

Breaking the BIAS

Learnings from Leaders,
on moving the DEI dial.

Celebrating International
Women's Day 2022

LEATHWAITE

EXECUTIVE SUMMARY

With a lens on both International Women's Day and Diversity, Equity Inclusion (DEI) in its broadest sense, Leathwaite has collaborated with a group of senior executives to understand their learnings, lessons and observations on driving DEI. These can be summarized as follows:

- Allow for professional individuality
- Don't make assumptions
- Be intentional
- Inclusion goes beyond the office
- Inclusion also goes beyond HR
- Look out for the subtle
- People, not technology, make for inclusive environments
- Harness your superpowers
- Role-modeling remains key
- Representation



INTRODUCTION

Today, there is a plethora of content on social media published by individuals sharing their stories and challenges to further the progress of diversity, equity and inclusion. According to academic articles, DEI-related discourse is paramount to support the transformation of social norms¹ including policy transformation².

DEI-related behavior and practices in the corporate world have progressed significantly over the course of history, propelled forward on the tides of change brought about by the feminist, LGBTQ+ and racial equality movements. Nevertheless, DEI research scholars continue to challenge the effectiveness of organizational practices and of broader societal constructs such as economic systems, politics and hegemony³. To explore what can be done to drive positive change and real inclusion, here we engage with Executives who share their perspectives on DEI. In these discussions a recurring theme is that, diversity in the workplace can only truly be created in an inclusive environment, which is a long-term approach. Below, we share some of these executives' learnings and advice on making material DEI progress.

1 Fairclough, N., Cortese, G. & Ardizzone, P., 2007. *Discourse and Contemporary Social Change*. Bern: Peter Lanf AG

2 Schmidt, V., 2011. 'Speaking of Change: Why Discourse is Key to the Dynamics of Policy Transformation'. *Critical Policy Studies*, July, pp. 106-126.

3 Janssens, M. & Zanoni, P., 2021. Making Diversity Research Matter for Social Change: New Conversations Beyond the Firm. *Organization Theory*, pp. 1-21



TALKING INCLUSION

Allow for professional individuality:

Sweden is often perceived as a progressive country. Parents are entitled to 480 days of paid parental leave (240 days per parent) but challenges in other areas remain. We met with **Andreas Halvarsson**, a Partner at KPMG in Sweden, who shared his perspective with us.

“Diversity is crucial for the creation of high performing teams as it contributes to higher levels of engagement between clients and consultants. This, in turn, drives cross-cultural collaboration and integration on a professional level.”

Although this also refers to creating a profitable business, we have to understand this is also about doing the right thing in relation to inclusive behavior.

Andreas described quite a specific scenario: he is a 180cm-tall, blond senior executive at the organization. For some, it might not be apparent that he is part of the LGBTQ+ community. He has had situations where people have asked him, “What does your wife do?” The question is not wittingly intrusive, however, this question has put him in a position where he has had to publicly address his sexual orientation. Put bluntly, he feels like he has to “come out of the closet” on a regular basis, if not almost every day. He added that this had only really become an issue once he started his professional career, as he was conscious of how his sexual orientation might be perceived by

his employer. He knows many in the LGBTQ+ community still feel the same way at work.

“I would love for people to just bring themselves to work from day one.”

For **Andreas**, inclusive behavior has improved since he started his career but he is aware that some are more fortunate than others depending on the country, industry and cultural context in which they live and work. Inclusive behavior allow employees to be themselves by fostering an environment of respect and safety and this significantly improves workplace performance and engagement. **Andreas** added that by improving inclusion, organizations also improve talent retention, saving costs and optimizing success.

Looking at the professional services industry more broadly, **Andreas** articulated that these organizations have hundreds of consultants working on-site where inclusive behavior may not be as progressive as in others. Although there are compliance structures and agreements in place before consultants are put on-site, there are situations where they might not feel comfortable.

His perspective clarified the positives of having a diverse team but highlighted that to create this, the corporate environment has to be inclusive first and foremost in order to benefit from diversity long term.



Don't make assumptions:

Kirsty Roth is the Chief Operations & Technology Officer at Thomson Reuters. For her, unconscious biases still have an effect on behaviors at work. For example, parents who return to work from parental leave, in particularly women, are sometimes put “into a box” without their manager having had a conversation with them about their potential career aspirations. **Kirsty**’s advice is to tailor a plan for each returning parent to ensure their aspirations are catered to. Whether that be gaining a promotion at speed, or more gradually, we must ensure that no assumptions are made on an employee’s behalf. **Kirsty** added that not all managers feel comfortable having challenging conversations with employees. As a solution, her organization supports managers by providing trusted individuals who can step-in and ask the right questions and understand people’s needs. To create an inclusive environment, it is important to have open conversations; emotionally intelligent people leaders are important in these instances, especially given the challenges parents encounter when returning to the workplace.

The DIW Berlin published a paper in 2021 exposing the pay disparity between women and men with children in Germany⁴. Similarly, a study in the UK and USA revealed a 17% wage gap, whereas in Denmark it’s 7%⁵. These differences exacerbate tensions in the workplace and are symptoms of a less inclusive environment for women.

“Promotions and role expansions shouldn’t always go to the individuals who shout the loudest.”

Inclusion also applies to those who say the least. **Kirsty** explained that her team includes both introverts and extroverts. She is keen to find ways to ensure she hears the views of the people in her team (and beyond) but understands that some team members may not feel comfortable expressing their views on conference calls or in meetings with multiple attendees. Therefore, she tries to find ways to include everyone by remaining conscious of listening to different perspectives and providing different forums to those who are less likely to speak up in group settings has resulted her team making better-informed decisions for the organization.

⁴ www.diw.de/documents/publikationen/73/diw_01.c.811955.de/diw_sp1120.pdf

⁵ Andersen, S.H. (2018), Paternity Leave and the Motherhood Penalty: New Causal Evidence. J. Marriage Fam, 80: 1125-1143

Be intentional:

Paulomi Shah, Partner and Head of Enterprise Risk & Trading Operations at Apollo, overcame the microaggressions connected with being a working mother in her early career in Investment Banking. After her first child, **Paulomi** would pack her coat in her backpack and sneak out of the office at 5pm, concerned at the 'part-time' stereotype that so many have had to (and we would hope no longer) endure. "The culture wasn't welcoming to us", she shares, but comments on just how significantly evolved the employee landscape is today. Partly responsible for this is the removal of conscious biases that certain demographics impose unfairly on themselves. Engineering conversations is important in moving the dial on biases.

"Careers and life are not linear... People's perception of cultures holds them back from sharing their demands."

Alongside employees speaking up, and feeling empowered to do so, we must ensure that leaders are ready to listen. Harvard Business Review surveyed their readers in order to assess the common cultural attributes of inclusive companies. The study concludes that learning-orientated cultures can "equip organizations with the ability to adapt and innovate" and "can be invaluable in navigating today's exceedingly uncertain business environment[s]"⁶.

Paulomi's advice to managers is to learn to be thoughtful, and to make sure that they truly understand what motivates each person. We must be intentional with every member of the team.



"Whether you need time to care for aging parents, or want to learn to fly an airplane, talk to your manager instead of assuming that it's not a conversation to be had."

Not just media rhetoric⁷, "The Great Resignation" and continued pressures on organizations to hire and retain top diverse talent amplify the importance that employees be encouraged to speak up.

⁶ hbr.org/2021/06/research-what-inclusive-companies-have-in-common

⁷ See Leathwaite's global HR survey - www.leathwaite.com/news-insights/leathwaite-insights/the-2022-global-hr-survey/

Inclusion goes beyond the office:

Although the COVID-19 pandemic affected presenteeism significantly – with long working hours normalized⁸ and virtual team building activities being at an all-time high – it is important to consider inclusion outside the office with colleagues too. **Sakhila Mirza** at the London Bullion Market Associate (LBMA) shared that after-work events were very challenging in her early career; after-work drinks were very much part of the company culture and **Sakhila** does not drink alcohol. She shared that over the years behaviors have changed, with colleagues becoming more inclusive and finding new ways to socialize. However, **Sakhila** added that people made assumptions about how she might feel about attending certain events and thus didn't invite her.

⁸ academic.oup.com/ocmed/article/71/6-7/243/5986708



Inclusion also goes beyond HR:

The executives that we have engaged with for this exercise believe that team leaders should take prime responsibility in leading the way when it comes to inclusion in practice.

Company policies are an important tool in ensuring there are consistent and fair practices in relation to parental leave, conduct, reward and well-being. For **Sakhila**, the key is to create a culture and environment that motivates and promotes inclusivity. That said, awareness, understanding and respect cannot all be born out of policies.

Sakhila's views are similar to those of **Patricia Galloway**, NED with the Association of Foreign Banks (AFB) and a Board member of the City Women's Network.

"Progressive policies signal change and help facilitate behavior change."

She adds, a "policy in isolation isn't always powerful, but often there's an interconnectivity between different policies that together have a compounding positive impact." This, accompanied by "a genuine desire at the top to create a more diverse and inclusive workplace" is when we begin to see company policies successfully influencing inclusive environments.

"... leaders should lead by example: being open to new ideas, failure, and feedback; sharing how their own perspectives have changed over time; and recognizing those that think outside the box and take risks."⁹

Authentic leadership, born from personal introspection, and inclusive environments, are as powerful (if not more so) than the policies and guidelines detailed in the employee handbook.

⁹ hbr.org/2021/06/research-what-inclusive-companies-have-in-common



Look out for the subtle:

Ranjit Samra, Head of Technology for J.P. Morgan Wealth Management, recognizes that it is a leader's responsibility to look out for biases in the workplace.

"Throughout the pandemic, we have all been confined to a little box on a computer screen. A great equalizer in some instances, it falls on managers' shoulders to ensure that everyone can speak equitably."

Pre-pandemic, it was easier to set boundaries with your time, and expectations on when to be in the office were more predictable. J.P. Morgan Wealth Management's Tech team has ringfenced times throughout the week that must be void of meetings. Tuesday and Thursday afternoons in the US are meetingless although this wasn't hugely inclusive of India. Now, in order to accommodate India, US Friday mornings are also meetingless. The 'subtle' here is to ensure a large population of J. P. Morgan Wealth Management's Tech

employees aren't unintentionally expected to work late every Friday to accommodate US working hours.

In 2022, the art of the subtle is a key differentiator for organizations committed to driving equity within the workplace. There are plenty of studies that dissect the business case for diversity, equity and inclusion. **Ranjit's** view is that:

"We must make conscious choices every day to drive inclusive engagement."

DEI goes beyond being politically correct. It is a moral imperative. While there are confirmed financial benefits, "overemphasizing economic payoffs can alienate people from underrepresented groups, who are left feeling exploited by the organization¹⁰." By looking out for the subtle, companies can continue to evolve and adapt their environments so that all can thrive, not just the few.

10 www.bc.edu/content/dam/files/centers/cwf/research/Publication%20Images/BCCWF%20Race%20EBS%20FINAL.pdf

People, not technology, make for inclusive environments:

Collaboration tools have come much further forward in helping drive inclusive and equitable environments however, as **Ranjit Samra** advises,

“We must decipher between synchronous or asynchronous and what’s best for each type of collaboration.”

As people begin to return to the office, it has become apparent just how important in-person interactions remain. J.P. Morgan Chase’s recent senior leadership offsite, for their top 200 leaders, further cemented the requirement for blended and harmonious use of technology. A common experience – whether that be the event, the person you sit next to at supper, the breakout groups – can be as important in driving Inclusion as individuals being interrupted by home life in virtual settings.

“There’s nothing more equalizing than seeing a leader’s meeting interrupted by their kids or their dog. It’s a humanizing element that helps colleagues make deeper connections.”

Patricia Galloway sees virtual and hybrid working models, like **Ranjit**, as a great way to continue elevating authentic leadership. While technology remains a great enabler, we must remember that human interactions are paramount to engendering engagement and inclusive dialogue.





Harness your superpowers:

Inclusive leadership requires managers to look for individual strengths and weaknesses. By empowering individuals to own their strengths companies can build diverse, yet inclusive, environments. **Ranjit**'s advice on how to lead inclusively centers on customization. Managers must share with their employees what their expert traits are.

“Wall Street is made up of type A personalities; people are good at doubling-down on their positives.”

Psychological safety, **Ranjit** shares, allows for people to have confidence in their best parts. It has been “well established as a critical driver of high-quality decision making, healthy group dynamics... greater innovation, and more effective execution in organizations.”¹¹

While the concept of superpowers conjures up images of Marvel’s Cinematic Universe, some organizations have taken this to the heart of their leadership principles. Amazon recognizes the commercial benefit of their teams reflecting the diversity of their customers¹² with this, in turn, reflected in how they measure their leaders¹³. The “philosophy of empowerment is reflected in the fact that [Amazon] expect[s] every employee to be an owner¹⁴”. Taking this a step further is Amazon’s concept of employee ‘superpowers’. “Superpowers are specific and distinctive descriptions of an employee’s unique, exceptional strengths.”¹⁵

Harnessing individual fortes, and ensuring weaknesses are countered by another’s superpower, helps drive a high-performing and inclusive team dynamic.

¹¹ hbr.org/2021/04/what-psychological-safety-looks-like-in-a-hybrid-workplace

¹² www.amazon.jobs/en/landing_pages/diversity-and-inclusion

¹³ www.amazon.jobs/en/principles

¹⁴ www.mckinsey.com/business-functions/mckinsey-digital/our-insights/fasttimes/interviews/beth-galetti

¹⁵ www.mckinsey.com/business-functions/mckinsey-digital/our-insights/fasttimes/interviews/beth-galetti

Role-modeling remains key:

While not a new concept, role-modeling still holds a place in the corporate world. **Patricia** comments that it's "the executive and senior leadership who must role model open communications and inclusive behavior".

"If people don't see [inclusive] role modeling at the very top it simply isn't as authentic or meaningful." Ranjit Samra

Drawing on her early career, **Paulomi Shah** shared that she had some female role models, but very few. Working in Sales and Trading – heavily male-dominated, with men who often had stay-at-home wives – meant she had to develop a thick skin. She had no friends from work. "The concept of work friends was alien to me." This experience has shaped how she manages and mentors. Even today, young women send her thank-you notes for her mentorship and sponsorship from years gone by.

"When we gain a level of power, we must share the platform."

She puts junior women forward for things that she knows they wouldn't put themselves forward for. **Paulomi** makes sure that they have an active sponsor in her. Citing her age and confidence for the reason she now volunteers herself, **Paulomi** believes that all senior leaders must consciously drive out inequities.





Representation:

An extension of positive role-modeling is that of representation. Inclusive environments take us part of the way, however **Paulomi** believes “we’re all very good at admiring the problem.” In her mind, “inclusive behaviors are still too top down.” In line with **Ranjit**’s commentary, management must provide introverts, for example, the right space to blossom.

“Once someone sees themselves on a Board, or around the top table, that is a form of positive role modeling.”

With companies openly stating their commitment to increase the diversity of their boards, and more diverse talent appointed as non-executives, representation is finally appearing at the top. “For the first time last year, the Hampton-Alexander review reported no all-male boards in the FTSE 350, which is welcome,” shares **Patricia**.

The appointment of Leena Nair – the first female, first Asian and youngest CHRO of Unilever¹⁶ – as Chanel’s CEO, also makes her the first luxury brand CEO of Indian origin and from an HR background. This shows some progress at CEO level but there is still a long way to go.

“In the history of the Fortune 500, there have been only 19 Black CEOs out of 1,800 chiefs.”¹⁷

¹⁶ businesschief.com/leadership-and-strategy/unilever-chro-to-chanel-ceo-leena-nair

¹⁷ fortune.com/longform/fortune-500-black-ceos-business-history/

CONCLUSION

There is no hard-and-fast solution to creating an inclusive environment but the one certainty is that it requires long-term commitment, with individuals completely conscious of their behaviors and intentional in their communications. These conversations universally confirm this.

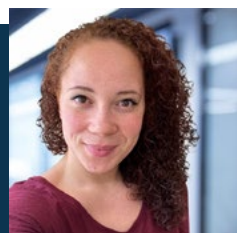
In order to #breakthebias and create an inclusive environment, we require more policies, commitments and thought leadership. These are topics shaped by behaviors and conscious efforts to embrace people – allowing them to truly blossom and achieve the highest results in an environment where most spend the majority of their day.

Although there are incredibly difficult challenges humanity currently faces, there are aspects of our “here and now” that we can affect today. Our contribution to this topic will hopefully support the continuation of an ongoing mantra for many organizations to maintain a focus on inclusion. Resulting, we hope, in positively impacting broader DEI topics.



AUTHORS AND CONTRIBUTORS

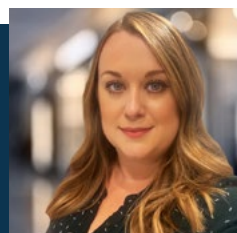
Meet the Authors:



CECILIA STOCKINGER

Consultant, HR and Legal, Risk and Compliance
cecilia.stockinger@leathwaite.com

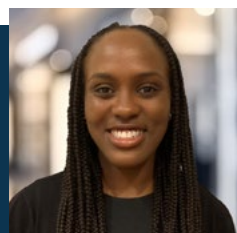
Over seven years of executive search experience spanning the EMEA region with a focus on corporate functions placements.



REBECCA OTTER

Consultant, HR
rebecca.otter@leathwaite.com

Rebecca is a lead Consultant within Leathwaite's Global HR Search practice, offering expertise in human capital advisory, due diligence and market intelligence projects for a range of global clients.



MICHELLE BOLT

Graduate Associate
michelle.bolt@leathwaite.com

Michelle Bolt is an Associate at Leathwaite in New York and a member of the Inclusion Council. Michelle contributed to the academic research of this piece.

Contributors:



ANDREAS HALVARSSON

Partner, Risk & Compliance Consulting,
KPMG, Sweden



KIRSTY ROTH

Chief Operations and Technology Officer,
Thomson Reuters



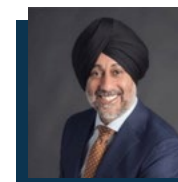
PATRICIA GALLOWAY

Non Executive Director,
Association Foreign Banks



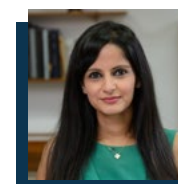
PAULOMI SHAH

Partner and Head of Enterprise Risk & Trading Operations,
Apollo



RANJIT SAMRA

Head of Technology,
J.P. Morgan Wealth Management



SAKHILA MIRZA

Executive Board Director and General Counsel,
London Bullion Market Association

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CHARLOTTE COLLINS

CHRIS ROWE

EMILY WOODWARD

JOHN HETHERINGTON

REMY EL-SEMMAN



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