Dressing Windows versus Generating Change: Rethinking Organizational DEI Efforts

Through a Lens of Misalignments

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Diversity, Equity, and Inclusion (DEI) initiatives have become standard practice in organizations committed to reducing inequality. Well-known initiatives include recruitment efforts to attract a diverse workforce, training programs to reduce intergroup bias, and policy revisions to ensure equitable employee treatment. Ultimately, these efforts aim to develop more dynamic organizational systems where diverse talent can flourish. However, despite the widespread acknowledgment of the importance of these efforts, scientists and policymakers recognize that organizations often struggle to deliver on this DEI promise. Fulfilling this promise is essential for achieving and maintaining positive social change.

The common criticism is that DEI initiatives often lack genuine organizational commitment, functioning more as impression management and paying lip service to DEI. While this critique holds some truth, we argue that the root cause of their shortcomings lies elsewhere: in the frequent misalignment between ultimate DEI goals and the concrete actions taken to achieve them. This misalignment occurs even among ardent DEI proponents and is, therefore, often overlooked.

Here we discuss three reasons why misalignment between DEI goals and DEI actions occurs: (1) people hold different views on what diversity, equity, and inclusion mean (i.e., *a lack of shared DEI understanding*); (2) there are inflated perceptions about the links between common DEI tools and their proven impact (i.e., *illusion of DEI progress through common tools*); and (3) an overreliance on leaders, specifically middle-managers, as the primary actors responsible for mobilizing DEI initiatives who often have competing priorities (i.e., *discrepancies in leadership priorities*). We illustrate goal-action misalignments in these domains and offer actionable policy recommendations in Table 1 to address them. The recommendations

propose guiding principles about DEI research and offer concrete examples of actions for those in the field to help align organizational goals, efforts, and achievements.

A Lack of Shared DEI Understanding

Having precise and shared definitions for diversity, equity, and inclusion is a critical starting point for designing effective initiatives. However, there is significant variability in how DEI is understood across stakeholders (i.e., scientists, policymakers, organizations, and employees).

Take diversity, which, within organizations, broadly refers to workforce heterogeneity. Scholars prioritize different attributes of this heterogeneity in their research, and there is ongoing debate on how strongly these attributes relate to equity and inclusion issues and thus require attention(Akinola et al. 2024; Haidt and Jussim 2016; Kirby, Russell Pascual, and Hildebrand 2023; DiTomaso 2024). Consequently, whether DEI initiatives should focus on individual employee differences or larger disadvantaged organizational groups is unclear. If focusing on the latter, it is also uncertain whether the priority should be on legally protected groups or all who are underrepresented in a specific organizational context. An all-inclusive diversity focus is attractive, but recent scholarship indicates that broadening organizational DEI efforts beyond those groups to include multiple dimensions of diversity (e.g., in personality) can undermine beneficial outcomes for traditionally underrepresented and disadvantaged organizational members (Akinola et al. 2024; Kirby, Russell Pascual, and Hildebrand 2023). Hence, being too expansive in the diversity narrative may unintentionally contribute to a misalignment between the social change goal of making an organization more representative of diversity and actual change for the groups most strongly and historically underrepresented.

Similarly, equity is understood differently across stakeholders. Originating from theories of distributive justice, equity is closely related to fairness and emphasizes the balance between an employee's input (e.g., expertise, resources) and their outcomes (e.g., salary, recognition) compared to others. However, equity operates alongside two other key justice principles: equality (everyone receives the same) and need (everyone receives what they need)(Tyler 2015). There are opposing views on which principle should be prioritized. For example, based on the need-based principle, organizations may offer leadership training exclusively to members of underrepresented groups. In contrast, the equality principle may direct organizations to actions that do not differentiate between group-based disparities. However, the latter is less likely to resolve inequity because it adds to the inputs of all employees indiscriminately – that is, regardless of their social standing – and ultimately retains rather than alters their input/outcome ratios.

Lastly, DEI literature defines inclusion broadly as fostering a sense of belonging, authenticity, psychological safety, and appreciation of differences and unique opinions. Scholars and practitioners agree that diversity is about recruiting different groups of people, whereas inclusion is about the experiences they have once they enter the workplace – to retain *diverse* groups of people, the *inclusion* climate is crucial. However, the expansive nature of inclusion means different people can interpret it differently. For example, one of its critical components is ensuring that everyone has equal participation and voice. While free and open expression of ideas can have instrumental benefits, there is no guarantee that employees will automatically leverage diversity into their practices. The link between participation and having influence is inherently connected to complex social group dynamics. The effective use of individual contributions in groups, and ultimately, the organization, is often determined by power, politics,

and demographic status characteristics (Berger, Cohen, and Zelditch 1972; Lawrence et al. 2005). Understanding inclusion merely as a state of openness to diversity and generally encouraging dialogue without ensuring that different views carry comparable weight in decision-making will be insufficient, creating at times a false impression of inclusion, a form of hypocrisy (Gündemir, Homan, and Greer 2023).

Overall, DEI's relevant stakeholders often lack common ground in conceptualizing its key components, resulting in each prioritizing different actions that can evoke misalignment with the primary goal of generating more social equality.

<h3 style="text-align:center">Illusion of DEI Progress through Common Tools</h3>

Even when stakeholders agree upon common DEI definitions, crafting thoughtful DEI actions is undoubtedly critical for progress in this area. Goal-action misalignment also arises when DEI actions fulfill stakeholders' wish to alleviate inequality but, in reality, create illusionary effort, a mismatch between intenion and actual impact. We illustrate this point by discussing two popular DEI tools: the use of diversity valuing statements and diversity training.

A highly popular and arguably the least resource-intensive diversity tool organizations use is releasing a public statement on their approach toward DEI. However, most of these statements contain global missions and emphasize how diversity and inclusion help reach an organization's business purposes rather than promoting social equality. Moreover, over the last two decades, the normative pressure on organizations to make such DEI statements has increased, further diluting their impact. A diversity statement on the company website can become a box to tick, devoid of meaning unless it truly affects organizational reality. In fact, when organizational diversity statements do not align with this reality, members of underrepresented groups are less trusting of the organization and its efforts, and they experience

greater social identity threat (Kroeper, Williams, and Murphy 2022). Furthermore, these statements are often taken at face value, with their presence being construed as evidence of an organization's effort towards fair work practices, even when objective indicators of ongoing inequity may exist (Kaiser et al. 2013). They can thus create a biased filter through which reality is perceived. As a result, public DEI statements tend to satisfy organizations' – and their members' – needs to demonstrate effort but can sometimes, ironically, undermine the more profound DEI goals they aim to achieve by obscuring inequities in the organization.

Similar issues are prevalent in the other most widely implemented (and expensive) DEI tool: diversity training. A notable example is when one of the world's largest coffeehouse chains closed over eight thousand stores across the US for staff racial bias training. Despite its common use, scholarly analyses reveal that diversity training frequently suffers from significant goal-action misalignments, as they overpromise and underdeliver on reducing bias and enhancing inclusion (Onyeador et al. 2024).

One major flaw is that diversity training programs overlook thorough 'employee needs' analyses, opting for a one-size-fits-all approach instead, despite these analyses contributing to successful DEI outcomes (Homan et al. 2015; Roberson, Moore, and Bell 2024). Additionally, one can question the efficacy of DEI training at a more fundamental level because it represents a short-term intervention. The late Katherine W. Phillips, a prominent diversity scholar, often compared diversity efforts to training body muscles at the gym: achieving and maintaining a healthy, well-toned body also requires continuous work. Grand gestures, like those of the coffeehouse chain, do little more than signal a commitment to DEI rather than driving actual behavioral change. Continual developmental approaches should be prioritized over one-off trainings.

Ultimately, DEI tools may contribute to a goal-action misalignment if they are symbolic, isolated organizational efforts not grounded in a comprehensive assessment of a workforce's unique diversity needs and challenges. Although we illustrate this issue in the two most well-known actions, the underlying principles apply to many DEI policies and programs, such as mentoring and employee resource groups (Dobbin and Kalev 2022).

Discrepancies in Leadership Priorities

Organizations generally assign the role of driving DEI actions to their leaders, particularly those in middle management, because they are in close contact with employees. Although this role has gained significance over the years regarding accountability and responsibility, its primary execution by these leaders represents a third reason why misalignments between DEI goals and actions can occur. At least two unique motivations may cause leaders to prioritize more narrow, short-term actions, which can be easily monitored, over long-term actions with more breadth and depth and, therefore, greater potential for significant social change.

First, leadership positions come with structural organizational power, which generally causes individuals to perceive the organization as fairer and more equitable (To, Sherf, and Kouchaki 2024). This perception can cause leaders to underestimate DEI-related challenges and the needs of disadvantaged members, reducing their sense of urgency to initiate far-reaching actions. Second, even if leaders fully understand and recognize the significance of the DEI issues within their organization, they may be inclined to address these issues in a simplified manner. Especially at the mid-management level, leaders are evaluated based on their unit's performance and often operate under time and other constraints. In this context, the motivation to demonstrate progress may push them towards actions that yield easily measurable results yet are less likely to

evoke resistance. Consequently, their efforts may focus on short-term, superficial initiatives (that either lack breadth or depth) rather than more comprehensive, long-term strategies needed to reduce social inequality sustainably.

For example, one popular DEI action leaders tend to take is installing ceremonial diversity campaigns like "Diversity Week," involving various activities across the organization. These might include workshops, keynote speakers, and social media campaigns to promote diversity. While these campaigns have breadth because they reach many employees and create widespread awareness, they often lack depth and do not lead to systematic organizational change. Yet other leader actions may lack breadth. For example, leaders could prioritize promotion programs for single-identity groups, such as women. These programs are visible, easy to monitor with straightforward annual percentage metrics and provide depth as they can profoundly impact womens' career opportunities. However, they treat women as a homogeneous group, overlooking, for instance, the intersectional identities of women of color.

To prevent goal-action misalignment, organizations must implement DEI policies that possess depth and breadth. Due to their structural power, performance pressures, and often limited resources, leaders are often in a difficult position to drive such meaningful DEI progress. Rather than over-relying on them, organizations can involve employees from all domains and hierarchical layers as key DEI actors.

Recommendations to Increase Alignment for DEI

While our discussion primarily focused on areas needing improvement, we recognize the value of incremental steps toward change. We provide recommendations to reduce each of the three main types of DEI misalignment the we have identified. We present these evidence-based recommendations with concrete actions for each in Table 1.

Conclusion

There is considerable controversy regarding the effectiveness of DEI initiatives. We identify three areas of misalignments between the overarching goal of DEI and the DEI actions taken: a lack of shared understanding of DEI, misconceptions around the proven impact of common DEI-tools' impact, and the difficulties arouing relying on leaders to be effective DEI social change agents. We do not intend to argue that DEI efforts must be perfect to be valuable, but we do believe that it is important to remain critical about what would be "good enough" to move the needle in the complex, challenging, and frequently shifting DEI landscape.

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Table 1. An Overview of Misalignment Domains, Recommendations and Actionable Examples

Misalignment Domain	*Recommendations*	*Actionable Examples*
A Lack of Shared Understanding of DEI	o Explore and document how organizational actors define diversity, equity and inclusion o Specify relevant bases of diversity within the local context o Identify the sources and areas of (in)equity within the local context o Consider inclusion beyond open discussions	◊ Prioritize diversity definitions that involve historically underrepresented groups, which are locally meaningful. For example, evaluate diversity needs based on geographic location (e.g., focusing on Hispanics in some parts of the US, rural communities in China). ◊ Clearly define equity, and whether and to what extent need-base and/or equality input-output considerations are part of the local definitions. Ensure process fairness and transparency about opportunities for employees' ability to maximize inputs. ◊ Examine organizational culture around decision-making practices, critically assess the role of power dynamics in influencing hidden forms of social exclusion during these decisional making processes.
Illusion of DEI Progress through Common Tools	o Define clear DEI goals and path to action vis-à-vis DEI vision statements o Ensure that diversity training types and their content align with a comprehensive need analysis o Prioritize the development of ongoing initiatives over one-off, isolated acts	◊ Assess the alignment of DEI actions with the organization's DEI vision statement and adapt where necessary. ◊ Discuss in focus groups or through anonymized surveys employees' perceived discrepancies between organizational vision versus practices. ◊ Promote a 'slow DEI' approach, emphasizing a comprehensive need assessment and monitoring a program's long-term impact through, e.g., employee resource groups (ERGs). Ensure programs are top-down (organizational) and bottom-up (individual) oriented. ◊ Prioritize initiatives that provide employees with behavioral tools to leverage the benefits of diversity in the workplace.
Discrepancies in Leadership Priorities	o Gain insight into the motivations and constraints of middle managers that may push them towards "convenient" actions o Reflect on how these motivations and constraints result in policy decisions lacking breadth or depth o Support middle managers' critical role in DEI management by implementing reward and recognition structures that foster the use of long-term DEI metrics o Mobilize actors across domains and hierarchical layers towards enhanced DEI	◊ Examine questions such as "Is the focus on certain groups (e.g. women) out of 'convenience'(it's an easy group to quantify, it's a first step of targeted action) or based on a specific analysis of, for example, severe underrepresentation?" ◊ Evaluate whether there are misalignments between the organization's diversity goals and other performance objectives, and assess if managers are being rewarded or evaluated based on these DEI metrics. If necessary, introduce locally-meaningful rewards and recognition structures for managers that explicitly recognize long-term orientation. ◊ Conduct a systematic analysis of the breadth and depth of each DEI policy, and identify and address any gaps by developing complementary policies where needed. ◊ Make DEI commitment everyone's business by, for instance, adding it as a criterion to annual review forms for *all* employees.