



## Beyond COVID: A Culture Of Inclusion Will Help Firms Pivot To What's Next

December 2020 has been dominated by the welcome news that an effective COVID-19 vaccine has been successfully developed and is being pushed to market. While the UK has delivered its first dose and the US intends to distribute its first round to front-line workers and elderly within a matter of weeks, most of us will not be vaccinated for many months. So, while help is indeed on the way, the adaptive style of working that has been with us since March will remain for the foreseeable future. And importantly, it is likely that the nature of work itself will be permanently changed by the pandemic experience. Many experts believe that remote working is here to stay, possibly in the form of a hybrid model that sees some workers sharing physical space for only part of the work week<sup>i</sup>. The implications for women and other underrepresented groups are not uniformly positive, therefore company leaders need to anticipate and act upon threats to Diversity, Equity, Inclusion (DEI) efforts that has been made to date.

We suggest that now is the right time for companies to start their 'pivot', by taking stock of what has served them well both before and during the pandemic, then putting into place a post-COVID plan that welcomes new working norms while preserving (or better yet, increasing) a commitment to DEI.

### Has COVID altered companies' commitment to DEI?

The pandemic has disproportionately affected women and people of color because of their significant representation in the leisure and hospitality workforce - when restaurant, airline, hotel, and retail work suddenly contracted, many were furloughed or made redundant. With this as a backdrop, we saw some companies initially falling prey to a short-term, survival-mode mentality which attempted to separate the 'people problems' caused by the virus from the 'economic problems', with DEI initiatives deemed 'nice, but not essential'<sup>ii</sup>.

But months later, the death of George Floyd in the US, and the increased visibility of the Black Lives Matter movement, seem to have marked a turning point in attitudes about the 'essential' nature of DEI initiatives. Quoting statistics provided by Glassdoor, the Society for Human Resource Management reported, 'DE&I-related job openings have risen by 55 percent since June 8, after falling by 60 percent at the onset of the coronavirus pandemic in March.'<sup>iii</sup> And by year's end, a study by McKinsey offered an even more positive accounting of DEI program prioritization: '...nine out of ten [CEOs] responded that even with the pressures of the crisis, DEI remains a moderate, very important, or top priority. Furthermore, two out of five companies globally are expanding their investments in DEI programs even as they make budget cuts elsewhere.'<sup>iv</sup> Though that same study points out that, 'Progress on diversity has been slow, and nine out of ten companies report that they struggle to implement their DEI initiatives'. With challenges ranging from lack of employee awareness, to misalignment of incentives, to lack of role modeling, it is no surprise that it is inclusion that is proving elusive.

## Uncertainty as opportunity

In our work we emphasize a culture of inclusion as a necessary prerequisite to a successful DEI strategy<sup>v</sup>. We argue that culture can be a bridge between DEI aspirations and tangible results. And because culture is so linked to leadership, both the tone from the top and the explicit behaviors of management are of critical importance. To capture viewpoints in a way that is productive and harness insights such that they are additive, leaders must tap into differing perspectives and ideas, draw them out, leverage them. In the current COVID working environment, as well as during the ‘pivot’ to what comes next, the ways to achieve a culture of inclusion must necessarily be adapted. The opportunity to lean into DEI is now, but the look and feel of practices that will lead to tangible outcomes may be different than what was in place prior to the pandemic.

Why now? COVID-19 has laid bare the inequalities in society and has helped to shine a light on areas of risk within firms. The pandemic, by virtue of its severity, has forced us to work in a very different way. At record speed companies adopted remote working (with its attendant technology) and physical distancing, while largely abandoning almost all forms of company travel. This upheaval not only gives companies permission to think of new solutions to DEI challenges but *requires* firms to do so if they are to achieve a competitive advantage. A creative and flexible approach to DEI, anchored on a culture of inclusion, will allow firms to carry forward programs that are working well, while also welcoming new initiatives that are specifically targeted to this period of uncertainty.

## Tangible actions for leaders

We point to three actions that leaders can take to improve both diversity and inclusion now, and prepare their firms to pivot successfully to a post-COVID environment:

### 1. *Lead with trust*

Set expectations clearly then trust team members to do the right thing. This can be difficult for leaders in a remote working context because they have less visibility (literally and figuratively) into what team members are doing. Shorter, more frequent check-ins can be trust building and allow for small course-corrections as needed. In an adaptive working environment flexibility is a must, but flexibility not underpinned by trust is a recipe for disaster! Flexibility, by definition, means different things to different people and benefits people differently. Leaders are more likely to get the best from their team when they try to accommodate (within reason) individual requests, and employees are much more likely to get desired outcomes when they are very specific about what they need. In order to have these conversations effectively, each side must trust the other. Leading with trust does not mean a working environment devoid of accountability. It does mean giving staff the benefit of the doubt and then asking them to prove you right.

### 2. *Re-visit remote working as a strategic policy*

The virus outbreak forced companies to be largely reactive in their remote working policies. And while some companies did have robust remote working strategies in place prior to the pandemic, we argue that now is the time for all companies to re-visit their remote working strategy and formally craft a vision of the future of work at their firm. There is a strong financial incentive to embrace remote working as companies debate the need for physical office space, but the motivation here is different. Opening the mind (and the door!) to those in other geographies allows firms to chip away at what has been referred to as location bias<sup>vi</sup>. Remote workers have the potential to increase diversity by allowing companies to access new talent pools that were historically unreachable, as well as retain current employees who may need to relocate to accommodate family needs<sup>vii</sup>.

### 3. *Strengthen the fabric of the company by reinforcing a culture of inclusion*

Inclusive culture works to amplify the contribution of the individual as a part of the whole. It also builds and reinforces relationships within the firm, transversally and vertically. The firm's ability to withstand periods of crisis as well as to fully capture moments of opportunity hinge upon the strength of this 'fabric'.

- Though recruiting may have slowed in some industries, hiring and on-boarding presents opportunities to introduce new employees to inclusive culture in a way that has immediate benefits. Organized training, formal sponsorship of new employees by those with similar skills, and an informal 'buddy system' with those in different parts of the company will work to bring confidence to new hires and reinforce a feeling of being a valuable part of an organization... even when in-person meetings are not an option.
- For existing staff, mentoring programs are invaluable ways to communicate the firm's commitment to employees. This type of learning - especially as relates to communication and leadership skills - readies the mentee to be an *active* participant in a culture of inclusion.
- Other training programs should also be made available. Many employees are deeply worried about their own career trajectories during this time of uncertainty; skills training is one way employers can keep employees engaged and motivated. But the kind of in-person training that was effective pre-COVID may not translate well to remote learning, so companies must seek out creative approaches. The good news is that 'there is even evidence to suggest that virtual environments can deliver experiences equivalent to or better than those of classic in-person programs<sup>viii</sup>.' The point being, leaders should push themselves to find distance learning techniques that are effective, instead of shunning them out of hand.
- The tone from the top is of utmost importance. With remote work, leaders must push themselves to be 'seen' more often - this literally means being present on Zoom calls and demonstrating inclusive culture by publicly welcoming diverse viewpoints. Video conferences allow management to reach more employees, more frequently to reinforce the benefits to the firm of robust diversity and inclusion programs.

#### **A return to 'normal' should not be the goal**

The changes forced upon us by COVID will be with us for some time, with some becoming permanent features of the way we work. The importance of DEI has never been more apparent as companies struggle to weather current challenges and prepare for the 'pivot' to a post-pandemic environment. Firms that are truly committed to diversity and inclusion build near-term resiliency but also position themselves to capture the upside associated with the long-term rebuilding of our economy. While many are desperate to regain a feeling of normalcy, the pre-pandemic 'normal' was fraught with risks that the pandemic has exposed. Now is the time to begin the 'pivot' to a new way of working, with a culture of inclusion at its core.

*Heidi Ridley and Kathryn McDonald, Co-Founders, Radiant ESG*

*8 December 2020*

---

<sup>i</sup> [Why the future of work might be 'hybrid' - BBC Worklife](#)

<sup>ii</sup> [Adapt Your D&I Efforts to the Reality of the Crisis \(hbr.org\)](#)

<sup>iii</sup> [New DE&I Roles Spike After Racial Justice Protests \(shrm.org\)](#)

<sup>iv</sup> [Diverse employees are struggling the most during COVID-19—here's how companies can respond | McKinsey](#)

<sup>v</sup> [The power of culture: Steps for diversity & inclusion success – ESG Clarity](#)

<sup>vi</sup> [Location bias hurts talented job seekers who want to work remotely \(fastcompany.com\)](#)

<sup>vii</sup> But admittedly, remote working is simply not an option for many.

<sup>viii</sup> [Closing the capability gap in the time of COVID-19 | McKinsey](#)