 160 tech companies, predominantly start-ups (56%) within the FinTech, Enterprise Software, and Health industries, each typically employing 200 or fewer people. On average, many are still in the "Adopter" phase of DEI maturity, showing a growing commitment to diversity and inclusion practices. The charts below highlight this data.





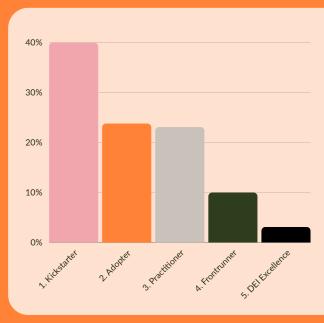




Business

Strategic Area

This section explores a key topic: integrating DEI into a company's core. Our DEI Scan reveals that over half of companies lack a formal DEI strategy. Many fail to communicate how DEI drives business success - and only a few link DEI goals to performance reviews. This gap presents a unique opportunity for companies to lead by fully embedding DEI into their operations.



Business DEI Maturity Average: Adopter (level 2)

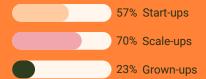


As the data suggested, many organizations have begun to adopt a DEI mindset - but there is still room for growth.

For those at levels 1 and 2, formalizing DEI strategies is key to becoming a Practitioner. Here are 3 ways to approach this:

- 1. Align DEI strategies with company goals
- 2. Tie executive performance to DEI-related results
- 3. Communicate the link the strategies have with outcomes

53% Lack a DEI Strategy, Blocking Alignment with Business Goals

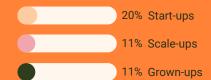


Over half of respondents say they do not have a formalized DEI strategy. This presents a unique opportunity to connect DEI to their business goals and embed it into core operations.

This could be particularly interesting for startups and scale-ups, as the early adoption of linking a formal DEI strategy to business objectives can accelerate a competitive advantage and unique employer brand.

It also sets the stage for establishing clearer KPIs, accountability amongst key players, all proving invaluable as the company scales.

Only 16% Communicate DEI and the Link to Business Objectives



Our data also highlights a significant communication gap between linking DEI and business objectives. The finding: just 16% of respondents indicate that their companies consistently communicate how DEI initiatives align with business objectives.

This gap poses a challenge in integrating DEI into a company's broader mission and goals, potentially creating roadblocks when stakeholder buy-in is needed.

Taking active steps to address this will help reinforce the importance of DEI - while highlighting its role in driving innovation and success. "Transitioning from a tech start-up to a scale-up, we initially faced business challenges due to a lack of diversity in our workforce. It negatively impacted our understanding of our diverse customer base across 85 countries. Recognizing the importance of becoming more diverse and inclusive, we made DEI a strategic focus by hiring a VP of ESG at the start of this year. This dedicated leadership role allowed us to prioritize diversity initiatives, especially as we transitioned to a remote-first culture.

The shift to a remote-first approach played a crucial role in our focus on inclusion. By ensuring everyone feels included we are able to attract top talent from diverse backgrounds. Raising awareness of unconscious biases through team training has strengthened our culture and reduced attrition rates.

Additionally, we have implemented gender diversity reporting and encourage the voluntary sharing of other diversity traits. This data supports us in our ongoing efforts to continuously improve and adapt our DEI initiatives and meet the evolving needs of our customers and workforce.

Overall, these efforts resulted into better business outcomes, as diversity of thought has led us to innovation and more success."

Matthijs Welle CEO Mews | Practitioner (level 3)



Accountability & Company Performance

With only 8% of companies reporting to have fully integrated DEI into performance reviews and promotions, our findings spotlight a critical area many respondents should take note of.

Aligning Company Incentives with DEI Goals: How To Get Started

According to Lily Zheng, a dedicated change-maker and DEI advocate featured in the *Harvard Business Review* and *New York Times*, "accountability" in DEI refers to the mechanisms that hold organizations and their leaders responsible for achieving their goals, often with consequences attached to both success and failure.*

To align company incentives with DEI goals, one effective method is to tie a portion of executive pay or bonuses to achieving these goals. Sharing this externally will be key here, as this invites accountability from all stakeholders, while ensuring leaders are motivated to prioritize DEI.

These DEI goals can encompass various areas such as hiring, promotions, retention, supplier diversity, employee engagement, and participation in training and mentoring. Organizations can also include DEI skills as a requirement for management promotions, assessing DEI performance in multi-source feedback, ultimately making DEI a key part of overall success.

*Source: <u>Medium</u>

Culture

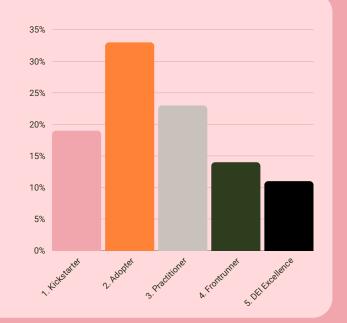
Strategic Area

This section explores how DEI is woven into the fabric of company culture, emphasizing accountability for stakeholders at every level. Companies are performing well in this area, scoring an average maturity level of 3 (Practitioner). Our results indicate that companies are fostering safe spaces for authenticity and offering equitable growth opportunities for all employees, including those from underrepresented groups. However, the lack of behavioral accountability that our DEI Scan revealed needs to be addressed in order to move towards DEI Excellence.

Culture DEI Maturity Average: Practitioner (level 3)

Companies are making significant progress by focusing on DEI practices that create safe spaces for authenticity and promote fair growth opportunities.

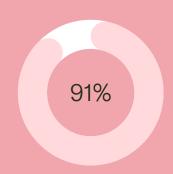
To progress toward DEI Excellence, boosting accountability for management and teams should be prioritized. Putting practices in place where DEI is regularly assessed, communicated, and well-balanced with overall business priorities, will be key here.



Cultivating Inclusivity: Safe Spaces and Inclusive Opportunities

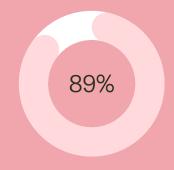
Safe Spaces for Expressing Authenticity

An impressive 91 percent of respondents say their companies create safe spaces where employees can be their authentic selves. These safe spaces are essential for tackling discrimination, racism, and harassment, fostering inclusion and belonging. This helps in retaining and developing talent and strong company cultures. Establishing such safe spaces is the first step towards an environment where everyone feels valued and included. Additionally, 87 percent of companies provide safe ways for employees to voice their concerns.



Inclusive Learning Opportunities

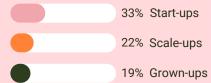
The majority of respondents say their companies encourage participation in learning and development programs. These programs are key to building an inclusive culture by offering equal opportunities for skill enhancement and career growth.



Lack of Accountability

Highlighted by multiple companies in the DEI Scan, this is an area needing attention. There are considerable benefits for ensuring accountability for their employees' actions and behavior - a practice many respondents don't have in place. And when it comes to tying accountability to the recruitment process, there's also room for improvement.

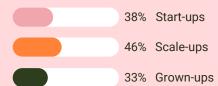
28% of Leaders Take Active Steps to Ensure Accountability



A notable finding from just under one-third of respondents indicates that their teams, managers, and employees are held fully accountable for DEI behaviors. Regular DEI training and measures to gauge feelings of inclusivity and belonging are some of the ways they're doing this.

Start-ups report the highest levels of accountability in this area, while more established companies lag significantly behind.

39% of Companies Enforce Accountability in the Recruitment Process



Thirty-nine percent of respondents reported holding hiring managers and recruiters accountable for DEI in the recruitment process, which may involve setting diversity hiring targets and providing mandatory bias training.

Again, mature companies exhibit the lowest level of accountability in this area.

"At bol, we are deeply committed to fostering diversity and inclusion in our recruitment and talent acquisition processes. We ensure gender balance and combat biases through interview training, recruiting a diverse mix of individuals, and we organize and participate in events targeting women and culturally diverse talent. By mapping out top female talent worldwide and focusing on countries aligned with our company culture, we enhance our global recruitment strategy, recognizing gender disparities in STEM graduates within The Netherlands.

Equal growth opportunities are a cornerstone of our approach, with quotas ensuring 50% of leadership positions will be held by women. Our online training programs, mentorship initiatives, scholarships, and reskilling programs support the development of top female talent, providing diverse interview pools and intensive training and mentoring. Also, we ensure that we have an equal number of female and male candidates for leadership positions.

To cultivate an inclusive culture, we incorporate DEI in every aspect of our operations. Our Social Impact team is dedicated to remove systemic barriers, and we continuously evaluate our policies for improvement. We address the diverse needs of our colleagues by offering quiet spaces during events, celebrating cultural and religious holidays, and maintaining bilingual communication. Our cooldown room provides a low-stimulus environment, and online training programs helps to counteract unconscious biases. Through these initiatives, we ensure that inclusivity is a daily practice.

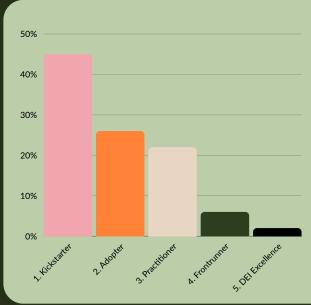
Our commitment to inclusivity is further supported by six business resource groups: Internationals, Women in Tech, Cultural Diversity, Neurodiversity@bol, Queer bol, and Young bol. These groups create safe spaces where everyone feels at home and supported in their personal and professional development. By continuously engaging with employees in our organization, we understand and address their needs, ensuring they feel represented and supported at every career stage."

Maite Zubiaurre Chief Product Officer bol | Frontrunner (level 4)

Data

Strategic Area

With nearly half of companies in the earliest stage, our DEI Scan reveals a significant gap in implementing data-driven DEI practices. Understanding your current state of DEI starts with data - and the measurability of its impact in the workplace is subjective without it.

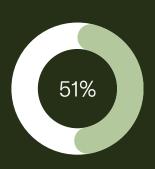


Data DEI Maturity

Average: Adopter (level 2)

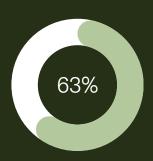


On average, many respondents have under-invested in DEI data practices. Companies striving to reach the next maturity level (Practitioner) should invest in gaining a better understanding of their workforce's demographics, while leveraging tech to boost impact. Integrating employee feedback to steer DEI strategies, and establishing clear KPIs to assess this qualitative data, will be crucial in achieving DEI Excellence.



Capturing Demographic Data

Just over half of respondents report capturing and storing demographic data to at least a certain extent. Our qualitative research reveals that this data often focuses primarily on gender, overlooking critical aspects such as race, ethnicity, sexual orientation, and disabilities. By expanding the scope of demographic data provided voluntarily by employees on a self-identified basis, companies can gain a deeper understanding of their workforce.



Analyzing Career Advancement by Demographics

Sixty-three percent of respondents reported not analyzing career advancement by demographics, posing significant equity challenges for businesses. Barriers towards progression into leadership roles, and the inherent biases that could be at play, is just one example of how underrepresented groups may be disproportionately impacted by this.

To fix this, analyzing data around career progression, and taking note of how this data matches up across all demographics, will help ensure equitable opportunities for all. This proactive approach has proven to boost innovation and improve business performance.

"At Booking.com we integrate a data-driven approach into our DEI efforts, ensuring that our systems and processes reflect these values. By gathering and analyzing data, we identify areas for improvement and implement strategic initiatives. It's also equally important for us to adopt a systemic approach where we can ensure the DEI lens is applied to and embedded into our systems, structures and processes, like hiring or performance management.

While data is crucial, it's also essential to tune into the narratives and the people behind the data. Interactive dashboards and detailed reports uncover these hidden patterns, complemented by qualitative insights from engagement surveys and collaboration with key stakeholders like our Employee Resource Groups. This holistic approach empowers us to make informed decisions and tailor strategic plans to our diverse community, ultimately enhancing the employee experience for everyone.

Collecting diversity data can seem challenging. Here are some tips to get you started:

- Consult legal counsel or advisors to ensure you are working within local laws and legislation
- Ask about DEI in your engagement survey consider including questions related to culture, equity, and inclusion at work
- Overlay demographic data at various employee lifecycle stages to better understand career advancement for different cohorts

Sometimes it is hard to know where to start. The important thing is to do exactly that; start! From little things, big things grow ..."

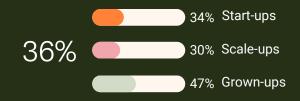
Olivia McEvoy Global Head of DEI Booking.com | Frontrunner (level 4)



DEI Tech During Early Growth Stages

Maximizing Impact with DEI Software

Leveraging DEI software significantly boosts an organization's DEI efforts - around 47% of established companies are already doing so. it's never too late to adopt, especially for start-ups and scale-ups. Even early on, integrating tools to gather demographic data, track DEI progress, and support unbiased recruitment can make a high impact at a low cost.



DEI software platforms offer a suite of features, ranging from demographic data collection to tracking DEI goal advancement and enabling fair recruitment practices. These tools empower companies to streamline diversity data gathering and effectively monitor progress using DEI metrics, ensuring a more inclusive and equitable workplace environment.

How to Get Started: Involve Tech Leadership

Getting started with DEI technology isn't as tricky as you might think. To make DEI tech work, tech leaders are your go-to for supporting this.

Tech leaders think so, too. A recent Deloitte survey of around 400 tech leaders indicates that while the adoption of a comprehensive portfolio of solutions is currently low, leaders know tech-enabled solutions—a US\$100 million market and growing—have significant potential to achieve DEI outcomes.*

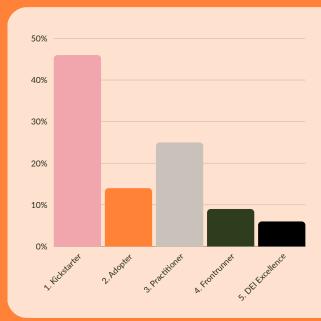
Their expertise in collecting, managing, and effectively reporting data will add value here. Aligned with the company's vision and business goals, their skills will also prove useful in rolling out solutions that span the full employee journey.

*Source: <u>Deloitte</u> 16

Stakeholder Involvement

Strategic Area

Getting everyone on board, from internal stakeholders (like employees) to external ones (like networks and communities), is crucial for building a truly inclusive culture. Their active involvement helps companies identify and address gaps more effectively, fostering a stronger sense of ownership and commitment that leads to lasting results. Additionally, involving stakeholders who are most effected by DEI practices provides a diverse range of perspectives, going beyond the value added at the executive level.



Stakeholder DEI Maturity Average: Adopter (level 2)

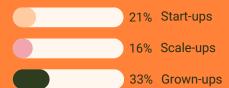


Many companies are in the early phases of involving key stakeholders in their DEI initiatives, highlighting a missed opportunity for tapping into valuable insights.

To progress, companies should engage their employees more in their DEI strategies and extend their outreach to communities and networks from diverse groups to broaden their perspective. Additionally, seeking guidance from external DEI experts can provide valuable insights to fine-tune their strategies for more impactful results.

Engaging Vital Stakeholders in DEI Efforts

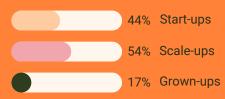
Only 23% Report DEI Initiatives & Outcomes



Only 23% of companies fully report on DEI initiatives and outcomes to their employees, potentially hurting trust and engagement with one of their biggest stakeholders. However, larger companies state to be better at keeping their employees informed about DEI-related topics.

Regular updates build trust, foster employee involvement, and strengthen company culture, making this a topic all companies should keep an eye on.

40% Lack Diversity in their DEI Strategies



The DEI Scan data shows that 40% of companies reported that they don't include employees from diverse groups in creating or improving their DEI strategies. Notably, only 17% of grown-ups indicated a lack of involvement from these communities, spotlighting a higher level of inclusivity among established companies.

It's essential to address this disparity as it could impede diversity efforts and restrict the range of perspectives and ideas contributing to DEI progress and innovation.

"At Settly, our mission is to create a world where everyone feels at home, starting with our people and our culture. Since launching in 2019, we've prioritized consulting DEI experts to refine our practices. We created HR Insights, a community for HR and People leaders to share and learn from each other. In the community DEI quickly became a core topic, providing an invaluable sounding board that has driven continuous improvement.

Our team fully embraces DEI, supporting initiatives like partnerships with relevant programs, addressing biases in recruitment, and regularly revisiting our purpose and responsibilities. We proactively seek individuals with unique perspectives. For instance, our collaboration with Hack Your Future, which trains refugees to become developers, has brought many talented individuals into our team, enriching both our culture and product. With DEIB integrated into our vision and key company goals, aligning our efforts is seamless.

Engaging our employees and underrepresented communities is central to our DEI strategy. We utilize strong feedback loops to assess our progress. As our team grew from 15 to 50 people, including 30+ nationalities, fostering individual DEI awareness became vital. To navigate these challenges effectively, we brought in onsite experts whose insights have been instrumental.

Listening to our people is essential for understanding engagement, inclusion, and recognition processes. We cultivate a culture where feedback is freely given and ceremonies and traditions support DEI initiatives."

Marieke van Iperen CEO & Co-Founder Settly | Practitioner (level 3)



Embracing Diverse Insights for Inclusive Strategies

Regularly consulting external stakeholders in DEI strategy is essential for companies to stay informed about the needs of underrepresented groups and incorporate their valuable input into current practices.*



However, our DEI Scan reveals that over a quarter regularly engage with networks, partnerships, and communities from underrepresented groups. This lack of involvement represents a missed opportunity to tap into external expertise and diverse perspectives to enhance DEI efforts within the company.

How to Get Started

Ways you can explore this right within your company:

- Engage in open dialogue: Foster discussions that encourage sharing of diverse viewpoints and experiences.
- Seek mentorship across different backgrounds:
 Learn from colleagues with varied cultural, ethnic, or professional backgrounds.
- Participate in employee resource groups (ERGs):
 Join ERGs focused on diversity, such as those for women, LGBTQ+ individuals, or cultural minorities.
- Collaborate on cross-functional projects: Work with colleagues from different departments or teams to gain insights from diverse skill sets and perspectives.

A selection of valuable external resources:

- Diverse Leaders in Tech: Provides access to an intersectional community, facilitating collaboration among tech leaders.
- Omek: Supports inclusive recruitment and retention, helping companies gain a deeper understanding of bi-cultural talent
- Women in AI: Represents a global network aimed at advancing DEI in artificial intelligence
- Neurodiversity Network: Promotes inclusion of neurodiverse individuals, offering resources to create more inclusive workspaces

An overview of 120+ diversity in tech communities can be found <u>here</u>.

Systemic Change

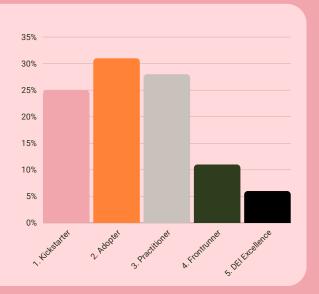
Strategic Area

Creating systemic change means putting in place structures and policies that guarantee everyone has fair opportunities in hiring, reward and career growth. From our DEI Scan results, it looks like most companies are at the Adopter level of Systemic Change. While many are focusing on unbiased hiring practices, they aren't quite there yet with unbiased promotion processes. Plus, less than a third regularly conducts pay equity audits.

Systemic Change DEI Maturity Average: Adopter (level 2)

0-0-0-0

Over half are in the early stages of implementing systemic change practices. To achieve DEI Excellence, it is essential to examine and standardize hiring, promotion, and performance processes to ensure they are unbiased. Engaging external experts and investing in technology can significantly boost these efforts.*





Reducing Bias with Structured Evaluations

39 percent of respondents say their companies have a structured process to evaluate employee performance. This approach is key to reducing biases and ensuring fair assessments.

Structured performance evaluations offer a consistent framework for all employees, minimizing subjective performance reviews, while allowing managers to better spot rising talent with a unified approach.



Equity in Promotions: Taking Action on Bias

Under a third of respondents report their companies have fully established processes to ensure unbiased promotion outcomes. This points to a clear opportunity for improvement.

To create true fairness in career advancement, companies must actively identify and remove impediments to diverse talent. By adopting unbiased promotion policies, all employees can access equitable opportunities for growth and success, solely based on merit.

"At Airbnb, DEI is a fundamental part of our values and has been woven into the fabric of our company since its inception. We believe that fostering a diverse and inclusive workplace is essential for our continued growth and innovation.

This commitment to DEI derives from our mission to ensure anyone can belong anywhere. This is reflected in our comprehensive support programs and initiatives that range from generous parental leave, personalized coaching, inclusive hiring processes, DEI training and flexible return-to-work options. Our "Airfinity" employee resource groups create spaces for employees from diverse backgrounds and allies to connect, support each other, and drive positive change within the company. We also actively partner with local organizations and leverage the Airbnb.org platform to further DEI initiatives in the communities we serve.

We have set ambitious goals for the future, aiming for 20% of our U.S. employees to be from underrepresented minorities and 50% of global employees identifying in the gender binary to be women by 2025. To ensure accountability, we link DEI goal achievement to individual performance reviews, including executive compensation. Since 2015, we have conducted annual pay equity analyses, demonstrating our unwavering commitment to fair and equitable compensation practices.

Rosa Dinnissen Public Policy Lead Airbnb | Frontrunner (level 4)



Exploring Opportunities for Growth

Addressing Pay Inequity: A Call to Action to Leaders



Pay inequity remains a pressing issue, with just 31 percent of companies reporting conducting regular audits to spot pay gaps - vital for ethical, competitive, and legal compliance. According to Glassdoor, companies neglecting pay audits often underperform, with a staggering 58 percent of employees saying they won't work for companies with a pay gap.*

Leaders have a responsibility to prioritize this to demonstrate their unwavering commitment to valuing their employees' contributions. Diminished employee morale, increased turnover rates, and reputational harm are just a handful of ways this can undermines organizational success.

Tactical Areas

Workspaces

In our DEI Scan findings, we've observed a notable trend: companies are shifting towards more flexible working conditions - remote work to name the most popular one. The pandemic was the spark towards this, spurring a lasting shift away from traditional office life. Coupled with advancements in technology, it's notably expanded job opportunities for individuals with diverse abilities and has played a significant role in boosting inclusion of neurodiverse talent into the workforce.



Percent of companies offering flexible working conditions



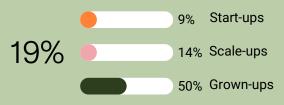
Percent of companies offering sensory-inclusive workspaces

Though onsite, companies are taking fewer steps to design more "sensory-inclusive" spaces. A newer concept, sensory inclusion refers to designing spaces and activities that consider everyone's comfort and physical needs. Light, noise, or other external stimulants are often factors taken into account here. To continue attracting and retaining neurodiverse talent, it's crucial for companies to take an organic approach to this, evolving their workspace strategies based on employees' needs.

Enablers

Established companies, often referred to as "grown-ups," are at the forefront of implementing Enabler DEI practices. They typically have robust structures like diversity councils, Employee Resource Groups (ERGs), non-discrimination policies, and Codes of Conduct firmly established. Our data shows the bigger the company, the more formalized these practices are.

Percentage of companies that have a diversity council and/or ERGs



Initiating these practices early on can drive meaningful change for start-ups and scale-ups, too. Establishing diversity groups empowers underrepresented employees to shape workplace inclusion, fostering a lasting, inclusive company culture as the business grows.

¹ Source: <u>LAtimes</u>

² Source: Sensoryfriendly

³ Source: McKinsey

Impact

Bridging the Gap: Validating DEI Efforts Across Stakeholders

Our DEI Scan revealed critical insights around company leaders and their perceptions about their DEI practices. Validating these perceptions with measurable evidence is essential, emphasizing the need to assess the true impact of DEI initiatives. This section explores three key findings that underscores the importance of having a solid validation process with clear KPIs to signal change.

Measuring Progress

Of the leaders surveyed, only a fraction have concrete evidence proving their company's progress in achieving their DEI goals. This disparity highlights a substantial gap between perceived success and measurable outcomes. It underscores the necessity of defining clear metrics and implementing robust tracking to validate their efforts.



20%

Impact within the Workforce

Just 1 in 5 leaders can show how DEI efforts employee satisfaction, leaving many in the dark about its true impact. Steps to tackle this are in Section 2.1 (Business). Setting up feedback channels, like surveys or town halls, can shed light here. Similarly, Section 2.3 (Data), analyzing demographic data linked to this feedback can uncover areas for improvement.

Initiatives beyond the Company

With only 14% of leaders able to show tangible evidence of external stakeholder satisfaction with DEI efforts, there is a clear opportunity for improvement. Implementing structured feedback loops will not only help in gaining recognition from external stakeholders but also enhance DEI initiatives for long-term success.



The findings from our DEI Scan underscore the importance of a data-driven approach in evaluating DEI efforts. Companies with higher DEI maturity levels consistently demonstrate stronger evidence to support their initiatives, both qualitatively and quantitatively. This highlights the critical need for tracking and validation processes no matter your stage of growth. For those without clear proof of their DEI impact, taking action now is crucial to improve their strategies effectively.

We recognize these challenges and are taking proactive steps to lead the way. Collaborating with thought leaders, relevant stakeholders, and our community, we're spearheading the development of a groundbreaking DEI Certification Program. Utilizing tech-enabled platforms and a robust framework, our goal is to support you in validating and tracking your progress to address your DEI challenges.

Join us in our commitment to foster inclusivity in the workplace. Visit our website to find out more.

Conclusion

The DEI Scan data emphasizes a clear need for companies at all stages of growth to integrate DEI into their core operations. This report offers insights tailored to support companies in achieving this integration effectively. Whether you're just starting or well into your DEI journey, adopting early practices, leveraging data effectively, and developing a robust DEI strategy are crucial steps to unleashing the full potential of a diverse workforce.

No matter your company size or growth stage, here are three actionable points you can implement today.

1. Adopt DEI Practices Early

Embrace early adoption of DEI practices for long-lasting impact. Start by:

- Incorporating DEI-related questions into interview processes.
- Reviewing job descriptions to ensure inclusivity.
- Using **software tools** to mitigate bias in recruitment.

Establish a Robust Data Foundation

Harness the power of data and DEI software tools to drive progress:

- Track basic DEI metrics, like demographics, for both current and prospective talent.
- Use data insights to make informed decisions, adding exponential value as your company grows.
- Embrace tech solutions as your secret weapon throughout all stages. Implement tools that measure DEI metrics, analyze demographic data and ensure unbiased hiring and promotion practices.

3. Define and Share Your DEI Strategies

Developing a formal DEI strategy is the key to success:

- **Define clear DEI goals aligned with overall business objectives**. Even a basic framework will provide direction and demonstrate your commitment to inclusive growth.
- Share DEI experiences and best practices with both internal and external stakeholders
 to accelerate DEI maturity. Taking a hive-mind approach with topics of this complexity
 will accelerate the DEI movement forward.

Collaboration, continuous learning, and the strategic use of technology will be your allies in this journey. Together, let's commit to making DEI a cornerstone of our industry, ensuring a thriving, innovative, and future-proof landscape for all.

Unlock More DEI Insights

Become a DLIT Member

Unlock access to host your personalized report when you become a member.

Including a detailed analysis of your data and more, members receive a Personalized Roadmap featuring a tailored action plan and timeline, empowering you to navigate your DEI initiatives effectively. Our in-depth analysis offers data-driven insights to enhance accountability, track progress towards DEI goals, and achieve measurable outcomes for DEI Excellence.

Visit our website to find out more.

Take the DEI Scan!

Fostering cultures rich in equity, inclusivity and a greater sense of belonging are just a few reasons why we've created the scan.

From recruitment to analytics, strategies, culture, people development, and more, the DEI scan provides insights into the five Strategic Areas outlined throughout this report.

Three reasons to do the scan:

- Quickly spotlight key areas of strengths and opportunities in improving DEI practices within your organization
- Gain insights on how your DEI performance matches up to other companies and industry leaders
- Receive data, including visual graphs and more, providing a deep dive on various DEI topics across the business

We've designed the scan to allow you to take the initial steps towards setting a strategic path towards DEI Excellence. Whether you're a start-up or scale-up with limited resources or a mature tech company with tools and experts in place, this is for you.

It only takes 15 minutes - ready to get started?



Research conducted by Diverse Leaders in Tech