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CORPORATE RESEARCH FORUM

BRIEFING PAPER

D&I:
Emerging Issues

ABOUT

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Founded in 1994, Corporate Research Forum (CRF) is a membership organisation whose purpose is to increase the effectiveness of the HR function, in order to drive sustained organisational performance, through developing the capability of HR professionals. Through more than twenty years of research and the expertise of our team, we have developed a deep understanding of the ways HR can contribute to business outcomes, what works, what doesn't, and in what circumstances. With a network of over 200 leading organisations, we continue to grow as the respected focal point and knowledge source for improving corporate and individual performance.

DR. CARMEN VON ROHR
CONTENT AND DIGITAL MANAGER

Carmen is a social scientist with extensive quantitative and qualitative research experience. She joined CRF in 2018 to contribute to research and learning content.

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If you are interested in joining the **Diversity, Inclusivity and Wellbeing Digital Community,** please contact Carmen von Rohr, Content and Digital Manager, at carmen@crforum.co.uk.

Bird & Bird

> The global health and economic crisis has focussed attention on social inequality generally, and this has resulted in calls around the world for a 'new social contract'. The diversity and inclusion agenda is now very much a business priority, being increasingly driven by consumer and employee activism as seen in the recent protests regarding racial inequality around the world. Corporates and supply chains are demanding diversity data and in some cases, mandate minimum diversity criteria. A number of companies have recently faced public criticism from employees for their internal policies and business operations in the context of the Black Lives Matter movement. Governments are also introducing new laws to promote equality. As a result, the imperative for organisations to get their diversity and inclusion agenda right has never been greater.

This Briefing Paper focuses on the emerging issues around diversity and inclusion in the present (remote) working environment, exploring beyond what is now being seen as the traditional discussion of gender diversity to discussions on racial/ethnic, socioeconomic and other types of diversity. The following quote from this Briefing Paper sums up the current focus: "Just as the case for diversity and inclusion is 'and' rather than 'or' (the business and the moral case), so too organisations are finding that it's not gender 'or', but gender and racial/ethnic, socioeconomic, generational, cognitive, and other forms of diversity."

We observe in this Briefing Paper that a number of organisations are still in their early stages of developing a diversity and inclusion strategy (with gender as the primary focus). However, the failure to recognise and address the whole spectrum of diversity and inclusion issues existing within an organisation will not only generate reputational risks for the company, but also harm employee productivity and customer engagement, ultimately affecting overall business performance.

Building and maintaining a workforce that is diverse across numerous dimensions is absolutely crucial to meeting today's challenges. As the Briefing Paper reviews, the four challenges of diversity and inclusion in an organisation, namely (1) developing an integrated D&I strategy, (2) using data to drive that strategy, (3) crafting good governance, and (4) designing appropriate processes to support D&I work), must be looked at in light of the current remote working revolution brought on by COVID-19 and also the dialogue around the Black Lives Matter movement.

Increased employee interaction through social media and other technology platforms whilst working remotely may have served to galvanise and unite employees. Individuals are more likely to demand a much greater say and influence in the strategy and ethics of the organisations they support, starting with diversity and inclusion.

All members of the organisation therefore have a role to play in building an inclusive workplace, starting from the top down, from senior leaders through to key stakeholders, employee councils, taskforces and even individual employees. Again, diversity and inclusion is not an 'HR' topic. HR and Marketing can support the D&I agenda, but unless the leaders of your business are seen to be engaged and bringing it into the core and heart of the business, you won't get the change you are hoping to achieve.

This essential Briefing Paper helps organisations focus on the critical issues which need to be discussed, drawing on the experiences of multiple organisations in different industries that are all navigating this topic, resulting in recommendations on:

- Good practices among senior leaders and line managers in building a diverse and inclusive workplace and responding to challenges around inclusion of colleagues;
- How to navigate the complexities of collecting ethnicity data so as to understand, establish and define what diversity and inclusion is about for the business and determine where the business is at on this journey;
- Reacting effectively to racial trauma experienced by employees;
- Ways to work effectively with employee racial/ ethnic/ cultural minority networks;
- Translating policies, processes and words about racial inclusion into meaningful action; and
- Running meetings, connecting and communicating more inclusively, particularly in a remote working world.

The benefits of inclusive working environments are well established, from candidate attraction to employee retention, increased performance and improved quality of decision making within teams. CRF's research into this very topical issue cannot be more appropriate or timely in this current environment. We relish the opportunity to connect with CRF members on how to help build a diverse and inclusive working environment across all industries, sectors and countries.

Pattie Walsh, Partner and Head of APAC International Employment Group, Member of the Board of Bird & Bird LLP and Chair of its Diversity and Inclusion Leadership

COMMENTARY

> "Change occurs when one becomes what he is, not when he tries to become what he is not."
>
> **BEISSER**

We find ourselves in a context which has exposed our human features and flaws in the most raw and visceral way and which once again, is asking us to assess whether our human operating system is really fit for purpose? Crafted over millennia the human psyche has evolved to get along with some and to get ahead of others, the balance of in-group and out-group, inclusion and exclusion and bestowed advantage and disadvantage has at times served some well and has certainly shaped our experiences. But today's world asks of us a redesign in how we operate as individuals and groups, in which objectivity, co-creation and fairness is prioritised. And, in turn, the way in which we build our organisations and businesses so that all can participate fully, be valued for their contribution and have a secure sense of belonging.

> "A recurring set of transactions, often repetitive, superficially rational, with a concealed motivation."
>
> **BERNE**

So, what is holding us back? We've long recognised that our progression of the diversity and inclusion agenda is slow, and this leaves me curious as to whether our focus is really in the place where the solution resides. The beauty and bug of any system, such as organisational culture is that it reproduces outcomes, desirable or otherwise and we know we're grappling with a systemic issue, topically in hiring in the same mould or our promotion decisions for example. How do we reset the system, find some levers to transformation, address the energy and exhaustion within and most critically work with those often-invisible forces which preserve how things are?

Our commitment to reshaping the agenda for an arena in which boundaries of work and life are flexible and fluid is critical and as this research highlights, requires a holistic approach, one which pulls us towards consciously inclusive practices and pushes us away from unconscious exclusion. And, whilst we may have focused very much historically on taking actions towards inclusion it may well be the unconscious preservation of exclusive practices which have put the brakes on our progress. Balancing our behavioural and action-oriented approach with ways to reflect and reveal those invisible commitments will likely bring great value. Developing a non-judging understanding and learning new habits and practices may well unlock the vicious circle and move us to a place in which inclusion is the norm and diversity in all its forms celebrated.

As now, our human conscience is reflected in our language and behaviour, it's the keystone of our cultural practices. If we want those to be different then we must go to both the light and shade of what it is to be human.

> "Our sense of belonging can never be greater than our level of self-acceptance."
>
> **BROWN**

Here at SHL, our objective insight can shine a light on some of these features, creating that moment of conscious pause for bias suppression and fairness in our critical decision-making processes. We're delighted to be part of this exploration and conversation, as part of this system, as an organisation creating the conditions in which our people can flourish and as a partner to our clients on this journey.

Sian Ferguson, Head of Presales UKI, SHL

WEBINAR KEY TAKEAWAYS

On 16th September 2020, CRF members gathered for **'Diversity and Inclusion: Emerging Issues'**, a Zoom Interactive Webinar. Stephen Frost, CEO and Founder, Frost Included, shared key insights on emerging issues for the diversity and inclusion agenda. These insights, summarised in *Building an Inclusive Organisation,* are shared below.

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1 We are living through an historic year in terms of social change and its impact on the ways we live and work, with ramifications likely to extend well beyond 2020. In particular, race has become a much more prominent theme in diversity and inclusion than hitherto.

There are five elements to building inclusion:

1. **Strategy** – embedding diversity in the development of business strategy.
2. **Data** – being led by data. Data on race is a major gap and will hamper efforts to close the ethnicity pay gap.
3. **Governance** – embedding inclusive mindsets in decision making processes.
4. **Leadership** – seeing senior white people listen, educate themselves and speak out on race.
5. **Systems** – designed to nudge the behaviours you want to see.

2 The burden of work that needs to be done around inclusion should fall most heavily on those who are least discriminated against. With regard to race, this means that while ethnic minorities need to be included in developing the inclusion strategy, white people have to take the lead in educating themselves and being allies.

4

5 *Covid has brought a focus on remote diversity and inclusion. This can be both a challenge (for example biases can be amplified through remote working) – and an opportunity (blended working allows the traditional hierarchy to be rethought). This is a leadership issue, in which everyone can play a part in making positive change and seizing the opportunity.*

3 *True inclusion means going beyond HR practices to embed inclusion into the design processes of what organisations do. For example, in pharmaceutical companies, diversity becomes serious when it influences the design of clinical trials, because this leads to drugs that are suitable for a more diverse population.*

6 Diversity, equity and inclusion are all important. However, inclusion is the most important. If you focus on getting inclusion right, some of the other issues take care of themselves to an extent because it takes you beyond the symptoms to the root cause.

7 STRATEGY FOR D&I HAS TO BE CONTEXTUALLY DRIVEN. DIFFERENT GEOGRAPHICAL MARKETS WILL REQUIRE DIFFERENT STRATEGIES.

8 VISIBLE, VOCAL TOP LEADERSHIP MAKES A BIG DIFFERENCE IN DRIVING THE ETHOS AROUND D&I. IT'S ALSO IMPORTANT TO BACK THIS UP WITH ACCOUNTABILITY, METRICS AND MEASUREMENT WHICH ARE ESSENTIAL IF YOU WANT TO SEE TANGIBLE PROGRESS. AT MEDIABRANDS, EACH BUSINESS CEO HAS ANNUAL GOALS FOR D&I; BOTH THEY AND THEIR TEAMS FEEL A MATERIAL IMPACT ON THEIR BONUS IF THEY DO NOT MEET TARGETS.

9 The reaction to the death of George Floyd was unprecedented and represented a tipping point around race. In particular, it has prompted leaders to mobilise, make themselves accountable, listen and learn. As time goes on, the focus has evolved from communication and empathy to setting targets and taking tangible actions. This includes reengineering people processes such as performance management and promotions. Leaders are being held accountable by their own people, and this is sustaining momentum.

WHAT'S THE ISSUE?

CRF's **2011** and **2015** reports examined how to improve diversity, why it's important, and why we should focus on creating an inclusive culture. But progress has been slow over the past decade, and it is now being complicated by issues emerging from the COVID-19 crisis and broader social unrest. The Black Lives Matter movement has energised the conversation around inclusion of those from racial/ethnic minority backgrounds, at the same time that economic strains emerging from the COVID-19 pandemic may imperil the focus on diversity and inclusion more generally. The pandemic has also sparked a move to mass remote working that has implications for diversity and inclusion over the longer term.

The purpose of this Briefing Paper is to continue the conversation by exploring the challenges associated with building more inclusive workplaces for racial/ethnic minority colleagues, and the emerging opportunities and challenges around inclusion in remote working environments. Specifically, we look at how the Black Lives Matter movement is reshaping conversation and practice, and we explore what HR can do – in practical terms – to harness the new opportunities remote working brings for diversity while making sure that teams maintain inclusive practices.

This paper is for those interested in learning about the changing shape of the diversity and inclusion agenda, including senior HR leaders, diversity and inclusion leaders, and talent practitioners.

RESEARCH METHOD

This report is based on the following data sources.

- Interviews with 35 practitioners, experts and academics. We list the interviewees in the Appendix.

- A review of relevant academic and practitioner literature. The Reading List in the Appendix contains references.

DIVERSIFYING DIVERSITY

'Diversifying' the diversity agenda is a big ask – organisations are still working to achieve gender parity (many have a long way to go), and the permutations of identity are numerous and intersectional in nature. The economic crisis sparked by the COVID-19 pandemic will take the focus off diversity in some organisations, while the Black Lives Matter movement has shone a light on racial/ethnic diversity, in particular, in others. And in still other organisations, the focus was never quite on diversity and inclusion to begin with. Matters of diversity and inclusion are, in short, complex and fast-moving, and are embedded inside equally complex and fast-moving organisational and business contexts.

Yet building a workforce that is diverse across multiple dimensions remains critical to meeting today's challenges. It remains the case that, in the words of Jeff Lindeman, Group Director Operations, EIMEA, WD-40 Company, diversity "is the right thing to do *and* has a business benefit – diverse teams consistently outperform homogenous ones."

For example, 2019 research from McKinsey & Company finds that companies "in the top quartile for gender diversity on executive teams were 25 percent more likely to have above-average profitability than companies in the fourth quartile." The findings for ethnic and cultural diversity are even more compelling – "top-quartile companies outperformed those in the fourth one by 36 percent in profitability." (For an in-depth look at the business case for diversity, please see CRF's research report, *Diversity and Business Performance*).

DIVERSIFYING DIVERSITY

Companies have the challenge of recognising, naming, and addressing the diversity and inclusion issues that exist within their organisations because their shareholders, employees, and customers increasingly demand it, but equally because business performance depends upon it.

In this chapter, we briefly revisit some of the enduring challenges of diversity, examine what responsibility for inclusion looks like at multiple organisational levels, and then take a closer look at some of the special considerations around achieving racial/ethnic diversity and inclusion. We focus on this aspect of identity because we believe it will be moving up the diversity agenda – the killing of George Floyd and re-igniting of the Black Lives Matter movement has sparked intense conversation and action in many organisations.

Though we do not focus on gender in this Briefing Paper, we caution organisations to remain cognisant of the challenges and work to be done in achieving gender equity. As Camilla Bruggen, Global Head of Diversity & Inclusion and Joint Head, Data Insight, at Wavemaker Global, explains, "It's amazing and justified, that we are bringing a focus onto ethnicity. But it is equally important to keep our focus on gender. We haven't closed the gender pay gap, and women – particularly working mothers of young children – have really faced challenges during the pandemic. We don't want to risk backsliding on what progress has been made at the very time that women's progress is most vulnerable."

Just as the case for diversity and inclusion is 'and' rather than 'or' (the business *and* the moral case), so too organisations are finding that it's not gender 'or', but gender *and* racial/ethnic, socioeconomic, generational, cognitive, and other forms of diversity.

1.1
ENDURING CHALLENGES OF DIVERSITY AND INCLUSION

Here we briefly review four key challenges of diversity and inclusion (D&I) – developing an integrated D&I strategy, using data to drive that strategy, crafting good governance, and designing appropriate processes to support D&I work – with special attention to how the Black Lives Matter movement has shifted conversations.

1. Strategy.

In our conversations for this research, we found that some organisations are still in the early stages of developing their D&I strategy (with gender as the primary focus), while others are revisiting their strategies to check whether the emphasis is right and appropriate to their organisational context. For example, what about intersectionality? Are policies and programmes in place to address complex identities and experiences such as those of colleagues who are both female and a racial/ethnic minority, or are programmes and policies designed for either/or? Many organisations are broadening and strengthening their commitments to targets and outcomes in light of such re-evaluations, with a focus on supporting all segments of the employee population.

DIVERSIFYING DIVERSITY

At the most advanced organisations, the D&I strategy is multidimensional and fully integrated – that is, it is about recruiting and retaining many different kinds of people, who will in turn drive the company's ability to create and deliver diverse and inclusive products and services to a broad range of customers.

2. Data.

Accurate, actionable data is essential to identifying and addressing diversity and inclusion issues within an organisation. HR is seeing a huge rise in data requests from leaders on racial/ethnic workforce issues, but often this data is patchy or non-existent. We will take a closer look at the issues around gathering this type of data – and the important role trust plays in it – later in this paper.

But identifying and addressing D&I issues is not just about data – it also requires thinking about the real lived experiences of minority groups in the business. As Kate Richardson, Head of Human Resources, Quilter Cheviot Limited, explains, "In the absence of numerical data, the most powerful tool we have are people's experiences."

The Black Lives Matter movement has brought the power of *storytelling* to the fore – in many organisations, we are finding a sense that you need to hear people's personal stories, and that giving people the space to express those feelings and experiences are valid business conversations. Stories themselves are a highly valid, useful, and compelling form of data.

3. Governance.

It is not news that buy-in from the Board is essential to moving a D&I agenda forward within an organisation. We are finding a shift at some organisations in how Boards engage with the issue. In our conversations for this research, we learned that, in the aftermath of the death of George Floyd, there has been a shift among Boards across several sectors, from purely rational engagement with the D&I agenda to an engagement that is both rational and emotional. Emotional engagement with an issue is unusual among Boards, but this shift reflects a movement in the framing around D&I – from being purely about the business case to also being about the moral case.

Board engagement is authentic – there is a strong desire to embrace the discomfort of the agenda. The Black Lives Matter campaign and George Floyd's death have sparked a different type of reaction from Boards who are now starting to examine their own feelings towards racial equality and looking to discover the lived experience of employees from racial/ethnic minority backgrounds.

Thus, the Black Lives Matter movement has been a catalyst in ensuring fairness is front and centre of Board-level dialogue around D&I at many organisations. Discussion is not just about the organisational response, but also about the organisation's social responsibility to play its part both internally and externally.

However, it is important to note that some of the HR leaders we spoke to reported a reticence among their Boards to engage with the issues, at the same time that the commercial imperative to do so is pressing.

4. Processes.

Many organisations have achieved the basics of building processes and practices to support diverse recruitment. Blind CVs, diverse candidate shortlists and recruitment panels, the use of software to debias job descriptions, and the use of dashboards to track and monitor progress are standard at many of the organisations we spoke to.

Now, organisations are increasingly turning their attention to auditing and debiasing processes beyond recruitment, and to addressing multiple dimensions of identity. Who is underrepresented in which parts of the business? What progress has been made on pay parity between different groups (and in fact, are pay gaps even clearly understood for different groups)? Are there systematic disparities in performance management, how work is allocated, or time to promotion?

For example, Mediabrands is currently in the process of reviewing each of its core talent processes – hiring, promotion, pay equity, succession – with the aim to re-engineer each process with a D&I lens in order to identify, mitigate, and reduce bias.

At Nokia, a bias mitigation process is already in place. Nokia looks for systemic bias in pay recommendations prior to their approval. If bias is found, managers are queried – is there a good reason for it? Or had the decision simply not been thought through? Nokia also operates an underpin mechanism for those identified as slipping outside of acceptable boundaries on where corrective increases are made.

DIVERSIFYING DIVERSITY
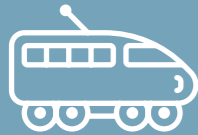
CASE NOTES

TRACKING PROPORTIONALITY TO ADVANCE EQUALITY, DIVERSITY, AND INCLUSION AT **HS2**

HS2 – the company responsible for designing, developing and delivering the next stages of Britain's high-speed rail network – takes a rigorous, data-driven approach to equality, diversity, and inclusion (EDI).

At HS2, EDI is built-in rather than bolted-on. Consider the following standard practices.

- Across the organisation, all hiring managers liaise with HR and the EDI team to review the language in job descriptions before they can be signed off and used. This ensures a systematic broadening of the applicant pool.

- A variety of images and employee stories are used to attract diverse candidates. Everything is 'EDI-proofed' before it goes out, externally or internally.

- Special attention is given to the routes to market to attract candidates from diverse backgrounds – for example, liaising with the Black Professionals in Construction network and using diverse recruitment agencies.

- Contractors in the supply chain are required to work to HS2's EDI standards.

A good example of how the company uses data to meet its EDI commitments is in its tracking of proportionality. HS2 collects data on the sex and racial/ethnic background of applicants at every stage of the hiring process – who applied? Who was long-listed? Short-listed? Interviewed? Offered a job? Hired?

This data is then reviewed to understand what has occurred in the hiring process – where has it fallen down? The proportion of applicants moving through each stage reveals where the weak points are – were diverse applicants attracted? If so, were

they long-listed? Did they then make it onto the short-list? Did they get past the interview? And so on. Bias isn't assumed; but the problem point is identified and investigated.

At HS2, analysis revealed the company was doing a good job of attracting diverse candidates, but needed to do more to train and professionalise hiring managers. As a result of tracking proportionality, HS2 is now training 300 managers on inclusive recruitment and hiring in order to remove active bias from the process.

HS2 further holds itself to account by setting and publicly stating its diversity targets (a workforce that is 41% female and 21% BAME) and reporting progress on its business scorecard.

Neil Hayward, Human Resources Director, recognises that the company has many opportunities to influence outcomes by making sure it is doing the right thing at every stage of the hiring process. This, in turn, supports the company's broader goal of leaving a legacy of transformative impact.

Hayward explains, "If it's so obvious that society should be inclusive, then why doesn't it happen? Achieving equality, diversity and inclusion is something we have to work hard at, and employers have to go further by setting a good example. We have a moral duty and a shareholder duty to do something about this, because we are one of the few institutions that can."

DIVERSIFYING DIVERSITY

CASE NOTES

USING PEOPLE'S EXPERIENCES TO BUILD AN INCLUSIVE CULTURE AT **QUILTER**

The death of George Floyd and re-emergence of the Black Lives Matter movement has served as a catalyst in moving financial services company Quilter's work around culture forward. Events such as these can allow organisations, wherever they are with diversity and inclusion, to leapfrog and tackle live issues, rather than waiting for the whole strategy to be developed and implemented. In fact, long-term strategy can sometimes be a barrier to such movement.

Racial/ethnic diversity and inclusion was an area that hadn't really been deeply explored at Quilter, and the organisation's leaders were careful in their initial response. They didn't want to be seen as jumping on a bandwagon, nor did they want to get their response wrong. There was discomfort about what to say, and a recognition that the company needed to reflect on its understanding of the issues.

Within a few weeks of Floyd's death, Quilter's CEO released a video message internally, expressing his shock, and how the event had opened his eyes to the fact that Quilter needed to do more to support racial/ethnic minorities in the business. Kate Richardson, Head of Human Resources, became the point of contact for those looking to get involved in the response.

A senior leader, himself a member of a racial/ethnic minority community, reached out to Richardson to volunteer to sponsor the work. Quilter organised several talking circles around racial inclusion, the purpose of which were to listen without judgement, learn, and develop an action plan. Everyone was welcome to attend the talking circles, but majority attendance was comprised of racial/ethnic minority colleagues. Silent scribes took notes and shared themes from the conversations.

Some of the key learnings from the talking circles include the following.

- Kneejerk reactions should be avoided.

- People do not want to be told what is good for them. They are willing to help others understand the issues, but equally others must listen.

- Responses need to be inclusive of minority colleagues and their opinions.

- There should be a focus on cultivating inclusive behaviours inside the organisation.

Insights from the talking circles allowed Quilter to identify several short-term tactical changes (developing a multi-faith calendar, diversifying marketing materials) and longer-term strategic actions (developing a network for racial/ethnic minority colleagues and allies) to help develop a more inclusive culture.

One of the key tools Quilter has identified is using people's experiences to drive inclusive culture. The senior leader / sponsor released a video in which he talks about his experience of airport detention in the United States. The video was highly impactful in opening people's eyes and Quilter is following with a series of videos in which volunteers share examples of microaggressions and how they feel, or describe a time they felt like an outsider. The purpose of the videos is to drive a common human understanding, to give people a sense of permission to ask questions without judgement, and to encourage people to stop, listen, and consider what it's like to walk in another's shoes.

Kate Richardson, summarising the key learnings from Quilter's response, says, "It's important not to allow one lens of inclusion to take over. One colleague, who is black, gay, and female, put it well when she asked 'which bit of me are you going to prioritise?'. It's much more about creating an environment in which there is a common human understanding, and in which people feel they can ask questions without judgement."

DIVERSIFYING DIVERSITY

1.2
INCLUSION ACROSS THE ORGANISATION

While diversity is about increasing the representation of minorities in the workforce, inclusion refers to efforts to create an environment that values the individuals within a diverse workforce. Inclusion is a cultural issue – it is about the daily practice of building a workplace where people feel they belong and can contribute to the organisation's mission and to their own and others' development.

Too often in organisations, only the D&I team and minority groups are committed to and engaged with D&I work. But inclusion is everyone's responsibility – it is realised through thousands of individual daily behaviours. Senior leaders, line managers, and employees all have a part to play. Here, we look at behaviours that drive inclusivity across an organisation.

"People have to have the confidence to step forward – so the culture needs to make everyone feel valued and that they can contribute, to build that confidence base – this is what makes it easier to raise your hand and try something different. The right culture allows people to feel like they are capable and that they have the right to pursue anything they want."

JEFF LINDEMAN, GROUP DIRECTOR OPERATIONS EIMEA, WD-40 COMPANY

"So many things have happened to so many different types of people this year, and one effect of that is that the sophistication of the conversation around diversity and inclusion has moved forward."

FAYE FARRANT, HEAD OF TALENT AND INCLUSION, SCHRODERS

"Until senior leaders say 'I'm here and I'm listening', you're not going to have traction."

JANE HOSKISSON, DIRECTOR OF TALENT, LEARNING, ENGAGEMENT, AND DIVERSITY, INTERNATIONAL AIR TRANSPORT ASSOCIATION

DIVERSIFYING DIVERSITY

Senior Leaders

Senior leaders' role in building an inclusive workplace is about setting the tone, supporting the agenda, and being visible and accountable for results. As Pattie Walsh, Partner, Bird & Bird, explains, "Diversity and inclusion is not an HR topic. HR and Marketing can support the D&I agenda, but unless the leaders of your business are seen to be engaged and bringing it into the core and heart of the business, you won't get the change you are hoping to achieve."

In our conversations for this research, many organisations reported having highly engaged senior leaders who champion the agenda, role model good behaviours, and are increasingly willing to be vulnerable, admit gaps in their knowledge, and listen. But some organisations report that there is still a lack of understanding of the how and the why of D&I at senior level.

This isn't entirely surprising. Research from Accenture finds that while senior leaders say that diversity and culture are important, many of them are not prioritising it. In a large-scale survey, only 36% of senior organisational leaders identified diversity as a top priority, while even fewer – 21% – said so of culture, and only 23% have set culture-related targets or goals. In comparison, 76% identify financial performance as a top priority and 54% say so of talent.

Furthermore, there is a 'perception gap' between senior leaders and employees in many organisations about the extent to which the culture is inclusive. Accenture's research finds that 20% of employees report that they do not feel included (that is, welcome, able to contribute fully, and to thrive) in their organisations, while leaders estimate that only 2% feel this way.

Part of the problem may be that senior leaders think there is less bias than there is, and underestimate the obstacles that face colleagues from minority backgrounds.

In our research conversations, we identified the following good practices among senior leaders, both in building a diverse and inclusive workplace generally and in responding to the challenges around inclusion of colleagues from diverse racial/ethnic backgrounds.

- **Participation in councils or taskforces.** Most of the organisations we spoke to have a council or taskforce dedicated to D&I, and these councils count senior leaders among their members. For example, at Fidelity International, the Global D&I Leadership Council sets the strategy and agenda at global level. The council includes senior sponsors from every region and function. At global law firm DLA Piper, Board members and senior executives sit on the council; representatives from the firm's various employee networks report into the council and thus senior leaders get the opportunity to hear what they are working on and what the challenges are.

- **Leaning into fear and discomfort.** Senior leaders are learning to lean into their fear and discomfort in approaching the topic of racial inequality. Many organisations report that their leaders are showing a willingness to have difficult conversations and to learn about concepts such as privilege and white fragility. For example, senior leaders at Sodexo are reflecting and learning in sessions about privilege – helping them to identify the privileges they have and how they can use this as an opportunity for change for others.

- **Holding to account.** One of the roles of senior leaders is to hold themselves and others to account. Auditing is one strategy for holding to account. Senior leaders are holding themselves to account by linking their efforts around awareness and education to action and decision-making by auditing who they sponsor, work with, and so on, and adjusting accordingly. At asset management company Schroders the CEO is a very proactive auditor. For example, as part of the year-end compensation process, he reviews all of the recommendations, but these are overlaid with a heat map of gender and ethnicity data so that he can dig in and identify any parts of the business where there could be systematic unfairness. He holds teams to account by asking for explanations anywhere that the data doesn't look right. Schroders' CEO also recently scheduled a talent roundtable entirely focused on BAME talent due to his concerns that this group was not receiving appropriate attention.

- **Listening.** Leaders are increasingly willing to admit they don't have all the answers, and are focusing on learning the lived experience of minority racial/ethnic colleagues. This requires humility and listening. Informal, continuous listening can take place at lunch, in physical and virtual hallways (such as Yammer), and

before and after work. More formally, hosting or co-hosting (with internal diversity networks) all-organisation summits or town halls is an avenue to understanding colleague experience. Equally leaders can listen and learn in smaller group gatherings, such as the focus groups that Fidelity International ran in response to Black Lives Matter. Fidelity has also developed a listening pack to support senior leaders in listening consistently and in the right way. At HS2, listening is built in – every formal executive committee meeting starts with listening to a 10-15-minute presentation from an apprentice or graduate on any topic they choose.

- **Backing words with practical actions.** Statements of support are not enough. At one organisation we spoke to, the CEO and leadership team backed up their statement of support for Black Lives Matter with a commitment to educate themselves about the issues, while encouraging others to do the same. HR then distributed a curated set of resources about racial/ethnic equality to everyone in the company to support the educational journey.

- **Advocating.** Some leaders speak out externally on issues of equality to demonstrate their commitment. But there is a risk that organisational leaders may all speak a bit differently about it. One organisation we spoke to is launching a communications framework for their senior leaders on the what, the why, and the how of diversity and inclusion, in order to align messaging and drive change, both internally and externally.

- **Committing resources.** Senior leaders demonstrate commitment to D&I within their organisations by allocating budget and staff, but also by raising visibility of the work and those who do it. This includes engaging with and appropriately resourcing employee resource groups/networks.

- **Mentoring.** At many organisations, mentoring is an important strategy for engaging senior leaders – but to be successful, it has to be supported. Both mentor and mentee must be willing to learn and engage – it cannot be just a vanity exercise. Relationships must be set up with skill and honesty in order to be successful. Done well, mentoring benefits both parties and can drive the dialogue in terms of understanding the challenges at different levels of the organisation. Mentoring is also an important tool for showing minority colleagues a path to recognition and potential promotion. For example, Schroders has launched a new mentoring programme specifically for black professionals. The business leaders who comprise the Executive Committee have each been matched to an emerging talent black professional, opening a route to greater representation of black colleagues at senior level.

- **Building inclusive leadership skills.** Many of the organisations we spoke to have discovered a gap in resources for upskilling senior leaders in inclusive leadership. Some of the strategies organisations are trying include holding regular discussion groups and leveraging strong networks (if they have one) to help shape learning. Some HR functions are creating inclusivity podcasts especially for leaders, while others are arranging expert-led book clubs for senior executives, to facilitate and navigate the discussion. At some organisations, the book club approach is seeing particularly high senior leader engagement. Other strategies include training on allyship and microaggressions. When senior leaders upskill, they provide good role modelling for the line managers on whose shoulders much of the daily D&I work falls.

- **Setting targets.** People increasingly expect meaningful action – not just talk – on diversity and inclusion. In the UK, some organisations, such as HS2, are committing to measurable, publicly stated diversity targets for BAME colleagues.

"Since the Black Lives Matter movement, our senior leaders have shown a willingness to say 'I don't know, but I'm ready to have a conversation and to learn.' This has been really powerful for colleagues – people feel a sense of permission now, to have a point of view, which is giving them the confidence to overcome reticence and speak up."

KATE MILLS, PEOPLE DIRECTOR, NEWTON EUROPE

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LEANING INTO DISCOMFORT WITH SENIOR LEADERS AT **FERGUSON PLC**

Ferguson plc, the multinational plumbing and heating products distributor, is developing its I&D agenda. Like many of the organisations we spoke to, Ferguson consciously puts the 'I' before the 'D'. As Erica Barnes, Senior Director Global Talent Management and Inclusion, explains, "What good is diversity if it's not inclusive? Until you create an environment where minorities can be successful, how will you keep them? You'll just lose them if you don't create an inclusive environment in which they feel supported."

The initial catalyst for Ferguson's I&D work came when a new CHRO joined the company about three years ago. Passionate about I&D, she made it part of the conversation. However, it was a slow process moving forward – until the death of George Floyd. This accelerated the conversation in the United States (the majority of Ferguson's market). The momentum, voices, and support quadrupled, and the company was able to accomplish in three months what it had been building for three years.

The company put out an explicit statement against racism, has been delivering unconscious bias and inclusivity training to its people, and is developing guides for managers on how to have difficult conversations. Listening sessions, run by an outside facilitator, are connecting associates to senior leaders, and senior leaders are getting more involved in sponsorship of relevant employee networks.

One of Ferguson's key actions has been to help senior leaders lean into their discomfort and learn. Leaders often don't know how and/or fear having challenging conversations about racial/ethnic experience and inclusion. Barnes and colleagues organised an initial learning session for the Executive Committee (the 12 most senior leaders) on the topic of 'What does it mean to have privilege?' Hosted by an external facilitator, the 4.5-hour virtual meeting proved to be an emotional and thought-provoking experience for senior leaders. Challenged and made uncomfortable, these leaders have nonetheless expressed a desire to learn more. Follow-up sessions will take a closer look at inclusivity and understanding bias. Meanwhile, the initial session on understanding privilege is being delivered to the extended senior leadership team of 50. Barnes credits the sessions with improving senior leaders' willingness to listen, and driving the conversation around racial/ethnic inclusion to the surface at Ferguson.

Line Managers

Line managers are central to employees' daily experience of the workplace, and thus to their feelings of inclusion and ability to contribute fully to team and organisational objectives. But research consistently finds that line managers struggle to understand their role in D&I work and have lower levels of commitment to it. Some of the reasons for this include the following.

- Managers are anxious about getting something wrong – such as what language they should be using – and fear escalation. As Mia Tse, HR Business Partner at Ferguson plc, explains, "Managers are afraid of using the wrong language or offensive words. So it's not just about being willing to have a conversation – managers need to feel ok to ask if they aren't sure."

- Managers are focused on the daily operationalisation of the business strategy – with the emphasis usually on increasing sales and decreasing costs. Competing priorities and time pressures can push D&I work down the agenda.

- The intent, relevance to their work, and intended outcomes of D&I policies and initiatives are not always clear to managers.

- Managers may feel that they lack the authority to make a difference.

- Managers may not understand the business case for diversity, and may be unclear about how their D&I work will be rewarded.

Later in this paper, we look at some of the practical steps line managers can take to run meetings, communicate, make connections, and develop their people more inclusively. The focus is on **remote inclusion**, but many practices can be adapted to physical workplaces.

Here, we share some of the steps that organisations are taking to enhance their managers' ability to build a more inclusive workplace.

- **Training.** Offering line managers training in inclusive leadership skills is a first port of call for many organisations. In our discussions for this research, we found organisations training line managers in unconscious bias, how to have difficult conversations, and how to identify and address microaggressions. But it is important

to audit the training line managers receive. Training shouldn't just be about raising awareness, but helping managers to achieve broader cultural competency. Hiring an outside vendor to conduct a session on unconscious bias for a few hours is unlikely to result in much behaviour change. Look for programmes that do not put trainees on the defensive, and that focus on actionable strategies. Organisational policies and initiatives should match up with training, and organisations should look for ways to maintain momentum post-training. For example, consider facilitating informal, small-group discussions in which managers can practice using the concepts and tools they learned during training.

A Word of Caution on Unconscious Bias Training

Unconscious bias training is part of the basic D&I toolkit at many organisations – an early step taken to increase line managers' – or all employees' – awareness of the negative stereotypes about minority groups that they may unconsciously hold. The idea is that becoming more aware of our biases will influence positive behaviour change.

But research evidence suggests that unconscious bias training may in fact be ineffective, or even counter-productive. Research has found that most changes in bias disappear within a few days of the training, or that training may actually increase bias by making people more hesitant about interacting with one another.

The underlying flaw with unconscious bias training, suggests psychologist Tomas Chamorro-Premuzic, is that it targets thoughts, when behaviours should be the focus of diversity and inclusion initiatives. Research finds a weak relationship between attitudes and behaviours; hence the evidence of the limited effectiveness of bias training. Chamorro-Premuzic suggests organisations instead focus on putting in place the policies and systems that will create the conditions in which employees can behave in more inclusive ways.

- **Role model leadership.** Reflecting on the importance of leadership, Caroline Thomas, Director of HR at B&Q, asks, "How often do people take time out just to reflect on the subject, and not to see it as something somebody else needs to deal

with? As leaders we should take the time to think about what it is we're trying to do and ensuring D&I features in how we operate on a daily basis, what behaviour we are seen to tolerate or not?

- **Setting performance objectives.** Few organisations are rating manager (or even senior leader) performance on D&I, and those that do rarely link it to reward. But incentivising inclusionary behaviour is an important tool for engaging line managers. At Sodexo (U.S.), they continuously measure and hold their leaders accountable. Quantitative measures include the distribution of women and racial/ethnic minorities in hiring, promotions, and terminations. Qualitative measures look at managers' inclusive behaviours, such as mentoring diverse employees or attending diversity training. One organisation we spoke to is introducing an Inclusion Index in its annual engagement survey. Each manager will get a score from their team, and the organisation will provide guidance for managers on how to discuss the score with their team and how to improve it. However, the score will not directly impact on reward.

- **Encouraging compliance.** In addition to setting performance objectives, organisations should be looking at ways to make noncompliance harder for managers. Those who allow exclusion to persist within their teams should face negative consequences, of course, but exclusion isn't always intentional or overt. Simply querying behaviours can also be useful – sometimes managers simply haven't thought things through from an inclusive perspective.

- **Integrating.** Organisations should look for ways to integrate line managers into formal D&I structures. For example, at Mediabrands, there is line manager representation on the DEI Council. Line managers should also be encouraged to sponsor or at least join internal affinity networks.

- **Demonstrating relevance.** Organisations can encourage manager commitment by positioning D&I work in terms of relevance and action. Instead of describing inclusion as 'culture change' (too abstract), try couching it in terms of 'making the mix work well' within a team. Explain why it's important to the business strategy. If possible, use internal data to show how D&I initiatives have impacted the business. Explain how the manager's personal success depends on their ability to foster inclusion.

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- **Focusing on daily actions.** Managers should be encouraged to think about the daily impact of their actions. Who are they inviting to important meetings? How are those meetings run? Are they attending meetings of the company's affinity groups, participating in D&I initiatives, attending diversity recruitment fairs, and so on? In the next section of this paper, we share many daily actions managers can take to be more inclusive.

> "Managers can be supportive of race equality but also be afraid of saying the wrong thing, or saying the right thing the wrong way. Our senior leaders responded to the tragedy of George Floyd's death, which paved the way for managers and staff to gain the confidence to speak up. It's important to make the language accessible."
>
> GRAEME CLARKE, GROUP HEAD OF PEOPLE, MOTT MACDONALD

Employees

One of the trickiest inclusion challenges for organisations is embedding inclusive behaviour into daily practice among the entire workforce. While events such as the death of George Floyd may act as catalysts for conversation and change, how do organisations maintain momentum? And how are education and awareness activated? How does the organisation move its people from a couple of hours of bias training that are quickly forgotten, to living inclusion every day?

There are no easy, or uniform, answers to these questions. Generally, employees need to become aware of their own biases, develop inclusive mindsets, and ultimately, become effective allies to their peers. But how?

Here, we share some insights from organisations grappling with this challenge.

- **Assess roadblocks.** Many organisations begin with education and awareness-raising, but there is a more fundamental step. As Claire Black, Learning and Development Manager at B&Q, explains, "There are many reasons why we don't talk about 'x' in an organisation, even for just five minutes. Is it lack of trust? Fear? Lack of confidence? Organisations have to identify the roadblocks to shape and inform the education so everyone can feel confident and empowered to talk more openly about this and explore different perspectives."

- **Articulate the business imperative.** Many organisations put a great deal of time, energy, and enthusiasm into unconscious bias training, but research finds that such training all too often has limited effectiveness. Tim Hallatt, Head of Learning and Development at Travis Perkins, argues that organisations need to clearly articulate the business imperative for inclusion. "The company has to help its people see and understand that as an organisation 'this is what we believe and you need to subscribe to it in order to be an effective part of the business'."

- **Demystify D&I language.** The concepts and language around diversity and inclusion can be a barrier to people getting involved in the conversation. What is 'intersectionality'? What are 'microaggressions'? What do we mean by 'belonging'? Nicola Paul, Founder of Good Work Life and currently working with Marks & Spencer, explains, "It's important to give people the language and a point of reflection."

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'UNDERSTANDING WHERE YOU ARE' AT B&Q

B&Q, the home improvement retailing company, is defining what inclusion is about for the business. Three principles are clear:

- Raising awareness and education will play a big part in the B&Q inclusion journey
- Inclusion must be owned by everybody – not just the People team
- Creating genuine and sustainable time will take time (perhaps two to three years) and visibility of measurable progress will be vital to remaining committed to progress.

To enable everyone to understand their part and what they need to do, B&Q realised it needs to first understand and unpick where it's at. By honestly evaluating where things stand, the business can then put the right things in place to move forward.

B&Q has partnered with an organisation called Green Park to assess its current status and help inform its inclusion strategy. Because it is an external and independent partner, Green Park is well placed to provide objective insights. The organisation is conducting 1:1 interviews with a representative sample of B&Q colleagues at all levels, running focus groups across regions and at the head office, and has applied an 'inclusivity review' to all B&Q processes and documents. Green Park will collate and analyse all of this data to produce a highly detailed report of observations and insights – 'where B&Q is at'. These insights will then feed into and provoke B&Q's emerging inclusion strategy over the next three to five years.

A key part of Green Park's work is around working with the Board, whose members are actively sponsoring the work and are very keen to understand the issues and root causes, in order to tackle them. In an organisation as large as B&Q, there is an expectation that there may be some uncomfortable truths to surface. B&Q's focus and commitment is to unearth these truths and deal with them in a sustainable way.

After the report is released and digested, Green Park will work with the Board to help members think about their role and commitments. There will be a focus on conscious inclusion, and what actions can be taken on the back of the report.

The review is tackling some deep-rooted beliefs and values, and may therefore potentially unearth some areas within the organisation that might be very challenging. Such findings would reflect on legacy issues that have built up over time. While there may be some anxiousness about the review's findings, the Board is nevertheless highly committed to tackling whatever the organisation needs to, to ensure a diverse and inclusive workforce. Learning and Development Manager Claire Black explains, "I think when the audit comes through, with real life examples of things that have happened, it will be a big moment for the organisation."

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- **Build cultural intelligence.** We talk a lot about emotional intelligence, but in a diverse and interconnected world, cultural intelligence is equally important. Organisations should cultivate opportunities to connect colleagues with people who aren't like themselves, so they can learn about one another. Buddy systems and 'random coffee breaks' in which diverse colleagues are paired up to get to know one another are two methods organisations can try.

- **Emphasise kindness.** Equality is a deeply emotive subject, and defensiveness, anger, and assumed ill will can easily seep into conversations. Nicola Paul emphasises the importance of kindness. "We have to remind people to be kind to themselves through this – don't beat yourself up for not knowing enough. But also be kind to other people if they don't get it right."

- **Enhance psychological safety.** A sense of psychological safety enables people to speak confidently and courageously about inclusion. At Marks & Spencer, the 'Talk Straight' campaign was launched to deliberately unlock the veneer of politeness that hangs over many conversations. Colleagues set the tone of the communication by referencing 'talking straight' – the words signal an honest conversation about what's working and not working, but set within the parameters of mutual respect and goodwill.

- **Create open forums.** An open environment is essential to fostering honest and challenging dialogue. Some organisations are having success with HR-facilitated small-group conversations that colleagues can opt into. These conversations have no agenda other than to share feelings and experiences (for example, about the Black Lives Matter movement, or racial/ethnic or gender equality more generally). Insights can then be fed up to senior leaders and the Board.

- **Help people upskill themselves.** Proactively share ideas and resources to help colleagues upskill themselves. At Spotify, employees have access to a 'Be a Better Ally' toolkit. At Schroders, the HR team has sent out targeted communications around allyship – books to read, activities to get involved in, and so on.

- **Take a multi-layered approach.** Fostering transparent and open conversations about inclusion is an enormous task. Organisations need to take a holistic, multilevel and multi-layered approach. As Claire Black explains, "A learning module isn't going to be enough for most people. We need campaigns, strong leadership – really a melting pot of stuff is required."

1.3
RACIAL/ETHNIC DIVERSITY AND INCLUSION: SPECIAL CONSIDERATIONS

Achieving diversity and inclusion isn't one-size-fits-all – different groups have different needs and priorities in the workplace. Here, we briefly examine three issues of special relevance to racial/ethnic minority populations' needs that emerged in this research. These include the challenges around ethnicity pay gap reporting, reacting to racial trauma, and how organisations work with their employee networks.

Ethnicity Pay Gap Reporting

In the UK, the government completed its consultation on ethnicity pay gap reporting in early 2019. As yet, further action has not been taken. However, some organisations are now committing to voluntary ethnicity pay gap reporting, in anticipation of legislation and/or because it is an important part of their D&I strategy.

But ethnicity pay gap reporting is a more complex task than gender pay gap reporting, and organisations will need to be prepared for significant challenges in collecting and analysing the data.

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'Trust' refers to an individual's expectation that some organised system will act with predictability and goodwill. Trust is slow to be built, but quickly lost, and can be especially difficult to maintain or rebuild after a crisis.

For a deeper dive into the concept of trust and how to build and maintain it, please see the following CRF resources.

- *Trust* (Research Report).
- *Trust in the Workplace* (Post Meeting Notes).
- *Trusted Advisor* (Post Meeting Notes).

Complexity of data collection. The GDPR does not prevent organisations from collecting ethnicity data, but it does prevent compulsory disclosure. Therefore, organisations seeking to collect ethnicity data have to find ways to encourage their people to voluntarily disclose. For many organisations, this is an enormous challenge. At one organisation we spoke to, 70% of people in a UK pilot chose not to disclose their ethnic background.

Building trust and being transparent about how and why the data is being collected, where it will be held, and how it will be used is critical to voluntary disclosure. As one HR Director put it, "You need to have a compelling reason for people to give you their information – there is no point collecting data if you're not going to use it. So you need to articulate that – how are you going to use it? how will it drive positive change?"

We offer the following advice for navigating the complexities of collecting ethnicity data.

- **Engage key stakeholders up front.** Use focus groups to engage, communicate with, and build trust among the groups that will be affected. You want people to be comfortable with what will be asked of them, and knowledgeable about what the data will be used for. If you have an employee network that represents colleagues from racial/ethnic/cultural minority backgrounds, involve it in every step of the process. Employee networks can be key allies in this task.

- **Articulate a narrative.** Articulate a clear narrative for why you need the data and how you will use it (e.g. to understand the gap and develop an action plan to address it). Articulating the how and the why is an important turning point for getting people to disclose. Use examples from your organisation's gender pay gap reporting, if possible, to vividly demonstrate how reporting led to real change. Crucially, use the narrative to ensure confidentially – people need to know that their data will not be accessible to their direct teams and managers. Make sure that senior leaders are visible and accountable to the plan.

- **Co-create communications.** Share – or better yet, co-create – communications with employee networks in advance, as they can help frame them to land better with the target audience. Networks offer a forum where perspectives can be heard and can make all the difference in a communication that gets results as opposed to one that discourages participation.

- **Consider what other data to collect.** Organisations should also consider whether to collect ethnicity data as part of a broader approach to identifying and addressing its D&I issues. What about diverse representation and inclusion of colleagues from disadvantaged social backgrounds, or disabled colleagues? Organisations can signal a broader commitment to equality by developing a multidimensional lens.

The quality and extent of data. Research from PWC finds that 75% of organisations do not have sufficient data to analyse their ethnicity pay gap. Where data does exist, it is often patchy and inconsistent. In the absence of guidance from government, organisations will have to make their own decisions about how they categorise ethnicity, and the lines along which they will report. Some issues to consider include the following.

- Ethnicity data involves self-identification – organisations have to be mindful that there are many nuances around ethnic identification (for example, someone who is Jewish may identify as ethnically Jewish, or Jewish by religion, or both). Getting measurement right is tricky, and will be even more complex for multinational organisations, as racial and ethnic classifications vary markedly across international borders. Another issue to be mindful of is the risk of identification, for example where the number reporting is very small (such as in individual sub-categories of BAME identity in the UK).

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- Organisations need to assess the effectiveness and functionality of HR systems for the task. It is usually more efficient to use a core HR system to collect and calculate ethnicity pay reports (most leading HR systems have this functionality). Organisations will need to work with their systems providers to obtain these features if they do not already have them.

Using the data to drive change. Communicating findings is a critical first step to driving change. Again, it is advisable to engage your employee network for input on how to communicate findings – what format will findings take? When will they be disclosed? What is the narrative around the numbers, and what actions will be taken to address them?

For many organisations, the data collected will inform target-setting. But there are many further considerations when setting targets related to ethnicity, such as whether to set targets for ethnic minority colleagues as a whole, or for separate groups within the larger category. There are also questions around whether to set targets to local demographics, such as by individual site. Many larger companies start by setting across-the-board targets, but then move to specific sub-groups when those broader targets do not prove nuanced enough. In our discussions for this research, we did not encounter examples of intersectional target-setting – such as setting specific targets for black females – but this is another complex question that some organisations are beginning to consider.

Reacting to Racial Trauma

HR leaders at many of the organisations we spoke to described the intense reaction their people had to the killing of African-American civilian George Floyd in May 2020. Especially in the U.S. and the U.K., there was an outpouring of anger and grief. Many organisations found themselves needing to respond very quickly to their people, clients/customers, and shareholders about what they were – or were not – doing to support racial/ethnic diversity, inclusion, equality, and anti-racism more broadly. Those organisations that already had an infrastructure in place (including a strong employee network), had already been doing work in the area prior to Floyd's death, and/or had senior leaders genuinely committed to understanding the issues, found themselves in the best position to respond quickly and in a meaningful way.

In the aftermath of events such as this, organisations find themselves in the unique territory of having to effectively respond to the collective grief of racial trauma. While anyone may feel grief and outrage at injustice, in the aftermath of Floyd's death, what many black people felt, according to Dr. Angela Neal-Barnett, Professor of Psychological Sciences at Kent State University, is best described as racial trauma – severe psychological distress following any terrible or life-threatening incident of racism. Neal offers the following advice to organisations about reacting effectively to racial trauma.

- **Provide safe spaces.** Organisations should provide black employees with safe spaces (physical and/or virtual) in which to process their feelings and experiences. Neal recommends that discussions in these spaces be facilitated by a skilled expert in racial trauma, and that there are dedicated spaces for black employees in addition to shared spaces in which all employees can talk about racism.

- **Connect to culturally competent counsellors.** Employers should review their EAP provision to ensure culturally competent counsellors are available. Counsellors should have specific skills and training to work with black clients. This includes an understanding of racism and the effects of racial trauma. If the EAP lacks this provision, employers should take the necessary steps to source culturally competent counsellors.

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- **Issue meaningful statements of support.** Many organisations issued statements of support after Floyd's death. But it is critical that such statements are informed and carefully crafted. For example, Neal says, "a statement of support that does not include the words black and racism will not be viewed by black employees as supportive. It is not people of colour who are under attack, it is black people. Statements should address this fact." We suggest that organisations work with their employee network – if they have one – to co-create communications.

- **Move from words to action.** A statement of support is not enough. Organisations have a critical role to play in combating both systemic and interpersonal racism. Neal recommends that organisations develop an action plan with the specific actions it will take to make progress on racial/ethnic diversity and inclusion, and target dates by which actions and outcomes should be achieved. Senior leaders should publicly advocate for racial equality; the organisation should commit to being anti-racist and should work within all divisions to ensure this is the case. Listening to black employees and converting their ideas to action should not be a one-off exercise, but a continual process.

It is also essential that employers proactively respond to any accusations of racism within their organisation. Nothing calls into question an organisation's words about its commitment to racial equality more quickly than a report of racism that is not investigated or appropriately remedied.

Organisations might want to consider designating a confidential ombudsman to investigate incidents of racism. The ombudsman should be part of a broader, robust, and anonymous reporting process for such incidences. The reporting process should be consistently communicated to employees to signal its importance to the organisation. Line managers are ideally placed to amplify messaging as part of their inclusion work.

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MOVING FROM WORDS TO ACTION

A frequently raised question in this research is how organisations can translate passionate words about racial inclusion into meaningful actions. Some of the organisations we spoke to struggled with this, and many times that struggle traced back to reluctant and disengaged senior leaders. Other organisations were able to effectively capture insights and begin to translate them into short-term tactical and long-term strategic actions. Here, we briefly examine the approach at three organisations.

BALL CORPORATION

Packaging manufacturer Ball Corporation's CEO has recently instigated a global diversity and inclusion survey. The purpose of the survey was for Ball to pause and ask itself searching questions to understand employee sentiment on key D&I matters. The survey, comprised of 10 closed and one open-ended question, explored perceptions of leadership, culture, and individual experience at the company. It included questions about career progression and the personal experience or witnessing of discrimination. Key takeaways included that the company needs more diversity in its leadership roles, more diverse talent entering the organisation, and that diversity of thought is critical to business outcomes. The results of the survey have been shared with business leaders and they are working on making commitments that respond to the issues it raised.

MEDIABRANDS

Mediabrands, the communications marketing company, has been working for many years to make diversity and inclusion part of the fabric of the organisation. The new energy around the Black Lives Matter movement in summer 2020 had the effect of accelerating this shift from pockets of brilliance to a consistent

commitment to D&I across the business. Senior leaders, especially the CEO, are committed to D&I, and mechanisms are in place to incentivise business units to drive D&I initiatives forward.

"We are seeing greater interest from our clients – what are you doing, what are your stats, does your workforce reflect the consumers we're trying to reach? Organisations have to take D&I seriously and look at it holistically. You really have to get beneath the surface of what is happening in your organisation," explains CHRO Alastair Procter.

The reaction to George Floyd's death inside Mediabrands was enormous – there was a huge outpouring of emotion, including grief, frustration, anger, and desperation. Colleagues were looking for avenues to express those emotions, and many were feeling for the first time that they could say what they wanted without fear of retaliation or retribution.

Mediabrands, in part because it already had a strong infrastructure in place with D&I functions both centrally and in each agency, and committed volunteer groups – was able to mobilise a response quickly.

The company hosted a number of safe space virtual drop-in sessions. People joined the call just to talk about how they were feeling as events unfolded. There were sessions exclusively for black colleagues, and separate sessions for allies. Sessions were moderated by a corporate member of the D&I team, assisted by one or more volunteers from the employee population.

Some of the actions Mediabrands is now taking include the formation of a DEI Council, co-chaired by two of the business's most senior leaders, and with representatives – diverse by level and demographic background – from various business units. The Council acts as an approval mechanism for new initiatives.

The company's D&I programming for the rest of the year will involve a combination of events – webinars, town halls, and additional safe space sessions, along with training aimed at supporting line managers to engage more proactively with the issues at hand. Leaders are being encouraged to be frank – to admit that neither society nor the organisation are where they should be. "We have to take a hard look at ourselves – how transparent are we? How much more work do we have to do?" Procter explains.

WAVEMAKER

Media company Wavemaker had already been working to move diversity and inclusion up the agenda when the Black Lives Matter movement gained new energy in the summer of 2020.

Wavemaker had already completed a survey of 1,000 people plus 30 one-hour qualitative interviews with key stakeholders (from the CEO to entry-level colleagues, and a mix of people from diverse backgrounds) to inform the agenda, and the company's employee network for racial/ethnic minority colleagues had been working diligently in the background for a long time.

A series of workshops had been planned, one of the objectives of which was to get D&I on the agenda. This work coincided with the re-emergence of the Black Lives Matter movement, which had the effect of suddenly moving the work to the front and centre of the organisation's attention.

The workshops took place over three weeks and involved people from across the globe. Sessions varied from 1 ½ to 3 hours, and between sessions there were various tasks for people to get involved in. In response to Black Lives Matter, the company also hosted safe room discussions for minority colleagues.

Some of the actions that have come from this activity include Wavemaker's issuing of an anti-racist statement, a review of recruitment and promotion policies with the aim of mitigating bias, and the creation of a D&I Task Force to create dialogue, understanding, and policies. An ongoing challenge is how to engage more than just a sympathetic audience to events and talks around diversity and inclusion issues.

Working with Employee Networks

Employee networks are an indispensable resource for organisations working to improve both diversity and inclusion. Networks are a vehicle through which colleagues can support one another, but they also offer the organisation fresh perspectives, ideas, and opportunities. Most of the organisations we spoke to for this research have a dedicated employee network for colleagues from racial/ethnic/cultural minority backgrounds, or are in the process of building one.

The following advice for working effectively with employee networks pertains to networks of all kinds, but our interviewees stressed its value in working with racial/ethnic/cultural minority networks in the aftermath of the killing of George Floyd.

- **Build a strong network.** Those organisations that already had a strong network in place when the Black Lives Matter movement re-ignited found that they could craft quicker, more effective responses by working closely with that network. Building a strong network means supporting it with resources, including a budget, and forging a robust line of communication with senior leaders. For example, at Sonnedix, the multinational solar power producer, each employee network receives a budget and quarterly time with senior leaders and the CEO. Incentivising line managers to get involved with networks can both extend the network's reach and improve managers' commitment to and engagement with inclusion work.

- **Listen to your network.** Networks, like D&I champions, are a tool for listening to what's being said in the organisation at any given time. In times of crisis, networks can be a vital source of guidance, shaping an appropriate organisational response. For example, Schroders turned to its Black Professional Network for guidance on how to respond to the killing of George Floyd. Faye Farrant, Head of Talent and Inclusion, explains, "Their voice helped direct our reaction, so we were able to put out an informed statement on our position. We also organised a roundtable between the network, its executive sponsor and our CEO. We asked – 'how are you feeling?', 'what should we learn?', 'what actions should we take?'. That dialogue is ongoing, with the executive sponsor sitting down quarterly with the network to get feedback on the challenges members are facing."

- **Don't over-rely on your network.** Network members are a source of sophisticated knowledge about the issues that face them, and can deeply inform the organisation's diversity and inclusion strategy and related initiatives. However, it is important not to over-rely on network members. Network participation is typically voluntary, and members are passionate about and committed to the issues. But it cannot be their job to educate the organisation. Organisations should look for ways to scale the work and insights of network members. For example, at Schroders members of the Black Professional Network have been invited to functional team meetings to share their experiences of racism. These sessions have been very impactful to attendees, but there are only so many network members, and recounting experiences of racism can be traumatising; network members cannot be expected to tour the organisation recounting painful experiences for the edification of their colleagues. Schroders has a neat solution: they are recording podcasts and finding other ways to capture these stories so that they can be more widely shared throughout the organisation.

- **Build and maintain credibility with your network by taking action.** A budget and face-time with senior leaders won't mean much to your network if these aren't followed by tangible actions. Organisations should identify a mix of short-term tactical and long-term strategic actions they can take to address the issues networks raise; there should be a clear action plan that is well-communicated. As Clare Moncrieff, VP, Global HR Centre of Expertise at Nokia, explains, "Members of your network are interested in the organisation making progress; they are not interested in contributing to marketing language. Saying the right thing isn't as important as doing the right thing. People appreciate that may take some time, so make sure that the organisation is listening and doing things in the short term, while also crafting but the organisation wants to make sure it's listening and doing things in the short-term while crafting long-term strategic actions."

"Organisations have a duty to listen to the experiences of ethnic minorities, and they also have a responsibility to support those voices. We have thought carefully as a group about how to reach out to our networks to listen, hear, understand, and use our position to elevate those messages and take positive actions."

RICHARD CHAPMAN-HARRIS, GROUP HEAD OF INCLUSION AND RESPONSIBILITY, MOTT MACDONALD

DIVERSIFYING DIVERSITY

CASE NOTES

SUPPORTING BLACK COLLEAGUES AT **SPOTIFY**

Spotify, the music streaming and media services company, has made a firm commitment to its diversity and inclusion work. It is a company goal, with a large staff dedicated to implementation.

As for many organisations, the company's D&I journey began with a focus on gender balance. Early on, Spotify put in place aspirational targets and implemented an inclusive hiring strategy – since then, the organisation has already achieved 42% representation of women, and 43% representation of women in manager positions.

This work extended to racial/ethnic diversity and inclusion when the company noticed some dissatisfaction among black colleagues. The organisation conducted in-depth interviews with leavers to understand why, and found that the main reason was because they didn't see themselves represented in the higher ranks of the company. Spotify then developed a robust plan in terms of inclusive hiring aspirational targets, both for the company as a whole and for specific business units. To realise these targets, the company checks in on progress quarterly, analyses headcount trends, training is underway to educate all managers on how to interview diverse candidates, and has led organisation-wide workshops on leading diverse teams.

This work was already in progress before the Black Lives Matter movement earlier this spring, but since then the company has redoubled its efforts. "There is a 360 push from within the organisation to show black colleagues they are supported at every level," explains Anna Lundström, VP HR, Americas, Content & Advertising BU. Additional actions the company has taken include the following.

- Issuing an official statement of support to show employees and consumers the organisation stands behind the Black Lives Matter social movement.

- The company CEO tweeting in support of the movement.
- Provision of professional counselling to support black colleagues' mental health.
- Community sessions (livestreamed) for all employees to listen to black colleagues speak about their experiences with racism. (These sessions were especially powerful and eye-opening for non-black and international colleagues).
- Highlighting and amplifying black creative voices (for example through podcasts, playlists, etc.)
- Close collaboration between senior executives and grassroots networks on strategy.
- Provision of a toolkit for all colleagues on how to be a better ally.
- Taking part in Black Out Tuesday on June 2nd, standing with Black creators to help amplify their voices and accelerate meaningful conversations as well as encouraging employees around the world to observe Black Out Tuesday by dedicating the day to reflection and education.
- Implementing an employee matching donation program focusing on supporting racial injustice organisations.

"Diversity and inclusion was never just a small HR project at Spotify," explains Lundström. "Our product and huge global platform is so powerful, and we are very aware of the possibilities that come from that. We are asking ourselves, what can we do to drive real and long-term change?"

REMOTE INCLUSION

STRIKING A BALANCE BETWEEN REMOTE AND FRONT-LINE COLLEAGUES

We recognise that there is a tension in the conversation around remote inclusion – those workers in front-line positions have not had the luxury of participating in the en masse move to remote working. For those organisations where the majority of the workforce did not work remotely during the crisis, safety protocols and issues of equity between front-line and remote colleagues are at the fore.

The pressing question is how to strike a balance of fairness between colleagues who have the option of working remotely with flexible hours, and those who do not (and who also tend to be lower-paid, with fewer benefits). Fairness between colleagues is critical, but the equity question is very difficult to manage. In many organisations, the reality is that those who are paid less and have less comfortable jobs have suffered most throughout the crisis, and a balance of fairness for all is overdue.

For a closer look at some of the issues as organisations think about new ways of working, please see CRF's **Post Meeting Notes**.

The COVID-19 pandemic sparked a remote working revolution – at least temporarily – as many organisations rapidly shifted large portions of their workforces to all-remote working.

Initially, organisations' focus was on how, technically, to make the move en masse to remote working. Were there secure ways of communicating digitally? Did people have what they needed – up-to-date hardware and software, a good Wi-Fi connection, space and appropriate furniture – to work comfortably and efficiently from home?

Many organisations found they were able to handle the technical aspects of the shift to remote working efficiently and successfully. The focus then quickly moved to employees' mental and physical wellbeing. A radical shift to remote working coupled with a collectively experienced global health and economic trauma of historic proportions has meant that employers can expect large portions of their workforce

to experience physical and mental health challenges simultaneously, creating unique challenges for organisations. (See CRF's 2020 report, *Let's Get (Beyond) Physical: Crafting a Multidimensional Approach to Employee Wellbeing*, for a closer look at wellbeing issues).

Given the close links between employee wellbeing, diversity, and inclusion, it is perhaps no surprise that inclusivity in remote working environments – what we call 'remote inclusion' – is increasingly capturing employers' attention.

While most organisations have handled the shift to remote working well – for example, research is showing that those employees who didn't feel supported, in terms of flexibility, before the crisis are now confident that they will be more supported post-crisis – research is also showing signs of strain. The nature and extent of this strain differs by geography and by employee population.

As organisations begin to define what the 'next normal' will look like, identifying those groups under strain and embedding practices and processes to mitigate strain will be a key task. Getting remote inclusion right – which is about more than just making chat tools such as Yammer available or hosting a Friday afternoon drinks event on Zoom – will be critical.

In this chapter, we consider the benefits and risks of remote working for inclusive culture, we begin to identify some of the groups most at-risk of remote exclusion, we consider the unique role of line managers in building and maintaining inclusive remote cultures, and we identify practical steps those managers can take to build inclusivity into daily practice – from how they run meetings, to how they communicate with, connect, and develop their people.

2.1
THE BENEFITS OF INCLUSION

The business benefits of inclusive working environments are well-established.

- **Candidate attraction.** Research from McKinsey & Company finds that 39% of respondents "have turned down or decided not to pursue a job because of a perceived lack of inclusion at an organisation." This is likely to become more important going forward, as research from Accenture shows that younger generations are even more concerned with workplace culture than their older counterparts (75% of Gen Z vs. 64% of Baby Boomers).

- **Employee retention.** Research cited by The Wharton School finds that "employees who feel like they belong have a 50% lower rate of turnover than employees who feel excluded." Other research finds that employees who experience microaggressions are three times more likely than those who do not to consider leaving their jobs. This is important, as employee turnover is costly – depending on the role, it can cost "up to 200% of an employee's annual salary to hire a new person into a position." Employee turnover is also costly in terms of time and the loss of institutional knowledge.

- **Performance.** Wharton School research finds that employees with a high sense of belonging take 75% fewer sick days than those who feel excluded, and exhibit a 56% increase in job performance. Those who feel highly connected at work receive twice as many raises and are 18 times more likely to be promoted in a six-month period than those who feel excluded.

- **Improved quality of decision-making.** Research consistently shows that more diverse and inclusive teams make more accurate decisions.

REMOTE INCLUSION

Flexibility is one of the attributes of inclusive cultures that remote working brings to the fore, with important potential benefits. Flexibility may play a significant role in the retention of women, who still often bear the burden of a 'second shift' of domestic and childcare work, beyond their paid labour. It is also a key tool for attracting and retaining younger talent, who have increased expectations for how they balance their professional and personal lives.

Remote working is also poised to improve diversity and inclusion at organisations because it creates opportunities to hire and retain talent that may not have been previously available, such as working and single parents, dual-career couples, the disabled, and talent from a broad range of geographies (who may no longer have to be located near a physical office).

While the benefits of inclusion are clear, research has also shown a disconnect between leaders' and employees' perceptions of their organisation's culture. Accenture calls this the 'perception gap' – 20% of employees report that they do not feel included (that is, welcome, able to contribute fully, and to thrive) in their organisations, while leaders estimate that only 2% feel this way. Further, 68% of leaders feel they create empowering environments, those in which "employees can be themselves, raise concerns and innovate without fear of failure", but only 36% of employees agree.

It is thus important that organisations, many of which may already be experiencing a perception gap, understand and be prepared to react to the risks posed to inclusion in remote environments, in order to realise the benefits of inclusion more broadly and to take advantage of the new opportunities remote working brings.

2.2
THE EXCLUSION RISK IN REMOTE WORKING ENVIRONMENTS

Every organisation has in-groups and out-groups. Members of an in-group are close to one another and feel more connected to the centre. Those in an out-group may feel that they have no voice at all within the organisation.

In-group/out-group dynamics are easily exacerbated in remote working environments. Members of the in-group will be in constant communication across multiple channels, while those in the out-group may be all too easily forgotten. Though it may be inadvertent rather than deliberate, exclusive behaviour and biases are easily reinforced in remote working environments.

Remote working environments also make it easier to avoid difficult conversations, and they minimise the opportunities for spontaneous new connections to form between colleagues, and between leaders and their employees. Isolation of those in out-groups can lead to uncertainty about who to talk to as specific issues arise, and confusion or discomfort about when and how to approach colleagues may increase. This increasing invisibility may not only negatively impact the employee's sense of belonging, but can also mean missed opportunities for development.

Thus, senior leaders must set the tone and expectations around remote inclusion, while managers and colleagues embed inclusion into daily remote working practices. This means being mindful and purposeful about how meetings are run, how people communicate, how they connect, and how they develop.

REMOTE INCLUSION

2.3
WHO IS AT-RISK OF REMOTE EXCLUSION?

In our conversations for this research, we found that organisations are mostly still in the process of figuring out the extent to which remote working will continue post-crisis, who it's working for, who it is not working for, and which groups among their workforces are most at risk of remote exclusion.

There is recognition that remote working doesn't suit everyone, and some organisations are already allowing people to return to the office optionally (for example, to access better Wi-Fi or equipment, or for reasons of mental wellbeing).

Whatever the future configuration of remote- to office-based working, it is likely that some form of increased remote working for larger sections of the workforce will become normative for many organisations. Establishing inclusive practices among those working remotely, and between remote and in-office groups, will be critical.

As Tim Hodgson, Human Resources Director at insurance company ReAssure, explains, "Once we drift back to the new normal, we are really conscious of people being left out by remaining at home. We are concerned about those who are not visible, and may consequently not be heard. Who are they, and what strategies and initiatives do we need to develop to make sure they are included? For example, it may be that more women take the option to work remotely because of childcare responsibilities. It's on our radar, we are very conscious of it. It's not a problem at the moment, as 85-90% of our people are still working from home, and apparently happily so, but we see that it could easily become a problem in the future."

The groups most at-risk of remote exclusion will vary by organisation, depending on particular workforce demographics, but some of the groups mentioned again and again in the interviews for this research include:

- **Working mothers.** Research has shown that remote working fathers are scoring well above remote working mothers in wellbeing, engagement, and productivity. And while balancing work and private life is a top concern for remote working mothers, this concern doesn't even enter the top ten for remote working fathers. With a disproportionate burden of childcare and home-schooling responsibilities falling to working mothers, care is needed to maintain their inclusion.

- **New starters.** It can be challenging to make connections and build one's network in all-remote environments. This is especially so for graduate new starters. As Kate Mills of Newton Europe explains, "The team has done an amazing job in the circumstances of bringing new people into the business, flexing our training and supporting them to feel part of the team. But graduates don't know the world of work, how to work with a client; it's really challenging to induct them when they are missing out on those conversations you overhear in-person, when they can't watch, listen, and learn from others. How do you introduce people to the world of work when they are remote and inexperienced?"

- **Part-time employees.** With organisations moving at unprecedented speed in problem-solving and decision-making, part-time workers may be at a disadvantage.

- **Both older and younger employees.** Some younger workers may be struggling with the lack of social interaction brought on by COVID-19. House shares and limited space may also disproportionately impact younger workers, especially those living in cities. There is a longer-term risk that young employees, new to the world of work, will miss out on important informal learning that contributes to later career development. Older workers may struggle to adjust to a radical new way of working and the demands of multiple new technologies.

- **People without dependents.** Research has shown that remote workers with dependents are faring better in engagement, productivity and wellbeing than those without dependents. This is being driven by a diminished sense of community among those without dependents. Organisations thus need to work even harder to build community for this population.

- **Employees from more deprived social backgrounds.** More limited broadband access and lack of home-office space are two issues that may disproportionately impact employees from more deprived social backgrounds, and thus foster exclusion.

- **People with any form of disability that makes it harder to work remotely.** This can include physical and mental impairments.

Equality Impact Assessment at Mott MacDonald

Together with the Health and Safety team and employee networks in each region, global engineering, management, and development firm Mott MacDonald carried out an Equality Impact Assessment of its response to the COVID-19 pandemic. It found a potentially disproportionate impact on female colleagues, both as primary carers and as people at increased risk of experiencing domestic violence due to requirements to work from home. The impact assessment allowed the company to organise a quick response to the issues, which included the development of toolkits and guidance for all regions.

2.4
THE ROLE OF LINE MANAGERS

Systemic efforts play an important role in building diverse and inclusive organisations, but equally inclusivity is empowered by individual behaviour. Senior leaders, line managers, and peers must all do their part to consciously build an inclusive culture through daily practice.

For example, leaders have an important role to play in setting the tone, supporting the agenda, and being visible and accountable for results. Peers need to develop inclusive mindsets, be aware of their own biases, and learn how to become effective allies.

Line managers are especially important to building and maintaining inclusive cultures – remote and in-person – because they are central to employees' experiences of inclusion (or exclusion) at work, and thus play an important role in engagement, performance, and retention. By building inclusion into daily practice, line managers can create an environment where all team members are contributing to the team's cohesiveness, productivity, and goals. This is especially important in remote environments where the usual touchpoints of the office setting are missing. Yet, line managers may be uncertain about their role in inclusion and how to build inclusive teams, and may not see it as part of their core job functions.

Proactively supporting line managers in their inclusion work is key – the most advanced organisations do not leave it to chance. For example, at law firm DLA Piper, the Diversity and Inclusion team produced a guide early on during the pandemic (distributed through HRBPs) that provided managers with explicit guidelines for how to work remotely and inclusively. At Fidelity International, the D&I team has conducted regular webinars on a range of topics for all colleagues, with a couple of the webinars specially targeted to line managers (such as how to support

team members who live alone). Fidelity has also and have produced toolkits on how to have open and constructive conversations around wellbeing as part of normal conversation. At WD-40 Company, managers have video calls every two weeks in which they share experiences, challenges, and good practice between departments.

While there is no catch-all solution to how to get inclusion right – the organisational context and the team's needs should guide the response – we have identified several general good practices that may help line managers build and maintain inclusive remote cultures. We highlight how line managers can run meetings more inclusively, how to communicate effectively and build connections between diverse colleagues, and how to take a more inclusive approach to development.

2.5
HOW YOU RUN MEETINGS

The good news about remote meetings is that technologies such as Zoom have proven to be great levellers – everyone is in the same 'room', and is randomly sorted across the screen in boxes of the same size. "Having everyone on a Zoom call has been a great democratiser for us," explains Sarah Kaiser, Head of Employee Experience at Fidelity International, where the use of Zoom unexpectedly brought down barriers on cross-national teams, whose members are no longer half physically present in a room and half out.

But meeting format can be a barrier to inclusion. Many meetings – both remote and in-person – are run in a caucus format, where there are no rules about who talks, for how long, or in what order. The free-for-all approach of such meetings can exacerbate exclusive social dynamics, or exaggerate the impact of technological differences (such as when someone with slower internet gets left out of the conversation).

We suggest the following practices for running meetings more inclusively, so that all employees feel seen and heard for their contributions.

- **Have ground rules and a moderator** to keep the meeting in line in terms of who speaks, when, and for how long. Be sure to rotate responsibility for moderating meetings.

- **Introduce and call on everyone during a meeting.** One strategy is to start meetings by asking everyone to answer the same question. This ensures

everyone's voice gets into the discussion. Another strategy is to ask every team member for their opinion at least once and, importantly, acknowledge their answers. If team size prohibits everyone speaking, line managers should track and consciously rotate speaking opportunities, ensuring a representative sample of team members contribute each week.

- **Be mindful about the use of video** – while many organisations are encouraging 'cameras on', and this can help build rapport, some team members (such as LGBT colleagues or those from more deprived social backgrounds) may be uncomfortable revealing aspects of their private lives to colleagues. There may also be a potential downside to the use of video in that, once the novelty wears off, seeing inside peoples' homes may reinforce negative stereotypes, and thus increase the risk that people are judged or excluded on the basis of their social characteristics. One solution is to encourage team members to use virtual backgrounds (though of course, older technology may not support these).

- If a team member is talked over or interrupted, the moderator should **ensure the conversation is returned to them.**

- Equally, moderators should **ensure credit is given where it's due** – if someone reiterates someone else's idea, take time to point out who raised the idea originally.

- **Invite different opinions when problem-solving,** and explicitly ask if there are any additional perspectives that should be considered. Once a decision is made, draw attention to the role that different opinions and perspectives played in reaching the best answer.

- If technology allows, **enable anonymous commenting features** so that team members have an additional layer of psychological safety when speaking up.

- Moderators should **keep an eye out for silent voices and draw them into the conversation.**

- For hybrid teams (part remote, part in the office), **consider using Zoom or other virtual meeting technologies for all meetings.** At DLA Piper, requiring hybrid team meetings to be conducted virtually has allowed their democratising effect to endure.

> "Inclusion can equally be about the boundaries you allow people to have. For example, letting people turn their cameras off if they are feeling a little anxious, or use the chat function to contribute in remote meetings – these have proven to be positives for introverts, giving them a different type of voice."
>
> **CLAIRE BLACK, LEARNING AND DEVELOPMENT MANAGER, B&Q**

2.6
HOW YOU COMMUNICATE

One of the key takeaways from mass remote working thus far is that communication is key. Regular, transparent communication – even overcommunication – has played an important role in the productivity and connection that many organisations have maintained.

We suggest the following practices for more inclusive communication.

- **Implement 'quiet hours' on digital collaboration channels.** In the tech industry, communication often happens on digital channels such as Slack. Teams communicate in real-time, posing problems, debating options, and making decisions very quickly. While great for efficiency and collaboration in remote environments, when team members in one time zone have debated and solved a problem before members in another time zone wake up, such

communication can become exclusive and lead to sub-optimal decision-making. 'Quiet hours' get around this problem by limiting conversations to core hours when all team members can take part. In the broader context of remote working, quiet hours can ensure that team members juggling work with caring and other responsibilities, such as remote working mothers, are still included in vital conversations and decisions.

- **Increase situational savviness.** Nokia is encouraging its line managers to develop their situational savviness. In part, this means encouraging team members to be open and transparent about their work/family situations, so the team can plan better together. Line managers can role model behaviour by being transparent about their own schedules and when and how to approach them. Being more culturally aware (for example, what are the different religious holidays that affect team members?) and being aware of one's own tendency toward bias in stressful situations are other ways to increase situational savviness.

- **Demonstrate vulnerability** by sharing more about your personal circumstances, and be open about your own unexpected needs to help others feel more comfortable to do the same. Sharing personal stories can be an effective tool. When managers share their own personal stories, it can encourage direct reports to share their personal experiences as well and may enhance their sense of belonging (as long as they do not feel forced to share). Ask open-ended questions on topics employees care about in order to get to know them better.

- **Schedule check-ins.** Make time each week to check-in with employees, asking how they are feeling physically, emotionally, and intellectually. Ask them to share challenges they are facing and what they need to respond effectively. When checking in with employees who may feel like 'onlys' on the team, ask questions rather than make assumptions about their experience.

- **Be brave and willing to have challenging conversations.** Acknowledge difficult situations when they arise, ask questions, and create safe spaces in which people can openly share their feelings and needs. Create such spaces by first acknowledging potential mistakes, and expressing a desire to learn more. Have ground rules for engagement, and consider using a moderator to monitor and/or a facilitator to guide the conversation.

- **Make sure that everyone has up-to-date technology,** and a good understanding of the different communication channels available. Mangers can use multiple digital touchpoints (such as conference calls and WhatsApp) to facilitate communication.

- To facilitate two-way dialogue, **collect, synthesize, and share feedback on the team's climate.** This can enable managers and team members to understand and support each other more effectively.

- Remember that **people have different communication styles; don't let someone's style influence your assessment of their contributions.** For example, someone might be struggling to enter the conversation rather than having nothing to contribute. Communication styles that are unconventional may nevertheless be effective.

- **Share and celebrate team members' accomplishments** through Slack or other channels, and during team meetings. But ensure that you are highlighting accomplishments from a representative sample of team members.

- **Communicate the organisation's values for inclusion,** linking the values to business goals, and highlighting actions that the team can take to support these values. Share and encourage participation in inclusion initiatives, and remind the team about inclusion-related policies.

2.7
HOW YOU CONNECT

Remote working environments can amplify any exclusive dynamics that already existed between on-site teams, and may create new ones. Those who already have established relationships will be in constant communication, while those on the periphery are at risk of being 'out of sight, out of mind'. Managers should incorporate deliberate, structured interactions so that instead of interacting primarily with familiar team members, everyone is building new connections.

Look for ways to virtually re-create the magic of spontaneous in-person interactions. As Nicola Paul explains, "In the office, you have that dynamic where conversations may be continued 'offline'. For example, normally when you are leaving a meeting, some people will fall into step together to continue discussing the issues. These interactions build rapport and strengthen relationships. Working remotely, we click 'leave' at the end of the call, and can't physically see if and how others continue the conversation. So we have to be really mindful about how we are connecting to build relationships in the remote environment."

We suggest the following practices for connecting more inclusively while working remotely.

- **Connect people from all levels.** For example, some organisations have hosted competitions or brainstorming sessions around innovation or strategy. Employees are randomly assigned to a Zoom to chat, get to know one another, and come up with ideas.

- **Schedule time for remote networking and team-building** – sessions in which the only objective is for team members to get to know one another and forge new connections. To be successful, these sessions need to be structured. Use games or exercises that encourage interactions between team members who are unfamiliar with one another. For example:
  - Ask team members to share two truths and a lie. This can be an engaging way for people to share surprising stories about themselves and learn more about one another.
  - In lieu of the Friday 'pub quiz' or 'cocktail hour', ask team members to screen share a funny or interesting photo of themselves. Have other team members 'guess the situation' before the owner of the photograph shares the story behind it.
  - Ask team members to privately submit a few fun or surprising facts about themselves. Create a trivia game that brings the facts together, highlighting similarities, differences, and strengths across the team.
  - Randomly assign team members to virtual breakout rooms, and task them with identifying three similarities and one difference. Bring everyone back to the larger group after 10 or 15 minutes to share what they discovered.

- **Keep employee networks engaged.** Employee support networks can help individuals feel part of a community and allow them to engage with colleagues facing similar challenges. Ensure your organisation's employee networks stay strong in remote environments by giving them adequate resources and innovative technology.

2.8
HOW YOU DEVELOP YOUR PEOPLE

In remote working environments, managers can be more inclined to lean on their 'go-to' people when new opportunities arise. Those who may already be thriving gain new opportunities to grow, while those who may not have had a chance yet are shut out. Managers should think creatively about how to allocate opportunities for development.

We suggest the following practices for more inclusively allocating development opportunities in remote working environments.

- Regularly assess team members' interests, goals, and development intentions. Keep track of who you spoke with and when to ensure no one is left out.

- When a new opportunity arises, don't simply give it to the first person who comes to mind. Consult and be guided by your notes on team members' interests, goals, and development intentions.

- Increase the transparency of opportunities by asking for volunteers from among the whole team.

- Don't assume that a team member is – or isn't – interested in an opportunity. Ask instead.

Graduate new starters may be especially at risk of falling behind in their development if they are working entirely remotely. Newton Europe, the management consultancy firm, has looked for ways to rotate graduate new starters through projects that are on-site when possible, as one solution.

CONCLUSIONS AND RECOMMENDATIONS

3.1
CONCLUSIONS

- **The COVID-19 pandemic and the Black Lives Matter social movement are shifting conversations around diversity and inclusion.** Organisations are re-evaluating their strategies and processes to reduce bias and to achieve diversity and inclusion across multiple aspects of social identity, in both face-to-face and remote working environments.

- **Boards and senior leaders are increasingly engaging with questions of racial equality,** and organisations are looking at how leaders and employees can be supported to develop inclusive attitudes and behaviours that support colleagues from a broad range of backgrounds.

- **Some organisations are beginning to implement voluntary ethnicity pay gap reporting.** This type of reporting is less straightforward than gender pay gap reporting, and organisations are grappling with questions around the complexity of data collection, how to build the trust necessary to effectively collect data, and how to use the data to drive change.

- **The death of George Floyd sparked intense emotional reactions among the workforces in many organisations,** especially in the United Kingdom and the United States. Many organisations took this as a learning opportunity, quickly developing safe spaces in which colleagues could discuss the issues. These conversations are leading to tangible short-term tactical changes and long-term strategic actions that push the diversity and inclusion agenda beyond gender.

- **Employee networks can be a key ally to organisations seeking to understand and address issues of racial/ethnic diversity and inclusion.** However, relationships must be reciprocal – networks should be supported and listened to, but not expected to fully educate the organisation or solve all of its racial/ethnic-related diversity and inclusion challenges.

CONCLUSIONS AND RECOMMENDATIONS

- **The mass shift to remote working has proven successful, at least in the short-term, for many organisations.** While initial attention focused on making sure employees were technically supported and keeping well during the pandemic, we are now seeing a shift toward questions of how to maintain inclusivity among the remote or hybrid workforces of the future.

- **Remote working environments can reinforce inadvertent but nonetheless exclusive behaviours and biases.** Remote working can make it easier to avoid difficult conversations, and can minimise opportunities for spontaneous connections and development. Organisations are beginning to think through these longer-term implications of remote working.

- **The groups most at risk of being excluded in remote working environments vary by organisation,** but working mothers, new starters (especially graduates), part-time employees, those from more deprived social backgrounds, and disabled employees have been frequently identified as especially vulnerable to remote exclusion.

- **Line managers are critical to building and maintaining inclusive remote working environments.** The usual touchpoints of the office setting are missing in remote environments, at the same time that employees may be struggling to stay connected and/or to stay well. Managers will need extra support to effectively support their teams' wellbeing and inclusion while working remotely.

- **Line managers should give careful thought to how they run meetings, how they communicate, how they connect their people, and how they distribute opportunities for development in remote working environments.** The most advanced organisations are supporting their line managers to do so, through toolkits, seminars, and so on.

3.2
RECOMMENDATIONS

We suggest organisations consider the following points when thinking about how to broaden their diversity and inclusion efforts and better foster remote inclusion.

- **Look for opportunities to upskill senior leaders in inclusive leadership.** Ensure that leaders are represented on D&I councils and have a robust line of communication with employee networks. Design learning interventions that enable leaders to lean into their fear and discomfort around identity and equality issues. Cultivate opportunities for formal and informal listening, and ensure that mentoring programmes connect leaders to high-potential talent across the demographic spectrum.

- **Incentivise line managers to incorporate inclusion work into their daily practice.** Consider allowing managers to carve out time for inclusion work. Set performance objectives related to this work, and ideally tie those objectives to reward. Ensure there are costs to behaviours that are at odds with the organisation's diversity and inclusion strategy.

- **Help employees to develop inclusive mindsets and behaviours.** Explain why diversity and inclusion goals are a business imperative. Demystify D&I language, which can be a barrier to entering the conversation. Create 'safe space' forums in which employees can learn and exchange ideas, and help employees upskill themselves through virtual toolkits, communications that signpost to relevant resources, and so on.

- **Start building trust with racial/ethnic minority colleagues now in order to facilitate ethnicity pay gap reporting later.** Engage, communicate with, and build trust among the groups that will be affected. Explain how data will be collected, where it will be held, who will have access to it, and what it will be used for. Articulate a clear narrative for why you need the data and how it will effect positive change.

CONCLUSIONS AND RECOMMENDATIONS

- **Have infrastructure and processes in place to respond to traumatic events.** When traumatic social events occur, quickly organise safe spaces for people to express their feelings. But be sure to capture the insights from these discussions and translate them into actions. Having the infrastructure already in place, along with good working relationships with your employee networks, can facilitate effective responses.

- **Identify those groups at risk of remote exclusion in your organisation and develop a targeted response.** Working mothers will face different barriers to inclusion and will need different sorts of support compared to new graduates or disabled colleagues, for example. Ask who is at risk of exclusion, identify why, and develop appropriate interventions or support.

- **Support line managers to run inclusive meetings.** Develop toolkits, run seminars, or use other interventions to help managers think through the practical steps they can take to run remote or hybrid meetings in an inclusive manner.

- **Communicate regularly and transparently.** Make sure employees have equal access to communications technology. Encourage managers to check-in frequently with team members. Consider implementing 'quiet hours' on communications channels so that all team members have the opportunity to take part in conversations around problem-solving.

- **Deliberately build opportunities for people to forge new connections remotely.** One of the most effective ways to do this is to dedicate structured time to remote networking and team-building activities. This doesn't mean just hosting a cocktail hour, but using exercises and games to facilitate people to make new connections.

- **Support line managers to rethink how they allocate development opportunities.** Managers should stay informed about team members' interests and goals, and review that knowledge before assigning opportunities. Increase the transparency of opportunities, and don't make assumptions about what someone is, or isn't, interested in pursuing.

04

APPENDICES

4.1
RESEARCH PARTICIPANT LIST

Erica Barnes, Senior Director Global Talent Management and Inclusion, Ferguson plc

Claire Black, Learning and Development Manager, B&Q

Camilla Bruggen, Global Head of Diversity & Inclusion and Joint Head, Data Insight, Wavemaker Global

Richard Chapman-Harris, Group Head of Inclusion and Responsibility, Mott MacDonald

Graeme Clarke, Group Head of People, Mott MacDonald

James Edgar, Global Chief Talent Officer, Wavemaker Global

Faye Farrant, Head of Talent and Inclusion, Schroders

Sian Ferguson, Head of UK and Ireland Pre-sales, SHL

Tim Hallatt, Head of Learning and Development, Travis Perkins plc

Neil Hayward, Human Resources Director, HS2

Tim Hodgson, Human Resources Director, ReAssure

Jane Hoskisson, Director of Talent, Learning, Engagement, and Diversity, International Air Transport Association

Ian Hunter, Partner, Bird & Bird

Raj Jones, Diversity & Inclusion Manager, Sodexo UK and Ireland

Sarah Kaiser, Head of Employee Experience, Fidelity International

Anneli Karlstedt, Head of Inclusion & Diversity, Nokia

Mehmet Kocum, Talent Development Director, Ball Corporation

Francis Lake, Head of Organisation Development, Virgin Money UK

Jeff Lindeman, Group Director Operations EIMEA, WD-40 Company

Emma Lucas, Head of Talent & Development (Retail), Marks & Spencer

Anna Lundström, VP HR, Americas, Content & Advertising BU, Spotify
Kate Mills, People Director, Newton Europe

Clare Moncrieff, VP, Global HR Centre of Expertise, Nokia

Victoria Mulvaney, Global Talent, Learning & OD Manager Global Learning & OD Manager, Infineum

Mariasole Paduos, HR Manager Talent EIMEA, WD-40 Company

Nicola Paul, Founder, Good Work Life

Alastair Procter, Chief Human Resources Officer, Mediabrands

Kate Richardson, Head of Human Resources, Quilter Cheviot Limited

Denise Sefton, Chief People Officer, dunnhumby

Liza Strong, International Head of Talent Development, DLA Piper

Caroline Thomas, Director of HR, B&Q

Joanna Thorpe, Head of Talent Acquisition and Development, Sonnedix

Mia Tse, HR Business Partner, Ferguson plc

Pattie Walsh, Partner, Bird & Bird

Simone Zilgen, Group Head of Talent Management, Nordea

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CORPORATE RESEARCH FORUM

Corporate Research Forum
Southside
105 Victoria Street
London SW1E 6QT
United Kingdom

T +44 (0) 20 3457 2640
www.crforum.co.uk
info@crforum.co.uk
@C_R_Forum