DE&I is in danger of becoming irreversibly politicised

International Women's Day prompts leaders to champion women in the workplace and exhibit their plans to advance female empowerment and equity in their companies. But, how can leaders demonstrate more than just compliance when advocating for gender equity in the workplace?

For years, organisations have been advocating the importance of investment in DE&I because of its positive impact on business success. What was once a movement primarily in the social realm transitioned into the business domain.

The discourse on DE&I as a strategic business move evolved into a discussion about commitment. With the business rationale firmly established, organisations found it crucial to present concrete, visible evidence not only of their belief in DE&I but also of their progress in addressing equity disparities.

Presently, the subject has evolved, and the advantages for businesses and organisations are substantiated by factual evidence. Despite the presence of both the business and moral cases, there arose a necessity for the legal case and another 'C' – <u>compliance</u>.

Across the globe, regulations were put in place to monitor the progress of DE&I in organizations, putting DE&I in danger of becoming irreversibly politicised.

Decisions are likely being made or manipulated by outside sources, instead of being rooted in genuine commitment or understanding of the competitive edge that diverse organisations offer.

As we reflect on International Women's Day, leaders must demonstrate genuine commitment to DE&I to help maximise their competitive advantage.

Representation matters

Organisations are facing external pressures to close the gender pay gap, but there is no such thing as closing the pay gap without closing the gap in representation. Companies where all senior professionals are white men, with women and ethnic minority talent in lower levels of responsibility, will still be accepted as providing evidence of equal pay for equivalent work. However, this is not what 'true' equity looks like.

Leaders cannot claim to champion gender equity in the workplace if they aren't doing so through an intersectional lens. If an organisation has an even balance of men and women in senior leadership positions, but all of these employees are from similar backgrounds, there is still work to be done.

According to a study by <u>BITC</u>, black employees hold just 1.5% of top management roles in the UK private sector. This gap in representation demonstrates the importance of capturing more than just gender data but also including ethnicity, sexuality and ability to ensure that a breadth of female identities are represented within organisations.

Research found that in 2023, the top quartile companies in terms of DE&I performance had a <u>39%</u> greater likelihood of financial out-performance compared to their bottom quartile counterparts.

Supporting employees from underrepresented groups

In the professional landscape there is a clear pattern of individuals from overrepresented groups getting hired based on their perceived potential, whilst those from underrepresented groups will be hired based on previous experience. When minority candidates do get recruited into senior roles, they often encounter heightened scrutiny due to being the 'first'. Making mistakes at work is natural as we grow and progress in our careers, but when an employee appears different to all those before them it can seem more obvious. Creating safety nets for these individuals is key. Organisations should appoint mentors and sponsors who understand the unique situation and potential for increased scrutiny. These mentors will have a pivotal role in offering continuous support and advocating for these individuals when scrutiny occurs. This will help signify to these individuals that they are valued and respected by management.

DE&I doesn't end at hiring

There are three key 'flows' that employers must analyse: who is hired; who is promoted; and who is leaving.

Hiring is often prioritised as many organisations are being scrutinised on diversity quotas. This is also a flow which feels easier to control than promotions or exits. However, all of these flows must be examined together.

DE&I is often framed as being hard to measure, but it is a science with facts. It must display all characteristics of any other business strategy, meaning that there is measure and accountability. Pay gap assessments can identify pay inequities and identify effective remediation strategies.

The pools of talent being promoted must be assessed to ensure diverse candidates are given access to the same career development opportunities as their peers. Examining all flows in unison make gaps in inclusion and opportunities clear. When a high volume of diverse candidates is exiting an organisation, leaders must ask themselves why. This could indicate that the workplace is not making them feel valued or offering them opportunities to progress. An organisation that hires a large number of diverse candidates but only offers career progression to individuals from overrepresented groups will likely experience poor retention of diverse employees.

Hiring diverse talent is the first step in DE&I, not the last

As companies continue their DE&I journeys in 2024, true progress will require proactive engagement, continuous learning, and dismantling systemic barriers. We need to remind ourselves that we invest in and respect colleagues from diverse backgrounds and experiences because they bring value to the work that is being done. Prioritising these principles drives innovation, creates an engaged workforce, and maximises competitive advantage.

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