

CASE STUDY

4 Ingredients for Advancing Equity



What happens when a 175-year-old organization decides it's time to accelerate the pace of change—real change—in its approach toward diversity, equity, and inclusion (DEI)?

That is the question Ellore Talent Strategies (Ellore) set out to answer when it began working with Deloitte, a professional services organization with a US workforce of more than 140,000 people. Deloitte has a longstanding commitment to DEI, and its leadership recognizes the value and insights a diverse workforce brings to the firm. It has led the Big Four with a number of firsts, including naming the first woman Chair in 2003, the first Hispanic CEO in 2011, and the first woman CEO in 2015. Deloitte also has invested in a number of programs and collaborations to create a more diverse and inclusive workforce.

While Deloitte has made meaningful progress in the advancement of DEI, leadership recognized more work was needed to continue increasing the diversity of its workforce and elevating the experience of diverse cohorts already in the organization. To understand representation across multiple dimensions, Deloitte worked with Ellore to examine both quantitative and qualitative data, disaggregating the data at a granular level, to truly understand the lived experiences across a range of diverse populations.

Valerie Irick Rainford, Founder and CEO of Ellore, shares that major organizations across the US are trying to do the work, but many haven't started to fully use their demographic and talent data—data they've already been collecting—to do so.

They may spend millions of dollars on DEI programs that often don't actually move the needle," says Rainford, who anchors Ellore's approach to DEI strategy development with a deep dive into data. "The

data enables leaders to see the business opportunity, and that's where the engagement and commitment goes up."

Rainford describes Ellore's approach to advancing racial equity in organizations as a "recipe" with four key ingredients: 1) a committed and deeply engaged CEO; 2) buy-in of key stakeholders; 3) use of data to identify gaps/opportunities and set strategy; and 4) clear accountability and ownership.

An important note here is that all four ingredients must work together to create the necessary change. Missing any one of these ingredients reduces the likelihood of success in achieving tangible outcomes.

This Deloitte case study provides a recent example of the methodology Ellore employs to help organizations move the needle on diverse talent at all levels of the organization.

4 Ingredients for Advancing Racial Equity

- 1 A committed and Deeply Engaged CEO
- 2 Stakeholder Buy-In
- 3 Use of Data to Identify Gaps/ Opportunities and Set Strategy
- 4 Clear Accountability and Ownership

1 A Committed and Deeply Engaged CEO

When Elloree started working with Deloitte on diversity, equity and inclusion, the first priority was to sit down with CEO Joe Ucuzoglu, underscoring the important role of CEO in advancing change.

"You need the CEO to change cultural norms," says Rainford. "And even if they are visionaries and courageous, they may not have the knowledge and tools to prioritize and drive change in the space. The agent of change has to be a business leader, with business knowledge and expertise." Some organizations may think the chief diversity officer (CDO) is the key to advancing their DEI goals, but without the CEO's proactive engagement, the CDO is not set up for success.

Rainford's relationship with Ucuzoglu began after Deloitte's Executive Chair of the Board, Janet Foutty, reached out to Rainford and Elloree with an invitation to Deloitte University—the leadership and learning hub of Deloitte—to speak at Deloitte's US Board meeting in February 2020. Afterwards, Rainford sat down with Ucuzoglu for a one-on-one. She opened her laptop to show him a glimpse of the diversity data assessment model and mapping tools she had developed. She also shared sample assessments and insights from previous client engagements, including one example of how data revealed that one blinded organization had rejected 90% of qualified Black applicants in its recruiting process.

"We take a lot of pride in Deloitte's longstanding leadership on issues of diversity, but we knew that getting to the next level would require more than words and commitments. Valerie brought a proven methodology down to a granular level, and gave us a preview of what the deliverable would look like as well as the tangible outcomes," Ucuzoglu recalls of the breakfast meeting with Rainford, who showed how she could help hone in on the hot spots and help identify the fundamental challenges of diverse talent access and advancement at Deloitte.

"Ucuzoglu is an example of a deeply engaged leader," Rainford says, emphasizing that the CEO is the first leader who needs to be committed to this journey. The CEO has the power and influence to turn the data into action for the organization.

Business leaders can be brought in, but companies need the CEO leading to truly create systemic change. As Elloree discovered, many companies have been investing in diversity and inclusion programs for a decade or more without achieving equitable outcomes.

Lack of CEO conviction and inconsistent buy-in from executive stakeholders often produces mixed results and ultimately creates an inconsistent talent experience across the organization. CEOs serve as the anchor for driving real organizational change and holding business leaders accountable for results.

Initially, Rainford explained to Deloitte: "If you want me to help you evolve the strategy, I'd be willing to do that. If you want me to help coach talent, I can do that. But on the initial assessment, where we look at the data, it has to be with the CEO and his executive team."

In any relationship, Elloree seeks CEOs who are equally committed to using data for setting strategy. "The core of our work is opening the eyes of the most senior leader on where the challenges are, because discussing diversity without facts and data makes the topic very intangible," says Rainford. "Our approach pulls in the CEO and helps them understand the linkage between diversity reporting and performance."

Ucuzoglu recalls Valerie saying very bluntly, "You can't actually have inclusion unless you have diversity first—and you don't have diversity yet." He was also inspired by Rainford's work with a large financial services organization. "She had done it before—and successfully—and that was pretty powerful. That gave me the confidence that there was a proven approach that would match Deloitte's level of commitment to leading."

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VALERIE IRICK RAINFORD

FOUNDER & CEO – ELLOREE TALENT STRATEGIES

2 Stakeholder Buy-in

With a committed and engaged CEO on board, the next ingredient is obtaining buy-in from key stakeholders. Sharing the data creates buy-in when people say—we don't have a diversity problem explains Rainford.

No matter how committed a CEO is to driving equity in organizational talent strategies, they can't implement change without the backing of key stakeholders. These include the board of directors and members of the executive leadership team.

Bolstered by the work with Elloree, Deloitte continued to evolve its strategy on talent, diversity and equity to make it an underpinning of the organization's mission and vision. "It's one of our top strategic business priorities, spanning every aspect of what we do," says Ucuzoglu. "It's a client issue. It's a financial issue and it's an economic issue. Our leaders have made this a personal imperative and it is central to all that we do."

Ucuzoglu works in lockstep with Kavitha Prabhakar, Deloitte's Chief Diversity Equity, and Inclusion Officer (CDEIO), to communicate Deloitte's DEI objectives, ensuring its people across the organization have a clear understanding of the role they play in accelerating change. As Prabhakar explains, "I believe that my role as CDEIO is a role I share with every professional at the organization," she says.

"We need every leader and employee to be committed to DEI and the change journey. We need a culture of allyship, and bias

for action to achieve the change we believe is needed within our organization and in the communities we serve."

Buy-in begins with the board, whose members should understand how equity is strategically imperative to the success of the organization. This goes deeper than alignment with the current CEO, who will eventually pass the baton to successors. If the board holds the CEO, as well as the leadership team, accountable to proactive engagement, commitment, and results, then the DEI strategy can remain strong and consistent through leadership transitions.

Because improving diversity, equity, and inclusion is an essential and interwoven part of an organization's talent strategy, Talent leaders are key stakeholders. They own talent practices and are responsible for removing barriers or challenges that result in inequitable outcomes. Chief Talent Officers must be willing and on board to evolve long-standing and sometimes outdated talent practices that prevent the organization from advancing its DEI goals. For example, it is common practice for an organization to use a college GPA threshold as an arbitrary cutoff for screening applicants, when even a slight adjustment could significantly widen the applicant pool. But insights like this require talent leaders to examine their practices and leverage data to identify opportunities to increase equity in the talent lifecycle. The CEO is critical in bringing talent stakeholders along and empowering them to drive change. Stephani Long, Deloitte's Chief Talent Officer, was the first leader Joe brought in.



"AS A DATA DRIVEN ORGANIZATION, WE ARE CONSTANTLY EVOLVING OUR APPROACH TO MEASUREMENT IN ORDER TO DEEPEN OUR UNDERSTANDING OF WHAT WE ARE DOING WELL AND WHERE WE NEED TO IMPROVE PARTICULARLY AS IT

relates to achieving our ambitious diversity, equity, and inclusion goals," says Long. "Elloree further elevated our measurement capabilities by helping us integrate data from across our businesses to get a more complete view of our diverse cohorts throughout the talent lifecycle—recruitment, performance, advancement, compensation, retention. Having a fresh perspective helped underscore the opportunities, and with these insights, we're better able to identify the specific actions we need to take to successfully achieve our desired outcomes."

Another key stakeholder is the General Counsel (GC), whose role is to protect the organization and mitigate the risk it faces. Rainford shares that General Counsels may view DEI as a compliance issue and unleashing data and setting goals as risky to the organization. These sentiments can hold back the most willing and committed CEO.

GCs who partner with the CEO are those that understand that while there is some risk in digging into and disaggregating data, there is as much risk of inaction and power in using the facts to facilitate positive change.



Finally, there are the employees. This group of stakeholders is critical, yet often overlooked. Elloree worked with Deloitte to identify diverse cohorts already in place, as they can be the best ambassadors for change, as well as the best recruiters for more diversity. This requires a belief in the CEO's commitment to change and the organization's ability to enact change. Having Elloree meet with Deloitte leaders to walk through a summary of the analysis provided transparency and brought credibility to the strategy. If professionals see evidence of real commitment and opportunity, such as development and sponsorship programs, they often will help drive the strategy and contribute to long-term culture changes.

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STEPHANI LONG

CHIEF TALENT OFFICER – DELOITTE

3 Data to Identify Gaps/ Opportunities and Set Strategy

As the relationship between Deloitte and Ellore shows, the next ingredient of the four-part recipe to impact change is the data assessments of the organization's end-to-end talent lifecycle. This helps uncover where there may be challenges to the attraction, retention, and advancement of diverse talent.

"Our analysis is essential to see what the issues are that are impacting the diversity of the organization, including diversity at the leadership levels," says Rainford. "Often the data is sitting in five, six, seven different systems—everything from just pure headcount, recruiting data, and hiring data to promotion data, termination data, and exit surveys." Rainford and Ellore have developed a proprietary template to "glue" the data across the disparate systems to identify the experience of the professionals. With access to this data, Rainford and her team can help to tell the true story of an organization.

Ellore has discovered that while many organizations have at least a decade of active diversity programs, few have been able to increase diverse representation and change the experience of diverse cohorts. Data and diversity reporting are often focused on the basics of headcount, representation, and attrition. An organization should understand the need to identify and help address inequitable outcomes. Transparency in data with a focus on assessing gaps in practices will help an organization pinpoint where to focus their efforts for impactful results and lasting change.

"The report we give back to CEOs and their executive teams gives them an organization-wide view of the analysis," explains Rainford. "And, it tells them what has happened in their organization over the past three years and where it has an opportunity to move forward."

"One of the "a-ha" moments was when we determined that we need to focus on retention of the diverse cohorts already in the organization and not just acquisition," says Prabhakar. "It is easier to solve diversity representation through recruiting and talent acquisition, but harder to look inward and change the talent experiences to improve retention."

Deloitte's experience helps illustrate Ellore's data-driven, fact-based, business-focused assessment," says Rainford. "We're

giving business leaders an independent three-year assessment as a proposed way for moving forward."

"Finally, we help organizations figure out how to chart a path forward," says Rainford. Ellore's methodology prevents what Rainford calls "copy-cat programs," when a company publicly declares it will, for example, hit 50% underrepresented minorities, and 10 more companies come out and say they're going to do the same, "but they don't actually know how they're going to do it."

It's important to use the data to prioritize the most important points, such as attrition. The data reveals to companies where to direct energy and resources. As Rainford reminds leaders, DEI is not a "feel good" or "extracurricular" activity and treating it as such will not drive change. The data reveals the challenges and shows leaders where to focus their DEI efforts to see sustained progress.



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KAVITHA PRABHAKAR

CHIEF DIVERSITY, EQUITY, AND INCLUSION OFFICER (CDEIO),
DELOITTE

4 Clear Accountability and Ownership

When it comes to addressing DEI ownership challenges, the recipe for success must include the right measure of accountability and ownership.

People need to understand their roles, and business leaders need to own their individual gaps and opportunities. "Having clear accountability and ownership," says Rainford, "is the only way to ensure measurable results from gathering, analyzing, and sharing the data."

Deloitte used the insights and recommendations from the equity assessments to inform their DEI strategy, translating the highest level, strategic goals into role-

based goal-guidance. Deloitte had Elloree meet with every practice leader alone and then again with their leadership teams to understand their gaps and opportunities. With a highly matrixed organization like Deloitte, it was critical to

identify the organizational roles that can influence and drive the efforts necessary for true systemic change. This could be the account leader who selects professionals for career growth opportunities to business recruiting leaders who manage campus recruiting efforts. Deloitte was able to craft more specific, actionable goals to advance representation commitments using insights available through the Elloree data assessment, among others.

"It's one thing for me to make grand proclamations and indicate commitment," Ucuzoglu says. "It's another to have an action plan you can give to individual leaders and cascade through the organization, so you can create accountability among those who are actually driving the hiring and promotion decisions, and the talent and retention strategies in the heart of the business."



Conclusion

"The Deloitte Leadership Team has truly embraced the challenge and are ready and excited to drive progress," says Rainford.

Rainford says she met with Deloitte's Board twice during the engagement, in addition to the meetings with the senior leadership team to walk through the specific data for their practice areas. It was evident that the leadership team was happy to have tangible information that would help them identify and close gaps. For the debrief, Rainford scheduled two 2-hour sessions to review the full analysis with Ucuzoglu. "It's a lot to absorb if you haven't looked at the data this way before," she says. "Joe listened intently in the first two-hour session: uninterrupted and laser-focused, and he asked a lot of questions. By session two, he had absorbed the analysis and was ready to talk strategy and planning." Rainford goes on to say, "Actionable data is the differentiator for CEOs committed to moving the needle on diversity and equity".

The return on investment for leaders and teams who embrace and drive the strategy using this approach has the potential to be tremendous if executed well. Not only can companies increase the diverse representation of their leaders over time, but also the morale and employee satisfaction of diverse cohorts can increase—driving increased productivity and, ultimately, the company's bottom line.

"It may take some time before we see the full benefit of the work that's underway today, and people understandably wanted to see tangible outcomes a long time ago instead of promises about the future," says Ucuzoglu. "Clearly, there was some healthy pressure to demonstrate quick results even when these longstanding issues won't rectify themselves overnight, but you've got to start at some point. We have a lot of confidence that the things we're doing over the course of a talent cycle, over multiple promotion years, will lead to the type of representation that is more reflective of the fabric of our country. And a little over a year into the journey, the progress to date has exceeded what we believed to be possible."

Organization Overviews

Deloitte

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Ellore Talent Strategies (Ellore)

Ellore is a leadership consulting firm specializing in advising C-suite executives on advancing diverse talent. Ellore's core business is in partnering with CEOs to uncover the facts behind their organization's unique diverse talent gaps and helping them identify where to focus by setting goals, driving improvements, change and accountability. www.elloreetalent.com.

Valerie Irick Rainford



Valerie Irick Rainford founded Ellore after a successful 30+ year career in corporate America in executive leadership and strategic advisor roles and has expertise in talent strategy, operations and program management, process improvement, and data analytics. While at JPMorgan Chase, Valerie created and led the firm's historic Advancing Black Leaders strategy that now forms the consulting method she uses to help other organizations drive similar change for their diverse talent. Learn more about Valerie at www.valerierainford.com.