





## Who is this eBook for?

This document is for anyone responsible for integrating diversity and inclusion within their organisation. Whether you're a HR practitioner, change manager or CEO, if you're looking for practical information to help you get started, this eBook is what you need.

## How can this eBook help you?

Penny Strutton Ltd is an organisational development consultancy based in Nottingham. Co-founder of the East Midlands HR network, we have drawn together HR professionals from across the region to share their experience of embedding Diversity and Inclusion in the workplace.

Through a series of diversity "hackathons and exchanges", we've identified solutions that can help meaningfully operationalise diversity and inclusion. In combination with our experience working with clients across the country, we've written this guide to highlight problems and provide practical solutions that can be implemented by anyone with the D&I remit.

This book certainly won't reflect all the problems or provide every solution, but we believe it will give significant food for thought to help enhance your D&I efforts.

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## Diversity and Inclusion – what's it all about?

At Penny Strutton Ltd we believe a diverse and inclusive workforce delivers untold business benefits. Organisations that integrate diversity and inclusion (D&I) into their everyday culture are proven to have a more engaged workforce, find it easier to recruit and retain their people and are better able to innovate, effectively producing products and services that meet and represent the needs of their diverse customer base.

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## What do we mean by diversity and inclusion?

Some organisations just focus on diversity. Having a healthy mix of gender, ethnicity, disability, age and sexual preference amongst the workforce is a step in the right direction. However, if people don't feel accepted for their individuality and difference, then organisations are merely ticking a box. Inclusion is the utopia all organisations should aim for. Inclusion occurs when individuals feel safe to be themselves, regardless of age, sexual preference, gender, ethnicity or disability. They feel valued for who they are as individuals and trust that their ideas and contributions will be listened to and responded to equally.

The phrase "bringing your whole self to work" is central to inclusion. If individuals are not having to waste energy and anxiety about covering up something they feel might be looked down upon, then their enthusiasm and focus will be on the job at hand.

So what does inclusion look like on an everyday basis? Individuals being asked and encouraged to get involved and have a say, colleagues demonstrating interest in different views and taking time to understand different perspectives.

Managers encouraging involvement from the whole group and providing opportunities that are eligible to a broad range of skills and abilities. People processes that encourage feedback and reward contributions. Inclusion is about harnessing the full potential of your whole organisation, enabling excellent business outcomes to be achieved but also gaining a loyal and motivated workforce.

## The D&I circle...

We have worked with many organisations, from PLC to voluntary organisations plus partnered with the likes of Eon, HSBC and Nottingham City Council to generate conversation around D&I and identify barriers and solutions to meaningfully operationalise D&I across the organisation. We identified five areas that need addressing for this to occur: Education, Employees, Leadership, Employee Lifecycle and Culture.



## LEADERSHIP

Without leadership buy-in, it is almost impossible to truly operationalise D&I. A leadership team that understands the benefits of D&I will support it being integrated at all levels within the business. Importantly, leaders that believe in D&I will become authentic roles models, actively demonstrating and endorsing inclusive behaviours.

## EMPLOYEES

To truly realise diversity and inclusion each and every employee needs to understand the benefits individuality brings. With D&I typically being rolled out through individual initiatives, many employees become disengaged as they fail to see the personal benefit in their day job. Building an understanding of D&I, such as helping them understand issues such as “unconscious bias” and recognising inclusive opportunities, will ensure everybody can benefit from inclusion, not just those that identify with the protected characteristics.

## EDUCATION

Often, leaders are not aware of the business benefits of D&I. Providing a programme that educates the leaders is the first hurdle to gaining buy-in. This doesn't mean a one-off training day! Providing a mix of experiences will help portray the multiple benefits and help leaders adapt their mind-set and work through their own prejudices. It's not just the leaders that need educating, a programme needs to be cascaded across the organisation but the people processes must be in place to support and reward new behaviours.

## EMPLOYEE LIFE CYCLE

Employing with diversity in mind is a two-step process. More organisations are working hard on ensuring their recruitment process embraces diversity, however this is not enough. Organisations need to place equal value on retention. They need to ensure that the “promise” made at recruitment can be realised through the internal people processes - such as people development programmes, reward and recognition and through activities such as strategic and operational problem solving.

## CULTURE

Diversity and inclusion should not be just another initiative. Taking the time to identify an aspirational culture where D&I is built into everyday practices and behaviours is critical for getting it right over the long term. Culture change doesn't occur over night so it's important to involve the workforce from the start, set expectations, integrate new processes and reinforce them through new symbols and rituals, recognition and reward schemes, performance management and recruitment. And remember, it's not a one off event, refreshing and renewing the culture will be an ongoing feat!

### Starting with the data

Having a strong D&I strategy and culture is not about quotas and box ticking, however, understanding the diversity of the workforce is still a critical task. Conducting a D&I audit will help businesses build a robust D&I strategy and change programme as it will highlight gaps and opportunities. To help build trust in the process, organisations should communicate why the information is necessary and emphasise the positive outcomes the data will help to achieve. Auditing your workforce needs to be followed by visible change or feedback, this will help build buy-in in future surveys and build trust in the process.



**The values and behaviours that contribute to the unique social and psychological environment of an organization**



Many organisations have assigned budget to D&I initiatives and have then been disgruntled that they've failed to deliver a return on investment.

Embedding D&I does require time and money, but if approached as a company wide change process, the return on investment is almost guaranteed. To achieve this, **organisations need to identify their aspirational culture**, understand how the company will be operating when D&I is fully operationalised, then work at every level in the organisation to embed new policies, procedures and behaviours to realise the objective; so D&I activities become “just the way things are done around here”.





## Typical hurdles our clients face:

### Problem:

We are ready to address our culture to embed D&I but don't know what good looks like.

### Impact:

Unclear objectives can result in sloppy change management and engagement, breeding scepticism and cynicism when change isn't visible. Taking time researching, speaking to others, and where possible, spending time in businesses with successful D&I, will help refine the vision and create achievable objectives.

### Problem:

The current, non-diverse teams are successful and our leadership see value in these high performing cliques. Our leadership don't want change.

### Impact:

Although successful now, organisations will get more of the same and battle to generate new ideas and products, restricting them from adapting to change and losing the edge on the competition. Introducing systems that support diversity and backing them up with organisational policy will help attract new and diverse talent. Educating leaders on the benefits of D&I is always a good starting point.

### Problem:

We want to create a great culture for everyone, but we don't know what our culture is or what diversity means for us.

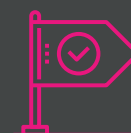
### Impact:

Any D&I activity becomes yet another "initiative" which fails to embed into the everyday norms and practices within the company. Organisations need to identify the benchmark from where to start the change process, but also spend time identifying the vision for what they're trying to achieve.

## Did you know...



Research conducted at McKinsey (2014) has shown that companies with a commitment to having a diverse leadership are more successful. Companies that ranked highly for gender diversity were 15% more likely to produce financial returns above their national industry median. Companies that ranked highly for ethnic diversity were 30% more likely to have financial returns above their national industry median.





### Have you asked yourself these questions? **How do we...**

1. Share D&I values and aspirations across the business?
2. Get every individual to feel part of our D&I agenda/strategy?
3. Build a culture that enables execs to meet their targets without mandating positive discrimination?
4. Help all employees feel part of one big family and to feel safe to engage with/learn about/ ask about people with different cultures?
5. Help the company to understand and define its own culture and what diversity means?
6. Help the CEO understand cost and skills required?
7. Help everyone feel what it's like to be in an inclusive environment?
8. Help everyone have a voice about fears and hopes?
9. Support and reward the small behavioural changes?
10. Celebrate milestones in culture change journey?



## Ideas to consider when approaching a culture change:

### The Business Case



**Develop the business and financial case:** use research, statistics, case studies and company data (including turnover, recruitment, engagement etc).



**Create and deliver a campaign** for developing buy in and support from leadership and board (it might take some time – remain positive, resilient and forever creative with methods to influence buy in).



**Set out a provisional route map** for success with a time frame, responsibilities, budget etc.

### Visioning: Defining your aspirational culture



**Facilitate sessions with your senior team** about the future and the possibilities - use company data and business strategy to help them understand how the business will look/feel/operate.



**Spend time in another business** that has already achieved D&I integration. Create a Buddy programme with it to help leaders learn and build their commitment



**Engage the workforce,** communicate intentions and get their input in the vision and ideas on how this might be achieved.

### Strategy:



**Begin with an audit** that helps you understand what you have now: it creates a benchmark for future assessment and evaluation.



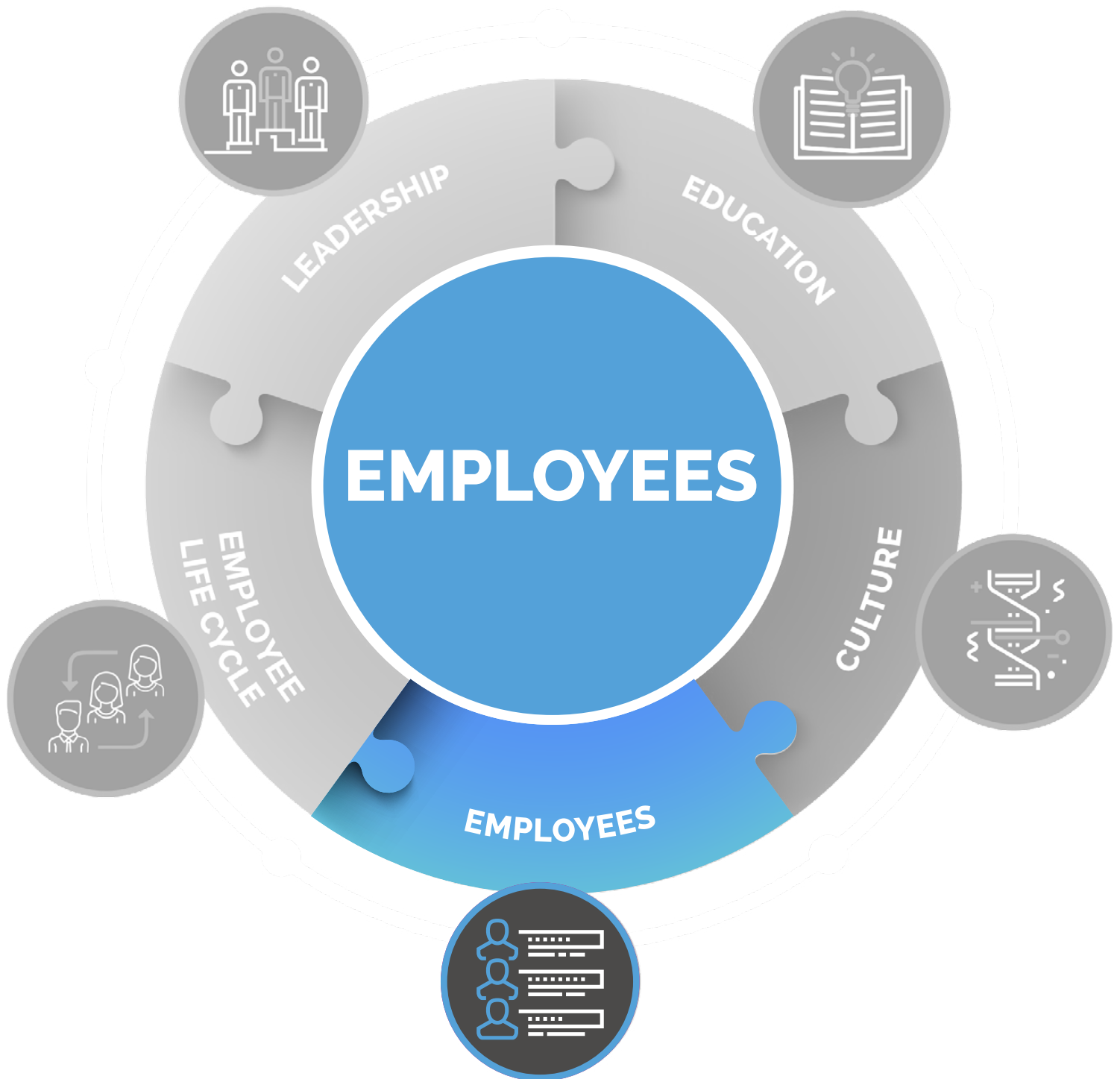
**Create a long list of recommendations** using the results from the audit that flag up problem areas and areas where the business is already successful, providing opportunity to help achieve the aspirational vision.



**Create a working group** and assign roles and responsibilities, recruit champions, communicate milestones and celebrate the successes.



## Employees



**Every individual – regardless of diversity status.**



**To truly realise D&I, each and every employee needs to understand the benefits individuality brings.**

With D&I typically being rolled out through individual initiatives, many employees become disengaged as they fail to see the personal benefit in their day job. Building an understanding of D&I, such as helping them understand issues such as “unconscious bias” and recognising inclusive opportunities, will ensure everybody can benefit from inclusion, not just those that identify with the protected characteristics.



## Employees

### Typical hurdles our clients face:

#### Problem

We are told that those in minority groups don't want to be seen to be successful 'just because they are....'

#### Impact

Others in the workforce can feel like they've not had fair treatment, resulting in resentment or not valuing their colleagues contribution. Equally, individuals from minority groups don't want to be promoted just because of their minority status, they want to be recognised for their ability. Developing career plans and introducing development initiatives need to be personalised, ensuring everyone feels they've been given equal opportunity to progress. Actively encouraging minority employees to participate in development programmes is critical in building their confidence and visibility of diverse skills and perspectives.

#### Problem

Our employees tell us "I don't see it from the leadership team".

#### Impact

If leaders don't demonstrate the desired behaviours and attitudes it is impossible to expect the broader workforce to change. This will breed cynicism and undermines any change the organisation is trying implement. Any D&I initiative needs to start with the leadership team where commitment needs to be given to actively change behaviours in line with the aspired culture.

#### Problem

We don't have the resources to make the D&I change.

#### Impact

Organisations may put off embracing D&I due to lack of budget. There are many zero cost activities that can be implemented if the leadership team buy-in to the process. This could include employee networks, focusing on protected characteristics, mentor or buddy schemes for minority groups, presentations on different issues or cultures, change in policies and performance management. Not everything costs a bomb and can be integrated into people's job description free of charge!

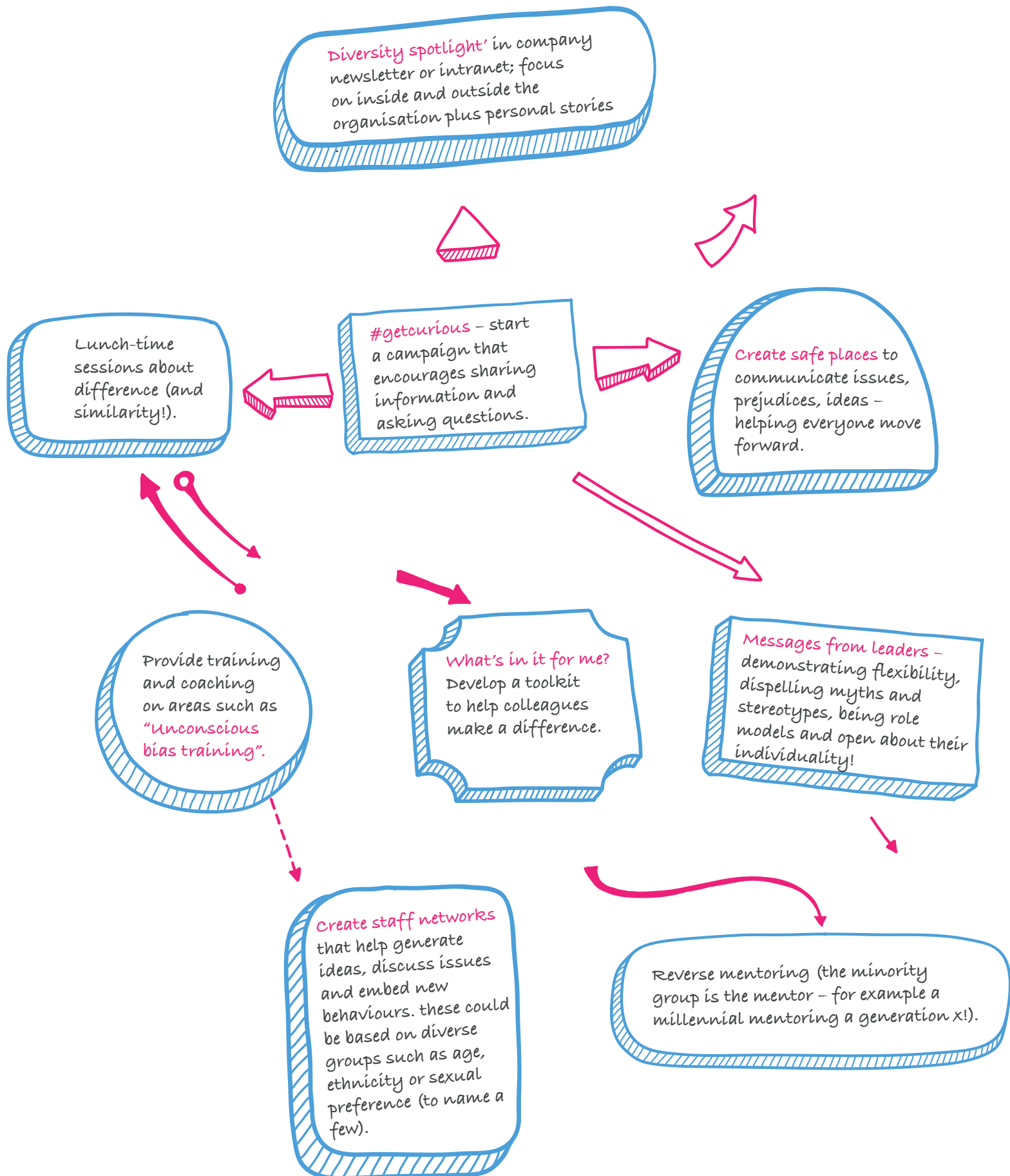
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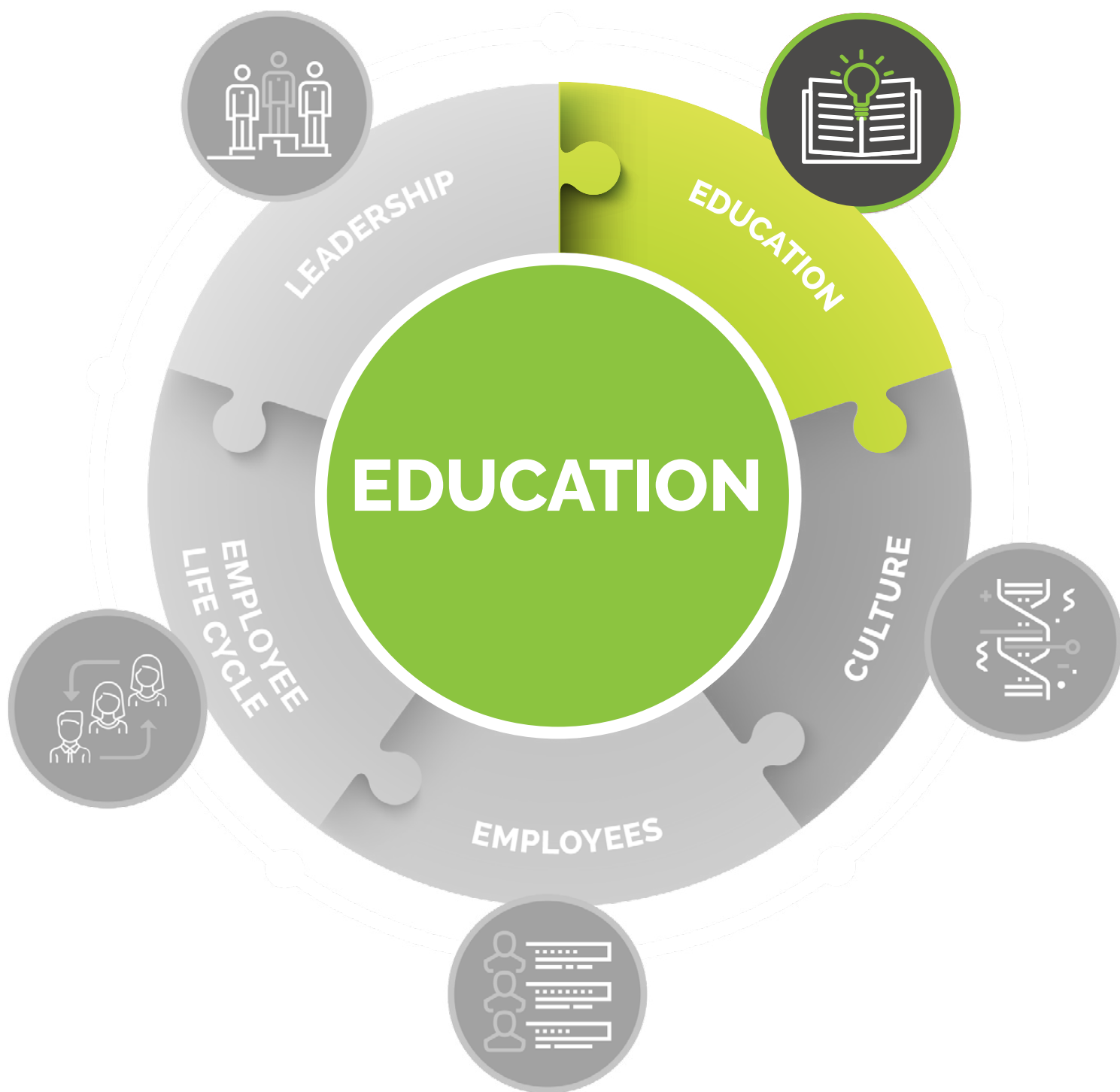
### What's the return for investing in D&I?

Research conducted in the US, UK, France and Germany between 2008–2010 in 180 publicly traded companies found that **the top 25 companies for diversity had 53% higher returns on equity than those in the bottom 25 companies.**



## Solution: Communication, communication, communication...





**Building understanding, breaking down bias  
and challenging stereotypes.**





Often, leaders are not aware of the business benefits of D&I. **Providing a programme that educates the leaders is the first hurdle to gaining buy-in.** This doesn't mean a one-off training day!

Providing a mix of experiences will help portray the multiple benefits and help leaders adapt their mind-set and work through their own prejudices. It's not just the leaders that need educating, a programme needs to be cascaded across the organisation but the people processes must be in place to support it.

#### **What can we achieve through education...**

- 1.** Help people to understand the full meaning of diversity and inclusion e.g. beyond the protected characteristics.
- 2.** Help educate people on their unconscious bias and help them make different choices and judgements.
- 3.** Remove stereotypical perceptions in both education and the workplace.
- 4.** Reinforce learning through reflection, behavioural change and innovation.



### Typical hurdles our clients face:

#### Problem

Our leaders don't buy into the D&I business case, they don't believe there's a ROI.

#### Impact

Leaders that don't believe the benefits of D&I will not relinquish budget and time for D&I to be operationalised. Often the biggest hurdle is building an understanding around the business case and the broader benefits of inclusion. This takes time and creativity, finding information and opportunities that resonates with their values and helps build buy-in to the process.

#### Problem

Our minority groups don't put themselves forward for opportunities, they don't see themselves as eligible.

#### Impact

Societal stereotypes and lack of role models have contributed to individuals deselecting themselves from opportunities because they're too old, too female etc! Helping break down stereotypes through role modelling, communication campaigns and active encouragement will help re-educate individuals on their potential and opportunities within the company.

#### Problem

Our employees feel uncomfortable discussing diversity.

#### Impact

People avoid talking about difference and as a result may not completely include minority groups in everyday interactions. Providing opportunities to learn about different cultures or understand issues that can affect minority groups will help build understanding. Understanding breaks down prejudice and fear and opens dialogue, helping identify common ground.

### Does D&I really affect you?

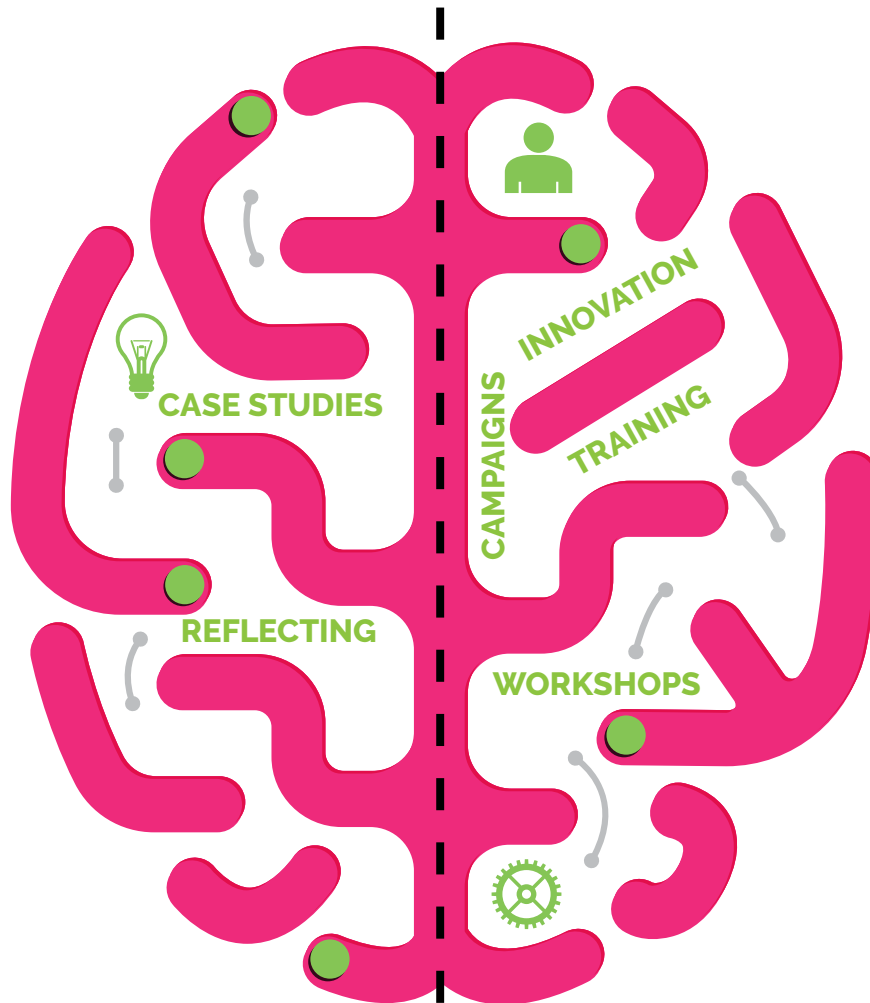


**1 in 8 employees in the UK** are from Black, Asian and Minority Ethnic groups (Office for National Statistics). What steps do you have in place to help every employee bring their whole selves to work?



## Solution:

### An avenue for educating people on unconscious preferences



#### Educate the leaders

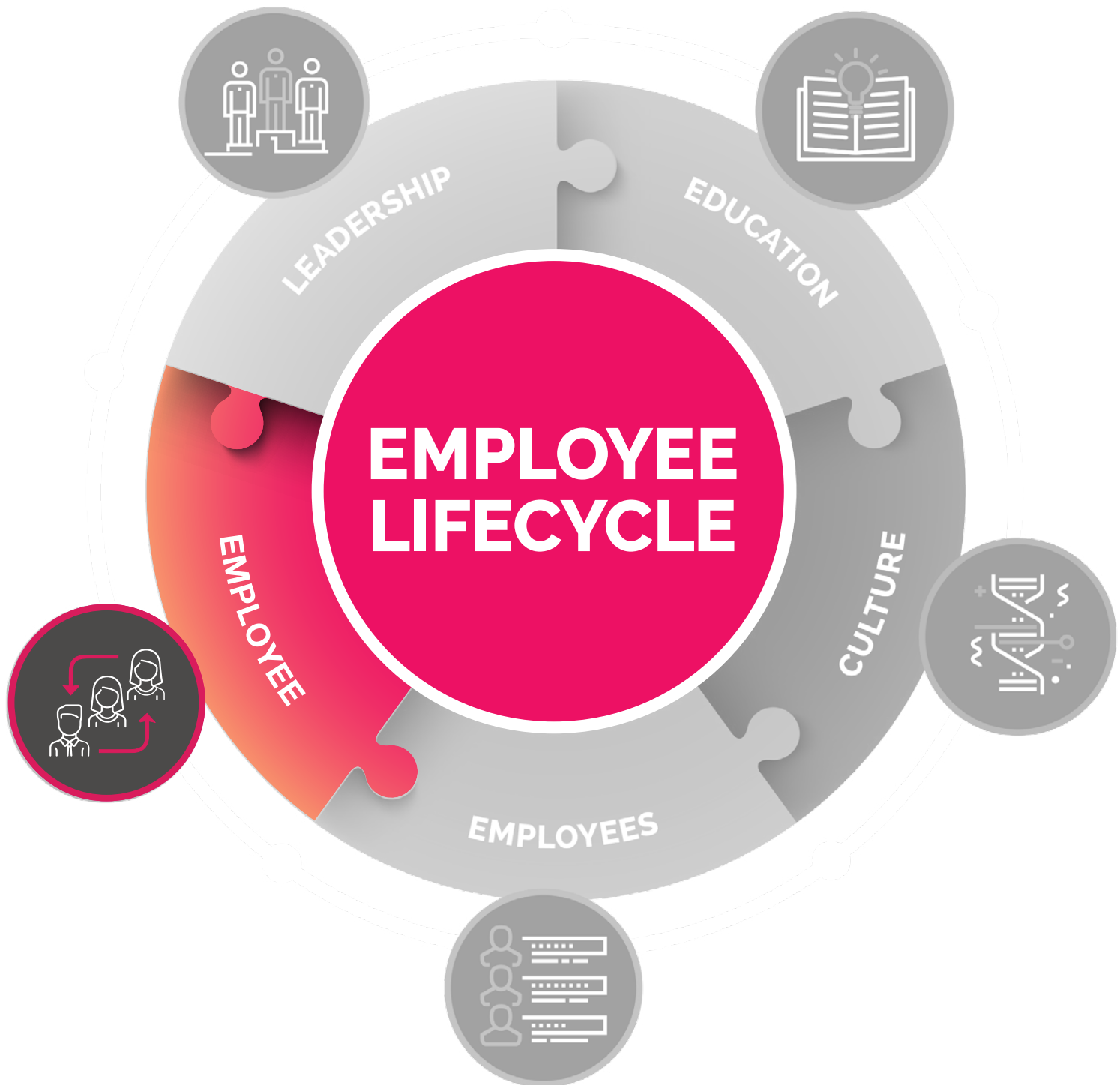
- Create case studies to provide relevant information to the business.
- Invite speakers from other companies to come in and discuss D&I.
- Produce research within the business.
- Provide sessions reflecting on and challenging unconscious biases and prejudices immersing leaders in difference and the opportunities it can bring (spend time with people!).

#### Educating everyone

- Provide workshops, online and face-face forums to learn about differences.
- Provide training on D&I and unconscious bias.
- Introduce a buddy system to help overcome prejudice and break down personal stereotypes.
- Create communication campaigns that reinforce differences and the opportunity that brings to team work and business outcomes.
- Provide e-learning and modules on the issues facing groups in protected characteristics.
- Get innovative – work together to overcome barriers to inclusion.



## Employee Life Cycle



**Starting at recruitment and reinforced throughout every process and system.**



**Employing with diversity in mind** is a two step process. More organisations are working hard on ensuring their recruitment process embraces diversity, however this is not enough.

Organisations need to **place equal value on retention**. They need to ensure that the “promise” made at recruitment can be realised through the internal people processes - such as **people development programmes, reward and recognition** and through activities such as **strategic and operational problem solving**.

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## Employee Life Cycle

### Typical hurdles our clients face:

#### Problem

Minority groups don't apply for our vacancies.

#### Impact

The pool of candidates will be homogenous so the opportunity to recruit members of minority groups dwindles. Writing the advert and advertising the job with diversity in mind will help attract a broader pool of candidates.

#### Problem

People from minority groups don't seem to want to progress to more senior roles.

#### Impact

Individual potential is not being realised and as a result, organisations are failing to benefit from diverse contributions at a more strategic level. Introducing development programmes that support individual needs will help build confidence and ability to move into more senior roles.

#### Problem

We are successful at recruiting from minority groups but our employees are leaving.

#### Impact

High recruitment costs and wasted opportunity to engage in diverse contributions. The promise made at recruitment is not being fulfilled. Actively promoting D&I within all people processes needs to be an ongoing focus area.



### How does inclusion really affect your employees?

"Employees who are able to bring their whole selves to work are 42% less likely to say they intend to leave their job within a year"

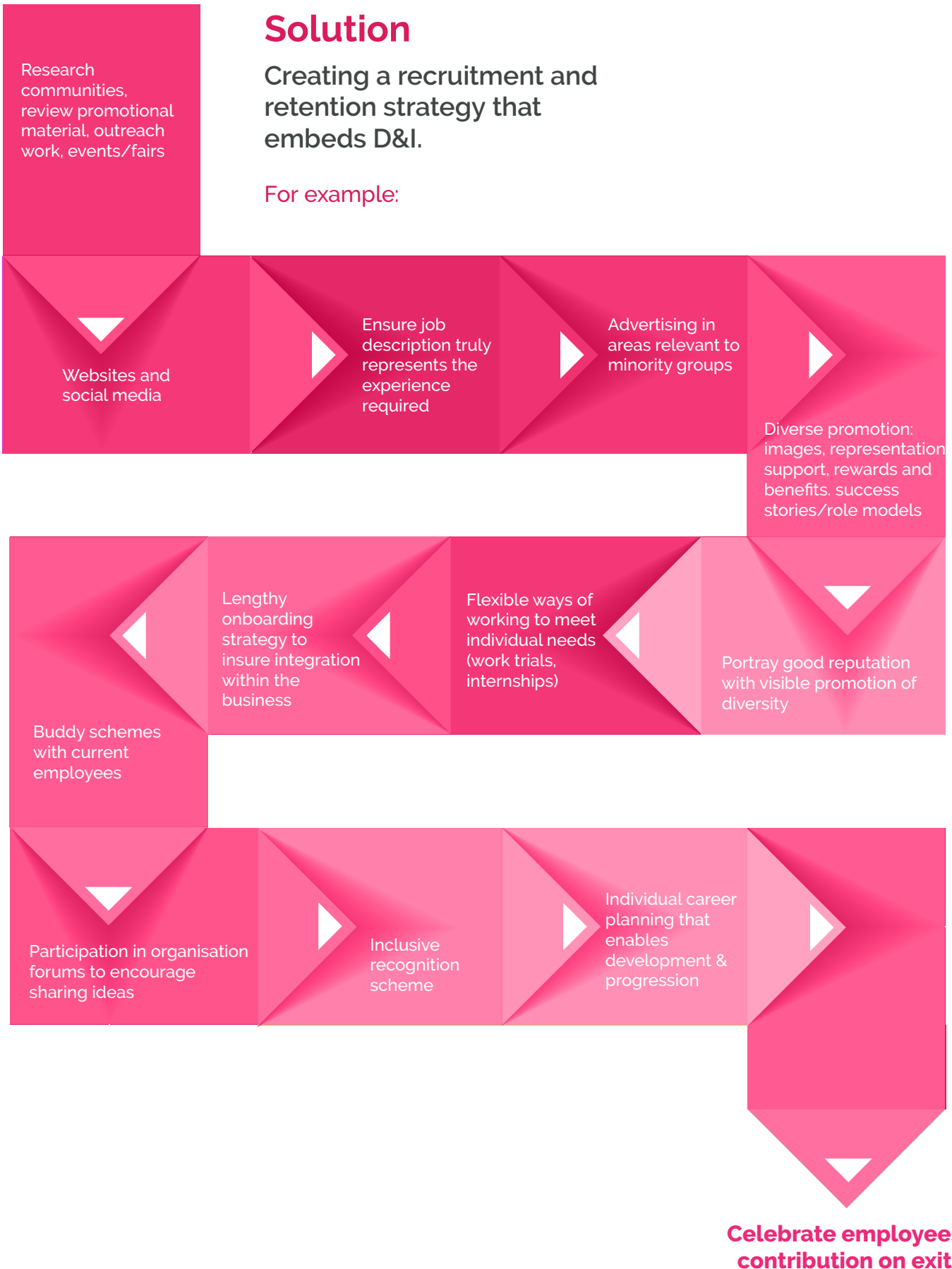
*Harvard Business Review, 2017*



## Solution

Creating a recruitment and retention strategy that embeds D&I.

For example:





**Authentic leaders need to fly the D&I flag.**





Every employee should feel empowered to drive the organisation forward through a diverse and inclusive environment, but they cannot achieve it alone. **An effective leadership team that champion diversity and inclusion provide authentic role models from which to embed new beliefs and behaviours.**

Leaders are not just the executives at the top of an organisation. Leaders are those that have influence across the organisation. They are thought leaders, idea generators, networkers and managers. Equipping leaders across the organisation with the knowledge, skills and remit to embed D&I helps to meaningfully operationalise it.

## How can we...

- Form a project team to lead the programme
- Be honest and have integrity
- Move away from excuses for not trying new innovative ways
- Change the language of diversity
- Challenge the comfort zone
- Canvas support and leadership in other areas (HR, IT, OPS, finance)
- identify leadership behaviours and build leadership pipeline across the business



### Typical hurdles our clients face:

#### Problem

Our leadership aren't interested in driving D&I.

#### Impact

Lack of interest or commitment from the top will hinder any D&I activity being meaningfully embedded. If leaders don't hold others and themselves accountable with regards to D&I, no one will feel the need. Helping leaders understand the benefits of D&I and the return on investment will help gain buy in and commitment.

#### Problem

The leadership team lack the skills to transform the culture and embed D&I.

#### Impact

Often the D&I agenda is delegated to HR without a budget or remit for radical behavioural change. This often results in piece meal initiatives which fail to land long term benefits. Engaging a change agent to help pull the leadership together, educate them, help build a vision and strategy and roll out a change programme can ensure D&I is embedded successfully over the long term.

#### Problem

Leaders lack the confidence to lead on the D&I agenda.

#### Impact

Leaders overlook opportunities to have conversations which could generate new ideas because they're afraid of talking about difference. Leaders need the coaching and support to step safely out of their comfort zone and learn how to have difficult conversations.

**To increase diversity of thought we need to create a safe environment to enable our leaders to be authentic role models through leadership responsibility**



## “Safety enables diversity of thought”





## Developing authentic leaders:

Authentic leaders are defined as individuals who can use their understanding of their values, weaknesses and strengths to guide their interaction with their team.

**There are four main qualities that characterise authentic leaders:**

**1**

### **Self-awareness**

Having a profound knowledge of one's own values, preferences and skills

**2**

### **Relational transparency**

Being open to share their thoughts and beliefs in interactions

**3**

### **Balanced processing**

Considering diverse and opposing viewpoints when making decisions

**4**

### **Internalized moral perspective**

Demonstrating a positive use of one's values to guide relationships and decisions, one which isn't influenced by outside pressures.

Using these qualities, leaders can ask employees for their perspectives about organisational issues, take time to recognise these contributions and encourage their team to socialise. By leaders simply acknowledging employees' participation, even if the contribution isn't workable, the process enhances the employee's self-esteem.



## **How can your leadership make a change?**

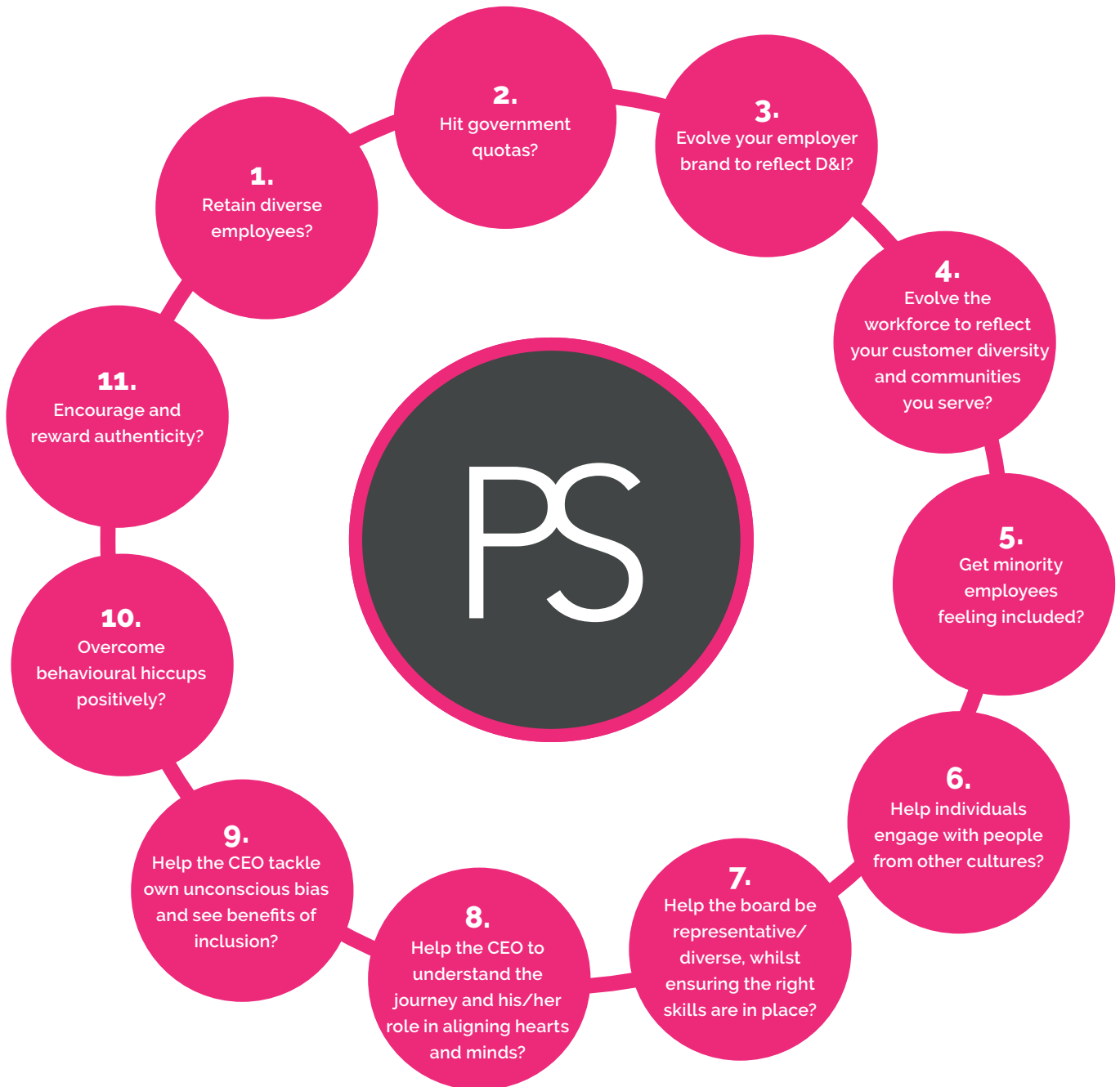
Research conducted at Deloitte (2012) suggests that even if 10% of employees felt more included, employee attendance would increase by nearly one day, per year, per employee. What does your company's culture look like?

## Summary

There are so many positive ideas and case studies that can help organisations start the process of embedding Diversity and Inclusion in the workplace. Every organisation is different and not every solution is workable, however, at **Penny Strutton Ltd** we recommend considering the following areas:

- ✓ **Measure it** – conduct an audit to get a full picture of diversity and feelings of inclusion. This should include assessment on recruitment, retention, development and performance (to name a few). Having a benchmark to work from will help demonstrate return on investment when you start to reap the benefits from the change programme!
- ✓ **Build your vision** – take time to understand what good could look like in your organisation. Gather data, facts and figures and case studies from other organisations. This will help build your business case.
- ✓ **Educate** – If you don't have a sponsor at board, don't expect it to be a quick process. Use research, case studies and personal stories to build understanding at board level. Integrate different learning opportunities across the business to start generating discussion and awareness. Engage your communications team and make it a positive campaign!
- ✓ **Cascade it** – ensure that all people processes and systems support the new vision. Transform your recruitment, retention, development, performance management and reward and recognition programme to reinforce new behaviours and new ways of working.
- ✓ **Accountable leaders** – ensure your leaders hold each other and the workforce to account. Authentic leadership is essential for role modelling new behaviours and making change stick.
- ✓ **Get Comfortable** – help everyone understand the benefits of inclusion through providing a safe space to ask questions, build knowledge and self-reflect. Having difficult conversations can pave the way for strong, productive working relationships.
- ✓ **Measure it again** – It's important to run a D&I audit once again after a reasonable period of time during the change process, this will help demonstrate success or further gaps to address.
- ✓ **Celebrate** – recognise even the smallest cultural/behavioural change. Shout about the successes and demonstrate return on investment to leaders through reflecting change in recruitment, retention and innovations.

# Would you like help to....



Then let us help you  
develop your D&I strategy.



[www.pennystrutton.co.uk](http://www.pennystrutton.co.uk)

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Penny Strutton Ltd  
*Transforming Business  
Through People*