When organisations take more than they give to the equality agenda

When an organisation makes loud claims about equality at work, they're not contributing to the agenda. They're taking from it. They're withdrawing reputation and brand equity and depositing little back in return.

To return that equity, they need to take meaningful action. You can often spot 'meaning' because it brings risk and scrutiny. It's likely to lead to a structural change in their business and take aim at a specific, measurable problem. Meaningful actions might include:

- The redesign of hiring, promotion or pay processes to limit the influence of bias.
- The release of detailed diversity data, alongside public targets that will be updated periodically,
- The launch of a flexible-by-default policy, and a parallel behaviour change programme to support adoption.
- An open and transparent investment in pay gap reduction.

Viewing diversity and inclusion initiatives through this 'balance sheet' lens is a useful way to show the risk of organisations taking more from the equality agenda than they contribute. It can also lead to positions that aren't immediately obvious:

- Take unconscious bias training. It signals brand virtue to the world and pre-empts lawsuits arising from future unethical behaviour ('Manager X had been through bias training, so we did all we could'). But these are withdrawals that protect the employer and not the employee. As a contribution to actual behaviour change, it is likely to be ineffective at best and to backfire at worst.
- Take employer branding. Promoting your inclusive culture is a great way to attract talent to your business. But organisations seem happy to make those reputation-enhancing claims while paying scant attention to a fair hiring process informed by behavioural science. They take equity from the former while giving nothing back in return, and in doing so, they put underrepresented candidates at significant risk of disadvantage.

It's ok when inclusion is used to enhance brand and leadership reputation. But too often the noise companies generate is happening *in lieu* of meaningful action. And this leads to £multi-billion organisations, overwhelming led by white men, taking more from the equality agenda than they contribute.

Through this lens, you might question the noisy declarations of inclusivity that prefaced so many gender pay reports here in the UK. Were these a wrapper for a robust, evidence-based transformation plan, or simply a reputational shroud for inaction?

Date originally posted: 2018-06-15

Permalink: http://blogs.lse.ac.uk/businessreview/2018/06/15/when-organisations-take-more-than-they-give-to-the-equality-agenda/

Blog homepage: http://blogs.lse.ac.uk/businessreview/

You might consider whether Starbucks went further into the red by closing their US stores for diversity training last month. Did they really ignore multiple meta-analytic studies showing that this approach was unlikely to change behaviour? Or did they care more about restoring their image and share price with a highly visible 'statement of intent'?

You might finally contrast that reported $16 million investment by Starbucks with VMware's far quieter $15 million gender research partnership with Stanford University (also announced in May). Maybe it was telling that this long-term commitment to progress, spearheaded by Professor Shelly Correll, struck a far more sombre tone on launch:

"Research shows that the progress, in terms of moving women into leadership, has all but stalled. … If we just sit back and wait, we're not going to see … gender equality in our lives, our daughter's lives,"

If organisations believe their own rhetoric, their balance will be firmly in the black

For them, the search for meaningful action will be a no-brainer: a way to do the right thing while strengthening their business. Their leaders won't shy away from the 'balance sheet' challenge, because it supports their goal of a fair, equal and higher-performing workplace.

This article is more about those other firms. Who promote inclusivity while leaving their biased recruitment, promotion and pay processes firmly in place. Who see significant gaps in the experience or reward of underrepresented employees and do little in reply. Who invest in social media campaigns with targets based on reputation over behaviour. And who celebrate at event ceremonies without ever exploring the internal impact of their work.

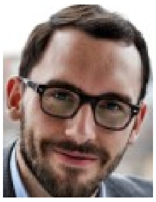
When it comes to equality, those organisations are firmly in the red. However, they will be increasingly held accountable for their inaction. As the agenda continues to rise in the public consciousness and research on effective inclusion strategy surges forward, we can expect more articles, like this dissection of Starbucks in the Washington Post, to call out approaches that seem to prioritise noise over progress. Just this week, the UK Treasury Committee for Women in Finance have urged organisations to publish their gender pay gap strategies, allowing for this same level of external scrutiny en masse.

So, what are you doing? Why are you doing it? Where is the evidence that it is likely to be effective, and how will you know if it worked? Large organisations should expect to face these questions and should expect the quality of their answers to reflect on their brand and their leadership team. It's a level of scrutiny we should embrace and promote. It's how lagging organisations will be encouraged to pay their debts.

♣♣♣

Notes:

- *This blog post gives the views of its author, not the position of LSE Business Review or the London School of Economics.*
- *Featured image credit: Photo by Hao Xing, under a CC BY 2.0 licence, via Wikimedia Commons*
- *When you leave a comment, you're agreeing to our Comment Policy.*



James Elfer is the strategy director at MoreThanNow, a behavioural change consultancy using science and creativity to transform the workplace. He can be reached at hello@morethannow.co.uk.