

DEI: Essential in the Hiring Process



Diversity, equity, and inclusion (DEI) have often become discussed elements of a successful recruiting and hiring process in today's ever-evolving business landscape. Companies prioritizing DEI foster a more inclusive work environment and benefit from different perspectives and new ideas, enhancing innovation and financial performance.

DEI concepts are valuable, and any organization benefits by placing them near the top of the hiring strategy hierarchy. Research backs this idea and underscores its importance.

What is DEI



At its core, DEI is an organizational framework that promotes the fair treatment and inclusion of everyone within the company's structure. Let's break down the three components of DEI.

- **Diversity** respects everyone's different ideas, backgrounds, and talents.
- **Equity** ensures that organizations treat individuals fairly and that opportunities are equally available to all.
- **Inclusion** is respecting everyone's voice and encouraging individuals and the group to speak out.

The origins of DEI date back to the Civil Rights Movement and are intertwined with the Civil Rights Act of 1964. The Act outlawed workplace discrimination based on color, race, sex, national origin, or religion.

While society has recently seen increased backlash against and controversy about DEI, many companies continue to recognize the value of these elements and stand firm in making efforts to uphold DEI practices. Training, webinars and resources are frequently offered to employees, including the hiring team, at both small companies and large corporations.

The Benefits of Implementing DEI Practices



So, what benefits do organizations realize when DEI practices are a priority? Research tells us that there are several, including significant business advantages.

Positive Business Outcomes from Innovation and Creativity

Creating and maintaining a diverse workforce helps companies realize the variety of perspectives employees bring. When people from different backgrounds, cultures and experiences collaborate, unique ideas and solutions to internal and client pain points often result. This, in turn, increases the organization's ability to reach or exceed financial targets and increase profits. Here are a few measures that indicate this.

- Employee retention and commitment to the organization are higher when employees feel included. Employees who feel included are [about three times more likely](#) than others to feel excited about their jobs and the company.
- Increased retention reduces hiring and training costs. It also ensures that the team includes members with a higher level of experience within the organization who can act as mentors to new employees, helping them have a smoother and faster transition to understanding the organization's culture, workflow and goals.
- A 2022 projection showed that 75 percent of companies that built [diverse and inclusive decision-making teams](#) were on target to exceed their financial goals, reinforcing the positive correlation between DEI and economic success. Companies that promote diverse candidates to executive boards and senior-level management are more likely to

financially outperform companies that are less committed to this. Those who score in the top quartile for [gender diversity on their executive boards](#) are 27 percent more likely to financially surpass those in the bottom quartile. For ethnic diversity, they are 13 percent more likely to surpass organizations in the bottom quartile.

These points help demonstrate that diversity is not just a buzzword but a crucial driver of organizational innovation and success.

Promoting Better Decision-Making in the Organization



Inclusive teams make better and more collaborative decisions. A study conducted by Cloverpop found that diverse teams make decisions 60% faster than non-diverse teams and deliver 87% better decisions. The varying perspectives that an inclusive team brings to the table provide more opportunities for recognizing pain points and solutions that homogenous groups are more likely to overlook.

By incorporating DEI into the hiring process, companies build teams that are best equipped to give them a critical advantage over the competition by practicing informed and effective decision-making.

Differentiating Your Ability to Attract Top Talent

In a competitive job market, DEI is not just a key differentiator, but a crucial factor for companies striving to attract top talent.

- In one CNBC survey, [80 percent](#) of respondents answered that working for a company that values DEI is important to them.
- In a McKinsey survey, [44 percent](#) of female respondents responded that they had made decisions about accepting a job based on their perception of the company's inclusiveness.
- About 56 percent of workers view [investing in DEI at work](#) as positive. More than 60 percent also ranked working for a company that hires and promotes people of different races and ethnicities as positive.
- A Glassdoor survey of job seekers showed that 76 percent of respondents considered DEI initiatives important when deciding whether to apply for and accept a job.

The takeaway is that companies with vital DEI initiatives can easily attract a broader and more talented pool of qualified candidates. Moreover, diverse workplaces are viewed as welcoming, and creating a welcoming work environment enhances employee satisfaction and retention, making everyone feel included and valued.

DEI Improves Employee Engagement and Aids in Retention



Valued and included employees are likelier to remain engaged and loyal to their employer. (Employee Experiences: DEI Survey Questions for Inclusion. <https://visiochart.com/blog/employee-diversity-survey/>)

A Deloitte report found that organizations with inclusive cultures are twice as likely to meet or exceed financial targets. (Brand inclusion isn't just a dream; it's the destination - Neka Creative. <https://nekacreative.com/increase-your-brands-value/white-paper-a/>)

- They are three times as likely to be high-performing.
- They are six times more likely to be innovative and agile.
- Turnover rates are also significantly lower when employees feel included and engaged.

This information translates to realizing that focusing on DEI provides significant cost savings, especially regarding employee retention. This, in turn, promotes a more stable workforce.

Brand Reputation, Consumer Perception, and DEI



Companies that prioritize DEI in their hiring process enhance their reputation externally. Consumers value social responsibility and want to feel good about the companies and brands they support. Thus, positive press surrounding DEI efforts can enhance the brand's reputation in the public eye, making the audience feel proud of their company's social responsibility.

Prioritizing DEI positively impacts the brand, profit margins and stock performances. According to one study by McKinsey & Company, companies in the top quartile for racial and ethnic diversity are 35 percent more likely to see financial returns above their respective national industry medians. (The Importance of Diversity and Inclusion in the Workpl....
<https://www.gandolfogroup.com/blog/the-importance-of-diversity-and-inclusion-in-the-workplace>)

Legal and Ethical Considerations of DEI



Beyond the business benefits, promoting DEI in hiring is also a legal and ethical responsibility. Corporations that take their moral responsibilities seriously heed sound legal advice. Anti-discrimination laws require employers to ensure that their hiring practices are free from bias. All candidates are required to receive fair opportunity and consideration. Companies can avoid legal challenges by actively incorporating DEI principles into every stage of the hiring process. They also demonstrate their commitment to fairness and equity based on critical legal standards.

Incorporating DEI into the hiring process is not just a moral imperative—it is a smart business decision. The research is clear: diverse and inclusive workplaces are innovative and producers of sound decision-making teams. They attract top talent, retain their employees longer and realize many fiscal benefits.

By investing in DEI throughout your hiring and retention process, your organization will build a stronger, more resilient workforce that is equipped to prosper, grow, and succeed in today's global economy.