



## HOW THE WRONG FOCUS IS HURTING DIVERSITY AND INCLUSION OUTCOMES

### Focus on inclusion to achieve diversity

1. A powerful way of achieving outcomes in complex contexts is not to focus directly on the outcome sought. In *Obliquity*, economist John Kay outlines why some goals, especially those in complex contexts, are best achieved indirectly. Focus on inclusion and a lot of the diversity 'problem' will resolve.
2. Model the inclusive approach you wish to embed. It shouldn't be top down or HR derived and driven. If you're wanting an inclusive culture involve people in conceptualising how it might be applied in their own context. Moreover, everyone is responsible for an inclusive culture, not just management (or an interest group).
3. Take a behaviour and skills focus to developing and sustaining an inclusive culture. Inclusion is what people do, how they behave in the workplace. Even those with limited knowledge of the field will have an idea of what will help them feel a greater sense of belonging. They'll also likely have many other valuable insights to share once invited to contribute.

### *Problems with complexity*

Desperately needing to change in the interests of the planet, energy markets globally face an unenviable challenge. Simply, fossil fuels need to be replaced by renewable energy. The strategic imperative couldn't be more clear. On the other hand, the means of achieving those goals is anything but obvious.

A quick analysis of key factors will demonstrate that complexity contributes to the challenge in a big way. According to the Economist Intelligence Unit (EIU), traditional power generators are facing unprecedented problems that literally threaten continuity of supply.

Eager to promote renewable energy, governments are heavily subsidising it. In contrast, the fossil fuel sector has been subject to increased penalties. Add to this the fact that the marginal cost of producing renewable energy is near zero (the sun, wind and tides are free). Fossil fuels, by comparison, are significantly more expensive. Producers must buy it before they burn it.

It is almost a no-brainer that energy's medium-term future lies in renewables. Not so obvious is how that transition might be achieved without the lights literally going out! We still rely heavily on energy produced by power stations. Alternate sources feed proportionally little into the grid. Yet, in the face of penalties and subsidies (to renewables) and inevitably more expensive energy from fossil fuels, it is not especially financially attractive to make a long-term investment in extremely expensive power stations.

The result? Quite possibly economic disruption due to power shortages until sources of renewable energy are vastly increased. This will undoubtedly significantly increase the costs of power to businesses and households as fossil fuel power stations need to raise prices to remain commercially viable.

### *Complexity in diversity and inclusion*

Diversity and Inclusion efforts may face different problems than the energy sector but they are also plagued by the underlying challenge of complex system interactions. Actions, taken in good faith and with good intention, haven't delivered as expected. All too often remedies have made things worse.

With the benefit of hindsight, the most obvious reason that D&I has made such glacial progress is due to the primary focus on 'diversity', rather than 'inclusion'. Organisations were under pressure to get their 'diversity numbers' right. Consequently, more attention was paid to the statistics than to the methods used to achieve them. Little wonder that in many cases there were small, short term improvements but these were often followed by reversal.

A second consequence of the focus on diversity was that 'unconscious bias' became the approach of choice for tackling a lack of diversity. While undoubtedly a

major contributing factor, its unconscious nature presents a significant obstacle. Even Greenwald and Banerjee (who coined the phrase 'implicit bias') have acknowledged that it is impossible for individuals to eliminate or even significantly alter their unconscious biases in a sustained manner.

A third, unhelpful outcome of the diversity approach is the fragmentation of efforts, based on affiliation. A wide range of different marginalised groups each understandably believe they need to be a major focus of any diversity efforts. Collectively they spend huge amounts of energy and resources defining their special needs. Inevitably, they end up competing with other groups for scarce resources. The outcome is that there are winners and losers. And, even the winners achieve far less than they would like because sustained competition dissipates available resources.

### *Changing focus to make progress*

For most, focusing on diversity is a completely appropriate and just thing to do. It also makes good business sense, if diversity is well managed. However, taking a problem-centred approach, that focuses on numbers and stats, has delivered relatively little progress, other than perhaps improved awareness of the scope and scale of the challenge.

A viable solution has been largely overlooked, but is hidden in plain sight. The 'inclusion' part of D&I has the promise to make a meaningful difference in any workplace. UGM advocates this solution-focused approach and we share three reasons below.

First, with an inclusive culture focus, all efforts attempt to help people make a valued contribution at work and derive a sense of belonging as a result. Initiatives are readily customised to fit the context (all levels, all sectors) and powerful, localised metrics for success are easily developed from within the frame.

Second, an inclusive culture provides strong foundations for supporting unintentionally marginalised employees. Once there is a strong sense of inclusion, people will understand and be more accepting of any special initiatives (e.g. gender, LGBTI, disability, nationality) needed to support particular groupings.

Third, it is inconceivable that a truly inclusive workplace would not seek out diversity and be well placed to benefit from its dividends. Focus on inclusion and the diversity stats, which are a measure of outcomes and not an end in themselves, will improve markedly without specific attention.

### *Where does your organisation fit?*

Is your organisation stuck focusing on diversity or has it transitioned to focusing on building an inclusive culture in all parts of the business? If it's the former dig in, you're in for a long, unsatisfying ride!