

Diversity, Equity & Inclusion Trends in 2022

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Survey of the 2022 Environment:

In 2022, the United States continues to experience broad shocks of a geopolitical, economic, and cultural nature. The environment is one of constant change, with little time to interpret and navigate evolving situations. We continue to experience one crisis after another. On top of this, the ongoing pandemic, war in Ukraine and economic fears have come together to hit individuals and institutions hard.

DEI Landscape in 2022:

Diversity, Equity & Inclusion – what it is, how to implement and the potential benefits that inure are concepts that are being practiced and integrated into corporate environments across the country. While considerations around diversity, specifically have been considered for many years – for example board memberships, the subject is getting wider attention and deeper analysis post 2020.

Discussion of the top DEI Trends in 2022:

With the recent attention being put on DEI, organizations have been spending time and effort addressing specific concerns. Actions and outcomes tend to be organization-specific, meaning that there is no one size fits all action plan to improve an organization's DEI profile.

Top DEI Trends to Consider:

At the top of the list are paying attention to the impacts on DEI of changes to our working environment – particularly Covid-19 and the continuation of remote work post Covid-19 pandemic. Health, especially mental health and health equity are trends that are being observed mainly due to the devastating impacts these issues have on individuals and groups. The Implementation of technology, specifically the use of artificial intelligence in recruitment practices is of concern for its ability to improve equity and reduce discrimination. Issues around supporting gender expression and identity and greater inclusion are gaining greater importance throughout organizations as they understand the impacts these issues have on the lives of people.

Why DEI these trends are top of mind this year:

These trends are important to understand due to the broad impact they have on society, organizations and individuals. We are realizing the deep connections between this topic and outcomes – whether they

are social, economic, or institutional. We are experiencing and learning about the damages that occur when people are not able to reach their full potential. Damages that not only affect the individuals but hold back the potential benefits to those organizations employing and interacting with them. As a society, we are looking harder to identify previously unrecognized barriers to reaching one's full potential. We are more open to understanding the impacts of DEI and how these can provide positive impacts within our society.

How these trends impact our business:

Simply stated, DEI runs through every aspect of our business – culture, talent management, investments, health equity and supplier diversity. DEI affects individuals and shows up in their performance, their health and well-being. We are seeing a level of connectedness that reaches well beyond individual impacts.

Understanding and leveraging these trends will have near and long-term effects on CalPERS business. Improved workforce engagement, a more welcoming and inclusive work environment, the ability to deal with broad global events builds resilience and a sense of organizational cooperation.