

# Creating Responsible Business within the Context of Diversity, Equity, and Inclusion

A WORKPLACE WHITE PAPER

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# Introduction

The business case for Diversity, Equity, and Inclusion (DEI) has never been stronger. DEI is not merely a moral or social imperative; it is a crucial driver of business success. DEI encompasses various forms of diversity, including demographic; cognitive; functional- and gender diversity as well as intersectionality. Recent studies continue to demonstrate that companies with diverse and inclusive cultures outperform their peers. These dimensions collectively enhance the breadth of perspectives within an organisation, which is essential for effective problem-solving and innovation as collectives.

To cultivate truly inclusive workplaces, businesses must address systemic inequalities and ensure that all employees have equitable access to opportunities and resources. The distinction between equality and equity is important: while equality involves treating everyone the same, equity recognises that individuals have different circumstances and, as such, allocates the resources and provides the opportunities that are needed to reach an equal outcome. bp, in its global Sustainability Report 2023, defines equity as "fair treatment according to everyone's different needs & situations"1. This nuanced approach is particularly important in South Africa, where historical disparities continue to influence the socioeconomic landscape, necessitating intentional strategies to uplift underrepresented and marginalised groups.

Responsible business is about actively considering people, ethics, equity, and environmental impacts in order to create customer value. It is also about taking DEI seriously. In South Africa, where historical inequalities are still evident in the workplace, leaders need to embrace and implement responsible business philosophies, recognising their societal impact and aiming to benefit all stakeholders, not just shareholders. Promoting DEI not only addresses social injustice but also offers strategic advantages for companies and fosters economic progress for the nation.

This whitepaper emphasises the importance of DEI in fostering responsible businesses in South Africa, outlining the commercial benefits of a DEI-aware organisation. It consists of two major components. The first component discusses the essential leadership philosophies for promoting responsible business and highlights the role of women in leadership. The second component offers practical recommendations to enhance DEI strategies within organisations.

The paper also details the commercial advantages of DEI-aware organisations in two main sections: an exploration of key leadership philosophies necessary for promoting responsible business with a focus on women in leadership roles, followed by practical recommendations for improving strategic practices of DEI within organisations.

<sup>1</sup> bp (2023) bp Sustainability Report 2023

# Leadership Philosophy

## The Role of Responsible Business

In South Africa, businesses play a critical role in advancing DEI both within their entities as well as in society. South Africa's Gini coefficient, at 63.0, makes it the most unequal nation on earth, highlighting the stark income disparity between the richest and the poorest<sup>2</sup>. The Department of Labour's 2023 Employment Equity Report reveals that only 23.5% of top management positions are occupied by Black leaders, despite the fact this group comprises the majority of the population<sup>3</sup>. The representation of women, particularly Black women, in leadership roles remains similarly disproportionate. Female representation in the private sector is notably low at 25.3% in top management, compared to 36.9%

in the public sector. Women account for under 3% of CEOs of JSE-listed companies4. These figures underscore the urgent need for more inclusive leadership. The Global Gender Gap 2024 Insight Report ranks South Africa 113th in wage equality, 107th in earned income, and 79th in literacy rate disparities among genders among 146 nations<sup>5</sup>. Addressing these disparities is essential for economic growth and a more inclusive national economy. Additionally, significant improvements are needed in other DEI areas, including disability, sexual orientation, and intersectionality.



<sup>&</sup>lt;sup>2</sup> World Population Review (2024) Gini Coefficient by Country 2024

<sup>&</sup>lt;sup>3</sup> South African Department of Labour. (2023). Employment Equity Report. Department of Labour, Republic of South Africa.

<sup>&</sup>lt;sup>4</sup> Comins, L. (2023). South Africa's gender pay gap leaves women behind. Mail & Guardian. Aug. 28.

<sup>&</sup>lt;sup>5</sup> Kali Pal, K., Piaget, K. & Zahidi, S. (2024) Global Gender Gap 2024 Insight Report. World Economic Forum, Jun. 11.



## The Business Case for Diversity, Equity, and Inclusion

Organisations that actively implement DEI practices are more attractive to top talent, especially among younger generations. Accenture, a leader in advising on responsible business practices within the DEI framework, has published findings indicating significant benefits for DEI-focused firms. A 2022 report revealed that companies with robust DEI commitments are 3.5 times more likely to financially outperform their peers6. Accenture's 2020 publication, Getting to Equal 2020 - The Hidden Value of Culture Makers, showed that strong DEI initiatives correlate with increased employee engagement and loyalty, thereby driving innovation and long-term success<sup>7</sup>. Their 2019 report highlighted that companies embracing DEI not only boost innovation and performance but also see improvements in employee retention, reputation, stakeholder trust and cultivating an inclusive organisational culture8.

Other leading research also underscores the business advantages of promoting DEI. EY's Belonging Barometer 3.0 reveals that 73% of Generation Z and 68% of Millennials prefer employers who emphasise DEI9. McKinsey & Company reports that companies with high gender diversity are 25% more likely to financially outperform their peers, and those with greater ethnic and cultural diversity are 36% more likely to surpass average profitability levels<sup>10</sup>.

A diverse workforce enhances market understanding and customer loyalty, driving business sustainability and growth. Ignoring disadvantaged groups risks perpetuating inequality and jeopardising business success. Failing to address disparities can alienate essential members of the workforce as well as consumer segments, leading to decreased innovation, lower morale, and reduced competitiveness. Conversely, businesses that champion DEI promote social justice and economic inclusion, contributing to a nation's socio-economic advancement.

"In the rapidly evolving landscape of global commerce, it is increasingly clear that a commitment to responsible business practices and the principles of DEI is not just beneficial, but imperative for sustainable growth. Companies worldwide, including those in South Africa, that integrate these values into their core operations are poised to drive innovation, attract and retain exceptional talent, and secure a competitive edge. More than ever, businesses hold a pivotal role in advancing societal development by cultivating equitable work environments and positively influencing the communities we are privileged to serve."

<sup>6</sup> Accenture. (2022). The Business Case for Diversity and Inclusion: Driving Innovation and Financial Performance

Accenture, (2020). Getting to Equal 2020: The Hidden Value of Culture Makers.

<sup>&</sup>lt;sup>8</sup> Accenture. (2019). Equality = Innovation: Getting to Equal 2019: Creating a Culture that Drives Innovation

EY (2023) Belonging Barometer 3.0

<sup>&</sup>lt;sup>10</sup> Hunt, V., Prince, S., Dixon-Fyle, S., & Yee, L. (2020). Diversity wins: How inclusion matters. McKinsey & Company.

## 2.3) Promoting DEI By Enhancing Inclusive Leadership, Affiliation and Belonging

According to Beach and Segars (2022) in the MIT Sloan Management Review, adopting a values-based approach to DEI is crucial for conscientious businesses aiming for sustainable success<sup>11</sup>. This strategy incorporates DEI into core company values and decision-making, enhancing business performance and revenue. The authors propose the Values/Principles Model (VPM), which emphasises four key values: representation, participation, application, and appreciation. They outline seven guiding principles to support this model, including building a moral case, encouraging critical inquiry, developing new mental models, adopting entrepreneurial leadership, ensuring accountability, being ambitious, and expanding boundaries. However, research cautions that DEI initiatives can be counterproductive if not aligned with appropriate leadership philosophies, as some efforts may inadvertently increase bias and inequality<sup>12</sup>.

This whitepaper aims to guide leaders in DEI efforts by recommending three additional philosophies to complement the existing findings from scholars and practitioners.

Firstly, the success of any organisation is highly dependent on its leadership style. Leaders of responsible businesses must embrace and practise inclusive leadership. Inclusive leadership can be defined as leadership processes that promote experiences of inclusion among followers. This style of leadership extends beyond mere behavioural training. Rather, it encompasses a dynamic, relational process where leaders apply their understanding of diversity dynamics to meet their team's needs and to promote inclusive collective-level interactions within a diverse workplace<sup>13</sup>.

"On the topic of Inclusion and Diversity, to truly make a difference that has a lasting impact, we need to create a shared vision, collaborate and solve challenges impeding gender equality together. We must cultivate psychological safety that enables speaking up more in our communities, workplaces & other spaces where everyone from both private and public sector are present. In my experience, we move the dial when we each commit, and we are intentional through our actions we speak up when we see unfair practices like bullying of women. We check our bias at the door like mothers can't commit to high demanding leadership roles. Enable and support the progress of women through leadership development programs. Collaborate with others to promote allies to accelerate progress."



<sup>11</sup> Beach, A. A., & Segars, A. H. (2022). How a values-based approach advances DEI, MIT Sloan Management Review, 63(4), 25-32,

<sup>12</sup> Hellerstedt, K., Uman, T., & Wennberg, K. (2024). Fooled by diversity? When diversity initiatives exacerbate rather than mitigate bias and inequality. Academy of Management Perspectives, 38(1), 23-42

<sup>13</sup> Nishii, L. H., & Leroy, H. (2022). A multi-level framework of inclusive leadership in organisations. Group & Organisation Management, 47(4), 683-722.

Inclusive leadership correlates strongly with improved employee engagement and retention, both essential for sustaining productivity and morale. Research by Groysberg and Connolly (2019) in the Harvard Business Review demonstrates that inclusive leaders effectively foster trust and collaboration among diverse teams<sup>14</sup>. Additionally, a 2022 academic meta-analysis reviewing 184 independent studies confirmed that inclusive leadership positively impacts organisational outcomes, notably by enhancing task performance, amplifying employee contributions, and boosting innovation<sup>15</sup>. Accenture's report also shows that companies with inclusive cultures are six times more likely to innovate and twice as likely to achieve or surpass financial goals. Furthermore, inclusive leadership bolsters societal resilience and decision-making. Heidrick & Struggles (2021) indicate that organisations with inclusive leaders are more agile and foster greater trust among stakeholders, which is crucial in volatile environments<sup>16</sup>.

In today's business landscape, inclusive leadership has evolved from an ethical obligation to a strategic imperative. As organisations confront challenges such as geopolitical instability, climate change, social unrest, and economic uncertainty, adopting a resilient and adaptive leadership style that prioritises DEI is critical. In South Africa, addressing the enduring impacts of apartheid is particularly essential, with an emphasis on promoting Black and female leadership to drive sustainable growth and enhance social cohesion. Cultivating inclusive leadership at all organisational levels not only strengthens workforce resilience but also spurs innovation and advances social equity. In this era of permacrisis, leaders must demonstrate the necessary courage to do the right thing by upholding DEI principles and inspiring their teams to do the same<sup>17</sup>.

Secondly, leaders must cultivate a sense of affiliation among all stakeholders. Affiliation refers to the psychological connection employees feel towards the organisation's values and priorities, which motivates them to commit as well as to contribute effectively. This deep sense of connection fosters a shared ownership of DEI objectives, enhancing collaboration and breaking down silos within the organisation. Moreover, a strong sense of affiliation boosts employee retention and fortifies the organisational culture, making it attractive to diverse talent and conducive to innovation.

Setting ambitious standards and fully engaging all members of an organisation are important for the success of DEI initiatives. A shared commitment to DEI, aligned with the organisational purposes, strengthens relational contracts across stakeholders, enhancing their contributions and fostering a harmonious environment. This collective buy-in not only improves stakeholder relationships but also ensures that contributions are seen as valuable and likely to be fairly rewarded, driving the firm's overall success<sup>18</sup>. DEI efforts extend beyond top-down directives and require a unified effort from all employees to integrate these principles into daily operations, thereby avoiding the perception of DEI as an issue for HR or for leadership to address. This collective approach enhances collaboration, dismantles silos, and fosters an inclusive culture where diverse perspectives are leveraged for innovation and problem-solving. Such an environment encourages

"As leaders, it is imperative that we align our team with our DEI goals to foster a true sense of belonging. When employees deeply feel that they are affiliated with our mission and see their values reflected in our objectives, their engagement, performance, and citizenship increase. This shared purpose is crucial for driving sustainable change and creating a workplace where everyone feels valued and empowered. Our commitment to DEI extends beyond initiatives; it aims to cultivate an environment that empowers each individual to thrive and helps position our nation as a globally respected leader."

Hamlet Morule Executive Head: Communications & External Affairs, bpSA

employees to assume responsibility and actively participate in the organisation's objectives, further embedding DEI into the corporate fabric.

Advancing DEI within an organisation extends beyond simple topdown mandates; it requires a unified effort from all members of staff. A robust affiliation between the employees with respect to DEI initiatives will encourage them to take personal responsibility and actively contribute to the collective and collaborative success of these efforts<sup>19</sup>. This approach of collective responsibility ensures that DEI principles are embedded into daily operations, thereby avoiding the perception that these are concerns exclusive to Human Resources or senior management.

Ensuring that employees feel deeply connected to DEI efforts is essential in translating organisations' initiatives into visible behaviours and in creating a psychologically safe workplace, leading to lasting impacts and success in DEI endeavours. Furthermore, this sense of affiliation enhances collaboration amongst employees and fosters agility and innovation<sup>20</sup>.

Thirdly, while diversity and inclusion remain an important focus, there has been a noticeable shift toward enhancing belonging in the workplace in recent years. Research indicates that fostering a sense of belonging can significantly boost job performance by 56% and reduce turnover risks by 50%. Moreover, employees with a higher sense of belonging are 167% more likely to recommend their company to others, receive twice as many raises, and are promoted 18 times more frequently, highlighting the direct correlation between belonging and key business outcomes<sup>21</sup>.

Groysberg, B., & Connolly, K. (2019). Great Leaders Who Make the Mix Work. Harvard Business Review, 97(2), 72-82.

Li, X. (2022). Inclusive leadership and employee outcomes: A meta-analytic test of multiple theories. In Academy of Management Proceedings (Vol. 2022, No. 1, p. 16089).

Heidrick & Struggles. (2021). Leading Through Crisis: The Importance of Inclusive Leadership

Chen, J.Y.-J. and Duggan, A. (2023) Why courageous leadership is needed for the time of permacrisis, CEOWorld Magazine. Apr. 29.

Henisz, W. J. (2023). The value of organisational purpose. Strategy Science, 8(2), 159-169.

Jackson, C. L., Colquitt, J. A., Wesson, M. J., & Zapata-Phelan, C. P. (2006). Psychological collectivism: A measurement validation and linkage to group member performance. Journal of Applied Psychology, 91(4), 884-899.

Hill, L. A., Brandeau, G., Truelove, E., & Lineback, K. (2014). Collective Genius: The Art and Practice of Leading Innovation.

Belonging extends DEI initiatives by ensuring that employees not only have a seat at the table but also feel valued, comfortable, and heard. This transformation of inclusion into a lived experience promotes psychological safety, where employees can freely express their thoughts and concerns without fear of backlash. This environment supports open dialogue, the sharing of diverse perspectives, and authenticity, which are vital for effective collaboration and innovation. Additionally, belonging enhances mental and emotional well-being, reducing feelings of isolation, imposter syndrome, and stress. By improving job satisfaction and reducing burnout and absenteeism, fostering belonging is essential for sustaining a healthy, productive workforce.

In short, merely focusing on diversity, equity, and inclusion can be insufficient. It is critical to incorporate a sense of affiliation with DEI objectives and to foster a culture where individuals genuinely feel a sense of belonging. Leaders of all levels must embrace inclusive leadership to integrate the principles of diversity, equity, inclusion, affiliation and belonging effectively. The essence of these philosophies is Ubuntu, which highlights the essential human connection and shared existence. By supplementing these philosophies with DEI principles, organisations can enhance diverse collaboration, mutual respect, organisational justice, and both employee engagement and organisational success. This whitepaper therefore recommends that leaders adopt the following perspective in guiding the success of DEI initiatives (Figure 1).



Figure 1 - Structured outlook on DEI initiatives



## Empowering Women in Leadership

To be a powerful woman means to have the possibility, the right and responsibility to make choices that better oneself and better one's

Creating equality across various forms of diversity within companies is vital. However, prioritising the promotion of women into leadership positions has been identified as a particularly effective strategy to enhance DEI in organisations. Women are often at the forefront of inclusive leadership, bringing distinct qualities and approaches that are essential for fostering diverse, equitable, and inclusive workplaces. Research consistently shows that women leaders are more likely to adopt collaborative and empathetic leadership styles, which are key to creating environments where all employees feel valued and heard. This leadership style is not just anecdotal; studies support the idea that women excel in inclusive

leadership roles, leading to better outcomes for organisations. In 2020 McKinsey found that companies with more than 30% women executives were more likely to outperform companies where this percentage ranged from 10% to 30%, and in turn these companies were more likely to outperform those with even fewer women executives, or none at all. Furthermore, the research found that the most gender-diverse organisations performed 48% better compared to the least gender-diverse organisations.<sup>22</sup>This is largely because women leaders prioritise diversity and inclusion initiatives, ensuring that diverse perspectives are integrated into decision-making processes. This focus not only drives innovation but also improves employee engagement and retention, contributing to overall organisational success. A 2020 report by the International Labour Organisation found that companies with higher levels of gender diversity were 15% more likely to achieve above-average financial  $returns^{23}$ .

Women leaders often demonstrate a higher attunement to communication and emotional intelligence, which is critical in managing diverse teams. Women leaders are more likely to engage in inclusive behaviours such as seeking out diverse viewpoints, mentoring underrepresented employees, and fostering a culture of trust and respect. Empowering women in leadership is also important for social progress, particularly in the context of DEI.

Carr, E. W., Reece, A., Kellerman, G. R., & Robichaux, A. (2019). The value of belonging at work. Harvard Business Review, 16.

Dixon-Fyle, S., Hunt, V., & Prince. S. (2020) Diversity Wins: How Inclusion Matters. McKinsey & Company. May.

International Labour Organisation. (2020). Women in Business and Management: The Business Case for Change.



However, despite the critical role women play, they remain underrepresented in leadership positions both in South Africa and across the African continent. bp has recognised that changing this underrepresentation by women in leadership requires intention and the organisation is therefore working towards transformative goals. Since 2012, bp has benchmarked and measured women representation in group and senior leadership positions. In 2022, 55% of bp's global leadership team were women, and by 2023, this had risen to 64%. This is but one example of progress over time as a result of active intention.

Placing women in leadership roles not only demonstrates a company's commitment to inclusion but also has a broad positive impact on diversity throughout the organisation. Such promotions serve as powerful examples, creating role models for future generations and encouraging a diverse array of talent to aspire to leadership positions. This strategy is instrumental in establishing a reservoir of potential future leaders, essential for the sustained growth and evolution of any organisation. As Sheryl Sandberg, former COO of Meta, put it, "We need women at all levels, including the top, to change the dynamic, reshape the conversation, to make sure women's voices are heard and heeded, not overlooked and ignored."

"There are multiple reasons why empowering women in leadership roles is beneficial for the entire company, as it further cascades down the organizational structures. Studies show that having women leaders is linked to greater creativity, improved problem-solving, and better financial performance, as diverse teams bring a range of perspectives and skills to the table. Representation of women in top leadership positions is crucial not only for reflecting societal diversity but also for inspiring other women to aspire to similar roles, fostering a culture of inclusion that permeates throughout the organization. Moreover, from a social justice perspective, promoting gender diversity in leadership ensures that the full talent pool is utilized, giving equal opportunities to all, which is essential for equitable and sustainable organizational growth."

Prof Anna Maria Gorska Director: Women and Diversity Research Center, Kozminski

# Strategic Practices

In order to make significant DEI progress leaders are advised to adopt strategic practices that go beyond superficial gestures. This whitepaper discusses DEI initiatives across four distinct but complementary layers. By adapting these recommendations to

align with the specific context of their organisations and by creating synergies around the initiatives, leaders can effectively embed DEI into the core of their organisational culture and daily operations.

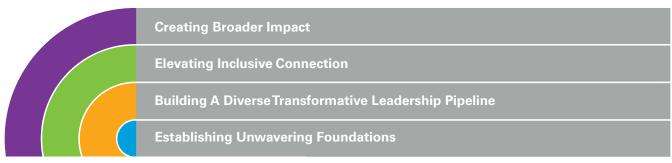


Figure 2. Four synergistic layers of DEI efforts

# Establishing Unwavering Foundations

## **Re-evaluating Policies and Practices** with Future Orientation

Leaders must consistently reassess policies and practices with an eye on future readiness with respect to DEI endeavours. Integrating DEI into an organisation's strategic framework requires a focus on solid management practices, rigorous data analysis, and continuous improvement. The foundation of a successful DEI strategy lies in setting measurable goals that align directly with the organisation's objectives. Organisations should establish specific targets, such as attrition, performance, promotions, leadership pipeline, employment pipeline, pay equity, and inclusion, measuring improvement by a defined percentage within a set timeframe<sup>24</sup>.

It is recommended that companies embed DEI into their operational strategies, compliance frameworks, and talent management processes. As a foundation, firms should ensure compliance with both local and international DEI regulations. Regular audits of company practices and policies can identify and address any noncompliance issues. Engaging legal experts helps navigate complex regulatory landscapes, ensuring that DEI initiatives are not only effective but also legally sound. In this section, we lay out some recommendations for organisations.



## **Linking DEI to KPIs to increase Leaders' Accountability**

To ensure sustained commitment and progress, DEI objectives should be linked to key performance indicators (KPIs). Specific, measurable DEI objectives should be set for individuals and teams, and progress should be tracked consistently. This approach ensures that DEI is not just a peripheral concern but a core component of business strategy. Recognising and rewarding contributions to DEI through bonuses, awards, or public acknowledgment can further reinforce its importance within the organisation.

To effectively integrate DEI into an organisation's strategy, leadership accountability is essential. This involves setting measurable DEI goals related to increasing diversity in hiring, enhancing equity in promotions and pay, and fostering an inclusive culture where all employees feel valued. By embedding DEI objectives into leadership performance evaluations and tying them to specific metrics, organisations send a strong message that DEI is a central pillar of their strategic success<sup>25</sup>.

Accountability measures like frequent reporting, performance evaluations, and open discussions on areas for improvement

"As HR leaders, it is our duty to champion DEI as the cornerstone of modern business. In a diverse and interconnected world, especially here in South Africa, embracing DE&I is not just a strategy — it's essential for long-term success. Inclusive leadership requires more than implementing policies; it demands that we lead with empathy, listen without judgment, and act with courage. By creating cultures that address biases and empower diverse voices to shape decisionmaking, we unleash creativity and drive productivity across the organisation. DE&I is not merely a responsibility — it is the foundation upon which we build sustainable growth, resilience, and impact in today's ever-evolving business landscape. We must remember that organisations that fail to prioritize inclusion today will find themselves left behind in the future—because true innovation and progress are born from diverse minds and inclusive actions."

are essential for achieving DEI objectives. Regular updates and public sharing of DEI progress build trust and credibility within the organisation. Gathering feedback through surveys and focus groups is important for ongoing enhancement, providing insights into DEI initiatives and workplace culture. Implementing action plans from this feedback and communicating them to staff enhances transparency and shows a real commitment to DEI. Moreover, using data analytics helps pinpoint biases in hiring, promotions, and other HR activities, boosting DEI effectiveness.

Jourdan, L. (7). Metrics to measure your organisation's DEI progress. Harvard Business Review. May 23.

Zheng, L. (2023). To make lasting progress on DEI, measure outcomes. Harvard Business Review. Jan. 27.



## **Using Data to Inform and Monitor DEI Strategies**

Monitoring and evaluation are critical to the success of DEI strategies, with data-driven approaches increasingly essential today. Companies are leveraging advanced analytics to track progress, identify gaps, and make informed decisions, enabling a shift from anecdotal evidence to strategic, outcome-focused initiatives.

To sustain DEI momentum, organisations need to develop robust monitoring frameworks with regular assessments against established benchmarks, systematically collecting and analysing data to uncover disparities in recruitment, employee experience, and compensation. For example, bp tracks employee representation using data analytics and ensures that this data is refreshed on a monthly basis26. Breaking down the DEI journey into actionable steps with clear milestones, along with continuous policy reassessment, ensures alignment with organisational objectives and evolving societal norms. By integrating data-driven decision-making with ongoing policy evaluation, organisations can optimise their DEI strategies for sustained, meaningful outcomes. By combining quantitative metrics, such as diversity ratios and retention rates, with qualitative measures like employee satisfaction surveys and incident reports, organisations can gain a comprehensive understanding of their DEI progress27.

The implementation of DEI strategies should be anchored in detailed, data-driven planning. Cross-functional teams, comprising members from various departments and external experts, are essential to the development of policies that address potential challenges from multiple perspectives.



"Our challenge for 2024 and beyond is to build on the progress we have made to date. For example - by extending some of our most successful programmes beyond the US and UK into other key territories, including India, Singapore, China and Malaysia. And at the same time, leveraging the data insights from our Self-ID campaign to increase our support for more colleagues in minority groups worldwide."

SVP engagement, people & culture, BP



## **Upholding Organisational Justice**

"When employees feel that they are being treated fairly, they are more productive. There is a strong correlation with employee productivity and company profitability. Thus, if a company isn't solely motivated by its moral compass to support organizational justice, perhaps a company can find strategic justification via a financial outcome."

Robins School of Business, University of Richmond

Organisational justice is important for fostering a fair and inclusive workplace. However, the pursuit of justice within DEI efforts can sometimes lead to contentious situations if not managed carefully. For instance, there may be instances where DEI policies are misused by employees to justify low performance or to advance personal agendas under the guise of equity. Such misuse can undermine the integrity of DEI efforts and create divisions within the organisation. To prevent this, DEI policies need to be implemented with the utmost transparency and all decisions related to DEI should be based on objective, clearly defined criteria. To uphold the integrity and effectiveness of DEI endeavours, it is crucial to maintain impartiality throughout the organisation, ensuring that no particular group is favoured. Achieving organisational justice within DEI efforts demands a nuanced strategy that champions equity and actively addresses any unfair practices. This approach is essential for cultivating a workplace where all employees have the opportunity to prosper based on their merit and contributions. It is imperative that we commit more resources to establishing robust guidelines that gauge the success of DEI initiatives in transforming an organisation's culture. Our goal is to shift from a culture that merely symbolises marginalised groups and tolerates authoritative biases by certain individuals, to one that genuinely embraces inclusivity and equips all individuals for success.28

bp (2023) bp Sustainability Report 2023

Pinkett, R. (2023). Data-driven DEI: The tools and metrics you need to measure, analyze, and improve diversity, equity, and inclusion. John Wiley & Sons.

Zwahlen, C. & Li, I. (2021) Getting to the truth of DEI program effectiveness with 'organisational justice. Chief Learning Officers, Nov. 22.

## 5

### **Supporting Employee Resource Groups**

Employee Resource Groups (ERGs) promote DEI and foster a sense of community and belonging among employees. These groups, focused on various aspects of diversity such as race, gender, sexual orientation, and disability, provide platforms where employees can connect, share experiences, and receive support, thereby enhancing personal and professional development. ERGs also play a vital role in amplifying the voices of underrepresented groups, offering a structured environment for them to share their perspectives and advocate for their needs. This engagement can lead to more informed decision-making and policies that better reflect the diverse needs of the workforce, while also driving cultural change by raising awareness of DEI issues and promoting allyship<sup>29</sup>. Reverse mentoring - where younger employees mentor senior staff on topics like technology and social media- provide leaders with diverse perspectives. Regular training sessions on unconscious bias, cultural competency, and inclusive leadership, are vital to



## **Learning from Successful DEI Initiatives**

This recommendation might initially appear to be of minor significance. However, by drawing insights from other DEI initiatives, and adapting these lessons to fit the specific contexts of their organisations, leaders can prevent a narrow-minded perspective and expand the worldviews of their employees. In the recently published "Diversity, Equity and Inclusion Lighthouses 2024" report<sup>31</sup>, the document provides critical lessons that have been distilled from various successful DEI programs and disseminates them to business and public sector leaders across the globe. These insights, while universally applicable, hold particular relevance for leaders in South Africa who seek to customise these strategies to address local needs and challenges effectively. Adopting such a tailored approach does not merely increase the efficacy of DEI strategies but also cultivates a more inclusive and empathetic corporate culture. Furthermore, numerous local success stories highlight the potential of these strategies to serve as blueprints for significant DEI transformation within organisations. By examining and implementing these proven strategies, leaders can foster environments that are not only diverse and equitable but also environments in which inclusivity is a celebrated norm.

ensure that the leadership pipeline is inclusive and diverse. Promoting diversity within leadership reflects the organisation's commitment to equity and brings with it varied perspectives. As part of its Accessibility Business Resource Group (BRG), bp and its employees have created a Neurodiversity group which piloted a reverse mentoring programme to "help senior leaders understand the challenges that neurodivergent colleagues face at work and how (bp) can support them"30.

Supporting ERGs requires resources, leadership backing, and visibility within the organisation. This includes budget allocation, professional development opportunities, and ensuring that ERG leaders participate in organisational strategy and DEI discussions. Well-supported ERGs contribute to the overall DEI strategy by identifying barriers to inclusion and proposing solutions. ERGs offer a sense of belonging as well as providing leadership, mentorship, and growth opportunities. They also serve as valuable feedback sources for firms and allow for collaboration with leadership for the development of programmes, events, and policies that promote DEI, ensuring that these efforts are informed by the lived experiences of employees. Ultimately, building and supporting ERGs is a strategic approach to creating a more inclusive and engaged workplace in which all employees can thrive.

"When companies think about including diversity, equity and inclusion (DEI), they often think they need to start with a blank slate. DEI facilitates an environment that builds inclusion and belonging. It is not about introducing new systems or processes, but about seeing and hearing the people who are already in the company. Many other companies have introduced successful DEI processes therefore they could be adapted to new contexts. Leadership has to define what people need in their organisations, introduce new ways of hearing, seeing, valuing and including their people and DEI will take root. Like any innovations, DEI does not have to reinvent the wheel, it just needs to be tweaked to drive a new inclusive culture in organisations."

Catalino, N., Gardner, N., Goldstein, D., & Wong, J. (2022). Effective employee resource groups are key to inclusion at work. Here's how to get them right. McKinsey, December, 7.

bp (2023) bp Sustainability Report 2023

World Economic Forum DEI Lighthouse Programme (2024). These companies are successfully scaling up Diversity, Equity and Inclusion (DEI) initiatives across the globe, World Economic Forum, Jan 8.



# Building A Diverse Transformative Leadership Pipeline

To create a truly inclusive workforce, organisations must address diversity and inclusion at every stage of the employee lifecycle: hiring, retention, promotion, and building a leadership pipeline. Each of these areas requires intentional strategies to ensure that DEI is deeply embedded in the organisation's culture and practices.

### **Improving Hiring and Retention Tactics**

Creating an inclusive hiring process goes beyond merely broadening candidate pools; it requires deliberate strategies to mitigate biases and promote fairness. Companies should utilise platforms like diversity-focused job boards, professional associations, and community organisations to access a wider range of candidates. Collaboration with groups that focus on underrepresented communities is also important to tap into diverse talent networks. For instance, diversity-focused job fairs and networking events can serve as rich sources of potential candidates. As recruitment processes increasingly incorporate Alenabled tools, there is a risk that these systems may inadvertently filter out highly qualified candidates. Implementing practices such as blind screening, where personal information is omitted from resumes, can enable hiring managers to concentrate exclusively on qualifications and experience<sup>32</sup>.

Retaining diverse talent is also critical in building an inclusive workforce. Regular reviews of pay grades can help eliminate biases and ensure fair compensation, which is key to the retention of diverse employees. Offering flexible working arrangements, competitive salaries, and recognising employee contributions are significant factors in maintaining employee satisfaction.

## **Building An Effective and Diverse Leadership Pipeline**

Transparent career paths help to ensure that promotion and career development opportunities are accessible to all employees. Organisations should offer mentorship and sponsorship programmes, particularly for underrepresented groups, to bridge gaps in leadership diversity. These programmes not only support career advancement but also help build a culture of inclusion at higher levels of the organisation.

Developing a leadership pipeline that reflects the diversity of the workforce requires long-term commitment and strategic planning. Top-performing organisations focus on identifying, attracting, and advancing diverse talent through targeted leadership development programmes. Mentorship and sponsorship opportunities for underrepresented groups are extremely important as they provide the necessary support for employees to navigate their careers successfully33.

Chen, Z. (2023). Ethics and discrimination in artificial intelligence-enabled recruitment practices. Humanities and Social Sciences Communications, 10(1), 1-12.

Hughes, K. (2023). Building a Robust and Diverse Leadership Pipeline in the Face of Resistance. ReWorked. Nov 9.

"Establishing a diverse and talented pool of leaders is crucial for the ongoing success" only drives innovation but also boosts business performance and fosters a positive scale, from employees who ardently uphold and support the principles of DEI and effectiveness of DEI initiatives.

## **Recognising Contributions Continuously**

Recognising the contributions of employees from diverse backgrounds is another key element of fostering an inclusive workplace. Additionally, leaders who are actively mentoring and guiding DEI employees must also be praised accordingly. Implementing recognition programmes that highlight and reward these contributions not only boosts morale but also signals that diversity is valued at all levels of the organisation. Acknowledging the unique perspectives and skills that diverse employees bring to the table encourages others to contribute their best ideas and efforts. This recognition could take the form of formal awards and acknowledgments or everyday practices like celebrating cultural milestones or showcasing diverse success stories. By visibly valuing diversity, organisations create an environment where every employee feels seen and appreciated.



## **Elevating Inclusive Connection**

Respectful and collaborative engagement is foundational to a successful DEI strategy. To foster an environment where all employees feel valued and empowered to contribute, organisations must prioritise the following: effective communication, transparency, and consistency; cultural intelligence training; recognition of contributions; and ongoing internal campaigns.



## **Encouraging Inclusive and Transparent Conversations**

Transparent communication helps to build trust both internally, with employees, and externally, with stakeholders. Regular updates on DEI progress, shared through internal reports and public disclosures, reinforce an organisation's commitment to these principles. Transparency not only enhances the organisation's reputation but also contributes to long-term sustainability by fostering stakeholder  $trust^{34}$ .

Encouraging open dialogue is also important. Creating safe spaces for employees to discuss DEI-related issues- through regularly scheduled forums, town halls, and anonymous feedback channelsenables employees to voice their thoughts and concerns. According to Accenture's Getting to Equal report, organisations that actively encourage DEI conversations are more likely to foster innovation, to increase employee engagement and to engage in transparent communication from leadership about DEI goals, progress, and challenges7.

"Creating a diverse and inclusive workplace is crucial for a company's success. However, achieving this can be challenging. Without specific initiatives to address the disparity in organisations. the trend is unlikely to improve. Strong commitment and ongoing sponsorship and support by executive leadership are imperative to ensure that those leading these initiatives are successful."

Managing Director: Head of Trade and Working Capital (Pan Africa), ABSA

Gollamudi, R. (2022). Why greater transparency is key to a winning DEI strategy, FastCompany. Nov. 14.

## 2

## **Sustaining Awareness Interventions and Trainings**

To sustain DEI initiatives, organisations must implement effective ongoing internal interventions. Whether through regular DEI-themed workshops, awareness weeks, or internal communication that highlights the importance of DEI, these campaigns should aim to educate, inspire, and involve employees at all levels. Consistency in these efforts is important: sporadic or once-off initiatives are unlikely to create lasting change.

Cultural intelligence, interpersonal engagement and bias training help foster an inclusive workplace where diversity is respected and celebrated. Organisations should provide regular training on cultural competency, unconscious bias, and inclusive behaviours to help employees understand, appreciate, and navigate diverse perspectives. Explicit bias training helps to address both conscious and unconscious biases that can undermine DEI efforts. Beyond raising awareness, cultural intelligence and bias training should equip employees with practical skills to navigate cultural differences and collaborate effectively with colleagues from diverse backgrounds. This training should include real-world scenarios and actionable strategies that employees can apply in their daily interactions. Ongoing education and refreshers on these topics ensure that cultural sensitivity and bias mitigation become integral parts of the organisational culture. Furthermore, there is increasing acknowledgment that DEI training initiatives often fail to adequately promote attitudinal and behavioural changes necessary for reducing disparities. Effective, enduring transformation demands persistent dedication and therefore leaders should create training initiatives that are supplemented by motivational science to foster intentionality and commitment towards shifting the DEI status within organisations<sup>35</sup>.

## 3

## **Embracing Future Workplace**

Flexible work arrangements, including remote work and flexible hours, can assist in promoting collaboration and inclusive engagement within diverse teams. These arrangements accommodate the varying needs of employees- such as those with disabilities, caregiving responsibilities, or different cultural backgrounds. According to Accenture's 2021 Future of Work report, flexible work policies significantly enhance employee satisfaction and work-life balance, which are essential for maintaining a collaborative and engaged workforce<sup>36</sup>. However, the rise of remote work, accelerated by the COVID-19 pandemic, has introduced challenges, such as potential feelings of isolation or exclusion, particularly among employees who may already feel marginalised. To address these challenges and strengthen team cohesion, organisations are increasingly investing in digital tools and training programmes that promote inclusive communication. By thoughtfully integrating flexible work arrangements into their DEI strategies, companies can enhance collaboration, ensure all voices are heard, and sustain a strong, inclusive culture regardless of employees' locations.

"Effective learning and development programs are essential for the success of DEI efforts, as they elevate awareness, address unconscious biases, foster inclusive leadership, and provide employees with the necessary skills and language to create an inclusive environment. Optimal DEI training incorporates practical applications, interactive and robust discussions, and reinforces continuous inclusive behaviour that enables leaders to navigate the complex landscape of diverse teams. Ongoing development is key to embedding DEI principles into the fabric of an organisation, and leading sustainable change in the creation of a truly inclusive culture. To achieve meaningful results, organisations should develop customised training that aligns with their purpose and values which, involves active leadership participation. and includes measurable outcomes that are regularly assessed for impact. This involves developing a deep understanding of the various dynamics and concepts that act as barriers to inclusivity, as well as those that influence inclusivity and psychological safety in the workplace. Ultimately, it is about taking the organisational values "from the walls to the floors" and embedded them deeply and consistently across all levels."

Charmaine Boshoff Group Learning and Development Executive, RCL FOODS

Legate, N., & Weinstein, N. (2024). Motivation science can improve diversity, equity, and inclusion (DEI) trainings. Perspectives on Psychological Science, 17456916231186410.

Accenture. (2021), The Future of Work: Productive Anywhere.



## **Building Mental Health Support**

Providing comprehensive mental health resources is a key element of a robust DEI strategy, as it ensures that all employees feel supported in both their personal and professional lives. These resources, including access to counselling services, stress management programmes, and employee assistance programs (EAPs), are vital for promoting equity within the workplace. Employees from diverse backgrounds may face unique stressors, such as discrimination or microaggressions, which can impact their mental well-being. By offering accessible mental health support. organisations can help level the playing field, enabling all employees to manage stress and perform at their best<sup>37</sup>. This approach also fosters an inclusive workplace culture where mental well-being is prioritised, reducing the stigma associated with mental health issues and encouraging employees to seek help without fear of judgement.

Mental health resources contribute significantly to sustaining long-term employee engagement and productivity. Employees with access to mental health support are better equipped to manage stress, avoid burnout, and maintain focus, which is especially important in today's demanding work environment. This proactive approach can reduce absenteeism, lower turnover rates, and enhance overall job satisfaction, leading to a more resilient and engaged workforce. Integrating mental health resources into DEI strategies also demonstrates a commitment to the holistic wellbeing of employees, acknowledging that mental health is as critical as physical health. By doing so, organisations not only adhere to ethical standards but also position themselves as employers of choice, attracting and retaining top talent who value a supportive and inclusive work environment.

"As an HR Executive in a large business." I think that one of the most important things that we can do for our staff in the realm of building mental health support is to lead with transparency. There is significant responsibility currently placed on business leaders to do things like "check in with your people". In reality, unless our employees feel comfortable saying that they are struggling, without fear that it will be seen as weakness, they will not answer openly. As leaders we need to normalise things like taking a break to look after our own mental health and asking for help from colleagues when we are overburdened and have no more capacity. And not only must we do this, but we must make sure that those we are leading know why we are doing it. Only when a leader is seen to be looking after their own mental health will proper psychological safety be created. When we are visible about looking after our own mental health this creates support for our employees, and that support has the ability to build a more resilient workforce that can start to take control of their mental health."

Human Resources Executive, Boxer Superstores

# 3.4) Creating Broader Impact

Corporates can significantly enhance the impact of their DEI efforts by broadening their focus to include supplier diversity, corporate social investment (CSI), and corporate activism. Promoting supplier diversity helps support underrepresented businesses and fosters economic inclusivity within supply chains. Integrating DEI with CSI enables organisations to tackle social inequalities and invest in high-need communities, delivering sustained societal benefits. Furthermore, participating in corporate activism allows companies to advocate for systemic change on national issues, promoting equity and social justice while affirming their commitment to these values.



Knight, S. (2022). Diversity matters: wellness, burnout, and recovery through a DEI Lens. Emergency Medicine News, 44(8), 6-26.

# 1

## **Uplifting Supplier Diversity**

Supplier diversity ensures businesses engage with a broad spectrum of suppliers, including those owned by underrepresented groups. This approach goes beyond the ethical obligation of promoting equitable business practices; it directly contributes to economic empowerment and resilience in communities. By integrating suppliers from diverse backgrounds, such as blackowned, women-owned, and businesses owned by people with disabilities, companies not only support the financial independence of these groups but also strengthen their own operations. Engaging with a wide range of suppliers fosters innovation and competitiveness, as diverse suppliers bring unique perspectives and solutions that enhance market knowledge and adaptability. This inclusive approach not only reflects the diversity of the communities and customers a company serves. But it demonstrates a firm commitment to building a more equitable and robust business environment<sup>38</sup>. One of bp's three objectives against its sustainability aim of "greater equity" is to "multiply ...DE&I impact through ecosystem partners and suppliers" thereby recognising the key role that suppliers have to play in sustainable business. To this end, bp

sets and reviews specific targets for spend with "certified diverse suppliers". Partly thanks to this intentional as well as measurable approach, the organisation was able to achieve its goal to double its spend with diverse suppliers in 202339.

Supplier diversity plays a strategic role in strengthening supply chains, reducing dependence on a limited pool of vendors, and fostering resilience and stability within the supply chain. Companies that embrace this approach are better positioned to navigate market disruptions and achieve long-term success. The positive impact of supplier diversity extends beyond moral and ethical considerations; it can directly influence a company's bottom line by driving revenue growth, higher returns on investment, and an improved internal culture. By making supplier diversity a core part of their DEI initiatives, companies are not just supporting underrepresented groups; they are implementing a business strategy that drives success, fosters innovation, and contributes to the development of a more resilient and inclusive economy that benefits all stakeholders.

# 2

## **Linking with Corporate Social Investment**

Integrating CSI with DEI initiatives amplifies the positive effects of both, by creating a unified strategy that addresses social, economic, and ethical issues. When CSI and DEI are aligned, they reinforce each other, enabling organisations to drive meaningful change within both their operations and the communities they serve<sup>40</sup>. This strengthens a company's reputation, building trust with customers, investors, and employees who increasingly expect businesses to demonstrate a commitment to both social responsibility and inclusivity.

To effectively integrate CSI with DEI initiatives, companies should begin by aligning their goals and strategies across both areas, with visible leadership commitment setting the tone. Conducting comprehensive assessments to identify intersections between CSI and DEI can reveal opportunities for greater inclusivity, such as prioritising minority-owned businesses during community development initiatives. Collaboration between CSI and DEI teams allows for the development of joint initiatives that leverage diverse perspectives and resources. Regularly measuring and reporting on the impact of these integrated efforts ensures accountability and continuous improvement. By taking these steps, companies can create a powerful synergy between CSI and DEI, addressing complex issues more holistically. In South Africa, bp founded the bpSA Education Trust in 2014 which has since evolved into the Energy Mobility Education Trust. This CSI initiative provides women and persons with disabilities with access to enhanced educational skills in languages, maths and science with a view to diversifying and thereby strengthening the talent pool in the South African energy sector. bpSA's CEO describes her education as the "best investment (she's) made" and describes how she believes in "lifelong learning"41.

At global group level, bp understands and articulates the link between CSI and DEI and the powerful impact that this lien can

"It is a growing concern in many corporations' practices that alienate inclusion of diverse backgrounds of people in the workplace. Corporate social responsibility practices should be a significant part of business strategy, practice and, above all, a set of critical self-evaluation, in providing equitable and fair access progression opportunities for diverse populations in the workplace. It is equally important to mention that corporations should understand the social contract entered when they were issued licenses to operate in a society and should constructively serve the needs of society."

Capital Business School (CBS), Ethiopia

offer. The words of their global Executive Vice President for People, Culture and Communications encapsulate this understanding: "We have worked to develop a bp where our people can be themselves and work in a company that cares and also delivers better results. To help the world reach net zero, we need as much creative thinking and innovation as possible - and for that, we need greater diversity, in every respect of the word."

Bateman, A., Barrington, A., & Date, K. (2020). Why you need a supplier-diversity program. Harvard Business Review, Aug. 17.

bp (2023) bp Sustainability Report 2023

Toppin, L. (2023). The Unrealised, Powerful Partnership of CSR and DEI, Forbes Mar. 17.

Business Live, 7 December 2023, Backstory: Taelo Mojapelo, CEO of BP Southern Africa

### **Transforming the Nation with Corporate Activism**

Encouraging corporate activism and community engagement by providing resources and support for volunteer work helps strengthen the connection between businesses and the communities they serve<sup>42</sup>. Organisations must hone external DEI campaigns to not only boost their financial standing but to contribute meaningfully to societal advancement. By integrating strong DEI principles into their brand identity, companies can improve public perception, increase customer loyalty, and attract a diverse workforce. These campaigns address critical societal issues, showcasing a company's dedication to fairness and inclusivity, which in turn promotes business growth. It is essential for these efforts to resonate internally with staff through sincere, inclusive storytelling and recognition of various contributions, ensuring that marketing and branding efforts authentically reflect core DEI values, avoiding superficial measures. Furthermore, by establishing partnerships with diverse communities and initiating projects that tackle social inequalities, businesses can effect real change both internally and across wider society. These inclusive campaigns are more than just strategies; they represent a transformative approach that builds connections, fosters positive social change, and fully embraces diversity with consistency and transparency. This approach not only enhances the internal culture of an organisation- it strengthens its role in, and impact on, broader society. Companies can also advocate for policy changes that promote DEI principles on a larger scale, contributing to the creation of a more just and equitable society. By using their influence to support social issues and drive public discourse, they can inspire collective action to drive systemic change.

"Understanding the relationship between the brand's purpose and the DEI proposition is crucial as this will transcend the prevalent 'corporate performativity' into substantive transformation in the employee community and beyond. This effort must be led by CEO and expressed at each node of operation in the business and point of contact with external stakeholders. By finding common ground between the brand's purpose and its convictions, the brand can effectively position its DEI efforts, thereby establishing a meaningful societal role that promotes sustainable and inclusive futures."



Building a responsible business is no longer an aspiration but a strategic necessity that brings measurable benefits. In the pursuit of increasing DEI success, it is imperative for leaders to foster an environment where all individuals can affiliate with the organisation's objectives and feel a sense of belonging. Through this approach, employees are recognised and empowered, thereby enhancing positivity, innovation, and productivity within the organisation. However, achieving true equity requires more than policies; it demands a holistic approach that critically examines and dismantles barriers to full participation. This ongoing journey involves continuous learning, adaptation, and a steadfast commitment from all levels of the organisation, beginning with courageous inclusive leadership.



Kang, I. H., & Kirmani, A. (2024). Lying and Cheating the Company: The Positive and Negative Effects of Corporate Activism on Unethical Consumer Behavior. Journal of Business Ethics, 192(1), 39-56



