

4-step guide to diversity, equity and inclusion in the workplace



Introduction

Wherever you are on your journey, follow these key steps to address root causes, drive lasting change, and make diversity, equity and inclusion a true lever for competitive advantage in the workplace.

Organizations spend more than \$8bn* a year on diversity and inclusion programs. But after decades of investment, disappointingly little progress has been made.

Getting DE&I right is as critical as ever especially in the light of heightened sustainability/ESG requirements. Employees, customers, and investors are demanding meaningful actions and organizations and their leaders have an urgency to show tangible progress.

In a survey we conducted in North America earlier this year 75 percent of respondents said their organizations had enhanced diversity, equity and inclusion efforts, and 54 percent said they had seen an increase in diversity in their talent pool.

But there are still many organizations who don't know where to start. And those further along on the journey, are struggling to take their DE&I efforts to the next level.

There is, of course, no silver bullet. That's why we've identified the four steps leaders need to take to build a diverse, equitable and inclusive organization:

1

Understand the root causes.

Examine the data and listen to your employees.

2

Build inclusive leadership.

Recruit and develop inclusive leaders at every level.

3

Shape behavioral inclusion.

Help your people build inclusive mindsets, skillsets and relationships.

4

Architect structural inclusion.

Use inclusive design to build equitable and transparent structures, processes, practices and algorithms.

*TIME, "Diversity has become a booming business", Oct 201

This guide provides more detail on each of the four areas, and highlights some of the challenges and opportunities you are likely to encounter along the way. However far you've got in building diversity, equity and inclusion in the workplace, we hope this guide helps you accelerate your progress and bring fresh perspectives and thinking to your approach.

Defining terms



Diversity

is the 'mix'.

It encompasses the full range of human differences and similarities. Both identity-based and cognitive.



Inclusion

is making the 'mix' work.

It unlocks the power of diversity.

Behavioral inclusion

inclusive mindsets, skillsets, and relationships.

Structural inclusion

equitable and transparent structures, practices, policies, and algorithms.



Equality

is the promise.

It is equal access to opportunity, advancement, support and reward for all.



Equity

is the fulfilment of the promise.

It is the removal of behavioral and structural barriers in fulfilling the promise.

Making the case for DE&I

Done well diversity and inclusion maximises performance of individuals, teams and organizations in the workplace.

Diverse and inclusive organizations outperform their peers.

70%

more likely to capture new markets

76%

more likely to see ideas become productized

36%

more likely to outperform on profitability

19%

higher innovation revenue

Diverse and inclusive teams make better decisions

87%

of the time

87%

of the Most Admired Companies see a positive impact of diversity and inclusion on their business performance

Why organizations fail to get results

3 common derailers of DE&I efforts

1/

Going on assumptions

DE&I often becomes an emotional issue with various groups of stakeholders engaged in a passionate debate on what to do. However, it's critical to make DE&I decisions based on data and facts. If you deploy your DE&I initiatives based purely on assumptions or dominated opinions, the resulting efforts are likely to miss the mark. There is a high chance you may not address the root causes of underlying issues, weaken your internal alignment and undermine long-term success of your DE&I efforts.

2/

Taking an overly programmatic approach

DE&I needs to be approached as a joined-up strategic imperative and managed as a change effort—with clear priorities, governance, accountabilities and markers of success. When organizations tackle DE&I as a series of standalone DE&I programs we have seen time and again that it simply doesn't stick. It is only when DE&I is sewn into the fabric of the organization's business and talent practices that it becomes a true lever for competitive advantage.

3/

Focusing exclusively on behavioral change

Many organizations have been focusing on behavioral inclusion mostly through deployment of unconscious bias training. However, to drive meaningful results, organizations must take a more comprehensive approach. In addition to behavioral transformation (behavioral inclusion), organizations need to transform themselves at a systemic level, re-examining and reshaping their talent and business processes to ensure they are fair and equitable (structural inclusion). Only by balancing both behavioral and structural inclusion can organizations achieve sustainable outcomes.

1

Understand
the root
causes



STEP 1

Understand the root causes

So, you can't wait to start building your DE&I program? Be warned: rushing in without first developing a detailed understanding of your organization's DE&I gap is a recipe for failure. Companies that make this mistake—and, sadly, many do—risk addressing short-term symptoms rather than root causes and creating lackluster initiatives that do not produce tangible results.

The solution is to begin with a data driven DE&I Diagnostic. This provides a comprehensive picture of an organization's DE&I maturity, confirming sources of pride and uncovering hidden flaws. When done well, a deep diagnostic helps companies discover the true root causes of why they are not as diverse, equitable, and inclusive as they would like to be.

It may require patience (and some courage) to delay your decision-making until after the diagnostic is complete, even as your shareholders, executives and employees are clamoring for action. But it's definitely worth it.

The insights you gain will help you:

- * Understand where you need to focus to make the biggest impact, so you can create targeted interventions that will have a much greater chance of achieving the desired results.
- * Identify which actions you need to prioritize and how best to implement them.
- * Establish a baseline of where you are on your DE&I journey, enabling you to build a roadmap for where you want to go next and track and measure your progress.



How one consulting firm's DE&I assumptions got debunked

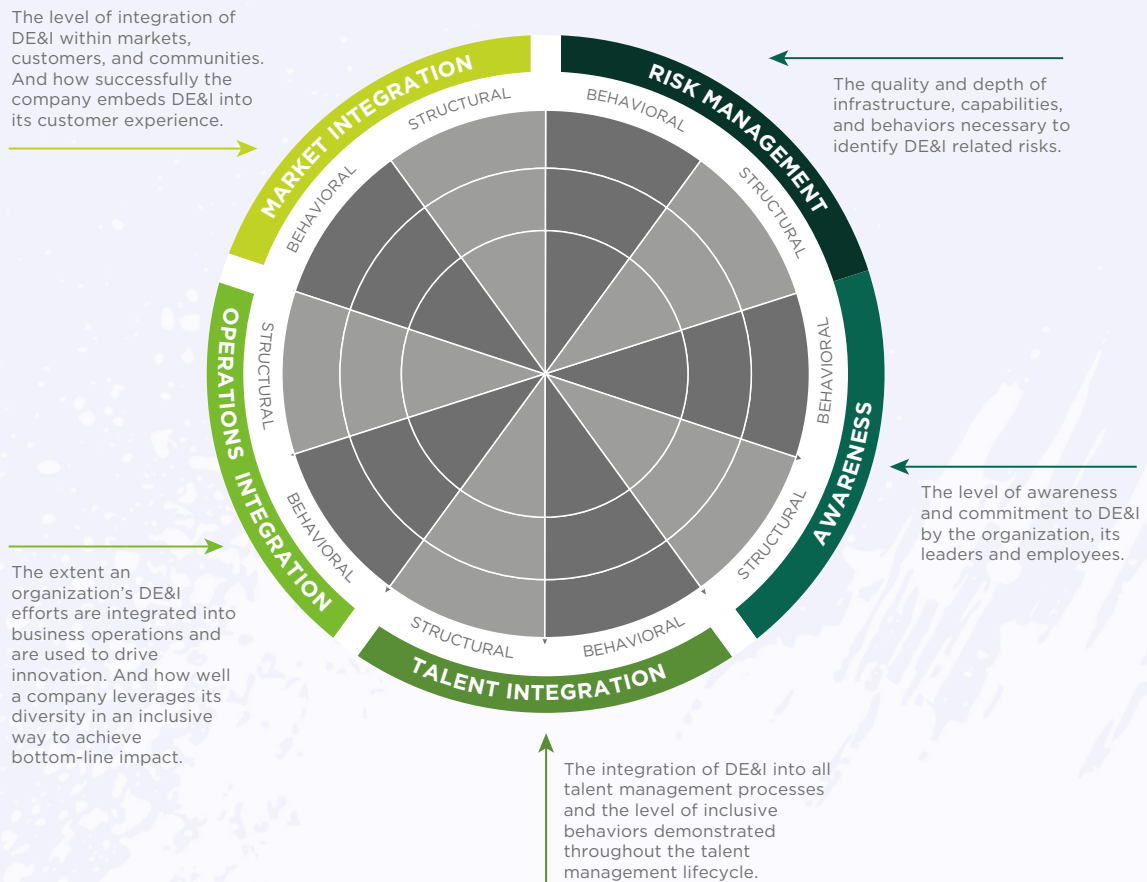
A tech managing consulting firm was having difficulty retaining female consultants, despite achieving male/female parity among recent college graduate hires. The organization was convinced their intense, 60-hour-a-week culture was to blame and that they could address the issue through policies designed to improve work-life balance.

And how did they know this? Well, as it turns out, they didn't. In fact, a deep DE&I diagnostic revealed that the real reason so many talented women were leaving at the five- to seven-year mark was because they were losing patience with their bosses' poor people management skills.

Professionals who excelled technically within the organization were being rewarded with promotions that required them to manage people as well. As it turns out, few of these tech professionals relished their managerial responsibilities—and none of them were given any training or development to help them adapt to their new roles. Of course, this issue affected men as well as women. But structural inequities meant that women suffered disproportionately.

The solution, then, focused not on improving work-life balance but rather on targeting the root cause of the issue by enhancing the way managers were selected, onboarded, developed, and rewarded—and ensuring unconscious bias and conscious inclusion trainings were firmly embedded into the process.





Korn Ferry's DE&I Maturity Model

At Korn Ferry we use our DE&I Maturity Model to measure how organizations are performing on diversity, equity and inclusion across five strategic dimensions: Risk Management, Awareness, Talent Integration, Operations Integration, and Market Integration.

Within each dimension we measure both behavioral inclusion (mindsets, skillsets, relationships) and structural inclusion (structures, processes, practices).

The model recognizes that becoming a DE&I organization is not a linear journey - not every organization starts at compliance and works their way up to market integration. An effective DE&I strategy will have many different strands of activity running simultaneously, working to specific objectives and owned by different stakeholders.



Client perspective

Measuring progress – finding metrics that matter

“Our hypothesis was that lateral movement was one of the key determinants of progression and promotion in our firm. So we looked at over 4,000 lateral moves in our corporation, over about four years. What we discovered from the data was that, of those 4,000 moves, over 90% went to white people, particularly white males.

“We had to look at what the root causes were. And we found that these were manager-initiated moves. For example, someone I work for knows me, we have similar values and we do similar things together. When an opportunity comes open he taps me on the shoulder and says, ‘Hey Connie, I think this would be great for you,’ whether I’m eminently qualified or not. This happens time and time again. And black people and people of color are not part of that discourse.

“So we took that data, looked at it by business unit, then went back to those business leaders and said, ‘Here is what the experience is within your group, here is the outcome, and here is how it impacts engagement and access to talent. You’re leaving people out.’ And then we held those leaders accountable for ways to do it differently. I can make an assertion about a behavior or a practice that I think is structurally or systemically racist or unfair, but I’m also going to bring you the data. That really bears that out in terms of practice and then collectively saying, ‘Here is what we need to do to reform and transform those systems going forward.’”

Connie Lindsey, EVP and Head of Corporate Social Responsibility at Northern Trust
(extracted from [Race Matters](#))

Getting started

Find out where you are on your DE&I journey

Ask

Get your employees to tell you about the issues and barriers they’re facing at work. Effective channels for gathering feedback include online surveys, interviews, focus groups, and one-on-one phone conversations with regretted leavers.

Analyze

Use data to objectively assess how diverse, equitable and inclusive your organization really is. This should include conducting a talent flow analysis to identify where employee hiring, advancement and retention are currently inhibited.

Understand

Understand where you want to go and how fast you want to get there.

This isn’t as straightforward as it may sound. There are plenty of organizational choices that need to be made. Every organization will need to develop its own strategy depending on where it is starting from and its own business objectives.

2

Develop
inclusive
leaders



STEP 2

Develop inclusive leaders

Over the past year a growing number of CEOs have seized the reins of the DE&I efforts in their organizations finally realizing that this was the only way to deliver a DE&I transformation in their organization. These leaders have pivoted from being DE&I champions to being truly inclusive leaders.

Building diversity, equity and inclusion in the workplace starts with inclusive leaders not just at the top but at every level of the organization.

As well as being inclusive in their own thoughts, perceptions, and actions, inclusive leaders are able to inspire an inclusive mindset in others and leverage the diversity within their teams to achieve better performance.

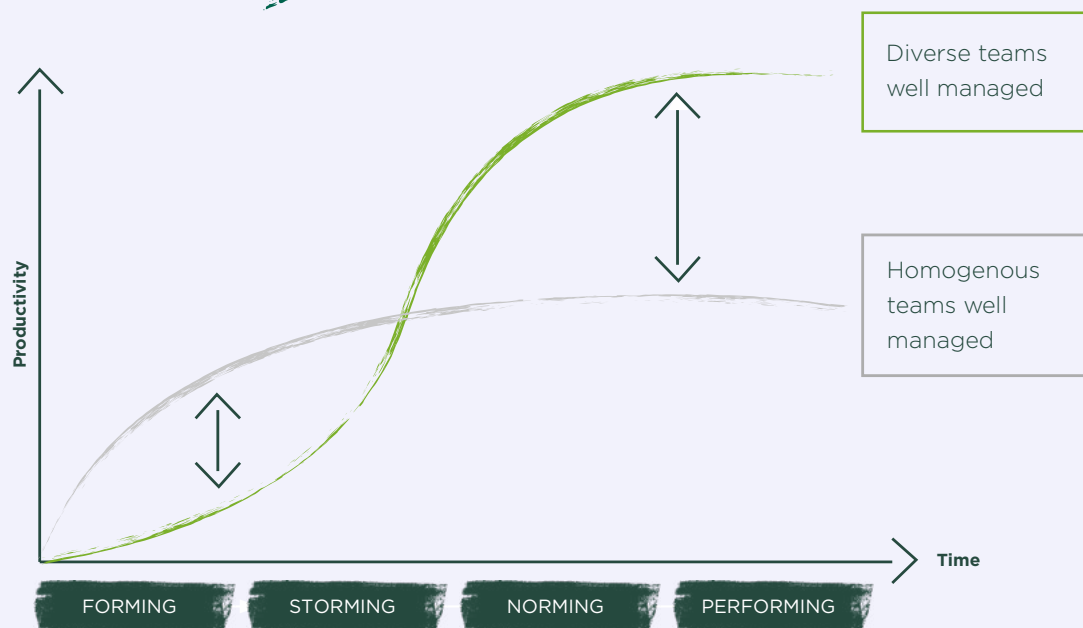
Inclusive leaders + diverse teams = superior performance

Multiple studies including the one by the Canadian researcher N. J. Adler revealed that diverse teams ultimately outperform and out-innovate homogenous teams— but only if they are managed inclusively.

Diverse teams contain people with varied backgrounds, experiences, behaviors and thought patterns. Without inclusive leadership, there is the potential for this diversity to become chaotic, leading to lower productivity and engagement, and higher turnover.

Even when diverse teams are managed by skilled inclusive leaders, they may be outperformed by homogenous teams in the early stages because of the disruption that can result when different perspectives and communication styles are brought together.

Given time, however, diversity will lead to better performance, as long as the team is managed by someone who is a self-aware advocate for diversity and has the inclusive skills to leverage the differences within the team.



Graphic designed by Alan Ritcher based on 3 different research studies authored by Joseph Distefano and Martha Maznevski, Katherine Philips and Bruce Tuckman.



What is inclusive leadership?

Through fieldwork and analysis of over three million leadership assessments, Korn Ferry has developed a profile of the inclusive leader. It consists of five enabling traits and five competencies, which we call the five disciplines.

Enabling traits

Traits define who someone is. They include an individual's personality, sense of purpose, values, and preferences. The five enabling traits of inclusive leadership (shown in the central circle of the model) are what leaders need to possess and activate to enable new behaviors and actions with organizational outcomes.

The five disciplines

While the enabling traits are foundational for inclusive leadership, they are not enough. An inclusive leader must also possess the skills to lead inclusively. In other words, it's not just about who

you are. It's also about what you can do. The competencies of inclusive leadership, are shown in the outer ring of the model.

.....

Unfortunately, inclusive leaders that exhibit all the behaviors outlined in the profile are difficult to find. In fact, we analyzed the assessments of 24,000 leaders in our database and could not find one who fell into the top 25th percentile for all ten inclusive traits and disciplines. The good news is that inclusive leadership can be assessed, coached, and activated.



Client perspective

How one CEO integrated diverse perspectives at the top

Everyone expected the meeting to unfold as most did at this company: introductory comments by the CEO, issue for discussion put on the table, and a few aggressive and dominant people monopolizing the conversation. This dynamic had created a culture that stifled many points of view. It created both overt and covert conflict, which left most leaders with the pervasive feeling that disagreement with the few dominant leaders was too risky. But this time the script played out differently.

Rather than passively allowing the alpha leaders to dictate the course and outcome of the discussion, the CEO paused the person driving toward a conclusion and respectfully said, “Our success and transformation depends on thinking differently and creatively. I’d like us to slow down a bit and widen our lens. I want to be sure each of you is giving your best thinking before we make any final decisions. I know it will take more time, but I want to hear all perspectives.”

He then solicited input from everyone at the table, deftly drawing out those who were quiet, and firmly, but politely, keeping the dominant team members in check. Despite that, at one point, as others kept interrupting one of them, the CEO helped stay the course of the new dynamic he was seeking to instill: “Please let him finish his point.” He demonstrated skill, sensitivity, and determination in ushering each person into the dialogue and making everyone feel heard.

What emerged was extraordinary. The discussion pivoted away from the initial topic to addressing the culture of exclusion and how many didn’t feel safe to speak up.

Rather than shut it down because of the agenda, the CEO encouraged people to share their experiences. One person mentioned that, in his culture, interrupting or grandstanding in meetings was taboo; another said that, as an introvert, it was too difficult to compete with the extroverts; a third said if they had listened to more people who understood a target customer, they wouldn’t have failed with a recent product launch.

Then another member spoke up, his voice tight. “I am ashamed to admit this, but I knew [a major strategic play] was stupid and would be an expensive mistake. But because I did not want to be ridiculed, I did not speak up.” He paused, and then added, “I deeply regret it to this day.”

You could hear a pin drop. But rather than run from the conflict, the CEO leaned in. He said, “This is so valuable to hear. I didn’t realize. So what more do we need to do? How

Getting started

Identify and develop inclusive leaders at all levels

1

Assess your leaders to find out how inclusive they are and where the gaps are for development.

2

Put programs in place to help leaders develop inclusive leader competencies and put them into practice. Korn Ferry has recently launched a [scalable inclusive leader development solution](#). Leaders are assessed against the Inclusive Leader Profile then are taken through a bite-sized, personalized learning journey via a single user-friendly platform.

3

Give leaders access to just-in-time tools that can interrupt their behavioral bias.

should we change our meetings?” And then he devoted the rest of the meeting to defining new, more inclusive team norms.

At the close of the meeting, the CEO stated that they would invest time in all meetings to hear everyone’s perspectives; that inclusive team behavior would become a central part of the culture, moving forward. The positive impact on the team’s engagement and on the quality of the dialogue and the decisions that came of it was so strong that each member conducted similar sessions, using this same principle of integrating diverse perspectives with their teams.

3

Shape
behavioral
inclusion



STEP 3

Shape behavioral inclusion

Unconscious-bias training has been dominating DE&I training in almost all major corporations—and with good reason. It's a useful first step for giving people a safe space to build self-awareness and recognize their inherent prejudices without feeling judged. But it's not enough on its own to break down the barriers holding back traditionally underrepresented talent. Awareness doesn't

automatically translate into action. For real change, you need your diversity and inclusion training to develop inclusive behaviors.

Inclusive behavior training leads individuals on a journey of self-discovery, equipping them with the ability to act on their self-awareness and become more consciously inclusive. It gives them the skills, competencies, tools, and techniques that turn awareness into moment-to-moment actions that help people go from micro-rejections to micro-affirmations and from micro-inequities to micro-equities (see overleaf for definitions), and to make judgments based not on erroneous assumptions but on a deep understanding and appreciation of difference.



“There is still too much ‘banter’ and ‘gentle ripping’ as far as one side of the table is concerned and, on the other side of the table, people who feel insulted or hurt. Dealing with these micro-incivilities and micro-aggressions is really important for us, as senior managers and as board members. I think that will help build the sort of society you’re looking for in your organization where everybody does feel safe, secure and valued.”



David Tyler, Chairman of The White Company and Domestic and General

Defining terms



Unconscious biases

are the blind spots that distort our attitudes, actions and decisions concerning those who are different from us.

For example:

A hiring manager dismisses the resume of an applicant without a college degree, even after recruiters have deemed the applicant suitable.



Micro-inequities

are day-to-day exchanges that transmit a sense of subordination from one individual to others based on any number of social identities, including race, gender, sexual orientation, socioeconomic background, nationality, religion, and disability. For example:

Men monopolizing speaking time and constantly interrupting their female colleagues.

.....

Making assumptions about qualifications or abilities that are distinct from work output.

.....

Using outdated language to refer to a racial or ethnic group.



Micro-affirmations

are small gestures of inclusion, caring, and listening that enable everyone to succeed through equal opportunity and treatment. These are grounded in an environment marked by generosity, credit-giving, support, and respect for all—the culture of an inclusive organization. For example:

Acknowledging excellence demonstrated by colleagues without bias.

.....

Providing direct reports equal access to development opportunities.

.....

Affirming emotional reactions and validating the experiences of different individuals.

Making the case for differentiated development

Another form of behavioral inclusion is differentiated development for underrepresented talent. But we know that a lack of inclusion is not the fault of people from underrepresented groups. So, should we really be asking them to adopt different strategies to advance their careers?

First, let's consider the additional barriers that people from underrepresented groups have to overcome within organizations. If we want to unlock the full potential of this talent, then it seems only fair to provide them with additional training and development as well.

Second, let's look at what works. Research has proven time and again that there are actions people from underrepresented groups can take to increase their chances of advancement. We know, for example, that individuals will often internalize the negative expectations of others, impacting their confidence and, in some cases, resulting in the gradual withdrawal of effort. We also know that training can reverse this effect. When participants learn they have power over how their career progresses and can make choices about how they react to the barriers they face in and outside of work, they go on to achieve great things. We call it the **Power of Choice**.



Case study

A Latina employee found she lacked the confidence to speak up at work. The culture of her organization, while positive overall, was very competitive. In meetings, people had to fight to be heard.

After undertaking a program of differentiated development, she was able to attribute her struggle to growing up in a culture where the group was more important than the individual. For her, speaking up in meetings felt like disrespecting the group dynamics.

The program helped her identify a threefold strategy to change how she contributed:

- 1** Reconcile her cultural upbringing with how she needed to take charge in meetings in order to be heard.
- 2** Improve her financial and strategic acumen so that she could speak confidently and more effectively in the language of her peers.
- 3** Build rapport with her peers by socializing her ideas prior to meetings.

By modifying her approach and building an action plan, she completely changed how she interacted in meetings and is now considered a key contributor with leadership potential.

Getting started

Educate employees and empower underrepresented groups

Run unconscious bias training AND conscious inclusion training for all employees.

It's critical that you give your employees the opportunity to practice being inclusive. Familiar work situations such as interviewing, mentoring, managing performance, and conflict resolution can all lead to unconscious bias. By simulating these situations, you can help individuals learn to make judgments based not on assumptions but on a deep understanding and appreciation of difference.

Design and deliver differentiated development for underrepresented groups.

The aim should be to give people the tools and the confidence they need to take ownership of their careers.

4

Build inclusive
structures
and processes



STEP 4

Build inclusive structures and processes

Talent systems are meant to optimize human performance. But many of them have in-built biases—known as systemic biases—that privilege certain groups over others. These biases may have been built in unconsciously or intentionally. Either way, the effect is the same: they undermine the progress,

not only of traditionally underrepresented talent but, in fact, all talent.

Organizations that are serious about becoming diverse, equitable and inclusive need to remove these exclusionary forces and create an environment where all employees are empowered to contribute, develop and reach their full potential. In short, they need structural inclusion.



What is structural inclusion?

If behavioral inclusion is about tackling individual biases, then structural inclusion is about putting equitable systems in place that prevent those biases occurring in the first place—and that correct them when they do. Structural inclusion is what makes behavioral inclusion stick.

Why is structural inclusion necessary? Because, without meaning to, most organizations create processes and practices that are designed for a “default employee”. And in many, the “default employee” tends to be male, heterosexual, able-bodied, native English-speaking and white.

For people who do not share these characteristics, that is obviously a massive problem. (If you’re not the default, the systems and practices are not designed to support you the way need to be supported.) But it’s a huge problem for organizations as well. To compete effectively, a business needs to be able to harness the full power of all its people. And how can you do that if you are repeatedly overlooking large pools of your talent?

Structural inclusion involves reexamining your talent systems and asking, who exactly are we designing our organization for?



Redesigning talent systems using inclusive design

One potential solution to the problem of in-built biases is to turn the “default employee” model on its head and design around the needs of overlooked talent instead.

This approach, known as “inclusive design”, has already proved highly successful in the world of product design. Its pioneers recognized that, when designing around a default majority user, we can often overlook the needs of the minority, resulting in sub-optimal solutions. The key is to start by designing to the needs of the most excluded users and, in doing so, create products and services that were better for all.

Urban design can provide us with some inspiring examples. One great example of inclusive design is curb ramps, an adaptation for people with disabilities that has gone on to benefit joggers, cyclists and buggy pushers as well. The same can happen if we apply the principles of inclusive design to talent systems. Start by designing with the overlooked user in mind, and you don’t just benefit that user—you actually create a system that is better designed for everybody.

Four steps to designing inclusive talent systems*

1

Define equality

Your inclusive design journey should begin with an explicit declaration of what kind of equality your organization stands for and how it manifests itself in talent management practices and processes. You must then ensure your organization's policies support this declaration.

2

Unearth inequities

The second step is to unearth areas in your talent systems where there are disparities.

Ask questions such as:

Is the organization living up to its commitments on equality?

.....

What are the gaps in how different employees experience the organization?

.....

Do leaders reflect the full diversity of talent pools? If not, what's causing it?

.....

Is all talent being paid equally for equal work?

3

Learn from diversity

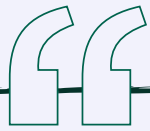
The only way to ensure your organization's talent systems aren't perpetuating inequities is to modify or create systems using input from all users. You must begin with the needs, wants, and aspirations of the most excluded user rather than assuming similarity and building your solutions around that.

4

Solve for one, benefit all

Science and experience show us that if we can make something work for the exception, we will end up with a better design for all. Inclusive design leads to a more inclusive organization.

*These steps are adapted from the inclusive design principles developed by Jutta Treviranus, the founder and director of the Inclusive Design Research Center (IDRC) at OCAD University in Toronto.



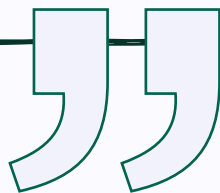
Client perspective

“At Bloomberg, we do not have corporate titles. Nobody has an office. Everyone sits at exactly the same size desk across the organization—and that includes Mike Bloomberg who sits on the floor with everybody else. That was purposely done to allow innovation to thrive, to get rid of hierarchy and to create equity within our organization... Our set-up gives people the freedom to move and navigate across the organization without fear of being too junior or not senior enough.”

Pamela Hutchinson,
Global Head of Diversity
and Inclusion, Bloomberg

“We achieved gender pay equality this year for all our 8,400 employees, after working on eliminating unjustified gender pay gaps since 2016. What’s critical is that we’ve made it part of our HR processes—because this is not a one-time assessment. To be gender pay equal, you have to keep assessing it as part of your salary review process.

Kristen Anderson,
Chief Diversity Officer, Barilla



Getting started

Apply inclusive design principles to your talent systems

Put yourself in the shoes of a challenged user or overlooked talent and think about what working at your organization might feel like to them:

- What do they think and feel?
- What do they hear?
- What do they see?
- What do they say and do?

Then redesign your talent processes around this person.

Solve for one, benefit all.

CONCLUSION

Helping
you on
your journey



Building a diverse, equitable and inclusive organization is a major change project. Not only will you need to change the behaviors of your leaders and your teams but also tackle the inbuilt bias in your structures and systems. It will take courage and perseverance.

But it will be worth it.

Because you will build an organization with the potential to innovate, to solve the unsolvable, to identify your customers' needs faster and more effectively. You'll attract the best talent and you'll change the lives of your employees, customers and communities. And you will build inclusive organizations for all.

We can work with you to build a data driven DE&I strategy, develop inclusive behaviors in your leaders and employees, empower your underrepresented talent and redesign your talent systems and processes.

Contact Us



Client perspective

"We knew that if we didn't hold our leaders accountable for driving D&I, then it didn't matter how many policies and practices and initiatives we put in place. It would all just be a waste of time. So, about six years ago, we sat down with all the heads of business globally and we required them to put in place a diversity plan for their business, which had to mirror the employee lifecycle—from attract and recruit to develop and retain.

"To hold them accountable, the Chairman and myself, as Global Head of Diversity and Inclusion, call them to a meeting twice a year to walk through the progress they have made against their plan. And this year, we extended it to ensure that Mike Bloomberg and every member of the management committee participated in those meetings as well."

Pamela Hutchinson,
Global Head of Diversity
and Inclusion, Bloomberg



Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers. Our 7,000 experts in more than 50 countries deliver on five core areas: Organization Strategy, Assessment and Succession, Talent Acquisition, Leadership Development, and Total Rewards.

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