Flying Flags and Ticking Boxes

What Went Wrong With EDI
And How Leaders Can Fix It

Full Report

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DIVERSITY
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Contents

We would like to thank our interviewees and the sponsor of this research, philanthropist Ben Delo.

1. Executive Summary

This is a summary of Diversity by Design's research on equality, diversity and inclusion (EDI), which is based on 45 interviews with leaders across public and private sectors. It looks at what is not yet working when it comes to EDI; areas that have potential but that lack consistently effective practice; and the areas that work well – the strengths and opportunities on which leaders can capitalise to build diversity of thought, support their workforces and drive organisational performance.

Key Takeaways

- **Box-ticking over real change:** EDI efforts often prioritise symbolic actions, leaving real progress behind.
- **Inclusivity without exclusion:** EDI must mean inclusion for all, not focusing on select identity categories at the expense of others.
- **Diversity of thought is missing:** visible diversity is easier to implement, but true diversity of perspectives is neglected.
- **Fear is stifling debate:** a #NoDebate culture leaves voices unheard, hurting organisational cohesion and innovation.
- **Data and evidence are key:** EDI needs real data-driven insights, not empty quotas or assumptions.

Areas for Attention

Division through a dominant ideology: the popular EDI philosophy, which is based on fixed ideas about identity and social justice, can erode shared bonds, cause divisions and foster workplace dissatisfaction. It can discourage open discussion, which weakens workplace culture and leads to poor business decisions.

The wrong ingredients: EDI often becomes disconnected from business objectives, and it is treated as separate from other activities and structures. Approaches to EDI are often shaped by the loudest voices, and not – necessarily – those whose needs are greatest, with effectiveness also undermined by poor use of data and inexperienced practitioners.

Negative outcomes: performative EDI practices, like celebrating days of action and flying flags, can distract organisations from making genuine progress, while a focus on limited identity categories – without considering the needs and rights of all individuals – can expose organisations to legal risk. Targets and quotas often backfire, broader consideration of diversity is lost, and the problems EDI sets out to solve remain unaddressed.

The greyer areas: EDI initiatives often focus on identity categories. These can be divisive, causing disengagement and exclusion among staff, and failing to account for cognitive and socioeconomic diversity. While identity-based approaches highlight real issues such as discrimination and barriers to progression, they risk creating competition between groups and alienating people, particularly when networks or activism become too narrow or misaligned with broader organisational needs. Leaders face challenges in managing contentious issues and balancing activism, with some preferring to avoid political stances altogether. Training, while essential, is frequently poor.

Strengths and Opportunities

Integrating EDI: EDI should be the approach to talent that drives business objectives and goals.

Centring diverse perspectives: innovation is supported by productive disagreement, treating those with different opinions respectfully and fostering a culture that embraces diverse views.

Better use of data: EDI success should be measured with actionable data, measuring outcomes and not just inputs. Categories need to be sufficiently granular to enable coherent analysis: BAME/LGBTQIA+ miss the different experiences of those who fall within them. Companies need to move beyond simplistic diversity quotas to deeper analysis of the barriers that prevent real change.

Shared purpose: the key opportunity lies in unifying diverse individuals by shifting away from viewing them as discrete groups, fostering unity through open conversations, accepting differing perspectives, and cultivating a shared sense of identity.

Our Recommendations

1. Link EDI to your organisation's activities and goals.
2. Create a culture of productive disagreement.
3. Ensure inclusion is not exclusion.
4. Make better use of data and evidence.
5. Move towards a more constructive model of staff networks.
6. Check the quality of training.
7. Find common purpose.

Leaders wanting better EDI may want to consider these questions:

Linking EDI to business goals and activities

- Is our EDI linked to our purpose?
- Does it help us to find common ground?
- How and where are we having and supporting healthy disagreement?

Inclusivity without exclusion

- Who feels excluded by our inclusion programme?
- Have we checked the quality of our trainers? Do they understand the Equality Act and welcome different perspectives?

Make better use of evidence and data

- On what evidence are we basing decisions?
- What really is the best data for us to track?

What Isn't Working?

Underlying Challenges

▶ **External environment:** structural challenges relating to education and geography are significant. Employers cannot (and should not be expected to) correct for all of these. They must deal with other challenges, including greater societal polarisation of viewpoints and the fact that EDI follows in the wake of wider cultural drifts.

▶ **Workforce:** in one view, younger staff find it increasingly difficult to integrate other people's perspectives and to engage in healthy debate; in another, they are more open to new ideas than older generations. Leaders may feel a pressure from some quarters to commit to a position on contested issues, which creates problems elsewhere in the organisation. They also have to manage underlying prejudices among some members of staff.

▶ **Implementation:** EDI-related changes are slow to take effect, which can frustrate and disillusion some people. Solutions do not exist to all challenges. Visible diversity is more straightforward to implement than other types of diversity, leading a dearth in diversity of thought within many organisations. And organisations are not necessarily well-equipped to take on board the new perspectives arising from such diversity.

Division through a Dominant Ideology

▶ **How we lost what we used to share:** the dominant EDI philosophy is underpinned by fixed ideas about social justice. There is often a belief at the heart of this worldview that a single approach works for everybody, and that there is only one morally correct way to see the world. Separating communities into identity categories can mean common bonds are lost. Further negative impacts of divisive cultures include escalation of issues, weaponisation of actions that were not intended to harm and workplace dissatisfaction. They also lead people to turn away from EDI.

▶ **#NoDebate:** the prevalent philosophy is closed for discussion in many organisations. Fears about internal or external cancellation contribute to a belief among some staff that offering alternative perspectives would be too risky. The belief system is further embedded when organisations centre people's so-called lived experiences. Dissenters feeling unable to speak causes personal and organisational detriment – including toxicity, impoverished culture and an impaired ability to make effective decisions.

The Wrong Ingredients

▶ **Uncoupling from purpose:** EDI has frequently become separated from the business reasons for doing it, risking linked initiatives becoming meaningless. This can be compounded by a deeper lack of understanding within organisations about what EDI can achieve. It is often viewed separately from other organisational activities and structures, rather than as something to be embedded within a workplace culture.

▶ **Skewed voices:** approaches to EDI are often influenced by those who speak the loudest and not, necessarily, by those whose needs are greatest. Very junior members of staff – who may have a particular lens on contentious issues – are sometimes driving policies. EDI thinking can be outsourced to external organisations, which reinforce the mainstream orthodoxy, and internal strategy is often lacking. Focusing on visible diversity means that

other aspects of it, including social class, can go unnoticed and unaddressed. EDI practitioners may be inexperienced, unknowledgeable and unskilled, especially around equality law.

▶ **The problem with data:** data is not currently used effectively in EDI, in part because meaningful change is hard to quantify, but also because clear links between inputs, outputs and outcomes are assumed but not demonstrated. When something is assumed to be correct, it removes the pressure to measure links, to provide evidence of impact and to assess what works for a particular organisation. Headline data on targets obscures a more nuanced understanding of what is really happening. Data is often not used to inform actions.

Negative Outcomes

▶ **Box-ticking and virtue-signalling:** celebrating days of action and flying flags may have replaced genuine progress in some organisations. Poor service, when it combined with performative EDI, can cause customers and staff to disengage. Debates over insignificant issues and time-intensive performative EDI can undermine organisational performance.

▶ **Failure to balance needs and rights:** focusing on limited identity categories places organisations at legal and reputational risk, as they may fail to consider fully the needs and rights of other individuals and groups. Common approaches to EDI can clash, in the higher education sector, with academic freedom. Failing to balance employees' needs and rights sufficiently often leads to poorer business decisions, and opens organisations up to considerable legal and reputational risk.

▶ **The problem with targets and putting people on pedestals:** targets and quotas may backfire through perceptions, either real or imagined, that people are not up to the job, which has further downstream impacts on both bias and the potential of other talented people to be promoted. Often, one person can become – in the eyes of leaders or colleagues – the unwilling poster child for a particular identity category.

▶ **Discrimination and attrition:** black members of staff still face discrimination. Organisations are better at recruiting diverse staff than they are at retaining them. A major current risk is the disenfranchisement, and potential loss, of EDI dissenters and the skills they bring. The dominant EDI philosophy risks staff performing less effectively and, in the longer term, organisations losing skilled, experienced members of staff.

▶ **Persistent ineffectiveness:** the problems EDI was established to solve still exist. Money is wasted when activities are not linked to intended output, outcomes and impact through a theory of change (or similar tool), and when changes are not embedded. Effectiveness is also challenged when EDI is bolted on to activities, not integrated within them.

The Grey Areas

EDI for Some or for All?

▶ **Identity versus individual diversity:** some organisations see diversity through the lens of identity categories; others centre individual skills and experience. Employers may feel pressure from younger staff to adopt an identity-focused approach, which can be used to diversify teams and access talent. An exclusive focus on identity categories, though, can be

divisive. It risks one-dimensional solutions that omit consideration of swathes of the workforce, unhealthy competition between groups and loss of institutional nuance.

▶ **Feeling wrong, bad or left out:** the other major risk of identity-focused approaches is the disengagement and isolation of staff with differing views or from excluded groups, which affect organisational cohesion and performance. Identity-enabled alienation is rooted in wider society. Sex, race and age are all areas in which organisations may inadvertently exclude a category of people through a focus on another category in a way that divides, rather than unites. This is particular issue when the largest groups within an organisation are excluded from diversity-related conversations.

▶ **But identity cannot be erased completely:** some women experience misogyny; some black people experience racism; talented people from particular groups may be overlooked for promotions or subjected to harassment. A partial solution may be found, for recruitment and promotions, in removing barriers for those who face them, while being clear that appointments are made on merit. Socioeconomic diversity has potential as a concept that can include everyone, while removing barriers faced by other groups.

▶ **Staff networks:** these have a powerful influence on EDI. While some benefits were mentioned by interviewees, there are many problems. Their focus on identity groupings has the potential to divide, not unite; they often campaign for causes that are not supported by all the staff they represent; they can distract from bigger issues; and they can give leaders a false impression that they are accessing diversity of thought.

Activism and Contentious Areas

▶ **Social activism:** there are multiple pressures on leaders to take an activist line on given social issues. EDI itself, in one perspective, is an activist function at heart – something that is self-perpetuating, as those who do not sign up to its values leave the profession. Activism is a good thing, for some leaders, shifting society progressively and facilitating greater staff engagement. For others, it is something for organisations to do only if it works in the interests of clients or customers – influencing policy, rather than public campaigns, may be a useful mechanism for this. Sometimes, activism can make situations worse and undermine the objectives that those involved are setting out to attain. Even as it engages some staff, it alienates others. Some leaders believe it is never appropriate for organisations to engage in activism. Reasons include perceived authoritarianism, workforce divisions, external criticism, hypocrisy and resource costs. Political issues, for some, are always to be avoided.

▶ **Managing contentious issues:** like activism – and, often, on common topics – contentious issues can percolate into organisations from wider society. There are sometimes actual or perceived competing rights between groups on a given issue. Healthy disagreement is the ambition; bullying, hectoring and discrimination can be the reality. Leaders can help to offset these negative outcomes by encouraging tolerance of other perspectives and respect for difference. Some believe such issues have to be aired and discussed; others have shut down discussion of them in the workplace when they have become damaging. The ability to deal with complexity is missing in some organisations.

When EDI Becomes Personal

▶ **Confidence and fear:** there is reasonably high stated confidence among the people interviewed for this research that they can manage differences of opinion among their staff and that they can articulate their organisations' EDI values and purpose without fear of criticism. Deeper analysis of their responses, however, suggests that this overt confidence may be slightly shakier in reality. There is fear, too, to be found in grievances and litigation, in conversations about race and ethnicity, and in reputational risk. Junior managers may need particular help to build their confidence in these areas. Deep-seated organisational fear may prevent actions being taken that effect positive change.

▶ **Managing mistakes:** intent is vital – are people causing offence deliberately or through misjudgement? While interviewees made it clear that the people who feel offence must seek to understand the intent of those who caused it, nobody wondered if the error might be in the interpretation rather than the original action. Early, light-touch interventions may be more useful than fixing problems later, though some organisations move quickly towards escalation. Institutional responses must be balanced with the importance of creating a culture that allows people to make mistakes without the paralysis of fear.

Training and Development

The quality and impact of EDI training is variable. It is hard to ascertain which training options are likely to be helpful to organisations due to an absence of evaluation and impact assessment. There is a scarcity, too, of training that ties EDI into business purpose and organisational performance. Training also suffers from a lack of people applying, in a structured format, what they have learned to their day-to-day work, and a wider organisational failure to embed training and development. There are some controversial elements of training, too. Unconscious bias training, for example, risks division through the negative way in which it is framed.

Where Now?

The Direction of Travel

Views on EDI's trajectory are equivocal – it has the potential to move towards openness and opportunity or towards rules and prohibitions. Openness and opportunity can enable diversity through light-touch frameworks and, in one view, the extent of an organisation's openness is a signifier of its maturity level. There is recognition, though, that rules are needed, too – in their absence, well-intended dialogue does not convert into meaningful change. Rules become problematic when approaches are tipped too heavily towards them. Downsides include a loss of flexibility, creativity and trust; lower self-efficacy among employees; and greater workforce division. Organisations that have moved too far along a rules-based continuum may be influenced by perceptions among proponents of the prevalent EDI philosophy that it is the morally correct stance to take; by underpinning fears relating to increasing polarisation of views; and by EDI structures that position EDI leads as advisors on process rather than instigators of deeper change. Organisations in future will need to strike a sensible middle ground between openness and rules.

Strengths and Opportunities

Concept EDI can be distilled into a core concept that expresses its essential purpose in terms of what organisations want to achieve for their employees, their customers or in pursuit of other business-focused objectives. Some EDI-related risks can be converted into opportunities. Other high-level opportunities include expanding the focus of EDI to encompass freedom of speech – or, conversely, to strip it back and keep things simple; reframing the narrative around enhancement; taking a more nuanced approach to complex issues; enabling open discussion of problems attached to the mainstream EDI philosophy; and moving towards a more mature understanding of EDI.

Calculation Opportunities relating to data and evidence include calculating cause-and-effect to realise benefits; data collection overseen by representative bodies; greater use of evaluation and impact assessment to assess what works; making wider organisational changes when approaches are trialled, measured and shown to be successful; and use of evidence to inform decisions about EDI maturity.

Culture Culture is critical to the effectiveness of organisational EDI. It is built on dialogue and richly diverse perspectives, and it is enhanced by effective policies, practices and data. Leaders need to model the attitudes and behaviours they want to see elsewhere; this can promote widespread positive change.

Captaincy Leaders – the captains of their organisations – can capitalise on having clarity over purpose and strategy. Other related opportunities include linking EDI into corporate goals, rather than as an adjunct; a focus on values; careful planning ahead of training or other activities to ensure there are no clashes of needs or rights; and understanding personal biases.

Competence This is found both in staff teams, enabled through EDI, and in the rigour in which the right EDI policies are developed. EDI has real potential to widen the available talent pool of organisations, with positive knock-on effects on business performance. Talent-related opportunities include developing knowledge-informed policies; and bringing community considerations into workforce planning.

Community An important dividend of diversity is found through unifying an organisation into a single community in pursuit of its objectives. Leaders have the potential to move staff networks from single-issue groups to shared discussion groups reflecting individual difference. They can also be given a more limited remit, with clear expectations.

Contention Organisations thrive when they have a culture that enables healthy disagreement and the expression of views that challenge mainstream thinking. Some interviewees see opportunity in setting clear lines around the areas that are out of scope for discussion at work, while others think

everything beyond hate speech is open for debate. There is an opportunity for training to support healthy disagreement. Other opportunities include having curiosity about nuance and running facilitated conversations that help people to disagree well.

Cohesion

The key opportunity is to unify diverse people, the realisation of which is supported by moving away from the idea of discrete groups. Unity can be built through open conversations and acceptance of other views, and by creating a shared sense of identity.

2. Introduction

Our Hunch

This report started with a hunch. Through my work with Diversity by Design, I thought I was seeing the same things happening across organisations in the public and private sectors. These patterns were emerging whether I was working with boards, executive teams or staff networks, and whether their organisations were in manufacturing, technology, health or other services.

Equality, diversity and inclusion (EDI) work appeared to have become disconnected from its fundamental purpose. EDI started with the excellent intentions of senior leaders to ensure that talent in their companies was rewarded, not blocked; that staff did not experience discrimination; that their organisation had access to the widest range of people with the skills needed to fulfil its goals; and that all staff felt valued and able to contribute at their best to these objectives. It seemed, instead, to have morphed into a set of rules and prohibitions that divided, not included, and that shamed and shut down people with non-aligned views and values.

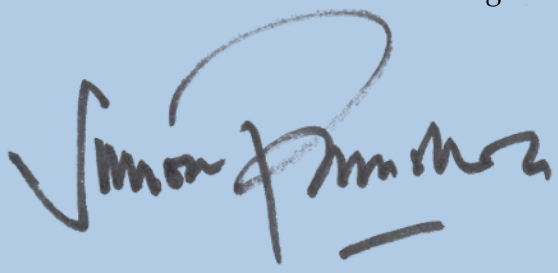
The work on ever-acronymised EDI was largely delegated by executive teams to more junior staff, without sufficient policy guidance linked to company goals. Unmoored from accountability to the aims of the organisation, EDI consequently turned into a monster – one that leaders never intended and that many of them felt unable to control.

Was this widespread? Was I just seeing part of the picture? Could we test whether this was what was really going on?

So we did.

The Investigation

With the generous support of the Ben Delo Foundation and the expertise of social researcher, Matilda Gosling, a wide range of people were interviewed at length and in depth. These individuals ranged from the Chair of BT to the convenor of the Ethnicity Advisory Group at a utilities company. The 45 represent a broad sweep of seniority and sectors. They consist of those who are familiar and to us and those that were previously unknown. We chose them for their diversity and their ability to challenge our preconceptions. They all gave their time and contributed their views with great openness, for which we thank them very much.



Simon Fanshawe, June 2024

Interviewees

Chair, BT – Adam Crozier

Chair, Babcock International – Ruth Cairnie

Chief Executive, Achieve Breakthrough – Mike Straw

Chief Executive, Association for Project Management – Professor Adam Boddison OBE

Chief Executive, Barking, Havering and Redbridge University Hospitals NHS Trust – Matthew Trainer

Chief Executive, East and West Sussex Councils – Becky Shaw

Chief Executive, Freebridge Community Housing – Anita Jones

Chief Executive, GS1 UK – Anne Godfrey

Chief Executive, Home Group – Mark Henderson

Chief Executive, Kent Fire and Rescue – Ann Millington

Chief Executive, STEP – Mark Walley

Chief Executive, The Royal London and Mile End Hospitals – Dr Neil Ashman

Chief Executive, UK Construction Services Balfour Beatty – Mark Bullock (now retired)

Chief Fire Officer and Chief Executive, East Sussex Fire and Rescue – Dawn Whittaker

Co-Founder and Director, LeadingKind – Lynn Killick

Customer Experience Director, SNG – Richie Rumbelow

Director and Principal Consultant, Plinth House – Levi Pay

Director of Equality, Diversity and Inclusion, Manchester Metropolitan University – Naheed Nazir

Director of Human Resources, Imperial College London – Harbhajan Brar

Director of Human Resources, Severn Trent – Neil Morrison

Director of People and Workplace, The Chartered Institute of Marketing – Sarah Lee-Boone

Deputy Chair, Ethnicity Advisory Group, Severn Trent – Teresa Campbell

EDI and Wellbeing Manager, Diamond Light Source – Anuja Saunders

European Talent Development Manager, Panasonic – Kate Farrow

European Talent Director, Panasonic – Wilsey Mockett

Founder, CW Consulting Box; Vice President, Carers UK, Independent – Caroline Waters OBE

Founder and Chief Executive, The HR Lounge – Angela O'Connor

Founder Member, The Inclusion Group for Equity in Research in STEMM – Professor Rachel Oliver

Global DEI and Social Impact Director, PageGroup – Sheri Hughes

Group Head, Culture and Inclusion, Currys – Sharon Murray

Global Inclusion Lead, Rolls-Royce – Natasha Whitehurst

Group Risk and Compliance Director, Argenta Group – Carol-Ann Burton

Head of Human Resources, Home Group – Jaya Sample

Head of Talent Acquisition, EDI and Employee Experience, SNG – Kathryn Bowe

Human Resources Director, University of Oxford – Dr Markos Koumaditis

Independent Adviser and former Executive Director and Interim Chief Executive, EHRC, Independent – Melanie Field

Managing Director, Solace – Graeme McDonald

People Director, GlobalLogic – Paul Knight

Provost, Coventry University – Ian Dunn

UK Diversity, Equity and Inclusion Lead, GSK – Carol Rosati OBE

Vice-Chancellor, Lancaster University – Professor Andy Schofield

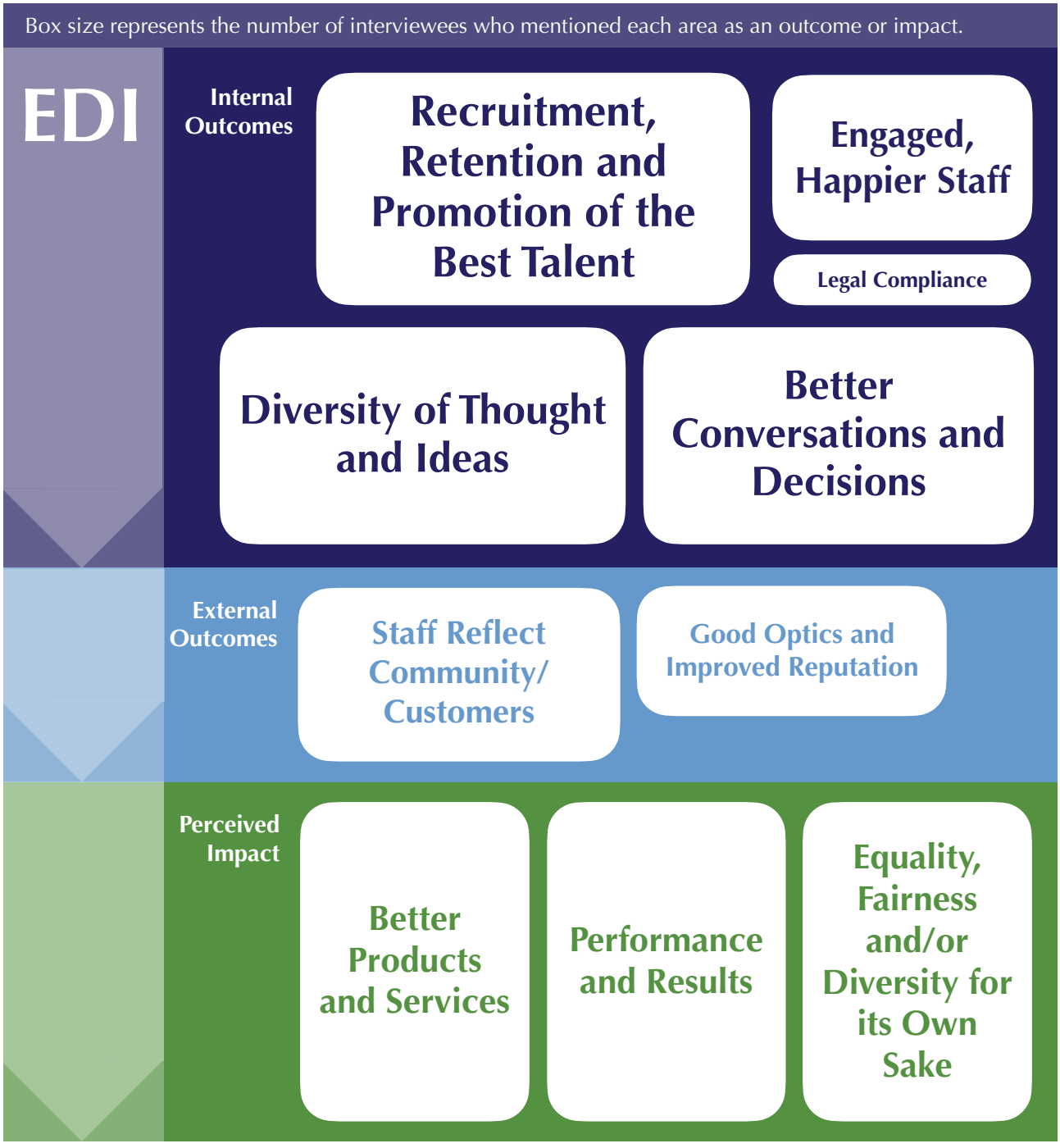
Vice-Chancellor and Principal, Canterbury Christchurch University – Professor Rama Thirunamachandran OBE

Three interviewees preferred to remain anonymous. Two are business leaders; the other is a staff network chair.

The Framework

When EDI works well, talented people with myriad backgrounds and experiences are recruited and retained. They are also able to progress within their organisations in line with their abilities. Staff feel engaged by and happy in their work. The successful recruitment and retention of talented individuals enables workplaces to benefit from diversity of thought, which brings better workplace conversations, new ideas and innovation, all of which contribute to decisions that benefit the organisation. It also avoids the time and financial costs inherent in high staff turnover. Staff who are treated well are less likely to bring claims of discrimination or victimisation against their employers, affording a layer of protection to both parties. When diverse staff reflect organisations' communities and customers, they have a better understanding of what is needed.

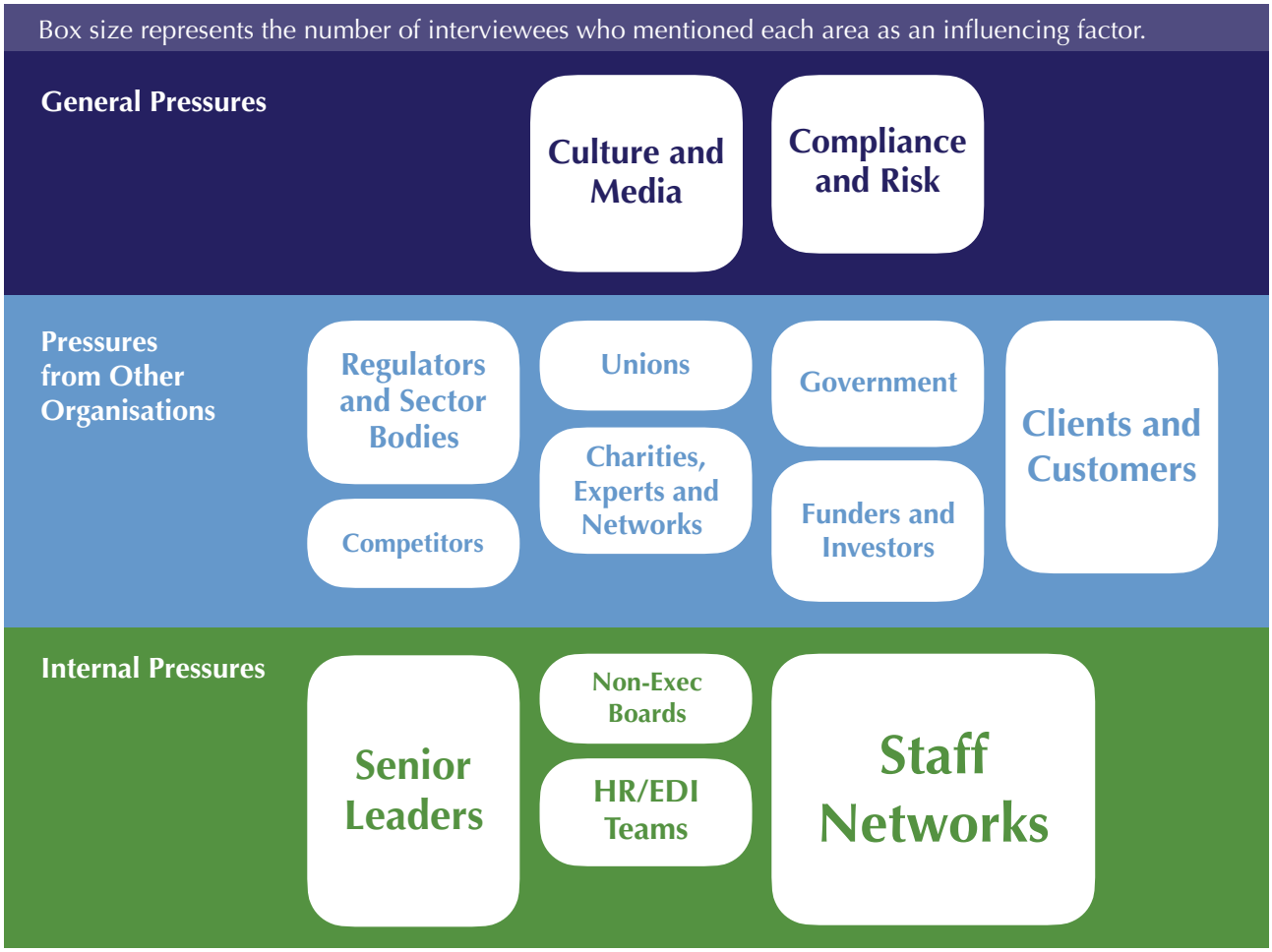
Figure 1. Perceptions of Current Outcomes and Impact



Organisations that pursue EDI are seen to be doing the right thing by their various stakeholders, including investors and regulators, which bolsters their reputation and allows them access to the resources they need to sustain or grow their work. These facets lead to better products and services, affecting organisations' bottom line in terms of performance and results. Well-managed EDI also improves fairness and equality which, for many people interviewed for this research, are worthy objectives in their own right.

That is the theory, at least. While we can see from much of what follows that EDI does not always function this perfectly, a common thread of this research is that it has the potential to do so. Achieving this accomplishment of downstream impact from EDI activities is not always at the heart of organisations' decisions to pursue or invest in it, however. Some of the impetus is fear-based, according to interviewees – anxieties about reputational damage, say, or threats of litigation. Others are following what they believe staff, customers, investors or wider society expect of them in the wake of #MeToo and Black Lives Matter. Those stakeholders and external pressures who shape or otherwise influence EDI are, in fact, a key part of the story.

Figure 2. What Influences Organisational EDI?



The Results

The results that you'll read in the report are both encouraging and disheartening. We hadn't veered completely up a slip road and misread the situation. Our hunch proved broadly right. But that was dispiriting, because it means that too much of the work on EDI is divorced from organisations' goals. It's stymying discussion and the expression of views, rather than truly valuing difference and the wide-ranging conversations that lead to innovation, and staff networks are too often turning their passion and commitment into activities more activist than work-related, causing division in place of unity of purpose among staff. Is there a crisis in EDI?

Gestures rather than Purpose

At the front end of the work, too much activity is focused on the superficial. There has been some silly noise about lanyards recently. But the real problem is that, instead of working on root causes of potential disadvantage and finding effective solutions, those employed in diversity have whizzed down the aisle of the EDI supermarket filling their trolley with, yes, the lanyards, and also the religious festival calendar, the float at Pride, the BLM stickers, the #MeToo badges, the application forms for every Charter going, staff networks (with no agreed objectives), guides to do-and-don't-use words and language and all-in-all putting together the partisan pantheon of what they think is the basic EDI kit.

This merely virtue signals. It can start conversations in organisations, which is a good thing, but achieves practically nothing to stop discrimination, widen opportunities, give voice to difference, enhance innovation or drive meaningful outcomes for organisations. As one interviewee rather mordantly commented, his Board moved from saying it was essential to join the Stonewall Index to saying the organisation had to get out of the Stonewall Index – but that 'Neither of those things actually changed the experience of lesbian, gay and bisexual employees within my organisation.'

Our interviewees pointed out that it was of fundamental importance that diversity was umbilically linked to purpose, that data collected – quantitative and qualitative – was used intelligently to understand who their staff were in all their complexity, what they were feeling about work, and what would support them to perform at their best.

The Failure of Identity

Interviewees were often sceptical of the blanket application of identity groups. They recognised the prevalence of discrimination against certain groups, but seeing people only through this lens risks entrenching inequality and causing harm. Staff should be recognised and rewarded for the talent that they bring through their skills and their different backgrounds and identities. The protected characteristics have a significance in law through the Equality Act and in aspects of people's lives. But while a group to which we belong may describe a facet of who we are, it does not define who we are.

The prevalent over-focus on identity is seen by many interviewees as divisive. When valuing subjective identity is promoted over a broader range of evidence, the consequent dividing lines keep some people out of the conversation. Other staff can dominate by asserting special insight and advantage through claims of identity. This is often characterised by a sentence that

starts 'As a…' or through an emphasis on personal 'lived experience', rather than gathering evidence that leads to a deeper, more nuanced understanding.

Staff networks, built around broad identities, too often fail to represent the range of views in their constituencies. But they are often treated by the organisation as if they are the authentic voice of the whole of that group of staff. This is particularly evident in, say, the contested area of sex and gender, where LGBTQ+ groups with one perspective do not include the views of those who characterise themselves as LGB or same-sex attracted (what the case law categorises as 'gender identity' versus 'gender critical' beliefs). This also happens with issues around race, where individuals from ethnic minorities hold very different views about the significance of race at work and in their progression and development.

Interviewees increasingly want to achieve diversity of thinking and approach, and not just to tick the identity box. The primary outcome of greater diversity should come from disagreeing well and collaborating through difference to produce the outcomes the organisation has set itself.

Fear and Lack of Confidence

One golden thread through this is the lack of confidence – sometimes expressed as fear – that too many senior people feel in leading difficult conversations and 'getting it wrong', with all the risks to reputation and the needless investment of time to deal with the rumpus that can cause. Contentious issues invade work in ways that have been fundamentally changed by the pervasiveness of social media and the binary nature of so much online comment. This poses considerable problems for senior leaders.

Previously they have supported, perhaps without enough thought, #MeToo and BLM and taken the side of Ukraine in the war with Russia. There was an artificial veneer of simplicity in knowing 'which side you were on' with these issues. But, as several interviewees recognised, there are nuances within even the most seemingly straightforward issues – for instance, leaders who wanted to call out the invasion of Ukraine might have Russian staff or students.

Division

Taking clear stances on previous external issues has led to a more recent assumption that organisations will choose a side in the far more difficult terrain of the rows over sex and gender or the war between Israel and Palestine.

But these issues are, by definition, divisive. Many leaders are starting to ask: where is the win for their company in picking one side or the other? Is that appropriate to their organisation's goals? Does it unite staff or divide them? Does it enable their staff to collaborate on their common company purpose, or does it make it more difficult for that to happen? Are activist staff making demands of organisations that they actually want to make of the world?

This divisiveness then flows into other areas of the business and its culture. It can negatively affect the potential for open discussions and exploration of difference between staff about work issues that will create better solutions, more innovation and deliver the business dividends of greater diversity.

The Way Forward – Our Recommendations

1. Link EDI to your organisation's activities and goals.

- Design EDI-related strategies and approaches that are primarily focused on helping your organisation to deliver its activities and achieve its objectives. EDI is about talent, not politics.
- Deliver EDI in a way that is specific to, and makes the most of, your organisation's context – your sector, the people who want to work for you and the breadth of talent available to you.
- Make EDI part of doing business well. It is is not an add-on to the day-to-day work; it is an integral part of it. If EDI is working well, it is creating an effective environment in which your teams can deliver for your customers through, for example, service design, talent management and customer relations.
- Ensure leadership accountability. All staff have some responsibility for EDI – in, for example, avoiding language and behaviour that causes discrimination and harassment – but do not delegate the significant EDI-related decisions to HR or another department.
- Set the direction of travel on EDI and then engage leaders at all levels to discuss how it links to activities and goals in their area, ensuring that required change percolates through the organisation.
- Acknowledge the complexity of EDI. It is not a quick-fix solution. Avoid slogans.
- Model the behaviours you wish to see in your workforce. Be realistic and be brave – articulate the EDI priorities and how they drive the activities of the organisation, and be clear about your expectations.

Key questions for leaders:

- Why would EDI create the talent needed to achieve the organisation's goals, and what kind of EDI is needed for this? What positive changes do you want to see in talent and innovation? What is preventing these?
- How does your EDI strategy link to your organisation's activities and goals? How could these links be strengthened?

2. Create a culture of productive disagreement.

- Recognise explicitly that there are a variety of views among your staff.
- Actively encourage the expression of views that help to offer alternative perspectives on organisational challenges and that counter groupthink.
- Communicate clearly the behaviours that are acceptable in your workforce, including those that encourage genuine dialogue between staff, as well as those behaviours that are unacceptable.
- Avoid making organisational political statements (unless such statements are central to your activities and goals – as might be the case for a trade union, for example).

- If you experience pressure from staff to commit to a political or otherwise contentious position that falls outside your organisation's immediate remit, make a statement of institutional neutrality. Communicate clearly that you have a duty to ensure no members of staff feel isolated by your organisation's position statements on non-work matters.
- Share when you are curious, don't know and are open to being convinced. Recognise that some conflicts are not resolvable.
- Support managers to build their confidence and ability to hold the ring on difficult conversations, value difference in their teams and encourage productive disagreement, and to understand the law. Managers also need to understand how to avoid defensiveness in their teams when disagreement takes place, and how to encourage assertive disagreement (as opposed to aggressive, passive aggressive or silent disagreement).
- Consult and engage with staff in a way that treats everyone's voice in the organisation as valid in thinking about EDI.

While some organisations may see healthy discussion about contentious, non-work issues taking place on formal professional platforms such as Slack, others experience entrenchment and division. In these latter cases, leaders may need to consider limiting discussion on formal platforms to those issues and topics that are directly relevant to work. Some organisations face a different problem: there is no culture of disagreement at all – in which case, leaders need to take ownership of creating a culture of challenge.

Key questions for leaders:

- Do you encourage or otherwise incentivise people to offer alternative perspectives on business-critical problems? Do you role model productive disagreement and change your mind in the face of persuasive challenge?
- If you make organisational position statements on issues that are not immediately relevant to your organisation's activities and goals, do you consider the full range of your staff's views – for example, those that might align with a particular faith or those with heterodox opinions on contested social issues?
- Do you communicate behavioural expectations, while avoiding imposing expectations around personal values and beliefs?
- Have you worked through with managers how to approach scenarios in which people are not able to resolve their disagreements on workplace-relevant issues?

3. Ensure inclusion is not exclusion.

- Ensure that inclusion means the inclusion of all voices, not the exclusion of some. Be careful about focusing on individual identity categories in ways that risk alienating those who do not fall within them.
- Recognise that language or behaviour that causes upset or conflict does not always result from maliciousness, and that formal action depends on whether the upset would be felt by a reasonable person in the same position – not all instances of upset are reasonably held, though they may well be genuinely felt. It is important to move away from an assumption of malice. Reasonableness sometimes relates to the number of times aggravating language has been used or an aggravating behaviour has been enacted – one-off instances (with

obvious exceptions, such as groping) may be less problematic. Ground rules may be helpful here.

- Create a culture of *Talk and Learn*, not *Point and Punish*, by developing processes that are not formal disciplinaries, but seek resolution in the team. These can be facilitated by encouraging people to be genuinely curious about their colleagues' intentions, to ask, 'What did you mean by that?', and by training and supporting managers to explore resolutions between members of their team.
- Encourage staff to bring their professional selves to work, avoiding the idea of bringing their whole selves to work. Recognise that work needs professional parameters of behaviour, dress and language because they help staff to work together on their agreed goals. Gain agreement if those parameters shift.

Key questions for leaders:

- Do your staff feel able to express professional opinion and disagreement freely?
- Is there competition or collaboration between groups in your organisation?
- Have you set clear expectations around curiosity and seeking informal resolutions, rather than immediate escalation of issues?

4. Make better use of data and evidence.

- With recommendation 1 in mind, think about what useful data looks like to your organisation. What you need to track depends on what you are trying to achieve. Don't track what doesn't matter. The key to useful data in EDI is detail and analysis – as it is in any other strategic discussions in your organisation. Don't stop at the headlines.
- Consider developing a theory of change around EDI activities, then gather data to test cause-and-effect and to interrogate underlying assumptions.

A **theory of change** is a tool that tracks your pathway to impact through:

- Inputs or activities (for example, a training session on cognitive diversity);
- Outputs (the number of staff who got trained);
- Intended outcomes (greater appreciation of different thinking styles; greater belief among staff that their own thinking styles are appreciated by the organisation);
- The eventual intended impact (greater workplace innovation; better decisions; greater sense of belonging among staff).

The theory of change includes underlying assumptions that you can track and test – for example, 'Greater appreciation of the value of coming at a problem differently leads to more constructive and productive conversations, and to better decision-making.'

- Use this framework to make it clear you have a learning environment, so your staff know they can try things and fail. It is beneficial to have evidence of what doesn't work, as well as what does.

- Use feedback and other survey tools that allow staff to be confident that their contribution will be anonymous. If you are collecting data on categories (such as sex, race or disability), use definitions developed by national research organisations, rather than trying to create your own. Consider using qualitative data, too – for example, asking staff what barriers they perceive to progression.
- Look beyond headline data to try to understand what is really happening within organisations in areas such as pay gaps, progression and grievances. Consider the likely reasons behind certain patterns – for example, if black members of staff are subject to more complaints about performance than other staff, are their line managers failing to deal with issues at a stage when these might still be resolvable? Are they held to different performance standards? What can be done to address these issues?
- Accept complexity and that it will take time to see genuine change. Don't extrapolate from the data what it cannot support.
- Ensure that any findings from data are used to inform greater organisational understanding and, where necessary, effect change. Be transparent about your findings.
- Evaluate EDI initiatives and apply any lessons learned to future schemes.
- Share information about what works with other organisations in order to increase the collective knowledge base and prompt widespread good practice.

Where data focuses on group identities, there is a risk of compounding some of the issues that this report highlights. Group data can be used effectively to identify genuine barriers to recruitment and progression in a way that helps the organisation work out the blockers and to tackle them, instead of informing spurious quotas that often have unintended consequences. These data should be complemented by information that helps organisations to track progress achieving diversity of thought – staff surveys might contain a question, for example, that asks: 'Do you feel comfortable (a) to share an opinion and (b) to disagree with colleagues?'.

Key questions for leaders:

- Do all your staff have a clear idea of what you are trying to achieve through EDI and what progress looks like?
- Do you track only what matters, and use it to effect positive change?
- Do you look for the stories behind the data and embrace complexity?

5. Move towards a more constructive model of staff networks.

Staff networks are not working in many organisations – where they focus on interests of particular groups, they often reinforce divisions. Are they outliving their usefulness and creating division rather than giving voice? Leaders have a number of options, the choice of which is likely to depend on the maturity (or otherwise) of its existing networks and the quality of its relationships with staff. It also depends on what leaders want to get out of such a network.

8. Avoid staff networks all together and focus on other ways of engaging employees – through, for example, direct consultations, staff coffee mornings and trades union representation.
9. Replace existing networks with a single cross-issue staff forum from which working groups can be drawn to gather employees' thoughts on key issues that require consultation.
10. Refresh the mandate of existing staff networks to ensure they are responsible for gathering and reflecting the whole range of views of their constituency – for example, that LGBT groups must represent the views of those lesbians, gays and bisexuals who believe that sexual orientation is based on sex, not gender identity, as well as those who believe otherwise. It may be useful to build a model of staff networks that are focused internally, with no external-facing presence (which risks entrenching divisions with other groups).
11. Change the role of staff networks so they are limited to community, signposting and mutual support instead of advocacy, creating different mechanisms for employee voice.

Key questions for leaders:

- What is the purpose of staff networks, and how are they contributing to your organisation's activities and goals?
- If you have existing networks, are there better ways of getting your employees to tell you what they need? If there are, how do the pros balance out against the cons of possible opposition to change from network chairs?

6. Check the quality of training.

- Ensure that those with responsibility for contracting external training make certain that its content is properly evidenced and reflects the law, and that its delivery is evaluated in terms of relevance, quality and impact.
- Only contract external trainers and speakers who explicitly recognise a diversity of views on the more challenging areas of EDI and have the ability to facilitate the conversations about them. They should commit to engaging all participants – and their views – in training sessions and to dealing openly with difficult conversations.
- Ensure external trainers properly understand the legal framework of the Equality Act – especially with regard to recent case law on questions of belief, discrimination and harassment (for example, Meade v Westminster City Council and Social Work England, and Forstater v CGD Europe).
- Consider whether EDI-focused training is necessary, or whether it can be covered by training on good HR and business practice more generally. In the words of a roundtable participant, 'Avoid sheep-dip equality training.'
- Develop processes to ensure that training is embedded, and that any learning from external trainers cascaded through the organisation is reliable and lawful.
- Measure training outcomes (such as behaviour change) – not just inputs and outputs (for example, the number of people trained).

Key questions for leaders:

- What sort of training do your employees need and why? What will it change?
- How do you know when training has been successful?

7. Find common purpose.

- Create and communicate a shared sense of purpose and organisational identity to which staff can contribute through what they each differently bring. Everyone should understand that they have a value to the organisation in pursuit of this common goal.
- Recognise that staff contribute to common purpose and endeavours both through the story of their identity and also the skills, expertise, talent and type of personality they bring to work. Celebrate a rich diversity of individual stories.
- At the same time, be clear to staff that the fundamental contract between employers and employees is that they get a salary to perform a role – there are important boundaries between personal and professional lives. The shared purpose is a professional one.
- Build a culture that respects and embraces difference, and that encourages constructive disagreement, in order to unite diverse people and achieve positive organisational outcomes.

The main threads of successful EDI are common to good business practice, and can effect cultural change that improves safety, drives discussions about ethics and helps the organisation to avoid fraud, among many other things. These seven recommendations can be the epicentre of positive change that reverberate out through the organisation.

3. What Isn't Working?

Underlying Challenges

A utopian version of EDI promises to erase every disadvantage, resolve each difference of opinion and transform all deficits into dividends. But organisations can only influence their immediate environments. They cannot magically create diverse pipelines, change society's historical prejudices or, at a stroke, defeat discrimination. Realistic EDI strategies require recognising that there are some challenges organisations cannot address.

External Environment

> **'There is something about expecting employers to rectify a situation that is created in schools, colleges, families and society.'**

▶ **Structural challenges relating to education and geography:** workplaces can do little about these broader structural barriers to EDI. The education system, social expectations and conditioning shape people's skills and preferences, informing their later career choices; and the available candidate pool is often determined by an organisation's location. Employers cannot (and should not be expected to) correct for all of these.

▶ **An unfavourable climate for debate in the outside world:** the atmosphere of the modern town square has changed profoundly and unfavourably over recent years. What staff consume through traditional and social media inevitably percolates through into the workplace, and viewpoints are increasingly polarised. 'The social media world goes from one conversation to going global,' said a university leader. 'That hinders good conversation.'

Workforce

> **'As people become less engaged with the traditional divides in politics, they've started to attach their political instincts to the largest organisation of which they feel that they are a part and they are able to influence.'**

▶ **New expectations of employers:** many workforce entrants seek employers who have an 'ethical' stance that incorporates a clear commitment to EDI. Some may even expect employers to commit to social justice campaigns that risk alienating other parts of the existing workforce (see Chapter 4). Workplaces stand as proxies to absorb the demands these individuals want to make of the world around them.

▶ **Changing workforce profile:** recent entrants to the workforce are less able to consider other people's perspectives than older generations, believe some interviewees. They perceive rigid opinions in younger members of the workforce that represent a social-media driven groupthink that allows them to attack apostates. Others are more optimistic about younger cohorts, seeing more openness to alternative perspectives.

▶ **Underlying prejudices:** misogyny, racism and homophobia are often pervasive and present leaders with a huge cultural challenge. But discrimination may also play out in ways not always captured by mainstream narratives – racism can be perpetrated by non-white colleagues, for example. There is also, of course, prejudice among leaders themselves. Even

among those who believe that EDI drives better results, there is doubt from some about whether the depth of talent exists in particular groups of people.

Implementation

> **'You have to accept in the EDI agenda that there are situations where there is no win because the positions are too oppositional, effectively, and irreconcilably so.'**

▶ **Unresolvable issues:** viable solutions to some problems may simply not exist. Organisations may not be able to balance competing rights to everyone's satisfaction, for example, or they may not have the financial resources to be able to upgrade facilities to meet accessibility requirements perfectly.

▶ **The temptation of the status quo:** It can be challenging for organisations to integrate new points of view. 'Business likes vanilla, because vanilla is easy,' said one business leader. There is also a bias towards visible diversity. It is relatively straightforward to focus on obvious categories like sex or age; it is much harder to work out how to ensure diversity of thought and experience.

▶ **Too much versus too little acknowledgement of the problem:** competing EDI-related opinions and priorities sometimes cause endless arguments and organisational paralysis. In other places, a culture of not voicing differing views means that challenges are not aired, which hinders their resolution.

▶ **Challenges of pace and scale:** EDI-related changes take time to demonstrate impact – pay gaps, for example, may move by only a single percentage point each year. This plodding pace can frustrate and disillusion staff. Large organisations find it harder than small ones to improve the existing culture. In the private sector, through acquisitions, businesses can get bolted on without EDI structures being changed or streamlined, leading to duplication and lack of standardisation.

Division through a Dominant Ideology

A one-dimensional, mainstream philosophy within EDI has, according to some, failed to allow for the diversity of perspectives that supports organisational development. This narrow worldview often leads to resentment and division.

> **'I don't want my work to educate me about social justice. I want to be reasonable to deal with and then we can all go home.'**

How We Lost What We Used to Share

Many ambassadors of mainstream EDI philosophy have developed fixed ideas about social justice that fail to countenance alternative perspectives or a more pluralistic approach.

Many organisations have made the concept of gender identity, for example, central to EDI activities through survey design, toilet and changing facilities, celebration days and pronouns

on name badges. Critical race theory is another common thread. 'That Martin Luther King view that we should judge a man by the content of his character, not the colour of his skin, is actually in opposition to current critical race theory,' commented one interviewee. Equity and equality are further mainstream EDI objectives that become contested when their proponents argue for the same outcomes, not just the same opportunities.

> **'How do we level the playing field as regards to everyone sitting the exam? Fine. But… are we actually saying that everybody should have the same outcome, the same income, the same slice of the pie?'**

At the heart of this worldview is a belief, based on unchallenged assumptions, that a single approach works for everybody. This philosophy leads, in many cases, to division, and actively undermines the concept of inclusion.

There is a fundamental contradiction between such a perspective and the ability to deliver the final letter in the EDI acronym. In other words, inclusion becomes limited to those who agree with the dominant ideology, and staff who believe differently lack a sense of belonging.

> **'You quickly get into a space where people feel they don't belong.'**

'We don't want you to feel you are wrong – that sense of right and wrongness,' said one chief executive. 'I've seen it done better when people are celebrating what is going right.' Dividing people into groups in this way also fails to consider individual differences or the way that group differences interplay with others.

> **'My real anger is at those of us that have allowed this to spiral into a space it shouldn't. We should have been calling it out a lot earlier.'**

When communities are separated into identity categories, it is easy to lose the common threads that bind them together.

Language and history contribute to this sense of division. An interviewee from an ethnic minority decried the term 'white privilege' when cautioning that language plays into divisive outcomes. 'I don't find it endearing. I'm married to a white person – she doesn't find it endearing,' he said. 'You're almost creating a divisive situation with that person.' Someone else suggested that English colonial history may have contributed to a national sense of shame that makes the search for a common identity elusive.

> **'We fuelled a sense of separation when people started to focus on individual identity, rather than community identity. We have lost a sense of what we share.'**

A divisive culture triggers a cascade of knock-on negative impacts.

Division undermines organisations' ability to meet the needs of all their employees. People may find themselves placed into camps by which they have no desire to be defined. 'You are

either woke or anti-woke,' according to an interviewee. 'We can't afford for people to be in tribes that are in opposition to each other.' A divisive culture also causes issues to get escalated, not resolved; the weaponisation of actions that were not intended to harm; and a culture of complaint and dissatisfaction. It leads people to turn away from EDI.

> **'If all people hear about EDI is that they are getting beaten up for getting things wrong, they will never engage with it in the right way.'**

#NoDebate

This unipolar EDI belief system has hardened into a fixed approach that is not, in many places, open to discussion.

> **'There's a sense of silencing and closed thinking. If you are not wearing that T-shirt, you're not a fair and just and good person, so people are becoming silent.'**

People fear cancellation, which they see all too clearly happening to others on social media. This fear extends to leadership. A chief executive said that he will not engage in these kinds of discussions: 'If I do, there is a cancel culture so profound that I could put my career at risk.' Polarised positions and identity-focused labels increasingly undermine the potential for constructive dialogue to take place.

> **'Sexual dimorphism in biology and nursing, being able to question positive discrimination in sociology – the straightforward layperson's interpretation of these issues is becoming unsayable.'**

The no-debate culture is underpinned by moral absolutism and an inability to consider other perspectives.

According to a chief executive, people who take this perspective no longer know how to listen. 'They don't know how to take on, with grace, a different opinion,' she said. There is a certain liberal hypocrisy inherent in this tendency, in one view – those who hold such a position profess to be liberal, but they will not countenance alternative visions of the moral framework. The centring of people's 'lived experiences' is another contributory factor, as personal 'truth' takes precedence over the balancing of competing needs and rights.

> **'Moral high-grounding isn't an interesting stance to come into the workplace on.'**

Such a culture leads individuals to change their behaviour to their own detriment or the detriment of the organisation.

Staff sometimes socialise less with their colleagues to avoid saying something that contradicts the mainstream orthodoxy. A culture of silence affects the ability of employees to engage in healthy debate, as they do not practise the skill. People who have actively attempted to counter mainstream views are particularly affected. One interviewee made a purportedly

controversial statement on social media and then became the subject of an internal complaint. 'Nobody was talking to me,' he said. 'They didn't know what my views were, as they wouldn't discuss them. And then the external interest was whipped up by people internally by press and by open letter.' This process can lead to the further dominance of people with ideologically narrow EDI views and the isolation of those who do not share them.

> **'It's a totalitarian approach that you must only say rightspeak.'**

If people are met with complaints or social distancing when they try to raise differing points of view, they eventually stop trying. Organisations suffer long-term negative effects from the silencing of heterodox views. These include a toxic atmosphere, an impoverished workplace culture and an impaired ability to make effective decisions.

The Wrong Ingredients

What happens when EDI has become detached from the purpose of the organisation and the needs of its customers, staff and shareholders, and when its strategy and delivery are informed by the wrong ingredients? This section explores the answer to this question, exploring an uncoupling of EDI from its purpose, the unevenness of the voices that influence it, issues within EDI teams and problematic use of data.

Uncoupling from Purpose

> **I don't seek to make them better human beings. That's for their parents and their priests.'**

EDI has too often become divorced from the reasons for doing it, producing initiatives that lack meaning and impact.

Decision-makers often fail to understand how EDI helps to meet business needs. Priorities in other areas of the business tend to be straightforward – to drive up customer satisfaction or to increase a company's assets, for example – but the end goal in EDI can be unclear when it is uncoupled from organisational objectives. Consequently, activities may lack impact or even backfire. John Lewis' *Identities* internal magazine, published in early 2024, received significant external criticism after it showcased staff wearing fetish gear. By attempting to enable staff to express their non-professional 'identities', the people who signed this off apparently lost sight of the company's original intentions in pursuing diversity-related projects (like 'Equal parental pay and leave', 'Supporting young people leaving the care system', 'Supporting ethnic minorities' and other priorities listed in its Diversity and Inclusion Plan) and alienated many of its customers.

It is often bolted on to other activities, rather than being integrated within workplace culture.

When leaders fail to make the link between EDI and organisational objectives, EDI tends to

be given less attention and to be less well integrated than in organisations where the links are made explicit. Some interviewees believe there is insufficient strategic thinking about EDI at a leadership level. Separating EDI from good management and good corporate governance means that responsibility for its delivery is frequently given to people who lack the necessary experience or credibility.

> **'I would rather we had greater consensus and greater debate at a senior level around what it is we're trying to achieve.'**

Skewed Voices

The loudest voices tend to have the greatest impact on EDI.

> **'We are talking to the same sets of people. They are the ones who speak up, but we don't understand the issues in the rest of the organisation.'**

The over-representation of more ideologically aligned voices leads to the silencing of those with heterodox views. Those who care deeply about EDI-related matters are also the most likely to advocate on them and, as a result, to influence how organisations approach these matters. These patterns feature in student populations, too. 'There are some loud voices representing small groups, and there's often a silent majority of students who have a different view, or less strident view,' said an interviewee from the higher education sector.

> **'These politics have become a way of signalling dissent and resentment… Whatever the response to a campaign, it will validate your view. If you get pushback, the haters are hating. If everyone ignores it – see how uncontroversial these issues are?'**

Input from the loudest voices can obscure a deep-seated unhappiness in those who remain silent. Fewer and fewer comments are appearing in one organisation's engagement surveys, as staff believe their managers will call them out on feedback even when they are told it is anonymous. Sometimes, the most junior people in an organisation set the tone, leading one interviewee to caution that decisions relating to fraught, contested areas should be made by senior staff, backed by proper levels of resource.

EDI is often outsourced to external organisations, many of whom reinforce the mainstream orthodoxy.

Organisational action on diversity is often limited by their use of external partners – in recruitment, for instance; their approach can only be as diverse as these partners allow them to be.

> **'All we are getting are the stamps – the black woman, the gay man – but how will they think differently? It's not something the recruiting agencies are looking for.'**

Furthermore, large external organisations have mechanisms to impose their approach to EDI

through kite marks, charter schemes and similar initiatives. Interviewees across different sectors particularly highlighted the (now less trusted) influence of Stonewall.

It can be hard for organisations to divorce themselves from these external bodies, even if they no longer share a worldview. A leader said that he wanted, ideally, to disassociate from Stonewall, but that it is easier said than done. 'If I pull out, it will cause so much angst that it would probably be the wrong thing to do.' And alignment with such groups does not necessarily lead to positive change for members of staff. Members of one interviewee's board moved from saying it was essential to join the Stonewall Index to saying the organisation had to get out of the Stonewall Index. According to the person who raised this, 'Neither of those things actually changed the experience of lesbian, gay and bisexual employees within my organisation.'

A focus on visible diversity can mean that other important aspects of diversity are missed.

In one person's workforce, over half the senior staff are from black and ethnic minority backgrounds, but more than a quarter of these individuals attended public school, and many went to Oxbridge or other Russell Group universities. Visible diversity cannot capture sexual orientation, disability or other, more subtle gradations of difference. Criticism of EDI sometimes comes from the staff that visible diversity schemes were purportedly set up to favour – a public-sector leader said, for example, that criticism of EDI is generally coming from his black staff, not his white staff – which suggests existing approaches have not universally been successful.

There is a lack of expertise and experience among many EDI practitioners, particularly in the area of equality law.

> **'You have advocates for EDI, but they may not have the skills to analyse, to influence at a senior level, to connect it to the business. The wrong people are in the wrong posts.'**

EDI is an area in which people can become specialists without specialist knowledge. In one view, it is a graveyard career; in another, turnover rates for EDI roles are so high that consistency becomes impossible. For some interviewees, the knowledge and skills of EDI practitioners should be supported by greater professionalisation of the role. Concerns about quality extend beyond EDI teams to everyone with line-management responsibilities. As a business leader put it, 'You can have the best policies in the world, but the person that's actually delivering that policy is your direct line manager.'

> **'There is not a good understanding of the legal framework.'**

The Problem with Data

Many organisations assume links between EDI-related inputs, outputs and outcomes, without using data to test what works.

Interviewees pointed to a range of subjective improvements from EDI, like the way staff treat

each other. These may well be vital elements, but beliefs are a poor substitute for the hard data that would convince a wider range of organisations to take EDI seriously. There was, in some cases, a linked lack of awareness among interviewees about cause and effect in terms of which elements of policy and procedure have driven stated benefits.

> **'I can't point to a particular cost-benefit analysis.'**

Meaningful change is difficult to measure.

It is hard to measure links between EDI and innovation, for example. Time lags are also a challenge; a chief executive pointed out that organisations may only know if something has been successful when analysing staff surveys three years later. In addition, organisations may omit important types of information in their data collection efforts. An interviewee suggested, for example, that social mobility data is as useful as anything else, but it is undercounted. Qualitative data is another under-utilised but important area.

> **'When leadership embraces the value of difference, you get more expansive thinking and better solutions, but we haven't found a way of proving that. We can point to specifics on a project-by-project basis, but there are too many variables. Who is leading the team? What is the quality of the team? …It is an inferred belief, not a scientific one.'**

When individuals look at headline data without breaking it down further and assessing fully the reasons for any observed patterns, they risk working to targets that do not solve a problem.

In one organisation, redundancies had been made in a section staffed disproportionately by women on low pay. These women lost their jobs, but the headline figure shows that the company's pay gap halved. In another organisation, top-level data imply that staff from ethnic minorities are paid more than white staff – but most of the ethnic minority staff are clustered in highly paid roles, within which they are paid less, on average, than white staff doing the same job. A blunt analysis of data also risks organisational focus on identity categories without broader consideration of difference (see Chapter 4).

> **'We do have a pay gap, and it's not in a good direction – but you have to drill deep to get it.'**

Data collection is worthless if it fails to prompt greater understanding and linked actions.

There is a great deal of focus on measurement, but organisations are not necessarily measuring what matters or interpreting data in a way that helps them to improve practice. Sometimes, too, nothing is done with the data that is collected.

> **'It can become just a lot of noise, rather than something that's very carefully thought through in discussion with staff.'**

Negative Outcomes

This section covers other consequences of when EDI goes wrong. It looks at box-ticking and virtue-signalling; a failure to balance needs and rights; the problem with targets and pedestals; ongoing problems of discrimination and loss of talented members of staff; and persistent ineffectiveness.

Box-Ticking and Virtue-Signalling

> **'When all you do is focus on differences and put people in boxes, you are not bringing them together.'**

Celebrating days of action and flying flags have replaced genuine progress in some organisations.

Many leaders are concerned about EDI becoming performative, not substantive. For one interviewee, progress is made through cross-organisation dialogue and hard work, but she witnesses 'businesses who just do a whole load of green-washing or pink-washing or rainbow-washing, or whatever it is'.

> **'Are you virtue-signalling to your external market? *Aren't we marvellous? Look what we've done*. There's an awful lot of that going on in EDI.'**

Performative EDI can alienate customers and staff when it is juxtaposed with poor service or failure to address the reality of underlying inequalities and discrimination.

An interviewee had recently taken a flight during which the airline's screening of a mini-film about diversity jarred with late take-off, poor food, surly staff and a lack of information. Celebrating International Women's Day may tick a box that leaves an organisation less focused on closing the pay gap between women and men. Referring to a staff member who was trying to get her company's logo changed in line with different days and weeks of celebrations, including Pride, a chief executive said, 'We don't change our logo for anything. We're global. People get killed for their sex and their sexual orientation in places in the world where we are, [yet asking the logo to be changed] was thought appropriate.'

> **'It needs to be systemic change, not just this superficial top line.'**

Performance is undermined by inconsequential debates and time-wasting initiatives.

Focusing endlessly on incidentals like semantics – whether EDI should use the term 'equity' or 'equality', for example – can lead to organisational paralysis. 'If you talk about this, you

risk not being able to do something for people experiencing inequalities,' said a business leader.

> **What we have to be seen to be doing takes up an awful lot of our time. I'm exhausted.'**

Failure to Balance Needs and Rights

> **The challenge is always when different rights collide.'**

A focus on the rights and needs of one group's members sometimes leads to other people's rights and needs being squeezed.

This carries significant potential legal risk for organisations, as demonstrated by a raft of recent Employment Tribunal judgements. There is an overlap between this section and the one on **contested social issues**, as often it is these issues that lie at the heart of any conflict of rights.

> **What's interesting about both the Israel-Palestine issue and the trans-rights issue is that they are both circumstances where to accommodate the expressed desires of one group, you have to be prepared to set aside the rights of another group in a way that will cause them distress and harm.'**

It also results in poorer business outcomes.

These outcomes include negative impacts on staff and customers, and legal and reputational damage. Some organisations have taken an overly narrow view of the Equality Act and case law, which has led to them overlooking the rights of certain groups and failing to consider the protected beliefs of, for instance, people of faith and those with gender-critical views. According to a chief executive, recent legal cases mean that organisations are less inclined to put out a knee-jerk statement that aligns to typical EDI philosophy. 'But going quiet isn't much better,' he said, 'as you are still leaving the burden on the shoulders of individuals.' These fresh legal cases do not seem to be effecting unequivocally positive change.

> **Until recently, EDI was a safe lever to pull. It's more recently that we have seen that reputation can be harmed in both ways.'**

In universities, there is friction between EDI and academic freedom.

This happens when the prevalent EDI philosophy is presented as something that cannot be challenged. 'When you interpret [EDI as diversity of bodies, not diversity of thought, it's where tensions creep in,' said one interviewee. 'If you say to academics, "You can't ask questions; you can't debate," that it's harmful and violent, they cease to fit together.'

Institutions may set up further problems by attempting to go beyond the law.

When organisations used to go beyond the law, it was in the writing of practical, uncontested policies that the law did not cover. Now, it moves organisations into a difficult territory in which trying to give additional rights to one group may take them away from another. It can also lead to overspend when, for instance, EDI professionals do not perceive there to be a cap on meeting staff demands or on the adjustments it is reasonable for an organisation to make for a person with a disability.

> **'The law was drafted carefully for a reason. "Yeah, we go beyond the law, meaning we give people more holiday." That's fine. "We go beyond the law, because we decide to distort the meaning of the Equality Act," – not so fine, in my view.'**

The Problem with Targets and Putting People on Pedestals

When targets and quotas sit at the heart of appointments, appointees may face negative perceptions and future disadvantages.

In some cases, targets lead appointees and/or their colleagues to believe their positions have been awarded for reasons other than merit. 'It is that dreadful human beingness,' said one chief executive. 'I wonder if that was because of her sex?' Business performance and reputation are threatened when people are promoted because of targets, not worth. The focus should, instead, be on finding a wide pool of potential candidates.

> **'I wouldn't want to be thought of as being appointed to a particular role, committee or task because we need people [of my ethnicity]. I want to be appointed because I have the right skills-set or potential.'**

Where people are promoted for reasons of identity, but they do not have the necessary accompanying capability, downstream effects include additional personal stress and disadvantage, as well as a risk that others who share their identity category are written off in future. People from underrepresented identity categories tend to be less likely than others to be removed from their position if it is ill-suited to them, compounding these issues. In exceptional circumstances, protected characteristics are used as cover by poor performers.

> **'Some managers might have over-promoted people to tick a box. We need to tell managers that it's OK if their data doesn't move.'**

And in a counterpoint to target-driven overpromotion, the potential of talented people from under-represented backgrounds can be overlooked through a false belief that the diversity problem has been solved and no further action is needed. A leader commented, 'We still hear things like, "Oh, we're done now, surely? I've got a woman on my board. We're done." And we are so far from done, but I think there is such a sense of fatigue.' This may link to a short-termist desire to move on from EDI by completing it, instead of recognising that it is about long-term, systemic change.

Organisations need to guard against one person being seen to represent the identity category to which they belong, which fuels unnecessary stress.

'They become the monolith for that characteristic,' said a business leader. The sense of representation is burdensome. 'If you fail, are you failing for all women?' asked a female leader. Interviewees mentioned pressure on black colleagues in the wake of George Floyd's murder to speak for all black people, one of whom said that a former colleague of his had felt exhausted by it, and that she just wanted to be part of the team.

> **'She said she almost felt like the white people were performatively embracing EDI to show how good they were. She, as a result, was starting to feel differently singled out by this.'**

Discrimination and Attrition

Black members of staff still experience widespread discrimination, despite policies designed to prevent this.

One interviewee said that there are no black employees in her company's senior leadership team, and that anti-discrimination policies have failed to translate into retention. Some managers do not challenge incidents of discrimination. A number of black colleagues had resigned in recent years due to indirect racism and other unhappy experiences.

> **'We talk about diversity. We have talent within, but we aren't doing enough to protect people.'**

Organisations are often good at recruiting diverse teams. They are worse at retaining them.

This may relate to very specific packages of support needed by some people – additional onboarding time for people who have been unemployed for some time, for example; often, it relates to organisational culture and an inability to allow for different perspectives or ways of working. 'You've recruited for difference,' said a business leader. 'What you can't do is bring them in and say, "Right, now comply."'

> **'They pitch a utopia, and the experience is actually very different. The thing I hear most from diverse people is they get in, but they then very quickly realise that their opportunity to progress is quite limited.'**

EDI dissenters are becoming disenfranchised. This erodes organisational capability and leads to the loss of good people.

While the issue of alienation is explored more fully in Chapter 4, it is worth a brief mention here. Staff are less well able to do their jobs if they feel marginalised because they disagree with the overall direction of travel.

> **'We are in an emperor's new clothes situation with staff not believing [the dominant EDI philosophy], undermining our capability.'**

Good staff, with a diversity of views, are leaving. This has serious long-term implications. One interviewee said several colleagues left the higher education sector because they could not see themselves reflected in the culture of their institutions. 'They feel vulnerable; they can't speak; they feel the organisation wouldn't have their backs,' he said. 'We are losing good people.'

> **I think we are replacing people who have different heterodox opinions with people who align, and we don't know what the costs are of those in the longer term. The EDI blindspots will become institutional blindspots.'**

Persistent Ineffectiveness

> **The same issues and inequalities that were known [in 2001]… now are exactly the same.'**

Money spent on EDI is wasted when organisations fail to tie activities into a theory of change and when they lack processes to embed change.

> **EDI… is about the jazzy side dishes – lighting up the building and lanyards – these signalling projects that are on the side of the work of the organisation. We want [EDI leads] to be in the room with the key people, not out there projecting an image.'**

People can convince themselves their organisations are making progress through volume of EDI activity, without having initiatives linked to what they want to achieve overall or how the process of change works. The failure to realise benefits may stem, in part, from EDI activities concealing the harder work of addressing more systemic challenges – like barriers to childcare and the care of older relatives – that need addressing in order for organisation-level activities to be truly effective. Other potential drivers of ineffectiveness include poor use of data, poor design and the absence of clear links (already discussed) into business purpose.

> **A little bit of me is troubled by how pervasive poorly thought-through EDI has become. It worries me that EDI has become an industry.'**

Siloed EDI is less effective than when it is woven into other functions.

When EDI is separated from the overall purpose of the organisation, it often results from senior leaders devolving it to specialist functions, like stand-alone EDI or HR, instead of leaders being accountable for its integration across the business.

> **'If [EDI] is not linked to practice, you see it and it's gone again… It's a party-planning function with no purpose.'**

Even where EDI policies and processes are well designed, they can be defeated by the messiness of real-world implementation. One organisation had a policy that required female toilets to be provided in new, male-dominated worksites, which they were. But a leader was informed by a female colleague that, in practice, some of these women's toilets were permanently locked to prevent them being used by the men on site, so female staff and visitors had to request a key to be able to use them.

> **'Even though you think you've done this policy and procedure stuff, it doesn't mean that's what people's real experiences are.'**

EDI actively undermines business objectives when it is based on philosophy rather than evidence.

'We will unravel years of good public health and health outcomes if we do not follow an evidence trail,' said an interviewee with a background in the health sector, giving the recent (now paused) prescription of puberty blockers to adolescents as an example of something similarly unevidenced and ideologically driven. Additionally, non-substantive EDI activities can distract people from focusing on the areas that have actual potential to drive performance.

> **'We get caught up in a lot of side issues that aren't actually… changing things for people who may be in an underrepresented group, or feeling discrimination, or are being prevented from progressing.'**

4. The Grey Areas

The Business Case versus the Moral Case

Public-sector organisations tend to pursue EDI because their leaders believe that it is 'the right thing to do'. Unsurprisingly, those in the private sector are more likely to be motivated by the underpinning business case.

For those who see the business case as the key driver, attracting talent in the context of skills shortages is a major component.

> **'Business isn't equipped very often to make the big moral and ethical decisions, but it can decide what's good for business.'**

Leaders in sectors traditionally dominated by a particular group – white men working in blue-collar occupations, for example – realise that they need to appeal to a wider range of people in order to meet likely future labour shortages. There are also increasing pressures on organisations to innovate, meaning they need to recruit diverse people who bring different ways of thinking about problems.

> **'The popular management theory of command and control worked for a world that was more predictable and not as fast. Organisations have to turn on a sixpence, and be innovative and creative to do things faster than the competition. You can't command that. You have to inspire people. You have to tap into who they are.'**

EDI may also help organisations to understand customers by representing them in the workforce, enabling the design and delivery of better products and services. This kind of diversity can alert organisations to the differences in customers' needs and how then to meet them more directly through product or service design – for example, including women in clinical drug trials moves results away from the male default. Several interviewees suggested that EDI works better when the business case, rather than the moral argument, is the motivating factor. One leader cautioned that the moral argument for EDI is suffused with an implication that diversity hires are not sufficiently talented to have secured their positions on merit.

> **'EDI for EDI's sake isn't sustainable and runs out of steam. It doesn't become part of your core values.'**

Others believe the moral case requires greater attention.

> **'If we're not treating people with equity and allowing diversity to flourish, it means there's something fundamentally unfair about what we do.'**

While there is strong evidence behind the argument that EDI is good for companies, in one view, an exclusive focus on profitability can create incentives that undermine their ability to improve the working environment for certain segments of the workforce and to address their experiences of harassment or discrimination.

Splitting the drivers for EDI into a business-case argument and a moral argument may represent a false dichotomy.

The two may be difficult to prise apart; alternatively, they become byproducts of each other.

> **'If people are treated well and feel they are part of the organisation, they serve the organisation better, they do their roles better, there's a better working environment and so more productivity.'**

EDI for Some or for All?

This section explores the question of whether EDI should be designed for some people – those from underrepresented groups, say, or those who are more at risk of discrimination – or whether it should be more all-encompassing through the promotion of diverse thinking and experience, and the removal of barriers that any talented individual might face to career progression. The answer is that both are probably needed, although the evidence offered here suggests that a blunt focus on identity categories is likely to to create more problems than it solves. Successful work on EDI needs to recognise group disadvantage, where it exists, alongside individual talent and any blocks to that talent.

Identity categories, in this section, frequently link to protected characteristics such as age, race, sex, sexual orientation and disability. These characteristics are often seen through the lens of identity in institutional settings.

Identity versus Individual Diversity

Some people think a focus on identity categories offers a straightforward route to access a range of talent and diversify teams.

Representation is about widening the talent pool by ensuring that the best people – not just the easy-to-find ones – are identified, recruited and promoted. A focus on identity categories can also reassure those people who fear discrimination that an organisation is looking out for their interests and that clear progression pathways exist for them.

> **'Representation in terms of visual diversity does matter. That comes strongly from our students, too – they want to see people who look like them, who they can aspire to be.'**

Reasons to avoid focusing on identity categories include the malleability of culture and language, and the loss of nuanced understanding of difference.

Culture informs our definition of identity categories, and culture changes. One interviewee mentioned the changing categories of ethnicity and race into which he had defined himself over his lifetime. 'Categorisation has its place – it helps us to measure – but you can get very obsessed by it,' he said. 'What you have to avoid doing is to pigeonhole people.' Blunt identity categories preclude granular understanding of the ways in which we are all different, too.

> **'I'm not necessarily convinced by drawing lines around those groups of people… Talk about difference as it coalesces around a common interest or a common goal.'**

Identity-focused approaches risk competition, not collaboration, between groups.

Conflict is more likely when people view the world through the lens of identity categories. 'We used to call it strand warfare – the strands in the Equality Act,' said a chief executive. 'How do you manage the different strands competing for resources and time?'

> **'They call it the Oppression Olympics.'**

Such approaches also drive the creation of one-dimensional solutions.

Organisations might move from a programme about women to one about race and then about disability, leaving large groups of people at any one time whose needs and contribution are simply ignored.

Feeling Wrong, Bad or Left Out

> **'It's very easy to focus on a category, and I think that can drive resentment and impact on some of the cultural changes you're trying to make in an organisation.'**

Identity-centred approaches risk alienating those who fall outside the established areas of focus.

There is a difference between removing barriers for those who experience them and a blunt focus on categories that necessarily excludes other people, thereby driving disengagement. This problem is not limited to organisations; we can see it in the education system in, for example, the often overlooked academic under-achievement of white boys from low-income families.

> **I've gone on a journey myself. I think now that we are isolating people. We've tried to create a more inclusive environment and, in doing so, have excluded everyone else.'**

A singular focus on particular categories may cause a false perception that those people are benefiting from opportunities to which others no longer have access. A business leader highlighted FTSE Women Leaders Review data on access to board roles from a few years ago. This data showed that over 50% of these roles were still going to men, despite a common narrative that men did not stand a chance of securing such a position.

> **There was one set of perceptions that if you were black and a woman, you would get more promotions… And it was rubbish… The people who've all got promoted and obtained the most benefit are white men.'**

There are ways to deal with discrimination and harassment against women that do not involve writing off men.

White men, in particular, may be feeling the most insecure about EDI due to their majority status in many organisations. One interviewee had witnessed training that criticised male attendees for their 'privilege'; another called out a widespread 'pale, male and stale' mentality. Neither of these things helps men to be part of EDI solutions.

> **We are an organisation with 80% men, and we have to be conscious in our efforts to bring them on the journey… There is a resentment, sometimes, that something is being taken away from them.'**

Focusing on one identity category has negative ripple effects elsewhere.

People who lack certain diversity characteristics may worry about their chances for progression, or even their longevity within an organisation. Giving one group additional resources can often create ill feeling among those who are given none. An interviewee gave the example of a group her organisation had set up to support young, black employees; other ethnic minorities felt left out, as did white members of staff.

> **We have colleagues saying… "I'm not diverse. What will you do when the next round of business changes come?"'**

When the most prevalent groups within a workforce are excluded from conversations about inclusion, resentment and pressure build up. A focus on cognitive diversity may be one way to weave everyone into a sense of inclusion.

> **The minute you start to make people feel wrong and bad, you take away natural goodwill.'**

But Identity Cannot Be Erased Completely

People from some groups face genuine barriers in the workplace that affect their ability to do their jobs effectively, which others do not.

Organisations need to understand what these are, both to support the individuals involved and to improve organisational performance. Accessibility for people with a disability is one such example; discrimination on the basis of race is another.

> **‘Some argue that you have to do [EDI] for all, but the counter is that not everyone has the same starting point.’**

Targets may still be needed to effect change.

Without targets, it is easier to make excuses about lack of progress. Identity is not straightforward, but these categories are measurable, for the most part. ‘You can get your hands around it,’ said a higher education leader. ‘That’s why it gets the initial attention… You bring in people with different backgrounds through this.’

Alternatively, organisations can focus on removing barriers and making positions appealing to people from under-represented groups.

These steps can be taken at the same time as making it clear that appointments and promotions are awarded on the basis of skills, knowledge and experience. A university, for example, does outreach work with local Muslim women who might not ordinarily consider working there; the standard recruitment process is followed once people from under-represented communities have applied for roles.

> **‘How can you find people that have got different skills by being more open and inclusive in terms of who you’re hiring and how you bring them into the organisation?’**

Socioeconomic diversity was raised as an alternative to identity categories; it can be less alienating and still capture some of the barriers that individuals experience under a more traditional identity analysis.

A focus on socioeconomic diversity offers a snowball effect in that it rolls many other aspects of under-representation and discrimination within it. Unlike most other identity categories, it also enables all staff to be included within the conversation. Class is a pervasive issue in the UK.

Staff Networks

Staff networks are a powerful influence on organisational EDI.

They are often divided into identity categories, so they are relevant to the broader question raised in this chapter about whether EDI’s focus should be on certain groups or on everyone.

> **'Sometimes [networks represent] that iconic thing… Just something that says this is taken seriously in the organisation.'**

Benefits include enabling constructive organisation-wide conversations, showing staff that leadership takes EDI seriously, and identifying problems with linked solutions.

The solutions that staff networks help to find can have huge practical benefit to groups of staff – for example, pensions that can be used by Muslim employees, workplace adjustments for people with disabilities, occupational health assessments that include consideration of neurodiversity, better parental leave policies or the contribution that people living with disabilities can make to the design of space that can benefit everyone.

Downsides, though, are significant. These include a single-issue focus, to the detriment of wider collective endeavours; damage to institutional efforts to foster shared identity; and the promotion of contested ideas that have negative ramifications.

> **'There has been this growth of internal activism within organisations by particular groups, which I don't feel is helpful. There is a lack of expert knowledge on these issues.'**

Examples given by interviewees included a push for trans allyship, which can alienate gender-critical feminists; and one-sided position statements on the situation in Gaza, which can do the same to Jewish staff and customers. Social activism is covered later in this section, but it is noteworthy that activism-driven fissures are aggravated by staff networks. These networks can also be reductionist. 'Disability, women, ethnic minorities – are those the only four groups that a person can fall into?' asked a business leader. 'We don't talk to each other [outside of our] groups.'

> **'People are having a conversation with each other, and they need to be having a conversation with everybody else.'**

The risks of alienation highlighted in the previous section are amplified by the inward-looking focus of staff networks and their promotion of ideas that often do not reflect the breadth of views of the staff they represent. Members of one leader's mainly white working-class workforce, for example, were unsettled by staff network critiques of the traditional wearing of red poppies for Remembrance Sunday. These individuals are, he believes, extremely tolerant in general, but struggled with having their tradition and views challenged.

> **'There is increasing hostility from our network leads. They see themselves as activists on single issues. They tell people, "Feel your guilt. Acknowledge your privilege." …People find that very difficult.'**

Leaders can falsely believe they are accessing diversity of thought by engaging with staff networks.

If an organisation lacks cognitive diversity, leaders may believe that listening to staff network representatives broadens their thinking – but, in reality, individual representatives often

represent a narrow philosophical outlook. Staff networks can also require leaders to dedicate time and resources that distract them from other pressing issues.

> **'There has been a bit of bleed from staff networks into thinking they have more of a role in decision-making than they have.'**

Staff networks are a container through which organisational tensions and power dynamics play out.

There is also an interesting divergence between staff who believe their interests are represented through their employment contract and those who get involved in the networks. The networks are 'shinier', said one leader. 'They're newer. I think they're attracting a more interested and engaged group of people.'

> **'We've got some tensions between our staff side and our networks about who has primacy.'**

Activism and Contentious Areas

For some, activism is about campaigns that align with organisational objectives – securing tenancy rights for those whose organisations work to support people with low incomes, for example. For others, it is about days and weeks that recognise particular groups, such as International Women's Day, Pride Week or Black History Month. Activism can also be about broader social issues and campaigns – Black Lives Matter, trans rights or a position that supports either Israel or Palestine in the current conflict. This part of the research looks at the pressures on organisations to be activist; the situations in which it might be appropriate and where it is not; and the impact of activist campaigns and politics on staff engagement and organisational effectiveness. Overall, the message is that activism may be appropriate when it aligns with organisational purpose, but that non-aligned activism can create institutional distraction, and risks creating further divisions and disengaging staff.

The rest of this section examines how organisations manage contentious issues, with two short case studies on institutional responses to the issues of sex and gender, and Israel-Palestine.

Social Activism

> **'Some of our employees would want to see us doing more in areas where they are passionate… That would be contrary to the business [interest]. Those lines are difficult to tread. You can't keep everyone happy.'**

Institutional social activism is a good thing for those who believe it supports wider societal progress and follows the interests of staff and customers.

Movements such as #MeToo and Black Lives Matter have a positive role in moving the societal needle towards something more progressive, in one view. Activism sometimes stems

from a sense of unfairness or barriers that leaders have experienced in their professional lives, or because they believe activism is important for their staff or customers.

> **‘Democracy within organisations and a social conscience, if you like, is really important.’**

Others believe social activism can be appropriate only if it works in the interest of customers. Activism may be sector-dependant. It lends itself naturally to campaigning organisations such as unions, for example. ‘If you are more corporate or commercial, there are expectations that you should be active, but should you be activist?’ asked one interviewee. ‘It comes back to the core purpose – if it links in, you should do it.’

> **‘Social activism is hugely important, and I am a supporter and a doer – but if you are being paid using public money, it has to be linked to business need.’**

For others, activism is divisive and exclusionary, wastes resources, and increases legal and reputational risk.

Depending on its focus, activism can exclude staff and customers. ‘You have to support all staff, not just the staff from the groups that are in the news this week,’ said an interviewee. It can be authoritarianism dressed up as kindness, in one perspective. A leader commented, ‘It says it’s about tolerance, but it’s the absolute opposite.’ Activism often reinforces a contested worldview, feeding back into the faultlines of EDI-driven division and reinforcing workplace tensions.

> **‘My worry is you get into the place where you are starting to create social policy within your organisation.’**

It also risks reputational damage. Many corporates who made an early statement on Black Lives Matter were later called out for having nobody of colour on their boards, for example. One interviewee criticised organisations that change their campaigning approach to suit their location: ‘BMW changed its logo [to incorporate the Pride flag] in the UK, but they don’t do it in Yemen.’

> **‘You only have to do a quick Twitter search and you see people getting it wrong. The reputational fallout is huge.’**

Organisational activism can result in expensive litigation when it contributes to discrimination against those who believe differently. Part of the litigation risk comes from organisations taking a hard line on contested issues, in place of nuanced dialogue.

> **‘There’s no gain and lots to lose.’**

There are particular risks attached to activism that crosses into politics.

Campaigning for one political issue can lead to expectations that organisations will get behind another, and accusations of bias if similar campaigns are later ignored. The same goes for geopolitics. An organisation might make a public statement about the war in Ukraine and later be taken to task for not making a similar statement about Gaza. 'You have to be so careful,' said a business leader who had fallen foul of this issue.

There are also nuances within even the most seemingly straightforward issues – leaders who want to call out the invasion of Ukraine might have Russian staff or Russian students. Getting involved in political issues also risks tangling organisational positions up with their leaders' personal beliefs.

> **'It's like Pandora's box. If you have views on one issue, you have opened yourself up to what your view is on other issues that people care deeply about.'**

What people and organisations define as being political varies hugely. Some see the Progress flag and the inclusion of pronouns on name badges as being a highly political position statement on the fraught matter of trans rights versus women's rights; for others, these things are part of business as usual. Leaders face pressures from individual staff, staff networks and wider society to take an activist line on some of these issues, which often provide a focal point for other areas of staff discontent (about, for example, pay and conditions).

> **'There are colleagues who feel very strongly about their causes… and what we should or shouldn't be doing.'**

Issues can sometimes be managed successfully through the lens of safety. A business leader gave the example of the war in Ukraine, saying that good companies thought about protection and other help for affected employees and families, rather than taking a campaigning stance.

Managing Contentious Issues

Contentious issues inevitably spill over from the public sphere into the workplace. EDI can help these to remain at the 'healthy' end of the disagreement spectrum, or it can exacerbate conflict and entrench positions.

Disagreement is inevitable, but some people lack the skills needed to manage the complex dialogue and negotiation that disagreement over contentious areas requires. Disputes between people with different protected characteristics are common; institutional responses to the resulting challenges need to consider the point made earlier about balancing rights.

Encouraging attributes such as tolerance of other viewpoints and respect for difference can be useful in creating a culture that allows healthy disagreement.

'We're in work, at the end of the day,' said a business leader. 'It's reminding individuals to remain professional and to put yourself in the shoes of other people… We want people to have a voice, but you must do it in a respectful way.'

> **'One of the most important things is that if we are going to disagree, we disagree well.'**

An informal, private, warm approach can sometimes be the best way to deal with difficult conversations, and can be more effective than taking a corporate, legalistic approach.

Some organisations have banned discussion of contentious issues altogether, while others believe it is essential to offer a platform for these kinds of discussion.

> **'Issues are contentious because they are not simple.'**

A simple expression of support for one position can be taken as an intimidating stance by people who do not share the belief, in one view. In another, organisations need to create a sense of safety to enable difficult conversations about issues that spill into the workplace from the world outside it. Higher education institutions have to grapple with contentious issues playing out in an environment that is not simply a workspace – it is also people's (students') home.

Case Study: Sex and Gender

> **'Trans people are such a tiny minority, but everyone has an opinion. How can you have an opinion about someone's lived experience that you've never spoken to or even met?'**

> **'If women feel threatened or excluded from the workplace because of an organisational statement on trans rights…then you're creating a less inclusive workplace.'**

More than a third of the interviewees brought up tensions between those who believe that sex is binary and sometimes salient, and those who believe that an inner sense of gender identity should take precedence over sex.

Some people view these tensions through the lens of rights – the stated rights of women to be able to access spaces that are genuinely single sex, for example, versus the stated rights of people who identify as trans to be able to use facilities that align with their gender identity. The complexity of the underlying issues and arguments, together with the publicity attached to an abundance of recent court cases, has made this extremely challenging for organisations to navigate.

> **'People are very entrenched on either side, or they don't want to get involved.'**

One organisation had navigated the issue by being clear from the earliest stages that it was not going to take a position; another had to deal with it retrospectively by removing the topic as an area for discussion within a network.

'We saw it coming,' said a business leader, who made a position statement early on that there are strong views on both sides, and that people would be negatively affected if the organisation were to take a position on either side. Conversely, a chief executive who had to get involved after a network discussion became unmanageable said how sad she was that the basic rules of discussion, and the exchanging of views and experiences, had become untenable.

In some cases, having an opinion on the issue of sex and gender is relevant to the work of the organisation, beyond the management of conflicts between staff – in having policies that can be understood by customers, for example, or in the area of data collection.

Not all organisations have a choice to ignore the issue, such as those that collect and analyse data, or deliver single-sex services. And some organisations that do not work directly in areas affected by this issue will still need to make judgement calls that might lead people to decide they have taken a side – for example, when staff networks call for language in maternity-leave policies to avoid using the term 'woman', or when deciding whether to support Pride (which is seen, by some, as falling on the gender-identity side of the debate).

> **'This terrible conflict between the rights of women and the rights of trans people plays out in our maternity units. There is a group of women who feel actively excluded if we use "birthing people" terminology.'**

This is an area in which many employers do not fully understand the law – a likely contributor to the number of recent high-profile court cases in this area.

One interviewee talked about her organisation refurbishing its offices with the well-intentioned idea of future-proofing them for trans colleagues who may join the organisation in future. She did so without referring to the minimum legal requirements in this area, illustrating this point – employers must provide either single-sex facilities or unisex facilities with lockable cubicles that contain sinks.[1]

There is a wide range of views on this issue among interviewees themselves.

A business leader said how proud she was that she had got pronouns (a signifier, for many people, of a belief in gender-identity theory) onto people's security badges, although she recognised different perspectives were allowable in the workplace. Another interviewee said of the Forstater judgement, which found that gender-critical beliefs represent a protected philosophical belief, 'I could not be fired, because a brave person went to court.'

Case Study: Israel and Palestine

> **'Since October 7th, I have significant Jewish staff and massive Muslim staff, and I am trying to manage an increasingly divided, hostile separation.'**

[1] Regulation 20 (2) (c), Workplace (Health, Safety and Welfare) Regulations, 1992.

The conflict in Gaza is the subject of volatile discussions and rifts in many workplaces.

These tensions have required new ways to navigate discourse – for example, closer moderation of company social media platforms. Managing these issues has been resource intensive for many organisations.

> **'I have spent time dealing with spectrums of opinions about what is happening in the Middle East. It is a tightrope.'**

Something that might seem simple, like an institutional response to the murder of George Floyd, becomes less so when seen through the lens of responses to this recent conflict.

For many organisations, it seemed a straightforward decision to condemn Floyd's murder, just as it was to condemn the terrible events of October 7th. But a business leader commented, 'Companies who came out very quickly supporting Jewish colleagues found themselves in a muddle with Muslim colleagues, and found a stark lesson – there is no room in companies as situations evolve, and no nuance in the conversation.' Organisations that have made position statements on previous issues have found this issue harder to navigate.

> **[A member of staff] sent me a really long list of all the campaigns the organisation has run – Black Lives Matter, Ukraine – and then contrasted that with our absolute silence on the Israel-Palestine situation.'**

Pre-emptive statements about nuance and disagreeing well can be helpful.

A university leader made a statement targeted at incoming students that aimed to balance them feeling at home with a mature understanding that people will have different perspectives on difficult issues, and that people should expect to have their perspectives challenged in a university environment. This allowed fierce disagreement over the conflict in Gaza to be framed in the same way.

When EDI Becomes Personal

There is a marked contrast between the confidence leaders say they have in managing EDI-related issues and the fear they express when asked detailed questions about what they would actually do. They appear confident on the general level but not on specifics, with fear coalescing around making mistakes, causing grievances and litigation, or risking reputational damage. The section also looks at how clashes (specifically around perceived offence and upset) are managed across organisations, examining the importance of intent and a culture that allows people to make genuine mistakes.

Confidence and Fear

Interviewees tended to have explicit confidence in their ability to manage differences of opinion among staff and to articulate their organisation's EDI values and purpose.

This confidence may sometimes stem from a focus on what is easy, rather than what is

effective. One person suggested that leaders are good at producing bland, meaningless statements, but it is rare to be able to produce EDI information that relates to business objectives.

> **'Most of the statements I read from organisations are about what they're going to do about equality. They're interchangeable. Every one is the same gloopy paragraphs of sunshine, and it means nothing.'**

Grievances, litigation and reputational risk cause greater fear than leaders' personal abilities in this area.

'Many senior people worry about being accused of something if they step in,' said a chief executive. Leaders fear both saying and doing the wrong thing, and things that might have happened elsewhere in the organisation of which they are unaware. 'There is always that fear that you will be caught out by that one exceptional point of failure,' said a business leader.

> **'I'm very aware of reputational risk, and I'm very aware of the tightrope you have to walk politically to make sure that you can get your point across without actually upsetting the applecart.'**

People also lack confidence to discuss contentious topics.

> **'There are places I fear to go. On gender, I have no authority. I would be torn to shreds. I am uncomfortable on Israel-Gaza. There are newer truths where I am further behind.'**

Several interviewees mentioned a lack of confidence among more junior managers and their need for development support in this area.

Low confidence can arise from fears of using the wrong language and upsetting people; and not knowing how to challenge incidents of bullying, harassment and discrimination.

> **'Managers have had to be supported and escorted by HR. They have been so scared about having [conversations around managing differences of opinion], they have had the conversation scripted.'**

Widespread fear may be preventing the very changes the delivery of EDI has been designed to achieve.

'Organisations are frightened to get it wrong, so they don't do what's right,' according to a business leader. Their fear is exacerbated by witnesses organisations that have previously been publicly exposed for their failures, like early iPhones not working for people who are left-handed and H&M's production of a sweatshirt entitled 'Coolest Monkey in the Jungle', which was modelled by a black boy. 'These are high-profile,' she said. It puts organisations off trying to make substantive, positive changes in EDI in case they fail.

> **'There is so much fear about getting it wrong, and it gets in the way of a proper, normal conversation.'**

Managing Mistakes

> **'If you're sat there worried that anything you say is going to be taken the wrong way, then that's not the kind of culture that we want to create.'**

When people are clumsy with the sensibilities of their colleagues or customers, organisational responses should depend on whether the instigator meant to cause harm.

It is beholden on those who feel offended or otherwise upset to find out what the intent was behind the statement or action in question, in one view. Organisational culture is relevant to people's understanding of intent. 'It's very easy at the moment for people to genuinely make mistakes in managerial roles,' said one person, whose organisation avoids monitoring people's actions too closely. 'I say that because the number of grievances that come through are minimal.'

> **'There is a lack of understanding about the context of offence – there is that "perception is reality" viewpoint.'**

Mistakes are a necessary part of professional development.

Those who never err may not be involving themselves sufficiently in workplace dialogue and activity.

> **'Mistakes happen. It's how you fix them.'**

Early intervention is key to prevent serious mistakes morphing into intractable problems.

More serious mistakes may be prevented by resolving things early, and by establishing ground rules within teams about how people work together. 'Those conversations can provide you with a behavioural framework that you will have signed up to,' said a chief executive. 'That makes it easier for you to put your hand up and admit to a mistake, or to agree to disagree.'

> **'The thing that has shocked me most about grievances in this space is that they often have massive longevity.'**

In some organisations, informality and dialogue are central to managing mistakes. Others take a more punitive approach.

For those who do the former, there is a sense that formal mechanisms can damage relationships. For those who prefer the latter, it is about a swift resolution.

> **'If you can't understand and demonstrate what our values and behaviours are, there will be consequences.'**

Technology is used in some workplaces for anonymous case studies or reporting.

> **'It is a really good thing if we can anonymise it and make it an interesting story, rather than, "That bloody idiot Fred in Finance said this, and we all went and pummelled him into the ground, and now he's very sorry."'**

It is important for organisations to focus on what matters.

One leader said that colleagues in her sector wanted to ban banter. 'How will you do this?' she asked. 'You can't ban it. Instead, you direct conversations towards an understanding that people will make mistakes. These can be clumsy, creepy and criminal. We will all be clumsy. We only need to worry if it gets creepy and criminal.'

Training and Development

While training and development was not an explicit focus of this research, it came up a number of times over the course of the interviews.

There are mixed opinions on the quality and impact of EDI-related training and development.

> **'There's been some really rubbish training that has not understood… what people are trying to achieve.'**

Problem areas include legally incorrect or ill-focused content and poor-quality training instruction. What gets learned tends not to become embedded in either people's jobs or wider institutional culture.

> **'There is no follow-up on how people are applying that training in practical terms.'**

On the other hand, successful training and development schemes have encompassed diverse areas like how to have difficult conversations and bystander training. Other examples given by interviewees were training in psychological safety, reverse mentoring, inclusion modules within leadership training, speak-up workshops and whistleblowing training. Few training and development schemes have an element of evaluation or impact assessment attached to them, however, meaning we cannot be certain of outcomes.

There is a lack of EDI training that centres business needs and/or organisational performance.

External trainers are needed to provide this performance-focused EDI training, but they can be hard to find. Other missing pieces include training and development focused around

some of the greyer areas covered in this chapter – building confidence in managers, how to assume positive intent, resolving within-team arguments, and how to implement EDI in a way that genuinely addresses challenges rather than skating over the surface. EDI-specific content is sometimes missing from broader leadership training.

Unconscious bias training is controversial.

Some interviewees referenced it positively. It does, though, risk alienating people and groups, and there are many questions about its effectiveness. Unconscious bias training makes people defensive, according to a business leader, as it implies there is something wrong with how people have been doing their jobs and interacting with colleagues. One leader had witnessed double the number of people in her business attending workshops on cognitive diversity than she had attending similar events framed as 'unhelpful' bias. This, she felt, showed the importance of language and framing in bringing staff onside.

> **'I don't believe in unconscious bias. We all have some kind of biases. We need to acknowledge them, and then take steps to mitigate them.'**

Stand-alone online learning about legal compliance and other basic pieces of information needs to be accompanied by training that explores issues in greater depth.

Organisations may believe the training box has been ticked once their employees have completed online learning, but this leaves many learning needs unmet, as well as little room for nuanced exploration of complicated issues.

5. Where Now?

The Direction of Travel

This section assesses the direction of travel for EDI. It looks at the value of openness, as well as the value of rules, and whether a balance between the two is actually what most organisations need to support effective outcomes.

Interviewees are divided on the question of whether EDI is more likely to move towards openness and opportunity or towards rules and prohibitions; several hope for the former, but fear the latter.

For those who hope for openness and opportunity, the benefit lies in suffusing an organisation with diverse perspectives through a light-touch, values-driven framework. The resolution of thorny problems is aided by a range of outlooks, and organisations function best when EDI is threaded through the work without being overlaid by fear. One theory is that an organisation's level of openness or otherwise depends on its EDI-related maturity, with rules and prohibitions situated at the greener end of the growth curve.

> **'There's so much of society that needs to understand what black and white is. The openness and opportunity is much more about working in the grey.'**

Some rules are needed, of course.

People need infrastructure, routines and boundaries, which require a minimum level of rules and related policies. 'The "Wouldn't it be nice if everyone is nice?" approach doesn't work,' said one leader. 'Everyone likes to think of themselves as non-sexist, non-racist and lovely, but if you don't measure and set rules, you don't see change.' And fundamental breaches of rules require consequences.

> **'If you walk into the office here and grab an arse and get fired, that's what should happen.'**

Problems arise when the EDI scales are too weighted towards rules, eroding flexibility and creativity.

Travelling too far down the path towards a rules-based approach to EDI risks organisations increasingly policing actions in a way that undermines people's sense of self-efficacy, erodes trust, causes division and ultimately damages business outcomes.

> **'There is a place for rules, but you can almost clip people's wings if you over-rule it. You need to allow space to develop and generate. Rules set tramlines, then you need to allow a bit of dissonance.'**

The moral overtones of the prevalent EDI philosophy sometimes lead organisations to slip into a culture that is overly focused on rules.

'The whole point of EDI is creating something better for society as a whole,' said one leader. 'In trying to do that, I think radical groups – strong pressure groups with particular agendas – have created more of a rules-based approach to EDI.' These rules are enforced in an environment in which alternative perspectives are unwelcome.

> **'This notion that there's a right and wrong, goodies and baddies, is fundamental to modern EDI. We used to grapple with different approaches – multiculturalism versus anti-racism – we had brilliant discussions on all sides, whereas now, there is one way to be. It's doing harm all round.'**

Heavy rules-based EDI cultures can also be shaped by greater societal polarisation (meaning greater enforcement is needed of areas such as internal message boards), as well as by the limited time and resources available to EDI staff. It is easier and quicker to provide rules on preferred terminology or imagery than it is to change systems more deeply.

> **'I think the problem is that people find more comfort in a rule set than they do in a framework.'**

Some kind of middle ground between openness and rules is probably the most rational ambition.

Context matters in the setting of this middle ground. 'There are two worlds here,' said a chief executive. 'One world is about policing, control and order. Another is about acknowledgement, empowerment and enquiry. If you look at rules and activism through enquiry and exploration, there is no danger. The opposite is there too… It's the paradigm you're coming from that determines whether it is successful.'

Leaders have an important role in creating this balance and the context that forges it. They need to have integrity, to model necessary behaviours and to possess the courage to push back against repressive mandates from other staff.

> **'You can't get to this through legislation. You can't get to it through policy guides… You have to get to it through leadership and being brave.'**

If leaders and EDI practitioners fail to achieve this balance and move beyond the dominant identity-focused ideology, the risk is an acute backlash against EDI.

Several interviewees fear that the prevalent approach of much EDI work feeds into narratives of 'woke' culture, and that the response will be to raze EDI to the ground instead of improving it.'I have seen ebbs and flows in terms of pushes on EDI initiatives and then drawback,' said a university leader. 'My worry is that we are in the latter.' Positive changes to which EDI has contributed, such as greater racial and religious tolerance, risk being lost along the way.

> **'The risks are that we don't rise above the noise. We don't lift ourselves out of the tabloid approach to EDI, and we frustrate it in the business so it drops down the agenda because we're not doing it right.'**

In a related point, fraught, public conversations about one issue – sex and gender, for example – risk switching people off to the whole of EDI.

Interviewees also see risk across the political spectrum, from left-wing identity-based politics through to right-wing culture wars. There was a wider concern about the fracturing of public discourse alongside a lack of tolerance for other points of view, which can play into EDI within organisations.

> **'Once these debates get heated, it is easier for people to dismiss the whole agenda.'**

Strengths and Opportunities

This section explores existing strengths and new opportunities for EDI and afforded by EDI, which – assuming a nuanced, pluralistic approach – are myriad.

Concept

EDI is more likely to have a positive impact when organisations recognise complexity.

The challenges inherent in complex systems can be dealt with in different ways. One of these is to distil EDI down into a core concept that expresses its essential purpose – in other words, what are organisations attempting to achieve for their employees, their customers or in pursuit of other business-focused objectives? There may also be an opportunity to focus on the most basic parts of EDI that make provision for people to perform – reasonable adjustments for employees who have a disability, for example.

> **'It is not for your organisations to want to have a window into your soul. I'll be giving you the tools to do your job properly in the environment in which you can flourish. If you treat your colleagues decently… then what you think about your politics, about race, about your sex life is your own private business.'**

Others may choose to step into this complexity. A university leader suggested that EDI functions need to be given more responsibility, not less, in order to move beyond their single-perspective philosophy. In higher education, this might be put into effect by giving EDI leads additional responsibility for free speech and academic freedom, while emphasising that their brief covers the whole of the Equality Act.

Reputation can be built from acknowledgement of complexity, and past lessons can be used to make organisations stronger. One person commented, 'With the benefit of hindsight, it was possible to communicate outrage about what had happened in Israel, while reflecting

that there is complexity on all sides. Had the second- and third-order impacts been more deeply considered, it would have been easier to navigate.'

Breadth of both definitions and approach can be useful.

Diversity is not just about sex, race, age, sexual orientation or other protected characteristics. It is about background, experience and culture, too. Similarly, EDI is more effective when it is threaded throughout the organisation.

> **'It's about where we recruit, the training on the job, our commitment to strategies and goals, progression plans… It's an ambitious project.'**

This links to an opportunity to reframe the EDI narrative. One leader suggested it should be reframed as an enhancement function; another suggested that diversity of thought should be the overt focus instead of EDI.

There is an opportunity to be found, too, in openly discussing problems attached to the dominant philosophy.

A chief executive commented, 'If we don't start talking about this, we leave too few people talking about [what they believe to be] self-evident truth… There will be silencing and public harm if we don't talk about it, and I don't like the increasing divisions. They can only damage us.' The tide may be already turning in this area, which presents an immediate opportunity. 'Every public conversation about these issues help nudge us in the right direction,' said a business leader.

> **Debate is a good thing.'**

Genuine inclusivity means not losing sight of long-term EDI objectives in pursuit of quick wins.

A leader gave the example of his organisation's pay gap between men and women, saying that he could easily outsource lower-paid roles such as cleaning staff. This would immediately improve the pay gap, but it would probably come at a high cost to the individuals involved: even if they were to be moved over to a new contract, he suspected that their pay and conditions would be worse.

Calculation

> **'I wouldn't build a bridge and not know what load that bridge will take. I like numbers, and pretending you can waft them away and pretend you are making progress is silly.'**

A focus on cause-and-effect can help organisations achieve desired outcomes, along with evaluation and impact assessment to assess what works.

> **'You have to do research to make sure you don't walk into a bear trap. You have to make sure you don't just look at social media and news headlines, then you can have a debate, rather than just soundbites.'**

When organisations evaluate the success of initiatives, leaders can justify maintaining the more successful ones in the face of resource shortages or criticism. That calculation needs to be made with accuracy. Knowing what works also helps people to avoid getting diverted by lower-impact, time-consuming initiatives. Evaluation and impact assessment can be supported by better use of monitoring data, the collection of which is becoming ever easier. One interviewee suggested that representative bodies could have a role in overseeing data collection.

> **'Measuring data has to have something to do with it – because I think that gives you at least the flag to then start asking if you think it's going wrong.'**

Doing an equality impact assessment, or a similar assessment of the current and future needs of staff and customers, can help organisations to work out where priorities lie.

A chief executive gave the example of non-functioning streetlights in a car park run by his organisation, the fixing of which had previously been de-prioritised behind leaking pipes and broken boilers. A needs assessment helped leaders to see that a lack of lighting was dangerous for women, in particular, and prompted them to shift their priorities.

There is also an opportunity to make necessary wider organisational changes when approaches are trialled, measured and shown to be successful.

Organisations can try out different approaches in areas of the business in which it is easy or low cost to do so, before working out how to implement the successful approaches elsewhere.

> **'You take the low-hanging fruit or the doors already open to trial new approaches.'**

But organisations need to assess evidence carefully and deeply – headline patterns are unlikely to give the full picture.

One company has seen a recent spike in claims of bullying, harassment and discrimination, and later investigated what had driven this: members of staff felt more able to speak up than they had done previously. It was a positive change that might have been read as a negative one.

Sharing information on data, evidence and good practice between organisations may be helpful.

EDI schemes are wide-ranging. There is a risk that having too many schemes and competing priorities means the potential of EDI to realise benefits is weakened. This risk can be mitigated, potentially, by having better ways to share information between organisations.

Culture

Better dialogue leads to greater understanding, and different perspectives enrich workplace culture.

EDI can enable people to talk more about important business issues, as well as areas of difference. EDI is also linked to employee engagement. The success of any EDI strategies is dependent on a culture that values difference.

> **'We engage in better conversation – sometimes fraught conversation.'**

A melding of outlooks, histories, cultures and attitudes improves organisational discourse. There have been positive cultural shifts when leadership teams and boards switched from being male-dominated to being more of a balance of men and women – for example, tangible shifts in the type of conversation and the ability to talk about difficult topics.

> **'If there is true cultural intelligence within an organisation, and what I mean by that is if hiring managers or line managers honestly know how to manage difference and how they get the best out of their people, then there is no end to what the team can do.'**

EDI is enhanced by appropriate use of policies, practices and data.

For one university leader, this means expanding access to knowledge rather than replacing curricula that might otherwise be deemed to be one-dimensional. 'We are not cutting down on book lists,' he said. 'We are broadening them… If you can get researchers and authors from elsewhere contributing to the book lists, and we have assessments that allow people to bring out the wider traditions, it becomes a more holistic and globalistic view.'

> **'We have a fundamental philosophy. We must look at everything we do to see if there are changes we can make that are vital to some and valuable to everyone. If so, we do it immediately, which helps us to become more inclusive.'**

Respecting difference needs to be balanced by calling out inappropriate behaviour.

'When you think about a culture, it's determined by the worst behaviour that's tolerated,' said one business leader.

Modelling is key to creating a successful EDI culture.

When leaders model the attitudes and behaviours they want to see in others, these can permeate through the organisation. When managers and leaders are able to speak to their colleagues in a way that respects difference, and while suspending their biases, it makes people feel more included and better able to contribute to the organisation.

> **You have to put it in the DNA.'**

Captaincy

> **Without the CEO, you are in second-best territory. Organisations will always look to, "What does the CEO care about?"'**

Leaders need to be clear about what they want to achieve through EDI and how they plan to do it.

If 'leadership' began with a 'C', it would have been the title of this section, because it's fundamental to the success of any EDI work. 'It needs to come from the top,' said one person. This is most successful when leaders are able to link EDI into their corporate goals. While some interviewees stressed the importance of a holistic approach that runs from leadership through all functions and activities, one person struck a note of caution: 'It's about ensuring that when we do say that EDI is everybody's business, people don't step back and it becomes nobody's business. You need to have individuals to drive that agenda forward.'

Risks can be mitigated by leaders centring organisational values and building trust.

Centring values can mitigate the risk of getting consumed by EDI fads. Politics and trends come and go, but principles and the values of solidarity, support, partnerships and care don't change – and well-being,' said one interviewee. Leaders can also plan for inevitable future mistakes by building trust, in so far as that is possible.

> **It is about… building trust that you are trying to do the right things for the right reasons – so that when things go awry, and someone cocks up, there is an understanding that it is in the context that you are trying to do the right thing.'**

Planning is key.

Leaders have the opportunity to think through exactly what is needed before planning training or other activities to fill gaps. This process helps to offset potential legal risks inherent in focusing on a single group without consideration of other people's needs or rights.

> **Analyse and understand why EDI is important to that organisation specifically, then what are the specific challenges and blockers and barriers in that organisation, then put programmes in to shift those and measure the outcomes.'**

Leaders also need to work to understand their own preferences and opinions.

'That is the key, I think, to finding resolution,' said a business leader, 'because people have to understand that not everybody feels the same way you do.'

Competence

Competence is a facet of effectiveness both in the rigour with which the right policies are developed and the ability of those tasked with implementing them.

For many interviewees, inclusivity is not about flags or celebration of individual days; instead, it is about helping people to do their jobs well, and free from harassment or discrimination.

Examples given by interviewees included wheelchair access on industrial sites and closing the disability-related capability gap through the provision of accessible software. Evidence-informed policy is an important part of this; one interviewee pointed out, for example, that men tend to overestimate their capabilities compared with women, meaning that organisations need to be braver in supporting talented women to progress.

> **‘We’ve steered away from targets as they relate to staff members or committees but, by focusing on inclusion, the mix of people has improved on both visible difference and invisible difference.’**

Pulling multiple recruitment levers can work better than stand-alone approaches.

Interviewees have combined the use of diverse search partners; adoption of accelerator programmes; improvement of assessment experiences for those candidates who have particular needs, such as a neurodevelopmental condition; recruitment from other sectors and disciplines to bring in a broader range of perspectives; panel interviews with a range of stakeholders; anonymised recruitment; and better use of data. Using multiple levers alongside a measure of impact assessment can also help organisations to spot areas that need to be addressed.

The culture of diverse teams can support retention and build a sense of organisational belonging.

A high-performance team in one company happened to be more diverse than other teams, and people within it tended to stay. ‘That was a good place to be,’ said the business leader. ‘There was energy, there was enthusiasm, there was dialogue.’ Proactive approaches to retention include a range of employee benefits, openness to staff feedback and community links. Giving employees structured ways to share their experiences with others – through blogs or talks, for example – can increase their feelings of belonging.

> **‘We’d focused on diversity, but you only retain people if you have that sense of belonging.’**

Subtle changes to pay and progression processes can make things fairer.

A public-sector leader noticed that his organisation’s pay gap was affected by senior team members having to opt in to qualify for promotions and pay rises, with women far less likely to make such a request. He implemented a compulsory annual performance statement, meaning that everybody puts themselves forward by default.

Effective actions may be small things, not grand gestures.

With Ramadan, for example, saying managers might take the time to know when it is, and to ask Muslim members of staff what support and adjustments they might need over the period.

> **'You don't need to know all the answers. You're not going in with all of the suggestions.'**

EDI can enable organisations to widen the talent pool and to head off an impending talent cliff.

Some leaders fear not being able to recruit the right people, either due to generational shifts or to changing requirements relating to the world of work. Several interviewees mentioned the opportunity for EDI to broaden talent within an organisation, with positive knock-on effects elsewhere. Moving away from the idea of diversity through protected characteristics is part of this opportunity, for some, due to a greater potential for diversity of thought.

> **'Flexibility, well-being and belonging. Those are the things that lots more of our applicants are looking for now.'**

Others see an opportunity in maximising the talent within groups that have historically tended to face more exclusion than others – retaining older workers for longer, for example, by reducing discrimination and boosting a sense of inclusion.

> **'When you get people genuinely open to talent and to identifying people, there's a tipping point in organisational culture when it becomes the norm, rather than the legislated direction.'**

Community

Unifying an organisation into a single community in pursuit of its objectives is one of the key dividends of diversity.

There may be an opportunity to evolve staff networks from single-issue groups to shared discussion groups reflecting individual difference.

This is something already being done in some places. It allows collective conversations about diversity in place of conflict-arousing, single-issue campaigns. An obligation for staff groups to represent the breadth of their network is an important way to avoid smaller, self-selecting groups setting their focus and priorities.

> **'We're working on disempowering some of the groups, if I'm honest – trying to reframe what we would like them to do, versus what they would like to be doing.'**

Some organisations have seen success by limiting the remit of staff networks.

In one company, staff networks are not allowed to get involved in HR problems; instead, it is

up to individuals to raise complaints and concerns through the appropriate channels. The role of staff networks is to come up with ideas to improve the functioning of the organisation. This more limited remit would avoid some of the power struggles and division to which staff networks contribute in many organisations.

Setting clear expectations is key, as problems can arise when expectations are misaligned.

There can be power struggles between HR teams and staff networks, creating negativity when the original purpose of networks was to support staff and amplify their voices. Absolute clarity from the outset can be useful for organisations setting up new staff networks, as can a conversation – then a reset – for organisations with pre-existing ones.

> **'We are trying to refresh the staff network [to be] genuinely representative across the business, with a clear terms of reference… and we probably have to have some difficult conversations. It's this far, and no further.'**

Contention

> **'You could have a team who is incredibly diverse in skin colour, religion or political views, but… incredibly similar in terms of ways of thinking. That doesn't give you the high-challenge environment that's needed.'**

Organisations whose staff disagree well, and that have achieved diversity of thought, are more likely than others to have realised the business case for EDI.

Nuance and disagreement are needed for healthy organisations to make effective organisational decisions.

> **'That's where the issues are the most interesting – in the grey; in the nuance. Working on that starts to develop skills… It can be really transformational.'**

Diversity of thought underpins creativity, productivity and innovation, and helps the status quo to be challenged. This kind of diversity could mean the difference between life and death in the workplace – someone who thinks differently to a colleague may be able to spot something that might go wrong. 'The scale of the challenge in [our sector] is immense,' said one leader, 'and we can only overcome that by having really different views and disagreeing with each other.'

> **'There's my way, your way and the truth. That's at the core of our EDI work – multiple perspectives will get us to a better outcome.'**

A culture that allows people to speak freely encourages diverse ways of thinking and fosters healthy disagreement.

> **'Real collaboration is great minds coming together to think about things that nobody has thought about… There are issues and challenges that require many different perspectives.'**

It is hard to foster a culture that enables a range of views to be tolerated; such a culture is most easily created from the top, by modelling and by appointing a senior leadership team who think very differently to each other. A university leader commented, 'I want people who are very different from me, but who have a shared set of values – respect, tolerance and the ability to disagree well, then you try to permeate that through the organisation.'

A positive workplace culture that supports diversity and disagreement is fostered by the creation of space to have open conversations and by encouraging curiosity. Agreeing a set of general underlying principles can also be useful in supporting free speech. Describing this process in his own organisation, an interviewee said, 'Everyone signed up to rules. You could challenge other people's ideas, but you couldn't challenge other people. The other guide-rail was about being comfortable being uncomfortable.'

> **'It's easy for people to think EDI is about harmony and getting everyone to the same place, [but] it's OK to disagree. It's the behaviours and the way we interact that we hold each other to account for.'**

Structured mechanisms can also help to normalise difference of opinion.

This might come in the form of inviting external speakers with different perspectives, or by organising ways of discussing pros and cons attached to taking contradictory avenues. Training is another opportunity. 'There is massive value to be had in skilling up staff and managers and leaders to be able to talk about difference,' said a chief executive. 'It's a real gap in the learning agenda at the moment.'

> **'There are huge business benefits. The organisations that learn to do this are going to have massive performance improvements.'**

Levi Pay, who gave permission for his name to be used in this section of the report, has developed materials to enable structured conversations around the thorny conversational territory of sex and gender. These materials steer people away from repeating their well-rehearsed lines on the issue itself, and instead encourage conversations about the foundational values that might inform people's perspectives on it. The facilitated conversations involve discussion of pairs of opposing statements, for example: 'Our words construct the world; what some people see as "reality" can be changed by how we choose to describe it,' and 'Our words classify and describe reality; a world of reality exists independently of our description of it.' This project is at an early stage of implementation, but Pay's hope is that it will allow better discussions and healthier disagreement.

Cohesion

> **'[EDI] needs to be seen as something that is about everybody, not just about particular groups – and for the benefit of society as a whole, rather than rights or treats for particular groups… We have human rights, and we should all be able to benefit from those rights equally.'**

Instead of dividing individuals into groups, EDI can be used to unite diverse people.

'If EDI is done right,' said one leader, 'it should enhance corporate culture. It shouldn't seek to draw divisions. It should seek to emphasise what unites the people here.'

> **'In talking about our differences, we identify things we have in common, and we see that coming through – there is a different energy about the place, and people are more curious about each other.'**

Creating a shared sense of identity is important.

Organisations might create a shared identity around a common goal, collective values or being part of the city in which they are based, for example. Focusing on what is wrong can make people lose sight of what they are trying to achieve, but there is an opportunity to be found by focusing on what organisations are trying to build through the diverse perspectives that individuals bring. 'It's about looking forward, not back,' said a business leader. 'It's not about criticising people for where we are at. It is a journey.'

> **'Start with a common story.'**

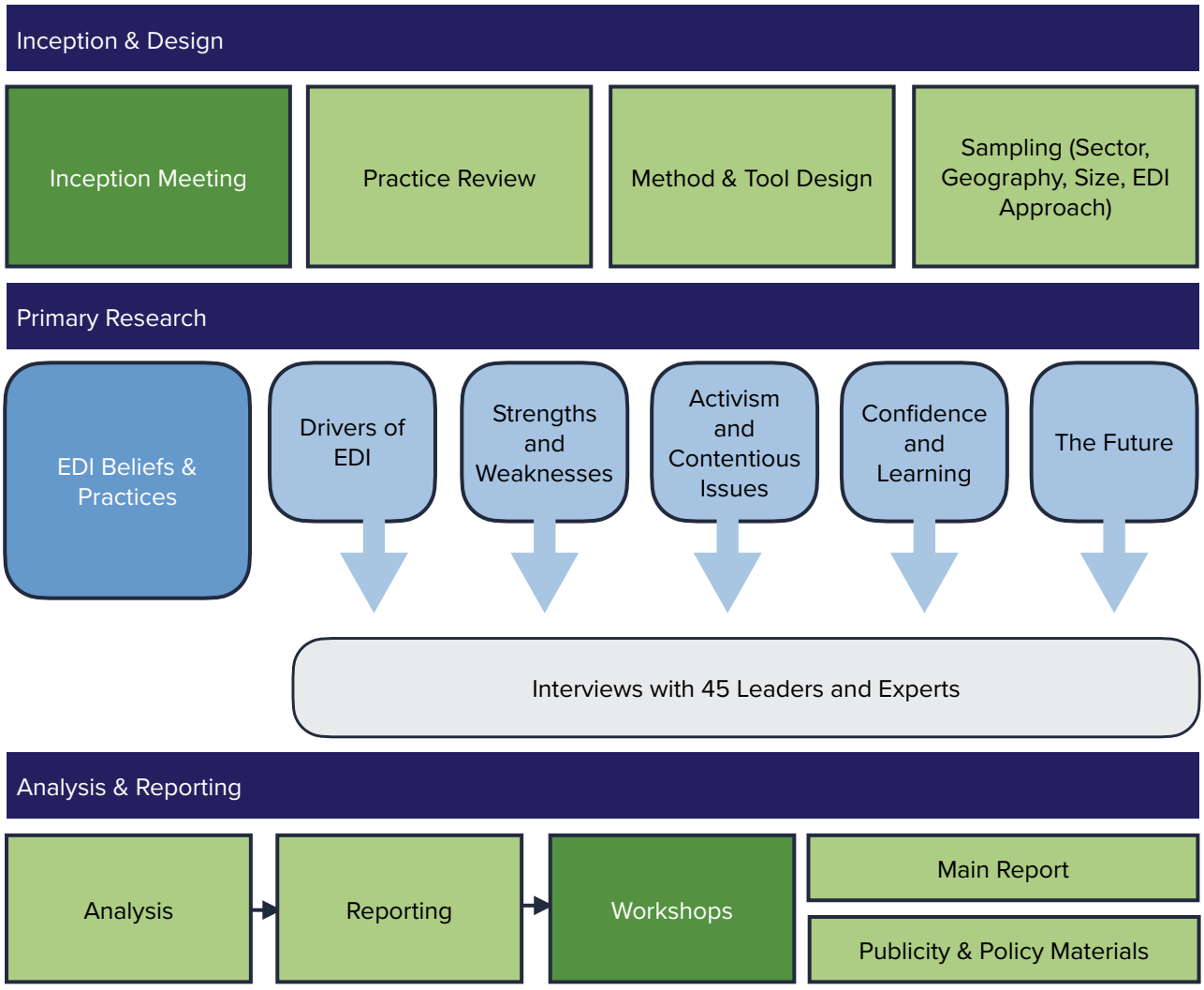
Other parts of this section – respecting and embracing difference, and healthy disagreement – contribute to this sense of cohesion.

When people know what is expected of them and how to interact with each other in a way that respects difference and meets common goals, the possibilities are extraordinary.

> **'The second you feel like you are truly part of something – well, that is when you give all of yourself.'**

Appendix: Research Approach

Figure 3. Research Overview



▶ **Sampling:** purposive sampling was used for the interviews, combining Simon Fanshawe's extensive networks with stakeholder mapping to ensure a range of organisations by sector, size, geography and EDI approach. A small number of paired interviews were planned to assess different views within a single organisation. We also engaged experts with experience working on EDI across different organisations and sectors.

▶ **Interviews:** Matilda Gosling conducted online interviews, lasting between 45 minutes and an hour, between January and April 2024. A semi-structured discussion guide was used, which covered the drivers of EDI, its strengths and weaknesses, activism and contested areas, confidence and learning, and the future of EDI. To enable participants to speak freely, they were assured that their contributions would be presented anonymously.

▶ **Analysis and reporting:** thematic analysis was used in the development of the narrative parts of this report. Data was also coded and analysed quantitatively in some areas – those that inform the development of the two figures in the introduction, as well as the balance of views in areas such as whether organisations think EDI has a business or moral imperative.

- **Protection of identity:** where information is potentially identifying, it has been checked with participants before using it. Where job roles are mentioned in the main text, they are presented within broad categories to ensure individuals cannot be identified – for example, the most senior person within an organisation is described as a 'chief executive' even if they do not have that exact job title. Identifying terminology has been changed within quotes – for example, 'staff networks' have been used in all cases to describe affinity groups, employee resource groups, etc; and 'EDI' has been used in quotes in place of DEI, D&I or EDI&B. This is to ensure that quotes cannot be identified on the basis of specialist language.

- **Workshops:** three validation workshops were held with interviewees after the initial report development to discuss findings and get feedback. Two of these were held in person in London, and a third was delivered online. The discussions from these workshops informed the development of the final recommendations.

About the Authors

Simon Fanshawe OBE is a diversity consultant, broadcaster and author. He is the co-founder of Diversity by Design, which supports organisations to truly diversify their senior people. His latest book "The Power of Difference – where the complexities of diversity and inclusion meet practical solutions" was published in December 2021 by Kogan Page. He was voted the second Most Influential Thinker in 2022 by HR Magazine.

He is currently on the Board of Powerful Women and is Chairman of Hexagon Housing Association. He is also Rector of Edinburgh University. He was previously Chairman of Sussex University, a non-exec director of Housing & Care 21, a Governor of the Museum of London and on the Board of Brighton Dome & Festival. Simon has long been involved in campaigns for equality and positive social change and has served on the board of companies and organisations in the private and charity sectors for over thirty-five years. He was a co-founder of Stonewall and of the Kaleidoscope Trust.

Simon was awarded an OBE in 2013 for services to Higher Education and made an Honorary Doctor of the University of Sussex for services to diversity and human rights. He lives in Brighton with his husband and they have neither children nor dogs. When not celebrating difference, he is cooking.

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Matilda Gosling is a social researcher and author with over 20 years' research experience. After founding and running an international research consultancy for 12 years, she is now a freelance consultant. Matilda has worked on business-focused research projects for clients such as Pearson, the Association of Business Executives, the Institute of Leadership & Management and EIT Climate-KIC. She has interviewed a wide range of chief executives, directors and managers from public bodies and companies of all sizes.

With degrees from the University of Cambridge and the London School of Economics, Matilda is also a Certified Member of the Market Research Society, a Member of the Social Research Association and a Fellow of the Royal Society of Arts. Like Simon, she lives in Brighton with her husband, and cooks. Unlike him, she cannot claim absence of either children or dogs.

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