

‘DO IT RIGHT’: THE INITIATIVE FOR DIVERSITY ACROSS THE BOARD

I. EXECUTIVE SUMMARY

This paper introduces a unique diversity and inclusion programme for a UK-based tech company. It commences by addressing both the history of diversity and inclusion as well as the various challenges diversity and inclusion faces, such as human biases and lack of leadership support. In response to these challenges, this paper proposes the ‘DO IT RIGHT’ initiative, a comprehensive set of interconnected diversity and inclusion policies, the core element of which is a diversity and inclusion board. This diversity and inclusion board, together with the diversity manager and team it oversees, plays a central role in relation to the other policies that make up the ‘DO IT RIGHT’ initiative. After outlining the various policies and how they interconnect with the diversity and inclusion board and/or team, this paper concludes by highlighting the many benefits of ‘DO IT RIGHT’, which heavily outweigh the costs of implementation.

II. THE QUESTIONS PRESENTED

Centillion LLC is a well-known international technology company headquartered in the US. It has recently set up a UK subsidiary, Centillion Ltd (**Centillion**).

Centillion has retained the services of a law firm to help it institute a diversity and inclusion (**D&I**) programme. It would like to know what the main challenges to diversity and inclusion are and what kind of policies and guidelines it could institute to overcome such challenges. It would also like to be informed of the legal D&I framework in the UK, insofar as it affects what policies are recommended and how these may be implemented.

Whilst Centillion would like to focus on all aspects of diversity, it does have a particular interest in recruiting more women and ethnic minorities, as the tech industry has traditionally been dominated by white men. As its parent company and the wider tech industry have faced significant backlash due to a lack of diversity and inclusion practices, Centillion would like to take a radically different approach and is open to new ideas. It would, however, like a detailed assessment of the costs and benefits of the suggested programme.

III. THE STATEMENT OF FACTS

The origins of diversity

Whilst ‘diversity’ is a buzzword frequently associated with the 21st century and contemporary social standards, diversity initiatives have, in various shape or form, been in existence since the late 1940s.¹ Unsurprisingly, given the combination of its diverse population and developed economy, such initiatives first originated in the US.² In 1948, President Truman officially issued an executive order preventing employment discrimination for government defence contracts, and soon after, desegregated armed forces with Executive Order 9981, which made racial or religious discrimination illegal among members of the armed services. Almost two decades later, in 1963, the Equal Pay Act made it illegal to pay a woman less than a man, and in 1964, the Civil Rights Act made it illegal for any business to practice discriminatory hiring and firing practices.³

Further notable D&I milestones were reached in 1987, with the release of the Workforce 2000 Report, and in the early noughties and twenty-tens, when several European countries

¹Robyn Showers, ‘A Brief History of Diversity in the Workplace’(Brazen, 17 February 2016) <<https://www.brazen.com/blog/recruiting-hr/a-brief-history-of-diversity-in-the-workplace-infographic/>> accessed 31 May 2020.

² ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

³ Robyn Showers, ‘A Brief History of Diversity in the Workplace’(Brazen, 17 February 2016) <<https://www.brazen.com/blog/recruiting-hr/a-brief-history-of-diversity-in-the-workplace-infographic/>> accessed 31 May 2020.

introduced gender quotas for corporate boards.⁴ However, the “days when D&I are simply about gender targets at board level” are “long gone”,⁵ as over the past few decades, diversity has started to encompass far more than just gender and race.⁶ In 2003, it became illegal for UK employers to discriminate on the basis of sexual orientation, and in 2010, the introduction of the Equality Act 2010 forbade any workplace discrimination on the basis of ‘protected characteristics’ such as age, marital status or religion. Fast-forward to 2020, where ‘diversity’ encompasses a wide range of ‘protected characteristics’, including gender identity, socio-economic background and mental health, to name just a few.

Diversity and inclusion

Over the past few decades, D&I has slowly become a priority for organisations across a variety of sectors and has led to the creation of diversity departments and diversity targets. At some point, however, it became clear that “adding talent from diverse backgrounds” was useless without fixing “the inclusion and culture issues”:⁷ “for diverse viewpoints to really stick, you must account for inclusivity”.⁸ This realisation led to the concept of ‘diversity and inclusion’, or ‘inclusive diversity’, which goes beyond the numbers and focuses on making people from every background feel equally valued by accommodating “different needs, [...] experiences and perspectives”⁹ in order to drive meaningful and permanent change.

⁴ ‘Board-Level Gender Quotas in the UK, France And Germany’ (Hengeler Mueller, August 2016)

<https://www.hengeler.com/fileadmin/news/BF_Letter/14_Board-LevelGenderQuotas_2016-08.PDF> accessed 31 May 2020.

⁵ Josh Mackenzie, ‘Behavioural Science - a new way to think about Diversity and Inclusion’ (LinkedIn, 21 September 2018)

<<<https://www.linkedin.com/pulse/behavioural-science-new-way-think-diversity-josh-mackenzie/>> accessed 31 May 2020.

⁶ Josh Mackenzie, ‘Behavioural Science - a new way to think about Diversity and Inclusion’ (LinkedIn, 21 September 2018)

<<https://www.linkedin.com/pulse/behavioural-science-new-way-think-diversity-josh-mackenzie/>> accessed 31 May 2020.

⁷ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019)

<<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

⁸ Charong Chow, ‘15 Ways To Improve Diversity And Inclusion In The Workplace’ (Social Chorus, 24 September 2019)

<<https://www.socialchorus.com/blog/employee-experience/15-ways-to-improve-diversity-and-inclusion-in-the-workplace/>> accessed 31 May 2020.

⁹ ‘Workplace Diversity and Inclusion: A Guide To The Benefits, Background & Ideas’ (Kununu Engage, 31 October 2018)

<<https://engage.kununu.com/en/blog/workplace-diversity-inclusion-great-companies/>> accessed 31 May 2020.> accessed 31 May 2020.

The importance of D&I

Beyond just being “the right thing to do,” D&I is now frequently viewed as “central to the success of business.”¹⁰ This is due to a variety of reasons. Firstly, employee demand is changing. Beyond a good salary and long-term contract, employees are looking for an environment where they can safely express their identity: they want to “come as [they] are”.¹¹ As the traditional power dynamic between companies and candidates is shifting, companies increasingly need to pay close attention to such employee demands.¹² This will only increase over time, as younger generations, who are “flocking to companies with better diversity and inclusion programs”¹³ enter the workforce in greater numbers.

Secondly, there is growing evidence that attracting diverse talent is a strategy for growth and revenue increase. A 2015 McKinsey Report found that diverse companies perform at least 35% better than their homogeneous counterparts,¹⁴ a figure which had increased in its 2018 follow-up report.¹⁵ A Salesforce report came to the conclusion that “[w]hen employees feel accepted and comfortable at work, they also feel empowered to perform better,”¹⁶ with 73% of respondents stating that they feel more encouraged to do their job well when they “feel heard”.¹⁷ This can be attributed to ‘psychological safety’, a concept created by the Harvard Business

¹⁰ Josh Mackenzie, ‘Behavioural Science - a new way to think about Diversity and Inclusion’ (LinkedIn, 21 September 2018) <<https://www.linkedin.com/pulse/behavioural-science-new-way-think-diversity-josh-mackenzie/>> accessed 31 May 2020.

¹¹ ‘Why Every Company Needs A Diversity & Inclusion Strategy Now’ (Medium, 15 July 2019) <https://medium.com/@fairforceberlin/why-every-company-needs-a-diversity-inclusion-strategy-now-77bffd7f2e2e> accessed on 31 May 2020.

¹² ‘Why Every Company Needs A Diversity & Inclusion Strategy Now’ (Medium, 15 July 2019) <https://medium.com/@fairforceberlin/why-every-company-needs-a-diversity-inclusion-strategy-now-77bffd7f2e2e> accessed on 31 May 2020.

¹³ Josh Mackenzie, ‘Behavioural Science - a new way to think about Diversity and Inclusion’ (LinkedIn, 21 September 2018) <<https://www.linkedin.com/pulse/behavioural-science-new-way-think-diversity-josh-mackenzie/>> accessed 31 May 2020.

¹⁴ ‘Why diversity matters’ (McKinsey, January 2015)

<<https://www.mckinsey.com/~media/McKinsey/Business%20Functions/Organization/Our%20Insights/Why%20diversity%20matters/Why%20diversity%20matters.ashx>> accessed 31 May 2020.

¹⁵ ‘Delivering through Diversity’ (McKinsey, January 2018)

<https://www.mckinsey.com/~media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx> accessed 31 May 2020.

¹⁶ ‘The Impact of Equality and Values Driven Business’ (Salesforce, 2017)

<https://c1.sfdstatic.com/content/dam/web/en_us/www/assets/pdf/datasheets/salesforce-research-2017-workplace-equality-and-values-report.pdf> accessed 31 May 2020.

¹⁷ ‘The Impact of Equality and Values Driven Business’ (Salesforce, 2017)

<https://c1.sfdstatic.com/content/dam/web/en_us/www/assets/pdf/datasheets/salesforce-research-2017-workplace-equality-and-values-report.pdf> accessed 31 May 2020.

School (**HBR**).¹⁸ One study found that when people feel respected at work, they are more likely to engage in risk-taking behaviours such as being creative or innovative.¹⁹ Conversely, employees are more likely to quit when “their authentic self and uniqueness is not appreciated or valued”,²⁰ leading to higher recruitment costs and brand image issues for organisations.

However, D&I changes are not just being driven by employees and companies. Consumers, investors, shareholders and other stakeholders are increasingly paying attention to companies’ Environmental, Social and Governance (**ESG**) profile. Driven by shifting mindsets surrounding matters such as equal pay and responsible company governance, investors and shareholders, notably of the Millennial and Generation X variety,²¹ are demanding that organisations take into account ESG considerations.²² Evidence indicates a strong positive correlation between ESG-compliance and long-term profit,²³ and conversely, shows bad ESG scores to be strong risk indicators.²⁴ This growing realisation of not just the economic but also PR²⁵ benefits of ESG compliance, coupled with the growing risk of regulatory fines and litigation when discounting it, has led to organisations seeking to improve their ESG compliance, which a good D&I strategy can play an enormous role in.

¹⁸ ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

¹⁹ ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

²⁰ Charong Chow, ‘15 Ways To Improve Diversity And Inclusion In The Workplace’ (Social Chorus, 24 September 2019) <<https://www.socialchorus.com/blog/employee-experience/15-ways-to-improve-diversity-and-inclusion-in-the-workplace/>> accessed 31 May 2020.

²¹ ‘Millennials Drive Growth in Sustainable Investing’ (Morgan Stanley, 9 August 2017) <<https://www.morganstanley.com/ideas/sustainable-socially-responsible-investing-millennials-drive-growth>> accessed 30 May 2020; Betsy Atkins, ‘How Your Company Should Embrace Environmental, Social And Governance Issues’, (Forbes, 21 November 2018) <<https://www.forbes.com/sites/betsyatkins/2018/11/21/how-your-company-should-embrace-environment-social-and-governance-issues/#24b413b5af8a>> accessed 30 May 2020.

²² ‘Revolution vs Evolution The ESG landscape and opportunities on both sides of the Atlantic’ (Linklaters, 5 March 2020) <https://lpscdn.linklaters.com/-/media/files/document-store/pdfs/2020/march/8870_lin_esg_revolution_vs_evolution_stg04__5.ashx?rev=73d21f5e-1938-496e-9f94-f935981fbec3&extension=pdf&hash=F9ACDACEC67E58E5EB1272486F29C8C0> accessed 30 May 2020.

²³ ‘The ESG Global Survey 2019’ (BNP, 2019) <<https://securities.bnpparibas.com/files/live/sites/web/files/medias/documents/esg-esg-global-survey-en-2019.pdf>> accessed 30 May 2020; Martin Kremenstein, ‘How ESG Metrics Work And Why All Investors Should Care’ (Business Insider via YouTube, 7 May 2018) <<https://www.youtube.com/watch?v=4LPRQaG83Ls>> accessed 30 May 2020.

²⁴ Martin Kremenstein, ‘How ESG Metrics Work And Why All Investors Should Care’ (Business Insider via YouTube, 7 May 2018) <<https://www.youtube.com/watch?v=4LPRQaG83Ls>> accessed 30 May 2020.

²⁵ Paul Davies and Tim Clare, ‘Environmental, social and governance (ESG): what is it and what is the lawyer’s role?’ (Practical Law, 5 December 2018) <<https://uk.practicallaw.thomsonreuters.com/w-018-4384?originationContext=document&transitionType=DocumentItem&contextData=%28sc.Default%29&comp=pluk>> accessed 30 May 2020.

D&I and tech

Despite these strong reasons for companies to embrace D&I, the concept did not truly exist within the tech sector until 2014. Its introduction only occurred after a three-year CNN Money investigation into diversity at several tech giants led to significant backlash when tech companies refused to release their D&I data.²⁶ Whilst tech companies have been changing their approach in recent years, the consensus is that they still have catching up to do.²⁷ For example, when Google first released a D&I report in 2014, it was 69.4% male.²⁸ Six year later, Google is 68.4% male.²⁹

The challenges to D&I

This lack of diversity unfortunately extends far beyond tech. In the UK, the unemployment rate for the black and minority ethnic (**BME**) population is 15.3%, whilst it is 11.5% for white workers, and whilst the BME population makes up 10% of the workforce, they hold only 6% of top management positions.³⁰ Furthermore, only 9.7% of executive positions in the FTSE 100 companies are held by women, and only 29% of British MPs are women, despite studies showing that men and women are equally ambitious.³¹ Furthermore, the majority of women in the workforce feel left out of decision making and “do not feel as though they can succeed.”³²

²⁶ Julianne Pepitone ‘Black, female, and a Silicon Valley ‘trade secret’ (CNN Business, 18 March 2013) <<https://money.cnn.com/2013/03/17/technology/diversity-silicon-valley/index.html>> accessed 31 May 2020.

²⁷ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

²⁸ ‘Google workforce composition 2014-2018’ (Google, 2018) <https://static.googleusercontent.com/media/diversity.google/en//static/pdf/Google_Workforce_Composition_2014-2018.pdf> accessed on 31 May 2020.

²⁹ ‘Google Diversity Annual Report 2020’ (Google, 2020) <<https://kstatic.googleusercontent.com/files/25badfc6b6d1b33f3b87372ff7545d79261520d821e6ee9a82c4ab2de42a01216be2156bc5a60ae3337ffe7176d90b8b2b3000891ac6e516a650ecef0e3f866>> accessed on 31 May 2020.

³⁰ ‘Workplace Diversity in the UK’ (Market Inspector Blog, 15 April 2019) <<https://www.market-inspector.co.uk/blog/2017/05/workplace-diversity-in-the-uk>> accessed on 31 May 2020.

³¹ ‘Workplace Diversity in the UK’ (Market Inspector Blog, 15 April 2019) <<https://www.market-inspector.co.uk/blog/2017/05/workplace-diversity-in-the-uk>> accessed on 31 May 2020.

³² ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bv nudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

However, it is not that effort isn't being made. Research shows that companies are investing in D&I programmes, with one study showing such programmes are in place in 96-98% of companies with over 1,000 employees. Despite such efforts, however, results are often lacking.³³ In a recent HBR survey, 75% of employees in underrepresented groups, such as women, ethnic minorities and LGBTQ employees, felt that the D&I policies that had been implemented were “superficial” and “insufficient to truly institute real change.”³⁴ This feeling is especially strong among millennials, many of whom do not believe that organisations ‘walk the talk’ when it comes to D&I.³⁵

One consultancy revealed that when working with companies, they noticed that even when all leaders are fully committed, this is still not enough to dramatically improve D&I.³⁶ One expert blames the ineffectiveness of many D&I initiatives on the “sincere ignorance” of the people putting them together, stating that the “details and depth of strategic thinking behind them is as thin as the paper they are printed on.”³⁷ For example, many D&I programmes do not address the “structural issues” that create non-inclusive work environments, such as “an inconsistent performance review process, unclear and arbitrary paths to promotion, an ambiguous process for reporting bad behaviour and secret conversations known as backchanneling,”³⁸ as well as a toxic company culture or lack of leadership support.

³³ ‘Fixing the Flawed Approach to Diversity’ (Boston Consulting Group, 17 January 2019) <<https://www.bcg.com/en-us/publications/2019/fixing-the-flawed-approach-to-diversity.aspx>> accessed on 31 May 2020.

³⁴ Matt Krentz, ‘Survey: What Diversity and Inclusion Policies Do Employees Actually Want?’ (Harvard Business Review, 5 February 2019) <<https://hbr.org/2019/02/survey-what-diversity-and-inclusion-policies-do-employees-actually-want>> accessed on 31 May 2020.

³⁵ ‘Seventy-Two Percent of Working Americans Surveyed Would or May Consider Leaving an Organization for One They Think is More Inclusive, Deloitte Poll Finds’ (Deloitte, 7 June 2017) <<https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/inclusion-survey.html>> accessed on 31 May 2020.

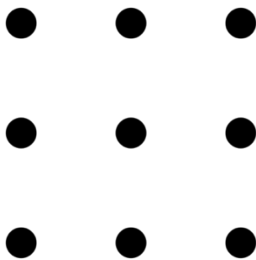
³⁶ ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

³⁷ ‘5 Reasons Diversity and Inclusion Fails’ (Glenn Llopis, 13 February 2017) <<https://www.glennllopis.com/blog/the-cultural-demographic-shift/5-reasons-diversity-and-inclusion-fails/>> accessed on 31 May 2020.

³⁸ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

Indeed, the general consensus of senior leaders and HR representatives at a recent conference was that “diversity coupled with inclusion is complex and will take *a lot more* than what has been invested in and tried previously.”³⁹ This paper therefore proposes a unique and bold approach that attempts to tackle these “structural issues” in a variety of ways.

IV. THE ARGUMENT

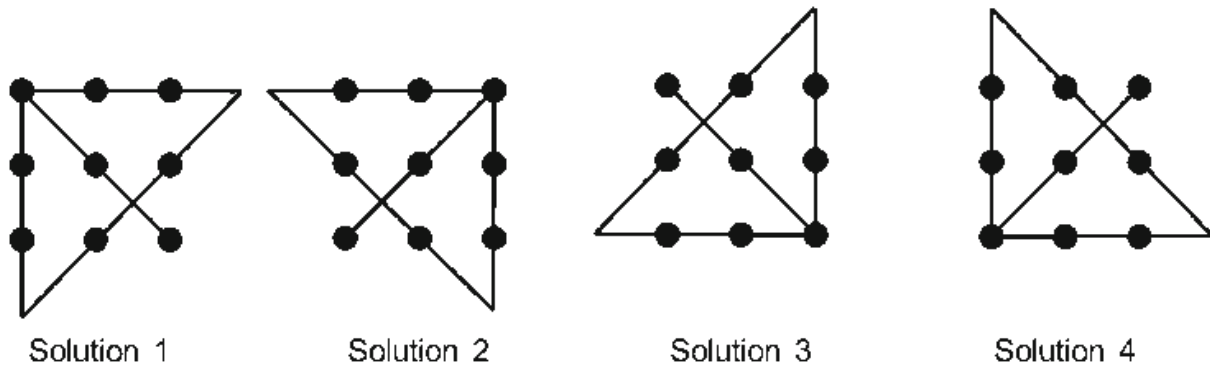


The author would like to ask the reader to take a moment to attempt the nine-point problem. Please try connecting the nine dots above by drawing four straight lines without lifting your pen off the paper. If the reader has trouble solving it, they are not alone – it is something the majority of people struggle with.⁴⁰

The solutions are as follows:

³⁹ Josh Mackenzie, ‘Behavioural Science - a new way to think about Diversity and Inclusion’ (LinkedIn, 21 September 2018) <<https://www.linkedin.com/pulse/behavioural-science-new-way-think-diversity-josh-mackenzie/>> accessed 31 May 2020.

⁴⁰ ‘From Difference to Distance: Rethinking Diversity and Inclusion | Fred Falker | TEDxClayton’ (TEDx Talks via YouTube, 13 September 2019) <https://www.youtube.com/watch?v=Ajflilwi_o> accessed on 31 May 2020.



The nine-point problem serves to illustrate that people have trouble thinking outside the box, even literally imagining a box where none exists. People are limited by their preconceived notions and inherent biases, i.e. “small distortions in the decisions and behaviours made by humans compared to that which we might observe from an entirely rational person”,⁴¹ and these limitations go some way to explain the lack of success surrounding many D&I programmes.

The first manner in which biases influence D&I programmes occurs at company level. Companies cannot hope to achieve a different outcome by continuously using the same D&I tactics. Nonetheless, companies repeatedly adopt approaches that have not worked for others, thinking that their company or employees are ‘different’ and will be more successful at tackling D&I issues. This is known as the ‘overconfidence effect’: people think they are more effective than others and more effective than they themselves actually are.⁴² They therefore end up finding the results underwhelming compared to their expectations. Companies also tend to stick to pre-existing approaches due to the ‘status quo bias’, which gives humans an exaggerated preference for the current situation when making decisions, as well as the ‘herding bias’, which makes them follow the majority.⁴³ Furthermore, members of majority groups, which frequently

⁴¹ ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

⁴² *Idem.*

⁴³ *Idem.*

includes company leaders, are likely to underestimate the obstacles diverse employees face and do therefore not institute the right kind of policies.⁴⁴

The second manner in which biases influence D&I programmes occurs at employee level. Even where company leadership overcomes its own biases and institutes a radically different framework, if such framework does not address the biases held by its workforce then it is unlikely to succeed.⁴⁵ Unfortunately, there are many biases at play in the workplace. For example, whilst humans have a deep need to feel included, many suffer from affinity bias, causing them to feel more empathetic to people like themselves, which can cause inadvertent bias during promotions, which frequently go unrecognised by those hiring decision-makers themselves.⁴⁶ Any good D&I policy must thus include well-designed and consistently enforced anti-discrimination policies, bias mitigation and cultural competency training sessions, and the removal of bias from hiring and promotion decisions.⁴⁷ Beyond this, any “[i]mpactful D&I will [...] require a balance of bold initiatives *and* sweating the details”⁴⁸ in order to succeed where others have failed. With this in mind, this paper proposes the ‘DO IT RIGHT’ initiative:

D&I Manager and Team (2)	Recruitment, promotion and leadership (3)
Oversight: a D&I Board (1)	Intervention (6)
	Giving back (8)
Inclusion (5)	Hearing (7)
Training (4)	Technology (3)

⁴⁴ ‘Fixing the Flawed Approach to Diversity’ (Boston Consulting Group, 17 January 2019) <<https://www.bcg.com/en-us/publications/2019/fixing-the-flawed-approach-to-diversity.aspx>> accessed on 31 May 2020.

⁴⁵ Matt Krentz, ‘Survey: What Diversity and Inclusion Policies Do Employees Actually Want?’ (Harvard Business Review, 5 February 2019) <<https://hbr.org/2019/02/survey-what-diversity-and-inclusion-policies-do-employees-actually-want>> accessed on 31 May 2020.

⁴⁶ *Idem.*

⁴⁷ *Idem.*

‘Fixing the Flawed Approach to Diversity’ (Boston Consulting Group, 17 January 2019) <<https://www.bcg.com/en-us/publications/2019/fixing-the-flawed-approach-to-diversity.aspx>> accessed on 31 May 2020.

⁴⁸ Jennifer Kim ‘50+ Ideas for Cultivating Diversity and Inclusion in the Workplace’ (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

The core feature of ‘DO IT RIGHT’ is a diversity and inclusion board (the **D&I Board**) that sits alongside the management and supervisory board. The D&I Board plays a key role in supporting and steering the other policies that make up the ‘DO IT RIGHT’ initiative, allowing these policies to drive real change where others have failed, for example due to lack of leadership support. The D&I Board will also be heavily involved in bias mitigation, a consistent issue among unsuccessful D&I programmes. Bias mitigation or awareness will therefore influence every level of the ‘DO IT RIGHT’ initiative. For example, in light of the ‘ego depletion’ bias, where too many choices leave people feeling overwhelmed, the ‘DO IT RIGHT’ initiative will take a measured approach and not introduce too many mandatory initiatives at once, avoiding the ‘D&I fatigue’ that other companies have likely experienced.

1. OVERSIGHT: A D&I BOARD

Whilst it does not in itself guarantee a diverse and inclusive workplace, it is clear that any successful D&I initiative needs a supportive senior management team to oversee it: “no matter how many bells and whistles you put into place, there is no substitute for an unequivocal commitment from the top.”⁴⁹ Whilst it would be ideal that those “around that table [...] have a diversity lens when any business issue is being talked about,”⁵⁰ it is unrealistic to expect this in practice, especially when pressing issues that directly impact the bottom line are being discussed. To therefore ensure that leadership is paying attention to D&I, this paper proposes a D&I Board, which forms the core tenet of the ‘DO IT RIGHT’ initiative, and interconnects with all other elements that constitute ‘DO IT RIGHT’.

⁴⁹ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

⁵⁰ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

Legal background

Whilst it is customary for companies in the UK to have one management board with executive and non-executive directors, several larger companies do additionally have supervisory boards. However, the separation of such boards only exists in fact, as English company law simply sees all directors as sitting on the same board.⁵¹ There is, therefore, no reason why a ‘third board’ would not be possible. Each director sitting on this ‘third board’, i.e. the diversity board, would be a non-executive director forming part of the ‘regular board’ under law and the ‘diversity board’ in fact. As there is no legal limit on the amount of non-executive directors proportionate to the board as a whole,⁵² the addition of the D&I directors will be possible unless restricted by Centillion’s articles or shareholder interference.

As English company law provides companies with great autonomy, Centillion’s directors, to the extent that Centillion’s articles allow it, could delegate certain powers to those sitting on the D&I Board specifically, so that the D&I Board has exclusive purview over specific matters and is able to pass resolutions without the rest of the board. Under the UK Corporate Governance Code, which applies to listed companies, the responsibilities exclusively assigned to individual directors should be clear, set out in writing, agreed by the board and made publicly available.⁵³ Despite not being listed, it would be good practice for Centillion to follow this approach, given the novelty factor of the D&I Board.

⁵¹ Nick Gibbon, Clive Garston and Bridget Salaman ‘Corporate governance and directors’ duties in the UK (England and Wales): overview’ (Thomson Reuters Practical Law, 1 December 2019) <[https://uk.practicallaw.thomsonreuters.com/3-597-4626?transitionType=Default&contextData=\(sc.Default\)&firstPage=true&bhcp=1](https://uk.practicallaw.thomsonreuters.com/3-597-4626?transitionType=Default&contextData=(sc.Default)&firstPage=true&bhcp=1)> accessed on 31 May 2020.

⁵² Nick Gibbon, Clive Garston and Bridget Salaman ‘Corporate governance and directors’ duties in the UK (England and Wales): overview’ (Thomson Reuters Practical Law, 1 December 2019) <[https://uk.practicallaw.thomsonreuters.com/3-597-4626?transitionType=Default&contextData=\(sc.Default\)&firstPage=true&bhcp=1](https://uk.practicallaw.thomsonreuters.com/3-597-4626?transitionType=Default&contextData=(sc.Default)&firstPage=true&bhcp=1)> accessed on 31 May 2020.

⁵³ ‘The UK Corporate Governance Code July 2018’ (Financial Reporting Council, July 2018) <<https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>> accessed on 31 May 2020.

Given that the D&I Board is therefore able to make its own decisions, it should have an uneven number of directors so that it can pass board resolutions, which require a simple majority. This paper proposes nine such directors: a large enough number to ensure alternative viewpoints whilst being small enough to avoid exorbitantly lengthy discussions.

The D&I Board members should meet certain criteria. Firstly, they must all have previous D&I experience, be this academic or workplace experience. At least two board members must each specialise in gender or ethnic diversity, and ideally, all nine directors would cumulatively be experienced in the fields of gender, ethnic diversity, sexual orientation, gender identity, mental health, socio-economic background, culture and religion. At least one director must be a behavioural scientist or psychologist, preferably with a focus on workplace behavioural science.

Ideally, the board members themselves would be very diverse, and include no more than five men and no more than five people with Caucasian ethnicity, as well as at least two members with BME backgrounds and one member who identifies as LGBTQ+. This must be approached with some degree of caution, however. Unlike in other European countries, there are no mandatory board quotas in the UK. Positive discrimination is illegal under the Equality Act 2010, so that board members cannot be hired based on ‘protected characteristics’ rather than experience or qualifications. However, this paper does not propose simply hiring D&I Board members based on such characteristics, but rather, taking “positive action”. “Positive action”, which was first implemented in the UK in 2011, intends to aid the recruitment and promotion of underrepresented minorities.⁵⁴ It allows for someone to be hired based on personal

⁵⁴ Philp Sayers ‘Positive discrimination and positive action: why employers need to know the difference’ (Coodes Solicitors, 8 July 2019) <<https://coodes.co.uk/blog/positive-discrimination-and-positive-action-why-employers-need-to-know-the-difference/>> accessed on 31 May 2020.

characteristics when choosing between equally qualified candidates.⁵⁵ This paper therefore suggests recruiting from a large pool of candidates and following such a “positive action” approach. Of course, this is not without controversy, but must be weighed against the backlash of having a D&I Board that is, for example, exclusively white and male.

As non-executive directors, those on the D&I Board must be independent, as they must provide an unbiased viewpoint and challenge the executive directors where necessary. Any potential candidate should therefore be assessed in order to ensure that there are no relationships or circumstances likely to affect their judgement. They cannot have been employed by the Centillion group within the last five years, have a material business relationship with the company, or have significant links to other directors.⁵⁶

Once the final candidates have been selected, they may be appointed by Centillion’s directors or shareholders, in each case requiring a simple majority vote. The D&I Board will work on a 35% part-time basis and may remain in office for no more than nine years.

Role within company

Given its novelty, the D&I Board partially plays a symbolic role in that it highlights Centillion’s dedication to diversity. However, it is much more than that: it will be a voice at the top, guiding other board members who are still grappling with D&I’s necessity, and encouraging them to embrace diversity, as “[e]xecutive buy-in is mission-critical for D&I

⁵⁵ Philp Sayers ‘Positive discrimination and positive action: why employers need to know the difference’ (Coodes Solicitors, 8 July 2019) <<https://coodes.co.uk/blog/positive-discrimination-and-positive-action-why-employers-need-to-know-the-difference/>> accessed on 31 May 2020.

⁵⁶ ‘The UK Corporate Governance Code July 2018’ (Financial Reporting Council, July 2018) <<https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>> accessed on 31 May 2020.

efforts to succeed”.⁵⁷ It will be a direct line of contact for those implementing D&I measures further down in the company hierarchy: the D&I Board will appoint and closely work together with a D&I manager (the **D&I Manager**), who is allocated their own team (the **D&I Team**). Together, this triad (the **D&I Triad**) will be responsible for Centillion’s D&I strategy and implementation, with D&I ideas being proposed by the D&I Team, before being assessed by the D&I Manager and voted on by the D&I Board. The D&I Board will be the ultimate arbiter for any important D&I decisions made within Centillion, unless such decisions require the entire board’s or shareholder approval. The D&I Board will also be responsible for assessing hiring and promotion decisions made at upper levels, stepping in where necessary, as well as creating an independent report to submit to shareholders on an annual basis.

Overall, the D&I Board is the core tenet of the ‘DO IT RIGHT’ initiative because it has the expertise (due to its members’ experience in D&I and behavioural science), insight (due to its members’ diverse characteristics) and ability (due to its members’ positions on the board) to institute real change.

2. D&I MANAGER AND TEAM

Whilst a growing number of companies have hired D&I managers to oversee D&I policies in recent years, most have been unable to institute real change.⁵⁸ In many cases, the D&I manager was simply “external facing”, neither having power themselves, nor a line of communication to those with power.⁵⁹ Beyond lacking authority, they lacked both human and financial resources, as well as a metric by which to hold people accountable. These issues were

⁵⁷ Jennifer Kim ‘50+ Ideas for Cultivating Diversity and Inclusion in the Workplace’ (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

⁵⁸ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

⁵⁹ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

exacerbated by the difficult nature of the position, which led to D&I managers being criticised “for not doing enough” or “for trying to do too much”. Furthermore, their position “at the intersection of gender, ethnicity and sexual orientation [made] a lot of people fundamentally uncomfortable.”⁶⁰ In tech, this issue is especially pervasive: a female co-founder stated that she did not know of a single D&I manager within a tech company that had made an impact or had the authority to stop other executives from “making really bad decisions related to diversity and inclusion”.⁶¹ The issues in tech are further evidenced by many big tech companies in the US having a high turnover rate for D&I managers.⁶²

The ‘DO IT RIGHT’ initiative aims to address these issues in a number of ways. First of all, the D&I Manager will be separate from HR and legal and have a direct line of communication to the D&I Board, to which the D&I Manager will submit a formal report on a monthly basis, as well as being able to report issues on an intermittent basis. Furthermore, the D&I Manager will be allocated a D&I Team, with at least one team member per 60 Centillion UK employees. At least one D&I Team member shall be an inclusion specialist, whilst two D&I Team members shall have experience within the field of behavioural science.

The general role of the D&I Manager and Team

The D&I Team, headed by the D&I Manager, will initially be responsible for setting up a D&I framework (the **D&I Framework**), allowing Centillion to clearly indicate the manner in which it will (1) tackle D&I issues, (2) expect employees to behave, and (3) hold employees accountable. However, as people do not like being told what to do,⁶³ the framework should take

⁶⁰ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.
⁶¹ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.
⁶² Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.
⁶³ Elizabeth Hall ‘Why We Hate People Telling Us What to Do’ (Psychology Today, 6 June 2019)

a carrot rather than a stick approach and aim to set out the rewards for D&I compliance (e.g. good performance evaluations) rather than being overly prescriptive. The D&I Team members with experience in behavioural science will be closely involved with drafting the D&I Framework, which should be reviewed by legal and ultimately be approved by the D&I Board.

Additionally, the D&I Team will assess areas in relation to which Centillion could improve, and design methods by which such improvement may be achieved. In each case, it must have regard to behavioural science in order to avoid any potential pitfalls. When setting out and implementing new initiatives, the D&I Team must also design and keep track of key performance indicators (**KPIs**) in order to measure progress and refine its approach over time.⁶⁴ However, it will not just be a matter of implementing new initiatives and keeping track of progress: the D&I Team should constantly be brainstorming new initiatives and actively encourage employees to submit their ideas or concerns. When looking for solutions, the D&I Team may hire external specialists. The D&I Team should also collate all its findings within one handbook, which is then available for future reference and new team members.

The D&I Team will work closely with the legal team so as to keep up-to-date with the law on D&I, as well as working closely with HR in order to keep track of voluntary standards that aim to reduce workplace bias, such as the BSI and ISO human resource management suite.⁶⁵ Working together with both HR and legal, the D&I Team will also set up a reporting mechanism so that employees can easily address inappropriate behaviour. A 2017 Women Who Tech survey found that 53% of women (and 16% of men) in tech had experienced harassment at work.⁶⁶ It is, therefore, important that the D&I Team ensures that victims can

<<https://www.psychologytoday.com/intl/blog/conscious-communication/201906/why-we-hate-people-telling-us-what-do>> accessed on 31 May 2020.

⁶⁴ Matt Krentz, 'Survey: What Diversity and Inclusion Policies Do Employees Actually Want?' (Harvard Business Review, 5 February 2019) <<https://hbr.org/2019/02/survey-what-diversity-and-inclusion-policies-do-employees-actually-want>> accessed on 31 May 2020.

⁶⁵ 'Diversity and inclusion in the workplace' (CIPD, 11 May 2020)

<<https://www.cipd.co.uk/knowledge/fundamentals/relations/diversity/factsheet>> accessed on 31 May 2020.

⁶⁶ 'Tech and Startup Culture Survey' (Women Who Tech, 15 August 2017) <<https://womenwhotech.com/sites/default/files/2020-02/WWTSurveyfinalAug-15-2017.pdf>> accessed on 31 May 2020.

easily report harassment and that the D&I Framework is properly enforced. Where accusations are levelled against more senior employees or managers, the D&I Board can step in.

Lastly, the D&I Team should be heavily engaged in the firm's social media presence, i.e. work together closely with Centillion's communications team in order to promote the 'DO IT RIGHT' initiative. Furthermore, it could try to engage employees by asking minority groups to write about their experiences and so give prospective candidates an authentic perspective.⁶⁷

3. RECRUITMENT, PROMOTION AND LEADERSHIP

One of the most important roles of the D&I Triad relates to employee recruitment, promotion and leadership, another core feature of the 'DO IT RIGHT' initiative. Working closely with HR, the D&I Team, headed by the D&I Manager, will aim to ensure that employees are both represented by numbers and feel included across all levels of Centillion. The D&I Manager's direct line of communication to the D&I Board ensures a way of combatting pushback from senior management levels and having proposals assessed quickly and efficiently.

At the outset, the D&I Team will focus on setting specific diversity goals, especially regarding women and ethnic minorities, and generally improving the recruitment process. The behavioural scientists should play an important role here, as biases should be addressed even at this preliminary stage. For example, 'default bias' results in companies frequently recruiting from a small pool of potential candidates, and Centillion should aim to recruit from a larger pool so as to maximise diversity. As a next step, the D&I Team should institute blind screenings whilst reviewing resumes in order to reduce the bias that studies have shown

⁶⁷ Jennifer Kim '50+ Ideas for Cultivating Diversity and Inclusion in the Workplace' (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

women and ethnic minorities face.⁶⁸ Whilst in the UK, it is normal for ‘protected characteristics’ such as race, background, sexual orientation and disability to be included on application forms, and is indeed important for “positive action”, such characteristics should only be displayed after an initial screening, so as to limit any initial unconscious bias.

Having selected the most qualified candidates, the D&I Team will, together with HR, set up a structured interview process so that each candidate can be judged by the same criteria. Compared to unstructured interviews, a structured approach limits certain biases, such as the ‘status quo bias’ (a preference for what we know) as well as the ‘halo effect’ (when one positive trait influences people’s perceptions of other traits).⁶⁹

Despite switching to a structured interview process, however, there may still be biases among hiring managers. The D&I Team will take a three-pronged approach to combatting this.

Firstly, the D&I Team will give anti-bias training to hiring managers, as extensive research has shown that the “hiring process is unfair and full of bias”.⁷⁰ Such training will address some of the most common biases, such as the ‘in-group bias’ (a tendency to prefer those similar to us) as well as the ‘status quo bias’, which may, for example, make us think that white males are the best leaders as the majority of leaders are white males.

⁶⁸ Jennifer Kim ‘50+ Ideas for Cultivating Diversity and Inclusion in the Workplace’ (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

⁶⁹ ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bv nudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

⁷⁰ Matt Krentz, ‘Survey: What Diversity and Inclusion Policies Do Employees Actually Want?’ (Harvard Business Review, 5 February 2019) < <https://hbr.org/2019/02/survey-what-diversity-and-inclusion-policies-do-employees-actually-want>> accessed on 31 May 2020.

Secondly, the D&I Team will regularly review a selection of interview transcripts in order to assess whether any biases may have been at play, and will, where necessary, submit certain cases to the D&I Board.

Thirdly, the D&I Team will aim to ensure that the pool of hiring managers is more diverse, as where “the people controlling the hiring, firing, and compensation are all biased men, then homogeneity will continue to dominate.”⁷¹ Therefore, the D&I Team should take steps to ensure that diverse people are promoted to (or hired as) hiring managers.

Beyond biases held by hiring managers, the D&I Team should seek to address ‘auto stereotypes’ employed by candidates themselves. For example, women apply for senior management positions and negotiate on salary less frequently than men. Research has shown that whilst men will apply for a role where they only meet 60% of the qualifications, women will apply only if they meet 100%.⁷² To address this issue, job descriptions could focus on what will be expected of a candidate one year into the job.⁷³ Job descriptions can be made more inclusive in other ways too, such as by using D&I technology (**D&I Tech**), a core feature of the ‘DO IT RIGHT’ initiative. One such tool is Textio, which rewrites job descriptions so that they are gender neutral and free of gendered descriptors and verbs.⁷⁴ Other great D&I Tech programmes include Compaas, which helps institute equal pay, or Allie, a Slack bot with whom employees can discuss D&I concerns.⁷⁵ As D&I Tech is a fast-growing field, the D&I

⁷¹ ‘Ellen Pao on how to make tech more diverse’ (BBC, 12 April 2019) <<https://www.bbc.com/worklife/article/20190321-how-to-make-the-tech-industry-more-diverse>> accessed on 31 May 2020.

⁷² Matt Krentz, ‘Survey: What Diversity and Inclusion Policies Do Employees Actually Want?’ (Harvard Business Review, 5 February 2019) <<https://hbr.org/2019/02/survey-what-diversity-and-inclusion-policies-do-employees-actually-want>> accessed on 31 May 2020.

⁷³ Jennifer Kim ‘50+ Ideas for Cultivating Diversity and Inclusion in the Workplace’ (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

⁷⁴ Jennifer Kim ‘50+ Ideas for Cultivating Diversity and Inclusion in the Workplace’ (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

⁷⁵ Jennifer Kim ‘50+ Ideas for Cultivating Diversity and Inclusion in the Workplace’ (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

Team should conduct regular assessments to see what D&I Tech has been developed and how this can help Centillion cut costs.

Furthermore, together with HR, the D&I Team should find a way to include D&I in performance conversations and promotion decisions in a way that goes beyond taking “positive action” and promoting diverse employees. For example, the D&I Team can collect employees’ anonymous feedback and assess managers based on engagement scores,⁷⁶ giving managers who score particularly well a bonus. Where certain managers are deemed as being exceptionally inclusive, the D&I Team should additionally assess their character traits and look for these in others it recruits or promotes. For example, one company found that managers who were exceptionally inclusive generally “displayed a huge growth mindset” and “were more likely to be humble and [see] failure as opportunities to grow.”⁷⁷

Where promotion or hiring occurs at the upper levels, the D&I Team may choose to submit the candidates to the D&I Board, who may then weigh in on the decision. This is especially important in the case of promotions, as hiring managers may have pre-existing relationships with employees. One study found, for example, that men were getting promoted more frequently in one organisation due to its pub culture, which men participated in more frequently than women and minorities.⁷⁸ As independent directors, the D&I Board will not be interacting with employees in the pub or elsewhere, and therefore ensure that no biases come into play.

⁷⁶ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

⁷⁷ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

⁷⁸ ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

Hopefully, this will result in more diversity among the upper levels, which is key to successful workplace D&I initiatives, as it “speaks volumes about [company] culture”.⁷⁹

Despite the aforementioned initiatives seeking to make recruitment and promotion more diverse and inclusive, employees may still leave the company due to not feeling included. In such cases the D&I Team can undertake exit interviews to assess why such employees are leaving and what can be done to curb future losses.⁸⁰ The entire ‘DO IT RIGHT’ initiative is based on constant feedback and improvement.

4. TRAINING

The research of psychologist Daniel Kahneman, one of the founding fathers of behavioural science, has shown that the vast majority of human decisions are based on biases rather than facts or logic.⁸¹ As such biases “can have a negative impact on driving change in the space of diversity and inclusion”,⁸² addressing them through training is crucial, as it can make people take “more diverse and more inclusive actions and decisions.”⁸³ Whilst certain biases have been addressed above, notably regarding company leaders and hiring managers, addressing employees’ biases in their day-to-day work life is the most crucial element of bias reduction and forms a central part of the ‘DO IT RIGHT’ initiative.

⁷⁹ Charong Chow, ‘15 Ways To Improve Diversity And Inclusion In The Workplace’ (Social Chorus, 24 September 2019) <<https://www.socialchorus.com/blog/employee-experience/15-ways-to-improve-diversity-and-inclusion-in-the-workplace/>> accessed 31 May 2020.

⁸⁰ ‘How to Increase Workplace Diversity’ (Wall Street Journal) <<https://guides.wsj.com/management/building-a-workplace-culture/how-to-increase-workplace-diversity/>> accessed on 31 May 2020.

⁸¹ Kevin Campbell ‘10 performance review biases and how to avoid them’ (Culture Amp Blog) <<https://www.cultureamp.com/blog/10-performance-review-biases-and-how-to-avoid-them/>> accessed on 31 May 2020.

⁸² ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020) <https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

⁸³ *Idem*.

Unfortunately, statistics suggest that simply offering ‘plain vanilla’ anti-bias training does not make “statistically significant differences”.⁸⁴ A 2016 HBR study, which analysed 30 years of diversity training data, showed that such programmes generally have no effect or even decrease diversity:⁸⁵ “The positive effects of diversity training rarely last beyond a day or two” and can even “activate bias or spark a backlash.”⁸⁶

The ‘DO IT RIGHT’ initiative will thus take a new approach. As a first step, it proposes a meta approach to bias training, i.e. assessing what biases, both on the part of the employer and employee, frequently result in bias trainings’ failure. For example, in the case of the employer, it may be due to the ‘overconfidence bias’, i.e. underestimating the amount of time and effort it takes employees to address subconscious behaviours. Issues that may affect employees include the perception that their company is trying to control them.⁸⁷ Additionally, many employees may feel uncomfortable having their weaknesses or prejudices exposed. During the hiring and promotion process, it will therefore be crucial for the D&I Team to hire and promote those with a growth mindset and to implement measures to assess who has such a mindset in the structured interviews discussed above.

The D&I Team should therefore not start the training right away but collect feedback first to see how people feel about the training and tailor the training to such reactions. Additionally, it could make employees take an Implicit Association Test to help them become aware of their own biases.⁸⁸ Not only is awareness an important step to more meaningful D&I conversations,

⁸⁴ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019)

<<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

⁸⁵ ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020)

<https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

⁸⁶ Matt Krentz, ‘Survey: What Diversity and Inclusion Policies Do Employees Actually Want?’ (Harvard Business Review, 5 February 2019) <<https://hbr.org/2019/02/survey-what-diversity-and-inclusion-policies-do-employees-actually-want>> accessed on 31 May 2020.

⁸⁷ ‘Diversity & Inclusion Series, Part 1: Why Behavioral Science for Diversity?’ (BVA Nudge Unit, 19 February 2020)

<https://bvanudgeunit.com/the-bva-nudge-units-series-on-diversity-inclusion/#_ftn9> accessed 31 May 2020.

⁸⁸ Jennifer Kim ‘50+ Ideas for Cultivating Diversity and Inclusion in the Workplace’ (LinkedIn Talent Blog, 1 May 2019)

<<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

but it is an effective method to prove that those who think they are unbiased and therefore ‘don’t need D&I training’, do, in fact, have subconscious tendencies. As such, it might make people understand the need for bias training.

The workshops themselves should be more of an interaction than simply sitting still and listening. Ideally, the workshop should be given by a highly experienced professional, who may be external, and who can make the topic both interesting, fun and easy to remember. Beyond biases, the workshops should also focus on skills such as communication and empathy. For example, using role play to put people in each other’s shoes may go a long way to providing insight, as people within majority groups frequently underestimate the need for D&I.⁸⁹

However, one-off approaches will not be sufficient. Reducing biases will require constant monitoring and feedback collection, both after bias training sessions and on a more general basis. However, with the D&I Team and Manager continuously monitoring the situation, and staying abreast of new developments, both in the world of behavioural science and the workplace in general, bias training can make a real difference.

5. INCLUSION

The link between feeling ‘psychologically safe’ at work and economic performance has been highlighted above. A core tenet of the ‘DO IT RIGHT’ initiative is the introduction of measures that make all employees feel included and respected. These initiatives may originate with the D&I Team or may be proposed to the D&I Team by employees, who may submit suggestions

⁸⁹ ‘Fixing the Flawed Approach to Diversity’ (Boston Consulting Group, 17 January 2019) <<https://www.bcg.com/en-us/publications/2019/fixing-the-flawed-approach-to-diversity.aspx>> accessed on 31 May 2020.

at any time. The majority of implementation decisions will be made by the D&I Manager, whilst larger or more expensive ideas will be decided upon by the D&I Board.

Whilst the proposed measures focus on the largest minority groups, any other minority groups with particular needs should be brought to the D&I Team's attention at any time.

General

Firstly, the D&I Team will try to increase the amount of resource groups to which employees with certain protected characteristics can turn. Such resource groups are vital in enabling employees to voice their concerns and opinions without fear of retribution or victimisation.⁹⁰ Additionally, this feedback will allow Centillion to recognise what important D&I issues are.

Furthermore, the D&I Team will set up networks and alliances for different groups, such as an LGBTQ+ network, and help them organise events. In doing so, it must make sure that such networks are not perceived as having 'special advantages' that may foster animosity among the homogenous group. Granting certain privileges must therefore always be weighed up against the risk of internal discord, even where those privileges are well-deserved. The D&I Team's behavioural scientists must advise in relation to such matters.

Additionally, the D&I Team should set up mentoring among employees with the same 'protected characteristics', though for the reasons outlined above, such a programme should only be instituted where a general mentoring programme already exists. Furthermore, Centillion can invite guest speakers from several D&I communities to give presentations at the

⁹⁰ Charong Chow, '15 Ways To Improve Diversity And Inclusion In The Workplace' (Social Chorus, 24 September 2019) <<https://www.socialchorus.com/blog/employee-experience/15-ways-to-improve-diversity-and-inclusion-in-the-workplace/>> accessed 31 May 2020.

company's offices.⁹¹ This may be informative or inspirational to those with similar personal characteristics, whilst the majority group has a chance to learn about diversity without it being in the form of a 'lesson'.

Women and parents

Making women feel more included in the workplace can include a myriad of initiatives in addition to the general ones set out above. For example, Centillion could introduce flexible working hours,⁹² but rather than just being offered to women, such flexible working hours could be offered to all parents. Furthermore, the D&I Team should attempt to institute changes around parental leave, an area where the D&I Board's support will be vital. This could include reducing the influence that taking parental leave has on promotion decisions and granting double parental leave where an employee is a single parent. It is vital that men are also addressed, as reducing the discrepancy between male and female leave is beneficial to women overall. As this is a complex and controversial topic and one that may face the most resistance from the general (i.e. non-D&I) board, it may be worth hiring an expert to help with proposals.

Culture and religion

The D&I Team should introduce measures honouring various religious and cultural practices. This can be as small as designating a special refrigerator to keep Kosher food items separate,⁹³ to as big as celebrating black history month or gay pride week, or offering "floating holidays" so that the cultures and religions of all employees are taken into account.⁹⁴

⁹¹ Jennifer Kim '50+ Ideas for Cultivating Diversity and Inclusion in the Workplace' (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

⁹² Mark Menke 'Why Flexible Work Is No Longer Just a Generous Perk' (LinkedIn Talent Blog, 16 May 2019) <<https://business.linkedin.com/talent-solutions/blog/talent-leadership/2019/flexible-work-not-a-perk>> accessed on 31 May 2020.

⁹³ Peggy Yu, 'What Should Inclusion Really Look Like In The Workplace?' (Forbes, 17 January 2018) <<https://www.forbes.com/sites/peggyyu/2018/01/17/what-should-inclusion-really-look-like-in-the-workplace/#37329b1d53f0>> accessed 31 May 2020.

⁹⁴ Susan Milligan, 'Celebrating the Holidays and Diversity in the Workplace' (SHRM, 2 December 2015) <<https://www.shrm.org/resourcesandtools/hr-topics/behavioral-competencies/global-and-cultural-effectiveness/pages/holiday-diversity.aspx>> accessed 31 May 2020.

As food can be a great way to bring people together, an international foods potluck can serve to highlight different cultures and open up organic discussion.⁹⁵ At each event, however, there should be food and beverages that everyone can eat and drink. Asking proper questions about dietary preferences will make such experiences much more inclusive.⁹⁶

Language

When bringing together an international team, offering translation services to those whose first language isn't English (e.g. during presentations) will make them feel more included.⁹⁷ Related to this, Centillion could start offering language lessons at work. Not only does this expose employees to other cultures and help those who only speak English empathise with non-native speakers; having a multilingual workforce can be of great benefit to Centillion.⁹⁸ The costs will remain low if just a few languages are chosen and lessons occur on a weekly basis.

Disability / Gender-neutrality

The D&I Team should build disabled toilets, even where there aren't any disabled employees, as this will allow Centillion to hire disabled employees. Such toilets should be separate from male or female bathrooms so that they double as gender-neutral toilets. As this may involve significant construction expenses, the D&I Board's help may be needed to get such a measure passed.

⁹⁵ Jennifer Kim '50+ Ideas for Cultivating Diversity and Inclusion in the Workplace' (LinkedIn Talent Blog, 1 May 2019) <<https://business.linkedin.com/talent-solutions/blog/diversity/2017/50-ideas-for-cultivating-diversity-and-inclusion-in-the-workplace>> accessed on 31 May 2020.

⁹⁶ Charong Chow, '15 Ways To Improve Diversity And Inclusion In The Workplace' (Social Chorus, 24 September 2019) <<https://www.socialchorus.com/blog/employee-experience/15-ways-to-improve-diversity-and-inclusion-in-the-workplace/>> accessed 31 May 2020.

⁹⁷ *Idem.*

⁹⁸ *Idem.*

Age

As a frequently overlooked group, it is important to make older people feel included.⁹⁹ Despite working in tech, some older employees may only work with old programming languages, or work within business services, and may, therefore, not be well-versed in social media. If that is the main method of communication, they can easily feel left out.¹⁰⁰ The D&I Team should make sure they feel comfortable using the workplace's social channels if this is the main method of communication.¹⁰¹

The homogenous majority

Everyone needs to feel equally valued, and that includes the homogenous group, especially as they are a large group without whom inclusion cannot be achieved.¹⁰² Certain initiatives, such as food potlucks, D&I guest speakers and flexible working hours for parents allow for the inclusion of the homogenous majority group. Being exposed to diversity through such initiatives as well as the other elements of 'DO IT RIGHT' more generally will hopefully make the majority group understand that they cannot be included in *all* initiatives. In each circumstance, however, the D&I Team should be open to feedback and aim to address any concerns in a transparent manner before they foster any type of resentment.

6. INTERVENTION

Whilst successful D&I initiatives require support from the top, even with such support, they cannot work without a healthy company culture where all employees respect such initiatives.

⁹⁹ *Idem.*

¹⁰⁰ *Idem.*

¹⁰¹ *Idem.*

¹⁰² '5 Reasons Diversity and Inclusion Fails' (Glenn Llopis, 13 February 2017)

<<https://www.glennllopis.com/blog/the-cultural-demographic-shift/5-reasons-diversity-and-inclusion-fails/>> accessed on 31 May 2020.

However, this is frequently not the case, and as such, 75% of respondents in a recent HBR survey believed that “strengthening anti-discriminatory policies was critical.”¹⁰³

Policies may need to be strengthened on two levels, the first of which is relatively minor: unfortunately, diversity tactics do sometimes receive backlash, with some arguing that they remove meritocracy. “While there’s no tried-and-true solution to internal resistance”,¹⁰⁴ it is important that such reactions are addressed so that no resentment starts to spread. Such conversations must be had in an understanding manner, always remembering that changing minds and moving people towards understanding is vital for the ‘DO IT RIGHT’ initiative to work.

In some cases, however, it will not be possible to change employees’ opinions. However, if Centillion makes clear what its culture stands for, those employees may eventually realise that it is not a good cultural fit and choose to leave.¹⁰⁵ Furthermore, as the D&I Team will encourage promoting and hiring those with a growth mindset, the general corporate culture may become more understanding of the need for D&I over time.¹⁰⁶

However, where people actively engage in anti-D&I behaviours, such as racism or sexism, this needs to be dealt with appropriately. In doing so, the D&I Team may use the D&I Framework set out above. Before making any decision, the D&I Team will conduct interviews with the employees involved, i.e. the accused, acusee and third-party bystanders. It will work closely

¹⁰³ Matt Krentz, ‘Survey: What Diversity and Inclusion Policies Do Employees Actually Want?’ (Harvard Business Review, 5 February 2019) <<https://hbr.org/2019/02/survey-what-diversity-and-inclusion-policies-do-employees-actually-want>> accessed on 31 May 2020.

¹⁰⁴ Kevin Campbell ‘10 performance review biases and how to avoid them’ (Culture Amp Blog)

<<https://www.cultureamp.com/blog/10-performance-review-biases-and-how-to-avoid-them/>> accessed on 31 May 2020.

¹⁰⁵ *Idem*

¹⁰⁶ *Idem*

with the legal team in order to ensure that employment law is respected, and where necessary, the D&I Board.

Such an approach is especially important in tech, which has “seen a remarkable rebound effect for harassers,” who “land on their feet much more easily than the people who accuse them.”¹⁰⁷ For example, several notable men stepped down from tech roles following sexual misconduct allegations but still received enormous bonuses. Furthermore, many complaints by women have not resulted in any real consequences for the culprits.¹⁰⁸ Intervention in such cases, using the D&I Framework and other reporting mechanisms, as outlined above, is crucial.

Beyond interventions by the D&I Triad, it is important that employees intervene as well. The D&I Team can train open-minded employees on appropriate ways to intervene when they see something wrong, using behavioural science during such training.¹⁰⁹ This will make the entire team part of the positive transformation and avoid making the ‘DO IT RIGHT’ initiative seem “too heavy-handed or one-sided”.¹¹⁰

7. HEARING

People from different backgrounds and generations sometimes have vastly different perspectives on all sorts of issues, so it’s important to embrace diverse thinking so as to generate ideas and obtain input, whilst also “creating an environment where everyone feels relevant and part of a shared mission.”¹¹¹

¹⁰⁷ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

¹⁰⁸ Megan Rose Dickey, ‘The Future of Diversity and Inclusion in Tech’ (TechCrunch, 17 June 2019) <<https://techcrunch.com/2019/06/17/the-future-of-diversity-and-inclusion-in-tech/>> accessed 31 May 2020.

¹⁰⁹ Workplace Diversity and Inclusion: A Guide To The Benefits, Background & Ideas’ (Kununu Engage, 31 October 2018) <<https://engage.kununu.com/en/blog/workplace-diversity-inclusion-great-companies/>> accessed 31 May 2020.

¹¹⁰ Workplace Diversity and Inclusion: A Guide To The Benefits, Background & Ideas’ (Kununu Engage, 31 October 2018) <<https://engage.kununu.com/en/blog/workplace-diversity-inclusion-great-companies/>> accessed 31 May 2020.

¹¹¹ hCharong Chow, ‘15 Ways To Improve Diversity And Inclusion In The Workplace’ (Social Chorus, 24 September 2019) <<https://www.socialchorus.com/blog/employee-experience/15-ways-to-improve-diversity-and-inclusion-in-the-workplace/>> accessed 31 May 2020.

There are three main ways to do so. First of all, employees should feel comfortable engaging in one-on-one talks with their manager. In order for these discussions to truly be effective, managers must have an open-door policy and workers need to feel comfortable speaking their minds honestly and openly. During D&I training, the D&I Team should therefore remind managers to show that “they too are human”, so that employees will feel comfortable being honest and speaking about mistakes.¹¹²

Secondly, the D&I Team should set up a social platform for workplace discussions, which provides employees with a personalised experience that “allows all voices to be heard.”¹¹³ Simultaneously, the analytics will give Centillion insight into the best method to meet employee needs.

Thirdly, the D&I Team should solicit continuous anonymous feedback. This may be through surveys, or alternatively, through an anonymous platform where employees may submit feedback at any time.

8. GIVING BACK

An important role for the D&I Team will be partnering with UK non-profits and community organisations, such as the National Alliance of Women’s Organisations, the Race Equality Foundation, the Business Disability Forum or the LGBT Foundation. Additionally, being a tech company, Centillion could engage with non-profit tech organisations, such as Diversity in

¹¹² *Idem.*

¹¹³ *Idem.*

Tech, for example by allowing this organisation to come into its offices for a presentation or networking event, or even by offering mentoring schemes.

V. COSTS AND BENEFITS

There are several types of costs involved, the first of which is human capital costs. Some employees may not appreciate the focus on D&I that ‘DO IT RIGHT’ incorporates, and whilst some may come around to the idea, others may choose to leave Centillion. Nonetheless, those who choose to leave simply due to their opposition to a D&I programme are far more likely to have been a legal liability than the employees who stay. Whilst it may hurt to lose employees with technical proficiency, the resulting decline in liability risk mitigates any such loss.

Additionally, there are direct financial costs. Whilst it is difficult to give a precise figure without further details, it is likely that the ‘DO IT RIGHT’ initiative will cost several millions of pounds per year. This figure takes into account the cost of the D&I Manager and their Team, as well as the D&I Board (which will be working on a 35% part-time basis), and the costs of all the other employee events, resources and training.

Whilst several million pounds per year may sound expensive, this figure is vastly outweighed by the financial benefits. By addressing factors holding back D&I, the ‘DO IT RIGHT’ initiative reduces exposure to lawsuits relating to racism, sexism or other forms of discrimination. In the UK, unfair treatment in the workplace is the largest driver of turnover in the tech industry and can cost companies up to £4 billion per year.¹¹⁴ The UK is increasingly holding companies liable for their employees’ actions in an attempt to change firms’ corporate cultures, which means that one indiscretion by an employee can see a company liable for

¹¹⁴ Homepage <<https://www.diversityintech.co.uk/>> accessed on 31 May 2020.

millions of pounds if company culture is (partially) to blame.¹¹⁵ Having ‘DO IT RIGHT’ in place doesn’t just make this less likely but also provides Centillion with a strong defence regarding company culture where such accusations are levied. ‘DO IT RIGHT’ thus offers protection as well as an insurance policy.

Furthermore, the ‘DO IT RIGHT’ initiative can offer Centillion an enormous PR and branding boost. Given the late (2014) entrance of D&I on the tech scene, the growing ‘teclash’, and the D&I issues faced by its parent company and the tech sector in general, this is arguably very much needed. This PR value can boost sales and attract top talent. It will also make Centillion stand apart from its competitors (an important boost given that it is a new market entrant) and gain market dominance within a short amount of time. Furthermore, the positive PR will also reflect positively on its parent company, and hopefully see its share price rise accordingly.

Additionally, the evidence shows a strong link between a happy and inclusive workforce and financial performance and innovation. The financial benefit of a diverse workforce can therefore be enormous, especially over time. Therefore, whilst ‘DO IT RIGHT’ does have high running costs, the resulting decline in liability risk, the PR boon and the more productive workforce will ensure that Centillion both makes and saves more money than it spends.

VI. CONCLUSION

This paper has sought to outline the main challenges to previous D&I programmes and has proposed a holistic solution, ‘DO IT RIGHT’, that seeks to address these challenges in a variety of ways. The central element of ‘DO IT RIGHT’ is a D&I Board, which has several functions: firstly, it ensures that there is a diverse team at the top that is dedicated to diversity. Secondly,

¹¹⁵ Doug Bryden, ‘Responsible Investment: Time for Lawyers to Engage?’ (Who’s Who Legal, 30 Nov 2018) <<https://whoswholegal.com/features/responsible-investment-time-for-lawyers-to-engage>> accessed 30 May 2020.

it ensures that the D&I Manager and their D&I Team, which are integral to the ‘DO IT RIGHT’ initiative, have a direct line to company leaders, which can help ensure that more ‘controversial’ measures are adopted. Naturally, the ability for the D&I Board to be able to do so will rely on the extent of powers delegated to it by the other directors, but it is assumed that if Centillion were to implement ‘DO IT RIGHT’, it would adopt all required measures.

That fact that the D&I Board and D&I Team will consist of individuals who have expertise in behavioural science will help ensure that the ‘human behaviour’ element is considered at each step of the implementation process. As explored in this paper, many other D&I initiatives have failed because they have not taken inherent biases into account or have done so improperly. By ensuring that bias reduction forms a central part of ‘DO IT RIGHT’, Centillion can succeed where others have failed.

The D&I Triad and the focus on bias reduction are thus the ‘drivers’ of ‘DO IT RIGHT’ whilst the remaining policies are the ‘vehicle’. The ‘driver’ will steer the ‘vehicle’, ensuring that it goes in the right direction and reaches its final destination without being endangered along the way. Whilst the ‘vehicle’ is not brand new, but rather a mixture of new initiatives and ‘tried-and-tested’ models, ‘DO IT RIGHT’s approach will allow it to move far more quickly and safely than any other vehicle has previously.

Whilst the novelty of ‘DO IT RIGHT’ will cause a stir that may be somewhat polarising, given the age we live in, it will ultimately be an enormous PR boon for Centillion. Whilst it does involve extensive costs, the benefits of implementation, both financial and otherwise, far outweigh the expenses. Hopefully, Centillion will be a success story and lead to other firms following suit in future. **(Word count: 8128, excluding headings and footnotes.)**