Global Inclusion & Diversity Trends Report

FUTURE oF WORK by HSM

HSM

Introduction: HSM Advisory's Global Inclusion & Diversity Trends Report

For over ten years, Future of Work by HSM Advisory has explored the trends shaping industries, organisations and careers.

Changing employee and consumer expectations, a refocussing of business goals around social purpose, and recent global equality movements have driven an increasing need for you and your organisation to think about Inclusion & Diversity.

About HSM Advisory.

HSM Advisory is a specialist research and advisory group founded by Professor Lynda Gratton of the London Business School, one of the world's leading thinkers on the future of work and organisational behaviour. We enable leaders to evolve their organisation now by co-creating a sustainable future with their people. Drawing on cutting-edge insights from academia, we help companies attract and engage with tomorrow's talent, to foster innovation and enhance performance.

We support organisations to deliver effective Inclusion & Diversity strategies to tackle behaviour, process and cultural transformation.

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Responding and adapting to these shifts in the I&D landscape

" **Following years of incremental change, I've been heartened by a renewed focus on, and movement in, I&D. Having made the shift from diversity to inclusion, are we now at a point of embedding belonging in our organisations?**

Harriet Molyneaux, Managing Director at HSM Advisory

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The Future of Inclusion & Diversity Jam: Research and Methodology
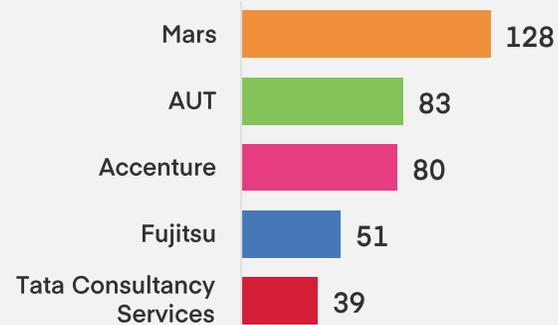
The insights contained in this report are drawn from our analysis of 1,075 comments posted during HSM Advisory's Future of Inclusion & Diversity Collaboration Jam.

The Jam was a 48-hour online crowdsourced conversation hosted by HSM Advisory in November 2021.
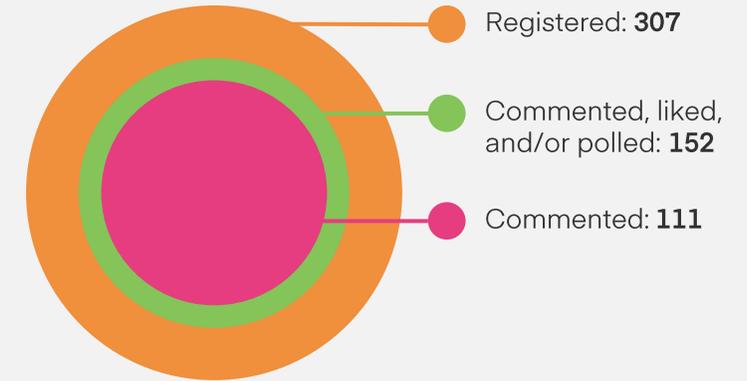
This research has been informed by the perspectives and ideas of 152 professionals representing over 30 organisations, 12 industries, and 30 countries. Participants included I&D professionals, business leaders, experts from academia, and Employee Resource Group (ERG) members.

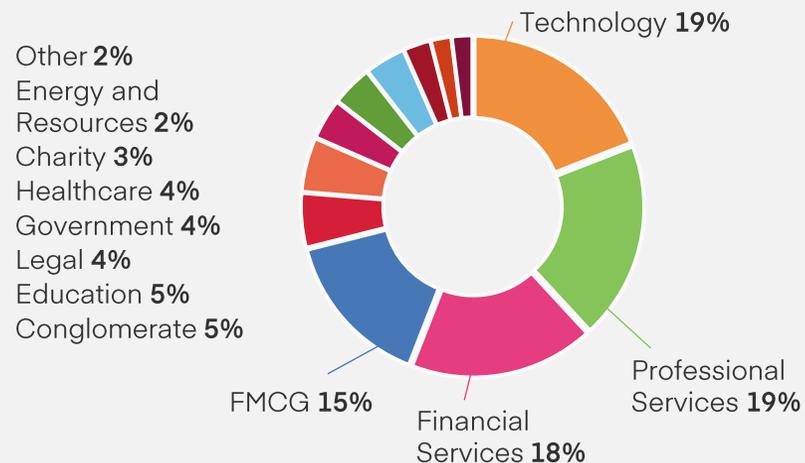A list of participating organisations can be found on Page 09.

Top contributing organisations by number of comments

Organisation	Comments
Mars	128
AUT	83
Accenture	80
Fujitsu	51
Tata Consultancy Services	39

Jam participation overview

Registered: **307**

Commented, liked, and/or polled: **152**

Commented: **111**

Percentage of Jam participants by industry

Technology **19%**
Other **2%**
Energy and Resources **2%**
Charity **3%**
Healthcare **4%**
Government **4%**
Legal **4%**
Education **5%**
Conglomerate **5%**
FMCG **15%**
Financial Services **18%**
Professional Services **19%**

Top 10 trending words

inclusive
hear
work
diversity
people
inclusion
great
feel
team
working

Current state: We have made progress, but there is more to do

Organisations have made progress and are increasingly prioritising Inclusion & Diversity as part of their broader business agenda.

Historically, I&D initiatives have been focussed around women in the workplace. However, organisations have now expanded their view of I&D, driving positive change for many underrepresented groups.

The introduction of hybrid working, catalysed by the Covid-19 pandemic, is currently reshaping the I&D landscape. There are still many unknowns for those looking to understand what this impact will be.

In addition, organisations are still driving efforts to educate employees on the value of I&D, supporting individuals to understand why greater inclusion and diversity is beneficial.

Our four key observations on the current I&D landscape are shown on the right.

Progress has been made to make workplaces more inclusive and diverse. Whilst participants acknowledge the large amount of work still to be done around I&D, over three quarters of them say their leaders are making it a business priority. How to better measure progress will be a key focus.

Equality for women remains a key priority, alongside areas such as race, LGBTQ+ and wellbeing. Social mobility is growing on the I&D agenda, perhaps reflecting a desire for a focus on intersectionality. One topic notably absent from the discussion was age and the inclusion of older workers.

The impact of hybrid working is unknown but participants are optimistic about the future. Greater flexibility in ways of working provides opportunities to drive I&D but there are also concerns around proximity bias, employee wellbeing, and divisions between 'Roomers and Zoomers'.

Individuals still need help to understand why I&D is important. Almost 80% of participants reported that they are still having to convince others in their organisation that I&D is important and support them to understand the value and purpose of I&D.

"Things have changed so much since I started working back in the 1980s. I would have never believed we could make so much progress. Mars

Poll insight.
When asked which area of I&D their organisation is most focused on 63% of people said gender.

Poll insight.
58% of people think that hybrid working has had a positive impact on I&D, whilst 37% are unsure.

"Finding meaning and purpose is quite essential and anything that motivates individuals is key. TCS

Growing tensions: Organisations are performing a balancing act

The conversations on the Jam highlighted a number of growing tensions that have arisen in line with the increasing focus on I&D initiatives as well as the perceived emergence of "new" identities.

Organisations are balancing a joined-up approach with meeting the specific needs of certain communities. Competition between identity groups for resources and focus is contributing to an "us versus them" mentality, exacerbated by divisive political discourse in many countries.

I&D terminology enables us to speak accurately about people and communities, but it can also be alienating. When people do not feel comfortable with language they may avoid conversations altogether. Even the term I&D itself can be divisive, with some employees feeling they do not have a place or role in discussions.

Organisations are fighting I&D fatigue from two conflicting directions. Frustration around slow progress is discouraging those who have previously been driving I&D. By contrast, some employees are disengaging as they feel that I&D is "done" and do not understand why organisations are still talking about it.

> " Naming and labelling can create an "us versus them" culture. AUT

> " We might, unintentionally be competing with ourselves [...] for share of voice and mindset of our audience. Accenture

> " Are some people disengaging because they're scared of saying the wrong thing? Freelancer

> " This tendency to try and address different groups' needs in isolation [...] ignores intersectionality. Other

> " I think the concept of I&D as something to 'solve' is the threat to progress. There is no solving this. It is forever and constantly changing. Abbott
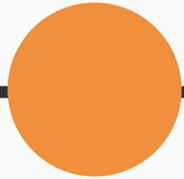
> " The emotional fatigue of "side of desk" work for individuals who volunteer in these roles. BHP

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Global Inclusion & Diversity Trends: Six trends shaping the future

At HSM Advisory, we have identified six global Inclusion & Diversity trends **aligned to different levels of the organisation**.

01. Behaviour-led INDIVIDUALS

Shifting away from descriptive platitudes about workplaces "where everyone can be themselves" to focus on specific behaviours that demonstrate inclusion. Communicating these behaviours helps make I&D more tangible and emphasises indivdiual responsibility.
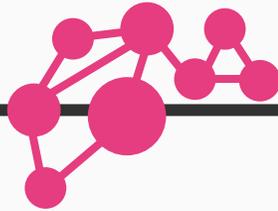
02. Empathetic TEAMS

Building empathy through personal connections, storytelling and open conversations to support employees to understand different experiences. Organisations are having to consider how to provide these opportunities to connect socially in a hybrid context.

03. Advocatory LEADERS

Encouraging and upskilling leaders to drive the I&D dialogue both within their organisation – for example supporting ERGs and role modelling – and externally in society. Leaders are expected to speak publicly on their values and commitment to I&D.
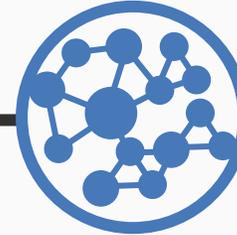
04. Purposeful ORGANISATIONS

Linking I&D activities clearly and explicitly to organisational purpose, supporting employees to see the value of I&D. Leveraging leaders to communicate this narrative and helping each individual to understand how they contribute to the organisation by being inclusive.
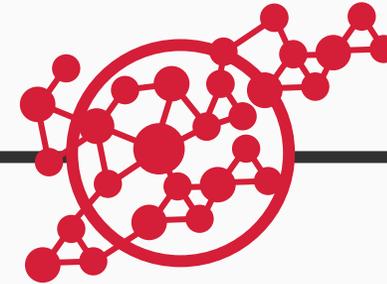
05. Connected ECOSYSTEMS

Providing opportunities for people involved with I&D to connect across organisations, working together as a community to drive more impactful change. Creating accessible spaces to share lessons, gather perspectives, and co-create around I&D.
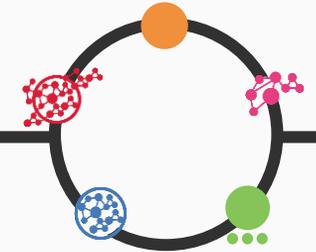
06. Co-ordinated ACTION

Coordinating I&D activity across all levels – individuals, teams, leaders, organisations and ecosystems – to drive systemic change. Focussing on strategic oversight and planning around I&D initiatives to create a more joined-up approach.

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The path forward: We need to rapidly accelerate change

The six trends identified in this report indicate a shift in the Inclusion & Diversity landscape, with organisations needing to both rapidly accelerate change and simultaneously combat growing employee fatigue.

At HSM Advisory, we have highlighted three key takeaways from our crowdsourced research into the future of I&D. These takeaways identify three strategic areas of focus for organisations to take forward in their I&D approach.

Poll insight.
97% of people believe that **organisations need to do more** to have a real impact on I&D.

"**Ensure a broader I&D agenda so that we're enabling people from all backgrounds to realise their potential.** Ericsson

Place intersectionality at the forefront of your approach.

By highlighting intersectionality you take a more realistic view of how I&D works in practice – where people have experiences based on the whole of their identity rather than just one aspect. This also helps bring employees into the conversation who might have previously felt alienated by I&D discussions.

Focus on measuring impact and progress.

Measuring progress becomes even more important in the context of current uncertainty around hybrid working. With data protection restricting current efforts to track impact, leveraging qualitative data from dialogue with employees provides a more accurate picture of I&D, culture, and intersectionality.

Co-create a sustainable future with your people.

Bringing everyone on your I&D journey will accelerate progress and drive sustainable change. It is apparent that more work is required to drive fast and positive progress around I&D. Giving all your employees a space to share, ideate and co-create generates buy-in and creates a community for change.

"**It is not about 'a box' we tick, but being able to bring all of ourselves to work!** New South Wales Government

"**Start with diversity, follow with inclusion and continue with belonging. Good journey. How do you measure the journey?** Fujitsu

"**Smaller day-to-day changes can be more impactful and demonstrate a greater commitment versus a one-and-done initiative.** AB InBev

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The path forward: Co-creating a sustainable future

At HSM Advisory we help leaders to evolve their organisation now by co-creating a sustainable future with their people.

We are here to help you bridge the gap between strategy and culture. Leveraging our signature HSM methodology we advance organisations, partnering with you to visualise the future, define your path, co-create solutions, empower influencers, and measure movement.

We work with you, using solid evidence and tangible insights for real, lasting impact.

> **" The key is to bring everyone with you on your I&D journey. By co-creating the future with your people you can create a sense of belonging for all.**
>
> Ciara Scott, Inclusion & Diversity Lead at HSM Advisory

We deliver effective Inclusion & Diversity strategies to tackle behaviours, process and cultural transformation.

Enhancing inclusion through a company-wide people forum for a leading financial services company.

The challenge. A global financial services company wanted to understand its current performance on inclusion and identify key areas for future investment.

Our approach. Using our HSM Advisory Inclusion Maturity Index, we leveraged inputs from a diverse range of people to measure the organisation's inclusion capability and performance. We designed a unique program to accelerate progress and worked with the CEO and Executive Committee to create a series of all-company events featuring inspiring guest speakers. We also launched a facilitated forum for people to share their own stories and ideas.

The impact. In a recent forum, more than 95% of people agreed that it provided a safe space to share their experiences and moved the inclusion conversation forward. As one employee commented, "We are really upping our game in D&I... it shows how far we can come in such a short time".

Our Collaboration Jams are 72-hour online, facilitated conversations that bring your people onto a bespoke platform for a global conversation.

Creating an inclusive culture to unlock creativity at a global law firm.

The challenge. The partners of Dentons, a global law firm, wanted to build a truly inclusive culture that would unlock their full creative capability.

Our approach. We brought together colleagues from 31 countries to share knowledge and co-create solutions. Participants generated over 3,000 ideas, actions, and behaviours.

The impact. By working with employees from across the organisation, we co-created guidance on inclusive communication styles. We also identified a global network of influential change agents who could drive initiatives, pilot ideas, and provide ongoing feedback.

> **" The more I am using this Jam I have to say it is prompting great "water cooler" conversations, yet in an inclusive way as all can join in the conversation without the structures of say Teams or Email.**
>
> Quintet

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beazley · BHP · BRIT · CLIFFORD CHANCE · COATS

Deloitte. · ERICSSON · FINASTRA · FUJITSU · HITACHI Inspire the Next

Hogan Lovells · HSBC · INTERNATIONAL RESCUE · KPMG · Krauthammer

MARS · Ministry of Justice · NSW GOVERNMENT · NORTON ROSE FULBRIGHT · nucleus

PRUDENTIAL · QUINTET PRIVATE BANK · sage · Stonewall · tcs

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