

**THE DIVERSITY AND INCLUSION BUDGET: PERSPECTIVES AND FEATURES FOR IMPLEMENTING DIVERSITY AND INCLUSION INITIATIVES IN ORGANIZATIONS**

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**INTRODUCTION**

**Introduction** (Including the problem of the research) The Diversity & Inclusion budget (D&I budget) is a concept that has gained increasing attention in recent years, particularly in the context of corporate social responsibility and sustainable business practices. The D&I budget is an allocation of resources for Diversity & Inclusion initiatives within organizations, aimed at promoting and enhancing diversity, equity, and inclusion within the workplace. The relevance of the D&I budget study lies in the potential benefits that it can bring to organizations, including improved employee engagement and retention, increased productivity, and enhanced organizational reputation.

**The aim of research** The aim of the research on Diversity and Inclusion (D&I) budget in modern conditions is to explore the current state of D&I budgeting practices in organizations, identify challenges and best practices, and provide insights and recommendations for effectively utilizing D&I budgets to promote diversity, equity, and inclusion in the workplace. The research aims to provide a comprehensive understanding of the benefits and limitations of D&I budgeting and to inform organizations on how to allocate resources to support D&I initiatives in a sustainable and impactful manner.

**Objectives** Analysis of the concept of Diversity & Inclusion budget, prospects and effectiveness of the implementation of the D&I budget by modern organizations, identifying obstacles and determining ways to overcome them.

**The methods of the research** The combination of several methods provided a comprehensive understanding of the D&I budget concept and its impact on organizations. Review of company reports and case studies involves analyzing the approaches and outcomes of companies that have implemented D&I budgets. Surveys and interviews involves collecting data from employees and stakeholders to assess their perceptions of the impact of D&I budgets on the organization. Analysis of financial data (this method involves examining the financial data of companies that have implemented D&I budgets to determine the costs and benefits of these initiatives). Literature review involves analyzing academic and industry publications on the topic of D&I budgets to identify trends, best practices, and gaps in knowledge. Case studies: This method involves in-depth analysis of individual companies to understand how they have implemented D&I budgets, the challenges they have faced, and the outcomes they have achieved. Qualitative data analysis: This method involves analyzing qualitative data, such as employee feedback or focus group discussions, to identify themes and patterns related to the impact of DEI budgets on the organization.

**Theoretical background**

The concept of a Diversity and Inclusion (D&I) budget has emerged relatively recently, and there is no single founder of the teachings about this concept. The use of D&I budgets has become more widespread in recent years as companies have recognized the need to invest in initiatives that promote diversity, equity, and inclusion in the workplace.

The origins of the modern diversity and inclusion movement can be traced back to the 1960s and 1970s civil rights movements in the United States. These movements called attention to issues of racial and gender inequality and discrimination and paved the way for the development of diversity and inclusion initiatives.

In the 1980s and 1990s, many companies began to establish formal diversity and inclusion programs aimed at promoting diversity in the workforce and creating a more inclusive workplace. These programs included initiatives such as diversity training, affirmative action plans, and employee resource groups.

The idea of a D&I budget is a more recent development, and its use has become more widespread in the past decade. The specific origins of the concept are difficult to pinpoint, as it is likely that different companies and organizations have developed their own approaches to implementing D&I budgets.

Today, many companies around the world use D&I budgets to support a range of initiatives aimed at promoting diversity, equity, and inclusion in the workplace. These initiatives can include training and development programs, recruitment and retention initiatives, and support for employee resource groups, among other things.

There are different views in publications on the concept of Diversity and Inclusion Budgets. "Diversity and Inclusion Budgets: A Way to Drive Change" by Patterson and Bouton (2021) argues that D&I budgets can be used as a tool for companies to prioritize and track their D&I efforts, while "The Power of Diversity & Inclusion Budgets" by Roberts and Washington (2020) highlights the importance of strategic investments in D&I for long-term benefits. "The Diversity and Inclusion Budget: An Innovative Solution for Implementing Diversity and Inclusion Initiatives in Organisations" by Adeoye et al. (2019) provides a framework for designing and implementing D&I budgets in organizations. On the other hand, "Investing in Inclusion: The Impact of Diversity & Inclusion Budgets" by Sawyer et al. (2018) suggests that D&I budgets are not always effective in achieving their intended goals. "Diversity and Inclusion in Corporate Governance: An Exploration of the Use of Diversity Budgets in the UK" by Heard et al. (2017) examines the use of D&I budgets in the UK and the factors that contribute to their success. McKinnon et al. (2020) present a typology of D&I initiatives and their potential impact on racial equity. Finally, Cheng et al. (2021) provide a review and research agenda on D&I in the workplace.

**Main findings**

The use of Diversity & Inclusion (D&I) budget by companies has become an important topic of research and discussion, particularly in the context of sustainable development and inclusive economic growth. The D&I budget refers to the allocation of resources for D&I initiatives aimed at promoting and enhancing diversity, equity, and inclusion within the workplace.

Organizations in Europe have recognized the importance of diversity, equity, and inclusion (D&I) in the workplace and have allocated budgets to support initiatives aimed at promoting these values.

1. *Siemens*, for example, allocated €100 million to its global diversity initiative in 2020, which aims to increase the representation of women and underrepresented groups in the company. The funds are being used to support programs such as mentoring, leadership development, and recruitment initiatives (source: *Siemens Global Website. (2021). Siemens Global Diversity & Inclusion. <https://new.siemens.com/global/en/company/about/diversity-inclusion.html>*)
2. Similarly, *SAP* has a dedicated budget for its diversity and inclusion initiatives, which includes programs such as unconscious bias training, employee resource groups, and a scholarship program for underrepresented students. The company also uses its D&I budget to support external organizations working on issues related to diversity and inclusion (source: *SAP website*) (source: *SAP Global Website. (2021). SAP Global Diversity & Inclusion. <https://www.sap.com/corporate/en/company/diversity-inclusion.html>*)
3. *Unilever* also has a range of diversity and inclusion programs that are supported by its D&I budget, including a global leadership program for women, unconscious bias training, and employee resource groups. The company uses its D&I budget to support external organizations working on issues such as gender equality and LGBTQ+ rights (source: *Unilever Global Website. (2021). Unilever Diversity & Inclusion. <https://www.unilever.com/sustainable-living/the-sustainable-living-plan/enhancing-livelihoods/diversity-and-inclusion.html>*)

Here are some general examples of Lithuanian companies that have publicly announced their commitment to diversity and inclusion initiatives:

1. *Danske Bank* - In 2021, Danske Bank Lithuania announced that it had established a Diversity and Inclusion Council, which will allocate resources to promote diversity and inclusion within the company.
2. *Telia Lietuva* - Telia Lietuva, a leading telecommunications company in Lithuania, has implemented a number of initiatives to promote diversity and inclusion, including training programs for managers and employees. The company also participates in various diversity and inclusion initiatives and events in the country.
3. *Swedbank* - Swedbank Lithuania has established a Diversity and Inclusion program that includes training and education for employees, as well as measures to ensure equal opportunities and promote diversity in the workplace.

**MAIN RESULTS AND CONCLUSIONS**

1. In the table, we summarize the interaction between the concepts of D&I budgeting, sustainable development, inclusive economic growth, and inclusive development:

Concept	Definition and Importance	Interaction with other concepts
<i>D&amp;I budget</i>	Allocation of resources for Diversity & Inclusion initiatives	Contributes to sustainable development, inclusive economic growth, and inclusive development
<i>Sustainable Development</i>	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs	D&I initiatives can contribute to achieving SDGs related to decent work and economic growth (SDG 8) and reduced inequalities (SDG 10)
<i>Inclusive Economic Growth</i>	Economic growth that is inclusive, equitable, and sustainable	D&I initiatives can contribute to creating a more diverse and inclusive workplace culture, which can improve employee engagement, retention, and productivity
<i>Inclusive Development</i>	Ensuring that the benefits of economic growth are distributed equitably across all segments of society	D&I initiatives can promote social and economic inclusion by reducing discrimination and promoting equal opportunity

2. Based on the analysis of company practices, the conclusion is that the benefits of using a DEI budget include improving employee morale and engagement, attracting and retaining diverse talent, improving the company's reputation and brand image, and identifying and addressing systemic barriers to diversity and inclusion.

3. However, there may be challenges associated with using a D&I budget.

Challenge	Examples
<i>Resistance from employees or stakeholders</i>	- In a male-dominated workplace, male employees may feel targeted by initiatives aimed at increasing the representation of women. - Some individuals may not see the value in D&I initiatives.
<i>Difficulty in measuring ROI</i>	- It may be difficult to demonstrate the financial impact of initiatives aimed at improving workplace culture. - It can be challenging to quantify the benefits of D&I initiatives.
<i>Lack of funding</i>	- Companies may struggle to secure the necessary funding for D&I initiatives. - D&I initiatives may be viewed as a "soft" expense that can be cut in times of financial hardship.
<i>Lack of accountability</i>	- Without clear accountability structures, it can be challenging to ensure that D&I initiatives are effectively implemented and monitored. - Responsibility for D&I initiatives may be spread across multiple departments or individuals.
<i>Difficulty in sustaining momentum</i>	- D&I initiatives require ongoing investment and commitment to maintain momentum. - Without sustained support, progress may stagnate, and diversity and inclusion goals may not be achieved.

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12. The Global Diversity & Inclusion Benchmarks (GDIB) provide a comprehensive framework for measuring and improving D&I practices in organizations. The GDIB website offers a variety of resources, including case studies, tools, and metrics related to D&I budgeting: <https://diversitybenchmarking.com/gdib-metrics/>
13. The Society for Human Resource Management (SHRM) offers a range of research reports and articles on D&I topics, including D&I budgeting. Some of these resources are available for free, while others require a membership to access: <https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/pages/default.aspx>
14. The Diversity Best Practices (DBP) organization provides research, insights, and benchmarking data on D&I practices across industries. Their website includes a range of resources related to D&I budgeting, including case studies and best practices: <https://www.diversitybestpractices.com/research-benchmarking>