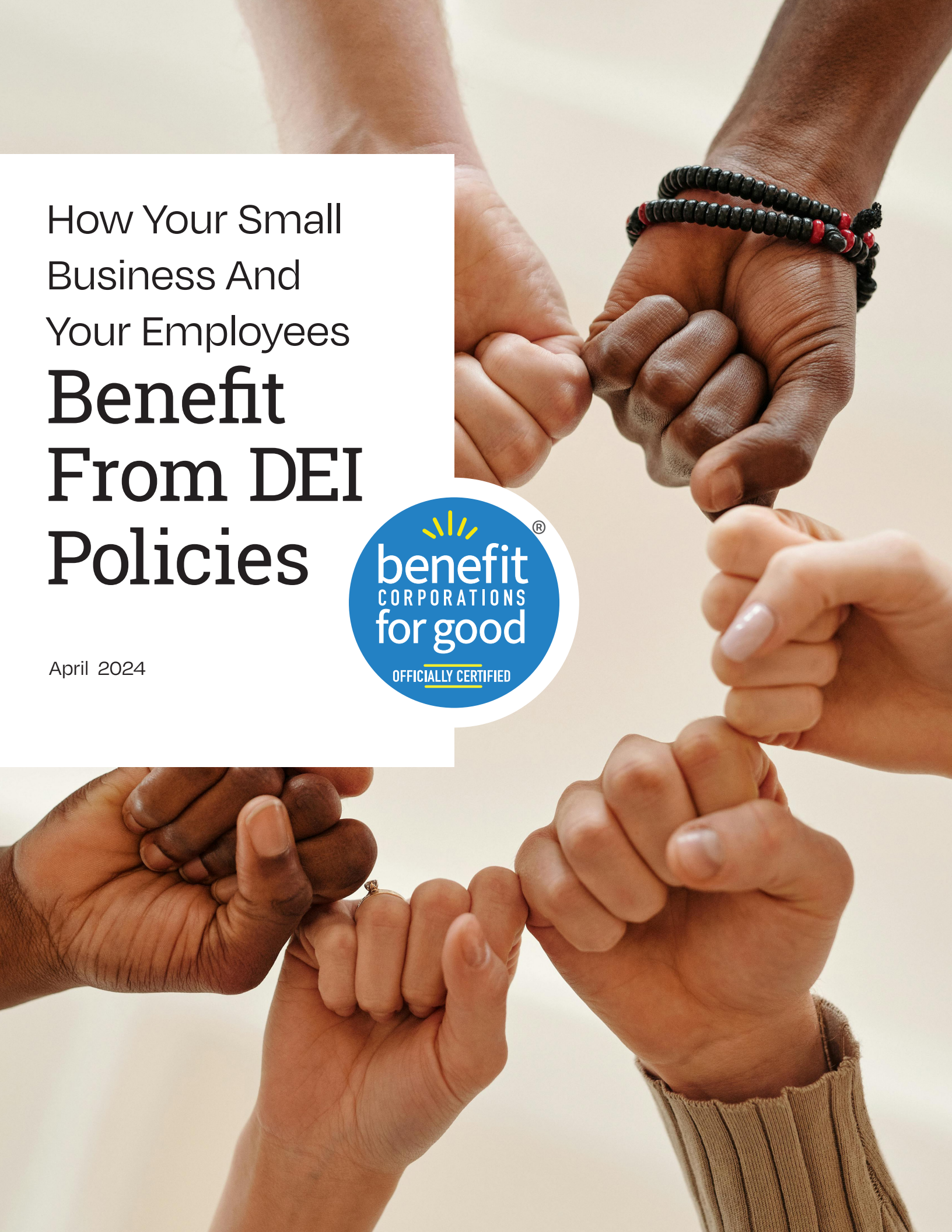


How Your Small
Business And
Your Employees
**Benefit
From DEI
Policies**

April 2024



How Your Small Business and Your Employees Benefit from DEI Policies

We believe that DEI (Diversity, Equity, and Inclusion) should be a consistent, ongoing part of your small business so that employees always feel free to be authentic at work. Business leaders should seek input from employees, promote allyship, and take advantage of opportunities for training. To start building out your DEI policies, you should:

1. Learn the needs of your employees
2. Write down specific goals and actions,
3. Share those with the public.

THE SITUATION

More than 70% of job seekers are looking to work for a company with a dedicated commitment to DEI.¹

Those who identify with marginalized groups² don't always have access to the same freedoms as other employees. Without those freedoms, employees can burn out, become disengaged from their work, and find it harder to be creative and innovative.

THE CHALLENGE

According to Laura Morgan Roberts, professor of business administration at the University of Virginia, employees require four freedoms to be fully successful at work: Being authentic, Being provided opportunities for growth, Being able to fade into the background, and Being given the chance to recover after failure.³

Being authentic,
Being provided opportunities for growth,
Being able to fade into the background, and
Being given the chance to recover after failure.²

To make these 4 freedoms possible, DEI should be a consistent, ongoing part of your business, rather than a one-off training or a one-time campaign.

[DIVERSITY: "The presence and participation of individuals with varying backgrounds and perspectives, including those who have been traditionally underrepresented."

EQUITY: "Equal access to opportunities and fair, just, and impartial treatment."

INCLUSION: "A sense of belonging in an environment where all feel welcomed, accepted, and respected."⁴]

THE PATH FORWARD

What can I do to make DEI a consistent part of my small business?

Start with Leadership Commitment: A successful DEI strategy requires buy-in from the top. Make it clear that leadership is committed to creating a diverse, equitable, and inclusive workplace.

Develop a Clear DEI Plan: Outline your goals, initiatives, and metrics for tracking progress. This plan should be a living document that you revisit and update regularly. You can find resources for creating a DEI strategy on Homebase: joinhomebase.com.





Focus on Inclusive Recruitment: Broaden your talent pool by reviewing your job postings for hidden biases and expanding your outreach efforts. Consider partnering with organizations focused on underrepresented groups in your industry.

1) Seeking input: Your DEI efforts should be focused on giving employees the agency to speak out about their unique needs.

a. *Lead by example.* Be open about your background and experience to create the conditions for authenticity for others.⁵

b. *Regular check-ins.* Implement regular check-ins to foster a sense of belonging and draw on feedback from your employees about workplace culture.⁶

c. *Transparency.* Share your DEI-related goals and accomplishments with your employees and the public. Your annual benefit report is one good place to do this, but according to

Erin L. Thomas, Upwork's head of diversity, inclusion, and belonging, you should "develop a cadence" of publicly reporting progress and "bake visibility" into internal meetings and communications.⁷

d. *Adapt to your team.* Bring in those to the conversation who might not be heard from as often. Rather than asking them to give feedback during a team meeting, consider reaching out to them individually and seeing by what means they'd feel most comfortable offering their input.⁸

e. *Draw on others' experiences, especially during decision-making.* According to author and Copenhagen Business School professor Poornima Luthra, you should ask, "Whose perspective are we missing?" when you're making decisions. Those missing perspectives may bring up something you haven't thought of.⁹





- 2) Allyship:** You and others in your business should take action to be close allies to those in historically marginalized groups.
- a. *Be curious.* Encourage employees to make an effort to understand experiences different than their own, particularly the historical context of biases and discrimination faced by others.¹⁰
 - b. *Empathetic engagement.* Encourage listening and asking questions over defensiveness and accusations.¹¹
- 3) DEI training:** While DEI training on its own is not sufficient, and should not be just a box to check, consider bringing in experts or referencing online sources for new strategies and perspectives.
- a. *Line up training with decision-making.* Consider implementing training modules that could be as short as a 5-minute video or an article prior to decisions involving hiring or promotions. This has been found in a study to result in hiring more people from underrepresented groups.¹²
 - b. *Bring out the strengths of your team members.* Chad Seegmiller, CEO and founder of [Modern Monk Consulting](#), a certified BCFG, uses CliftonStrengths to help develop team culture by starting with the individual.
- 4) Accountability:** It's important to have commitments and a strategy for accountability. Without accountability, DEI can and will feel like a bonus and not a requirement.
- a. *CEO involvement:* Since not all small businesses can afford an HR team, there should be at least one person charged with ensuring objectives from the DEI plan are met. experts say.



“Running an equity-centered practice is more than having DEI policies...I have mission, vision and values that include equity. It’s how I push myself to look at impacts and examine them. It’s how I look at the community and realize there are still disparities.”

– Kim Allchurch Flick, Founder of [Mighty EpiphYTE](#), a certified BCFG

“While many of our competitors have struggled to attract and retain talent, we have a very loyal workforce with almost no voluntary attrition, and a consistent waiting list for new candidates, thanks in large part to our DEI policies.”

– Alicia Chapman, Owner & Chief Executive Officer at [Willamette Technical Fabricators](#), a certified BCFG

What are some common concerns with DEI in a small business?

- *My employees feel like they will be hurt by DEI policies.* DEI should be a win-win. All employees rely on the long-term success of a small business. Attracting new employees and keeping them engaged in the business will create a better workplace environment for everyone and help grow the business.¹³
- *My employees are already great people who shouldn't be given an extra obligation.* DEI policies aren't just an obligation, and they're not just to address problematic employees. It's an opportunity for everyone at the business to demonstrate a “commitment to universal moral principles” like fairness and equality. If DEI is already ingrained in their values, then DEI policies at the workplace are just giving them the chance to express those values.¹⁴
- *My small business doesn't have the time or money to implement DEI policies.* There's no doubt that DEI requires consistent attention and energy. However, making DEI part of your annual goal-setting and working it into the things you're already doing — meetings, check-ins, hiring — will help you manage that commitment without a huge financial commitment.¹⁵ Collaborating with other small businesses can expand your impact and capacity. An essential tenet of DEI is collaboration.

DEI is valuable to your employees and vital to attracting talent and securing the long-term success of your business. Here is our list of 3 initial steps to build out your DEI policies:

- 1) Talk with your employees.** Whether it's through an anonymous survey or individual check-ins, make sure the DEI policies you're developing are specific to your small business and based on what your employees need. Do your employees feel like they can be authentic? Do they feel like they have opportunities to grow? Do they feel like they can fade into the background? Do they feel like they would have the opportunity to recover from failures?
- 2) Write it down.** What are you going to do to continuously seek input, prioritize DEI in decision-making, and promote allyship in your small business? Write down specific goals and actions.
- 3) Share it.** Share the steps you're planning to take to implement DEI with your employees and the public. What are your specific goals? What actions are you already taking? Consider including DEI-related information on your website, mission statement, social media, and annual benefit report.



Do your employees feel like they can be authentic?

Do they feel like they have opportunities to grow?

Do they feel like they can fade into the background?

Do they feel like they would have the opportunity to recover from failures?

“By having clear DEI policies, and enforcing them, we get top-quality work from engaged staff and contractors, and we also get a lot of free advertising. People tell us that they’ve been looking for a firm like New Coyote for years, they tell us how different it feels to work with us, and they tell their friends about us. Integrity is attractive.”

– Marina Martinez-Bateman,
CEO of [New Coyote Consulting](#), a certified BCFG

Many thanks to Alexis Braly James of [Construct the Present](#) for her consultation and contributions to this document.



Endnotes

- 1 <https://www.wharton.upenn.edu/wp-content/uploads/2021/05/Applied-Insights-Lab-Report.pdf>
- 2 LGBTQ+, Black, Indigenous, Asian, Latin, and people of color, and people living with disabilities
- 3 <https://hbr.org/2023/09/where-does-dei-go-from-here>
- 4 <https://online.hbs.edu/blog/post/what-is-dei>
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