

Inclusive culture guide for CEOs



# PRACTICAL STEPS TO LEVEL THE PLAYING FIELD AND CREATE A SENSE OF BELONGING



## PART 2 DIGGING DEEPER...IF YOU WANT TO

[www.diversityproject.com/CEOInclusiveCultureGuide](http://www.diversityproject.com/CEOInclusiveCultureGuide)

#Reset4Inclusion #InclusiveCulture #Belonging #LevelPlayingField



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## WHAT ARE DIVERSITY, FAIRNESS, AND INCLUSION?

### Diversity

**“I DON’T WANT OTHER PEOPLE TO DECIDE WHO I AM. I WANT TO DECIDE THAT FOR MYSELF”**

Emma Watson, actress

Our identities are unique, and we do not like to be pigeonholed; the Queen turned down the ‘oldie of the year award’ at the age of 95.

We are all the sum of our parts, some are fluid, some we choose and some we do not. They combine to create our unique **identity**, how we want to be seen by others.

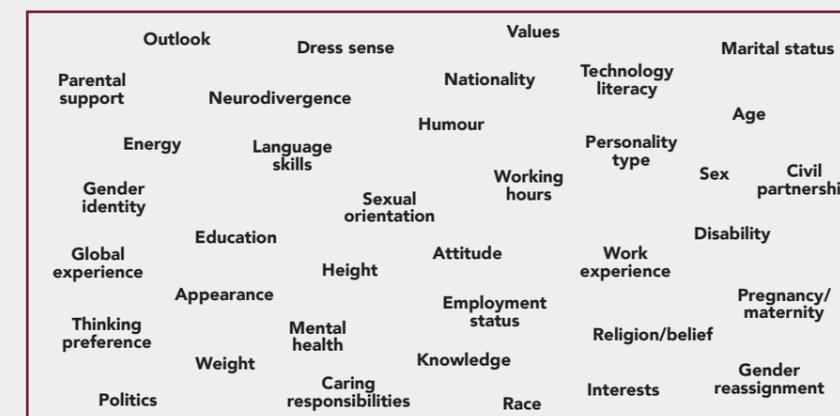
Identity is wider than intersectionality; the interconnected social categories, such as race, class, and gender, that create overlapping and interdependent systems.

All of our parts shape our perspectives, some more than others. They create disadvantages and advantages that impact our life outcomes. Things such as the **quality of parenting** we receive, being in a counter stereotypical career or even how tall we are.<sup>1</sup>

At a company level, diversity is the aggregation of these identities. Employers need to build teams that strengthen their organisations as a whole.

**Great minds don’t think alike.**

### Our identity



<sup>1</sup> In 2005 58% of Fortune 500 companies’ leaders were six feet tall or over, compared to 14.5% of all men in the US (Malcom Gladwell, Blink). John Hamm, the actor who plays the Man Men leadership stereotype, Don Draper, is over 6 feet tall (Michelle P King, The Fix).

**INCLUSION THOUGHT LEADERS IN THE SECTOR HAVE A GREAT OPPORTUNITY TO ROLE MODEL THE INCLUSIVE BEHAVIOURS THEY EXPECT OF THEIR INVESTMENT PORTFOLIO COMPANIES.**

**GIVE EVERYONE THE CHANCE TO SHINE.**

**Fairness**

Fairness means removing the barriers that get in the way of equality of opportunities.



**Equal Treatment**  
Everyone given the same support

**Equitable Treatment**  
Different support to give equal access

**Fairness**  
No barriers

**Inclusion**

There are two types of inclusion, both are important:

**Uniqueness:**  
Valuing colleagues' input, ideas, perspectives, points of view and contribution.

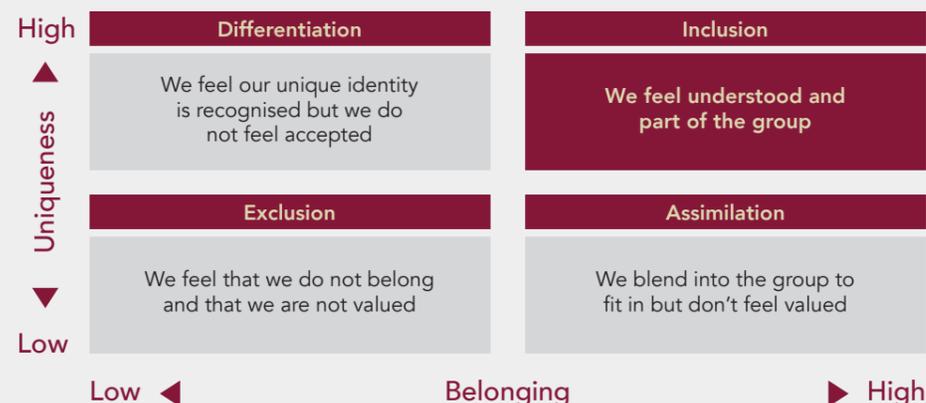
**Belonging:**  
Inviting people to join a meeting, event<sup>3</sup> etc and keeping them informed.

Inclusion is about 'me', my uniqueness, and 'we'; belonging to a group that we are all proud to be part of.

**INCLUSION IS FOR EVERYONE, BY EVERYONE... IT STARTS WITH HELLO.**

Source: adapted from Deloitte Insights

**Our identity needs**



Source: The Mind Gym, Inclusion Solution White Paper

However, a balance has to be struck, as over-inclusion may lead to an 'always-on' mentality, overwhelming cognitive loads, decision fatigue, and burnout.

<sup>3</sup> 46% of people believe that work friends are important to their overall happiness.

**Inclusion maturity curve**

When we are inclusive, fairness and diversity are no longer topics of conversation.

	Awareness grows ▶	Transition point ▼	Cumulative progress ▶	
	1. Compliance	2. Programmatic	3. Leader-led	4. Inclusive
<b>Inclusion Focus</b>	Compliance, avoiding complaints	Value of diversity starts to be recognised	Deeper understanding of inclusion and its link to business strategy	Inclusion is integral to corporate strategy
<b>Centre of gravity</b>	Legal/HR/I&D team	HR/I&D team, employee resource groups (ERGs)	Business leaders, diversity task force	Whole organisation
<b>Data</b>	<ul style="list-style-type: none"> <li>Infrequent and limited questions</li> </ul>	<ul style="list-style-type: none"> <li>Regular inclusion questions in pulse surveys, measure perceptions of actions, leadership, culture, and systems/processes<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Inclusion and diversity data analysed relative to each other at a granular level</li> <li>I&amp;D data for at least 80% of the workforce</li> </ul>	<ul style="list-style-type: none"> <li>Free text questions for deeper insight</li> <li>Correlate inclusion with business metrics</li> </ul>
<b>People</b>	<ul style="list-style-type: none"> <li>Largely homogenous workforce</li> <li>Legacy clubs/cliques and other passive exclusion exist</li> <li>Mandatory, one-off unconscious bias training (UBT) focused on stereotyping</li> </ul>	<ul style="list-style-type: none"> <li>CEO/Exec articulate the I&amp;D business case</li> <li>Colleagues from underrepresented groups adapt or leave</li> <li>Standalone initiatives such as ERG events</li> </ul>	<ul style="list-style-type: none"> <li>Inclusion is a personal priority for the CEO/Exec</li> <li>Inclusive leadership role modelled</li> <li>Communication is transparent, visible, and reinforcing</li> <li>Mutual mentoring</li> <li>Manager cohorts</li> <li>At least 25% of the workforce has voluntarily received inclusion training</li> </ul>	<ul style="list-style-type: none"> <li>Diverse and inclusive leadership team</li> <li>An employer of choice for all</li> <li>Demographically and cognitively diverse workforce</li> <li>Inclusion is integrated into all business processes</li> <li>External brand and internal brand align</li> <li>Thought leaders who share their inclusion practices</li> </ul>
<b>Frameworks</b>	<ul style="list-style-type: none"> <li>Reactive hiring</li> <li>Diversity is a problem to be managed</li> <li>Underdeveloped succession plans</li> <li>Recruitment success criteria time/cost of hire</li> <li>Centralised entry/early career recruitment</li> <li>Decentralised experienced recruitment</li> <li>Policies and procedures meet basic legal requirements</li> </ul>	<ul style="list-style-type: none"> <li>Candidate criteria include numerous 'nice to haves'</li> <li>Gender shortlist thresholds but status quo prevails</li> <li>Informal processes &amp; unstructured interviews</li> <li>Consideration of the impact of language</li> <li>I&amp;D maturity of talent partners a consideration</li> <li>Barriers to inclusion in policies/processes identified</li> </ul>	<ul style="list-style-type: none"> <li>Long-term, granular succession plans</li> <li>Recruitment success criteria quality and tenure of recruits</li> <li>Success criteria based on key behavioural competencies</li> <li>Open talent sourcing</li> <li>Demographically balanced shortlists</li> <li>Focus on candidate potential</li> <li>Robust, predictive assessment process</li> <li>Talent partners challenge on I&amp;D</li> <li>Employee experience (EX) is a consideration</li> <li>Transparent pay, rewards, promotions</li> <li>Policies include flexible working, carer support and shared parental leave</li> </ul>	<ul style="list-style-type: none"> <li>Long-term, dynamic, holistic workforce planning that identifies attributes that would add to the inclusive culture and diversity of thought</li> <li>A helicopter view of internal/external talent and a bench of engaged talent with shared values</li> <li>Focus is on cognitively diverse teams</li> <li>Talent partners support inclusion and are themselves inclusive</li> <li>EX is a priority</li> <li>Individualised onboarding that focuses on the new hire rather than the organisation</li> <li>Policies, frameworks, and systems based on universal design</li> <li>Flexible working is the norm</li> </ul>

<sup>4</sup> Pulse surveys: brief, regular questions sent to employees. Source: adapted from Deloitte's Maturity Model and the ESSC's inclusion measurement guide

Source: adapted from Deloitte's Maturity Model and the ESSC's inclusion measurement guide

# MORE ABOUT OPTIONS

Below is more detail about some of the options discussed in Part 1, plus some supplementary options.

## People

Manager Cohorts  
Inclusion Advocates  
Shadow Boards

## Frameworks

Long-term  
Workforce Planning  
Employee Experience  
Flexible Working



## Data

### Facts over opinion

**Data** allows you to choose your options based on facts, rather than opinions or beliefs. Facts such as, at a Sector level, **female fund manager turnover** is significantly higher than that of men.

By analysing applicant data, one asset manager realised that Black candidates were dropping out of the external online application process at the test stage. They contacted Black applicants and discovered this was due to a lack of familiarity with the tests. They reduced the dropout rate by adding practice tests to their website.

Outside the Sector, a law firm thought that the lack of female partners was due

<sup>5</sup> Google's analysis was done several years ago, and only binary data was collected.

to women leaving. However, the data showed that the number of women leaving was similar to men. The issue was that fewer women were being promoted. One solution was to shift away from billable hours being a promotion criterion.

Data also helped Google<sup>5</sup> identify that the root cause of their low female engineer promotion rate was that fewer women were applying for roles. When a senior male engineer described these findings and encouraged women to apply, the promotion gap went away.

**BY ANALYSING APPLICANT DATA, ONE ASSET MANAGER REALISED THAT BLACK CANDIDATES WERE DROPPING OUT OF THE EXTERNAL ONLINE APPLICATION PROCESS AT THE TEST STAGE...**

**IF YOUR COMPANY OPERATES ACROSS BORDERS, DATA COLLECTION MAY NEED TO BE TAILORED TO SUIT LOCAL LEGISLATION.**



## Metrics

There are two types of metrics:

- **Numeric:** for colleagues who have sufficient control over diversity metrics.
- **Behavioural:**
  - Everyone: 360/180-degree reviews.
  - Executives and departmental heads: skip level reviews and relevant inclusion scores.

## What to collect

The Financial Services Skills Commission's (FSSC's) **Inclusion Measurement Guide** recommends collecting: gender and gender identity, ethnicity, **sexual orientation**, disability, age, **socioeconomic background**<sup>6</sup>, faith, and highest level of qualification; plus: team, role, grade, eligibility for promotion, participation in training, tenure, time in grade, and recruitment pathway. The Investment Association (IA)/PwC's **Diversity Data Guide** adds caring responsibilities and neuroidentity. If your company operates across borders, data collection may need to be tailored to suit local legislation. Bear in mind that in some countries it may be illegal to ask for it.

## How to collect it

The **FSSC** has practical advice about gathering colleagues' opinions about your company's culture and the inclusiveness of your leaders and systems/frameworks. There should always be a 'prefer not to say,' option and ideally the opportunity to self-describe using text. Aim for at least 60% participation, with the ideal being 80% or above.

The inclusion task force can work with HR and legal, compliance, information technology, communications, ERGs and colleague focus groups to create a **General Data Protection Regulation (GDPR)** compliant single source of the truth. Some companies have an Excel VBA database running alongside the HR system to facilitate the data analysis.

Avoid **survey fatigue**, and create a positive spiral by:

- 1. Gathering granular information:** for example, use questions that measure the frequency of desirable behaviours as well as overall effectiveness.
- 2. Taking enough time:** to be able to analyse, communicate and act on the results. In some contexts, this may be annual/biannual, in others quarterly.
- 3. Communicating the results across the whole organisation.**
- 4. Developing and implementing action plans:** with owners, metrics, and ongoing monitoring.
- 5. Looking for quick wins.**
- 6. Celebrating successes.**

Other sources of inclusion data are:

- Rejected candidates and those who turned down offers
- Focus groups
- Exit interviews
- Grievances
- Social media, such as **Glassdoor**

## Analysis

Slice and dice the inclusion data in relation to diversity data to build a picture of any patterns, trends, and high/low scoring areas at each level across your business.

## Reporting

**Aim** for, simple, salient, and comparable reporting of data using customisable dashboards that allow comparison between business areas and across time periods.

Reporting on the progress being made in each part of the business can help to promote social accountability and positive progress is motivating.



**76%**  
of knowledge workers report that their best days involved making positive progress

<sup>6</sup> The **Social Mobility Commission** recommends asking, what was the occupation of your main householder earner when you were about aged 14?

### Performance assessment

Do not expect diversity targets to be met in all cases and at all times. Get to the root causes of any setbacks and use them as learning opportunities.

Whilst people's performance needs to be monitored robustly and proportionately, assessment of numeric metrics needs to be done over the medium-term to avoid positive discrimination, or unfair penalisation if suitable diverse talent cannot be sourced.

The impact of performance on pay should be both positive and negative. For example, an increased bonus for being an inclusive leader role model and a decrease for poor behaviour or a lack of effort to improve diversity.

### Other interested parties

Your data is of more and more interest to regulators, consultants and **clients**. Companies that cannot demonstrate inclusive cultures and diverse workforces risk losing market share.

**GET TO THE ROOT CAUSES OF ANY SETBACKS AND USE THEM AS LEARNING OPPORTUNITIES....**

**A CHALLENGER IS PROBABLY NOT THE ONLY PERSON IN THE ROOM WHO DISLIKES POOR BEHAVIOUR. SPEAKING UP CAN HELP OTHERS TO FIND THEIR VOICE.**



## People

To prevent them from becoming overloaded, your colleagues cannot be included in everything.

When they are not going to be included but might expect to be, help to minimise feelings of social rejection, and the stress this entails, by **managing their expectations**. Let them know in advance that they will not be included, clearly explaining why.



**of people say that it is very/extremely important for their manager to help team members feel that they belong.**

then I will invite them to finish their point and will later have a quiet word with the interrupter. Whilst assuming positive intent, I will challenge 'what', not the 'who' of what happened.'

For managers who believe things, such as, work and life are separate and/or are nervous about different ways of working, these cohorts can provide peer support, challenge, a sounding board, and feedback to help everyone learn and develop as managers.

Everyone in the group needs to be encouraged to take their turn to talk. This demonstrates how inclusive leaders run meetings. Be open that running meetings in an inclusive way may not feel more effective, but that gathering diverse opinions is the best way to uncover blind spots and make better decisions.

These cohorts can help managers feel less isolated, which could be more of an issue with flexible working, and by practising empathy with peers, they are more likely to be empathetic towards others.

**Redington's story about using a conversational guide with line managers...**

**Engage**, support and equip line managers to be inclusive leaders. Regularly bring them together as a **cohort(s)**, with a facilitator, at least initially, to reflect on, question and discuss what an inclusive culture is and inclusive behaviours look like. Such as, providing opportunities for colleagues to work and learn together; agreeing on clear outcome expectations and giving people **discretion** over how they do their job, within a risk framework; and **acknowledging** inclusive behaviours when they happen.

They also need to discuss their obstacles to an inclusive culture and how to overcome them. Such as developing, 'what if...then...' scenarios. For example, 'if someone is interrupted in a meeting,

### Inclusion advocates

Anyone and everyone within the company can be an **inclusion advocate**<sup>7</sup> by role modelling inclusive behaviour and by taking/prompting action to improve fairness.

**Voluntary** training helps people to identify, name, and challenge overt or covert **unwanted behaviour**/microaggressions. Such as: not acknowledging a point of view, taking credit for someone else's work, interrupting someone, asking them to facilitate a meeting rather than chair it,

assuming universal experience, mistaking one person from an underrepresented group with another, side-lining groups of people, making assumptions based on stereotyping, banter, remarks about physical appearance, or saying things such as, 'where are you actually from', 'that's so gay', 'you're articulate', 'your name is so hard to pronounce'.

A challenger is probably not the only person in the room who dislikes poor behaviour. Speaking up can help others to find their voice.

People from overrepresented groups need to become advocates. This is because, how a message is received is often more about the 'in-group' **identity** of the speaker than about the precise wording of what is said.<sup>8</sup> When someone who is seen not to have a vested interest respectfully calls out unwanted behaviour, the behaviours of others are more likely to change. Especially those from the same in-group as the advocate.

### Responses to unwanted behaviour

Colluder (negative)	Bystander (neutral)	Challenger (positive)
It's just a bit of fun	Do nothing	Address the instigator and name the behaviour in the moment
Join in the banter		Later speak to the initiator/instigator's manager/their manager/HR
Change the subject/ provide the distraction		

Source: adapted from the Mind Gym, **Inclusion Solution**

### Shadow boards

Some companies have a shadow board or executive committee with revolving membership. This provides the main board/executive with different perspectives and helps them engage with more junior colleagues. It also provides valuable insights and experience for pipeline talent. **Best practices** include, not leaving the selection of people for these programmes to HR and not limiting membership to previously identified 'high potentials'.

7 Advocates or allies. The former is used as this seems to resonate best with those you want to engage with.

8 Women who call out poor male behaviour are often thought of negatively, and/or rated less competent than a man who does the same.

## Frameworks

You can improve the **probability** of hiring success by using a systematic approach to making talent **decisions**.

Ask colleagues who will be using the frameworks to help develop them. The aim is for simple frameworks that work well now...and that are periodically reviewed for effectiveness and predictability of job performance.

## Long-term workforce planning

Workforce planning needs to be current and long-term and provide a holistic view of the combination of competencies and thinking preferences you have/need now. As well as those that will be additive to a particular team and/or the whole business in the future.

The aim is to have a workforce with diverse perspectives and thinking preferences, underpinned by shared views about your organisation's purpose and core values. (Purpose inspires, values guide, and behaviours define an organisation.)

Inclusion related values are: respect, curiosity, learning, fairness, openness, transparency, honesty, approachability, collaboration, and cooperation.

## Candidate success criteria

'Nice to haves' reduce the size of the talent pool, so have no more than six key competencies tailored for each role. For example, if 'excellent communication skills' are not absolutely necessary for the role, do not ask for them as doing so might exclude people who would excel in the role. If communication is important, be specific if it is oral or written or both.

Identify competencies that are really needed to do the job well. For example, a portfolio manager probably needs to be analytical but that does not mean that they need a STEM subject degree.<sup>9</sup>

Years of job experience and years/ place of education are not good **predictors** of the potential, and age has zero predictive ability.

## Employee Experience

### Attraction

This is marketing and selling your 'employee product', roles, company, culture, etc. As there is more research about what works and does not work in customer marketing and sales, engaging with your client experience (CX) teams about EX may bring insights to help you attract different demographics.

### What to say and how to say it

Highlight your core values as well as what you offer employees, such as, flexible working, shared parental leave and carer support.

**Using gender-neutral language is a promising action**, as it impacts who applies for roles. Gender decoding **software** is available to help you set the right tone.

Using simple, concise language, that an 11-year-old would understand<sup>10</sup>, is not dumbing down. It is user friendly, and on a busy day, we are all attracted to simple writing. On average people take less than 80 seconds to decide if they match the skills required in an advert.

Job descriptions should be 300-800 words. Long enough to convey useful information but not a long list of requirements. The use of acronyms and/or buzzwords can be a sign to candidates that they will not belong.



### Employer brand

A company's employee brand is their reputation, and their employee value proposition (EVP) describes what they stand for, require, and offer as an employer. Positive **company**, and Sector branding, can encourage people from all backgrounds to apply for roles. To demonstrate that your company has an inclusive culture:

- Have a visible, diverse leadership team.
- Tell your company's stories about how your inclusive culture helps colleagues across your business thrive. Seeing is believing, so stories about and pictures of people like us, influence what we think is possible for ourselves.
- Talk about your relationships with specialist talent organisations, professional associations, universities, and schools working with under

represented groups that increase knowledge about the Sector and provide work experience.

- Report your diversity data beyond minimal legal requirements.
- Collaborate with Sector peers and networks, such as the Diversity Project, to build a collective inclusive employer brand.

All the above must be authentic and consistent, not just around events, such as Black History Month. You do not want to be accused of 'I&D washing'.

An alumni network can provide a source of information about your employer brand.

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**POSITIVE COMPANY, AND SECTOR BRANDING, CAN ENCOURAGE PEOPLE FROM ALL BACKGROUNDS TO APPLY FOR ROLES.**

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**“EMPLOYEE EXPERIENCE IS ABOUT THE WHOLE JOURNEY”**

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A case study from Nest...



<sup>9</sup> STEM: science, technology, engineering, or maths.

<sup>10</sup> Hemingway's work is understood by this age group. More readable writing consists of paragraphs of three or fewer sentences, sentences of eight to ten words, shorter words, reduced use of adverbs, use of first/second person (we/our or you/your), and three to seven bullet points.

## THE CEO INCLUSIVE CULTURE GUIDE PROVIDES UP TO DATE, PRAGMATIC YET INSIGHTFUL ADVICE, TOOL KITS AND EXPERIENCES IN ONE HELPFUL DIGEST THAT IS EASILY ACCESSIBLE TO THE BUSY EXECUTIVE”

Dame Elizabeth Corley, Chair Designate, Schroders and Chair, Impact Investing Institute

### Adverts

Monitor clicks to see what is working or not and adapt adverts if you are not getting a broad range of candidates. The CIPD recommends designing two or more variations of job adverts and monitoring which lead to more interest/applications from certain groups.

Note that women may be less likely to apply if requirements are expressed as traits, such as being ‘a natural leader’ rather than **behaviours**, such as ‘good leadership skills’.

### Applications

**Encourage everyone to apply if they feel that it is the right role for them.**

At the beginning of the application process, include a brief CEO note explaining that collecting personal information will provide the data you need to monitor and improve the recruitment process to attract a wide range of applicants. The aim is for applicants to feel comfortable about and do their best during the process.

Be clear that roles are open to all candidates and reinforce this by inviting requests for support or adjustments. Include a text space for applicants to let you know if they need any support or adjustments at an interview.

Build-in spellcheck and copy/paste functions so that dyslexic applicants are not disadvantaged. Also, where appropriate for the role, saying that applications will be evaluated on the content, not spelling and grammar, can encourage neurodivergent people to apply. Giving a word limit for free text sections and removing time limits also help.

**Research** has found that showing the current number of online applicants there has been for a job so far increases the overall number of applicants, especially females. It also meant that women were more likely to apply for stereotypically male roles.



### Wide sourcing

Expand your talent pool, by moving beyond the usual suspects and sourcing widely, creatively, and proactively.

### Contracts

As well as conventional contracts, consider the following to broaden the talent pool:

- **Apprenticeships:** are not just for young people or ‘trades’. **Apprenticeship funding** is available for people of all ages. Apprentices can be more loyal than graduates.



**34%**  
of employees without a 4-year degree tend to stay longer than employees with a degree  
(Data taken from [LinkedIn](#))

[Read Newton Investment Management's and HSBC Asset Management's story about qualification apprenticeships...](#)

**“YOU'RE ALWAYS LOOKING FOR THAT HIDDEN POOL OF TALENT THAT NO ONE ELSE KNOWS ABOUT.”**

- **Traineeships:** a stepping stone to apprenticeships for younger people.
- **Work trials.**

If your company does not use the apprenticeship funding available to you, you can gift up to 25% to other companies, so that the funds do not go back to HMRC.

### Internal candidates

**Always invite internal applications.**

In 2020 internal mobility increased by **20%**. This is good news as **internal hires** have been found to routinely **outperform** external hires in the first two years in the job; they also stay longer and cost less. However, job performance is better when someone is transferred sideways rather than transferred and promoted at the same time.

### Targeted referrals

**Asking for targeted referrals of people from underrepresented groups for a specific role or to join your bench is a promising action.**<sup>11</sup>

[There is a checklist of questions to ask talent partners in Part 3...](#)

### Talent partners

Talent partners can help to shift the dial by showing you what inclusive talent management best practices are and challenging you when you are making the playing field uneven. You need to welcome and listen to what they are saying; they are helping you by doing so.

**Search:** Being proactive is important as many potential candidates are passive but open to new jobs. You can identify potential candidates yourself but search companies can ‘sell’ the role and your culture, and coach/support candidates through the hiring process.

Be clear that you will not accept being shown only easy to find candidates, who tend to be doing the same job at competitors, and always insist on balanced lists.

**Specialist talent pools:** Use job boards, agencies and/or other organisations that have access to specialist talent pools. Unless you have a case for **positive action**, do not search exclusively from under represented groups; this could lead to legal issues and create a backlash amongst your colleagues.

[Read Janus Henderson and E2W's story about recruiting diverse talent...](#)

<sup>11</sup> Government Equalities Office and The Behavioural Insights Team. Although based on research of the gender pay gap, it seems reasonable to assume that these actions could also be beneficial for diversity generally.  
• Effective actions: have been tested in real-world settings and found to have a positive impact on the recruitment and progression of women, and reduce the gender pay gap. • Promising actions: require further research to improve the evidence on their effectiveness and how best to implement them. Not all the promising actions are included, such as other research from organisations such as [The Mind Gym](#), suggest that they may not be.

### Career breaks

As it is predominantly women who take career breaks, recruiting **returners** can increase the number of senior women and reduce gender pay gaps.

[Read Sarah Totham's story about returning to work for Legal & General](#)

### Beyond the Sector

To bring in diversity of thought and experiences, look for people from outside the Sector, such as people who have worked in the armed forces, who have extensive experience and transferable skills that could be additive to your company.

[Read Kelly Mullane's story about her transition from veteran to City mum...](#)

Work with organisations that specialise in returning talent. Use their job boards, participate in their supported hiring and/or returnship programmes. For returners, there are the following pros and cons to both approaches.

Generalist job boards can be used to attract people from outside the Sector.

#### Supported Hiring

##### Pros

- **Certainty:** the greatest benefit is that these roles are permanent from the start.
- **Immediate integration:** they are viewed as 'just another' new joiner with a clearly defined role within the team.

##### Cons

- **Ad-hoc support:** most supported hires join individually, rather than as a peer group.
- **Competition:** from people with recent job experience for most roles.

#### Returnships

##### Pros

- **Group support:** being part of a returner cohort provides a peer support network.
- **Competition:** is limited to those returning from a career break.
- **More structure:** the induction and training may be more structured.

##### Cons

- **Uncertainty:** there is no guarantee of a permanent role.
- **Integration challenges:** as the longer-term position is unclear.

Source: adapted from Women Returners

You could also consider conventional hiring and **interim roles**.

[Aviva Investors' story about welcoming talent back to the workforce...](#)

[Read Intermedia Capital Group and The Return Hub's story about recruiting returners](#)



## Selection

The selection process covers internal and external candidates.

### Candidate experience

Help every candidate shine and, whether successful or not, come away feeling that their experience was positive, such as receiving constructive feedback. Not only is that respectful to them, but their experience will also impact your employer brand. As well as working with talent partners that coach and support candidates during the process, consider doing so yourself.

### CVs

**Anonymising CVs is a promising action.** CVs contain some of the biggest barriers and the weakest **predictors** of job performance, such as: name, age, interests, biodata, years of education and years of job experience.

### Work samples

**Using work samples/skill-based assessment tasks is an effective action that can be used for all roles.**

Work samples are short, role-specific, written case studies/activities, designed to assess candidates' performance of the success criteria for the role. They also provide candidates with an insight into the role. If the answers cannot be assessed in text format, move on to structured interviews.

**"THE PROBLEM IS NOT SO MUCH THAT [NEURODIVERGENT PEOPLE] HAVE DISABILITIES BUT THERE ARE TOO MANY DISABLING ORGANISATIONS."**

## "EMPLOYERS WHO GO OUT OF THEIR WAY TO HIRE VETERANS WILL RARELY HESITATE TO RECOMMEND THEM TO OTHERS"

Chris Recchia, Deloitte partner

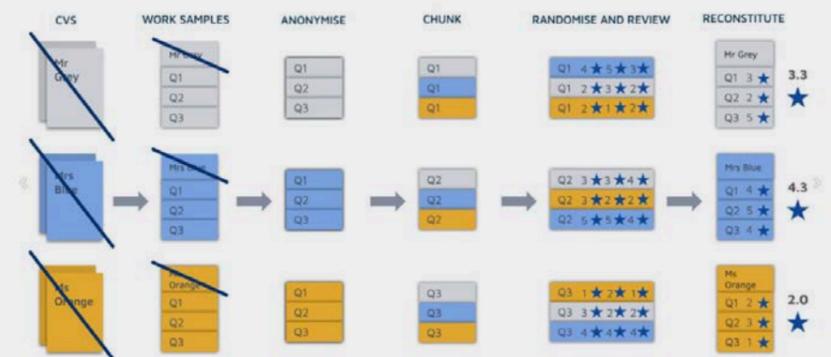
Select a group of skilled evaluators who use the key success criteria to set three to five short, role-specific case studies designed to find out how candidates would approach real job situations. The scenarios should not necessitate the candidate having done the same job before. For example, you could test for receptiveness to change and resilience with this scenario. 'You are an equity fund manager whose portfolio is overweight in

a sector that is hit badly by an unexpected regulatory change. What do you do?'

Agree on a rubric on a scale of one to five, for example:

- **One-star:** only makes general comments.
- **Three-star:** outlines the steps they would take to deal with the scenario.
- **Five-star:** a three-star answer tailored to the specifics of your organisation.

Below is a diagram of a robust work sample selection **process**:



Source: Applied

- Evaluation sessions need to be scheduled for first thing in the morning or after food breaks to avoid **decision fatigue** that can negatively impact evaluations.
- Evaluations are done independently and not discussed to avoid evaluators being influenced by their colleagues' opinions.
- Evaluate responses in batches, all question 1s, then 2s... This is because, **joint**, rather than separate, evaluations are seen as more complex, so help to engage evaluators' executive brains.
- Hide the responses to other questions so that each answer is objectively evaluated, rather than being influenced by responses to other questions; the halo/horn effect.
- Randomise the order that candidates' answers are evaluated so that there is a fair distribution of being, first, second, third...

The candidates with the highest average score are invited to interview.

However, depending on the circumstances, rather than an interview, consider if the work samples are sufficient, or if you could use alternative assessments that focus on the applicant's ability to do the job, such as work trials, or mini apprenticeships.

If there is a high volume of candidates, instead of using CVs, use a multiple-choice general cognitive ability test to initially filter candidates before the work samples. Ensuring that the tests do not introduce biases, and that sufficient time is provided for all candidates to do the tests.

[There is a work sample checklist in Part 3...](#)

**“A SEPARATE DIVERSITY MEETING WITH SOMEONE FROM A MINORITY GROUP TO HELP GIVE YOU A FEEL FOR THE CULTURE AT THE FIRM. IT WAS A REALLY LOVELY TOUCH.”**



### Structured interviews

**Structured interviewing is an effective action.** There are similar considerations to the work samples above, namely: predetermined success and scoring criteria, scoring done individually then aggregated and averaged.

There is a checklist in Part 3...

It is optimal to have **three** interviewers, who are skilled, empathetic<sup>12</sup> and understand the importance of taking a ‘moment of pause’, to consider how to enable a candidate to perform at their best.

They need to know how to facilitate the interview, if necessary, for example:

- if the responses are informative but too long, gently say ‘thank you, you have told us enough about that now. I’d like to ask you a different question now’.
- if a candidate is struggling to answer a question in the way it has been asked, focus on the output you are looking for saying ‘I would like to understand your ability to do x, how have you done this in the past’.

The final discussion to decide the successful candidate may still be subject to the **noise** of social influence, such as the group being anchored to the first speaker’s or most dominant person’s opinion.

However, the discussion is more likely to be anchored on the average score and ensuring that everyone has an equal chance to give their opinions should also help to mitigate any noise.

Involving a neutral colleague, who has not been involved in the interviews, can provide an objective view of the scores if there is a danger of them being overridden in favour of the person who is felt to be the ‘best fit’. This is often code for ‘like me/us’ or ‘somebody I would like to hang out with’.

You may also want to check for **value alignment** using an objective tool and/or you may want to run a psychometric thinking/action preference test.

If multiple rounds of interviews are being held, each round should be considered in isolation.

Test for the accuracy of predictability of successful candidates’ on-the-job performance by comparing pre-hire scores to the actual performance of the same key success criteria six months or so into the role.

### Onboarding

Successful onboarding helps the joiner feel like they belong, shift to ‘we’. Start individualised onboarding as soon as possible after the offer is accepted. Ask the joiner if they would like a mentor and/or buddy and help them build relationships with their new colleagues before they start. Whilst inviting joiners to social events may be usual, be sensitive that not everyone is comfortable in social settings or may have other commitments that prevent them from attending.

Provide information (in different formats) about the company’s/team’s conventions, such as communication channels and core work hours/days. Provide workspace preference questionnaires, saying that there will be periodic ‘comfort at work’ reviews. People transferring from one department to another also need onboarding into the new team.

Once a candidate is on board, encourage them to be themselves. Do not undo all the hiring good work by getting them to ‘fit in’ as this will stifle their willingness to give their perspectives.

Six months in, ask new joiners what their joining experience was like and what it is like working at your company.

**“IF THEY DON’T FEEL INCLUDED... THEY ARE GOING TO LEAVE.”**

### Transitioning

As well as being the right thing to do, treat departing colleagues with respect and gratitude as they will influence your employer brand and could join your candidate bench.

**Exit interviews:** Standardised **exit interview** questions rarely deliver unexpected insights. However, it is worth having a conversation. Ask what could be improved about their job, the business generally, and specifically inclusion.

Analyse what is said about the company’s culture and leadership styles and identify any discrepancies across the organisation. Send out a follow-up survey or ask to do a follow-up interview three to six months after they leave as this often brings out different feedback.

### Flexible working

**As the default option, flexible working, in its widest sense, is a promising action.**

Truly flexible working includes where, when, and how. An inclusive culture supports successful flexible working due to its trust and openness. Flexible working can appeal to people across all demographics and levels of seniority.

Stories about flexible working in the Sector...

In 2019, when **Zurich Insurance**, using gender-neutral language, started to advertise all its UK roles with the option of part-time/full-time/job share/flexible working they had the following results:

- The total number of applications more than doubled.
- Applications from women rose by 16%.
- Applications from women for senior management roles rose by 20% and the number of women being appointed into senior roles by a third.
- The feeling of belonging amongst existing part-time colleagues rose by 8%.

Making flexible working arrangements effective is not just the responsibility of the person requesting it. It requires the team to have open conversations.

Recognising that it would evolve, when **Fidelity International** (FIL) introduced flexible working, they called it ‘dynamic working’. The points below are based on their implementation, plus the **Diversity Project/TimeWise** recommendations.

- Encourage men at all levels to work flexibly so that it is not seen as only a female ‘benefit’.
- Discuss the barriers to maximum flexibility and how these can be overcome.



**of knowledge workers say that, when searching for a new position, they will look for one that offers complete flexibility.**

A case study from outside the Sector...

- Help managers to implement flexible working and manage flexible/dispersed teams.
- Set a high level, practical guidance, such as establishing the minimum number of days a month, rather than a week, in the office.
- Build flexibility into as many roles as possible. Redesign job descriptions and contracts as needed.
- Advertise the flexibility of roles and signpost the process.
- Everyone needs clear objectives so that they know what they are expected to deliver by when.
- Focus on behaviours, output, and contribution, not presence in the office.
- Teams need to agree on **core times**/days when everybody is available remotely/in the office.

One couple in which the husband does job share, and the wife works part-time, commented that job share is better for work/life balance. He does not need to keep monitoring his inbox as somebody else is doing that for them. Job sharing is less likely to mean working full-time for part-time pay.

### Shared parental leave

Encouraging the uptake of shared parental leave is a **promising action**.

**“YOU KNOW WHAT, YOU SHOULD TAKE THAT LEAVE.”**

Read Aviva Investors’ story about equal parental leave...

### Carer support

Caregiving can impact every gender and age group. Support may include extra days leave and/or providing emergency dependent care. Classes for carers, as well as parents, can help with building coping strategies and support groups.

<sup>12</sup> There is **mixed evidence** about the impact of diverse selection panels on women’s prospects of being appointed. More research is needed to understand the conditions under which a gender diverse selection panel is or is not effective in improving gender equality. Also, if there are only a few women evaluators available it can be a disproportionate draw on their time.

“UNCONSCIOUS BIAS TRAINING, AFFINITY GROUPS, [INTERNAL] QUOTAS AND WHISTLEBLOWER HOTLINES BACKED UP WITH ZERO TOLERANCE - AREN'T UP TO THE TASK”

The Mind Gym, Inclusion Solution

## WHAT CAN GET IN THE WAY?

This Mind Gym view is backed up by a 2016 study that found that mandatory diversity training and grievance systems are associated with reduced diversity.



### Data

#### Barriers

A 2020/21 study into diversity data collection in the Sector identified the following barriers:

- Lack of a leadership led data collection strategy.
- Distrust and apathy; see survey fatigue below.
- Inadequate HR systems from a legal, data security, General Data Protection Regulation (GDPR) perspective.
- Varying legislation across locations.

#### Survey fatigue

Survey fatigue is linked more with the perception that the results will not be acted upon than the number/length of surveys. This undermines confidence in the leadership and the process.

Problems arise when leaders do not know how to interpret or present the results. Some leaders may create 'vanity metrics' by manipulating data they do not like, and/or deciding not to report it. Action plans may not be communicated and/or nothing happens as a result.

#### Internal quotas

Internal quotas can:

- Create a disadvantage for others if a certain demographic group is fast-tracked to meet a quota.
- Discourage people from outside the targeted groups, which can lead to disengagement, reduced effort and/or potentially vengeance.
- Lead those in the targeted groups to feel diminished if they suspect that their colleagues think 'x only got the job because they are a y', despite them being appointed entirely on their talents.
- Create a '# and done' mindset, after which only stereotypical candidates are considered.
- Result in arbitrary decisions to meet the quotas.

CREATING AN INCLUSIVE CULTURE THAT WELCOMES A RANGE OF DIFFERENT BACKGROUNDS, CULTURES AND PERSPECTIVES NOT ONLY MAKES LIFE MORE INTERESTING BUT ALSO MAKES GOOD BUSINESS SENSE. IT IS DEMONSTRABLY TRUE THAT DIVERSE GROUPS OF PEOPLE ARE MUCH BETTER AT SOLVING PROBLEMS. THE DIVERSITY PROJECT'S INCLUSIVE CULTURE GUIDE IS A USEFUL GUIDE FOR OUR INDUSTRY - BY SHARING IDEAS AND SUCCESSES, WE WILL MAKE THE MOST PROGRESS”

Anne Richards, CEO, Fidelity International.

### People

#### Behavioural science

##### Decision fatigue

Decision fatigue makes it more difficult to make additional decisions and can lead to harsher and more risk-averse decisions.<sup>1</sup>

##### Exclusion

As when our survival is threatened, social rejection triggers a 'fight or flight' reaction in our brain<sup>13</sup>, which impedes our 'executive brain',<sup>13</sup> the part of the brain that is responsible for: reasoning, focusing, analysing, coordinating, predicting the consequences of our actions, managing our emotional reactions, and our sense of perspective.

#### Fit

'Culture fit' is regularly given as a reason not to select a candidate. However, often this is code for 'not like me/us', or worse, 'not somebody I would like to hang out with'.

We all change our behaviour from time to time to suit a situation. We behave differently at a funeral than at a children's birthday party. However, if we feel that we are being penalised for who we are or for our different viewpoints, it is difficult to be our authentic selves.

This can be demoralising and exhausting for the person and also lower cognitive diversity,<sup>14</sup> creating team learned helplessness and/or groupthink.

The degrees of behaviour change differ:

- **Code-switching:** changing the use of our language, style, tone, and formality.
- **Covering:** downplaying our differences from the mainstream.
- **Assimilation:** adopting another group's cultural practices.

Over time this can harm our wellbeing and our ability to live and perform at our best. It is estimated that people who do not feel able to bring their whole selves to work spend up to 30% of their time on covering. In one study, 61% of workers in large US companies felt overt or implicit pressure to cover. Of those, two-thirds said that it significantly undermined their sense of self, and half said it diminished their sense of commitment to the company.

“WHAT MOST PEOPLE REALLY MEAN...IS THAT [THEY ARE] SOMEONE THEY'D LIKE TO HAVE A BEER WITH”

Patty McCord, HR consultant and former Netflix chief talent officer

Covering was more prevalent amongst non-stereotypical groups, including:



But 45% of straight white men also downplayed characteristics such as age, disabilities and/or mental health.

<sup>13</sup> System 2: slow and conscious. It allocates attention to the effortful mental activities that demand it, including complex computations. System 2 is often associated with the subjective experiences of agency, choice, and concentration, Daniel Kahneman.

<sup>14</sup> To be beneficial, cognitive diversity needs to be combined with trust or teams can be too combative.

## Intuition

We are all prone to making irrational decisions when our 'instinctive brain'<sup>15</sup> gets in the way of our 'executive brain's' logic.

Psychologist Jonathan Haidt refers to our instinctive brain as an 'Elephant', which is far larger than our rational, executive brain 'Rider'. The Rider holds the reins, but their control is precarious because they are so small relative to the Elephant. This happens because, to save cognitive energy and time, our brain, sensibly, uses mental shortcuts, heuristics, to make sense of the vast amount of information that comes our way.

It classifies the world into people/things that will either:

- **hurt us:** 'threats' that include people who are different to us, or we do not know. They are 'foes' until proven otherwise.<sup>iv</sup>
- **help us stay alive:** 'rewards', such as food and money. Also, people who are similar to us or look the part (fit the stereotype), who are 'friends'.

We even prefer people for sharing our birthday or having a first name starting with the same letter as us. The impact of similarity was demonstrated by Charlton Heston's observation when filming 'Planet

of the Apes' in 1967. He said that 'not only would the apes eat together, but the chimpanzees ate with the chimpanzees, the gorillas ate with the gorillas, the orangutans ate with the orangutans, and the humans would eat off by themselves. It was quite spooky.'

## "THE WORST JUDGMENTS COME FROM USING INTUITION FIRST"

Daniel Kahneman  
Nobel prize winning psychologist.<sup>iii</sup>

## Pattern matching

Our brain's pattern matching impacts what we pay attention to and the information we recall. We tend to pay attention to the wrong things, such as 'anchoring' on the first piece of information. We remember things incorrectly; around 50% of people 'remember' a word from a list of related words when that word was not on the list. Possible implications include: double standards, only recalling stereotypical traits or performance, and/or ignoring positive counter-stereotypical behaviour/performance.

## Misperceptions

People intuitively overestimate the amount of conflict that actually exists on diverse teams and therefore may be reluctant to add diversity to a team.

## Noise

'Noise' impacts the accuracy of our judgments depending on what has been happening on the day, such as having too many decisions to make, or being influenced by the opinion of others, such as the first to speak, the leader or the most confident person. Noise can lead to wrong decisions and unfairness, which undermines the credibility of the system.

## "NOISE IS ALWAYS UNDESIRABLE, AND SOMETIMES DISASTROUS"

Daniel Kahneman  
Noble prize winning psychologist

## Status quo

We have a predisposition to preserving the status quo, which makes change uncomfortable, including hiring a non-stereotypical person. When there is only one diverse candidate in a pool of finalists, there is statistically zero chance of them being appointed. This is because, with only one, their difference from the stereotype is emphasised, making hiring them seem riskier. Whereas the opposite is the case. The mere presence of diversity is associated with teams sharing unique perspectives, being more open to new ideas and performing better.

## Stereotyping

Building on research by Bain & Company, Michelle King's research within a professional services<sup>16</sup> firm for her book, *The Fix*, found that 70% of respondents stated that the ideal worker standard was white, male and heterosexual, who was willing to:

- Commit most of their time to the organisation.
- Make work their number one priority.
- Promote their own achievements.
- Act and tell others what to do.
- Be extroverted and dominant in social situations.
- Assert themselves, speak up and ask for what they want.
- Be decisive, even if it means going alone.

Not all white, male, heterosexual men naturally fit this Don Draper stereotype. So, as well as being negative for people who are not white, male, or heterosexual, this can be detrimental to men who do not meet the above criteria. Potentially impacting their careers and/or well-being if they 'cover' to fit the stereotype. The Implicit Association Test (IAT), aims to educate the public about stereotyping.

Stereotyping causes uncertainty about when, or even whether, women should be direct and decisive. A woman can be viewed, by both men and women, as arrogant or abrasive and less likeable than a man. Conversely, women in positions of authority who display traditionally feminine traits are less likely to be respected and can be deemed too emotional and/or soft to be good leaders.

These double standards referred to above can impact informal references, which are anyway not good are anyway not predictions of performance.

Double standards were highlighted in a 2020 US study on STEM recruitment, which found that the required GPA<sup>17</sup> for stereotypically underrepresented candidates was 4.0, compared to 3.75 for white men. Employers were also less likely to invest time and energy in trying to recruit counterstereotypical candidates as they were judged to be less likely to accept a job if offered one.

Stereotyping goes both ways, and men can also be disadvantaged when applying for roles that are not stereotypically male.



## Learning

One-off, mandatory, tick-box, implicit bias training can have a negative effect, and any positive effects quickly wear off. Such training tends to be remedial (blaming) damage limitation (the stick). This can trigger resentment and resistance, so people seek to reassert their autonomy and do the opposite of what they have been coerced to do.

There is no current high-quality evidence that leadership development training for women help them progress. It can also be seen to imply that the women themselves are the problem.

## Myths

Some myths include:

- Inclusion, fairness, and diversity (IF&D) is zero-sum: this viewpoint sees the world as binary, either I win and you lose, or you win, and I lose. Win-win is not an option. In truth, an inclusive culture is better for everyone.<sup>18</sup> It is associated with higher engagement, productivity and profitability, as well as fewer sick days and less burnout.
- Diversity is about gender and race and excludes white men: the truth is that we are all the sum of our parts and have head/tailwinds. Inclusion encompasses all our differences, it excludes no one.
- We are an unbiased meritocracy: if that was the case, the workforce would be balanced.
- Inclusion is HR's responsibility: everyone is responsible for being inclusive every day.

## Performance assessments

There is some evidence that women underestimate their abilities and are more conservative in their assessment of their abilities than men are. There is not enough evidence to know how this impacts women's progress or compensation at work, but this lower assessment may have an anchoring effect on their manager's assessment of them.

## Role models

Like many things in life, becoming a leader means leaving our comfort zone and being open to trial and error. This is a challenge for everybody, and we need support as we learn. Observing and speaking to role models, from all levels of seniority, is part of this learning. However, people from underrepresented groups may feel that they are under more scrutiny, so less confident to stretch their comfort zone, and they have fewer role models that are like them.

## "MOST DIVERSITY TRAINING PROGRAMMES ARE A WASTE OF MONEY"

Iris Bohnet, author of *What Works: Gender Equality by Design*

It can be counterproductive if a role model is seen as an exception as this can send the message that they had to work harder to get where they are.

There can be a lot of demands put on role models, such as time to speak at events, so it is important that these activities are included in their objectives and considered in performance reviews.

<sup>15</sup> System 1: fast, intuitive, and emotional. It requires little/no effort and no sense of voluntary control, Daniel Kahneman.

<sup>16</sup> The authors' view is that this stereotype is similar within the Sector.

<sup>17</sup> Grade Point Average

<sup>18</sup> The curv-cut effect: an investment in one group can cascade out and up and be a substantial investment in the broader well-being of a nation - one whose policies and practices create an equitable economy, a healthy community of opportunity, and just society.

## Frameworks

### Long-term workforce planning.

**Candidate success criteria:** Selection criteria are often not sufficiently thought through, vague and/or include a long list of 'nice to haves', the longer the list, the narrower the talent pool.

### "EVERYONE THINKS, SHORT TERM AND DOESN'T RETAIN THE TALENT THEY'VE GOT."

Without pre-determined, relevant, forward-looking success criteria, assessment of someone's potential is **ambiguous**. This can impair objectivity with blanks being filled in with **stereotypes**. This is because our natural preference is to preserve the status quo and to assume that the types of people who have done a role in the past are the best fit, irrespective of their actual potential; this gets in the way of improving diversity. A report by the **Social Mobility and Child Poverty Commission**, which referenced the Sector, highlighted the negative impact of the 'poshness test', school/university attended and accent, social mobility and diversity generally.

Chosen criteria may be poor **predictors** of potential, such as past performance. This is only a good predictor of future performance when the role context is the same, which in most cases it is not; definitely not when somebody is interviewing for another company.

Years of education and years of job experience are not good **predictors** of the potential to do a job, and age has zero predictive ability.

### Employee experience

**Attraction:** There is **mixed evidence** about the impact of diversity statements on diversity, they may work in some contexts but backfire in others.

### Wide sourcing

**Internal candidates:** Some managers may be resistant to an internal posting system as they may not want to lose their most valuable people to other departments. Peer cohort support and challenge could help such managers deal with their misgivings.

### "HISTORICALLY... IT RELIED ON MY MATE WHO OWNS A RECRUITMENT BUSINESS WHO KNOWS PEOPLE IN..."

### Selection

**Candidate experience:** People from underrepresented groups tend to be less active in the recruitment market. They may be more loyal to their current employer and feel guilty about having conversations with search companies, making it difficult to shortlist them. Even if they are shortlisted and are offered a role, they may be reluctant to move from an employer with whom they have built up political capital and/or if they are unsure if they will belong in the new employer's culture. This may be especially so if they do not see people like them during the recruitment process.

**CVs:** CVs contain some of the biggest barriers and the weakest **predictors** of job performance, such as: name, age, interests, biodata, years of education and years of job experience. Even if this information is removed other details, such as where they have worked, can have a halo/horn effect, or create an affinity. All of which get in the way of making logical hiring decisions. The problems caused by CVs is highlighted by an experiment in which an identical **CV**, apart from the name and picture, received the following call back requests:



1. Image and German-sounding name Sandra Bauer



2. The same image and Turkish sounding Meryem Ozlurk



3. As in 2 above but wearing a headscarf

Other **studies** from around the world show non-stereotypical candidates being overlooked in hiring processes due to: gender, race and ethnicity, caste, obesity, sexual orientation, age, and home address (signalling wealth).



### "WHISTLEBLOWER HOTLINES ARE LIKE EMERGENCY BRAKES ON A TRAIN: ESSENTIAL BUT ONLY TO BE USED IN EXTREME CIRCUMSTANCES"

The Mind Gym.

### Flexible working

Whilst there are operational and practical issues to address, the main **barrier** to flexible working is societal. Namely the societal value placed on long working hours, which fosters the view that flexible working is career limiting. Mothers who work flexibly may see this as an advantage for which they need to 'sacrifice' salary and progression.

### "IN JUNE 2021, IT WAS ESTIMATED THAT ONLY UP TO 8% OF ELIGIBLE FATHERS TAKE SHARED PARENTAL LEAVE."

### Other

**Employee resource groups:** Whilst they can be helpful, employee resource groups (ERGs) do **risk** creating lines of exclusion. Without terms of reference tied to corporate strategy, clear accountabilities, and robust governance they can become powerful lobbying groups that can cause rivalry between groups or disengage those not part of an ERG.

They can also diminish the status of their members if there is insufficient corporate focus to an ERG's activities, such as providing free cupcakes rather than constructive business contributions. Deciding which ERG(s) to join can also be a problem. Which ERG(s) does an autistic,

gay Black woman join? Which will she feel included in and supported by? If the ERGs focus on protected characteristics, other underrepresented groups may be ignored.

**Whistleblowing:** **Grievance systems** can reduce diversity and whilst **whistleblowing** hotlines and zero tolerance sound like powerful weapons, they risk causing collateral damage. Having few grievances does not indicate there is no problem.

There are negative connotations of whistleblowing; being a snitch, sneak, scab etc. Also, the career, health and wellbeing costs of **whistleblowers** can be significant, and they may end up leaving the company. Among the nearly 90,000 discrimination complaints made to the Equal Employment Opportunity Commission in 2015, 45% included a charge of retaliation.

People may 'blow the whistle' to advance their own interests. This leads to high investigating costs and stress for those who have been unfairly accused.

The risk that a complaint may lead to a disproportionate response can make people reluctant to speak up and damage overall trust and collaboration within organisations.

The FCA sees **speaking up** as a constructive action and not simply as the airing of a grievance or frustration.

# WHAT MORE IS THERE TO SAY?

## People

### Cognitive diversity

Cognitive diversity brings together different perspectives and thinking styles to solve complex problems; this is what leads to better decision-making. An inclusive culture maintains cognitive diversity as everybody has the chance

to express their opinions, which are listened to, helping to uncover blind spots and avoid the pull towards the opinion of the first to speak, the leader or the most confident person, **noise**.<sup>v</sup>

Give a clear message that it is OK to challenge others' opinions and reward these challenges.



Source: adapted from Rebel Ideas: The Power of Diverse Thinking, Matthew Syed.

## Learning

Help colleagues feel good about themselves as this makes us more open to learning. When we receive positive remarks from someone, we feel pride. Also, complimenting others makes us happier than them, so it is a win-win!

Invite colleagues to help to create an inclusive culture and provide (ongoing) inclusive behaviour workshops that are varied, practical, inspiring, and **fun**, with messages that are:<sup>19</sup>

- **Easy:** concise and simple.
- **Attractive:** capture peoples' attention.
- **Social:** showcase inclusive behaviours and encourage people to commit to being inclusive.
- **Timely:** trigger colleagues to take steps to be more inclusive.

Source: the [Behavioural Insights Team](#)

Participants may see themselves as pro-inclusivity and as such, inclusion advocates. Long-term, positive effects start to happen when 25% have been involved in inclusive learning. This is when their shared understanding and language help them be more comfortable interacting with their colleagues from under represented groups. This helps to build trust and create an inclusive social norm, that others may feel they want to be part of.

Participating in workshops can also encourage people from underrepresented groups to be more **proactive** themselves, such as networking, applying for roles or seeking mentors.

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**“IF PEOPLE FIND IT FUN TO DO SOMETHING, THEY’RE GOING TO DO IT, EVEN IF IT’S A DEPARTURE FROM WHAT THEY ARE USED TO”**

Cass Sunstein, co-author of *Nudge*, and *Nudge: The Final Edition*.

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## Neurodivergence

We all have different wiring, **multiple intelligences**: interpersonal, intrapersonal, kinaesthetic, linguistic, logical, musical, naturalistic, spatial, and visual, and we all operate across multiple continuums of competence for each of them.<sup>vi</sup>

**Neurodivergent** (ND) people are at the edges of one or more of these continuums. They have a brain 'that functions in ways that diverge significantly from the dominant societal standards,' [Nick Walker](#), author and educator.

It is believed that over **10%** of the UK population is ND but many people, particularly older people, women, and those from ethnic minorities, have not been diagnosed. Further, few neurodivergent people share that they are with colleagues.

Historically the focus has been on trying to get ND people to function as neurotypical as possible, rather than on the things they **excel** at. Certain roles will play to these **strengths**. Dyslexia and ADHD, for example, are over represented amongst entrepreneurs, maybe due to their capacity for innovative and visionary thinking. Entrepreneurs, such as Richard Branson, talk proudly of their neurodivergence, seeing it as a help, not a hindrance.<sup>20</sup>

**Mental health** and neurodiversity are often mistakenly mixed up and their difference misunderstood. If someone is ND it does not mean that they have a mental health problem, however, mental health problems are more frequent. For some neurodiversity is a disability, but for many, it is not, however, having to operate in a neurotypical world can have a disabling impact, such as causing anxiety.

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**“IF YOU HAVE MET ONE NEURODIVERGENT PERSON, YOU HAVE MET ONE NEURODIVERGENT PERSON”**

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Whilst neurominority categories can be important reference points for self-identity, often inaccurate generalisations are made about a certain group. As with society as a whole, it is important to understand that no two neurodivergent people are alike.

Neurodiversity smart firms accept neuro-difference. They develop a language and celebrate/leverage neurodiverse strength, whilst taking steps to accommodate, not belittle, any challenges that someone may face.

<sup>19</sup> These could use [World Café](#) and [Appreciative Inquiry](#) type approaches.

<sup>20</sup> Other neurodivergent people includes: David Neeleman, founder of Jet Blue Airways; Steve Jobs; IKEA founder Ingvar Kamprad; Dragons' Den's Duncan Bannatyne and Theo Paphitis; Mozart; Andy Warhol; Thomas Jefferson; poet Emily Dickinson; and Field Marshal Montgomery.

### Slip-ups

Well-intentioned people can still get things wrong from time to time and being overzealous can undermine psychological safety. A balanced approach is needed.

#### Permissive

- Excuses for poor behaviour
- Blaming those who question poor behaviour

#### Zero tolerance

- Virtue signalling
- Ganging up on people

Source: adapted from the *Mind Gym, Inclusion Solution*

Make it clear what behaviours are unacceptable. Beyond this, where slip-ups occur, encourage a growth mindset of apology, forgiveness, learning and adapting, what is acceptable can shift over time.

Be clear that you care about creating an inclusive workplace and ask people to tell you if you slip up. **If this happens** be humble, actively listen to what is being said, acknowledge the impact you have had and sincerely apologise. Then ask to continue to be held to account.

Being transparent about why certain behaviours have been dealt with in a certain way helps to reinforce what is/ is not acceptable.

### Stories

Deloitte successfully used actors to tell colleagues' difficult #metoo stories in a video that was shown to everybody.

### Trust

Our instinct to survive means that we move away from threats and move towards rewards, which also impacts our social interactions.

Whilst our instinct is to move away from somebody who is not like us, it does not take long for the **basis of trust** to shift. For example, when we engage in collaborative conversation with somebody, there is the same impact on our brain as when a child is hugged by a parent; a 'foe' becomes a friend.

This is why icebreakers and establishing rapport are so important in day-to-day life. Bear in mind that giving compliments can make both parties feel good. If in doubt, ask the recipient if it is OK for you to compliment them.



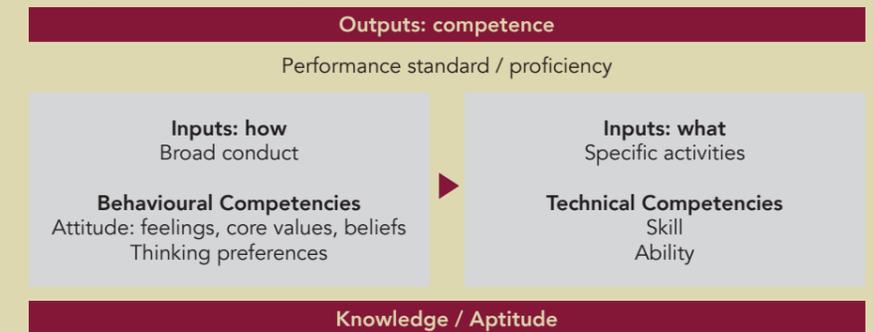
## Frameworks

### Competencies

'Competence' and 'competency' are confusingly used interchangeably. In line with CIPD's approach, this paper uses 'competence' for outcomes, the standards achieved, and competency inputs.

This guide distinguishes between person-centric, behavioural competencies/inputs, the how; and role-centric, technical competencies/inputs, the what. Both are underpinned by knowledge, aptitude, and thinking/action preferences, as shown below.'

### Competence and competencies map



Source: adapted from the CIPD's *Competence and Competency Frameworks*

### Employee resource groups

Although not without potential issues, discussed earlier, ERGs provide a safe space for people from under represented groups, who otherwise, may feel excluded and/or under heightened **visibility/scrutiny**. This can cause stress and impact their performance, such as being unnecessarily risk-averse or losing their sense of purpose, as well as mental health issues. The most **effective** programmes spark engagement and increase contact among different groups.

### Personality tests

Personality tests are psychometric assessments that give insights into people's preferences for thinking and action. Many tests require training and certification to interpret the results, and some a business psychology qualification. Discussing results with participants is a way of finding out how self-aware they are.

They are predominantly used with existing employees or at the later stages of recruitment. However, they should never be the sole basis for a selection decision. Bridgewater, a prolific user of psychometric tests uses the following but constantly experiments with the mix they use.<sup>vii</sup>

- Myers-Briggs Type Indicator (MBTI)
- Workplace Personality Inventory
- Team Dimensions Profile
- Stratified Systems Theory
- Big Five

Other psychometric tests include: Career Anchors, Belbin, DiSC Behaviour Inventory, FIRO-B, Hogan, Lumina Spark, Strengths Finder and Type Coach.

### M&A

#### "IF THE VALUES AREN'T ALIGNED, I RUN A MILE."

John Chambers, former Cisco CEO

Mergers and acquisitions (M&A) can be particularly culturally challenging. Whilst having an inclusive culture will help to engage and integrate colleagues post-M&A, it is worth bearing in mind the above quote from John Chambers, who led Cisco's growth from USD70m in 1991 to USD47bn in 2015, overseeing 180 acquisitions. As discussed earlier, the aim is for a diversity of demographics, experiences and thinking styles, but an alignment of values.

### SCARF® model of social threat and reward

Trust is when people answer yes to the following questions:

- Status** Am I respected and valued?
- Certainty** Do I have the information I need?
- Autonomy** Am I given choices and control?
- Relatedness** Do we understand each other?
- Fairness** Do I get the credit and opportunities others do?

Source: David Rock, Your Brain at Work and the *NeuroLeadershipInstitute*

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**“THE PROBLEM IS NOT SO MUCH THAT [NEURODIVERGENT PEOPLE] HAVE DISABILITIES BUT THERE ARE TOO MANY DISABLING ORGANISATIONS.”**

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### Universal design

Universal design proactively considers everyone in the design of processes and environments. For example, the lighting and noise level in conventional offices can be problematic for people with acute sensory sensitivities, so having more natural light and quiet areas can help them. However, this is likely to be beneficial for some neurotypical people as well.

Universal design supports the social model of disability, which says that disability is caused by the way society

is organised, rather than by a person’s impairment or difference. It looks at ways of removing barriers that restrict life choices for disabled people. When barriers are removed, disabled people can be independent and equal in society, with choice and control over their own lives.

Disabled people developed the social model of disability because the traditional medical model did not explain their personal experience of disability or help to develop more inclusive ways of living.

i Danziger, J Levav, L Avnaim-Pesso, extraneous factors in judicial decisions  
ii M D Lieberman and N I Eisenberger, does rejection hurt?  
iii RH Thaler & C Sunstein, Nudge: Improving decisions about health, wealth, and happiness.  
iv David Rock, Your Brain at Work,  
v Daniel Kahneman, Oliver Sibony, Cass R Sunstein, “Noise: A Flaw in Human Judgment”  
vi Howard E Gardner, Multiple Intelligences: New Horizons in Theory and Practice  
vii Ray Dalio, Principles

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**“IT’S NO SECRET THAT GREAT ORGANISATIONAL CULTURES DRIVE LONG-TERM BUSINESS SUCCESS. HOW OUR PEOPLE FEEL WHEN THEY WORK WITH US DIRECTLY INFLUENCES THEIR WELLBEING AS WELL AS THEIR PERFORMANCE AND THAT OF OUR BUSINESS. THAT’S WHY WE SEE INCLUSIVE CULTURE AS A STRATEGIC DRIVER; AN ESSENTIAL INGREDIENT TO HARNESS THE MANY BENEFITS OF DIVERSITY. IT’S SOMETHING ALL CEOs SHOULD CARE ABOUT, NURTURE AND INSPIRE. THIS GUIDE GIVES SIMPLE AND EASY TO IMPLEMENT ACTIONS THAT CAN HELP US ALL FOSTER INCLUSIVE ORGANISATIONAL CULTURES FOR THE ULTIMATE BENEFIT OF ALL STAKEHOLDERS”**

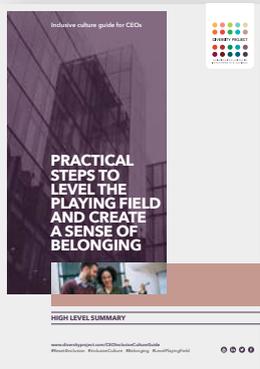
Andrew Croft, CEO, St. James’s Place.

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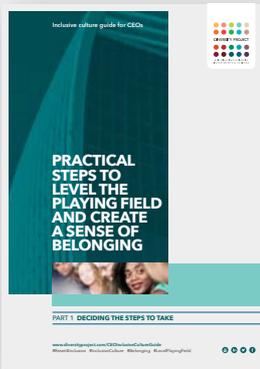
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# Inclusive culture guide for CEOs

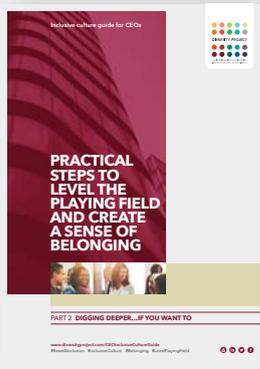
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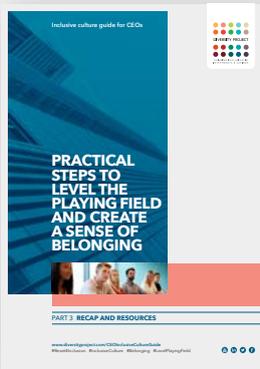
Introduction  
High Level Summary ▶



Part 1  
Deciding the steps to take ▶



Part 2  
Digging deeper... if you want to ▶



Part 3  
Recap and resources ▶



[www.diversityproject.com](http://www.diversityproject.com)

#Reset4Inclusion #InclusiveCulture #Belonging #LevelPlayingField

