A Diversity and Inclusion Audit: A Compass for Organizational Growth 4/25/25

Head of Pan-Baltic Diversity and Inclusion Practice, PwC Latvia

Agnese Cimdiņa

A recent Baltic human capital and work environment survey[1] reveals that Latvian organisations have a limited and fragmented approach to diversity and inclusion (D&I) matters. Employers acknowledge that attracting, retaining, and effectively managing human resources, as well as fostering innovation and a positive work environment, are critically important for ensuring long-term growth. However, only 19% of surveyed employers have developed a strategy to address human capital issues. An overwhelming 94% of employees across the Baltics consider an inclusive work environment a crucial factor when choosing an employer, but just 16% of employers in Latvia are actively working to foster inclusion and manage diversity in the workplace.

The lack of a strategic approach to addressing human capital and work environment matters is also evidenced by the lack of data on the D&I situation in organisations. To address challenges related to D&I issues, employers surveyed in Latvia cite support from HR and D&I teams (16%), reporting mechanisms (13%) and regular D&I training programmes for managers (13%) as priorities.   However, only 5% of surveyed employers reported having conducted a diversity audit or an assessment of their organization's D&I landscape. This suggests that most D&I initiatives are not data-driven or based on objective assessments of organisational circumstances and are therefore ad hoc rather than strategic.

In this article, I outline what a Diversity and Inclusion (D&I) audit—also known as D&I situation mapping—entails, and how it can serve as a strategic compass for enhancing human capital and improving the workplace environment within organizations.

What is a diversity audit?

Conducting a diversity audit is an effective starting point for companies and organizations aiming to address inclusion and diversity management. To avoid the misconception that a diversity audit is simply a headcount of gender, age, and ethnicity within the organisation, it is preferable to refer to this process as D&I situation mapping.

 A diversity audit, also known as D&I situation mapping, is a structured and systematic process that enables organizations to assess and analyze their policies, practices, and culture in relation to diversity, inclusion, equity, and belonging. Its primary goal is to identify both strengths and areas for improvement, uncover potential manifestations of inequality and unconscious bias, and establish a solid foundation for strategic actions that foster a more inclusive and equitable work environment. At its core, a diversity audit serves to:

- understand the impact of corporate culture and the work environment within the organisation,
- gain data to reveal management and employee experiences and attitudes in the context of D&I,
- identify hidden issues and systemic barriers,

- determine the organisation's level of diversity maturity,
- define targeted initiatives to effectively address identified gaps and barriers, thereby strategically enhancing the organization's overall productivity and performance.

In the D&I situation mapping process, the key parameters of the current state within the organisation are identified, along with the problem areas that need to be addressed. This, in turn, helps to understand the necessary improvements, goals, and the steps required to achieve them. This mapping provides essential insights and data that enable a focused and strategic approach to enhancing human capital and the overall work environment.

What does the diversity audit process entail?

The diversity audit process typically includes:

1. Review of policies and procedures. As part of the diversity audit, existing policies, practices, and procedures are evaluated to assess their impact on the work environment and the overall D&I situation. This includes analysing documents such as human resource management policies and diversity policies, codes of ethics, corporate social responsibility strategies, and other governance documents. Additionally, training programmes and available educational resources—as for example those designed to help employees recognise and respond to discrimination—are reviewed. The diversity audit helps identify which policies, strategies, and practices require attention or improvement through a diversity management approach.

2. Cultural assessment. The diversity audit also involves interviews, focus groups, and/or surveys with employees, managers, and other stakeholders to gain deeper insights into their experiences and perceptions of the working environment and D&I. The diversity audit assesses the organization's corporate culture, workplace atmosphere, and overall diversity maturity by examining how both management and employees understand and engage with diversity. It evaluates access to growth opportunities, sense of belonging, and everyday experiences within the company. Through this process, the audit identifies prevailing attitudes toward diversity and inclusion, offering a comprehensive view of the organization's current state and areas for improvement.

3. Identification of best practices and gaps. The diversity audit not only identifies areas for improvement but also recognizes where the organization is performing well. By grounding its analysis in concrete organizational data, the audit provides a structured, intentional, and impactful framework for advancing inclusion and effective diversity management. Furthermore, the process of evaluating experiences, practices, and policies—while actively involving both management and employees—enhances collective understanding of what successful diversity management entails and how it positively influences workplace culture and overall business performance.

Data rather than assumptions

Depending on the organizational context, conducting a diversity audit can typically take between 6 to 10 weeks. During the audit, a wide range of D&I (Diversity and Inclusion) factors are examined, including gender, ethnicity, age, disability, and other identity dimensions within the workplace context.

Power dynamics within the organization are also analyzed, including across different career stages of employees and managers. The diversity audit helps assess both the effectiveness of the organization's D&I management and its level of diversity maturity. It also provides insights into broader workplace challenges

through the experiences, attitudes, and understandings of employees and other stakeholders, thereby identifying the necessary initiatives for fostering an inclusive work environment and addressing human capital issues effectively.

Thus, a diversity audit delivers data-driven insights for strategically addressing workplace issues in a way that is tailored to the specific context of the organization. It supports the implementation of high-quality diversity management by clearly identifying areas in need of improvement. Moreover, it helps uncover the set of attitudes and perceptions that shape and influence the human resource management lifecycle, organizational culture, and interpersonal and stakeholder relationships.

Effective diversity and inclusion (D&I) management—grounded not only in subject-matter expertise but also in relevant quantitative and qualitative data—is essential for organizational growth and long-term competitiveness. It plays a critical role in attracting talent, delivering tailored solutions, products, and services, and enhancing the organization's ability to adapt to evolving labor market and demographic trends.

At PwC Latvia, our experience shows that, although the shift is gradual, a growing number of managers are increasingly open to examining their organization's D&I landscape and engaging in strategic diversity management—ranging from building internal competence and assessing the current state to developing and implementing comprehensive strategies.

For queries or support on these matters, please contact Agnese Cimdiņa at agnese.cimdina@pwc.com

------

[1] The Baltic Human Capital and Work Environment Survey was conducted online between 4 and 24 April 2025. A total of 324 employers and 2,620 employees from Latvia, Lithuania, and Estonia participated in the survey. The surveyed companies represent various sectors, including manufacturing, IT and telecommunications, construction, agriculture, entertainment, finance, retail, healthcare, and others. The survey was organised by PwC Latvia, in cooperation with the online recruitment and talent acquisition company Alma Career in Latvia, Lithuania, and Estonia.The full survey results are available on the PwC website.