

WHITEPAPER

The future of diversity, equity, and inclusion

How will it
impact leaders?

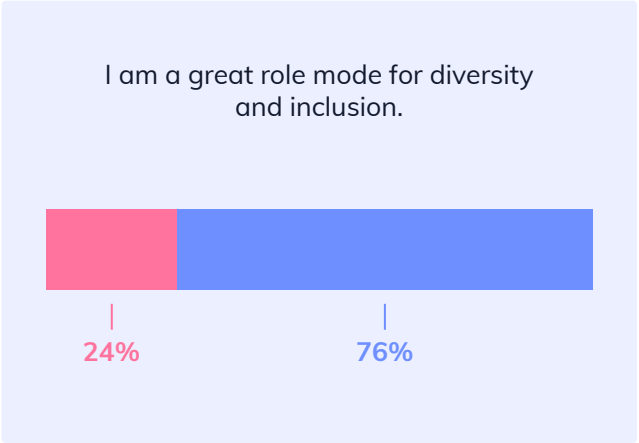
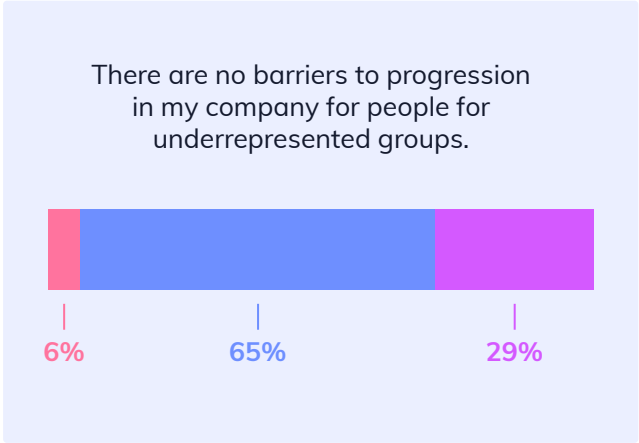
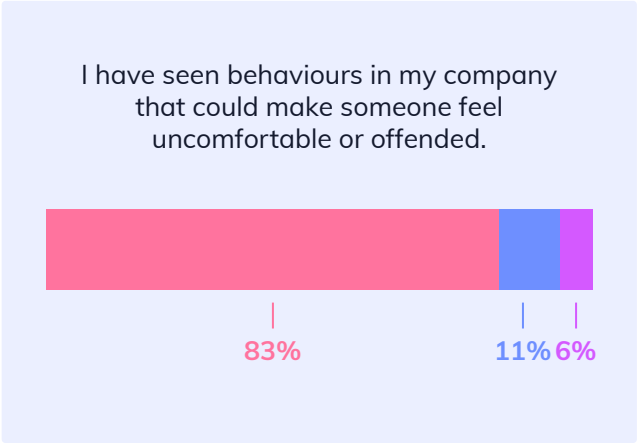
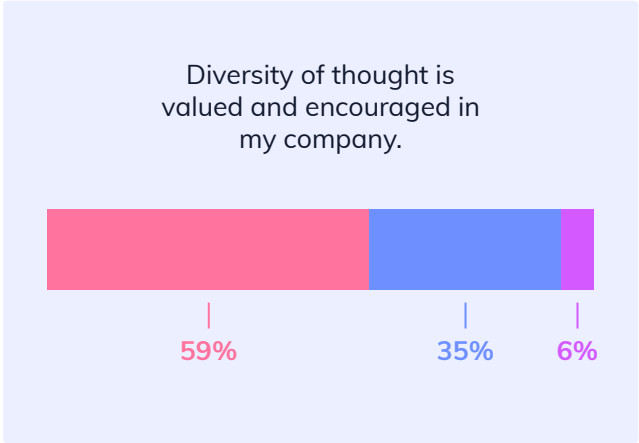
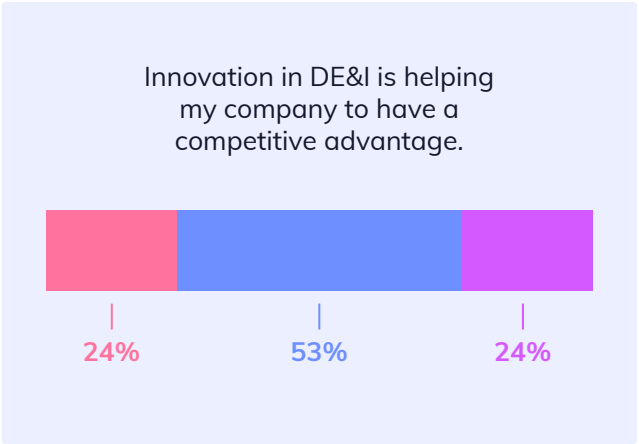
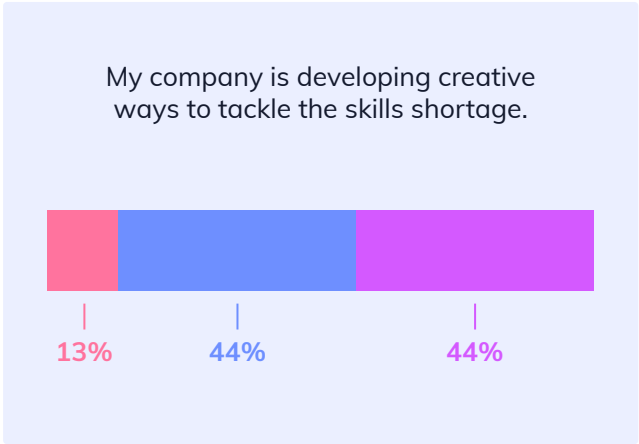
At New Street Consulting Group (NSCG), we have partnered with the award-winning diversity consultancy Global Diversity Practice to share our top five predictions for leaders on how the landscape around Diversity, Equity, and Inclusion (DE&I) will continue evolve over the coming years ahead.

We also co-hosted an event with the DE&I experts and surveyed the room of leaders who attended to get a feel for where they felt they are on their journey. Here's what they said...



They also said...

KEY:



It seems that leaders have a real appetite for tackling the issue but are aware that most are very early in their organisations' journey to do so. With that in mind, we've highlighted some areas leaders should be mindful of as they progress with plans.

Our future DE&I predictions

1. Moving beyond unconscious bias training

Organisations need to continue to educate their employees about the relevance of unconscious bias. But hiring a DE&I consultant for an hour to train an organisation about unconscious bias, sensitivity training, and inclusion, is just a start. A one-hour training is not enough. Continuing education surrounding DE&I takes time and is well worth the investment and commitment. The end result? Leaders who become better people, organisations that flourish as their employees feel included, and satisfaction in doing what is right.

Unconscious bias (UB) training is not the new kid on the block. But there is going to be a shift in the way interventions are designed and implemented.

Switching gears from just managers and leaders to include all employees (because we all have biases!) through engaging internal communication campaigns. Organisations recognise that all employees from the ground up need to be sensitized for a culture shift and a lasting impact.

Many organisations will start conducting periodic employee engagement surveys to understand the impact of UB training to assess shift in aspects such as company culture and employee experiences, which will help in deciding the next course of action.

But in implementing these efforts as one-off and isolated attempts, there is risk that businesses could even be reversing any progress made so far. For example, we know that UB training does not work by itself.

People working within the DE&I space already know it's about doing the 'real' training, the 'real' development, the 'real' inclusion piece, all of which mean doing more than one-off training. But to achieve this, it's clear we need to invest more time and effort into engaging with the majority. In this case, 'majority' refers to those who are not from disadvantaged or underrepresented groups.



2. Focusing on equity and belonging

The field of DE&I has never evolved more rapidly than in the past two years. We have learned that more traditional D&I is not enough in a society that is inherently biased. This has helped the field move towards 'diversity, equity, and inclusion' (DE&I).

But, being diverse, equitable, and inclusive is not enough to create a work environment that helps people get the best out of themselves and one that will be fit for the new era of work. Even a workplace that intends to be diverse, equitable, and inclusive sometimes fails to retain employees from underrepresented groups because they don't feel like they belong.

Belonging at work adds to the DE&I equation. Belonging in the workplace brings a shift towards psychological safety and real inclusion.

Belonging is a key factor for organisational success:

It positively affects retention.

40% of respondents with a strong sense of belonging **rarely think about looking for a job elsewhere**, versus 5% of respondents with a low sense of belonging.

It boosts productivity.

45% of respondents with a strong sense of belonging say they are their **most productive self at work**. Only 6% of those with a low sense of belonging say that.

It's the best kind of employer branding.

51% of respondents with a strong sense of belonging would recommend their company as a **great place to work**, versus 4% of those with a low sense of belonging.

3. Linking DE&I to purpose and values – Gen Z

Now more than ever, people are looking for a purpose in what they do. In the workplace, this means that they want to resonate with the mission (i.e., the 'what') and purpose (i.e., the 'why') of the organisation they work for – or are looking to work for.

So, mission and purpose it is, but what does this mean in practice? First of all, it's time to take a look at your organisation's own mission and vision. How are they formulated? Do they still reflect the core of what your company is about? Or is it time to finetune them here and there?

Secondly, your mission and purpose need to be visible. You want it to become virtually impossible for candidates not to notice your company's purpose.

Generation Z is the most diverse generation and perhaps the most socially conscious generation yet. As they start to make their way into the workforce leaders need to be sure they're able to attract the best talent by ensuring the things that they consider important are aligned to an organisation's purpose and values.

Businesses that only cater to the present generation's need for a quality experience, but not social impact, need to think again.

4. ESG driving corporate governance of DE&I

DE&I and Environmental, Social, and Governance (ESG) are two areas that have firmly placed themselves at the top of the corporate agenda in recent years. Whilst they are often viewed in separate streams, they are in fact interdependent. DE&I can strengthen each of the three components of ESG. Here's how...

Environmental

A diverse pool of employees is more likely to be aware of how environmental issues affect different areas and communities, which enables the business to introduce strategies that reflect local needs. In-depth, first-hand knowledge is vital when designing innovative solutions for reducing a business' environmental impact.

Social

This aspect of ESG focuses on how a company manages its relationships both internally and externally. It looks at work conditions, health and safety and diversity. Companies who actively recruit people from a range of ethnic and social backgrounds score high in this area of ESG. Research has shown that 35% of an employee's emotional investment in their work and 20% of their desire to stay within their existing company is down to how included they feel in their workplace. Therefore, DE&I undoubtedly results in more loyal, hard-working and dedicated employees.

Governance

This examines executive decision-making and leadership style. It considers factors such as equal pay, equal opportunities and potential corruption. Equality and ethical leadership behaviour underlines every DE&I strategy. Employees - and other stakeholders- know they can voice their concerns and that problems are quickly dealt with. Repeated research has shown that gender-diverse boards are linked to improved investment efficiency, better engagement between board members as well as less fraud cases and

operations-based lawsuits. The inclusion of women on corporate boards also increases the likelihoods of discussion on social issues, climate change and work/life balance.

Effective DE&I and ESG reporting

Companies often find it difficult to set metrics for their DE&I efforts. Aligning DE&I strategy to the business case and targets means that you can use the same performance indicators to show the impact of DE&I. Work your DE&I mission into your company's prospectus and documentation to ensure that all stakeholders are aware of your commitment.

Add DE&I metrics and report on diversity programmes as part of your annual sustainability report. Decide which diversity and inclusion metrics you want to include and how to source the data. Relate your DE&I strategy to your values and link its importance to the company operations.

See our report '[Sustainability: Who's responsible anyway?](#)' for more insight on how ESG is shaping organisations.

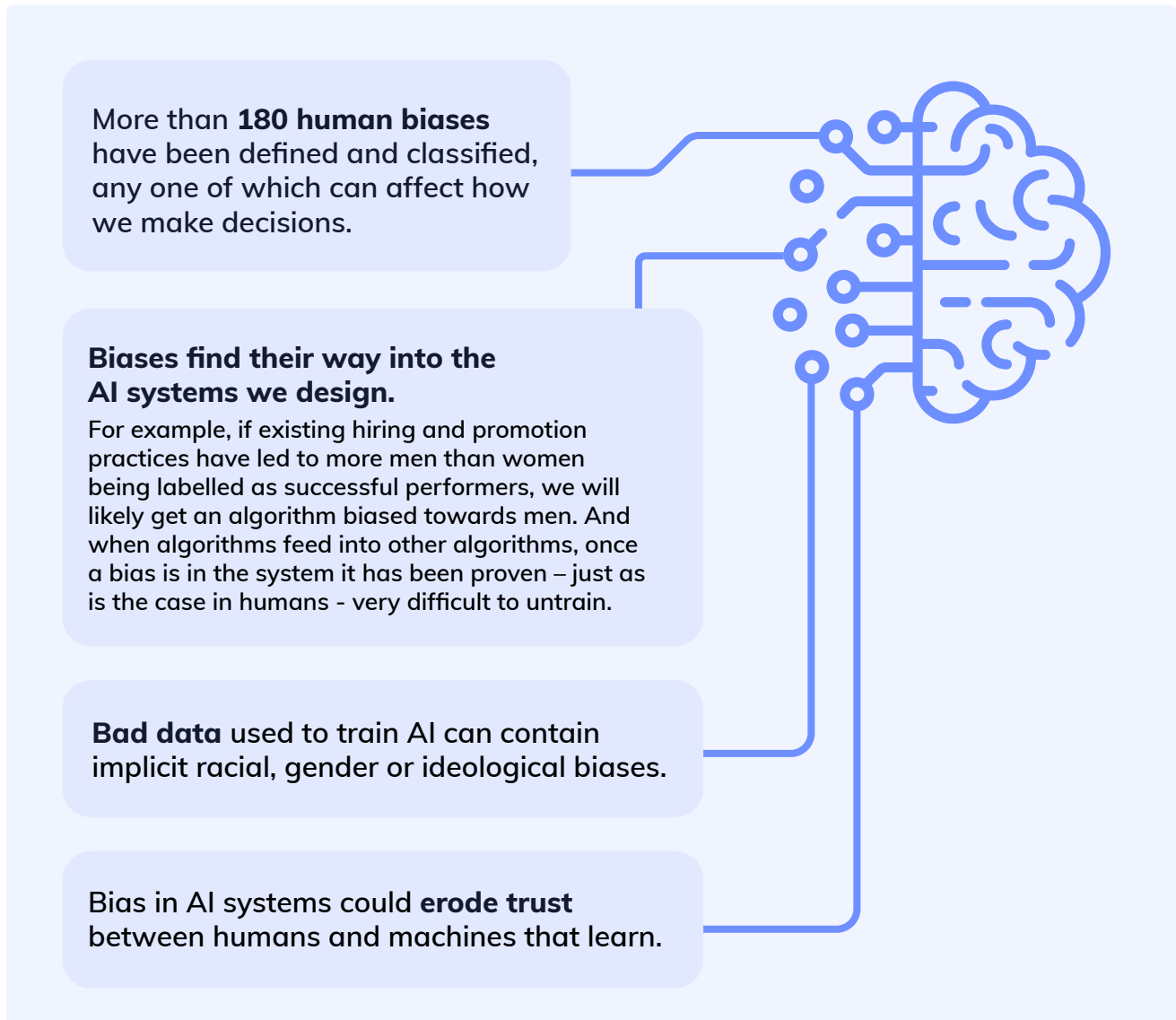


5. Widespread adoption of Inclusive Technology Tools

With the economy strained, thinning margins and tightening up of operations, organisations' need to source large volumes of candidates and hire top talent is at an all-time high. Artificial Intelligence (AI) powered tools are already helping many to

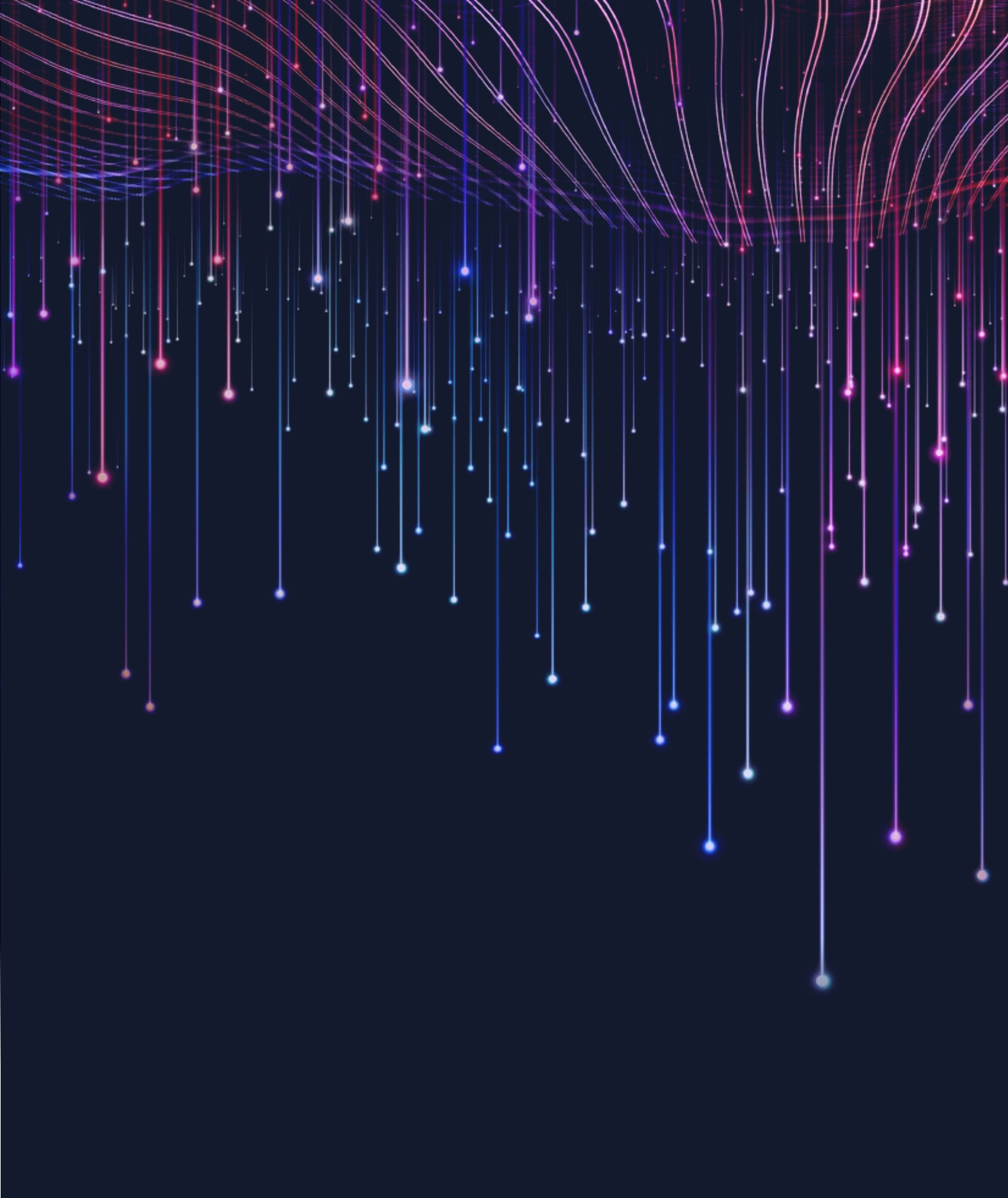
attract, retain, and train the best available talent against this backdrop.

But whilst building in efficiencies, there are a number of challenges it also raises:



As AI starts to penetrate the workplace, it goes without saying that if biases get into AI, it could have negative repercussions for minority groups, adding prejudice to hiring, promotions and salary decisions. Where the opportunity comes is if we

can train AI to spot the biases. It would open the possibility of being able to use the tech to truly support DE&I in its own use as well as in the people who use it also.



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