Diversity and inclusion structures and resource allocations are as varied as the myriad of corporations and institutions they are meant to support. Organizations reassess the reporting structure, allocation of resources and scope of influence of the CDO and the diversity office across the organization periodically for effectiveness and efficiency.

In order to support numerous functions company wide and aid the organization in revenue generation, the diversity and inclusion office must first have a budget large enough to allow it to perform its functions fully and at top quality. At some companies, diversity and inclusion is housed under Human Resources. At others, the diversity and inclusion function has its own office and a Chief Diversity Officer who reports directly to the CEO. Given these variables, budgets for D&I vary widely across industries and regions and also depend on the responsibilities that fall within the function at large or shared in other business units and roles. Most importantly, companies must assess D&I responsibilities and desired outcomes for their own unique organization and determine appropriate budget and staffing needs from there.

This report provides information on D&I budgets and a range of tips and strategies related to establishing effective D&I teams and councils.
Diversity and Inclusion budgets vary widely.

According to a 2016 DBP benchmarking study, the average diversity budget was $1.1mm. More than half of the companies benchmarked allocate approximately 2-3% of their overall budget to D&I.

Many budgets do not include marketing and advertising, recruitment, philanthropy and community outreach as those line items are typically housed in those functions.

Average budget allocations were as follows among the DBP benchmarking companies:

<table>
<thead>
<tr>
<th>D&amp;I Budget Line Items</th>
<th>% of Budget Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity Organizations/Conferences</td>
<td>29%</td>
</tr>
<tr>
<td>Training and Development</td>
<td>25%</td>
</tr>
<tr>
<td>Employee Resource Groups</td>
<td>20%</td>
</tr>
<tr>
<td>Community Outreach*</td>
<td>17%</td>
</tr>
<tr>
<td>Supplier Diversity*</td>
<td>16%</td>
</tr>
<tr>
<td>Recruitment &amp; Retention*</td>
<td>13%</td>
</tr>
</tbody>
</table>
Approximately, what was your total amount budgeted for D&I in 2016?

Source: 2016 DBP Member Poll
Examples from the DBP Benchmark

**Organization 1: Finance**
- Revenue: $22B
- Employees: 24,000
- D&I Budget $1.4mm ($53/employee)

**Organization 2: Finance**
- Revenue: $3.8b
- Employees: 14,500
- D&I Budget: $850,000 ($59/employee)

**Organization 3: Finance**
- Revenue: Unreported
- Employees: 40,000
- D&I Budget: $500,000 ($12.5 per employee)

**Organization 4: Finance**
- Revenue: $10b
- Employees: 3,200
- D&I Budget: $800,000 ($250/employee)

**Organization 5: Finance**
- Revenue: $9b
- Employees: 8,000
- D&I Budget: $400,000 ($50/employee)

**Organization 6: Finance**
- Revenue: $22b
- Employees: 26,000
- D&I Budget: $950,000 ($36/employee)

**Organization 7: Healthcare**
- Revenue: $100b
- Employees: 36,000
- D&I Budget: $3mm ($83/employee)

**Organization 8: Insurance**
- Revenue: $23b
- Employees: 16,000
- D&I Budget: $1mm ($62.5/employee)
In the 2018 DBP Inclusion Index, the percentage of the total D&I budget was allocated to the following line categories:

- 22% ERGs
- 25% External partnerships
- 14% Recruitment and employment branding
- 21% Learning and development
- 16% Programming
- 9% Other

Source: 2018 DBP Inclusion Index
Example: Building Your Budget

1. Set Goals/Priorities

**COMMERCE**
- **Grow Market share**
  Each ERG will be tasked with establishing one business goal that will assist in growing company ABC sales. 
  e.g. Hispanic ERG increased Hispanic sales 200 percent across all market areas; e.g. company attributed 7 percent of market growth because of innovation as a result of diversity efforts.

**CULTURE**
- **Hire and Retain the Best Talent**
  All leaders and managers will participate in Unconscious Bias training to mitigate bias in people and HR processes and to ensure all employees’ experiences are maximized.
  Unconscious bias training increases retention, improves diverse promotion rates and lowers turnover costs.

**CAREER**
- **Hire and Retain the Best Talent**
  Establish a diverse talent pipeline development program to provide top diverse talent with visibility, sponsorship and on-the-job business experiences to fast track promotability.
  Current promotability rates of African Americans and Latinos lag Whites by 35 percent and 29 percent, respectively.

2. Assign budget dollars to each priority also taking into account, prior results, number of employees, ROI of each priority

**COMMERCE**
- **$10,000 for each ERG** (funding for client and cultural events for branding, promo materials, advertising).

**CULTURE**
- **$50,000 for Unconscious Bias training for Performance Management**

**CAREER**
- **$75,000 for development of diverse sponsorship program.**
  25 participants ($3,000 each for executive coach)

3. Establish metrics (where you want to go and how you want to get there) to ensure you are tracking impact and ROI.

**COMMERCE**
- **$10,000 for each ERG:**
  - Number of promotional materials distributed at LGBTQ Pride event
  - Number of increased sales or calls as a result of promo materials

**CULTURE**
- **Number of participants**
  Audit performance management ratings
  Increased employee satisfaction on employee surveys regarding performance management

**CAREER**
- **Number of participants, number of sponsors**
  Promotion or mobility rates of participants
  Performance review improvements

Source: DBP Playbook
D&I Councils come in many forms and have a variety of structures and names. For the most part, there are two basic types:

**Executive diversity councils**, usually led by the chairman, CEO or chief diversity officer, are made up of senior vice presidents, vice presidents, business-unit heads or other high-level leaders from all of the key company’s business functions or core businesses. This council develops the comprehensive, integrated diversity strategy that drives company best practices, goals and objectives, and monitors the company’s progress against those goals and objectives.

**Advisory or regional diversity councils** are designed to provide greater representation of the diversity of a company’s workforce, are often larger than executive diversity councils. An organization may create several such councils to represent multiple business units, locations, or operational components. These councils implement the diversity strategy and policies established by the executive council. They are also responsible for advising company leadership on the company’s diversity and inclusion needs and the progress of diversity initiatives throughout the organization.

Source: DBP Report
• Support – and direct involvement – of senior leaders
• Council goals drive the business strategy
• Diverse membership
• Metrics to track progress
• Clearly communicated goals and outcomes
• A long-term strategy that drives short-term initiatives and activities

Source: DBP Report
D&I Council Responsibilities

• Assist the CEO/CDO in creation of the D&I strategy and key milestones
• Embed the diversity and inclusion function across the enterprise with strong connections to business units and operational divisions
• Clearly delineate diversity roles and responsibilities and provide for ongoing assessment to ensure effectiveness
• Broadly build and share knowledge on D&I successes and impact – build the case for D&I!
• Work with Learning department to identify specific D&I education content to be included in employee training and professional development
• Identify D&I barriers that impact recruitment, retention and advancement, recruitment, training, and key assignments
• Create content and custom D&I messages for the Communications team to deliver to leadership, middle managers, and the general employee population
• Act as change agents for the organization – challenge the status quo – champion D&I and promote the company as an employer of choice

Source: DBP Report
SUPPORT FROM THE TOP IS CRITICAL

Senior leadership support is vital for diversity council success; without it, councils are unlikely to achieve their goals. Engagement of senior management—ideally the CEO—is necessary if councils are to fulfill their mandate. Senior leaders play a critical role in providing direction to the council’s mission, strategy, and deliverables, and ensuring the necessary resources are available to drive real change.

LINK TO BUSINESS STRATEGY

Diversity councils are a critical driver of organizational change, establishing a dedicated focus on diversity and inclusion priorities, managing the D&I program, and connecting D&I activities to a broader business-driven, results-oriented strategy. The Council works closely with senior leaders to ensure tight alignment with the company’s mission, operations, strategies, and business objectives. The D&I Council is responsible for measurable results, provides governance and oversight on diversity efforts, and promotes company-wide communication on objectives and progress.

Source: Catalyst
The D&I Council provides support and guidance for employee resource groups (ERGs) and helps ensure that all ERGs are a catalyst for fostering a diverse and inclusive environment and connects D&I and ERGs to the business.

A D&I Council can support ERGs in the following ways:

- Provide assistance to managers and employees that want to start an ERG
- Provide oversight, strategic guidance and direction to the ERG Executive Sponsor, Chair, and Committee Chairs
- Allocate and monitor ERG budget expenditures
- Share industry research along with internal and external best practices
- Assist ERGs with developing a consistent strategy
- Drive awareness and education of ERGs

Source: DBP Report
A diversity council’s members should mirror the diversity in the organization. Councils should be composed of individuals of different genders, generations, departments, and/or other dimensions of diversity.

Many diversity councils are designed to address gaps in representation or inclusion for specific demographic groups, including women, racially/ethnically diverse individuals, and people with disabilities.

Other councils address diversity and inclusion more broadly and consider every member to represent some aspect of diversity: dimensions may include organizational role or level, educational background, communication or management style, geographic location, and demographic group.

Leaders of employee resource groups may also be part of the council. Councils can also include individuals with diversity expertise who do not work for the organization; these outsiders can provide expertise or offer a customer’s perspective.

Source: Catalyst
Example: Stated Commitment to D&I

At xxx, we recognize and appreciate the importance of creating an environment in which all employees feel valued, included, and empowered to do their best work and bring great ideas to the table. We recognize that each employee’s unique experiences, perspectives, and viewpoints add value to our ability to create and deliver the best possible service, technical assistance, and research to clients and partners.

Given that our individual social, economic, and cultural identities shape and influence our experiences and perspectives, it stands to reason that xxx will do its best work by ensuring diversity in our workforce across the various dimensions of social and cultural identity and by practicing inclusivity in how we work with one another.

The **mission** of the D&I Council will be to foster an environment that attracts the best talent, values diversity of life experiences and perspectives, and encourages innovation in pursuit of mission.

Using available research and data on effective diversity and inclusion practices, the D&I Council’s efforts will focus on the following **objectives**.

- Building capacity and competency to lead and manage a diverse workforce
- Creating a work environment that ensures equal access to opportunities for professional growth and advancement
- Developing cultural competence and responsiveness, as an organization, to maximize our effectiveness in project engagements with clients and partners, considering and respecting their unique perspectives, experiences, and needs.

Our diversity and inclusion objectives, and progress toward achieving them, will be assessed annually to ensure alignment with strategic business objectives.
The xxx D&I Council will have the following responsibilities.

- Conduct a scan of the literature to identify D&I best practices supported by research
- Create opportunities for employees to provide feedback to executive staff about organizational climate and culture (i.e. climate assessments, anonymous satisfaction surveys, focus group sessions, etc.)
- Create opportunities for employees to have meaningful engagement with leadership to promote cultural inclusivity and discuss issues relating to equity in the workplace
- Provide feedback and insight to executive staff on issues of culture, climate, equity, inclusion, and diversity in the workplace, including recommendations and support regarding short- and long-term strategies to meet the organization’s current and future workforce needs (i.e. unbiased recruitment, hiring and retention practices)
- Formulate recommendations for the development or modification of policies and practices that negatively impact diversity, inclusivity, and equity efforts
- Create internal organizational learning opportunities in which employees may voluntarily participate and engage to deepen and develop personal understanding of inclusion and equity at an organizational level
- Identify opportunities for the organization to engage with its broader communities to promote equity, social justice, and inclusion (i.e. community volunteer activities, corporate social responsibility initiatives, etc.)
- Serve as a D&I communications vehicle to senior management as well as across the organization by helping to develop the tone of internal messaging
- Conduct a self-assessment of Council effectiveness during the current fiscal year that describes accomplishments relative to developed goals and chartered responsibilities, challenges and barriers encountered during the period, and recommendations for solutions.
The D&I Council will have two co-chairs and report to the xxx executive team (i.e. including the CEO, CHRO, CDO). Co-chairs will be responsible for meeting scheduling and preparation, meeting facilitation, follow-up on action items, communication and messaging, liaising with the executive team, etc.

A member of xxx’s senior management team will be appointed as the Council’s sponsor. The sponsor will support the Council by providing guidance to the co-chairs; serving as the link between the co-chairs and senior management; acting as an arbitrator and making decisions that may be beyond the authority of the co-chairs and Council members; and supporting co-chairs in presentation of recommendations to the executive team.

Members will be selected by the co-chairs from among employees who express interest in participation and who have approval from their supervisor after review of current workload and consideration of any other factors such as alignment with individual professional development plans. In general, committee membership should reflect a diverse mix of employees, taking into consideration factors such as race/ethnicity, gender identity, sexual orientation, age, disability, veteran status, etc. In addition, members should reflect different business areas of the organization.
Leading our efforts is our **Global Diversity & Inclusion Council (GDIC)**, which is chaired by the CEO and provides strategic direction on how we approach diversity and inclusion as a company. Our GDIC is focused on growing the diverse representation of our workforce, promoting an inclusive workplace and being a place where all employees have the opportunity to achieve their goals and meet the needs of our customers.

Providing additional leadership to the GDIC is Corporate General Auditor, who serves as GDIC executive vice chair and represents the company’s management team and partners with our Global Human Resources (GHR) executive, to keep the management team informed about the GDIC’s objectives, progress and areas of opportunity. Providing day-to-day leadership of the GDIC are Vice Chairs, chairman of Global Commercial and Investment Banking, Consumer Lending executive and head of Retirement and Personal Wealth Solutions.

Also serving on the GDIC is Chief Diversity & Inclusion Officer, whose Global Diversity & Inclusion Organization partners with GDIC leaders, GHR and other business and regional leaders to determine priorities and initiatives that position the bank as a leader in diversity and inclusion globally. Further, each line of business and region has its own Diversity & Inclusion Council that develops strategies to support our diverse and inclusive environment.
Intel’s global diversity and inclusion office, which is a central part of the company’s HR function, drives the company’s D&I enterprise. The office works closely with executive leaders to set organizational D&I goals, and provides oversight and direction to the company’s seven leadership councils and 33 ERGs.

Intel’s seven leadership councils, composed of over 200 senior leaders, serve as leadership role models and D&I champions for the communities they represent. Each council is assigned specific ERG communities to oversee. Leadership councils also host sponsorship programs to advance ERG leaders and members within their respective communities, and participate in a mentoring program which connects leadership council members with groups of seven to ten senior-level employees to mentor.

Employee Communities. There are 33 ERGs at Intel, with 22,368 members overall. Combined, the ERGs operate 168 chapters: 129 in the US and 39 globally. The intersection between the Global D&I Office, leadership councils and ERGs aligns on-the-ground diversity initiatives with Intel’s overarching D&I goals. In the U.S., ERGs are funded through the larger D&I enterprise, however, global chapters and ERGs must secure funding and resources in the regions where they set up shop.
Business Focused Diversity Councils

The University of Rochester enables each academic department and administrative and service unit to create its own Diversity/Cultural Competency Advisory Council. The role of these subordinate councils is to ensure that their diversity initiatives align both with the University’s D&I program and goals in addition to the business unit’s strategic goals.

Sodexo’s Cross-Market Diversity Council (CMDC) is an example of a company-wide advisory council. The charge of the CMDC is to collaborate and operationalize the diversity plan within each business line; serve as thought leaders to advance the D&I strategy; implement D&I at a regional level and align with employee business resource groups.

Kellogg established nine distinct diversity and inclusion councils to drive D&I goals across core business streams:

• D&I Subcommittee of the Finance People Development Committee
• Global Business Services D&I Council
• Global Engineering D&I Council
• Information Technology Diversity Council
• Kellogg Canada Diversity & Inclusion Council
• Procurement D&I Council
• Research, Quality and Technology Diversity Taskforce
• Wyoming Diversity & Inclusion Council
• Women in Supply Chain
Case: Alstom’s Governance Structure

The company’s two D&I governing bodies ensure that accountability and ownership takes place at all levels:

A **D&I Steering Committee** is responsible to develop corporate Diversity & Inclusion strategy, define global initiatives on D&I, ensure internal and external communication on D&I and evaluate progress on organization’s diversity Goals. Comprised of members from the Alstom executive committee, senior business & global function leaders & members from the HR leadership team, the committee meets once every quarter.

The **D&I Champions Network** is responsible to promote, facilitate and support the implementation of the corporate diversity initiatives at regional and or business unit/project level. The network is chaired by the Global Diversity Champion and the Global Talent Development Director and comprises of D&I representatives from the Regions.

Every Region, has the responsibility to develop its D&I Strategy Action Plan, in a consistent way with the global D&I strategy, but taking into account the varying geographic and sociocultural contexts (e.g., reflecting varying regulatory contexts and differing starting points). While KPI’s for Diversity are set by Global Steering Committee and the EXCOM, we also endeavor to further our Diversity & Inclusion journey by setting KPI’s on “Inclusion” in the future.

Source: Alstom
Alstom’s D&I Council

**Build effective teams**, where everybody feels valued, included, treated fairly and with dignity. This will boost motivation, reduce absenteeism, and enhance productivity and performance leading to greater economic success;

**Minimise the risks of damage to our reputation** and any related costs by ensuring that we comply with relevant legislation and standards and fulfill related obligations;

**Tell**
Communicate internally and externally about the positive impact of Diversity & Inclusion via all communication channels, events & programs at every level of the organization. Include the messaging about the D&I Strategy with other business topics.

**Track**
Establish qualitative and quantitative objectives to judge the impact of Diversity and Inclusion actions taken and monitor progress.

**Train**
Provide learning tools for all employees to sensitize and to develop more inclusive behaviours. Put in place actions to raise awareness about conscious and unconscious bias which adversely affects “inclusion” at every phase of work life, in every work environment and at every hierarchical level.

Support Employees Networks initiatives committed to the development of diverse talent.

**Utilise fresh perspectives and nurture creativity and innovation**, drawing on the variety of approaches to work and resolving problems, tapping hidden capacity for growth as well as encouraging and empowering employees to give their best;

**Acquire and develop talent from a wider talent pool**, on the basis of objective criteria and merit, to have the best global teams leading to competitive advantage;
## Case: Dell’s D&I Infrastructure

<table>
<thead>
<tr>
<th>Global and regional alignment</th>
<th>Regional lead</th>
<th>Local planning and execution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global lead</strong></td>
<td><strong>Regional lead</strong></td>
<td><strong>ERG Site lead</strong></td>
</tr>
<tr>
<td>Supports ERG in executing goals, initiatives, and events from a global perspective</td>
<td>Supports ERG in executing goals, initiatives, and events from a regional perspective</td>
<td>Provides leadership for the Site Chapter</td>
</tr>
<tr>
<td>Works with Global Executive Sponsor to remove roadblocks</td>
<td>Drives recurring regional ERG meetings</td>
<td>Plans the Chapter ERG strategy (in alignment with Global/Regional direction)</td>
</tr>
<tr>
<td>Researches &amp; defines specific strategic initiatives that will help to accomplish vision, mission, and success metrics</td>
<td>Participates in annual regional ERG strategy sessions</td>
<td>Keeps regional lead informed of key events and needs</td>
</tr>
<tr>
<td>Drives alignment with internal partners</td>
<td>Drives alignment with Dell's regional Diversity &amp; Inclusion strategy</td>
<td>Maintains connection with local site leadership</td>
</tr>
<tr>
<td>Drives alignment with Dell's Diversity &amp; Inclusion strategy</td>
<td>Ensures regional alignment to global strategy</td>
<td>Works with core team to drive engagement for ERG on-site</td>
</tr>
<tr>
<td>Ensures regional alignment to global strategy</td>
<td>Creates &amp; maintains ERG site lead list</td>
<td>Collaborates with other active ERG Chapters on-site</td>
</tr>
<tr>
<td>Supports best practice sharing</td>
<td>Works to recruit site leads when necessary</td>
<td>Attends regional meetings to learn &amp; share best practices</td>
</tr>
<tr>
<td>Drives recurring global ERG meetings</td>
<td>Works in collaboration with D&amp;I to direct interest in new chapters</td>
<td>Drives regular core team meetings</td>
</tr>
<tr>
<td>Participates in annual ERG strategy sessions</td>
<td>Maintains ERG regional overview</td>
<td>Ensure alignment to Dell's Diversity &amp; Inclusion strategy</td>
</tr>
<tr>
<td></td>
<td>Leads or manages regional Social Media &amp; Communications efforts</td>
<td>Represent ERG externally, whenever possible</td>
</tr>
<tr>
<td></td>
<td>Encourages leaders &amp; members to engage in regular conversation</td>
<td>Serve a minimum two-year term</td>
</tr>
<tr>
<td></td>
<td>Supports best practice sharing</td>
<td></td>
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