



Going beyond diversity: why **inclusion** is the solution



BY IN DIVERSE COMPANY



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Executive Summary



An increasing number of organisations have been taking a closer look at diversity and inclusion, from implementing policies to training. However, there is still progress to be made, especially since CEOs, leaders and industries are yet to reflect on society as a whole. The Global Gender Gap Report 2020 revealed that gender parity would not be attained for nearly 100 years, despite the world becoming more diverse and globalised.

Many leaders are often unsure about how to create a diverse workforce head-on; some may not see it as a problem or may defer to often one-day training programmes. We are still to see a measurable approach to diversity and inclusion across businesses.

However, before conversations happen about wide-scale implementation into measurement, we need to take a step back and understand the crux of the subject. While diversity, by definition, encompasses a range of differences, many think it only means gender and if you're lucky, race. So, unsurprisingly many businesses see it as a tick-box exercise.

It's time that the conversation goes beyond diversity and progresses to inclusion.

From seeking inclusivity over diversity to understanding the evolution of gender equality, the key is to recognise that diversity is not about numbers but about having an inclusive environment which, in turn, promotes diversity. At In Diverse Company, we understand that many leaders recognise that having an inclusive environment and diverse workforce benefits workplace culture and the bottom line but find it difficult to make productive steps to achieve this.

Key Insights

This paper will share key insights on:

- The nuances and history surrounding diversity and inclusion – from the true definition to the misconceptions
- How diversity data may be more harmful than helpful to creating the culture you desire
- Artificial Intelligence (AI) and the risk it poses with bias
- Why forming small, impactful habits is the best alternative to exhaustive diversity and inclusion policies and training
- The benefits of taking a team-first and collaboration approach to create an inclusive workforce





Introduction

To quote author Shirley Engelmeier: "Inclusion is a call to action within the workforce that means actively involving every employee's ideas, knowledge, perspectives, approaches, and styles to maximise business success."

The business case for diversity and inclusion has become increasingly evident to organisations. According to a 2018 study by McKinsey, ethnically diverse companies are 33 per cent more likely to achieve profits that surpass their industry benchmarks, while gender-inclusive companies have a 21 per cent higher chance to realise better earnings than industry medians. However, too often, companies see diversity as a number's game rather than focusing on creating an inclusive environment that fosters diversity. At In Diverse Company, we believe that creating an inclusive culture is what ultimately allows an organisation to become diverse and reap the full benefits of a workforce that brings different backgrounds, experiences and opinions to the table.

The inefficiency of traditional diversity and inclusion measures has come under scrutiny in the past year. Organisations have made considerable investments in programmes such as diversity training. About \$8 billion a year is spent on this type of training in the United States, and tech firms alone have made an estimated \$0.8-1.2 billion collective investment in diversity and inclusion training programmes between 2011 and 2016, according to a report by Dalberg and Intel.



However, most of these efforts are not effective in leading to more inclusivity in the workforce, and some experts have even theorised that they are having a detrimental effect on diversity outcomes. In a global survey conducted by Boston Consulting Group in 2018 on 16500 employees, 97 per cent of participants indicated that their company had a diversity programme in place, but only 25 per cent of employees belonging to traditionally underrepresented groups said they had benefited from such programs.

This paper will provide an understanding of why inclusion, and not diversity, should be the focus of companies to be able to create better engagement, build more productivity and increase the bottom line. It will provide business leaders and managers with key takeaways to drive an inclusive workforce - from sharing honest, real-life examples of how microaggressions can hinder a workforce to unpacking the role of white, privileged males and how they can be allies. Readers will be able to review insights, discuss challenges and understand how team learning, data, technology and simple habits can make a world of difference when aiming to create an inclusive workforce.



From Diversity to Inclusion



This section defines inclusion and its characteristics, explains why organisations must consider inclusion over diversity and how they can bring it into practice.

It also talks about the flawed paradigm that targeting diversity numbers will materialise inclusion and the right way of analysing data.

Following that, it takes a hard look at AI and how we must use it without it being a threat to inclusion.



DEFINE INCLUSION



PRACTICE



MATERIALISE

1. Defining **inclusion** over diversity

The simplest description of Diversity is – understanding that each individual is unique and recognising our individual differences. The word Inclusion in terms of the workplace refers to a cultural and environmental feeling of belonging. Inclusion can be assessed as the extent to which employees are valued, respected, accepted and encouraged to fully participate in the organisation. But there are so many definitions of both these words out there and in fact, their meaning is constantly evolving.

The In Diverse Company team took the initiative to look into defining inclusion and came up with the following characteristics:

1.

An inclusive company is the product of an inclusive culture.

2.

We believe that everyone in an organisation has a responsibility of driving an inclusive culture. We ought to work together to drive change, as most organisational changes are manifested through team collaboration.

3.

A workplace can be inclusive without being diverse, however, a successful inclusive culture is more likely to be one that is diverse. Diversity can be an outcome of an inclusive culture.

4.

When describing the behaviours we expect to see in an inclusive culture, encouragement, openness and communication were the words most commonly used.

5.

A company is only inclusive when everyone is included – this involves being able to trust that everyone in the organisation is making the right decision based on the company's direction, and ensuring people have enough information to be successful.

However, what's more important than defining these terms is the notion that organisations should begin with inclusion, rather than diversity, as a starting point. When we do so, the conversation automatically becomes one that is focused on people, not data. We talk about how fascinating and individual our behaviours are as human beings. We talk about how we value difference, and how, ultimately, by allowing people to be their best version of themselves at work, we are able to achieve more with less in a happy, healthy and productive environment.

If we want to drive culture change to be able to develop inclusive workplaces, we also must understand the psychology behind changing behaviours and mindsets. This is not something that is going to happen by strategising diversity quotas or mandatory diversity training programmes – which can often lead to feelings of isolation. It is also not about setting an over-ambitious goal. It's an ongoing process of talking, listening but most importantly acting. Continuous learning and creating sticky habits along a journey are way more important than achieving the end goal.

Of course, diversity plays its part in this – but when we look at diversity as part of inclusion, it is a much simpler conversation to have. There are a number of studies that show that racial, ethnic and gender diverse companies (the characteristics that have generally been those on which diversity is measured) outperform peers (by 35% according to McKinsey 2017). This is fantastic of course, but diversity is not just about minorities or women, it is an issue that affects the entire workforce – including those with diverse characteristics that cannot be seen.

To connect the dots, D&I experts often define “diversity” as inviting others to the dance, and “inclusion” as asking them to dance. Or “Diversity as having a seat at the table, and inclusion as having a voice, and belonging as having that voice heard.”

Hiring a woman or a member of a minority or a person with disabilities is often not enough. Diverse voices must be heard within the organisation and must be there for the right reasons. Too often minority voices and ideas are ignored, muted in meetings, or dismissed, and this can simply be because their team members don't understand the specific behaviours required to support their colleagues. Taking action through inclusion gives us the power to change this.

It is also often the case that while looking at diversity and inclusion initiatives, we end up excluding men and especially men with privilege out of the conversation. At In Diverse Company, we believe that this compartmentalising can be very dangerous. Diversity and Inclusion must be seen as an issue involving men too. We will only solve this problem and begin to gain speed in doing so when it comes from a position of unity with all employees supporting each other, irrespective of their characteristics. After all, we are all humans.

However, to truly bring this to reality, it is important that male leaders at the top take responsibility to not only be the driving force behind having more diverse boards and representation at all levels, but also be inquisitive; they should be looking to understand the issues and challenges that all employees face. They must be completely authentic about being an ally and really live the role. In addition to this, it is key that employees don't make it harder for men than it might already be. Men should be encouraged to be the rightful allies in organisations that all need. Let's give the many men who want to get involved, a chance, because change requires everyone in an organisation to be on the same page.



2. Does an **increase** in diversity numbers really drive inclusive cultures?

Practices induced by the fixation on describing the intangible with the quantifiable are, in many ways, unhelpful. The field of Diversity & Inclusion is no different. Unfortunately, the established approach is to target diversity numbers and expect inclusion to materialise. But in reality, this paradigm is flawed: a group's level of inclusion is more nuanced than its diversity statistics suggest.

Diversity data is, for the most part, objective and measurable. We fit everyone into convenient categories and turn their lived experiences into numbers for analysis, making it ostensibly straightforward for D&I analysts to interpret the results, draw conclusions, and make recommendations. Sincere efforts made to improve the experiences of those from underrepresented demographics are being undermined by a lack of understanding of how to measure progress – for almost all companies, diversity statistics are seemingly all they have.

Collecting diversity data, in itself, is not the problem, but the false assumptions under which it is misused is. An increase in diversity numbers may well be the result of a more inclusive culture. However, if like many organisations today, the increase in diversity numbers is down to a contrived quota-based strategy, rather than a genuine effort to improve employee well-being, it is quite possible that the increasing diversity numbers are not driving an inclusive culture at all.

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As Marilyn Strathern says,

"When a measure becomes a target, it ceases to be a good measure."

To measure inclusion, we need to understand how individuals feel, rather than just what boxes they tick. By speaking to those from different demographics and gaining insight into real experiences, such as how people are treated and if they feel opportunities are equal, we can build a better picture of inclusion overall. We can, and should, continue to use diversity numbers to better understand group biases and dynamics. But bear in mind that without evidence of inclusive practices, their help to us is limited.



3. Is **AI** a threat to Inclusion?

AI-based machineries and applications present immense opportunities to create a better world. Specifically, in an organisation, it can be used to drive relevant learning content, ensure unbiased recruiting and even build a more thorough and faster decision-making infrastructure. However, even the most optimistic outlooks of how these new technologies can improve an organisation have to address a few crucial barriers.

While the impact of AI technologies is global, its development has been siloed in terms of both geography and sectors. Only a small number of companies are working to advance these technologies with limited insights from different industries, cultures, social sectors and nations. Hence, there is also a widening divide between those who have access to collected user data, intelligence on AI and a capacity to understand its impact and those who don't.

Moreover, the issues of exclusion and bias within AI persist. Recent examples draw increasing attention to the challenges posed by biased AI, for instance, facial recognition systems have demonstrated structural biases shown by their failure to recognise certain skin types and gender. These prejudiced technologies driven by influenced data could further oppress the typically ostracized groups.

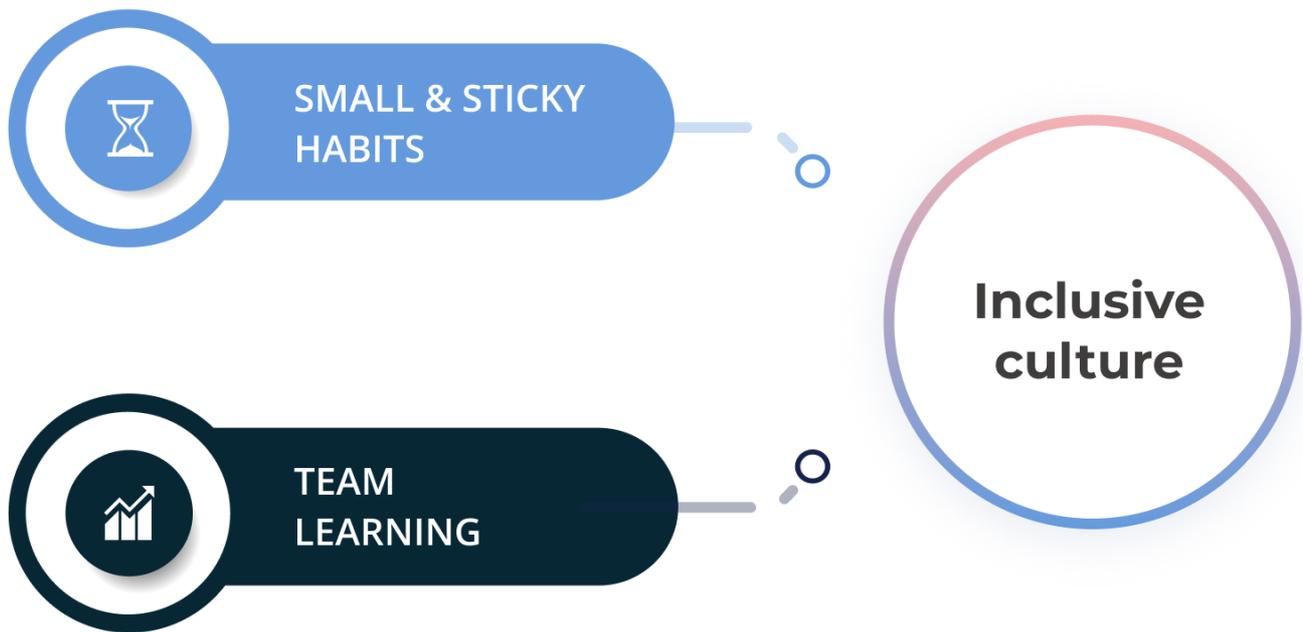
It is quite evident that there is an evolving AI divide and without the right kind of interventions, automated systems may reinforce bias and disparity, often in less explicit ways – a threat that could endanger any progress in creating inclusive organisations, communities and even nations.

It is important we challenge the current systems with questions like - is there a different way of building AI? Is there a possibility to create an AI that recognises bias, acknowledges it and suggests alternatives? What should be the legal and ethical requirements to build an AI model that prevents unfairness? If we are able to answer these questions and work towards them, we would be reaping AI's benefits to ensure more inclusivity.

Creating inclusion through learning



This section looks at how organisational culture change towards greater inclusion can be attained by 'learning'. It looks at both how we as individuals can inculcate small habits and make them sticky so that we are able to drive inclusion, and how in this globalised world, true learning can only happen in teams.



1. Small **habits** that drive inclusion and how to make them sticky

Behavioural science identifies two systems of thinking – System 1 which is fast, instinctive and emotional and System 2, which is slower, more deliberative and more logical. While System 1 formulates "first impressions" and usually causes individuals to jump to conclusions, System 2 is responsible for critical-thinking, problem-solving, and analysis. Biases and unmindful exclusion are a result of an individual's System 1 riding the judgments and decisions than our System 2. So how do we prevent our System 1 to overpower our System 2?

The answer is – habits!

Habit formation is the process by which a behaviour, through regular repetition, becomes automatic or habitual. A habit may initially be triggered by a goal, but over time that goal becomes less necessary and the habit becomes more automatic. Hence, it is a behaviour formation model that embraces the behaviour controlled by System 1 and corrects it.



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So how can we develop habits that will stick? Here are a few tips from Dr. Ranjan Chatterjee, a British physician and author of the book *Feel Better in 5* (2018):

1. Start easy.

To make your behaviours habitual, they need to take little mental or physical effort. The easier they are, the lesser the motivation you will need and higher the likelihood that you will continue with it as it becomes quick, easy and natural.

2. Connect new habits to an existing habit.

For example, if one is already a keen reader with a curious mind, why not make it a point to discuss something interesting you recently read with someone new at work?

3. Know yourself and your own daily rhythm.

We are all different, so it's no good saying that a habit should happen at a specific time of day. Whilst for someone, the end of the day might be the best time for some reflective activity such as journaling or meditation, for someone else it could be morning. Knowing your own rhythm and your prime time for your habits will help them stick.

4. Consider your environment.

We are greatly influenced by our environment, so it's important to create an environment that supports you in your habit. Perhaps put some reminders on your desk to trigger certain habits that you want to develop at work.

5. Use positive self-talk.

We are indeed our own worst critics. We would never speak to others the way we speak to ourselves, so maybe it's time to be a little kinder to ourselves. Try to catch yourself when you are admonishing yourself and instead think of something positive to replace it.

6. Celebrate your success.

And do this not when you have achieved the overall goal, instead it's important to celebrate every step of the journey. Dr Chatterjee suggests a visual way of doing this; every step that you take on your road to creating a new habit, drop a coffee bean into a glass jar. This is quick, simple and easy, but a very visual way of seeing your successful steps build up.

Inclusive environments don't form overnight, but tiny steps can go a long way, so pick a habit and stick to it.

Let's take the example of microaggressive behaviours at the workplace - no doubt they come from a place of unconscious bias, but the lasting effect of daily microaggression does serious damage. Everyone must understand that the use of specific phrases or making assumptions can affect a person from a targeted group within an organisation. This experience, no matter how subtle, repeated over a length of time, can create a feeling of not 'belonging'. This may bring about a sense of nervousness – it's understandable no one wants to get 'it' wrong – but these conversations that can feel 'uncomfortable' must happen to progress and every individual to feel genuinely valued and included.

Anecdote

"I pulled a ligament in my foot, and as a result, I was wearing a plastic cast-like boot for support. I went to work, and a colleague said "so have you hurt yourself then? I wasn't sure if you just decided to start bopping, you know, how black people bop when they walk." They tried to make the statement less offensive by laughing as if it's just an innocent joke but I was still utterly offended and wondered that if I were white, no such comment would have been made, but I didn't feel like I could challenge them."



Adopting small, simple habits to change microaggressive behaviours can be extremely useful:

- 1. Don't make sweeping assumptions.** A colleague may be of a particular race or ethnicity but remember they will have a unique and personal experience. Just because you may have had a connection with someone previously of a similar background – it's not a 'shared' experience.
- 2. Open up a dialogue.** Is asking 'where you from?' needed to develop a relationship? Instead, ask questions that allow you to understand them on a personal level, e.g. 'What do you like doing in your spare time?'
- 3. Don't be offended or dismissive if a person expresses discontent with a comment you may have made, that they view as microaggressive.** While this may not have been your intention, allow the person to explain the situation and how it made them feel and be open to discuss how to avoid interaction of this type in the future. Everyone makes mistakes – what matters is how we acknowledge and progress from them.
- 4. Practise empathy.** Consider yourself in their place to understand why the situation may have caused offence. Think of an occasion where you may have felt uncomfortable, vulnerable or singled out and what would you have liked the other person to have done in that situation
- 5. Acknowledge your mistake.** We all make them and once acknowledged, move on but apply what you learnt from the experience to avoid a reoccurrence in the future.

It's the small tweaks in microaggressive behaviour that make all the difference. By recognising and acknowledging particular behaviour, the right steps can be taken to create an environment that fosters an inclusive culture.

2. Why team learning creates a movement for **change**

Over the past couple of decades, online learning has become the primary delivery method for learning. This has brought many benefits for organisations including reduced costs for delivering learning, being able to reach employees globally and ensuring all employees receive the same quality of learning and information. But just how effective is it?

There are pros and cons of individual learning. If the learner is motivated, they may work quickly and complete their tasks; if they are unmotivated, they may never finish them. Though, the question remains; could the motivated learner get more from the content if they approached it collaboratively?

Within our global network, many expressed several benefits to group learning, such as higher levels of motivation, collaboration and accountability - which has helped them form good habits around learning and working inclusively. We also found that group learning increases the likelihood of knowledge being transferred into day-to-day actions due to group understanding and commitment.



Due to the globalised world, employees are sitting across more teams than ever before even if they aren't truly engaged. The objective of a team-first learning approach is not just to assemble high performing employees but to encourage them to motivate each other and allow them to benefit and learn from their collective range of unique ideas and skills. This is particularly effective when utilising technology such as online forums, team learning sessions, and making use of a robust social learning experience.

According to eLearning Industry, research shows that the inclusion of collaborative activities in an online course leads to positive student performance outcomes. Collaborative group interactions facilitate active learning, shared knowledge, and promote social interaction and a supportive eLearning community.

Our objective at In Diverse Company is to move organisational behaviour to make it more inclusive through technology. As humans, we are most comfortable when we're connected, sharing our lived experiences through our stories, and by using collaborative technology, we want to ensure we are enabling employees to be highly connected and engaged. By getting teams to talk about their attitudes and mindsets, this has a strong influence in creating cultures and practices that spread through the organisation. Social identity theory shows that when members of a team start acting differently, this influences the attitudes and mindsets of others in the group, and this quickly becomes the norm. We use this 'positive peer pressure' for good by working with teams to instil attitudes of inclusion, belonging and encouraging uniqueness – all of which help build inclusive cultures, but needs to be achieved through regular interactions with others.

If organisations can take this on board and commit to developing teams, other benefits will follow – particularly in fast-changing and uncertain environments. Following a teams-first approach in comparison with individual learning has multiple advantages and typically results in higher achievement and greater productivity, better team relationships, greater psychological health, social competence, and self-esteem.

Conclusion



For numerous years now, organisations have looked at increasing diversity numbers as a solution to creating not only more employee engagement and productivity but also greater innovation and profits. But for many, these weren't the results. Instead, teams became more siloed, and employee engagement and belonging had taken a hit.

The key ingredient was missing - inclusion. This paper explained why focus needs to turn to inclusion, rather than diversity. If every individual feels included, no matter what their race, gender, ability, sexual orientation, and such is, they would feel a sense of belonging and therefore productivity and engagement would increase.

The paper also discussed the importance of data and AI and how the technologies need to be used in the right way to ensure inclusion. Sensitive topics such as changing microaggressive behaviours to how men can be allies when creating more inclusive cultures were also explored.

The paper concluded on how the role of creating small habits and team learning can create inclusion in the organisation. Ultimately, organisations must spend their resources on creating more inclusive teams and cultures, and ultimately organisations to bring the business case to life.

But the question remains, how do organisations know how inclusive their culture, and workforce is? How do they measure inclusion? Keep a close look out for the next In Diverse Company white paper to find out how.



About In Diverse Company

At In Diverse Company (IDC) we are passionate about our purpose. We help companies and people grow through a resolute focus on inclusion.

We work globally with clients in the private and public sectors to raise the bar around diversity and inclusion. We are an HR and Tech consultancy and have developed unique methodologies that incorporate data science and human expertise. We work with your data to assess, analyse and make specific recommendations that will move the culture, behaviours and therefore the growth of your organisation.

We have pioneered approaches to identifying, measuring and addressing D&I challenges through our unique tools:

- The D&I ROI™ tool takes big data from your organisation and uses advanced data science to analyse and identify D&I opportunities specific to your situation. The tool provides an audit of your organisations' performance and identifies ways that you can increase your ROI from specific interventions we recommend.
- Our D&I Maturity Model™ is a psychometric tool we have built-in collaboration with top Universities. The diagnostic tool measures the inclusive behaviour, attitudes and mindsets of people across the organisation to provide an overall assessment of the inclusive culture and practices that exist.

From this, we make tailored recommendations at a leader, team and individual level that will have a measurable impact on culture and performance.

- Include LXP™ is a learning and engagement platform that supports our range of services. This includes eLearning, articles, forums, surveys, infographics, coaching and face to face events to develop authentic and knowledgeable teams and leadership.

If you are interested in our products and services, email us at info@indiversecompany.com.



www.indiversecompany.com