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CAN WE DO THE 'D' WITHOUT THE 'I'?

The level of diversity activity in our organisations in recent years has been unprecedented, but are people feeling the benefits, asks Carol Brown.

The rhetoric is clear, widespread and in vogue. Business leaders everywhere are joining the movement to show public commitment to all matters diversity and inclusion (D&I). Diversity councils are being established and chief executives are waxing lyrical about the great opportunities to leverage diversity of thought for innovation, creativity and problem solving. Business leaders are joining hands to share learning, and openly committing to making

progress—think Champions for Change and Global Women. While New Zealand has stopped short of legislating change, some regulatory provisions have been introduced (NZX) to mandate reporting across various levels. Awards are being won, brands are being built and things are changing—or are they?

It's fair to say that the level of diversity activity in organisations in New Zealand and globally in the last few years, has been unprecedented. There are now very few organisations which

haven't at least discussed D&I round the boardroom table, and many others have dedicated resources and budget to enable a more strategic approach.

The big question, however, is this: Is the dial moving and are the very people who are being targeted for support feeling the benefits?

Looking at the gender question, since 2001 more women than men are earning formal qualifications in New Zealand and men and women are equally likely to have qualifications in science and mathematics—reflected in increasing numbers of women, entering occupations in these fields. Overall, there has been a significant increase in the number of women entering professional and managerial careers. Yet, in spite of this, Statistics New Zealand figures show women still earn less than men and hold fewer leadership and executive positions across both the public and private sectors.

From an ethnic perspective, net migration continues to be strong. New Zealand has one of the highest labour force participation rates in the OECD and strong net migration over recent years has been a substantial contributing factor. The Maori and Pacifica population is expected to continue to grow because of higher fertility rates and a younger demographic, while Asian representation will grow even faster, driven by net migration.

Although many organisations are only now attempting to measure ethnic diversity in their workforce, anecdotally we are seeing more ethnic workers represented at lower levels across industry. At senior levels, however, ethnic minorities (especially women) are conspicuous by their absence.

Taking an appreciative enquiry approach, we should perhaps first reflect on what has been achieved from all this frenetic activity, before considering whether it is working, and what is yet to be done.

First off, the topic is definitely on the boardroom table and it's not likely to go anywhere, anytime soon. This is encouraging, even though what got us here isn't really the result of an overt strategy (let's face it, I don't know any CEO who set out 10 years ago to increase

the diversity of their workforce). It's the result of a growing skills shortage and increased global competition. Most organisations are what we call 'diverse by default', reflecting a reactive rather than proactive approach to D&I driven by external circumstances, in the absence of any strategic intent.

We also have much higher levels of transparency than ever before, thanks to governance requirements and pressure from the public and prospective talent pool. For the public service, benchmarked standards (State Services Commission) and for private organisations, considerations of brand and market opportunities mean that the level of reporting on D&I has exponentially increased.

So, while conversations are being had, commitments are being made and diversity data is being shared, the question is: why are minority groups not already represented across all levels of our organisations and, more importantly, why do many feel marginalised, discriminated against and disenfranchised?

The answer is quite simple. If we continue to take a tactical approach, reacting to external conditions without growing our understanding of how to 'leverage the differences', we will simply be playing a numbers game and be at the mercy of external factors. We need to be much more strategic about our approach to D&I and recognise that 'D' without the 'I' is never going to achieve anything. In fact, we may just be heaping a whole lot of coals on our head.

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To change the game, we need to recognise that behaviours need to change. We need to commit to building a culture where differences can be fully leveraged (not just tolerated). In other words, we need to do 'diversity by design' if we are to truly leverage the advantages we are so quick to talk about.

Take Larry (not his real name). Larry joined a leading professional services firm about a year ago. Coming from an ethnic minority group, he was hired as a lateral hire, a somewhat unusual practice for the firm. Although his background and skill set are slightly left field, he was specifically targeted because of his deep insights into his market segment. All great so far. The hiring manager took pains to assure Larry that his different approach and perspective would be highly valued, and that he should feel free to contribute his ideas.

It's a year later, and Larry is feeling very dispirited. Aside from being 'wheeled out' at company events as a testament to their commitment to diversity, Larry is not feeling valued at all for his difference. In fact, he has learned very quickly to curb his curiosity and left field approach and keep his head down. He has seen first-hand what happens to people who challenge the status quo and this is not a path that he's keen to take. Talking to Larry, he expressed his frustration thus: "I'm glad that everyone likes my national dish, now can someone please listen to my ideas and give me a chance?"

Larry's organisation, like many others, has made an overt commitment to diversity in all its forms. They've even won awards for their efforts to redress the gender imbalance in the organisation. For Larry, however, it feels like there is a disconnect between the strategic intent and how it plays out for individuals. Larry acknowledges that there seems to be a genuine desire to do the right thing, but good intent doesn't go far enough to change things on the ground.

This is a typical scenario which plays out in different ways across organisational practice. While there are pockets of good D&I practice, the vast majority of employees we speak to, even those who don't themselves feel

particularly disadvantaged, feel that very little has changed in day to day organisational life.

As Spark's managing director Simon Moutter very publicly shared: "We've thrown everything but the kitchen sink at diversity, yet many feel our D&I efforts are just lip-service, and that we are still excluding women and minority groups through the ways we speak, the ways we interact and the ways we behave, often unconsciously."

This type of feedback is all too common in organisations across New Zealand and, in fact, there's a growing realisation that if we are to get it right, we need to engage both the hearts and the minds of our employees. Inclusion is about behaviours, not just numbers and to understand what's required, we need considered and targeted interventions which require us to engage directly with our people and understand their needs.

Having worked in the field of inclusion for a number of years now, to help 'make difference count', here are the top five lessons we've learned first-hand to help you build an inclusive culture:

Be strategic in your intent and execution. In many organisations, D&I is delivered through a series of ad hoc, uncoordinated and tactical initiatives. Someone decides to pull a committee together over here, another well-meaning individual dives into recruitment to understand whether ethnic minorities are being hired, someone else decides the organisation should participate in Pride Week. Nothing wrong with all this activity, but to what end? What is the problem you are trying to solve?

Make sure your leaders understand the current state and then be very clear about the problem(s) you are trying to solve and/or the opportunities you would like to leverage. Any strategy worth the paper it's written on starts with a deep understanding of your starting point, followed by agreement on where you want to get, and the steps you need to take to get there. Are you just trying to grow the numbers or are you looking to improve innovation, creativity and customer outcomes?

Move beyond compliance. Most diversity initiatives are driven from

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the need to comply with corporate governance, brand pressure or corporate social responsibility. We are wedded to the numbers because, in some ways, it's much easier to manage. If the numbers improve, we can also claim to be winning. Compliance thresholds are generally light, superficial and relatively easily massaged. This means that once minimum thresholds are met, the attitude is: job done! This is akin to saying if we publish our health & safety stats annually we must be safe.

Qualitative data is much more important than quantitative. We are wedded to the numbers because they are tangible, easy to understand and give us an easy benchmark against our competitors. Nothing wrong with this, but the real intel lies in employee sentiment. Do you really know how included and valued your employees feel?

Don't rely on your high level, generic annual engagement survey! We very often ask the wrong questions, evaluate the data through the lens of our own biases and believe that we are doing okay. Be specific, deliberate and targeted about how you invite feedback on D&I from your employees. A combination of anonymised and individualised data is much more powerful and creates a much higher level of trust than simply relying on an annual generic engagement survey to do the job. Don't forget to share the feedback and, most importantly, act on it.

As Simon Moutter said: "Seek and listen carefully to feedback from your employees and expect it to hurt. If it

doesn't, you probably aren't hearing the real story, but deal with it and respond. Look deliberately for the uncomfortable truths, wherever they are."

Build leadership capability. Be realistic about the current capability of your leaders. People leaders are confronted with unprecedented levels of change and complexity, especially when it comes to leading diverse and remote teams. As human beings, we are hard-wired for 'sameness' not 'difference' and expecting your leaders to know how to effectively lead diverse teams without giving them the tools and skills is at best naïve, at worst downright dangerous.

Cultural capability is the cornerstone of inclusive leadership and like emotional intelligence (EQ), it is a learned intelligence. It starts with having a much higher level of self-awareness and an understanding of what our own cultural values and norms are as leaders. Once we can do this, we can understand the needs, preferences and values of others and can flex our style to be effective and meet the needs of our people. Making people decisions in the same way they've always been made, based on your preferred leadership style, is no longer good enough. We need to have the skills to meet in what we call the 'third space' so that we can build trust, engage and inspire the best out of our workforce.

No one is saying that it's easy. But once you sign up to the 'D', there is no getting around the 'I'. It adds real meaning to the saying: *"Not everything that counts can be counted, and not everything that can be counted, counts."* (Albert Einstein).

Perhaps it's time to move away from the numbers game and focus on how workers are feeling. After all, when it comes to our clients, we don't stop to ask them their ethnicity, age or gender, we merely focus on whether they have a great customer or product experience. Should employees get treated any differently?

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