



Four Ways to Get More from Your DEI Efforts

To BCG's network around the world,

I'm encouraged by how many companies have begun investing in formal diversity, equity, and inclusion (DEI) programs over the past decade. Because of that work, there's been some good progress—and that's important to note—but it hasn't been nearly fast enough.

A recent [BCG Executive Perspective](#) lays out how business leaders can rethink and broaden their approach and, in so doing, accelerate DEI and create lasting advantage.

An Urgent Need for Progress

More than 75% of workers around the world think of diversity as a critical factor when considering employment. And it plays a powerful part in keeping people in their jobs, too: “bias” and “lack of fair treatment at work” are two of the top three factors in the Great Resignation, according to the BCG Future Forum Pulse survey conducted late last year.

And while DEI is of huge importance when it comes to talent, leaders are also recognizing the edge it gives their business. A more diverse workforce—particularly in the leadership ranks—fosters greater innovation and more willingness to challenge the status quo, gateways to increased value and long-term advantage. DEI in the value chain is important, too, as it widens the supplier base, can lower costs, and promotes competition.

On top of all that, leaders are under increasing pressure from customers, investors,

and other stakeholders to accelerate progress and run truly diverse, equitable, and inclusive organizations.

Think Beyond Categories

What's holding companies back from faster, more comprehensive change is that their DEI programs tend to be too narrow and too limited. Especially now. Employees have lived through social movements, a global pandemic, and ongoing geopolitical uncertainty over the past two years. They've begun to expect their employers to act as agents of change, which means, in part, that companies have to make sure they're doing far more to improve DEI outcomes.

The most common approach to DEI is overly simplistic, putting people in boxes according to basic demographic categories and attempting to address their needs accordingly. In this way, companies overlook the full spectrum and overlap of people's identities—and, therefore, needs—losing out on the opportunity to drive greater happiness, retention, and motivation within the workforce.

Broaden Your Approach

So how can company leaders shift the mindset and expand their DEI approach? The Executive Perspective suggests four areas of focus:

- 1. Treat DEI as a “must have.”** DEI strategy should be embedded in business strategy, addressing the needs of employees, the broader business ecosystem, and the wider community. This requires sufficient investment, as well as links to the performance goals of all leaders and managers.
- 2. Broaden the impact on talent.** People aren't simple. It's important to recognize the complex web of employees' needs and develop nuanced solutions to emotional, as well as functional and technical, challenges.
- 3. Unlock business opportunities.** A focus on DEI can be a powerful driver of strategy, allowing companies to serve broader segments of customers and develop new and more inclusive products and business models. And seeking out diversity among suppliers amplifies the potential for advantage.
- 4. Use ESG expectations to drive change.** Leaders need to revisit their DEI KPIs—defining what good progress looks like—and connect those KPIs to broader business and societal impact goals. Taking bold, transparent action can make a real difference, too, such as by openly reporting progress, appointing a chief diversity

officer, and ensuring that senior leaders act as DEI champions.

Companies that take on a broader, multidimensional approach to this challenge will be equipping themselves with a powerful foundation for long-term strategic advantage—and improving the work lives of more people around the world. As leaders, it will also shape a core part of each of our legacies.

Until next time,



Rich Lesser
Global Chair

Further Reading



Rethink & Broaden Diversity, Equity, and Inclusion to Create a Competitive Advantage

Companies have increasingly implemented DEI programs over the past decade, but they've mostly been too narrow in focus and too limited in scope.

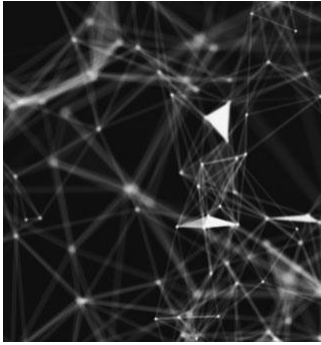
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