

Equity Every Day: How Marketers Can Bridge the Knowledge- Action Gap

By Ty Heath and Dr. Jamillah
Bowman Williams

Author's Note

Progress is a promise for a future unlike the present or past. By design, it is doing one thing now, while saying another for tomorrow.

Conversations about diversity, equity, and inclusion are complicated. Brands that speak out on these topics need to have the actions and culture in-place to authentically do so. But at the same time, if we expect the brands speaking out to have their own houses in perfect order, no one will. The conversation will stagnate, and there is no transformation without conversation.

“Strong opinions, weakly held” is a motto we live by at The B2B Institute. Leaders need to have a strong point of view to drive action, but they need to consciously seek out new points of view – and adjust course when necessary – to drive innovative action. It can often feel like changing your mind or charting a new path forward is an implicit admission of being wrong. We see it as the discovery of something that is closer to being right. This isn't a bad thing – this is progress.

I share this all to say that I am proud to work at LinkedIn – a company authentically committed to DEI – but of course we still have more work to do. Our Equity Every Day team within LinkedIn Marketing Solutions set out with this work to flip some tables, and we've already seen the reverberations internally. Senior leaders across all functions – Diversity teams and myself included – have felt confronted by this work. It has challenged the way we think about, talk about, and act on DEI issues, which means the way we think about, talk about, and act on them going forward will not look like how we did so in the past. This is what leadership looks like, and I am grateful to work for a company that has the courage to lead in this way.

I share this not only as a reminder of our humility as LinkedIn continues on its DEI journey, but also to express solidarity: marketers who embark on these DEI conversations will face all the same growing pains that come with holding up a mirror to their own company.

We all have more work to do, and we invite the industry to learn, iterate, and engage in conversation with us. This is what transformation looks like.

Access LinkedIn's [2021 Workforce Diversity Report](#) and [Equity Strategy](#) to learn more about our DEI work.



DIRECTOR, MARKET ENGAGEMENT, THE B2B INSTITUTE

Ty Heath

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Introducing: Equity Every Day

The B2B Institute Team

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Diversity, Equity, And Inclusion Is Good Business.

We know this – the business benefits of diversity, equity and inclusion (DEI) are well-documented. Scholars and practitioners of psychology, sociology, economics, finance, consulting, and marketing consistently observe higher top and bottom-line metrics associated with DEI outcomes – including but not limited to higher operating margins, client satisfaction, employee satisfaction, innovation, brand equity, and ROI on talent. If these findings on diversity are widely-known, then why aren't we seeing the action we would expect from leaders who accept these findings to be true?

If Diversity Is Good For Business, Why Aren't People Buying?

We believe the answer is that there is a breakdown of communication. When it comes to promoting diversity, equity, and inclusion outcomes, the current method of communication – what we call “the transactional case” – at best fails to motivate action, and at worst actually harms the communities it seeks to help. Why? Because DEI issues are human issues. They are rooted in emotion and bias, not logic and reason. And the transactional case speaks the language of logic and reason.

Professionals are people, and people are story-processors, not logic-processors. Emotion is the driver of almost everything we do. As famous Ogilvy marketer and behavioral scientist Rory Sutherland said:

“The human mind does not run on logic any more than a horse runs on petrol. Human behaviour is often cryptic in a similar sense; there is an ostensible, rational, self-declared reason why we do things, and there is also a cryptic or hidden purpose. Learning how to disentangle the literal from the lateral meaning is essential to solving cryptic crosswords, and it is also essential to understanding human behaviour.”

As marketing and communications professionals, we are uniquely positioned to tackle these behavioral science puzzles and shape how people think, see themselves, and view the world. This same skill set makes us uniquely equipped to overcome the breakdown in communication in the DEI space – to bridge the gap between knowledge and action toward DEI outcomes.

To be clear, we are not re-litigating the case for the benefits of DEI. That territory is well covered and the case has been fleshed out time and again. This study speaks to leaders who believe diversity, equity, and inclusion is the right thing to do. It is a call to action to marketing professionals to pave the way forward, especially to those who care deeply but may believe that DEI issues are not relevant to their job. One of the main barriers standing in the way of DEI progress is a breakdown in communication – it is absolutely our job as marketers to figure out how to get the message of diversity, equity and inclusion digested and sold. It is our moral imperative.

That said, we can't market and communicate our way to equity. When we produce campaigns, launch programs, and run ads in support of DEI without taking actual action toward workplace transformation, we create the illusion of progress, in the absence of progress. We treat the symptoms without addressing the root cause. While we market and communicate to move the conversation forward, we must hold our leaders and peers in other functions responsible for implementing and committing to policies that drive meaningful DEI progress.

We can't drive transformation without action, and we can't drive action without conversation – that's where the marketer comes in. As marketing and communications professionals, we can ensure that the conversations taking place in the DEI space – in the boardroom, in the office, and in the media – are the conversations that will inspire transformation.

“Not everything that is faced can be changed. But nothing can be changed until it is faced,” wrote the late James Baldwin. The fact that words written 50 years ago still ring true today is a reminder for us to examine: what aren't we facing? Transformation in DEI isn't possible until we collectively acknowledge and confront the disconnect. If we want to deliver DEI results, we must simultaneously face and bridge the gap. This moment calls for the investment of energy, dedicated leadership, and focus required to examine what really works when communicating DEI outcomes, and to incorporate that into the DNA of your marketing and communications strategy.

This work is leadership work. This work is marketing work. Marketers: let's do the work.

Thank you to our lead researcher Dr. Jamillah Bowman Williams, Associate Professor at Georgetown University Law Center. And thank you to our friends at Diversio and System1 for their research and dedication to advancing this conversation.

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Finally, thank you to all who contributed invaluable guidance and advice as we ventured into the gap – Rob Norman, Rory Sutherland, Dana Kanze, and more.



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Dr. Jamillah Bowman Williams received her Master's in Higher Education from the University of Michigan, J.D. from Stanford Law School, and Ph.D. in Sociology from Stanford. She is an Associate Professor at Georgetown Law, who has built her career around better understanding the nature of bias and designing innovative solutions to reduce systemic inequality. Dr. Williams uses quantitative and qualitative methods to investigate which legal and organizational strategies are most promising for advancing equity. Her research has been featured by a range of scholarly journals and media outlets and she frequently consults leaders in business, government, and education regarding their workplace practices.



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Ty is Director, Market Engagement, The B2B Institute @LinkedIn, the former President of LinkedIn's Black Inclusion Group (BIG) and Co-Founder of TransformHer. Ty is passionate about connecting people with information needed to make intelligent decisions, scaling research to help marketers be more productive and successful with a bit of humor. Ty teaches B2B marketing as well as leadership, diversity and inclusion and is the author of "Marketers of Tomorrow: A Step-by-Step Toolkit for Inbound Marketing."

Marketers benefit from Ty's marketing experience at Google Inc, consulting within IBM as a social business manager and leading her own B2B consulting practice, Spectacled Marketer. Ty serves on the Digital Marketing Institute's Global Advisory Council, on the Board of Directors for the American Advertising Federation and as an Adobe Insider with top executives, experts, and pioneers in technology. In her career, she has delivered marketing education to thousands.

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Part I: Exploring the Diversity, Equity & Inclusion Knowledge-Action Gap

By Ty Heath

Methodology At A Glance*



LinkedIn Survey Data

N = 1,763 marketing and communications professionals in the US, UK, and Canada.



LinkedIn Platform Data

All Company Page Updates in the US from January 1, 2019 to September 15, 2021.

*See full Methodology on page 71

Introduction: The Knowledge-Action Gap

Between May 2020 and the time of publishing, America's biggest public companies and their foundations collectively committed some \$49.5 billion to addressing racial inequality. This unprecedented acceleration in Diversity, Equity, and Inclusion (DEI) corporate initiatives has been described as a "social justice reckoning." But is this investment translating to real action?

As we publish this work, we are living with the continuing upheaval of a global pandemic causing setbacks for many within already marginalized groups, as well as growing civic issues in the US, UK and beyond. The killings of George Floyd and countless other Black Americans by police officers have driven one of the largest protest movements in history. In the wake of those incidents, 2020 saw an unprecedented acceleration in DEI corporate initiatives. A year later, we are starting to see the impact, or absence, of brand investment actions taken. Stakeholders can begin to assess whether brands took meaningful action on public commitments to change. Are we living up to our commitments? Are marketers now embracing responsibilities to DEI that were unclear before? Are we understanding the end-to-end customer and employee journey with fresh eyes? Are we marketing more inclusively and with purpose? We start where any management consultant would – by defining “what is so” with marketers and DEI, and the knowledge-action gap that we are setting out to close.

Even With All The Talk And Commitments Made, There Is Still Minimal Progress On Diversity.

The bar is higher, and organizations are trying to rise to the occasion. Encouragingly, last year's social justice reckoning prompted companies to support marginalized communities by promising to take a closer look at their recruiting and hiring practices, which employees they promoted, and the diversity of vendors and suppliers. Other companies pledged large sums of money to invest in marginalized communities. Others vowed to tie executives' pay to DEI goals. Investors have also stepped up by committing to intensify engagement with companies on DEI.

However, in the phrase “trying to rise to the occasion,” “trying” may be the operative word. A Forbes 2021 survey across respondents in corporate America reported that up to 53% of respondents don't believe that their employer is meeting its DEI goals.¹ According to Fortune, only five Fortune 500 companies have a Black CEO in 2020.² Numerous reports indicate that the percentage of Black people in the leadership ranks of large U.S. companies hovers at just above 3%. This percentage remains persistently low despite large investments in diversity and inclusion training, the creation of offices of diversity and inclusion, and other company wide initiatives. In the US, where 13.4% of the population is Black, Black directors in 2020 accounted for just 4.1% of all board seats in the broader Russell 3000 index, according to Institutional Shareholder Services (ISS) — just 0.5% more than in 2008.³ The reality of the knowledge-action gap is highlighted in a viral tweet from California entrepreneur Brandi Riley: “Thank you for your Black Lives Matter graphic. May I please see a picture of your executive leadership team and company board?”⁴

And this is just a snapshot of a decades-long trend: Workforce data from the Equal Employment Opportunity Commission shows that Black men are no more likely to be a manager than their grandfathers 40 years ago, and there are very minimal increases for Latinx men and women, and Black women as well.⁵ This means from the reverse discrimination era of the 1980s that tried to destroy integration efforts from 1971-1981, to the diversity boom and business case arguments that have evolved from the early 90s to now, not much has changed.⁶ At this rate, the opportunity gap will never close.

Workforce data from the Equal Employment Opportunity Commission shows that Black men are no more likely to be a manager than their grandfathers 40 years ago, and there are very minimal increases for Latinx men and women, and Black women as well.⁵

¹ Brianna Garrett, “Exclusive Survey: An Inside Look At The Sentiment Of Black And Brown Professionals In Corporate America,” Forbes, February 3, 2021, <https://www.forbes.com/sites/forbestheculture/2021/02/03/exclusive-survey-an-inside-look-at-the-sentiment-of-black-and-brown-professionals-in-corporate-america/?sh=26ab69032bb1> [<https://perma.cc/BGN7-5N36>].

² Phil Wahba, “The number of black CEOs in the Fortune 500 remains very low,” Fortune, June 1, 2020, <https://fortune.com/2020/06/01/black-ceos-fortune-500-2020-africanamerican-business-leaders/> [<https://perma.cc/3GSV-9K92>].

³ Mamta Badkar and Andrew Edgecliffe-Johnson, “US boardrooms fail to reflect country's demographics,” Washington Business Journal, <https://www.bizjournals.com/washington/news/2020/06/12/us-boardrooms-fail-to-reflect-demographics.html> [<https://perma.cc/HN5W-4ARR>].

⁴ Brandi Jeter (@BrandiJeter), “Thank you for your Black Lives Matter graphic. May I see a picture of your executive leadership team and company board?” Twitter, June 1, 2020, <https://twitter.com/BrandiJeter> [<https://perma.cc/6TAD-R7N5>].

⁵ Dobbin, F. and Kalev, A. Getting to Diversity: Changing Workplaces for Good. Harvard University Press (Forthcoming)

⁶ Dobbin, F. Inventing Equal Opportunity. Princeton University Press (2009).

According to a CNBC analysis of the annual disclosures, six years after their first diversity reports, many tech companies have seen low single-digit increases in their percentage of Black employees.⁷ Employees from diverse groups continue to express feelings of being undervalued, excluded, and marginalized. While the pandemic exacerbated pre-existing gender and racial inequalities, disproportionately affecting women of color and mothers, even before the effects of the pandemic were evident, women of color were considering leaving the workplace in record numbers – citing bias and lack of support as the main reasons.

Not only are diversity programs failing to drive progress – data shows that they often make things worse, not better. For example, studies indicate that DEI training rarely improves an organization's record of hiring or promoting Black people. Companies have long relied on diversity training to reduce bias on the job, hiring tests and performance ratings to limit it in recruitment and promotions, and grievance systems to give employees a way to challenge managers. Harvard research shows that these three popular interventions “make firms less diverse, not more.”⁸

Poor Returns On The Usual Diversity Programs

The three most popular interventions make firms less diverse, not more, because managers resist strong-arming. For instance, testing job applicants hurts women and minorities--but not because they perform poorly. Hiring managers don't always test everyone (white men often get a pass) and don't interpret results consistently.

% Change Over Five Years In Representation Among Managers

Type of program	White		Black		Hispanic		Asian	
	Men	Women	Men	Women	Men	Women	Men	Women
Mandatory diversity training				-9.2			-4.5	-5.4
Job test		-3.8	-10.2	-9.1	-6.7	-8.8		-9.3
Grievance systems		-2.7	-7.3	-4.8		-4.7	-11.3	-4.1

Note gray indicates no statistical certainty of a program's effect.

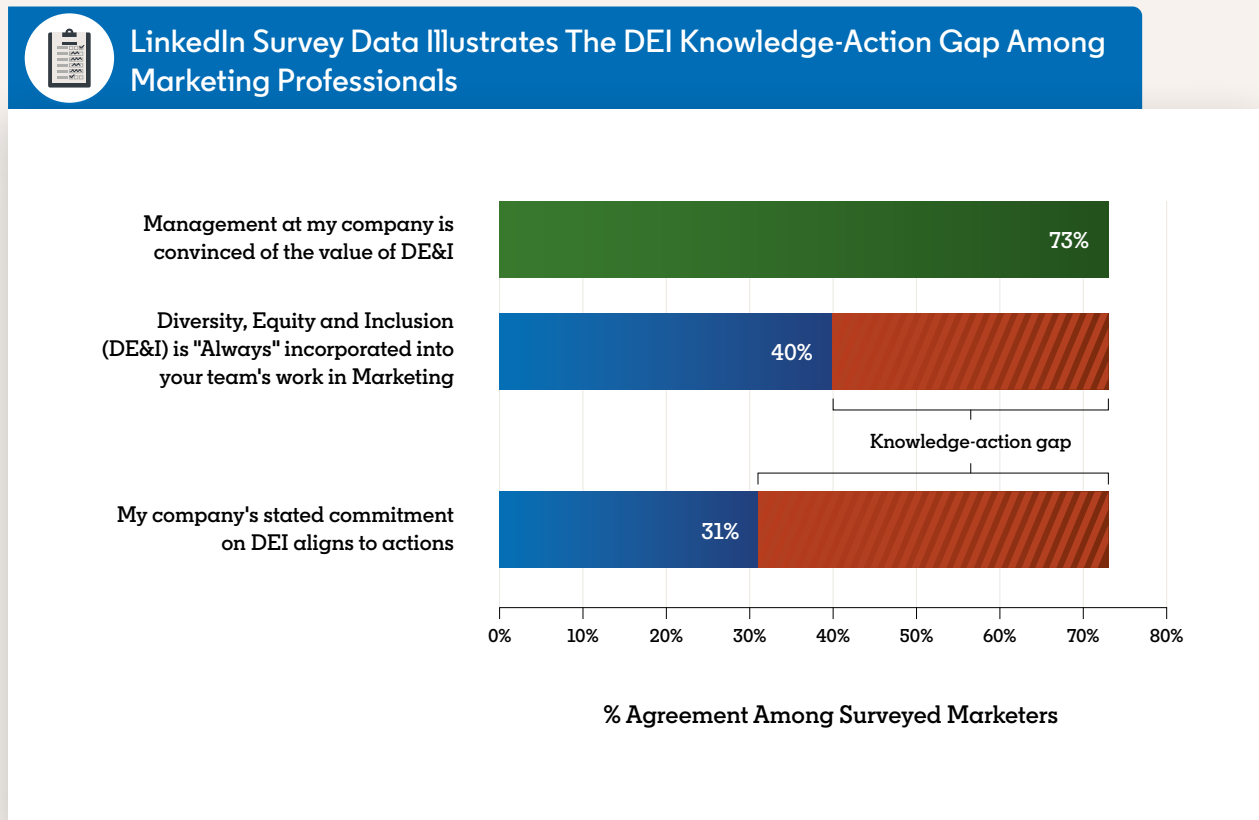
Source authors' study of 829 midsize and large U.S. Firms. The analysis isolated the effects of diversity programs from everything else going on in the companies and in the economy. From "why diversity programs fail." By Frank Dobbin and Alexandra Kalev, July-August 2016

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⁷ Kate Rooney and Yasmin Khorram, "Tech Companies Say They Value Diversity, But Reports Show Little Change In Last Six Years," CNBC, June 12, 2020, <https://www.cnbc.com/2020/06/12/six-years-into-diversity-reports-big-tech-has-made-little-progress.html> [<https://perma.cc/B66W-9E2U>]

⁸ Frank Dobbin and Alexandra Kalev, "Why Diversity Programs Fail," Harvard Business Review, July – August 2016, <https://hbr.org/2016/07/why-diversity-programs-fail> [<https://perma.cc/DAE6-PAKF>].

We see this same knowledge-action gap showing up in the marketing community through our 2021 LinkedIn survey data. Within the community of marketing professionals surveyed, 73% say their company believes in the value of DEI, yet only 40% of marketers say that they are “always” incorporating DEI into their team’s work, and only 31% say that the current actions of the company align to their DEI commitment.



LinkedIn Equity Everyday Survey: q12: Thinking about your day-to-day marketing strategies and tactics, to what degree is Diversity, Equity and Inclusion (DE&I) incorporated into your team’s work?, q16 Thinking about your marketing efforts this year, how much do you agree with each of the following statements on Diversity, Equity and Inclusion (DE&I)? Agree = Somewhat agree or Strongly agree. Agreement to the statement “My company’s stated commitment to DEI aligns to actions” was inferred based on % disagreement to the original statement “My company’s stated commitment on DEI do not yet align to actions” Disagree = Somewhat disagree or Strongly disagree.

This data implies that although the majority of marketers believes we should invest in making progress, organizations and marketers largely are not aligned to meaningful DEI action yet. In spite of support for DEI investment, actual investment remains a “sometimes” activity for organizations and marketers alike. Simply put, there is mainstream acceptance to support DEI but not mainstream every day action.

While the positive sentiment for communication and recent investment in DEI initiatives represents a move in the right direction, critics question the commitment to the ongoing work of DEI within the corporate space. Companies are doubling down on the same approaches they've used since the 1960s. "Every year they put out the same diversity report, check the box, then send out the same report the next year," said Freada Kapor Klein, founding partner at Kapor Capital. For the vast majority of people, foot-dragging on matters of diversity, equity, and inclusion is extremely frustrating. Stakeholders get frustrated with the same speech about diversity and inclusion each year.

Simply put, there is mainstream acceptance to support DEI but not mainstream every day action.

As we reflect on the commitments made, specifically over the last year of intense efforts, companies are still failing to report meaningful change. In spite of significant investment, the lack of progress stretches across a half a century. The harsh reality is that billions have been invested in diversity and related marketing, training, and programming, yet little has actually changed - systemic bias persists. High performing leaders expect good returns on their investment, and leaders who don't produce results usually find themselves out of a job. So why do we continue to invest in efforts that produce such minimal substantive progress toward greater diversity? It doesn't make sense and it's time to change our approach. Real change requires us to bridge the knowledge-action gap. We believe this is where marketing and communications professionals can make a difference.

Marketers Can And Should Help Bridge the DEI Knowledge-Action Gap, Because Brand Stewardship Requires It AND Because They Are Uniquely Skilled To Do So.

While making progress on diversity is achieved through the work of the entire organization, marketers have a uniquely powerful role to play in brand stewardship. In a report from the Institute for Practitioners in Advertising and LinkedIn's B2B Institute, Fran Cassidy says:

"A major part of the value marketers provide lies in understanding how audiences perceive and receive value. Marketers tend to have better views – of the external market as whole, and, critically, the customer. This is the most important and distinctive asset for a marketer. It cannot be replicated by any other department. With our unique view into audience insights, the fundamental job of marketing leaders is to create and develop sustainable value for their organizations."⁹

⁹ Fran Cassidy, "Marketing To The CFO," The B2B Institute At LinkedIn, June 2020, <https://business.linkedin.com/marketing-solutions/b2b-institute/b2b-research/research-studies/marketing-to-the-cfo> [<https://perma.cc/VE93-3D6H>].

Brand stakeholders have begun to push for a more purpose-driven capitalism that focuses not just on shareholder value but also on shared value for all stakeholders — benefits that extend to employees, customers, suppliers, and communities.¹⁰ Brand stewardship that creates value requires a wider lens in the age of corporate social justice. Managing your brand reputation includes leadership on the social issues that impact all of your stakeholders. The marketing model of yesterday was myopically focused on customers with less regard for other stakeholders. Simply put, your consumer brand is now your talent brand, your employee brand, and your shareholder brand. This is illustrated by recent data from Diversio: 73% of consumers will stop purchasing from a business that doesn't share their view on DEI, 72% of employees would leave a company for a more inclusive one, and 76% of millennials conduct follow up research to see whether a business' DEI promise is backed by action.

Diversio Data Shows That DEI Is Essential To An Organization's Brand, Both Internally And Externally:



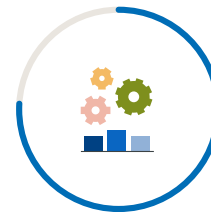
73%

Of **consumers** will stop **purchasing** from a business that don't share their view on D&I



72%

Of **employees** would **leave** an organization for more inclusive one



76%

Of millennials **conduct follow up research** to see whether a business' DEI promise is backed by action

Source: Diversio 2021 Data

¹⁰ Business Roundtable Redefines the Purpose of a Corporation to Promote "An Economy That Serves All Americans," Business Roundtable, August 19, 2019, <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans> [<https://perma.cc/VX22-D32P>].

How a company treats its employees and broader community is more important than ever. Our LinkedIn platform data shows that when companies speak on social issues, job candidates engage more.



LinkedIn Platform Data Links DEI Conversations To Brand Trust

Engagement on company posts about DEI grew by 84% in 2021 compared to 2020. In response to how brands gained trust, many mentioned “help” – referring to how the brand helped employees, communities, essential workers and more. Failing to step up on social issues was a key reason brands lost trust.



84%
Growth in
Engagement
of DEI posts in
2021 compared
to 2020

From an investor perspective, research from Ezra Zuckerman at Stanford University shows that a diverse brand signals a firm is well-run.¹¹ Joint research from Allison Cook and Christy Glass of Purdue and Utah State, shows a jump in stock prices after firms win an award related to diversity initiatives.¹² This underscores the inextricable link between an organization's talent brand and diversity - DEI efforts are about talent. On LinkedIn, you will often see professionals list in their headlines that they are “Ex-Apple, Ex-LinkedIn, Ex-Google.” Even when employees leave the business, they still don't want to leave the brand. Strong brands attract better talent, and they have an easier time retaining that talent over the long run.

¹¹ Ezra W. Zuckerman, “The Categorical Imperative: Securities Analysts and the Illegitimacy Discount,” *American Journal of Sociology* 104, no. 5 (March 1999): 1398-1438. <https://doi.org/10.1086/210178>.

¹² Alison Cook and Christy Glass, “Do Diversity Reputation Signals Increase Share Value?” *Human Resource Development Quarterly* 25, no. 4 (Winter 2014): 471-491. <https://doi.org/10.1002/hrdq.21183>.

Beyond brand stewardship, marketing, advertising and communications are cultural currency. Our thought leadership is meant to connect our audiences to opportunity and influence different ways of thinking – we inspire action. Two key areas of marketing activity on DEI are the growing number of thought leadership pieces and advertising creative featuring different races, genders, and ages. Whether we are helping to make the case for diversity, or are including the voices and experiences of marginalized audiences in marketing creative, we must be responsible for what we are delivering. Global thought leadership non-profit Catalyst says:

“The business case for diversity has been documented in thought leadership by a number of organizations for two decades, yet it never seems to be enough.”¹³

Instead, we must collectively ensure that we are devoting time, energy and investment into what is actually fair, accurate, realistic and effective. We must be conscious and educated marketers to avoid unintentionally reinforcing society's existing biases.

So if companies are committed to taking action to address DEI, what role does marketing play in driving that priority? We must get better at telling inclusive stories, and run point on delivering more effective DEI communications, marketing insights and strategies in close partnership with other business functions. This is an opportunity for marketers to widen our lens in service of more inclusive, comprehensive and responsible (response able) long-term brand management.

¹³ “The Business Case for D&I: Ask Catalyst Express,” Catalyst, October 4, 2019, <https://www.catalyst.org/research/business-case-resources/> [https://perma.cc/Y4M2-ZFXD].

Support For DEI Investment Among Organizations And Marketers Is Strong.

We don't need to convince marketers that DEI is important – they already agree. Most marketers support the value of DEI as well as DEI investments in the workplace and in day to day business. Encouragingly, marketers overwhelmingly state that DEI is important and relevant to marketing. According to our LinkedIn survey, stated belief in the value of DEI is now mainstream for marketers. This is underscored by widespread recognition of the problem, rising web searches and posts on DEI, media coverage, and numerous conversations for change. On LinkedIn, compared to 2019, 2020 saw a 100% growth in company posts about diversity and an 81% growth in the number of companies posting about diversity. In September 2021, year to date alone, we found 332K+ company posts about diversity with 90K+ companies posting about diversity.



LinkedIn Platform Data Shows Tremendous Growth In DEI Conversations From 2019 To 2020



100%

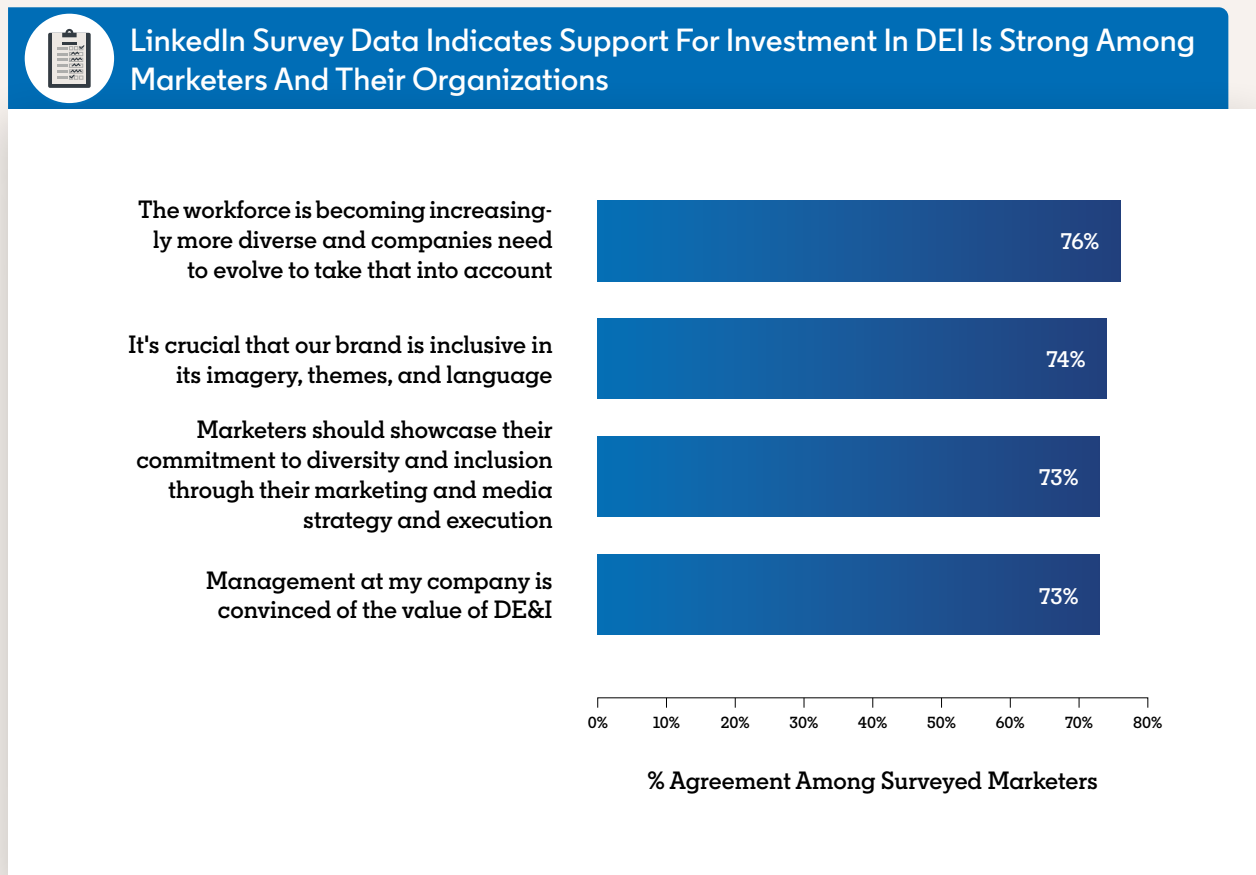
Growth in company posts about diversity



81%

Growth in number of companies posting about diversity

Most marketing and communications professionals surveyed believe that support on social justice issues is warranted. 76% of marketers agree that the workforce is becoming increasingly more diverse and companies need to evolve to be more inclusive. Marketers embrace the responsibility to ensure representation, with 74% agreeing that “it’s crucial that our brand is inclusive in its imagery, themes, and language”.



LinkedIn Equity Everyday Survey: 'q16 Thinking about your marketing efforts this year, how much do you agree with each of the following statements on Diversity, Equity and Inclusion (DE&I)? Agree = Somewhat agree or Strongly agree

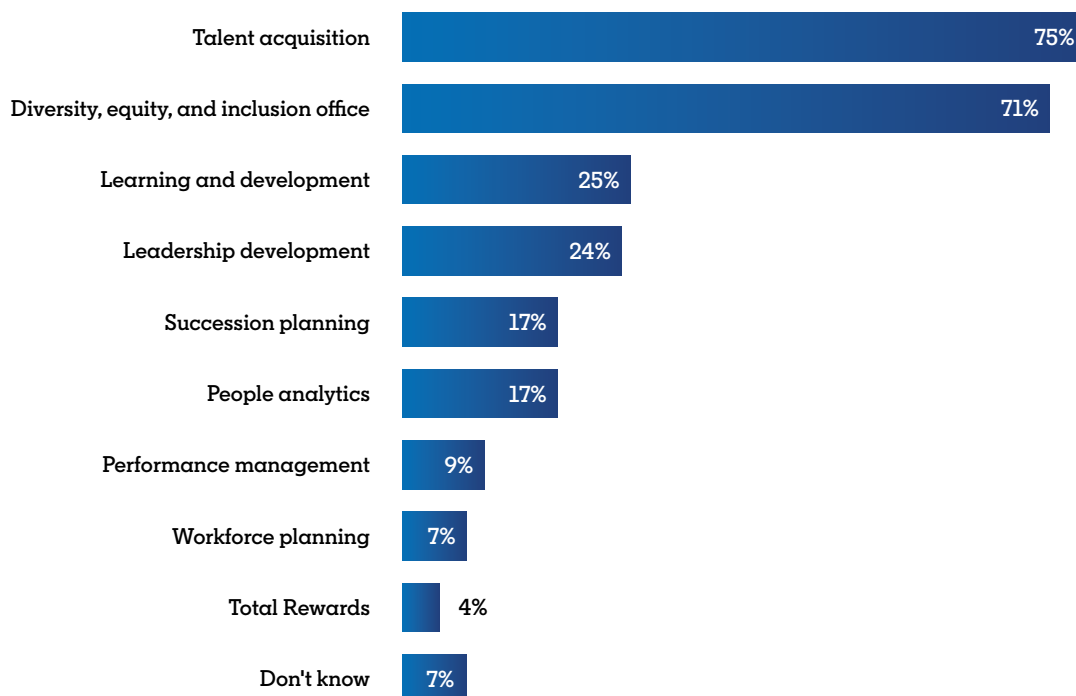
Without question, there is increasing momentum and support for communications around social justice issues. Marketers and organizations have largely recognized that silence is no longer an option when it comes to social justice and the lack of diversity across the industry.

However, There Is A Knowledge-Action Gap Because Marketers Do Not Feel Ownership Over DEI Work.

Marketers are uniquely skilled to solve DEI challenges, but they don't feel that it is relevant to their job. A key reason marketers do not take action on DEI issues is because it is viewed as "out-of-scope." Most organizations feel that DEI responsibilities sit in other functions, viewing addressing social issues as outside of the marketing domain. On LinkedIn, less than 1% of marketers list diversity related skills on their profile. According to a 2021 survey by the Institute for Corporate Productivity, talent acquisition (TA) is the function most heavily tasked with increasing diverse representation and advancing equity and inclusion goals, followed closely by the office of DEI (75% and 71% respectively). TA was also the top write-in when respondents were asked about individuals or groups with DEI performance goals and accountability. The group most cited was HR (57%), followed by the senior leadership team (45%), and the CEO (41%).¹⁴

DEI Work Is Seen As "Out-Of-Scope" For Marketers

What people functions are more heavily tasked in your organization's efforts to increase diversity representation and advance equity and inclusion goals? (select up to three)



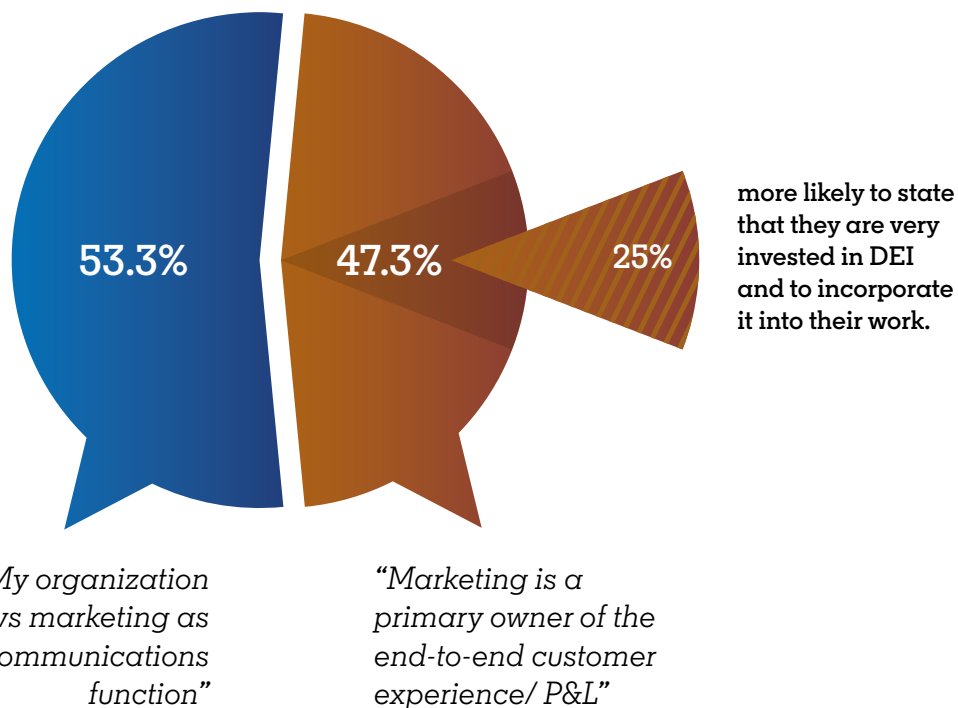
Organizations with 1,000+ employees. Source: Institute for Corporate Productivity (i4cp).

¹⁴ Eric Davis, "ARE COMPANIES FOLLOWING THROUGH ON THEIR DIVERSITY & INCLUSION PLEDGES?" i4cp, February 26, 2021, <https://www.i4cp.com/productivity-blog/are-companies-following-through-on-their-diversity-inclusion-pledges> [<https://perma.cc/SZZZ-UP9UJ>].

Not surprisingly, marketing didn't make the list. This isn't entirely the marketer's fault. Often, organizations treat marketing as an external-facing promotion function, rather than as an owner of the end-to-end stakeholder experience. Agency over customer experience is especially critical toward advancing DEI outcomes through marketing activities: marketers who believe they are an owner of the end to end experience are 25% more likely to state that they are very invested in DEI and incorporating it into their work.



LinkedIn Survey Data Shows That Marketers Who Own The End-To-End Experience Are More Likely To Incorporate DEI Into Their Work



LinkedIn Equity Everyday Survey: '8. Q11 'q11_DEI_engagement: Thinking now specifically of Diversity, Equity and Inclusion (DE&I) at work, which of the following statements is closest to your current situation? Comparison based on whether or not in Q1 they agreed with Marketing is a primary owner of the end-to-end customer experience/P&L over My organization views marketing as a communications function.

We are encouraged to see that marketers who feel ownership over the end-to-end stakeholder experience are already beginning to take more meaningful action on DEI – proving our hypothesis that marketing has the capability to lead on DEI but requires ownership to make meaningful progress. As we have argued, it is precisely the marketer's understanding of the external world and the impact of social issues on audiences that should empower us to partner and lead on DEI strategy opportunities that would otherwise be perceived to be Human Resources' or Learning and Development's domain.

Summary

Data indicates that brands that authentically embody DEI will have a competitive advantage in the long run. With a convergence of growing challenges, it is no longer possible to treat marketing as separate from addressing social issues with stakeholder audiences.

In this section, we illustrated the knowledge-action gap for organizations and marketers when it comes to DEI investment, and why marketers can and must take ownership over bridging it. Next, we will cover how marketing leaders who choose to take ownership over bridging the gap can do so. We outline evidence that the business case for DEI does not deliver the positive impact we have been told to expect from it, and we rethink our approach to DEI marketing and communications by drawing insights from behavioral science. As we will learn, marketers must increase focus on the transformational case to help land meaningful DEI outcomes.



The B²B Institute

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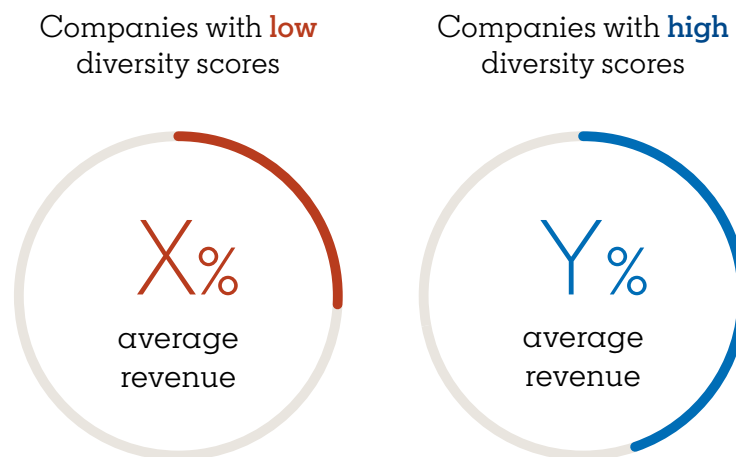
Part II: Beyond the Business Case: Moving From Transaction to Transformation

By Dr. Jamillah Bowman Williams

For years, employees, consultants, business leaders and academics have been saying that diversity makes good business sense. The story is simple and has great rational appeal. Hire more women and employees of color and promote them to your leadership ranks because it will make your company more profitable.

To make the “business case” for diversity is to persuade stakeholders that racial and gender diversity lead to better business outcomes and higher returns. Decades of research back this up. For those who advocate for equity, the idea is that spreading the word about the economic gains associated with diversity and inclusion will help solve workplace inequality.

General Example Of Business Case Messaging



While this is commonly referred to as the business case, we call this the “transactional case” because it focuses on business outcomes to justify DEI investment. At its core, this strategy is about rational exchange. The converse of this is the “transformational case,” which uses emotional language and storytelling to transform the way people think and feel about equity.¹⁵

This paper explains why it is time to move beyond the transactional case to transformational messaging that is more likely to win both hearts and minds, and ultimately to drive meaningful change.

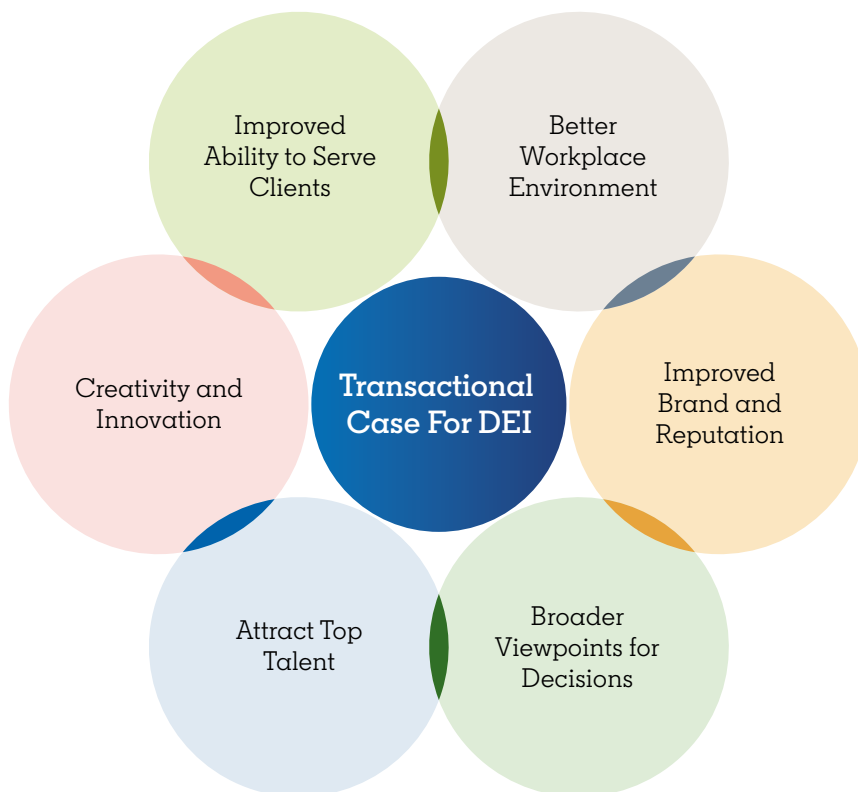
¹⁵ “Transactional vs. transformational” leadership is a theory pioneered by James MacGregor Burns in 1978. It has recently been popularized by Aiko Bethea, founder of Rare Coaching and Consulting, who speaks about “transactional vs. transformational leadership.”

I. Transactional vs. Transformational Change: Moving Beyond The Business Case

Diversity, equity, and inclusion is a key business issue today that effective leaders understand cannot be overlooked. Traditionally, the transactional case has dominated the DEI space. The key arguments are that having a diverse workforce will lead to better problem solving, make the company more innovative, and serve a broader range of customers more effectively. And this will all make the company more money. This is a compelling story, and we understand why it is such a popular narrative.



The Transactional Case For Diversity, Equity, And Inclusion



Goals Of The Transactional Case

The goal of making a strong transactional case for DEI is typically twofold: to get individuals to care about equity, and to influence them to take actions aligned with these beliefs. Marketing comes in, because at its core, the strategy is to “sell” the importance of DEI in order to persuade key stakeholders to engage in more inclusive behavior and support related efforts.

For example, a transactional case for DEI could be used to motivate those in positions of power to invest in diversity programs, add women to boards, hire from underutilized talent pools (such as HBCUs), include employees of color in the C-Suite, and incorporate the insights of this underrepresented talent in key decisions.

This transactional case is pitched to a broad audience. It not only aims to motivate CEOs and executive leadership to prioritize equity, but it also strives to gain support from the entire workforce and external stakeholders such as customers, investors, and the general public. The strategy is to gain buy-in to DEI efforts by speaking the language of business outcomes. This rational approach is something we see often in B2B, because it is easy to forget that businesspeople are people first and foremost.

The transactional case has been pivotal in introducing the conversation about equity into the workplace over the years, and it continues to be a common approach to communicating DEI today. It is a straightforward strategy, in theory. Just let everyone know the facts, in dollars and cents – the common language in business – and this will motivate people to stop being biased against historically excluded groups. Perhaps if it is proven that diversity is profitable enough, and brings enough important business outcomes, leaders will even begin changing biased workplace systems that have long excluded women, employees of color, and other historically excluded groups.

While the transactional case may sound convincing to some, we must step back and ask, are we seeing the desired results? Is this argument eliminating bias in hiring, promotions, and compensation? Is it breaking down longstanding patterns of systemic racism and sexism and expanding opportunity? Is it changing the workplace culture and lived experiences for underrepresented groups? If we are seeing some results, are they mostly symbolic and indicative of surface level change, or is this approach to DEI transforming workplaces to the point where equity is the reality and no longer needs to be sold?

It is time to stop and ask an important question – can we do better? If we take a look around, we will see there is still so much room to grow and innovate. This is an exciting opportunity. Innovation requires questioning, scientific testing, and perhaps the courage to transform current models that have long dominated DEI strategies. While thousands of companies and consultants depend on the transactional case as the go-to thought leadership to promote equity, it is time to move from the transactional to the transformational.

The Disconnect: At The Individual Level

From what we learned in Part I – and from the stories of women, people of color, and other professionals across the globe who face workplace barriers – there is a clear disconnect between the corporate arguments for the value of diversity and corporate action. The reality is that billions have been invested in DEI and related marketing, training, and programming, yet systemic bias persists. Executives say there is a business case,¹⁶ yet managerial diversity hasn't changed in 40 years, women on boards hovers around 20 percent,¹⁷ C-Suites remain overwhelmingly white and male,¹⁸ as do the highest earning careers, such as finance, technology, and law.

So why hasn't the transactional case moved the needle more on equity? Over the past 15 years, I have conducted numerous studies, using a range of methodologies, to examine this question. My empirical findings repeatedly show that the transactional case isn't as convincing as we may hope and imagine. While I started out my scholarly career doing research to better understand the business case and how it can be used to promote more inclusive action, I soon discovered that relying on these transactional arguments can actually increase bias and exacerbate existing inequalities.

For example, in a 2010 randomized experiment (n=63), I exposed white college students to various videos that discussed organizational performance. Participants were randomly assigned to view one of three different videos.

The “business case” video featured transactional messaging stating that “diversity, whether it be race, gender, religion, or other differences in background and experiences yields superior outcomes.” The video displayed imagery of diverse groups and specifically discussed research that finds diversity benefits performance across a range of settings. Positive outcomes mentioned include learning, creativity, adapting to market changes, and that diverse perspectives lead to progress and innovation.

The two control videos discussed organizational performance in general, but with no mention of diversity. One was a “neutral” control video that showed generic organizational logos and imagery, such as office boardrooms and organizational charts. No people were present in the videos, so there were no cues about race, gender composition, or diversity. The third was a “traditional” control video with imagery of a more traditional and mainstream workforce with mostly white males, a few white females and a token number of people of color.

¹⁶ Robin J. Ely and David A. Thomas, “Getting Serious About Diversity: Enough Already with the Business Case,” *Harvard Business Review*, November – December 2020, <https://hbr.org/2020/11/getting-serious-about-diversity-enough-already-with-the-business-case> [<https://perma.cc/2BBZ-3EQQ>].

¹⁷ Julia Boorstin, “At The Current Rate, Corporate Boards Won't Hit Gender Parity Until 2032, New Report Warns,” *CNBC Make It*, March 5, 2021, <https://www.cnbc.com/2021/03/05/corporate-boards-wont-hit-gender-parity-until-2032-new-report-warns.html> [<https://perma.cc/9LFB-B666>].

¹⁸ Kate Rooney and Yasmin Khorram, “Tech Companies Say They Value Diversity, But Reports Show Little Change In Last Six Years,” *CNBC*, June 12, 2020, <https://www.cnbc.com/2020/06/12/six-years-into-diversity-reports-big-tech-has-made-little-progress.html> [<https://perma.cc/8KQE-4CJM>].

Stills From Videos Featured In The Randomized Experiment (2010, n=63)

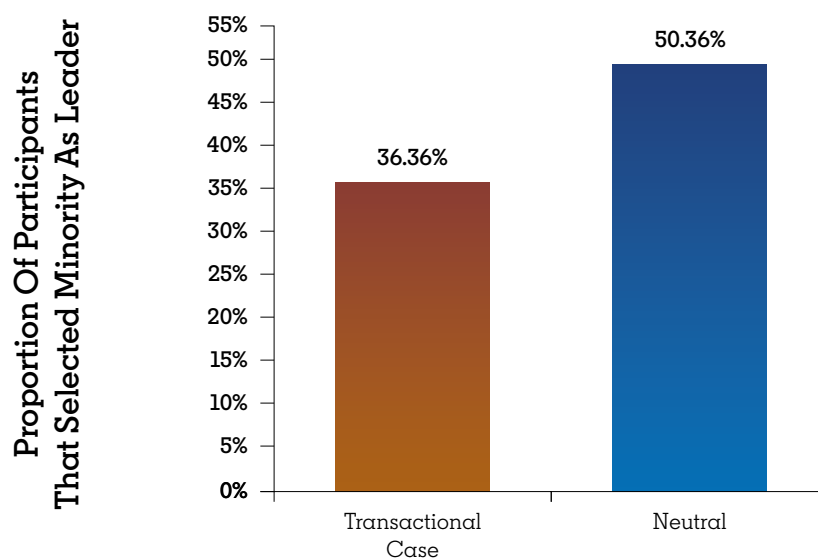


After viewing the video, the white participants were assigned to work on a task with two teammates, one Black and one white. The study design ensured equivalent performance of the Black and white teammates across conditions.

I found that showing the “transactional case” video that highlighted very common messaging around the benefits of diversity, actually increased bias in white participants. This heightened bias led to negative outcomes for high-performing Black team members.

For example, the white participants who viewed the transactional case video were less likely to select their Black teammate as team leader for a subsequent group task, making them ineligible for the leadership bonus. They also evaluated their Black teammate more harshly, compared to the white participants who viewed the neutral and traditional control videos.

The Transactional Case Leads To Negative Outcomes For Black Teammate



These results suggest that the transactional case imagery and messaging trigger *loss aversion*. In other words, the transactional case leads individuals to consciously or subconsciously perceive a threat or loss of rewards and status for themselves or their group. This leads them to counter the perceived loss of status and rewards by restoring the status quo, which is putting a white person in the high-status position.

For example, white participants who viewed the transactional case video were more likely to respond by assigning their white teammate as group leader – or by retaining the leadership position for themselves – despite feedback that they were lower performing than both their Black and white teammates. Something about the transactional case messaging and the great benefits brought by “others” made them want to keep the opportunity and potential rewards in white hands. They were not persuaded by the possible performance benefits that the group may achieve by having a Black leader.



Behavioral Science Spotlight: Zero Sum Bias

Zero sum bias kicks in when people think that opportunity is zero sum – or that if one person receives an opportunity, that same opportunity is taken away from someone else. When this belief is in place, people may experience loss aversion when granting opportunity to others, because they see this as a loss of opportunity for themselves or their peers.

Loss aversion is particularly powerful. People seek to avoid losses more than they aim to achieve gains, because we experience the pain of a perceived loss more strongly than the pleasure of a perceived gain. If the transactional case elicits a zero-sum mentality, loss aversion will likely cause decision-makers to take actions that maintain the status quo. This is also known as opportunity hoarding.

Participants who viewed either the “neutral” or “traditional” control videos were more likely to select the Black teammate as group leader. This finding suggests whites are less biased when they are less threatened by transactional case messaging. Whites had particularly high self-esteem when the video displayed imagery of a primarily white workforce and no transactional case messaging. In that condition, white participants reported higher self-confidence and were also more favorable toward the Black teammate.



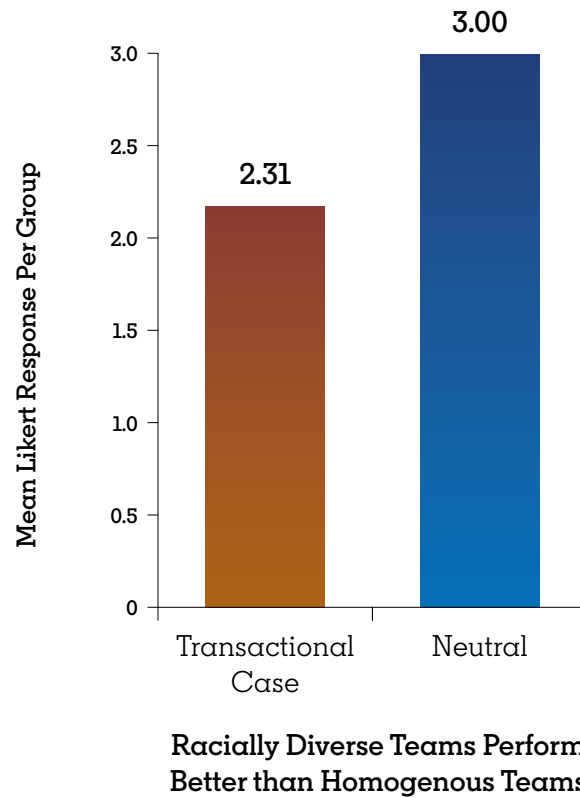
Behavioral Science Spotlight: Cognitive Dissonance

Cognitive dissonance is a tension felt when there is a misalignment between a person's beliefs and actions. When this happens, the person often rejects the new information that conflicts with their existing beliefs.

Transactional case messaging emphasizes the greater business value and performance gains provided by diverse groups. This may be inconsistent with a white person's thoughts about their own group's high value to the business. Being presented with this perceived “opposite” viewpoint triggers cognitive dissonance. These reactive beliefs about how they and other whites offer high-value perspectives cause them to reject the Black candidate and the transactional messaging to uphold their own beliefs.

Following the video and the team exercises, I also asked all participants the extent to which they agree with the transactional case philosophy that “diverse teams perform better than homogeneous teams.” White participants who were exposed to the transactional case in the video not only were less likely to select a Black leader, but they were also significantly less likely to agree that diverse teams perform better than homogeneous teams. This suggests resistance to the concept of the transactional case. It is also evidence of participants further bringing their beliefs in line with actions, consistent with cognitive dissonance theory.

Participants Exposed To The Transactional Case Video Report Less Buy-In To DEI Principles



Based on a 1-5 Likert scale.

These findings reveal that there may be a lack of true buy-in to the transactional case, and even backlash to it, expressed in both beliefs and behavior. This will lead to lackluster results when it comes to diversity, equity, and inclusion.



Behavioral Science Spotlight: Persuasion Knowledge

Resistance to the arguments presented in the transactional case may be caused by *persuasion knowledge*, which is a sense of suspicion that arises when we feel like we are being sold something.

Not only does the transactional case trigger increased bias in whites, it also harms the historically excluded talent, according to new research by Oriane Georgeac and Aneeta Rattan at Yale School of Management.¹⁹ In a series of randomized experiments and qualitative interviews, they found that many LGBT+ and women employees are suspicious of companies that rely on the transactional case to justify DEI, and it makes them less likely to feel like they belong at the organization. This may be partly due to a lack of focus on cultural change.

The Disconnect: At The Culture And Systems Level

What about the systemic racial bias that became a hot topic following the murder of George Floyd? The transactional case is not only leading to negative attitudes and decision-making as the prior study demonstrates, but it is also ill-equipped to change systemic bias and workplace culture.

While the transactional case may incentivize leaders to invest in DEI programs, a disconnect in results remains. If diversity is so valuable, why haven't the leaders also dismantled biased systems that reinforce unconscious bias and lead to pay gaps, glass ceilings, and in many cases, a toxic culture for members of historically excluded groups?

With many corporate commitments and statements of solidarity, why are we still seeing high rates of bias and so many reports of microaggressions and other forms of unequal treatment that are exhausting and draining for women and people of color? If diversity pays, why aren't we seeing culture shifts where this talent can thrive and bring those promised benefits?

With a transactional approach, much-needed culture shifts are too often overlooked in favor of simplified formulas. Decades of research demonstrate that culture is critical for promoting systemic change and more sustainable progress. In a study of over 800 organizations and 8 million employees, Frank Dobbin and Alexandra Kalev have found that problematic workplace systems limit inclusion more than biases of individual decision-makers.²⁰ For example, persistent inequalities in managerial representation can largely be traced to systemic bias in common policies, practices, and procedures that create and reinforce barriers.

¹⁹ Oriane A. Georgeac and Aneeta Rattan, "The Business Case For Diversity Undermines LGBT Individuals' And Women's Sense Of Belonging And Interest In Joining Organizations" (under review).

²⁰ Alexandra A. Kalev and Frank Dobbin, "Companies Need to Think Bigger Than Diversity Training," Harvard Business Review, October 20, 2020, <https://hbr.org/2020/10/companies-need-to-think-bigger-than-diversity-training> [<https://perma.cc/9G9R-NQWH>].

The transactional case tends to be surface level, looking primarily for return on investment. The investment is hiring the “different” or historically excluded – women, POC, LGBT+ – and the return on this investment is profit. In most cases, this carrot and stick approach does not acknowledge the very real cultural and systemic issues identified by Dobbin and Kalev that create and sustain persistent inequality. Given this, it is no surprise that the transactional case has been coming up short when it comes to more meaningfully impacting the lives, opportunities, experiences, and career chances of underrepresented talent.

Signals of systemic inequality include toxic experiences, underutilized talent, and retention problems, where there is a revolving door and talent comes but won’t stay. Some key contributors to systemic bias in the workplace include:

- **Network homophily**, the process of closing off social opportunity by hiring and promoting through nepotism, the old (or young) boys network, informal tap on the shoulder, and a preference for white males with “fit” or affinity – which reproduces the same image.
- **Disparate allocation of opportunity**, where talent receives mentoring, sponsorship, leadership training, high status assignments/clients, and exposure in an unbalanced way and the historically excluded do not receive the same development.
- **Lack of transparency** regarding workforce representation data, the promotion process, compensation, etc.
- **Lack of built-in accountability**, where companies fail to track who their policies and practices advantage and disadvantage, and no specific person or group is identified to be responsible for fixing inequitable outcomes and systems.
- **Rigid gatekeeping**, like tests and qualifications that are not significantly related to performance and core skills, and can be used selectively, i.e., white males receive more leniency.
- **Inflexible ideal worker norms** that demand long hours of face time and penalize caregivers and other top performers who require or thrive with flexibility/leave.

The transactional case focuses primarily on numerical representation rather than fixing these contributors, which is why systemic inequality persists. To address these deeper issues, companies should move away from a narrow focus on the transactional case. Instead, the focus should shift to “Equity Every Day,” a culture of shared values that makes space for all talent to belong, grow and thrive. A culture built on authentic allyship and cross-team dedication to advancing equity. Not because it will lead to business gains, but because it is the right thing to do.

II. Aligning With The Transformational Case for DEI

While transactional case messaging that emphasizes the bottom line is conventional thinking, the challenges and drawbacks discussed above warrant revisiting alternatives. In an article entitled “The Money Or The Morals,” David Mayer from the University of Michigan Ross School of Business suggests that moral language may be more influential than economic language.²¹ He finds that companies that frame social issues as part of an organization’s mission because it is “the right thing to do” tend to be more successful at promoting desired behaviors.

Once I discovered the counter-intuitive pattern that the transactional case for diversity backfires, I set out to examine what messaging may be more effective. Findings from my subsequent research are consistent with what Mayer found in “The Money Or The Morals.” I found that DEI messaging that inspires beliefs about what feels like the right thing to do is most likely to motivate actions that challenge the status quo and promote real change. This messaging tends to be more visionary, inspirational, and unifying, so we call it the “transformational case.”

While the transactional case monetizes equity for rational gain, a transformational case goes beyond symbolically valuing diversity for business performance and profit. It inspires people to internalize the core social value of equity. It makes equity mean something to people and makes them feel like they want to be a part of the change.

I found that DEI messaging that inspires beliefs about what feels like the right thing to do is most likely to motivate actions that challenge the status quo and promote real change.

Transformational language is not only powerful in and of itself, but also because it is a product of transformational leadership. And transformational leaders are the most likely to inspire; they are viewed as the most authentic. Alex B. Van Zant and Don A. Moore studied the effects of different messaging used by senior leaders.²² Consistent with the findings discussed here, they found that messaging based on moral values generated greater support than pragmatic messaging based on economic and organizational benefits. This held true across a variety of policy contexts such as green technology, access to nutrition, retirement funding, and child labor. This research reveals important lessons on transformational leadership for DEI and beyond. Not only was transformational messaging more influential, but participants were most moved by the leader's private stance on an issue relative to their public stance.

This reinforces the idea that authenticity is key for senior leaders seeking to drive top-down change. Leaders’ first-person accounts about why equity is important to them as human beings move the message from performative and transactional to authentic and transformational, which will strengthen impact.

²¹ David M. Mayer, Madeline Ong, Susan J. Ashford, and Scott Sonenshein, “The Money or the Morals? When Moral Language is More Effective for Selling Social Issues,” *Journal of Applied Psychology* 104, no. 8 (2019): 1058-1076, <https://doi.org/doiLanding?doi=10.1037/apl0000388>.

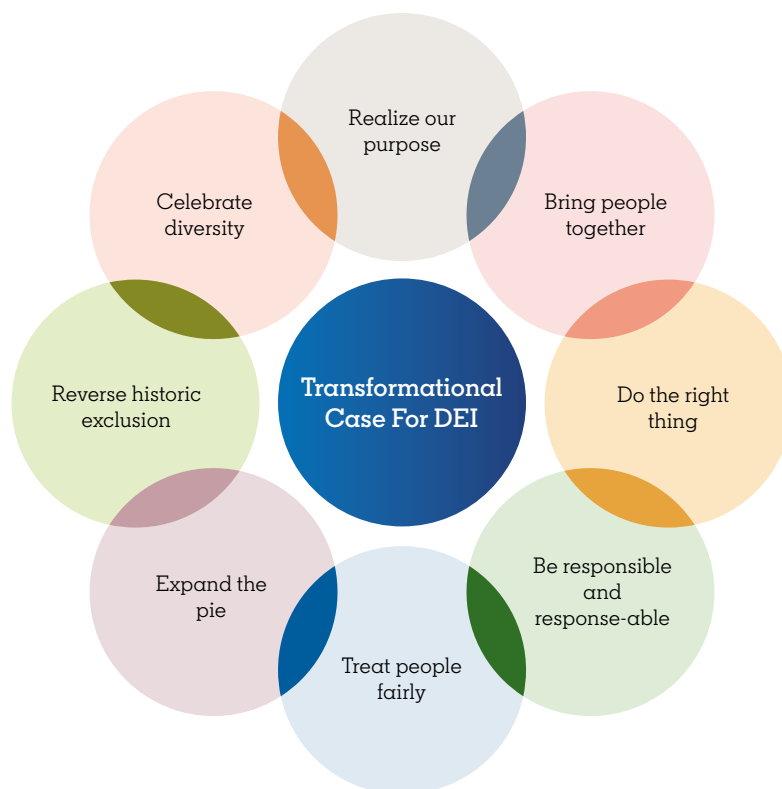
²² Alex B. Van Zant and Don A. Moore, “Leaders’ Use of Moral Justifications Increases Policy Support,” *SAGE Journals* 26, no. 6 (Spring 2015): 934-943, <https://doi.org/10.1177/0956797615572909>.

What is the transformational case? When organizations make a transformational case for diversity, equity and inclusion, they are not trying to justify its value to the bottom line. Instead of needing to prove that women and employees of color belong because they can bring economic rewards stemming from their identities, leaders making a transformational case emphasize that it is the right thing to do and aligns with core values. This feeling will drive a person to act in ways consistent with this vision of a new future, despite their own rational self-interest and perceived economic gain.

Directly or indirectly, the transformational case promotes awareness about systemic inequality. It often embraces storytelling in a way that generates empathy and perspective-taking, which in turn motivates action. A transformational case connects people, identifies common ground, and generates compassion and the required conversations that are needed to shift attitudes and behavior in a meaningful way.²³ Recent neuroscience research suggests that compassion is not only transformative for the human brain, but it is also the key to fueling systemic cultural change.²⁴



The Transformational Case For Diversity, Equity, And Inclusion



²³ Evelyn R. Carter, "Restructure Your Organization to Actually Advance Racial Justice," Harvard Business Review, June 22, 2020, https://hbr.org/2020/06/restructure-your-organization-to-actually-advance-racial-justice?utm_medium=social&utm_source=twitter&utm_campaign=hbr [<https://pema.cc/C4A7-8RL3>].

²⁴ Dr. James Doty, Founder of the Stanford University Center for Compassion and Altruism Research and Education.



Behavioral Science Spotlight: Persuasion Knowledge

“Justification” or “proof” of the value of DEI programs feels like a sell, which triggers *persuasion knowledge*. This defensiveness is avoided through the transformational case because it does not seek to persuade a person that DEI is rational and will benefit them or their team. It instead appeals to a person’s emotions and core values about what is right and wrong.

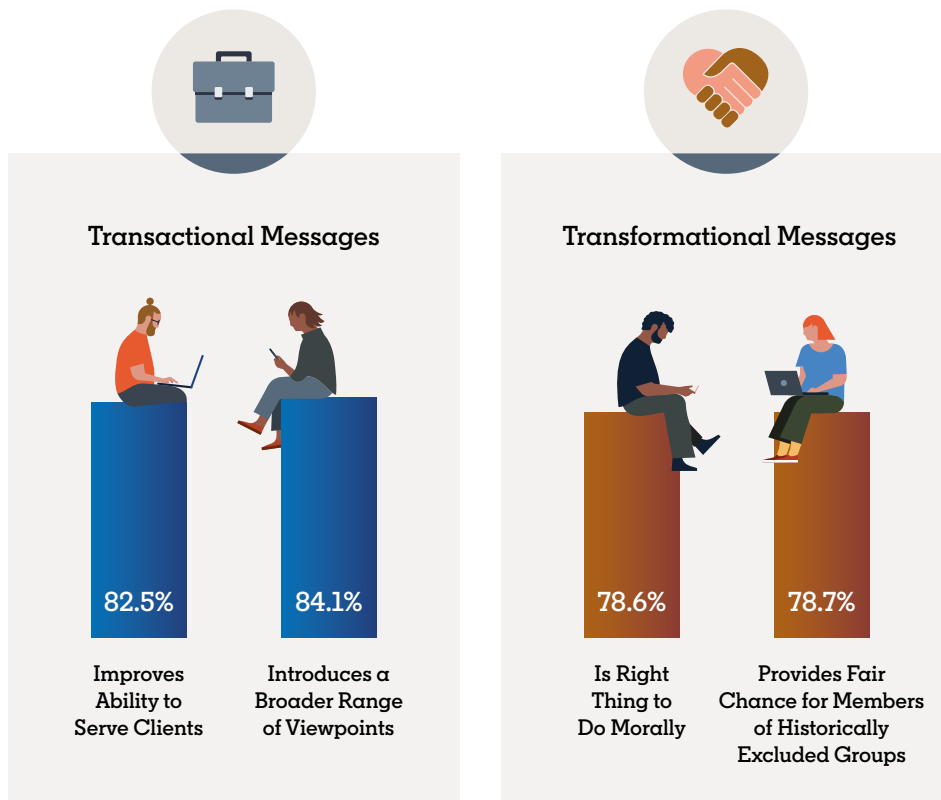
I conducted a nationally representative survey of working adults (n=1,655) in 2018 to examine the extent to which the U.S. workforce supports DEI goals. By design, this survey sample resembles the U.S. demographic breakdown for race, gender, geography, education, age, and other characteristics. Participants were asked to report whether they believe “it is important to strive for diversity in organizations,” on a scale from 0-100, with 0 meaning it is “Not at all important” and 100 meaning “Extremely important.” On average, participants rated the importance of diversity at 79.4/100, suggesting overall support.

Directly or indirectly, the transformational case promotes awareness about systemic inequality. It often embraces storytelling in a way that generates empathy and perspective-taking, which in turn motivates action.

Building on my prior research findings about the pitfalls of the transactional case, I also asked the survey respondents whether they believe diversity is important for a series of business reasons, moral reasons, or both. I found that the transactional case is somewhat more highly-endorsed than the transformational case. Eighty-three percent responded they believe it is important to strive for diversity because it improves ability to serve clients, 79% responded it is important because it is the right thing to do morally, and 79% responded that it is important because it provides a fair chance for members of underrepresented groups.

These rationales all receive relatively high support in principle, demonstrating that companies using transformational messaging are not far out of step with what most people in the workplace say they already believe to a large extent.

Participants Report High Levels Of Support For Both Transactional And Transformational Messages.



While the transactional case is somewhat more widely endorsed, my results from three additional studies reveal that people who are more centrally aligned with the transformational case are more inspired to act relative to those who endorse the transactional case.

In a 2011 survey study of white participants (n=181), many of whom were managers, I asked 12 questions related to various rationales for diversity. This study was a first step towards constructing and validating a scale to measure workplace diversity beliefs. The survey started with the stem: "To what extent do you believe the following factors are important reasons to strive for diversity in the workplace?" Twelve specific rationales were listed, and responses were recorded on a seven-point scale from 1 = "Not at All Important" to 7 = "Extremely Important."

I analyzed responses to these diversity belief questions by performing a principal components factor analysis with oblique rotation. The results yielded two separate diversity beliefs factors, each representing a distinct underlying construct. This means that responses were patterned and tended to cluster into two categories, a “Transformational/Justice” diversity belief system or a “Transactional/Economic” diversity belief system.

Survey Questions Provide Two Factors To Assess Workplace Diversity Beliefs



Factor 1 = Transactional/Economic Belief System

- Diversity improves ability to **recruit top talent**
- Diversity improves **innovation**
- Diversity helps companies **succeed in a global market**
- Diversity creates organizations that reflect **changing demographics**
- Diversity improves ability to **serve clients**
- Diversity introduces broader **viewpoints for decisions**
- Diversity creates a more **desirable workplace** environment



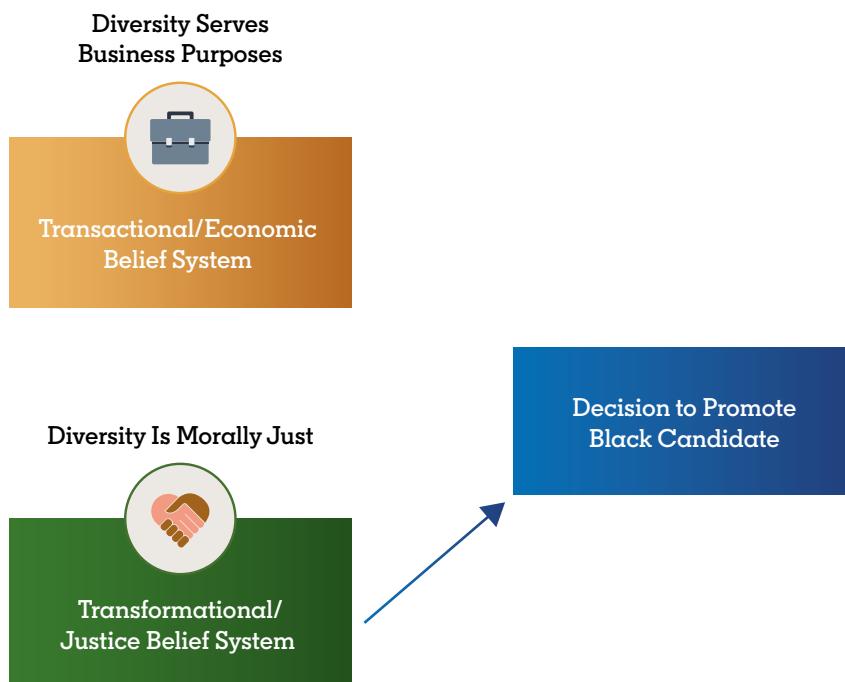
Factor 2 = Transformational/Justice Belief System

- Diversity makes unlawful **discrimination less likely**
- Diversity **provides a fair chance** for members of underrepresented groups
- Diversity **remedies past discrimination** and injustices
- Diversity is the **right thing to do morally**
- Diversity is important to comply with **legal requirements**

I then conducted a logistic regression analysis to examine whether these two diversity belief systems predict the actual workplace actions taken by the white participants, such as a promotion decision. To measure workplace action, participants were asked to respond to an organizational scenario in the form of a vignette. A vignette is a short description of a situation that is shown to survey participants in order to elicit their judgments about the scenario. In this case, they had an opportunity to promote a highly qualified Black candidate who faced systemic bias in the workplace and was initially passed up for a promotion (see Part II Appendix for promotion vignette language).

I found that high Factor 1 scores – indicating strong alignment with the transactional belief system – did not predict the decision to promote the Black candidate. On the other hand, high Factor 2 scores – or alignment with the transformational belief system – did significantly predict the decision to promote the Black candidate.

Transformational Beliefs Predict Promotion Of The Black Candidate; Transactional Beliefs Do Not





So while the transactional case may lead people to “talk the talk” that they think diversity is important, it is identifying with the transformational case that actually makes one take action in support of the Black candidate, and “walk the walk.”



Behavioral Science Spotlight: Cognitive Dissonance

Cognitive dissonance results when there is a misalignment between a person’s beliefs and actions. When this happens, the person must resolve the tension by adjusting their beliefs or actions accordingly.

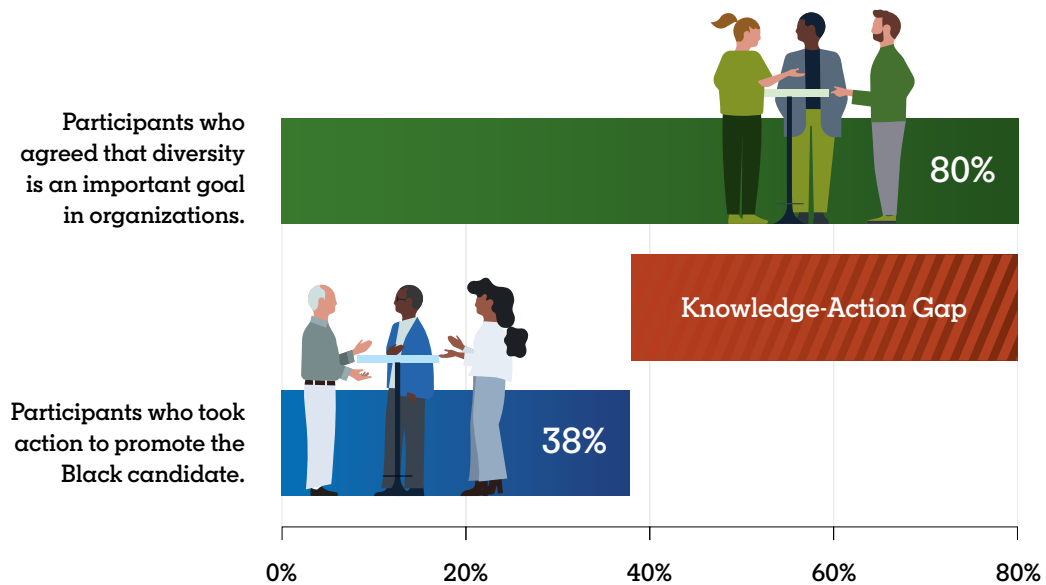
We see this at play with the transactional case: people who feel their sense of personal or group value threatened by the business case avoid taking action to promote DEI outcomes. They may “talk the talk,” but they don’t “walk the walk.”

Now we see that the reverse occurs among people who believe the transformational case. These people identify with a transformational/justice belief system, which means actions toward promoting DEI outcomes are in-line with their true beliefs. They are therefore more likely to take action. Those who believe the transformational case not only “talk the talk” – they also “walk the walk.” And importantly, they “walk the walk” even when economic gains may not be visible or present – simply because it is the right thing to do.

I also conducted a multiracial survey study (n=311) in 2011 to gain qualitative insights and to investigate what motivates action among both whites and people of color. In this study, my co-author Jonathan Cox and I closely examined: (1) the reasons people express for why they support diversity efforts, in their own words, and (2) which of these narratives seem most connected to inclusive action.

Consistent with my prior findings, 80% of participants say diversity is an important goal in organizations. This finding further confirms that people generally agree with striving for workplace diversity in principle. Yet, only 38% of those who report that diversity is an important goal actually took action to promote a promising Black job candidate to a leadership position in a workplace where people of color were vastly underrepresented. I identify this as the principle-practice gap in my research, which we also refer to in this paper as the knowledge-action gap.

The Knowledge-Action Gap In DEI



I also asked participants to *explain* why they think workplace diversity is important. Coding of these open-ended responses revealed an underlying theme that there are those who say diversity should be a goal because it *enhances outcomes* (transactional) and those who explain that it is important to *address inequality* (transformational). See the figure below for examples of qualitative responses associated with the transactional case and the transformational case.



Transactional Language

Those who discuss diversity in terms of outcomes say things like:

"Diversity helps with the bottom line."

"Diverse viewpoints are critical to an organization's success."

"We need diversity to bring in more creativity and innovative ideas. We also need to better understand our increasingly diverse clientele or consumer, etc."

"Diversity enriches the working environment by providing organizations with different points of view when solving problems."

"A diverse workforce will be better able to serve a diverse client base."

"Diversity of thought creates better solutions."

"Morality aside, well-managed, collaborative and heterogeneous teams generate the best and most robust solutions to business problems. In particular, when the question is related to consumer-facing products/services, it's important for an organization to have insight into the lives of an increasingly diverse population."

"Globalization and changing demographics demand that organizations have a diverse workforce if they want to be truly effective in serving their future clients."

"Innovation is at the heart of sustained success and it is proven that diversity drives up the probability of innovative outcomes in every business endeavor that calls for creativity."

"Diversity can help a company succeed."

"New people from different cultural backgrounds can bring in new ideas. Enhances innovation and creativity."



Transformational Language

Those who point to organizational inequality as the reason why diversity is an important goal say things like:

"To end discrimination based on race, sex, sexual orientation, etc."

"Because racial discrimination and prejudice is very prevalent among today's society."

"Stereotypes and racism, to any extreme, have been driving forces behind employment and promotion decisions. I believe organizations should make diversity an important goal in order to help streamline these decisions to be merit-based rather than racially-based."

"Everyone deserves an equal chance to an opportunity."

"Without diversity, organizational stereotypes and racism remain unaffected."

"Progress has been made, but not far enough."

"It appeals to my sense of fairness."

"It takes effort to overcome exclusion."

"Racial minorities have not been considered for important positions simply because of their race."

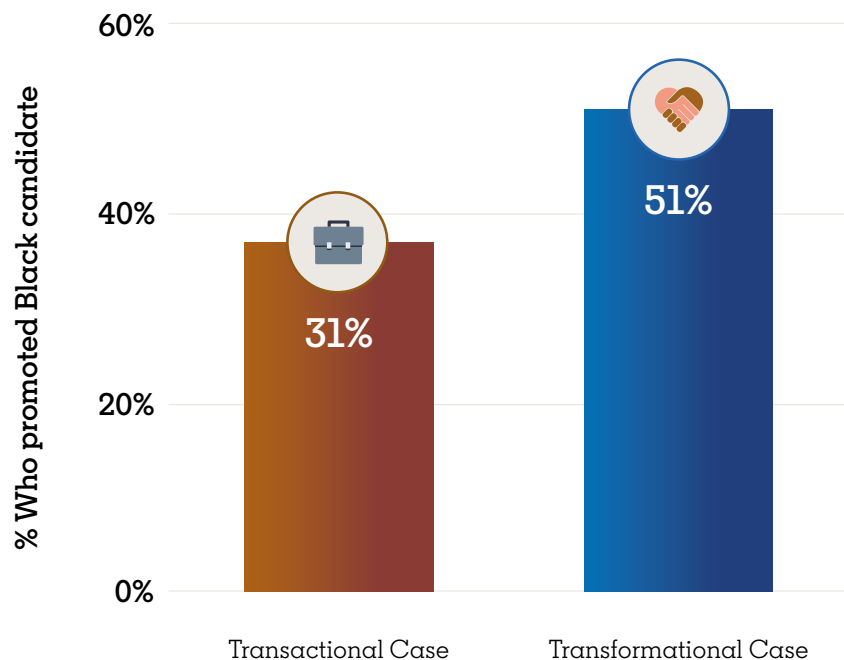
"Oh, Lord. It's the right thing to do..."

"To ensure equity in society."

"Because I have lived long enough to see women, African-Americans, Asians, Native-Americans and other minorities served badly, and I want to make a difference in my life to heal these wounds."

Despite describing in their own words that diversity is important because it improves organizational outcomes in some way, only 31% of participants who mentioned enhanced outcomes promoted the highly qualified Black job candidate when given an opportunity. On the other hand, over half, or 51%, of those who described diversity as being important to address inequality promoted the Black job candidate. This suggests a knowledge-action gap for both groups, but a smaller gap for those focused on addressing inequality (transformational case).

The Knowledge-Action Gap Is Smaller For Those Who Buy In To The Transformational Case



The Colorblind Conundrum

Another theme that emerged in my research that further explains inaction is the common trend of participants expressing colorblind narratives. While we see study after study demonstrating bias in hiring, evaluation, promotions, and compensation, we still frequently hear people insist they are colorblind and don't see color, and that they only care about who is best for the job.

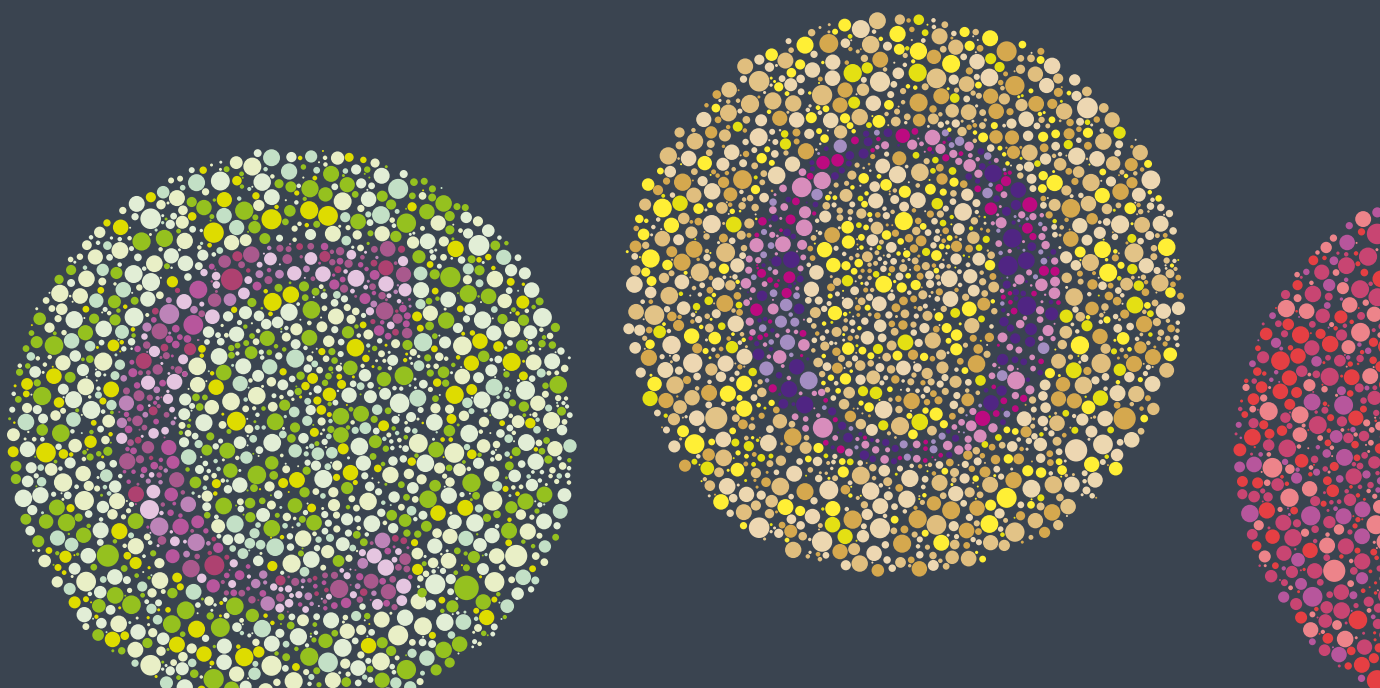
Even people who report that diversity is important often give a nod to this value, but then continue to judge all of the people of color as less qualified in some way. Their actions and the resulting outcomes don't seem to be colorblind at all.

Sociologist Eduardo Bonilla-Silva at Duke University coined this tendency "abstract liberalism" in his book *Racism Without Racists*. It is often in play when decision-makers use biased lenses and shifting notions of merit that make being the most "qualified" a moving target that favors the status quo.

Bonilla Silva finds that while people who self-proclaim to be colorblind say they oppose racism, they also tend to blame racial inequities on individual inadequacies. With this mindset, in one way or another, the person of color is always missing something, which is a story the colorblind person constructs to justify their inaction.

In my research with Jonathan Cox, we found that people who focus on how diversity relates to outcomes (the transactional case) are more likely to use colorblind rhetoric. It is commonly a sentiment that diversity is important, but qualifications are more important, as if the two cannot co-exist. This seems to suggest that despite reporting buy-in, individuals aligned with the transactional case may fail to act in ways that promote equity because they don't really internalize the core principle that diverse talent improves business outcomes. Or, they are expecting this talent to meet some heightened standard.

Interestingly, for white men, regardless of the story they tell for why diversity is important, very few were willing to promote the Black male candidate. In the promotion vignette (see Part II Appendix), the Black male candidate had leadership experience and high performance ratings. The white candidate was also high performing and less experienced than the Black male, yet he was favored by the supervising partner in an overwhelmingly white firm.



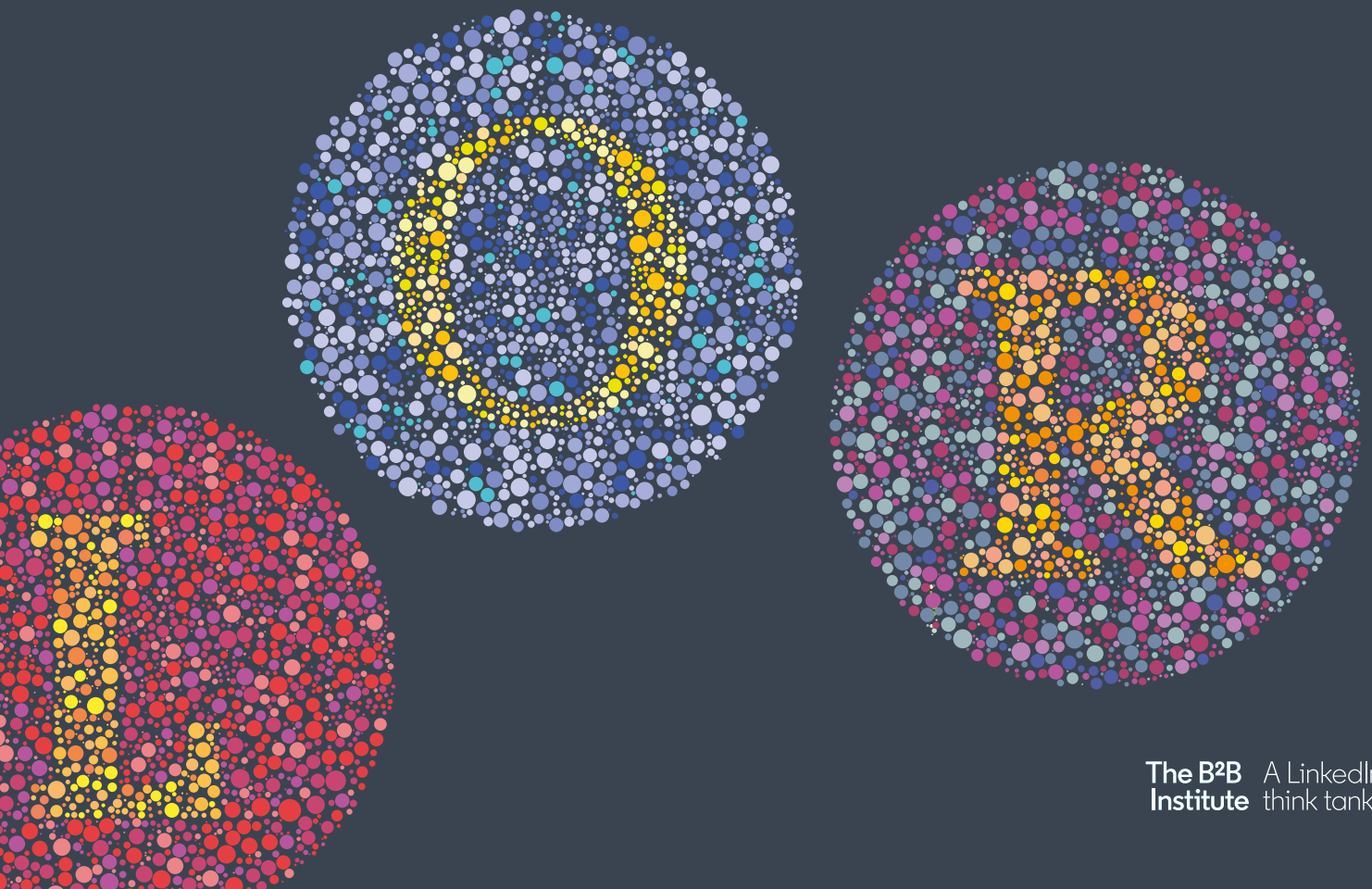
In the study, even among the white men who reported that diversity is an important goal, only 6% promoted the Black male. This includes 4% of those who discuss diversity improving outcomes and 11% of those who discuss diversity efforts to address inequality.

With this phenomenon you will continue to see barriers to entry and a glass ceiling that feels unbreakable. And until recently, few questions were asked because people commonly hide biases behind a veil of colorblindness and surface level buy-in to diversity.

In many cases, the white person is judged to be the "best person for the job" even when the minority talent is demonstrably superior. By using the abstract language of meritocracy, individuals can formulate seemingly reasonable arguments (Diversity is important BUT "We should hire the best person for the job, regardless of race or gender"). This justifies inaction and reinforces inequality, while maintaining an image of fairness.

While being colorblind may sound like an admirable ideal, both unconscious and conscious bias, as well as structural realities, make being colorblind impossible. It is not how the brain works, and socially, it is not in sync with reality. Color always counts, even when people claim it doesn't, and even when they say they care about diversity.

We must acknowledge this social reality in order to combat it. Do not assume that reported buy-in to the transactional case translates to action. Acknowledge that because of the colorblind conundrum, there may be more of an uphill battle to get white males who are committed to diversity in principle to actually act. Perhaps a transformational case is a step in the right direction rather than waging this war over which identity group brings the best business rewards.



The *colorblind conundrum* reveals that not all people who say they believe diversity is important are equally committed to change. We now know that people endorsing diversity either because of a transactional case, or because of a transformational case but with underlying “colorblindness” beliefs, tend to be more performative and less connected to practices that counter structural inequality.

In another 2011 randomized experiment (n=220), I found that moral messaging does not have to be explicit to have a transformational effect. There is other messaging that inspires moral beliefs, which can also lead to positive outcomes. In this study, participants who were exposed to messaging about civil rights law as a reason DEI is important were more likely to take action than those exposed to messaging about the business case for DEI (see Part II Appendix for Civil Rights Script). This may be surprising given that many think of “the law” as being too top-down, externally driven, punitive, and maybe even coercive – all things that could create backlash to DEI efforts.

Maybe certain messaging about legal mandates and compliance can lead to negative results, but discussing civil rights law, in particular, inspires greater moral beliefs about diversity. These moral beliefs then mediate more inclusive workplace promotion decisions. This means that the civil rights law, while apparently effective at driving action, has no positive effect in and of itself, after accounting for the moral beliefs it stirs up. So moral beliefs are the key or the “black box” to why discussing civil rights law leads to greater action relative to the transactional case.

Civil Rights Messaging Leads To Action Because It Evokes Moral Beliefs



The challenge is to find messaging to unlock the moral box that will then drive more equitable actions and outcomes consistent with DEI goals. We believe this messaging is transformational, not transactional.

DEI efforts will not reach their full potential until they move away from the transactional case and renew emphasis on the social and moral reasons for stopping racism, sexism, xenophobia, and homophobia – both systemic and attitudinal. These efforts require a shift in culture to make sustainable progress, not a collection of disjointed individual actions and investments.

III. Takeaways

The lack of progress in DEI may largely be about the way we are messaging around why diversity is important, and why we should strive for change.

The key takeaway from these research findings is that thought leadership which uses transformational messaging to inspire moral beliefs is more likely to motivate people to act in ways consistent with these beliefs, which translates to action that advances equity in real ways.

The Transformational Case Promotes Awareness About Systemic Inequality.



From Transaction:

Cognitive Dissonance

People feel their *personal value threatened by the business case*.

Persuasion Knowledge

"Justification" or "proof" of the value of DEI programs *feels like a sell*.

Zero Sum Bias

A *gain for one* group is perceived as a *loss for another* group.



To Transformation:

Alignment with a moral belief system connects DEI outcomes with true beliefs.

Defensiveness is avoided through the transformational case. It appeals to a person's sense of right and wrong.

The transformational case appeals to what is possible. It focuses on expanding opportunity and dreams of a better future.

Defeating generations of subconscious learning and socialization around who is most intelligent, confident, tough, and the prototypical image of a “leader” as white and male is a difficult ask. It won’t always feel comfortable. It takes bravery to confront bias and challenge problematic systems – particularly if they work to your advantage. It can also feel risky for those who have been historically marginalized in these careers to stand up for change.

To see real progress, we need more disruptors from every background, across functions, and at every level of the organization. Marketers, with specialized expertise in narrative, storytelling, and messaging, have a unique opportunity to make an impact.

We see the business case as an important first step in modern DEI work. Speaking about DEI in business language, and outlining the case for equitable actions in terms of business outcomes, allowed DEI professionals and consultants to finally introduce DEI to workplace conversations. We thank them for their efforts here, and we can see the results – the conversation has undoubtedly progressed. DEI is now mainstream conversation at work. The murder of George Floyd intensified the conversation in businesses across the country and brought the transformational and moral issues back to the forefront.

The key takeaway from these research findings is that thought leadership which uses transformational messaging to inspire moral beliefs is more likely to motivate people to act in ways consistent with these beliefs, which translates to action that advances equity in real ways.

Let’s take this work a step further to finally translate conversation to action. While the transactional case for diversity is both popular and compelling, this research reveals that it is more rhetoric than action. Even when people say they believe diversity is good for business, which many do, it doesn’t lead them to take tangible steps that would further include women and employees of color and, in some cases, it may actually increase bias. For many others, it just doesn’t resonate, despite the perceived rational appeal.

The Transactional Case May Have Unintended Consequences. The Transformational Case Is An Area With Renewed Promise For DEI Professionals And Marketers Alike.



Consequences Of Transactional Case

Numerical Benefits
Are Contested



Increases
Bias



Revolving Door
Of Talent



Failure
To Address
Systemic Issues



Promises Of Transformational Case

Greater
Internalization



Positive
Influence On
Behavior



Less Threat



Bigger Emphasis
On Culture
Change



Yes, diversity has important business and economic implications. But rather than over-emphasizing the economic benefits of an individual's identity, DEI should centrally be about "Equity Every Day." This requires moving the messaging away from the carrot and stick approach which discusses what it will "pay" companies, teams, and individuals to be inclusive and towards a more humanistic and transformational approach.

To inspire real change, messaging should be people- and culture-centered, not profit-centered.

The focus should move towards messaging that strikes moral chords and sparks emotion by telling stories and broadening awareness of historical and current inequality. This is a reminder of our common humanity and core social values of equality, respect, and dignity that have not been realized. We saw this in Summer 2020 when masses turned out to stand against racial injustice and biased systems. To inspire real change, messaging should be people- and culture-centered, not profit-centered. This means that making nice charts and transactional promises without changing culture is not enough. Equity Every Day involves dismantling biased systems and creating a culture where all talent is developed and can thrive because it is the right thing to do. That is business.

To quote David Thomas and Robin Ely, leaders in establishing the business benefits of DEI in the early 1990s:²⁵

"While there is a business case for diversity – one that rests on sound evidence, an expansive definition of what makes a business successful, and the presence of facilitating conditions – we are disturbed by the implication that there must be economic grounds to justify investing in people from underrepresented groups. Why should anyone need an economic rationale for affirming the agency and dignity of any group of human beings? We should make the necessary investment because doing so honors our own and others' humanity and gives our lives meaning. If company profits come at the price of our humanity, they are costing us too much. And if diversity initiatives fail to reckon with that trade-off, they will amount to little more than rearranging the deck chairs on a sinking ship."

The transactional case has gone as far as it can go. Marketers, it is time to transform the conversation.

²⁵Robin J. Ely and David A. Thomas, "Getting Serious About Diversity: Enough Already with the Business Case," Harvard Business Review, November – December 2020, <https://hbr.org/2020/11/getting-serious-about-diversity-enough-already-with-the-business-case> [<https://perma.cc/4J4Y-KHP2>].

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Conclusion

Delivering Lasting Impact

This work focuses on the gap that impedes knowledge about DEI opportunity from translating into action, and how marketers can help bridge that knowledge-action gap. We are just scratching the surface - there is much more to illuminate.

You've heard the phrase "get to the root of the problem." If we are going to address long-standing issues, we need to go after them at the system level. Without addressing internal culture and systemic bias, there is no sustained path to progress. If we are interested in decisions that drive behavior change, we must concern ourselves with human behavior. What's missing from diversity, equity, and inclusion discussions is an acknowledgment of behavioral science. The seeds of change are planted in the minds of individuals, says diversity consultant Joy L. Hightower:

"The success of organizational change is not only dependent upon the incorporation of employees at the individual level, but also across business functions. Organizational-wide change does not happen in the confines of one department or through the efforts of the diversity (team) lead."²⁶

We posit that marketers are best-equipped to plant these seeds with effective DEI communication, but no matter how innovative and compelling your advertising and communications campaign, it does not revolutionize "business as usual." At the core, it's not just your brand, but also your culture, that must be authentically aligned with the cause. And culture is organization-wide – this level of change does not happen in the confines of one department or through the efforts of the diversity team alone.

Cultural change also requires introspection. If we skip the step of holding up a mirror to our own culture, acknowledging our own role in the problem, we will not reach our destination. This includes acknowledging the history that drives access to opportunity and resources for some communities, while limiting opportunity for others. Charged topics like these can provoke anger, shame and resentment. However, progress requires ongoing conversation and thoughtful action. There is no transformation without conversation. We must examine the conversations with our leadership, stakeholders, communities – and even the ones running in our own minds. Americus Reed, marketing professor at the Wharton School at the University of Pennsylvania asserts:

"You have to invest the psychic energy, the leadership impetus, and you have to build it into the DNA of what you're doing. You have to bring in a diversity officer, you have to bring in the community, you have to bring in those voices that have not been heard. And you have to make them part of the conversation, but also part of the strategic, forward-looking approach that you're going to use."²⁷

²⁶ Joy L. Hightower, "Why is Change Management Theory Absent from Tech's Diversity and Inclusion Discussions?" Medium, January 6, 2017, <https://medium.com/@joyhightower/why-is-change-management-theory-absent-from-techs-diversity-and-inclusion-discussions-955107caf088> [<https://perma.cc/J6TC-NQH8>].

²⁷ Sarah Steimer, "Putting Action Behind Social Justice Hashtags," American Marketing Association, July 6, 2020, <https://www.ama.org/marketing-news/putting-action-behind-social-justice-hashtags/> [<https://perma.cc/N73E-52D5>].

The work starts with an internal conversation about the uncomfortable topics we so often avoid. There is a growing national conversation about equity right now - on the news, in articles and with colleagues, friends and family. While these conversations are often uncomfortable, imperfect and messy, they are a good thing.

As marketers in the age of social justice, the bar is now higher. It is much easier to respond to problems with short-term solutions: “let’s run a campaign, let’s make a statement on social media, let’s invest money.” While these are positive and admirable actions, without long term core cultural transformation, we will achieve the same results time and again, all the while maintaining the status quo.

Fortunately, there is a compelling leadership opportunity for marketing and communications professionals to push beyond the status quo. Given the reach of thought leadership and advertising, marketing and communications provides a great means for transformation at scale. Our work falls squarely in the space of relationships and connections. Consider how you might use your platform to create a sense of urgency, to develop clear communication, and to articulate a vision of the future in a way that galvanizes support in service of your stakeholders: your leaders, employees, shareholders and customers. We must move the culture to achieve success. In our everyday activities, we must incorporate inclusivity into everything we do – from our customer research to the stories we tell with our advertising. And we must go a step further to shift the culture – we must reimagine the ownership marketing can take over the DEI conversation, and the role marketers can play in their organizations at large.

At its best, marketing is business strategy. As leading management thinker Roger Martin puts it, “It’s Time to Accept that Marketing and Strategy are One Discipline.”²⁸ Marketers have a vested interest in breaking down the silos that have too long confined them – an interest that is now a moral imperative. The organizational silos that have constrained marketing’s influence are the same ones that have prevented the culture-shifts necessary to move the needle on DEI outcomes. Marketers can, should, and must lean into this opportunity to take ownership over transforming corporate culture and workplace conversation to achieve sustained progress on DEI outcomes.

Marketers, let’s lead with storytelling. We understand what resonates with people, what moves them and shapes their behavior. We know how to tap into emotion to drive change. This community is passionate about DEI issues, and we have the skills to make a real difference here. Let’s finally take ownership over this work. The case for diversity and the advancement of marginalized communities can’t solely be about increasing revenue, reducing risk and finding new paths for innovation. It can’t just be: “What’s the ROI?” If we are committed to progress, we must ask: “How can I practice equity every day?”

Such stances take courage. This is a moment that demands transformation. Let’s rise to the occasion.

²⁸Roger Martin, “It’s Time to Accept that Marketing and Strategy are One Discipline,” Medium, April 19, 2021, <https://rogermartin.medium.com/its-time-to-accept-that-marketing-and-strategy-are-one-discipline-17f0140521c9> [<https://perma.cc/8NRZ-M72B>].

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Recommendations

Marketing With Equity Every Day

Bridging the Knowledge-Action Gap

We set out to answer the question, “If diversity is good for business, why aren’t people buying?” The answer, we believe, is that the “case” for diversity does not always land the way we intend it to when positioned as a business outcome imperative. If your intention is to “sell” the importance of DEI and persuade your workforce and other stakeholders to engage in more inclusive behavior because it leads to better business outcomes, this research demonstrates that the business case at best, fails to motivate action, and at worst actually harms the communities it seeks to help.

To be clear, data, statistics and accountability do have a place in the work of DEI. If your intention is to know where to invest, to understand what is happening, to chart progress and plan your strategy, you need to have the data. Simply put, you need to know where you are to chart where you want to go.

That said, the argument for DEI cannot be: “Show me how diversity improves business outcomes.” When you say this, you require historically excluded communities to prove why they should be treated equitably. It’s a reminder of why those communities don’t belong in your organization. You’re saying, “make the case of why you should be here.” No. We must instead lead with Equity Every Day.

The transformational case for equity is far more powerful. Though counterintuitive, emotion is far more likely to motivate action than reason, even at work. We’ve seen this in our work with behavioral scientist and marketer Rory Sutherland, whose quote from *The Objectivity Trap* says it best:

“You don’t become rational the moment you put on a suit.”²⁹

Though we like to believe we are completely objective and logical at work, that is simply not the case. We are driven by the same biases at work as we are in our daily lives, and the role of emotion may be even more pronounced in our workplace decisions.

You’re saying, “make the case of why you should be here.” No. We must instead lead with Equity Every Day.

²⁹Rory Sutherland, “The Objectivity Trap,” The B2B Institute At LinkedIn, July 2020, <https://business.linkedin.com/marketing-solutions/b2b-institute/b2b-research/research-studies/the-objectivity-trap> [<https://perma.cc/LUH5-D8LE>].

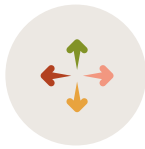
Fortunately, we marketers are used to operating in the domain of emotion. We specialize in understanding how to communicate, and we know that stories are an effective way to inspire people to action. We have a specific skill set to lead the way toward more transformative DEI conversations.

People are story-processors, not logic-processors. Marketers, let's bring this truth to the way we think about and communicate DEI.

The Call To Action For Marketing And Communications Professionals Is Four-Fold.



1 Invest in inclusive advertising.



2 Expand brand stewardship.



3 Develop more effective DEI thought leadership.



4 Apply marketing and communications skills to transform workplace culture.



#1 - Invest in inclusive advertising.

Communicating DEI is a marketing imperative, and it is also effective, everyday marketing. Effective marketing is storytelling. Make sure you're baking inclusivity into your advertising by telling inclusive stories, with inclusive representation. **Our partners at System1 Research, a creative scoring agency in the UK, recently co-authored a report called Feeling Seen: How Diverse Advertising Unites Us.**³⁰ We are grateful to include their guidance in our marketing and advertising creative recommendations, and we encourage all readers to read the full report online for tangible examples of effective inclusive advertising.

Create ads that tell inclusive stories, with inclusive representation.

- Brand everything and tap into positive emotion. Find simple themes that cross any cultural divides - like food, family, or relationships.
- Ensure you have diversity in front of the camera as well as behind to build in authenticity. Ask the people you're including what they think, feel, and want. The best advertising takes inspiration and feedback from the communities.
- Show diverse communities together in situations which are relevant and allow them to exist in a happy uncomplicated state. Surprise and challenge people's expectations and don't just place diverse people in heteronormative white situations.

Commit to running inclusive advertising over time with 365 days a year representation.

Our B2B Institute research shows that good ads wear-in over time - they don't wear-out. Inclusive creative is critical, but equally so is committing to that creative over time to build memory structures and realize long-term effects. Authenticity comes from representation 365 days a year - not just a gesture for Pride or Black History Month. In the age of digital media - an age of fragmentation - having long-term investment in recognizable language and assets is even more important to cut through the noise.

Reach the entire category with your inclusive ads.

- An inclusive strategy, an effective marketing strategy, speaks to all potential buyers of your category. Prioritize channels that allow you to maximize your category reach. Doing so will allow you to reach your current buyers, future buyers, decision makers across all functions of your buying committee, and importantly, professionals across diverse communities.
- Marketers have the power to influence culture when their ads reach the masses - when they achieve fame.³¹ 30-second ad spots are too short to trigger deep thinking, but when done right, they can move the needle on DEI by celebrating culture. Famous taglines can become mainstream mottos, and famous stories and characters can inspire mainstream following.

³⁰ Kate Waters, Shane MacRory, Jon Evans, "Feeling Seen: How Diverse Advertising Unites Us," System1 Group, 2021, <https://pages.system1group.com/feeling-seen> [<https://perma.cc/9U44-SU5F>].

³¹ Julian Vigo, "How Does Advertising Affect Culture?" Forbes, February 5, 2019, <https://www.forbes.com/sites/julianvigo/2019/02/05/how-does-advertising-affect-culture/?sh=5ba4629c20f2> [<https://perma.cc/3PHF-NRH6>].

Measure with an eye toward the long-term.

Taking the long view is something we apply to everything we do at the B2B Institute because it allows us to differentiate between signal and noise³² – something that’s especially critical in DEI. A short term lens favors the noise, which in the DEI space, often translates to performative action. To drive meaningful action, CMOs must invest in the long-view and must convince the rest of the C-Suite to do the same. Listen, bet big, and commit – the movement will come with time.



#2 - Expand brand stewardship.

Align on a brand stewardship strategy with human resources, DEI professionals and other relevant internal teams.

Brand stewardship draws on the reality that each stakeholder perceives your brand through one unified lens, so marketers should have input and ownership over marketing to each stakeholder group. While making progress on diversity is achieved through the work of the entire organization, marketers have a uniquely powerful role to play in brand stewardship. Work with relevant colleagues in HR and DEI teams to align on what that role should be, and how stakeholders across the organization can facilitate effective brand stewardship.

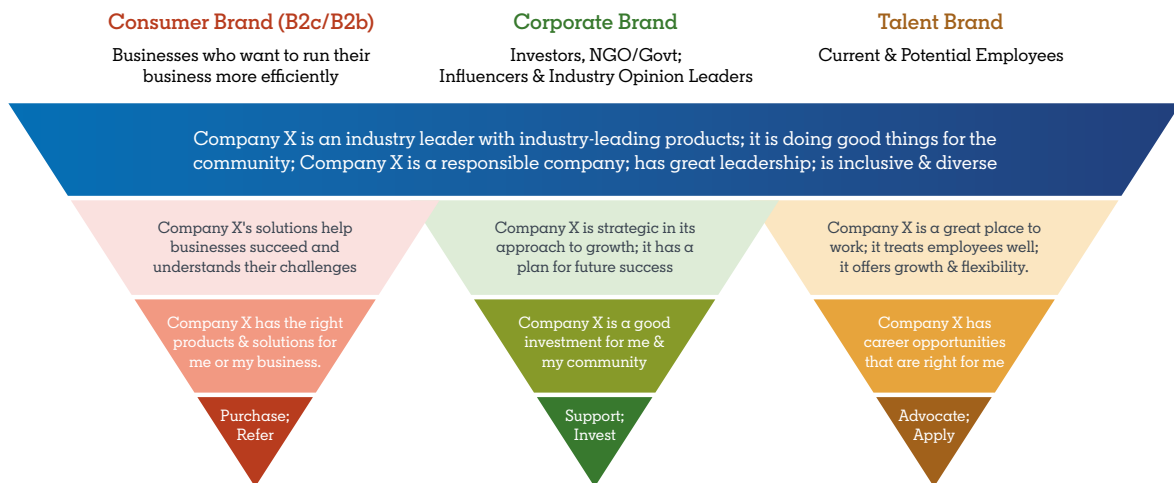
³² Jon Lombardo, “The Signal To Noise Ratio,” LinkedIn Marketing Solutions Blog, <https://business.linkedin.com/marketing-solutions/b2b-institute/b2b-research/trends/signal-to-noise> [https://perma.cc/RH25-DRUX?type=image].

Take a unified brand approach.

There is no separate brand for talent, customers, investors, and others – there is just one brand, and DEI is central to the story. Managing your brand reputation includes leading on the social issues that impact all of your stakeholders. The ultimate goal is to build diversity, equity, and inclusion into the DNA of your marketing for every audience. Whether you aim to reach consumers, talent, investors, or influencers, DEI should be intentionally woven throughout the brand.

- **Consumer:** Across B2B and B2C brands alike, consumers will evaluate brands more holistically than ever.
- **Investors and Opinion Leaders:** Shaping the corporate narrative for investors will be key to supporting business growth.
- **Current and Future Talent:** Communicating with talent audiences effectively and thoughtfully will be critical.

Your Unified Brand Drives Your Business Success



This success is dependent on inspiring key stakeholders to act.



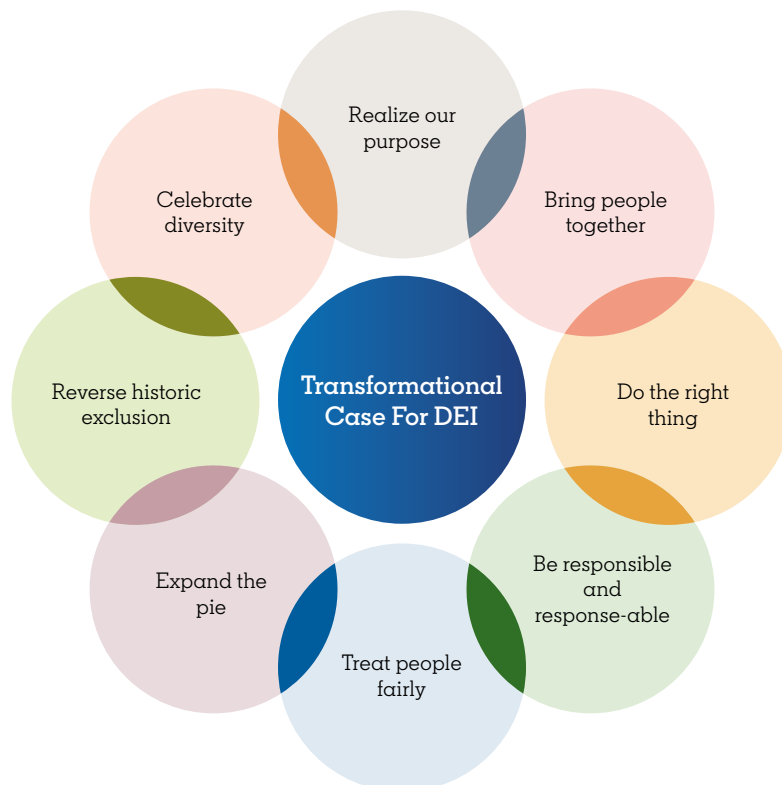
#3 - Develop more effective DEI thought leadership.

Lead the charge on developing DEI thought leadership that is transformational, not transactional.

- A critical part of brand stewardship is developing more effective DEI thought leadership and other marketing that makes the transformational case, rather than the transactional one. When organizations make a transformational case for diversity, equity and inclusion, they are not trying to justify its value to the bottom line. To inspire real change, messaging should be people and culture-centered, not profit-centered.
- Lead with stories and messaging that focuses on doing what's right, not what will achieve the highest ROI. While the transactional case monetizes equity for rational gain, a transformational case goes beyond symbolically valuing diversity for business performance and profit. It inspires people to internalize the core social value of equity. It makes equity mean something to people and makes them feel like they want to be a part of the change.



The Transformational Case for Diversity, Equity, and Inclusion



Establish an emotional connection with your audience. Use storytelling as a foundation for transformational DEI communication.

- Focus on transformational language, not money language, to tap into people's emotion. Focus your marketing and communications towards messaging that strikes moral chords and sparks emotion by telling stories and broadening awareness of historical and current inequality.
- We know that marketing inspires trust and change-level thinking not by giving a hard sell, but by telling stories. Your audience needs to feel something to take action. Your goal is to communicate beyond the rational level – you want to communicate on an emotional level. Stories that inspire beliefs about what feels like the right thing to do are most likely to motivate actions that challenge the status quo and promote real change. This messaging tends to be more visionary, inspirational, and unifying.

Communicate your vision for a better future by identifying common ground.

- Transformational communication connects people. It identifies common ground in a way that generates compassion and the required conversations that are needed to shift attitudes and behavior in a meaningful way. Develop marketing messages that remind audiences of our common humanity and core social values of equality, respect, and dignity that have not been realized.
- This feeling will influence your audience to act in ways consistent with the vision of a new future, despite their own rational self-interest and perceived economic gain. Compassion is not only transformative for the human brain, but it is also the key to fueling systemic cultural change.³³

³³Dr. James Doty, Founder of the Stanford University Center for Compassion and Altruism Research and Education.



#4 - Apply marketing and communications skills to transform workplace culture.

Promote change management efforts for systemic change.

- Equity requires a shift in workplace culture. This is where change management comes in. The systems that inhibit equity must be transformed to promote it. Marketing and communications can help overcome inertia helping internal stakeholders embrace what's possible with DEI.
- The success of organizational change is not only dependent upon the incorporation of employees at the individual level, but also across business functions. Transformation requires that a collective of leaders establish the need for and drive change efforts. Marketing can help.

Reflect your brand's communicated DEI commitments to stakeholders.

Make sure your brand's communications around DEI are backed up by authentic internal commitment and actions. Ultimately you want your stakeholders to authentically perceive that your company "is a responsible company; is inclusive and diverse." When brand statements are perceived as performative, it signals poor leadership, short term-ism, and a lack of transparency and accountability.

Help leaders share DEI commitment through storytelling.

- Transformational language is a product of transformational leadership. It's not enough to share information. You want your colleagues to connect to the meaning behind your communication. Storytelling creates the clarity that leads to meaningful connection. Telling inclusive stories about your own employees is a particularly powerful driver of organizational change, especially at the executive level.
- Meaningful connection facilitates growth and transformation. This is a unique opportunity for marketers to lean in and help leaders transform the internal organizational conversation. Transformational communication not only challenges the status quo, it encourages new ways of doing things and new opportunities to learn.

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Part I Methodology

To assess the state of DEI knowledge and action at the corporate level, we fielded a survey to marketing and communications professionals, and we analyzed Company Page data from the LinkedIn platform.






LinkedIn Survey Data

To assess the state of Diversity, Equity, and Inclusion in marketing today, the Equity Every Day team at LinkedIn fielded a custom survey to marketing and communications professionals in the United States, United Kingdom, and Canada.

Sample

Country

	USA	1,064
	Canada	150
	United Kingdom	549
	Total	1,763

Global Demographic Breakdown

White or Caucasian	1402
Hispanic or Latino	119
Black, African American, Black / African / Caribbean / Black British	142
Asian/Asian American/Asian British	122
Middle Eastern or North African	9
Native American or Alaska Native	12
Pacific Islander, including Native Hawaiian	3
Mixed / multiple ethnic groups	15
Other ethnic group	3
Prefer not to say	2
Prefer to self-describe:	4
Total	1763



LinkedIn Platform Data

All Company Page Updates in the US from January 1, 2019 to September 15, 2021.

Date Range: 1/1/2019 - 9/15/2021

To augment our survey findings, we analyzed LinkedIn platform data in the United States from January 1, 2019 to September 15, 2021. All Company Page updates posted within this date range that contained the following key terms were included: diversity, diversity and inclusion, George Floyd, stop Asian hate, Black Lives Matter, allyship, diversity equity and inclusion, diversity equity inclusion, equality, inclusion.

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Part II Appendix

Study Video Scripts (n=220, 2011): Civil Rights Messaging Leads to Action because it Evokes Moral Beliefs

Excerpt From Script On Civil Rights Law:

In a large number of research studies carried out by the center, we have found that diversity, whether it be race, gender, national origin, or other differences, is an increasing priority in organizations. Results have shown that diversity is often driven by organizational efforts to comply with legal requirements such as the Civil Rights Act of 1964. These laws prohibit discrimination and remain part of the legal responsibilities under which organizations operate today. In contemporary organizations, proper management and compliance is necessary to avoid costly litigation brought by members of legally protected groups.

Excerpt From Script On Business Case:

In a large number of research studies carried out by the center, we have found that diversity, whether it be race, gender, national origin, or other differences, is an increasing priority in organizations. Results have shown that progress and innovation may depend less on a few a highly experienced experts than on diverse people working together and capitalizing on their unique individual or cultural perspectives. In contemporary organizations, positive diversity outcomes have been observed in areas such as learning, creativity, organizational and individual growth, and the ability of a company to adjust rapidly and successfully to global market changes.

Promotion Decision Vignette (How I operationalize “Action”) Used In 2011 Quantitative Study (n=181) And Multi-Racial Qualitative Study (n=311)

The promotion decision involved a scenario where a white candidate was promoted over a minority candidate (Green 2003). Race is primed using a stereotypically African American name "Darnell" and a stereotypically white name "John." The scenario described a complex employment context where status beliefs and subtle structural barriers may disadvantage members of low status groups. The participant was asked which candidate they would recommend for promotion. The scenario was used to examine whether participants were more likely to recommend the minority for the promotion when exposed to a business case for diversity as compared to a legal rationale.

The scenario reads as follows:

Dear Member of Max Corp Dispute Committee,

Please carefully review the case and be prepared to offer your recommendations.

Darnell is fourth year associate at Max Corp. When John, a new associate with previous experience was hired, a senior partner asked Darnell to "show him the ropes" at Max Corp. Darnell, John, and the senior partner would all be working together in the same division. Darnell agreed and felt that this would be a good opportunity to demonstrate his leadership at the company. After few months, Darnell noticed that John and the partner were getting along very well. The partner praised John's performance, they frequently went out to lunch, and they were always chatting amongst themselves in the partner's office. Darnell also noticed that John was receiving more of the assignments with the most prestigious clients.

A year later, John was recommended for promotion, mainly as a result of his performance on a case with a very prestigious client and a fine recommendation from the partner. Although both employees did promising work and had similar evaluations on record, Darnell was not recommended for promotion. Darnell became concerned due to the fact that, of 39 associates who were promoted this year at Max Corp, only three were members of a racial minority group. Darnell has requested that his situation be reviewed.

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