



# What Successful Companies Get Right About DEI

*How fast-growth businesses are using expertise, training, and technology to create and sustain effective DEI programs*

Social dynamics, a competitive hiring environment, and a burgeoning economy are accelerating the rate of adoption for diversity, equity, and inclusion (DEI) programs in businesses of all sizes. A recent survey from Paychex<sup>1</sup> found that four in five employers believe that creating a diverse workforce is very important, and that the common thread among successful DEI initiatives is cultivating the right expertise, training, and technology.

**The fastest-growing companies in the U.S. — the ones expanding at 10% or more annually — are embracing DEI programs most aggressively. They rely on experts to design DEI initiatives and on many different resources to attain program success.**

Our research helps to uncover how companies of all types are successfully establishing and rolling out their DEI programs. Highlights in this report reveal:

- How employee DEI priorities can impact hiring and retention
- The vital role of professional expertise in DEI program design
- Best practices for critical DEI program training and technology
- Essential sources to find the talent you need for DEI program success
- The critical support managers lean on to achieve program goals

<sup>1</sup>1,000 randomly selected respondents from U.S. companies with 10 to 500 employees.  
The survey was fielded from July 30, 2021 to August 22, 2021.

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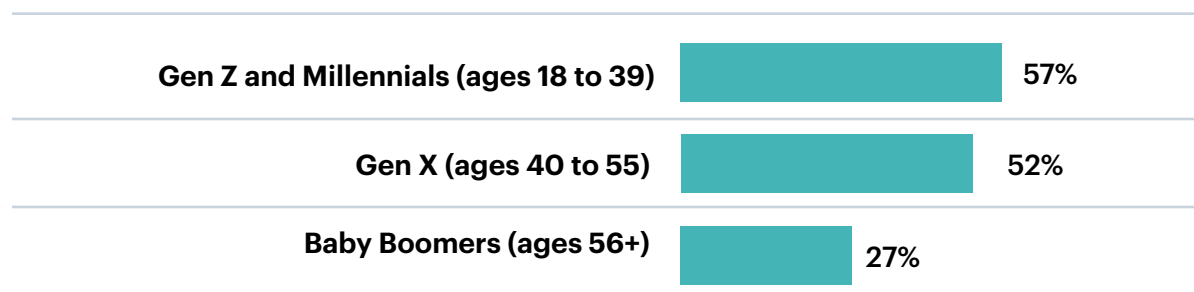
# DEI Program Results: What Drives Hiring, Engagement, and Success

The genesis for most DEI programs is good intention: More than half of all employers in the survey say they launched a DEI program because it was the “right thing to do.” The other top motivators for employers are:

1. Believing it necessary to recruit top talent
2. Wanting to add diverse views to a team to benefit the company
3. Meeting employee demand/requests
4. Keeping up with industry competitors
5. Needing it to apply for certain projects/contracts

In the fastest-growing organizations, the driving force for DEI comes right from the top. Business leaders from fast-growth companies are **2X as likely** as those in no-growth companies to say that working in a company with a diverse workforce is extremely important to them.

It’s important to understand how current and potential employees regard these programs. Our research reveals that younger employees place a premium on working at a company with a diverse workforce. There is a strong difference by generation; below is the percent of participants in each age group who say it is extremely or very important for them, personally, to work at a company with a diverse workforce:



**“We asked ourselves how we could make the best possible working environment without walking on anyone’s differences. A DEI initiative is the answer.”**

New York-based principal of an advertising/marketing agency (20+ employees)

**“The DEI program in our company helps us to boost morale of our workers by making them feel invested in the company.”**

Oregon-based principal of a retail company (250+ employees)

**“Our DEI program encourages our employees to show their true selves, which helps them strengthen their engagement in overall workflow and, ultimately, their productivity.”**

Tennessee-based principal of a financial services company (250+ employees)

Just over half of all employers in the survey — **54%** — said DEI initiatives have contributed to winning new business, such as government contracts. Eight in 10 companies report that their DEI program is having a positive impact on their company across these business metrics:

- Employee recruiting
- Employee engagement
- Employee productivity
- Quality of new hires
- Innovation
- Company revenue
- Employee turnover/retention
- Company profitability

Fast-growth companies experienced roughly **10% greater positive** impact from their DEI program across all metrics.



**“The innovation ability of the company has been greatly improved, and the employees have come up with many different ideas.”**

Indiana-based principal of a financial services firm (250+ employees)

**“Our organization saw an improvement in our employee relationship that benefits our company’s workflow and has also increased productivity.”**

Montana-based principal of a food/beverage/restaurant company (250+ employees)

**“Employees are happy and I have noticed a significant improvement in engagement and retention.”**

California-based principal of a pharmaceutical/medical device company (20+ employees)

**“Our competitiveness among other firms when presenting proposals to prospective clients has improved.”**

Arizona-based principal of a law firm (250+ employees)

**“Companies are reaping the benefit of having access to diverse points of view and drawing from a wide pool of talent. It’s an exciting time to embark or expand on inclusion strategies since you can build on the expertise of diverse employees and inclusive networks.”**

Dr. Thelá Thatch, DEI Manager at Paychex



# DEI Program Challenges: Maintaining Momentum and Measuring Wins

Program rollouts are not without obstacles. Ensuring that DEI initiatives apply to all levels of the organization — not just entry-level hires — is a challenge for many organizations.

Forty-four percent of companies surveyed are looking for ways to address this obstacle. Other top DEI challenges include:

- Finding the right resources to attract diverse candidates
- Measuring DEI program results
- Communicating DEI program goals internally and externally
- Changing company culture to embrace DEI
- Finding an internal DEI program owner/sponsor
- Obtaining budget

Fast-growth companies are almost **2X more likely** as slow-growth businesses to say they need to retool their hiring specifications to support a more diverse approach to hiring.



Despite some roadblocks, most employers with DEI programs have increased their commitment to these programs in the last 12 months, and next year will bring even more momentum:

- **60%** say they have made a significant or moderate increase in investment over the last 12 months.
- **67%** say they plan to make a significant or moderate increase in investment the next 12 months.

In the next 12 months, **77%** of fast-growing companies report that they plan a significant or moderate increase in their commitment to or investment in DEI.



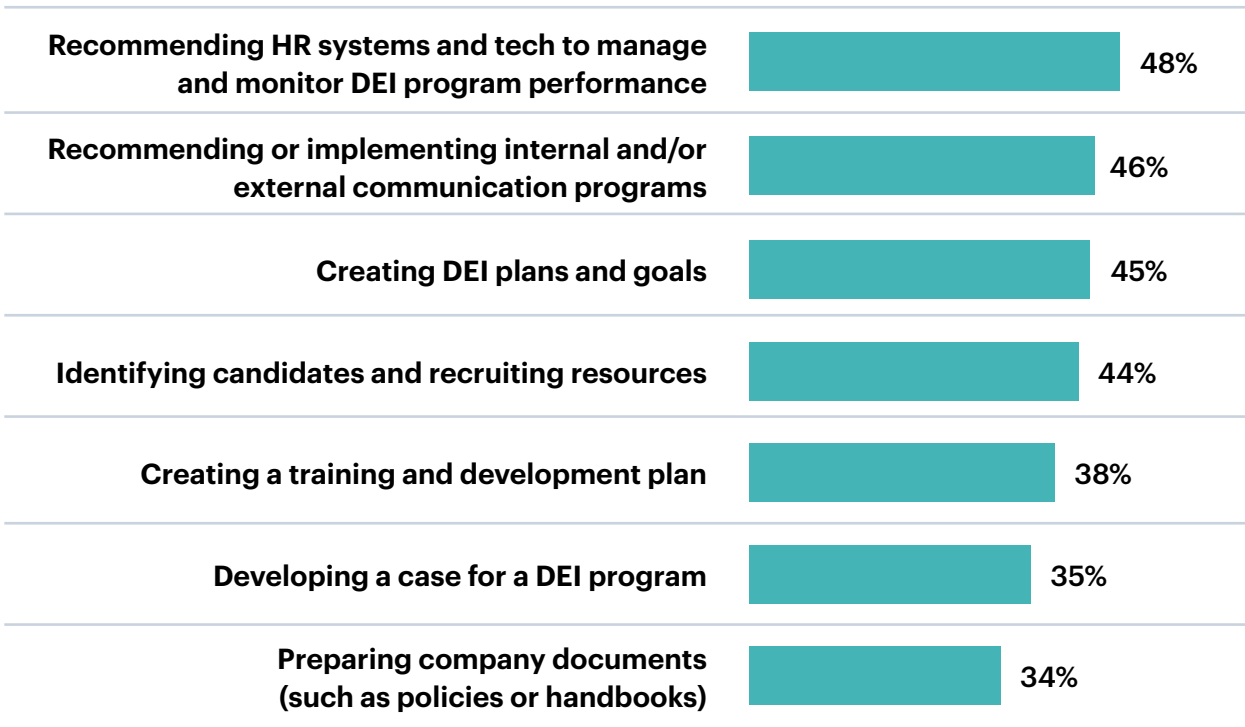


# DEI Program Implementation: Developing Policies and Plans That Work

Business leaders agree that leaning on experts and seasoned peers to identify the right DEI resources and program support contributes to successful implementation.

## Finding Key Resources

Fifty-five percent of business leaders with a DEI program have used an HR consultant to set goals, structure a program, and roll it out. Specifically, HR experts have helped with:



Fast-growth companies are **33% more likely** to have used an HR consultant to implement the HR elements of their DEI program.

These quickly moving organizations are also **48% more likely** than slower growing companies to have leaned on HR consultants for help when discovering new recruiting resources to help them find diverse candidates.

## Securing Technology

As programs roll out, survey respondents say they're leaning on technology to support company DEI initiatives in several ways, including:

- Offering an employee portal that provides DEI program guidelines
- Creating a mechanism for confidential conversations with HR
- Communicating and monitoring DEI metrics

**A key to DEI program success is to provide technology to facilitate responses to any human resources questions or guidance needed."**

Texas-based principal of a manufacturing/transportation/warehousing firm (100+ employees)

**"As your DEI program rolls out, your employees will have questions, reactions, and needs. Provide an easy way for them to find answers to their questions or get support when they are not sure how to handle a situation."**

Kentucky-based principal of a construction/contracting company (50+ employees)

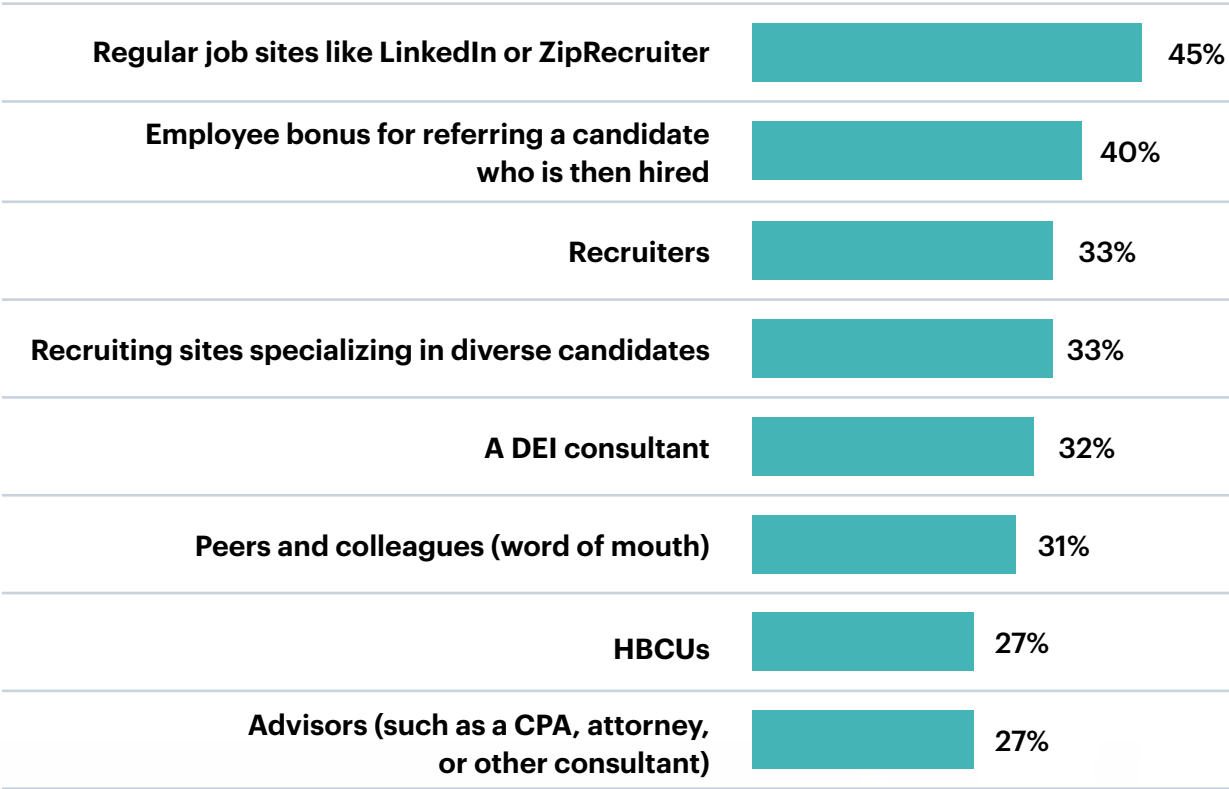
**"A successful DEI initiative begins with a strategic plan consisting of outlined goals, designated support for your teams, and tools to measure progress."**

Dr. Thelá Thatch,  
DEI manager at Paychex



# Finding Hiring Resources

Companies in our survey report that they have turned to a variety of resources and tactics to meet DEI program recruitment objectives, including:



# DEI Program Expansion: Offering Support and Leadership

Employers who have a DEI program in place report that they are making the following HR changes to sustain the success of DEI initiatives:

1. Providing support for work issues, such as adjusting to a new role or managing work responsibilities
2. Crafting a strategy to incorporate DEI into hiring, retention, management, and other company programs
3. Making an executive responsible for leading and sponsoring our DEI program
4. Offering training about bias and DEI
5. Creating systems to keep managers and employees connected
6. Getting help from an HR or DEI consultant to create a plan
7. Providing technology to facilitate responsive and confidential communications on HR-related questions





Internal company stewardship is an important factor when it comes to DEI initiative development. According to our survey, program champions tend to be a member of senior leadership within their organizations, and this structure will remain the same in the coming year:

**60%** of employers with DEI programs said a senior manager – such as the CEO, president, or a partner – oversees corporate DEI initiatives.

**17%** of employers said there is a senior executive dedicated to the task, such as a diversity officer.

**18%** of employers said their head of HR is in charge of managing DEI initiatives.



**“DEI training is essential. Your managers need skills training to learn how to support everyone on their team with DEI-appropriate language, behavior, and problem-solving. Training should be at all levels of management, focused on adopting DEI mindset and practices.”**

New York-based principal of a law firm (100+ employees)

Fast-growing companies are at least **2X as likely** as slower-growth companies to adopt the following HR changes as part of a DEI program:

- Making an executive responsible for leading and sponsoring a DEI program
- Crafting a strategy to incorporate DEI into hiring, retention, management, and other company programs
- Offering training about bias and DEI
- Offering an online portal for employees to access important DEI guidelines and documents
- Providing technology to facilitate responsive and confidential communications on HR-related questions



**“Listen to employees and also make it clear that this is a company policy; that you are committed to a diverse workforce and view all employees as equal.”**

Pennsylvania-based principal in a banking/ insurance/mortgage company (100+ employees)

## Summary

DEI programs are transforming the workplace by adding depth and breadth to company leadership, teams, and even vendors. Four in 10 companies surveyed report that their program applies to hiring, training, and promotion, as well as vendor selection and usage. As these initiatives expand their scope and reach, the expertise, training, and technology essential for getting it right will be more important than ever before. If there's anything business leaders can learn from fast-growing companies, it's that embracing DEI programs has an impact that is felt positively throughout organizations, from the newest hire to the CEO and back again.





# About Paychex

Paychex, Inc. (NASDAQ:PAYX) is a leading provider of integrated human capital management solutions for payroll, benefits, human resources, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by 50 years of industry expertise, Paychex serves more than 710,000 payroll clients as of May 31, 2021 across more than 100 locations in the U.S. and Europe, and pays one out of every 12 American private sector employees. Learn more about Paychex by visiting [www.paychex.com](http://www.paychex.com), and stay connected on Twitter and LinkedIn.



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