

Reframing Diversity

Board executives and senior diversity professionals working together for strategic impact

A study commissioned by the Diversity Professionals' Forum

Sponsored by

Alliance and Leicester
British Council
Clifford Chance
The co-operative
Deutsche Bank
Embankment Associates
HBOS
Herbert Smith
KPMG
Lloyds TSB
PricewaterhouseCoopers
Shapiro Consulting
UK Film Council

Research undertaken and report prepared by
Dr. Gillian Shapiro and **Melanie Allison**
December 2007

Acknowledgements

This study would not have been possible without the intellectual and financial input and support of the Diversity Professionals' Forum members and organisations:

Fiona Pizzey – *Alliance & Leicester*
Fiona Bartells-Ellis – *British Council*
Sarah Twite – *Clifford Chance*
Amanda Jones – *The co-operative*
Pamela Hutchinson – *Deutsche Bank*
Melanie Allison – *Embankment Associates*
Charlotte Sweeney – *HBOS*
Carolyn Lee – *Herbert Smith*
Sarah Bond – *KPMG*
Andrew Wakelin – *Lloyds TSB*
Sarah Churchman – *PricewaterhouseCoopers*
Gillian Shapiro – *Shapiro Consulting*
Marcia Williams – *UK Film Council*

We are delighted to have received the interest and support of Ben Summerskill and Claire Ighodaro in launching this report.

We also extend our thanks to Anne Watts, CBE (*Chair, Appointments Commission*), Susan Scott Parker (*CEO, Employers' Forum on Disability*) and Caroline Waters (*Director of People and Policy, BT Group*), as well as the following organisations for their input and advice as we were scoping and developing this study:

- Institute of Management Consultants
- Employment Law Association
- British Computer Society
- Centre for Economic and Social Inclusion

We are grateful to Opportunity Now, Race for Opportunity and the Employers' Forum on Disability for supporting us with communications on the study.

Last but not least, our thanks to Tom Hampson for his editorial skills, enthusiasm and support; to Peter Minvalla for his technical expertise and advice, to Ann Allcock for her background research and to Suzie Johanson for her excellent design skills.

Contents

Foreword	4	4.3 Executive ‘champions’ and ‘leaders’	19
1. Introduction: Forming a new strategic diversity relationship	5	4.4 A dysfunctional relationship	19
1.1 Background	5	4.4.1 Disagreement about the ‘business case’	19
1.2 Aims and scope	5	4.4.2 Disagreement about diversity strategies	21
1.3 Findings	6	4.4.3 A mismatch of expectations	21
1.4 Recommendations	7	4.4.4 Diversity professionals feel a lack of Board commitment	22
2. Background and rationale	8	4.5 Confusion about the role of diversity professionals	23
The history of diversity	8	4.5.1 A lack of resources	23
3. Findings Part 1:		4.5.2 A lack of clear performance measures	23
Focusing on early results	11	4.5.3 A lack of strategic positioning	24
3.1 The long term, linear approach to improving diversity creates problems	11	4.6 What do we need from our senior diversity professionals and executives?	25
3.1.1 Moving away from the ‘business case’ towards making a strategic contribution with diversity	12	5. Conclusions	26
4. Findings Part 2:		6. Recommendations	29
Working together? Diversity professionals and executives	15	Appendix 1: The Diversity Professionals’ Forum	33
4.1 How can senior diversity professionals make a strategic impact?	15	Appendix 2: Methodology	33
Table 1: Critical skills and attributes referred to by senior diversity professionals	15	Glossary of terms	39
4.2 How can executives make a strategic impact?	17	List of references	41
4.2.1 The ‘executive diversity champion’	17	Bibliography	42
4.2.2 The ‘executive diversity leader’	18		

Foreword

British business has changed over the last decade. Through Stonewall's Diversity Champions programme, which engages 325 major British employers, we have helped demonstrate that the work many organisations now put into equality and diversity isn't just about fair treatment, it's about establishing competitive advantage both in labour and consumer markets.

Yet many organisations are still failing to reap the rewards. This welcome report explains why.

The research shows that focusing on equality and diversity can have all too little effect on organisational outcomes unless these issues are embedded strategically. What's more, while most diversity policies are designed to bear fruit in the long term many executives lose commitment – quite understandably – if they don't see early results. The report shows the importance of proving that good diversity practice can make an immediate, tangible difference helping an organisation change for good.

'Reframing Diversity' challenges us all. It is particularly aimed at those at the top of

organisations – executives and board members – and at the professionals who they have charged with designing and implementing diversity policy.

The authors demonstrate clearly how executives and diversity professionals can work better together. By talking in depth to both these groups, the Diversity Professionals' Forum has built up a convincing picture of a relationship which is often badly designed at best, and sometimes seriously dysfunctional. Their recommendations for change are realistic and workable.

Many organisations find diversity difficult. This report should help make it easier.

A handwritten signature in black ink that reads "Ben" with a horizontal line underneath and a period at the end.

Ben Summerskill is Chief Executive of Stonewall and a Commissioner on the Equality and Human Rights Commission

Reframing Diversity

1. Introduction: Forming a new strategic relationship

A wide range of literature and good practice guides recommend that equality and diversity programmes should be aligned with achieving an organisation's core strategic objectives. They argue that not only is this alignment critical to achieving equality and diversity goals, but that this also enables organisations to benefit from the business opportunities diversity offers.¹

Our research provides hard evidence of why many organisations in the UK are failing to achieve this alignment and why this failure may be preventing equality and diversity becoming more effectively established in the workplace. We offer recommendations for ensuring that diversity can be positioned strategically and sustain its objectives in the long term whilst contributing to the achievement of core organisational strategic objectives. Our recommendations focus on the role of executive leaders, their senior diversity advisers, the relationships between them and the strategic diversity implementation models they use.

1.1 Background

In 2006, we invited a group of senior diversity professionals to meet to discuss how further progress could be made in achieving equality and diversity in the workplace. We debated why inequalities persist, over thirty years after the introduction of the first anti-discrimination legislation in the UK, and at least two decades after organisations began investing in equality programmes.

Most worryingly, some of us remembered debating similar issues ten years ago. We recalled how, in the mid 1990s it was asserted

that if barriers to achieving equality were to be overcome, then equality and diversity responsibilities needed to move out of Human Resources departments and be aligned with the achievement of core strategic objectives. Indeed, the purpose of many of the senior diversity professionals in this discussion, some of whom were based in HR, was to enable diversity to contribute to the achievement of their organisation's strategic objectives. However, the professionals explained that they continued to face a number of different challenges in achieving this. We discussed why many organisations today were facing similar barriers in achieving greater diversity to those faced ten years ago. With this question, the Diversity Professionals' Forum was born and this study was launched.²

1.2 Aims and scope

Members of the Diversity Professionals' Forum – some of the most senior people that are working to improve equality and diversity in the UK workplace on a daily basis – have contributed to designing the aims and scope of this study. Collectively, we sought to answer three questions:

- What are the **potential benefits** of making a strategic impact with diversity and the consequences of failing to achieve this?
- What **conditions** are required to achieve a strategic impact with diversity in UK organisations?
- What is **blocking** organisational progress in making a strategic impact with diversity?

This study has examined the broad diversity agenda. That is, it has included organisations' efforts to achieve equality in the individual 'strands' of race, religion/belief, disability, age, sexual orientation and gender and work

towards a more diverse and inclusive workforce overall. It did not seek to analyse any differences in approaches to achieving objectives on each of those individual equality strands. Instead, it sought overall results and conclusions that could be applied to individual strand as well as overall diversity objectives.

This study has also focused on the practices of large public, private and not-for-profit sector organisations. A total of 34 senior diversity professionals and 16 Board level executives from 34 different organisations were interviewed in this study.³

1.3 Findings

Our results strongly endorse past assertions that alignment between an organisation's strategic objectives and diversity is critical for achieving long-term diversity goals. They suggest that executive support for investment in diversity is highly unlikely to be sustained in the long term, unless a demonstrable return on this investment is made.

They also suggest that the level of executive engagement in diversity that is required to successfully achieve its objectives is unlikely to be sustained, unless executives can see an early contribution from diversity to the achievement of the organisation's strategic objectives. That is, executives are not usually motivated by the legal or ethical imperative sufficiently to adopt the strong leadership position on diversity that this work needs in order to truly succeed.⁴

However, our research has also identified a number of barriers that currently exist to achieving the strategic alignment of diversity and the engagement of executives as leaders of diversity.

Organisations typically adopt a 'linear' approach to achieving greater diversity. They aim firstly to overcome inequalities and then to

create greater diversity before eventually seeking to build on the benefits of diversity in contributing to the achievement of an organisation's core strategic objectives. Such an approach, our research suggests, runs the risk of failing to engage executive leaders at the level required to achieve diversity objectives and failing to maintain their engagement in the long term. This can potentially lead to the erosion or even dismantling of diversity programmes.

There is growing debate around measuring the impact of diversity programmes. Methodologies that measure both workforce diversity and the impact of diversity on an organisation's strategic objectives are now emerging. However, our study supports other research findings showing that their take-up is limited. Clear evidence of the contribution diversity makes to achieving an organisation's core objectives is, this research suggests, essential if longer term equality and diversity goals are to be attained and sustained.

Overcoming barriers to achieving equality and diversity will not be achieved by mechanistic changes alone. Our research has for the first time focused on the characteristics of executive leaders of organisations in the UK, their senior diversity advisers, and the relationship between them.

We find that senior diversity professionals with a range of specific characteristics are more likely to effectively align diversity with the achievement of the strategic objectives of their organisation. However, even when a senior diversity professional possesses these characteristics, our research suggests that the strategic alignment of diversity is still unlikely to happen unless a stronger partnership is established with executive leaders.

Organisational leaders too, we conclude, can acquire specific characteristics that improve their

capacity to lead diversity effort within their organisation and draw strategic benefits from their diversity programmes. These characteristics are more evolved than those previously associated with ‘diversity champions’.

Within this research we have found that ‘diversity champions’ can be defined as executives that support diversity and are ambassadors for it. They help to facilitate the achievement of the organisation’s diversity objectives but do not generally work to gain strategic benefit from diversity. Conversely, we define ‘executive diversity leaders’ as highly responsible and accountable for specifically seeking out and facilitating the achievement of strategic gains from diversity in their organisation.

1.4 Recommendations

Based on these results, this research seeks to contribute to achieving equality and greater diversity in the workplace by recommending a number of specific changes.

- We recommend a **management model of diversity** that seeks to achieve a strategic contribution to the organisation from the programme’s outset.
- We call for **measurement** to become an essential component in the design of all diversity programmes. This means measuring the impact of actions taken on diversity both in achieving greater workforce diversity and in contributing to the achievement of core organisational objectives.
- We highlight the need to clarify an appropriate range of professional

characteristics and development routes that will grow the capability of **senior diversity professionals** to position diversity strategically within their organisation and achieve their objectives in the long term.

- We offer a definition of the **executive diversity leader** that distinguishes them from being a diversity champion. This definition also identifies their role in ensuring diversity objectives are achieved and that diversity contributes to realising the strategic objectives of the organisation.
- Finally, we suggest a **framework** to clearly establish roles and relationships between senior diversity professionals and executive diversity leaders that we believe will best serve in achieving the organisation’s strategic and diversity objectives.

We believe these results and our recommendations are critical reading for diversity professionals and organisations involved with recruiting and developing them.

We urge executive leaders of all organisations to review the positioning of and approach to diversity alongside their individual role in leading diversity, in light of our findings.

We also encourage the Equality and Human Rights Commission, government-level policy makers, trade unions, international and professional bodies and other organisations concerned with promoting equality in the workplace to respond to these findings and consider the implications they present to achieving their equality and diversity objectives.

2. Background and rationale

The diversity of the workforce in the UK is growing. In 2010, the number of young people reaching working age will begin to fall by 60,000 a year and over the following decade the UK will need 2.1 million new entrants to the workforce. It seems likely that most people will therefore need to retire later and that there will be a major increase in the number of adults who re-enter the workforce. So we will see more older people and more mothers in the labour market, and recent migrants will make up a greater proportion of the workforce.^{5 6}

These changes – and many others – mean that greater equality and diversity in the workplace has never been more important. Over the past ten years some progress has been made in increasing workplace diversity and equality.⁷ Many employers have taken specific action to achieve these improvements, demonstrated by, for example, the numerous good practice case studies published by the employer membership organisations on race, gender, disability, age, religion/belief and sexual orientation.⁸ However, despite improvements and specific action being taken by many employers to achieve greater workforce diversity and equality, overall significant inequalities remain in the workplace and the labour market:

- Whilst the overall employment rate is over 75% in the UK, ethnic minorities have consistently experienced a lower employment rate (60%) over the last twenty years.⁹
- Muslims have the lowest employment rates of all religious groups.¹⁰
- Only 2.4% of Directors in FTSE 100 companies are from ethnic minorities and only 10% are women.^{11 12}
- The gender pay gap continues at 17% for full-time workers and 38% for part-time workers.¹³
- 13% of the national workforce have

witnessed homophobic bullying at work. A further 4% have witnessed physical anti-gay bullying at work.¹⁴

- Disabled employees' average gross hourly earnings are 10% less than those of employees who are not disabled.¹⁵
- More than a quarter of British workers believe their boss would be unlikely to help them keep their job if they became disabled.¹⁶
- 27% of 16 to 24 year olds feel age works against them when getting a job, compared with 15% of 35 to 44 year olds.¹⁷

Why is it that over 30 years after the introduction of the first anti-discrimination employment legislation, such significant inequalities in the workplace persist?

One answer lies in the approach many organisations take to achieving their equality objectives. More than a decade ago it was argued that organisations were facing severe challenges in their ability to spread awareness and ownership of equality issues throughout the organisation, and that this was stopping them achieving the greater equality that they were seeking:

“... if ownership is to be spread wider, there is a need for equality to be mainstreamed and integrated with the core strategies that guide organisations.”¹⁸

The history of diversity

By the mid-1990s, the limitations of what was then called ‘equal opportunities’ were becoming clear:

- **Equality objectives were not being linked to commercial objectives**
The impetus for equality programmes tended to be related to the moral and social rights of individuals and equality was therefore seen as an issue of business ethics, rather than one of business efficiency. Few organisations were found to be linking equality issues with

their business objectives. Consequently, it was found that there was no attempt to understand how inequalities might impact on business performance.¹⁹

- **Equality was seen as the concern of the human resources function**

Positioned within the human resources function, there was little attempt to align the objectives of equality with business goals and it was unlikely to become an integral part of organisational life.²⁰

When the new ‘diversity’ approach began to be taken up by organisations in the UK, its advantages over ‘equal opportunities’ were obvious. It recognised the complexity of each individual’s identity, and it helped link the diversity of employees, customers and other stakeholders with an emphasis on achieving core organisational goals.²¹

At the same time, it was increasingly argued that there was a clear business case for building on the diversity of organisations. This argument gained momentum.

The business case argues that greater equality and diversity helps organisations:

- attract the best employees;
- improve employee morale, commitment and satisfaction;
- improve quality and increase productivity;
- facilitate organisational flexibility;
- improve innovation;
- increase customer, shareholder and other stakeholder satisfaction;
- reduce turnover costs;
- lower absence levels;
- avoid costly litigation that can also damage reputation.

The traditional ‘business case’ argument has been an important motivating factor for many organisations to take equality and

diversity action and integrate diversity with their core business processes.²² Some published case studies show how organisations including diversity in their strategic planning process have benefited from cost savings or increased sales while improving their performance on equality and diversity.²³

However, the major limitation of the ‘business case’ argument is that it has remained a largely theoretical argument. Several authors and organisations have made the link between greater equality and improved organisational performance, and a small number of methodologies have attempted to quantify the contribution diversity makes to business improvement, but few organisations appear to use any quantifiable methodologies.^{24 25} Consequently, it has been argued that evidence of the business case for diversity has remained largely anecdotal and limited to case studies.²⁶

More than ten years after calls for effective links to be made between diversity and the achievement of strategic objectives, published examples of organisations making a strategic impact with diversity remain rare. In the current decade there have been several similar calls made by practitioners, researchers and analysts for diversity to be positioned strategically if it is to achieve its objectives:

“Companies need to assess the impact of diversity on both the workforce and on consumer markets and determine what challenges and opportunities diversity presents.”²⁷

“Until they (diversity professionals) expand their outlook to include supporting the strategic purpose of the organisation there will be the perception that management should just see this as a good thing or the right thing to do.”²⁸

BACKGROUND AND RATIONALE

Our research was commissioned by eleven senior diversity professionals in the UK. They are in no doubt, that when organisations use diversity at a strategic level, it helps them achieve not only their diversity objectives but also core organisational objectives. However,

each of them continues to face challenges as they work to achieve this. This study investigates some of the factors that lie behind these challenges and seeks to offer suggestions for change that will help overcome them.

3. Findings Part 1:

Focusing on early results

We present the findings of our study in two parts. Part 1 focuses on the models we found senior diversity professionals use to help achieve their organisation's diversity objectives and to make a strategic impact with diversity. Part 2 focuses on the characteristics of and relationships between the two key actors involved in implementing the models – the senior diversity professionals and their executive leaders.

3.1 The long term, linear approach to improving diversity creates problems

For most organisations, creating greater diversity at all levels and in all areas of the organisation is a long-term goal. Whilst progress may be made in recruiting a more diverse workforce relatively quickly – for example, at the graduate level – progression inevitably takes far longer. Along this journey most organisations also have to overcome a number of barriers. For example, they need to create a culture that understands and values diversity, and an organisational environment that encourages and enables talented individuals to remain in the organisation and reach their full potential, perhaps through measures like the introduction of flexible working and disability-related reasonable adjustments. Such deep culture change is not achievable overnight and can take many years.

However, our research suggests that the very nature of the long-term horizon for achieving greater diversity can, in itself, be a barrier to achieving equality and diversity objectives. This is because it appears to be difficult to engage executive-level support for such a long-term objective and then to sustain that support.

“It would be easier if you could see definitively that something good or bad

is going to happen instead of just an ongoing initiative. For example – the oil reserves WILL run out – but people are less convinced that able-bodied white male reserves will run out.” (An executive in professional services)

“The problem is maintaining momentum and interest in diversity... When there's not sufficient progress for people to see, the danger is they just forget about it.” (A senior diversity professional in professional services)

“The problem is that diversity is a long-term game and ours is a short-term organisation – so they don't believe it is working.” (A senior diversity professional in financial services)

“Executives lose their way because it takes too long to make things happen.” (An executive in professional services)

“The risk is that people become 'diversity weary'.” (An executive in professional services)

Our research indicates that unless diversity is strategically aligned with the achievement of an organisation's core objectives from the outset and its contribution can be clearly demonstrated early on, executive-level support for diversity may be lost.

Indeed, 10 of the 34 senior diversity professionals interviewed referred to organisational change as a threat to the continuation of their diversity efforts. They all described a business case for diversity in their organisation but none had successfully aligned diversity with their core organisational objectives in practice so that the contribution of diversity could be identified. Five of these 10 professionals felt that if their executive champion – which in some cases was their

FOCUSING ON EARLY RESULTS

CEO – left the organisation, then support for diversity would leave with them.

However, in one organisation where the senior diversity professional described how it had succeeded in positioning diversity strategically and demonstrating its positive contribution, the professional also felt that there was no organisational change that could threaten diversity:

“You can’t go back on the benefits of diversity ... We have a fully-developed diversity strategy that is aligned with the business and focuses on markets. It ultimately supports and enhances the achievement of our business goals.”
(A senior diversity professional in financial services)

3.1.1 Moving away from the ‘business case’ towards making a strategic contribution with diversity as a ‘business opportunity’

It is important to distinguish between making a business case for diversity and establishing the strategic contribution of diversity to an organisation. We view the business case as it is currently being used in the UK as a device for initiating action on diversity. To us, it is a largely theoretical motivation outlining the organisational benefits that *might* then ensue. Defining the strategic contribution that greater diversity makes to an organisation is different. We describe this as ‘the *identifiable* and *measurable* results of diversity action that have directly supported an organisation’s efforts to achieve their stated core objectives.’

All of the 34 senior diversity advisers we interviewed could describe the business case for diversity in their organisation. These business case arguments referred to diversity as being critical to:

- delivering the core service of the organisation;
- meeting customer or client needs and expectations;
- building new markets or expanding existing ones;
- gaining core funding;
- meeting legal obligations;
- authenticating the organisational brand image;
- recruiting and retaining talent; and
- promoting creativity and innovation.

“Our business is understanding other cultures – diversity is walking the talk.”
(A senior diversity professional in public service delivery)

“It’s essential to our organisation. It’s what we do – overcome social exclusion.” (A senior diversity professional in public service delivery)

“We exist to serve our customers; diversity helps us to do that better. If we get diversity right, we will be able to offer something for everyone.” (A senior diversity professional in public service delivery)

“We were losing customers to our competitor in London, which is a diverse market. We needed to think what we could do to win them back.” (A senior diversity professional in private service delivery)

“In order to raise and attract new funding we need to compete with other charities and we will not succeed unless money comes from all sectors of society and unless people are included from all backgrounds.” (A senior diversity professional in not-for-profit service delivery)

For many of the senior diversity advisers we interviewed the ‘business case’ argument

had been critical in gaining the interest and support of one or more of their executive-level leaders. However, few of these advisers could provide practical evidence or examples of the contribution being made by their diversity programme to achieving core organisational objectives.

This is a common problem. Research has shown that little evidence has been provided by organisations showing the positive impact of diversity on financial success.²⁹ Indeed, in an attempt to overcome this gap a US study sought the engagement of – and data from – a number of large organisations with a strong reputation for good diversity practices. The study found that none of the organisations they contacted had ever conducted a systematic analysis of the impact of their diversity programmes on bottom-line performance measures. Moreover, few were interested in doing so. They also found that it was impossible to use a single methodology to undertake this analysis across a range of organisations as each had their specific ways of collecting and storing human resource data.³⁰

Notably, just two of the 34 diversity professionals we interviewed described how their organisations have already successfully aligned their diversity approach with their core strategy. They explained that because of this alignment a business case was no longer necessary. In both organisations, the positioning of diversity to support the achievement of the organisational objectives had helped secure overall board level engagement and support.

“Diversity has been integrated into the business for so long that there is no longer a need to talk about why it is important. We spend more time talking about the challenges of achieving it ... There are so many changes taking place on the customer and employment

agendas that the business truly appreciates the importance of diversity because the E&D team can demonstrate how they can help achieve overall business objectives.” (A senior diversity professional in private financial services)

“The definition of diversity here is a strategic statement that is brand aligned – this means there is no need for a business case.” (A senior diversity professional in private financial services)

In only three organisations of the 34 involved in our study – two of which are in the financial services sector – the senior diversity advisers were able to demonstrate how the diversity programme had directly contributed to attracting customers. In one case diversity actions had helped to increase the number of ethnic minority customers and in another case the number of female customers. In another private service delivery organisation, both the senior diversity adviser and their executive leader explained how the recruitment drive for women and ethnic minorities into traditionally white male roles was aimed at closing an industry-wide skills gap. This was described as being directly linked with goals to increase company profits, as it would facilitate the organisation’s strategy for growth. So important was this strategy to the organisation that each of the Board members had 5% of their bonus linked to the organisation achieving their diversity objectives.³¹

But not all organisations can tell such good stories. Many organisations typically focus their investment and efforts in removing barriers to equality and growing diversity in their organisation or industry in the first three to five years of their diversity programme. However, for any other strategy, an organisation would expect to see business or organisational impact well within this timescale

FOCUSING ON EARLY RESULTS

Among our study organisations, two had no diversity strategy. Whilst they had an action plan, this did not consider opportunities for diversity to make an explicit strategic contribution to their organisations.

The majority of the diversity strategies we saw during our study concentrated on building greater diversity in the organisation. Beyond this, they tended to aim to embed diversity into core organisational processes whilst sharing wider responsibility and accountability for achieving diversity objectives through management layers. However, only five explicitly referred to diversity making a strategic contribution to the organisation or industry. For example, one strategic diversity priority in a financial services organisation we interviewed is to

“... increase brand reputation and market share in the following communities: Asian, Polish, LGB, through targeted products, services, training, marketing and sponsorship.”

Based on the results of this research, we argue that waiting five or more years before an organisation begins to see evidence of the strategic contribution that greater diversity can make is too long. It runs the risk of losing the critical executive diversity leadership and commitment that is required to achieve equality and diversity objectives in the long term.

In order to better maintain this commitment we suggest that diversity professionals adopt a circular rather than linear implementation model. That is, instead of developing a linear strategy that seeks to tackle inequality then create greater diversity and build on its benefits to support core organisational objectives, early strategic contributions with a clearly demonstrable impact are built into the action programme from the very beginning.

This approach should also help to focus the ‘business case’ for diversity on areas that are of direct strategic significance to the organisation. It will also demonstrate how the ‘business case’ is likely to transform over time into a discussion around business opportunities – as the needs of the organisation change and its diversity capability increases.

We acknowledge that not all actions and changes that are required to achieve equality objectives will make a direct strategic contribution to an organisation. However, we argue that by ensuring that an overall diversity programme has early and tangible strategic benefit to an organisation, investment is more likely to be secured and sustained in other activities that make less of a direct strategic contribution but remain important.

4. Findings Part 2: Working together? Diversity professionals and executives

Part 1 of our study's results have highlighted the importance of making a strategic impact with diversity early on in a programme in order to gain and sustain both commitment and the investment required to achieve long-term diversity goals. In Part 2 we now turn to examining how the capability of the senior diversity professionals and executives we interviewed helps to achieve this strategic impact in practice.

In investigating the capability of senior diversity professionals and executives for making a strategic impact with diversity we have looked at the roles each plays in achieving this, the skills they describe that they use and how they work together on this agenda.

4.1 How can senior diversity professionals make a strategic impact?

We have not, in our study, undertaken a rigorous or comprehensive evaluation of the skills possessed by senior diversity professionals. We have simply included this as one of a number of factors to be

considered in understanding how a strategic impact with diversity can be better achieved in practice. We therefore intend our findings as a contribution to the wider body of work being undertaken on diversity professionals' skills and competencies.³²

Of the 34 senior diversity professionals interviewed, 28 had previously worked in a core organisational role. Some had a background as line managers and others in professional disciplines such as finance and accounting, marketing, IT, or law. Only six had HR backgrounds. Therefore, the majority of our senior diversity professionals bring a broad mix of knowledge and experience drawn from commercial, industry, business and management roles.

Table 1 below shows how these skills and attributes were identified by the senior diversity professionals as critical to their role. Each took diversity knowledge and expertise as a given. Instead they focused on the skills they needed to put their diversity knowledge to effective use.

TABLE 1: Critical skills and attributes referred to by senior diversity professionals

Skill/attribute	Number of senior diversity professionals referring to the skill/attribute
Influencing/communication	34 (100%)
Understanding of core business/commercial/industry knowledge	14 (41%)
Advising/coaching/consulting	12 (35%)
High self awareness/emotional intelligence	5 (15%)
Passionate about diversity	5 (15%)
Creativity	4 (12%)
Self-directed working	3 (9%)
Change management	2 (6%)
Project management	2 (6%)
People management	2 (6%)

WORKING TOGETHER?

Notably, the skills and attributes most commonly referred to by senior diversity professionals included influencing and communication, understanding the core business of their organisation and commercial knowledge, and coaching and facilitating skills.

Interestingly the top two skills rated as important by the senior diversity professionals we interviewed are in line with the views of the executives we interviewed. Eleven among all 16 executives (69%) we interviewed described business/industry or commercial understanding as critical for senior diversity professionals to have if they are to be successful in making a strategic impact with diversity. Next, eight executives (50%) rated communication and influencing skills as particularly important in enabling diversity professionals to make a strategic impact.

“You need to convey a clear vision of what the future benefits are in the context of what these people are doing on a day-to-day basis. It is essential to be close to the culture in which you are working.” (An executive in private professional services)

“They need to understand the business and the dynamics and how to influence people. They need to understand the culture and the climate. The business and senior people need to feel they understand the commercial business and can interpret what they’re doing and not feel they are policy people. It’s always good to have practical business experience, then you can talk from experience in a commercial way.” (An executive in private financial services)

“Numbers work – short-term or long-term. We don’t readily respond to things because they are morally right. Although integrity is a key value of the

firm, it’s more about what is the financial perspective or impact. Only the Board can influence the whole organisation.” (An executive in private professional services)

“Profit and growth – focused on growing market share is what people are interested in. And a competitive advantage.” (An executive in private professional services)

Whilst almost all of the executives we interviewed felt that it was important for senior diversity professionals to have industry, business or commercial knowledge to enable them to make a strategic impact with diversity, less than half of the senior diversity professionals we interviewed identified this as critical or an attribute that they possessed.

Notably, each of the 14 senior diversity professionals who identified industry, business or commercial knowledge as an important attribute of theirs, also described how they had already or were currently working with other senior organisational leaders and executives to use diversity to make a strategic impact. Examples of areas included:

- access to new markets;
- winning customers or clients from competitors;
- authenticating the organisational brand;
- achieving competitive advantage;
- better understanding and meeting the needs of clients;
- winning business or attracting new clients.

Our study highlights the importance of identifying the range of skills and attributes senior diversity professionals need to be effective in their roles. This may not, we believe, always be what they *think* they need. Whilst we have not undertaken a comprehensive skills evaluation, our study does suggest that – amongst other skills – industry, business or

commercial understanding is critical to enable senior diversity professionals to direct their organisation to achieving an early strategic impact with diversity.

However, as the next section explores, these professionals also require executives who can make the right strategic impact at Board level.

4.2 How can executives make a strategic impact?

Part 1 of our study has highlighted the importance of executives in enabling the long-term commitment to and investment in diversity. It has pointed out that they are likely to be more strongly motivated to make this commitment and investment when strategic gains from diversity are apparent. However, our study has also investigated the role of the executives we interviewed in positioning diversity strategically and enabling strategic gains to be made from it in practice.

We found two broad types of executives in our sample:

- The first type of executive can be described most simply as a support for the senior diversity professional, their link to the Board and sometimes a helpful influence over their colleagues on the Board, to also support the diversity effort. They do not generally seek to make a strategic impact with diversity. Their key role is to support the senior diversity professional in achieving the organisation's diversity objectives. We call this first type of executive the **'executive diversity champion'**.
- The second type of executive see themselves as proactively leading diversity in their organisation and ensuring that the organisation can draw strategic benefit from it. They use the expert knowledge of the senior diversity professional to help them achieve this. We call this second type of executive the **'executive diversity leader'**.

4.2.1 The 'executive diversity champion'

Amongst the 16 executives we interviewed, we identified nine as 'diversity champions'. Each of them saw their senior diversity professionals as experts in the driving seat, leading the organisation's diversity programme. Six of these nine executives were the sole Board member with specific responsibility for diversity. These 'diversity champions' clearly saw themselves as supporting the senior diversity professional in their efforts to implement the diversity strategy. They saw their ability to help in speaking to and seeking to influence, to a degree, their Board colleagues on behalf of the senior diversity professional. They also helped by, for example, chairing diversity related meetings, councils or working groups.

"I need to be her visible champion for diversity and ensure she is OK.... She's seen as the implementer and she needs help to present to and influence the Board." (An executive in private professional services)

"x is the diversity expert – my role is to create a supportive environment for diversity to grow." (An executive in private financial services)

What appears to be missing from this 'executive diversity champion' role is the comprehensive executive-level engagement in seeking out and realising opportunities to make a strategic impact with diversity. Conversely, the role appears to be focused on supporting the implementation of the organisation's diversity strategy and goals.

The 'diversity champion' role and term is now quite widely accepted in the UK. Indeed, Race for Opportunity published a role profile, activities and person specification and characteristics of a 'race champion', based on their activities as reported by some of their member organisations.^{33 34} Notably, the

WORKING TOGETHER?

only reference that touches on achieving a strategic impact with – in this case – race diversity, is the role profile of ‘*promoting the business benefits of race for both employees and customers*’.

The ‘race champion’ role, according to the profiles and characteristics referred to by Race for Opportunity, appear to be directed at supporting the achievement of race objectives rather than also seeking opportunities to make a strategic impact with diversity.

Similarly, the Opportunity Now review of the roles and characteristics of the ‘gender champions’ within some of their member organisations led them to recommend a number of steps for new ‘champions’ to take in developing the role.^{35 36} One such step is to develop a business case for gender equality work. However, there is no reference to the need for the ‘gender champion’ to actively seek out opportunities to make a strategic impact with gender equality work.

We endorse the need for and importance of ‘champions’ as executive level supporters and ambassadors to help achieve diversity goals. However, our research suggests that this ‘champion’ role alone is likely to be insufficient in the drive to make an organisation-wide strategic impact with diversity and thereby create the conditions for long term executive commitment to and investment in realising diversity goals.

4.2.2 The ‘executive diversity leader’

In contrast to the ‘diversity champion’ approach was the ‘executive diversity leaders’. We found seven examples of ‘executive diversity leaders’ amongst those we interviewed. Whilst the ‘diversity champions’ supported their senior diversity professionals at Board level, our seven ‘executive diversity leaders’ saw themselves as being in the driving seat but supported by the diversity

expertise of their senior diversity professionals in realising strategic gains from diversity.

“At the executive level we see diversity fundamentally in strategic terms – it’s a key component of the brand. We provide a mass market consumer service organisation that has to effectively please all categories for the consumer base. From the customer perspective there are significant implications for a diverse employee base serving the customers...”
(An executive in service delivery)

“I am the leader and role model on diversity. I drive things through at a strategic level. I engage the top team and demand accountability from them.”
(An executive in public service delivery)

Indeed, one executive felt that, as his own knowledge around diversity improved, there might not be the need for a separate head of diversity:

“Previously the diversity head had been a lone voice. Now we are embedding it so it is less dependent on her. We may not need a head of diversity in the future – she doesn’t have much visibility with the Board.”
(An executive in private service delivery)

Each of these seven executives described how their organisation had gained a positive strategic impact from diversity – or were actively working to achieve this.

We should point out that whilst each of these seven executives was a ‘diversity leader’, only three described their colleagues on the Board as also being strong diversity leaders. That is, it was only in three of these seven organisations that each Board executive had specific responsibility for using their role as an organisational leader to draw strategic benefit from diversity.

4.3 Executive ‘champions’ and ‘leaders’

Our research indicates that executives are currently taking different approaches to diversity. Some support their senior diversity professional to achieve organisational wide diversity objectives. Others use their senior diversity professional proactively to drive their organisation in making the changes needed to realise strategic gains from diversity.

We argue that there is a need for both ‘diversity champions’ and ‘executive diversity leaders’. We believe that the essential attribute of the ‘executive diversity leader’ is their business-led motivation to engage in diversity and to draw strategic gains from it. As Part 1 of our findings has highlighted, early strategic gains appear critical to achieving longer-term diversity objectives. But such a strategic focus appears to be somewhat lacking from the current ‘diversity champion’ model. Nonetheless, this model still has several important benefits:

- it can help to develop executives’ understanding of the equality and diversity issues in their organisations;
- it helps to grow a range of senior diversity ambassadors in an organisation, rather than relying on one senior diversity professional or a single executive diversity leader;
- the patronage of a ‘diversity champion’ can often be critical to help facilitate the changes required to achieve diversity goals.

Overall, to realise greater diversity in the UK workplace, our study suggests that more ‘executive diversity leaders’ are needed. To achieve this, more work is required to identify the attributes of the ‘executive diversity leader’, what they can achieve for their organisation and how they can grow. As the next section explores, the dynamic between executives and diversity professionals is crucial, but nevertheless it is often hard to get this relationship right.

4.4 A dysfunctional relationship

In analysing the roles and skills of the senior diversity professionals and executives in achieving diversity objectives and strategic gains from diversity, we have found clear evidence of the importance of the relationships between these two actors. However, our study highlights that there currently appears to be a dysfunctional relationship between some executive leaders and their senior diversity advisers. Our research suggests that this is not only working against the achievement of diversity objectives but may also be limiting the potential for diversity to make a positive contribution to achieving core strategic objectives.

This research has shown a number of areas where there is a mismatch between executives and their senior diversity advisers:

- Certain ‘business case’ arguments are of little or no interest to some of the executives interviewed.
- There is some evidence of a lack of shared understanding between executives and their senior diversity advisers as to what constitutes making a strategic impact with diversity.
- While the professionals often view themselves as strategic influencers, some executives view them as diversity experts and implementers.
- The roles and responsibilities senior diversity advisers seek from their executive leaders are not always forthcoming.

4.4.1 Disagreement about the ‘business case’

The executives interviewed most commonly cited the need to *attract and retain a diverse workforce* as the key business driver for diversity

WORKING TOGETHER?

Eight of the executives interviewed explained how talent was critical to their organisation achieving its core objectives, such as *growth* or maintaining their *market position*. Nine executives also referred to the link between a diverse workforce and their organisation's ability to attract, retain or forge out *new client or customer markets*.

Among the 16 organisations where both the executive and senior diversity professional were interviewed, a mismatch in understanding of the key business drivers for diversity sometimes arose. For example, two diversity professionals felt that developing an organisational culture that created respect for the individual was a part of the 'business case' argument for diversity. In contrast, their executives did not refer to this culture change in their responses and so probably do not see themselves as agents of such change. Elsewhere, the professional believed diversity added authenticity to the organisation's brand image, but this was not referred to by their executive as an important business driver. Legal requirements were likewise cited by two diversity professionals but not seen as an important driver for their executives.

Strikingly, the moment when executives see how diversity might help them achieve core objectives is generally the moment they are convinced about the need to develop it in their organisation. This is because they can see and clearly articulate their belief in the direct relationship between growing greater employee diversity and achieving strategic goals. However, other 'business case' arguments, which are often referred to in the literature and were cited by some senior diversity professionals interviewed, were of little or no interest to the executives. These included the potential for greater diversity to increase innovation or create a workplace culture of mutual respect.

Notably, the executives did not appear to be greatly motivated by the legal imperative for diversity – just three referred to this as a reason they support diversity. Yet, in a recent survey of 285 people in the UK who have responsibility for diversity, '*legal pressure*' was the most important motivator for managing diversity.³⁷

It is also interesting that none of our interviewees referred to the benefits of cost savings (for example, through greater retention, lower absence, tribunal costs and so on) as a business driver for diversity in their organisations.

These findings would suggest that executives are most interested in the potential of diversity to support core objectives directly. The further the 'business case' argument for diversity is removed from these core objectives, the less interesting or motivating it becomes for the executives. It may well be that a diversity programme can help create a culture of respect in an organisation and that this may promote retention, particularly of minorities. However, our research suggests that an executive might be less inclined to support or invest in a diversity programme for this reason because of the indirectness of the link, in their minds, between culture change, retention and the organisation's core goals.

Our research therefore indicates a potential mismatch between the arguments being used by some diversity professionals to engage their executive leaders and the arguments of most interest to them. Whilst the business case literature and data on offer to diversity professionals is useful, what appears most important is for them to acquire the capability to work with their executive leaders to determine how diversity can directly support the achievement of core strategic objectives.

Indeed, one compelling core argument may well be enough. Our research suggests that a

long theoretical 'business case' list may simply serve to muddy the waters and lose the executive focus – this is ironic considering how much resource, time and effort is often invested by professionals in crafting a faultless 'business case' rationale seeking universal appeal.

4.4.2 Disagreement about diversity strategies

We asked the executives in our study to identify when diversity had helped to make a strategic contribution to their organisation. All of their examples involved attracting customers or clients, or meeting their needs and expectations.

In the same vein, most senior diversity professionals gave examples that directly supported the achievement of their organisation's strategic objectives. Some referred to the successes they had achieved in attracting diverse talent that was helping to facilitate the growth of their organisations. Others referred to actions that had directly contributed to building new markets or expanding existing market share. This sometimes meant using diversity to help differentiate a firm from its competitors when bidding for client work, winning minority customers back from competitors or directly appealing to a specific market segment such as women or ethnic minorities.

One senior diversity adviser described how their organisation's diversity strategy had influenced their approach to customer research so that data was segmented by age, sexual orientation, gender, disability and ethnicity. This led to developing and targeting specific products at specific market segments - in this case the British Asian market. As a result, tailored product development, advertising and sponsorship decisions were made accordingly. This organisation is able to calculate the return on investment of this ongoing work.

Similarly, another organisation whose products traditionally appeal to men, is specifically marketing to women customers.

Five senior diversity professionals identified as strategic some diversity actions that our interviews with executives suggested were less likely to be viewed that way by the Board - for example, embedding diversity into functional or division action plans. Two diversity professionals believed the diversity strategy itself was a strategic action.

4.4.3 A mismatch of expectations

We found that senior diversity professionals generally see themselves as influencing strategy but executives often see their diversity advisers as subject experts and operational implementers.

The senior diversity professionals interviewed saw the key aspects of their role as designing and directing the organisation's diversity strategy and helping to integrate diversity at a strategic level.

[My role is] "about enabling the business to meet the organisation's strategic goals through people." (A senior diversity professional in private financial services)

Despite the diversity professionals' view of the purpose of their role and the organisational knowledge most brought to it, eight of the 16 executives interviewed viewed them as being diversity experts and implementers rather than as strategic influencers.

"She is seen (by the Board) as an implementer. She needs help to present to and influence the Board. For example, she wrote a paper and I worked with her, we discussed it with the diversity champions in the service lines and got comments. She presented it to the Board and I was there to back her

WORKING TOGETHER?

up and keep people in line – to avoid wrecking tactics.” (An executive in private professional services)

The executives tended to see it as their role to strategically influence their colleagues on the Board. Unsurprisingly, the executives tended to see themselves as better positioned structurally and culturally to influence their Board level colleagues than their senior diversity professional.

“I am close to her (senior diversity professional) and I support her. I see my role as helping to engage the SMT and drive things through at the strategic level.” (An executive in public service delivery)

“I can facilitate a conversation within the culture they are comfortable with. This is key to my influence ... I am sufficiently part of what they are to raise the subject in a way that draws attention ... You cannot try to change the group from the outside.” (An executive in private professional services)

Several of the diversity professionals were fully aware that they were regarded as subject experts rather than strategic thinkers:

“They want me to own diversity. They are happy to be advocates, but not be too involved.” (A senior diversity professional in private financial services)

“I am seen as the expert ... They (the Board) want clear leadership around diversity and inclusion. They want me to make it happen with them nodding.” (A senior diversity professional in private professional services)

4.4.4 Diversity professionals feel a lack of Board commitment

Executive perception of the senior diversity

professional as an implementer rather than a strategic influencer may partly account for the lack of Boardroom access that several interviewees described. Diversity professionals also spoke about a general lack of interest in diversity or senior-level commitment to it. This was seen as a major barrier to making a strategic impact with diversity. Eleven senior diversity professionals described these difficulties.

“It’s a lonely job because it all comes from me – there is not a lot of support. The Board see me as helping them avoid risk. They don’t see the business benefits or opportunities. It’s about ensuring managers do what is needed on tick boxes and avoid tribunal claims. They look to me to tell them what they should do. The CEO is the main barrier.” (A senior diversity professional in private service delivery)

“I do have access – I have regular meetings with the CEO ... But the problem is their lack of understanding and engagement. The CEO doesn’t totally get diversity ... I have a good supporter on the Board. But they’re not action oriented – they are too busy and really aren’t there enough for me. It’s difficult to leverage the practical support. Others on the Board don’t get diversity – the Finance Director always tries to undermine me. They don’t accept the business case for it and it’s difficult to identify diversity specific proof.” (A senior diversity professional in private service delivery)

Commitment can continue to be a problematic issue even when the senior diversity professional has a single nominated Board ‘champion’– even if it is the CEO. If the Board as a whole are not ‘diversity leaders’, diversity can become viewed as the pet subject of the ‘champion’ rather than a

core Board issue. One diversity professional explained that:

“My work isn’t taken seriously by the Board outside the CEO.” (A senior diversity professional in private financial services)

When Board-wide engagement does exist, the senior diversity professionals describe how they can simply get on with their diversity objectives. In the 13 organisations with Board-wide engagement, diversity professionals sometimes refer to the Board for approval, although in several of the organisations involved, this was not necessary.

These diversity professionals were also able to go to their Boards for support, help or advice with issues of change or challenges they faced. For these professionals, the Board were proactive as facilitators of organisational change. These organisations trusted in the knowledge and abilities of their senior diversity professional to identify the actions and changes required, supporting and helping to facilitate these.

“We have autonomy to do what we want – when we need Board approval it is rare for us not to get the mandate. We use the Board tactically to get the right outcomes and reinforce our role.” (A senior diversity professional in private financial services)

The senior diversity professionals we interviewed placed huge importance on the need for confident, self-sufficient, articulate executive leaders who can deliver on their commitment to diversity with impact at the strategic level and act as a useful instrument of influence and change. Whilst 22 of the senior diversity advisers described at least one executive on their Board as having achieved this, others privately despaired that their senior executives could ever fit the bill.

4.2 Confusion about the role of diversity professionals

While senior diversity advisers were clear their role included positioning diversity strategically within their organisation, all but one of them identified structural barriers to achieving this. These barriers included not having enough resources, being positioned in HR, and a lack of clarity on how their performance is measured.

4.5.1 A lack of resources

Six senior diversity professionals reportedly lacked the staff support and funds to secure their objectives. Consequently, they described how they tended to get bogged down in tactical and implementation work and lacked the time to work on making a strategic impact with diversity. This occurred in the private, public, and not-for-profit sectors.

“This is a massive challenge. A culture change programme for £200k is not ideal.” (A senior diversity professional in private financial services)

“There are projects I would like to do, but there are just no funds.” (A senior diversity professional in not-for-profit service delivery)

As some senior diversity professionals describe their role it can appear to be an impossible task. Some are trying to bring about change in organisations with thousands of employees either alone or with a small team and sometimes without full Board level support or sufficient funds.

4.5.2 A lack of clear performance measures

We asked each senior diversity professional how their performance was assessed and we asked each executive how they assessed the performance of their senior diversity professional. A wide range of responses arose from both groups.

WORKING TOGETHER?

The most common response from the majority of diversity professionals was that they wrote their own objectives. For eight professionals, these were output-oriented and focused on operational issues. For example, whether they had introduced an identity monitoring system or whether training had been delivered. These output-oriented measures appear reasonable and related to actions that are within the control of the diversity professional to achieve.

However, fourteen professionals were assessed on the extent to which improvements in diversity had been achieved. For example, statistics such as promotion by gender and ethnicity, retention rates and maternity return rates were used to judge the diversity professional's performance. In addition, the performance of the organisation in external diversity benchmarks, the diversity demographics of an organisation and opinion survey results on diversity were used to judge their performance.

Holding a single individual responsible for the proportion of women or other minorities who have achieved promotion across a whole organisation must raise some serious concerns. These kinds of measures should be built in to individual managers' performance objectives across an organisation, just as is already done in nine of the diversity professionals' organisations that we interviewed.

Three of the senior diversity professionals explained that they were unclear how their performance was assessed. They relied on feedback from their line manager.

"It's not clear how my performance on diversity is judged ... I only get feedback generally through my performance development review." (A senior diversity professional in private financial services)

"It's (judging my performance) difficult. I get positive feedback ... but it's not related to targets ... I'm not held accountable for them." (Senior diversity professional in public service delivery)

Overall it is clear that organisations are generally experiencing some difficulty in identifying the right mechanisms to assess the performance of their senior diversity professional. This could imply a lack of clarity about what organisations are seeking to achieve from the senior diversity role.

4.5.3 A lack of strategic positioning

Twenty-five of the senior diversity professionals interviewed were positioned within the HR function. Three were positioned in the CEO's office; two were part of corporate affairs and four reported directly to their Boards. Seven of the twenty-five diversity professionals positioned in HR viewed this as a significant structural barrier to them achieving a strategic impact with diversity. This was largely due to the limited strategic impact of the HR function in their organisation as well as the tendency, when positioned in HR, for diversity to become viewed as an HR issue rather than an issue for the whole organisation.

"It's pretty clear that diversity in HR has not changed the organisation. The strategic impact of HR is limited." (A senior diversity professional in private professional services)

"There is the perpetual challenge to get it out of the HR mindset." (A senior diversity professional in private professional services)

"A move out of HR would give diversity more credibility." (A senior diversity professional in private financial services)

“From a colleague perspective it’s (being positioned in HR) OK. But from a marketing perspective it doesn’t work as they don’t listen to HR. Ideally it should sit in the CEO’s office because of the span across the whole business.’ (A senior diversity professional in public service delivery)

“It doesn’t work well because part of my role is to challenge HR and it can be a challenge to be seen as critical of your own team.” (A senior diversity professional in public service delivery)

Those senior diversity professionals who were positioned independently felt that this was an important factor in enabling them to achieve diversity objectives and in working to make a strategic impact with diversity. They felt that HR owned an important part of delivering the diversity agenda – but only one part. The contributions of all other functions were described as equally important. By being positioned in the CEO’s office or the Corporate Affairs department, these senior diversity professionals felt they could achieve greater influence and impact across the whole organisation than if they were part of the HR function.

“Corporate Affairs is concerned with strategic issues and diversity is a strategic issue – it works well.” (A senior diversity professional in public service delivery)

“I’m part of the CEO office and I directly report to the CEO. It’s been essential and has made a huge impact ... I’m the only non-Director attending all Board meetings.” (A senior diversity professional in public service delivery)

4.6 What do we need from our senior diversity professionals and executives?

We have concluded that it is important for organisations to achieve an early positive strategic impact with diversity to achieve longer term diversity goals. It therefore appears critical to ensure that senior diversity professionals have an appropriate mix of characteristics as well as diversity knowledge, including:

- industry/commercial knowledge;
- influencing skills;
- ability to work in a positive partnership with their Board level executives.

Currently, it appears that not all senior diversity professionals may have - or know they lack - an appropriate range of characteristics that will help them achieve a strategic impact with diversity. It also appears that whilst there is a degree of encouragement and support for developing Board level diversity champions, less clarity or support exists for developing ‘executive diversity leaders’ as we define them here. UK organisations might choose to follow the US route and appoint a Board level Diversity Director who has both the diversity expertise and the necessary strategic knowledge and skills. However, the approach of organisations in our study would suggest that a more common choice in the UK is to derive these skills collectively, through the senior diversity professional and the executive working together in partnership. Yet, we have also identified a number of areas that suggest a problematic relationship between executives and their senior diversity advisers which may be detracting from their potential joint effectiveness.

There appears an urgent need to clarify the roles and responsibilities as well as the associated skills and characteristics required by both senior diversity professionals and Board level executives in achieving diversity objectives and a strategic contribution from diversity.

5. Conclusions

This report has been commissioned by the Diversity Professionals' Forum with the aim of producing results that are of practical use in improving diversity in organisations in the UK and enabling them to build on the strategic opportunities that greater diversity offers. It has, for the first time we believe, critically examined the roles and characteristics of senior diversity professionals and their executive leaders, and looked at the relationship between them. It has focused on how the effectiveness of diversity in contributing to the strategic agenda is influenced by these stakeholders as well as the wider organisational context in which they operate.

These findings provide an important insight into why diversity objectives may fail to be reached in some organisations in the UK but are attained in others. They also suggest why some organisations may fail to realise the strategic potential that diversity offers whilst others profit from it.

There are organisations in our study whose executives have seen the strategic potential of diversity. These organisations – spanning the private, public and not-for-profit sectors – are distinct from the others in the level of Board-wide leadership they display. They can refer to numerous examples where diversity has directly contributed to the achievement of their strategic objectives.

However, some of these organisations are not new to diversity. In some cases they have been working on this issue for over twenty years.

We are convinced that the UK approach to achieving diversity needs to be reframed to ensure that organisations do not have to wait 20 years before beginning to realise their diversity objectives and build on diversity to support their strategic objectives. Not only

would this be a clear waste of diverse human potential but our research suggests that such a long-term horizon can itself undermine the achievement of diversity objectives.

It is commonly held to be good practice to gain top management commitment in order to achieve diversity objectives. Our research gives detailed evidence as to why this is critical. Business and organisational executive leaders hold the keys to unlocking the resources, wider organisational commitment and changes needed to achieve greater diversity. Yet our research has shown that executive leaders unsurprisingly make decisions about resources and organisational change that they believe will help achieve core strategic objectives. That is, our findings strongly suggest that neither legal nor ethical imperative alone is likely to be a strong enough pressure for executives to lead the changes required to achieve diversity.

Our study suggests that, in order to engage the commitment of executive leaders to the diversity agenda, they must be convinced of the opportunities diversity offers in achieving core strategic objectives. Moreover, these opportunities need to be clearly demonstrated in practice – even if on a small scale – early on in the diversity journey to maintain executive commitment. Worryingly, our study suggests that both the management approach to achieving diversity and the characteristics of some senior diversity professionals may militate against achieving this in practice.

We found evidence in several organisations' diversity strategies to suggest that typically little or no strategic contribution is sought from diversity in the first three years of a diversity programme. There appears a general consensus amongst these organisations that they must achieve greater diversity before they can start to build on the potential strategic opportunities it offers.

Our research suggests that such a linear, long-term model runs the danger of losing executive goodwill, commitment and investment. Moreover, without a clear demonstration of the value of diversity, in times of organisational change and economic pressure it becomes an easy target for cuts.

These findings point to the need to move away from relying on a one-off, formulaic and theoretical ‘business case’ argument for diversity when engaging executive leaders’ commitment. They also highlight the need for senior diversity professionals to work together with their executive leaders to determine how the organisation can benefit strategically from diversity in the short and longer term. We conclude that the business case for diversity is fluid and ever-changing. Establishing the business case or business opportunities that diversity offers should therefore not be a one-off motivational exercise but rather an ongoing iterative process of review, impact measurement and renewal of future goals.

Our findings also highlight the need to move towards a more action-focused approach that concentrates on achieving a positive strategic impact with diversity that can be clearly demonstrated early on in an organisation’s diversity programme.

Twenty five of the 34 senior diversity professionals we interviewed were positioned in the human resources function of their organisations. Just over a quarter them – seven people – believed this was a barrier to them achieving their diversity objectives and making a strategic impact with diversity. For some, this was due to the limited strategic power of HR in their organisation. But even when the HR Director was a Board member, professionals still referred to this positioning as unhelpful. For others it was linked to their need to work with each organisational function, including HR, from a diversity rather than from a HR-only

perspective. Conversely, the nine senior diversity professionals positioned outside HR – in the corporate affairs department or in the CEO’s office – described how this helped achieve diversity objectives and make a strategic impact with diversity.

The extent to which being positioned within HR represents a barrier to achieving diversity objectives and making a strategic impact needs to be tested out more widely. Trevor Phillips, Chair of the new Equality and Human Rights Commission has already called for diversity to be positioned outside the HR function to ensure its impact can cut across employee, product and service delivery areas – a move resisted by The Chartered Institute of Personnel and Development.

However, these changes in management approach and structure alone are unlikely to achieve the diversity objectives that many organisations seek. Our study has highlighted the need to ensure that senior diversity professionals have the characteristics that enable them to position diversity strategically and work in partnership with their executive leaders. It also points to the need for organisations to develop Board-level executives who are future ‘diversity leaders’ as well as current ‘diversity champions’.

Our study has not undertaken a comprehensive analysis of the characteristics senior diversity professionals bring to their role – we have simply begun to explore this issue. Our initial exploration has shown that less than half the senior diversity professionals we spoke to refer to industry, commercial or business knowledge and understanding as a characteristic that they feel is important or that they use in their role. Conversely, the majority of the executives we spoke to referred to this characteristic as critical in enabling senior diversity professionals to make a strategic impact with diversity in their organisations.

CONCLUSIONS

Our findings therefore indicate that there might be a mismatch between the characteristics of some senior diversity professionals and their ability to make a strategic impact with diversity in practice. This highlights the importance of carefully considering the development needs of senior diversity professionals and how these can be met. In the current environment where there is no accepted professional standard, career structure, development or qualification programme available for diversity practitioners, this remains an on going challenge, especially as some professionals we interviewed did not see themselves as needing development.

Similarly, we find executive-level 'diversity champions' play a critical role as ambassadors and facilitators for achieving diversity goals. They may focus on individual equality strands or on diversity more broadly. However, this model is severely lacking in its ability to draw a strategic contribution from diversity for an organisation. Indeed, we found evidence to suggest that 'diversity champions' can themselves become marginalised in the Boardroom.

We call for a new model of executive – the 'diversity leader' – who is committed to diversity at a strategic level across the Boardroom. This model engages executives as proactive agents of the organisational changes required to achieve the strategic benefits of diversity.

Unless executive leaders become more active 'executive diversity leaders' who consider diversity as a core strategic issue and apply to it the commitment, resources, measures and accountability structures that they would afford to any other business issue, we conclude that its potential for strategic contribution is severely limited.

Treating diversity as one would treat any other business issue is crucial. The potential strategic

contribution of diversity often motivates initial investment in a diversity programme and the appointment of a senior diversity professional to direct it. However, there is often a failure to follow this through. For example, it is often unclear how the performance of the senior diversity professional should be measured – let alone the progress of the organisation itself towards achieving its diversity objectives. Diversity professionals are sometimes set a huge agenda without the resources to manage it effectively. Frequently there are little or no qualitative or quantitative measures applied to tracking the progress of programmes or their strategic contributions. Also, there is often little shared accountability for the performance and strategic contribution of diversity at Board level.

Our study suggests, however, that positive gains are made when diversity is treated as a core business issue, when executives become active 'diversity leaders' and work effectively in partnership with their senior diversity professional. Indeed, our small sample included examples of how diversity is making a strategic contribution in practice. In many cases – although not all – these contributions were quantified in financial terms.

Measuring the strategic contribution of diversity is a challenge that comes up again and again throughout our study. Indeed, wider criticisms of the business case for diversity have been directed at the lack of hard measures that have been used to establish the actual strategic contribution of diversity in practice. The literature points to the lack of action taken by organisations to achieve this as well as the lack of tools or models available to them. By placing the strategic contribution of diversity in a pivotal role for achieving longer-term diversity improvements, our study has placed the need for organisations to establish clear measures that can demonstrate the strategic contribution of diversity high up on the agenda.

6. Recommendations

In crafting a set of recommendations from this study, we are mindful of the need to provide outputs of practical use as well as stimulating dialogue and debate in moving the diversity agenda forward.

At the same time, we are acutely aware that each organisation – even within a single sector – is different from another. Their diversity priorities and strategic objectives are different, as are their organisational cultures. Therefore, producing a single template or recipe for achieving a strategic impact with diversity would be too simplistic. Instead, we offer a framework of recommendations from which we urge readers to draw in improving their own professional practice, leadership or policy approach.

1. Ensure immediate strategic benefits

Organisations should reframe their diversity management model so that they get measurable strategic benefits from the outset.

2. Measure strategic success

Protocols for quantifying the strategic contribution of diversity need to be established.

3. Develop diversity professionals' strategic capability

More targeted work is needed to enable senior diversity professionals to identify and develop the appropriate range of characteristics to effectively direct the long-term achievement of diversity goals and its short-term strategic contribution to their organisation's success.

4. Grow more 'executive diversity leaders'

Professional bodies and leadership development providers should address how executives can develop as effective diversity leaders. As a routine component of effective leadership at all levels this should run through their programmes and qualifications structures.

5. Work together in closer partnership

Senior diversity professionals and their executive leaders should develop a more mutual and positively reinforcing working relationship.

Recommendation 1: Ensure immediate strategic benefits

We recommend that organisations move away from making a theoretical one-off 'business case' for diversity to help motivate commitment and move towards establishing a concrete set of strategic opportunities. These should be identified from the outset in close partnership between the senior diversity professional and their Board-level executive leaders. A measurable set of short, medium and long-term strategic opportunities should be established. For example, diversity might be used to help identify previously unrecognised markets. Segmenting market research and product/service development by 'identity groups' might provide an organisation with the information and opportunities it requires to achieve growth and competitive advantage. Clear accountability and responsibility for achieving the strategic gains should be allocated across the Board.

Recommendation 2: Measure strategic success

It is imperative that every organisation engaged in a diversity programme establishes a clear set of measures from the outset. These should quantify both the progress being made towards diversity goals and the contribution diversity makes to achieving core strategic objectives.

It is important that the diversity measures focus on the *impact* of the actions taken rather than the completion of the actions themselves. For example, we recommend that an organisation should be less interested in whether recruitment and selection diversity

RECOMMENDATIONS

training has been undertaken and more interested in the diversity of candidates appointed as a result.

Guidance already exists on the measures that can be used to assess the impact of diversity actions in achieving race, gender, age, sexual orientation and disability objectives.³⁸

However, we have found little guidance available on how to measure the strategic contribution of diversity. Whilst these measures may be specific to an individual organisation, overall this is an area that requires further research and development.

Recommendation 3: Develop diversity professionals' strategic capability

Our research has indicated that not all senior diversity professionals may possess the most effective range of characteristics to achieve a strategic impact with diversity and work positively in partnership with their executives.

Further work is needed to establish a clear set of characteristics that enable senior diversity professionals to effectively achieve their organisation's diversity objectives and profit strategically from diversity. It is also important to consider where senior diversity professionals and those aspiring to this role can turn to develop these characteristics, if they are lacking.

Recommendation 4: Grow more 'executive diversity leaders'

Our research has identified the role of executives as critical in achieving strategic opportunity from diversity and long-term diversity objectives. However, it has highlighted that the traditional 'executive diversity champion' model may lack some essential attributes to ensure that an organisation can profit from the strategic opportunities diversity offers. This research calls for more 'executive diversity leaders' to be developed across the boardroom in organisations in the UK.

We recommend that organisations invest in developing future 'executive diversity leaders'. We also recommend that management and executive professional organisations and education providers consider how these characteristics are built into their programme and qualifications structures.

Recommendation 5: Work together in closer partnership

Our study concludes that an essential element in achieving short-term and long-term strategic gains from diversity and long-term diversity objectives is a close working partnership between the senior diversity professional and their executive leaders.

Within this partnership, an overall combination of diversity expertise, commercial or industry acumen and experience in strategic change is required. How this combination is achieved overall is likely to vary from one organisation to another. In the US, some organisations choose to include the diversity professional at the boardroom table - the Chief Diversity Officer appointment. Others will prefer the integrated partnership approach. Whatever structure is adopted, the table below summarises the optimal combination of knowledge and experience that this study's results indicate will make a strategic impact with diversity.

In a partnership model, the framework in Table 2 (opposite) can help the partners focus from the outset on four areas to establish strategic goals, responsibilities, accountabilities and measures. In short, a clearly defined partnership agreement.

6.1 Moving forward

The results of this study and our recommendations have important implications for a range of stakeholders concerned with achieving equality and diversity in the workplace across the UK.

FIGURE 1: Characteristics required to achieve a strategic impact with diversity

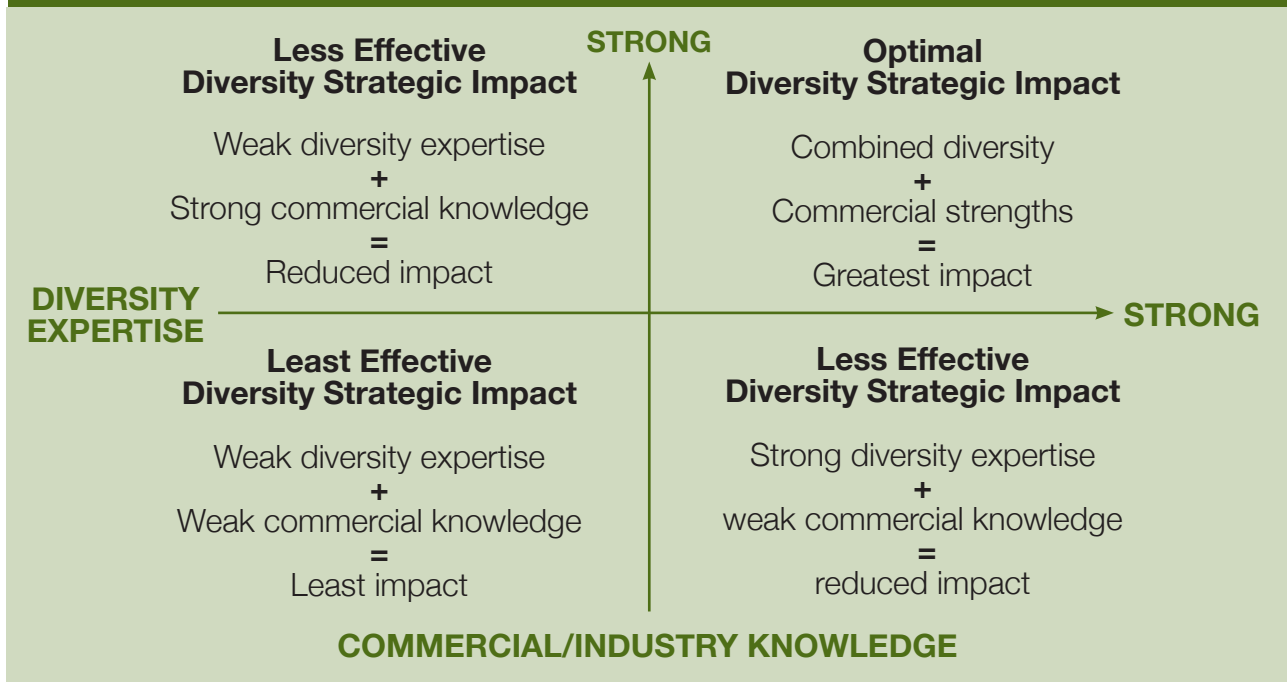


TABLE 2: A framework for partnership

Establishing strategic opportunities and measures

- What are the current strategic opportunities that diversity could contribute to achieving?
- What are the longer-term strategic opportunities we seek from diversity?
- What are the key performance indicators we will use to assess the performance of diversity in contributing to achieving our strategic objectives?

Responsibilities for action

- What actions will each executive take to ensure this organisation achieves a strategic impact with diversity?
- What actions will the senior diversity professional take to ensure this organisation achieves a strategic impact with diversity?

Accountabilities for action

- How will the performance of the senior diversity professional in achieving their strategic diversity responsibilities be measured?
- How will the performance of each executive in achieving their strategic diversity responsibilities be measured?
- How will each partner be held accountable for fulfilling their role in achieving a strategic impact with diversity?

Joint working agreement

- What do the executives need from their senior diversity adviser to fulfil their role in achieving a strategic impact with diversity?
- What does the senior diversity professional need from their executives to fulfil their role in achieving a strategic impact with diversity?

RECOMMENDATIONS

Most obviously our conclusions and recommendations are critical for senior diversity professionals to consider in reviewing their own approaches to achieving diversity and their own professional development needs. Equally, we urge executive leaders to reflect on our findings carefully in light of their personal and organisational approach to diversity. We encourage them to discuss with their diversity professionals the scope for reframing the diversity approach.

We urge professional organisations, as well as those involved with learning and development, to consider how well their programmes currently help executives and diversity professionals acquire the characteristics needed in order to deliver the strategic opportunities offered by diversity. Notably, we ask the Institute of Directors, the Institute of Management and the Chartered Institute for Personnel and Development to consider this.

Other agencies are assessing the potential value of forming a professional diversity organisation, as well as defining what its functions could be. It is important that these research findings are considered closely as part of that wider work.

Our results should also be taken on board by the executive search industry, executives and

HR professionals involved in making senior diversity appointments. We hope that the characteristics we have identified are useful for making better informed appointment decisions that will achieve a stronger match between organisations and the sort of diversity professionals they need, given their state of maturity around the diversity agenda.

The role and importance of the executive leader in achieving diversity should also be carefully considered by the Equality and Human Rights Commission, at government level and by other equality and diversity policy makers and opinion-formers.

Our research has analysed the way diversity policy aspirations are – or are not – translated into practice within organisations. We urge policy makers, campaign organisations and other equality and diversity organisations to become more closely engaged with those who are involved in delivering policy goals. This will mean they will better understand the issues and challenges we have highlighted and can consider the implications they hold for the role and function of their organisations as well as the design and content of policy.

Finally, we urge other researchers to pick up on the themes this study has developed, particularly in testing out our findings on a larger population.

Appendices

Appendix 1: The Diversity Professionals' Forum

The Diversity Professionals' Forum was formed in 2006 by Melanie Allison and Dr. Gillian Shapiro. It is a voluntary network of senior diversity professionals who have come together with a shared goal to:

- improve the impact of equality, diversity and inclusion activity;
- inform consistent high standards of diversity professional practice;
- position diversity at a strategic level in organisations.

Appendix 2: Methodology

This research has been commissioned and sponsored by a group of senior diversity professionals – forming the Diversity Professionals' Forum. We have taken a qualitative approach to the research involving interviews with 34 senior diversity professionals and 16 Board level executives as well as a review of relevant literature.

Rationale for the qualitative research approach

The scope and objectives of the research emerged from the results of discussions held by the Diversity Professionals' Forum members. The origins of the study are, therefore, deeply rooted in the issues that real senior diversity practitioners face. They commissioned the research as they were looking for results that could practically inform their own diversity practice.

The members of the Diversity Professionals' Forum have continued to be involved throughout the research process. As researchers, we sought their views when constructing the interview questions and during early analysis of the results. The senior diversity professional's contribution has brought a methodological advantage to this study. It has supported the decoding and understanding of the data drawn from the interviews and ensured it is of meaning to the people involved and that the research is seeking to inform.

Historically, this qualitative approach to research has been supported by anti-positivist methodologists who view the world as being '*essentially relativistic*' and believe that the

social world can “*only be understood from the point of view of individuals who are directly involved in the activities which are to be studied.*”³⁹ Qualitative methods commit us to seeing the world from the point of view of the actor. This method recommends close involvement and development of a contextual understanding – and the Forum members have been critical in achieving this.⁴⁰

There were also very practical and technical issues to consider in constructing the methodology for this research. Firstly, the research focuses on issues that have not yet been widely explored in other studies. That is, the role, responsibilities, characteristics and relationships of senior diversity professionals and their Board-level executives in making a strategic impact with diversity. As such, we rejected a quantitative survey approach as the key issues that could be tested in this way had not yet been identified. To identify them, we needed an approach that facilitated the collection of data that would allow us to understand and contextualise the key issues. The semi-structured interview approach allowed us to collect data that was characterised by both its richness and depth.

Secondly, the available budget for this study limited the number of interviews we were able to conduct and meant that we were unable to further explore the reliability of the results in a wider quantitative survey. However, this is something that could be considered undertaking in subsequent research.

The research sample

We were limited by budget constraints to conducting a maximum of 50 one to one interviews. We aimed to conduct around one third of these with Board level executives and the rest with senior diversity professionals employed by organisations. We did not include diversity consultants in this study as they would have a different relationship – working as an

external adviser rather than an internal employee – both with the executives and in achieving a strategic impact with diversity.

Interviewees volunteered to participate in the research. We invited participation by publicising the study through a website and articles featured in diversity forums and campaign publications.^{41 42} Word-of-mouth also encouraged participation. As senior diversity professionals spoke to each other about the study, more of them came forward. The senior diversity advisers were also able, in some cases, to engage their executive in the interview process once they had participated in the study.

We asked each diversity practitioner a set of qualifying questions to ensure they met our criteria of a senior diversity professional. These were:

1. Do you hold a senior position responsible for development, direction and budget management of your organisation’s high-level approach to diversity and equality goals?
2. Do you have direct access to your senior decision-making body (Board level equivalent), with an influencing role on diversity and inclusion issues?
3. Do you aim to make a strategic impact with equality and diversity in your organisation?

Due to the budget constraints of the study our interview participants cannot be regarded as representative of the Board level executive population or of the senior diversity professional population in the UK. Having said this, there is currently no definitive guide to the number of senior diversity professionals working in the UK. Recent research conducted by the Learning and Skills Council sent a survey to 1500 people they had identified as equality and diversity practitioners. However, this number included consultants and practitioners working at all levels – not just the senior levels of diversity.⁴³

TABLE 3: Organisations by sector participating in the study

Private financial services	9
Private professional services	8
Private service delivery	5
Public service delivery	7
Public education	2
Not-for-profit service provider	3

Senior diversity professionals interview questions

- Please describe the main responsibilities of your current post.
 - How does this compare to the post when you originally joined / the original job description?
 - How much of your role is strategic? (inward and/or outward looking?)
 - Who are your clients inside and outside the organisation?
- Can you take me through a summary of your past career that has brought you to this post?
 - Why did you decide to move into diversity as a specialism?
- What was your organisation looking to achieve from your appointment?
 - How has the reality of your current position matched up with what you thought it would be?
- What are the key attributes and personal qualities that you believe are essential in a successful senior level diversity adviser?
- What are the key skills, knowledge and experiences from your previous jobs that you find particularly helpful in your current post?
- How is diversity defined and understood in your organisation?
 - How far is this in line with your own personally held definition and understanding of diversity – and how does it differ?
- Why is diversity important to your organisation? – What value does it offer?
- Do you have a diversity strategy? (Can we see a copy?) How many of the diversity strands does it cover and what is your rationale for this?
- Where is diversity positioned in your organisation? (e.g. HR, CSR) Why is it positioned here? How well does this positioning work for you in terms of achieving a strategic impact with diversity?
 - If you would you prefer it to be positioned elsewhere – why?
- What markers (or what evidence) for you, would constitute making a strategic impact with diversity in your organisation? – please give some examples.
- (Taking one of these strategic impact examples) Has there been a time when you believe you have achieved a strategic impact/added value to the organisation with diversity?
 - Can you describe what the impact was and why it was strategic
 - What did you do to make this happen?
 - What did others do to make this happen?
 - What were the key challenges you faced

on the way (anything you did, others did, events)?

- What did you do to overcome the challenges?
- What did others do that helped to overcome the challenges?
- Was it recognised as strategic at Board and CEO level?

11. What, if anything, do you believe stops you making the strategic impact with diversity you aim for in this organisation?

12. What are your top three aims for making a strategic impact with diversity in your organisation (going forward)?

13. Can you imagine/envisage how an organisational change would threaten or revalue your company's engagement on diversity? Please explain the reasons for this view.

14. On a scale of 1 to 6, how embedded would you describe diversity is within this organisation? (With 1 being diversity running in parallel to achieving core organisational objectives and 6 being completely embedded in the process of achieving core organisational objectives.) *Please explain your reasons for giving this score.*

- How would you recognise when you have reached the 'end of the line' on diversity (or your diversity vision for this organisation)? (In other words, what would scoring 6 look like?)
- Do you use any measurement tools to help you track this progress? – which and how useful are they?

15. Do you think that there is a life cycle to the strategic engagement of diversity where diversity becomes business as usual and doesn't require a strategic focus?

16. What level of autonomy in decision-making do you have? Is there someone who has to endorse or approve your recommendations?

- Are recommendations generally accepted from you internally or are they better received from a consultant or someone else from outside? – why is this?

17. What do you think your CEO and Board are looking for from you in terms of how you work with them and your role?

18. How do you think you are perceived at Board level? What, if any direct feedback do you get on that and from whom?

19. Do you feel that you have sufficient access to the CEO/Board to get the high-level buy in for your work that you need to be effective?

- How often do you gain direct access to the CEO and/or Board to formally update/engage/influence them in your work?
- What informal opportunities for this type of influence do you have?

20. Who have you formed relationships with in / outside the organisation to help you achieve your diversity goals and why have you chosen these individuals and not others?

21. What support do you need within the organisation that would help you to be more effective?

22. How is your success judged by your organisation?

- Is this in line with how you judge your own success? – if not, please explain
- What, if any direct influence do you have over how your success is judged?
- How do the organisation's diversity

related metrics and targets relate to how your success is judged?

23. In your current post what organisations / people / mechanisms do you use to support your own personal and professional development?

- Internally? For example, mentors, development programmes, etc
- Externally? For example, organisations, training programmes, networks
- Which have you found most/least useful and why?

24. What do you believe remain your key personal / professional development needs?

- Do you have a clear idea of where you can go to meet these?

25. How do you see your post/role developing over the next three years? (is this in line with what you and/or the organisation originally envisaged?)

26. What are your career aspirations from this post looking ahead in the next 2-5 years?

27. What single thing would you introduce, change or remove that would significantly improve your ability to achieve the strategic impact with diversity that is your ambition?

Executive interview questions

1. Making a strategic impact generally

- What do you consider are the qualities of the person needed to make a strategic impact in an organisation (not specifically with diversity)?
- What previous experience do you find prepares people for successfully making a strategic impact?
- What do you think is the most effective way to present the case for a strategic intervention? For example, resourcing,

business case, bottom line benefit etc.

- How can this be applied to diversity?

2. Diversity in this organisation

- What does equality and diversity mean for:
 - You?
 - This organisation?
- Why is equality and diversity an important issue for your organisation?
 - How does it add value?
 - How would you balance the value of employee engagement vs customer/client/external engagement on diversity – in percentage terms – why is this?
 - What value does diversity add to your external profile?
 - If your organisation were not engaged with diversity – what would be the loss to your business/organisation?
- Where is diversity positioned in your organisation (e.g. in HR, with CSR etc). Why is it positioned here and do you believe this position is right for achieving the organisation's diversity objectives?
- What role do you (and your Board) play in leading diversity?
- On a scale of 1-6 how embedded would you describe diversity is within this organisation – with 1 meaning diversity is running in parallel to achieving core organisational objectives and 6 with it being completely embedded in the process of achieving core organisational strategy? What are your reasons for this score?

3. Diversity and strategy

- Has there been a time when you believe diversity has achieved a strategic impact / added value to the organisation with diversity?
 - Can you describe what the impact was and why it was strategic?

- What did you do to make this happen?
- What did you influence others to do?
- What were the key challenges faced on the way (anything you did, others did, events)?
- What did you do to overcome the challenges?
- Looking to the future, what would be your top three aims for making a strategic impact with diversity in your organisation?
- Do you feel there are any potential risks in progressing equality and diversity and positioning it strategically?

4. Working with your senior diversity professional

- Has the role of your senior diversity professional changed since the appointment and first job description was made? If so – how and why do you think this has happened?
- How important do you believe it is for your senior diversity professional to have worked previously in your industry/sector to be successful in their diversity role? Why is this?
- Are you and the Board proactive in taking formal reviews of diversity progress as part of your strategic agenda?

- How does your senior diversity professional usually engage informally with
 - You and
 - The Board?
- How and why have you become involved with diversity work?
- Do you consider that your senior diversity professional has sufficient support, interest and engagement from (a) you personally and (b) from the Board?
- How do you judge the success of your senior diversity professional? (and do you and the Board contribute to their performance appraisal, remuneration or objective setting?)
- How does this compare with how the success and performance of other areas of the organisation is judged?

5. And finally...

- If you could change one thing or make one thing happen to help improve the contribution of diversity to this organisation's performance and success – what would it be?

Glossary of Terms

Diversity

This word has changed its meaning in the last decade and is used with a confusingly wide range of ill-defined senses. In this document we use it in two distinct ways. Here, diversity refers to:

1. Diversity in the workforce

The differences and similarities that exist amongst an organisation's workforce, potential employees, clients and other stakeholders. It includes – but is not limited to – the legally-defined groups: disability; gender, race, age, sexual orientation and religion and belief. When we talk of 'improving diversity' or 'achieving greater diversity' we refer to measures which help widen the range of these differences and similarities within an organisation.

2. Diversity policy

An organisation's ability to meet its legal obligations in ensuring equal opportunities for members of each of these groups and to move beyond this towards best practice. This can be seen, for example, in the phrase "reaching our diversity goals", which is likely to mean more than simply improving the diversity of the workforce. Diversity in this sense – as a shorthand for 'diversity policy' – has come to take on some of the meaning that 'equal opportunities' did a decade ago, especially when, for example, organisations refer to their 'diversity function' or 'diversity champion'.

Best practice requires an organisation to understand and value the complexity of diversity – that few individuals are defined by belonging to a single group and that not all individuals belonging to a group have the

same needs or aspirations. The best practice organisation:

- understands how diversity best practice can support its overall business objectives and what poor performance on diversity can cost the organisation;
- positions diversity as a business priority;
- values high performance and outputs;
- encourages all employees to reach their full potential – regardless of identity; and
- constantly works to overcome stereotypes and more subtle biases, prejudices and assumptions.

Equality and equal opportunities

'Equal opportunities' and 'equality' refer to practices that ensure everyone in the workplace has fair and equal chances to develop to their full potential. These concepts include the removal of barriers that may lead to discrimination and disadvantage experienced by certain groups. They include specific reference to the identity groups (or equality 'strands') covered by current anti-discrimination legislation in the UK – age, gender, sexual orientation, race, disability, religion and belief.

Senior diversity professional

For the purpose of this study, we have defined senior diversity professionals as individuals who:

- Hold a senior position responsible for development, direction and budget management of their organisation's high-level approach to diversity and equality goals;
- Have direct access to their senior decision-making body (Board level equivalent), with an influencing role on diversity and inclusion issues;
- Aim to make a strategic impact with equality and diversity within their organisation.

Executive

An individual employed at Board level or equivalent within an organisation.

Identity Groups

These refer to how an individual identifies their race, gender, age, sexual orientation, disability and religion/belief.

Legal Imperative (for diversity)

The legal imperative refers to the need to adhere to the boundaries and standards

set by current anti-discrimination legislation affecting organisations in their approaches to employment and product and service delivery.

Ethical Imperative (for diversity)

The ethical imperative refers to the argument that ensuring all individuals receive equal opportunities in accessing work, in reaching their potential in the workplace and in accessing products and services, is simply the right moral or ethical thing to do, often linked to individuals' personal values.

List of References

- ¹ For example, DLA & Personnel Today, 2003; Opportunity Now, 2001; Kandola & Fullerton, 1998; Ross and Schneider, 1992.
- ² Please see Appendix 1 for further information on the Diversity Professionals' Forum.
- ³ Please see Appendix 2 for the study methodology.
- ⁴ Please see the Glossary for a definition of the legal and ethical imperative for diversity.
- ⁵ City and Guilds, 2006.
- ⁶ Office of National Statistics, 2006.
- ⁷ TUC, April 2003; Equal Opportunities Commission, 2002.
- ⁸ www.stonewall.org.uk; www.opportunitynow.org.uk; www.efa.org.uk; www.bitc.org.uk/take_action/in_the_workplace/diversity/race/index.html; www.employers-forum.co.uk; www.efrb.org.uk
- ⁹ Equal Opportunities Commission, 2006
- ¹⁰ Op Cit.
- ¹¹ Commission for Racial Equality, 2007.
- ¹² Equal Opportunities Commission, 2006.
- ¹³ Op Cit.
- ¹⁴ Stonewall, 2007.
- ¹⁵ Disability Rights Commission, 2007.
- ¹⁶ Disability Rights Commission, 2005.
- ¹⁷ Employers' Forum on Age, 2007: www.efa.org.uk/age/facts.asp
- ¹⁸ Austin & Shapiro 1996.
- ¹⁹ Op Cit.
- ²⁰ Op Cit.
- ²¹ For example, Chemers, et al 1995; Jackson, S. & Associates, 1992; Thomas Jr., 1991.
- ²² Rutherford & Ollerearnshaw, 2002.
- ²³ European Commission, 2005.
- ²⁴ For example, DLA & Personnel Today, 2003; Ross & Schneider, 1992; Opportunity Now, 2001; Kandola & Fullerton, 1998.
- ²⁵ For example, Hubbard, 2004 and Centre for Strategy and Evaluation Services, 2003.
- ²⁶ CIPD, 2005; Kochan, 2003; Women and Equality Unit, 2003.
- ²⁷ Pope, 2004.
- ²⁸ Hubbard, 2004.
- ²⁹ Richard, et al, 2002; Richard & Johnson, 1999; Williams & O'Reilly, 1998.
- ³⁰ Kochan, et al, 2003.
- ³¹ Linking diversity performance to reward has also been adopted by the Civil Service. Following the Cabinet Office 10-Point Plan, the top civil servant in each Government Department has their compensation tied to diversity-related performance. For further information, please see www.civilservice.gov.uk/diversity/10_point_plan.
- ³² For example, Learning and Skills Council, 2007; Cornell University, 2007.
- ³³ Race for Opportunity is a network of private and public sector organisations working to promote the business case for race and diversity.
- ³⁴ Race for Opportunity, 2005.
- ³⁵ Opportunity Now is the employer led organisation run by Business in the Community to promote the quality and quantity of women's work and more women into senior organisational positions.
- ³⁶ Opportunity Now, 2002.
- ³⁷ Chartered Institute of Personnel and Development, 2006.
- ³⁸ See the benchmarks offered by Opportunity Now, Race for Opportunity, the Employers' Forum on Disability, Stonewall and the Employers' Forum on Age.
- ³⁹ Burrell & Morgan, 1980.
- ⁴⁰ Van Maanen, 1979.
- ⁴¹ www.diversityprofessionals.org.uk
- ⁴² We are grateful to Opportunity Now and the Employers' Forum on Disability for including articles on this research in communications with their members.
- ⁴³ Learning and Skills Council, 2007.

Bibliography

Austin, S. & Shapiro, G., 'Equality-Driven Employee Involvement', *Journal of General Management*, Vol. 21, No.4, Summer 1996, pp62-77.

Burrell, G. & Morgan, G., 'Sociological Paradigms and Organisational Analysis', 1980, *Heinemann*.

Centre for Strategy and Evaluation Services, 'The Costs and Benefits of Diversity', 2003.

Chemers, M.; Oskamp, S. & Costanzo, M., 'Diversity in Organizations', 1995, *Sage*.

CIPD, 'Diversity in Business: How Much Progress Have Employers Made – First Findings', June 2006.

CIPD, 'Managing Diversity – Linking Theory and Practice to Business Performance', 2005.

City and Guilds, Annual Review, 2006.

Commission for Racial Equality, 'Our Vision for an Integrated Britain', 2007.

Cornell University, 'The Competencies of the Diversity Professional', to be published in late 2007.

Disability Rights Commission, www.drc-gb.org/newsroom/key_drc_facts_and_/glossary/work.aspx

DLA & Personnel Today, 'Workforce Equality and Diversity – Integral to the Business Agenda', 2003.

Employers' Forum on Age, www.efa.org.uk/age/facts.asp

Equal Opportunities Commission (a), 'Sex and Power – Who Runs Britain?', 2006.

Equal Opportunities Commission, 'Facts About Great Britain', 2006.

Equal Opportunities Commission, 'Women and Men in Britain: Management', 2002.

Focus Consultancy & The Conference Board, 'The Business Case for Diversity – Good Practices in the Workplace', 2005,

European Commission.

Hubbard, E., E., 'The Diversity Scorecard: Evaluating the Impact of Diversity on Organizational Performance', 2004, *Elsevier, Butterworth, Heinemann*.

Jackson, S. & Associates, 'Diversity in the Workplace', 1992, *Guildford Press*.

Kandola, R. & Fullerton, J., 'Diversity in Action', 1998, *CIPD*.

Kochan, T., 'The Effects of Diversity on Business Performance: Report of the Diversity Research Network', *Human Resource Management Journal*, Spring 2003.

Kochan, T., A., 'The Effects of Diversity on Business Performance', *Human Resource Management Journal*, Spring 2003.

Learning and Skills Council, 'An Association for Equality and Diversity Practitioners: A Focus Feasibility Study,' March 2007.

Madouros, V., 'Projects of the UK Labour force, 2006-2020', *Office of National Statistics*, January 2006.

Opportunity Now, 'Gender Champions Making the Case' 2002.

Opportunity Now, 'Equality and Excellence: The Business Case', *Business in the Community*, 2001.

Pope, A., 'Diversity Key in Strategic Planning', *American Water Works Association Journal*, 2004, 96, pp63-64.

Race for Opportunity, 'Leadership, Ownership and Commitment', 2005.

Richard, O. C. & Johnson, N. B., 'Making the Connection Between Formal Human Resource Diversity Practices and Organizational Effectiveness: Beyond Management Fashion', *Performance Improvement Quarterly*, 1999, 12, pp77-96.

Richard, O. C.; Kochan, T. A. & McMillan-Capehart, A., 'The Impact of Visible Diversity on Organizational Effectiveness:

Disclosing the contents in Pandora's black box', *Journal of Business and Management*, 2002, 8, pp1-26.

Ross, R. & Schneider, R., 'From Equality to Diversity', 1991, *Pitman Publishing*.

Rutherford, S. & Ollerearnshaw, S., 'The Business Case of Diversity', *Schneider-Ross*, 2002.

Stonewall, 'Living Together: British Attitudes to Lesbian and Gay People, 2007.

Thomas, Jr., R., 'Beyond Race and Gender', 1991, *Amacom*.

Trades Union Congress, 'Black Voices at Work' 2003.

Van Maanen, J., 'Reclaiming Qualitative Research for Organizational Research: A Preface.', *Administrative Science Quarterly*, Vol. 24., No. 4., December 1979.

Williams, K. & O'Reilly, C.A., 'Demography and Diversity: A Review of 40 Years of Research', in B. Staw and R. Sutton (Eds), 'Research in Organizational Behaviour', 1998, Vol, 20., *Greenwich, CT: JAI Press*.

Women and Equality Unit, 'Business Case for Diversity and Equality', 2003. *DTI*.

Diversity Professionals' Forum

www.diversityprofessionals.org.uk

Study researchers and authors

Dr. Gillian Shapiro

www.shapiroconsulting.co.uk

Melanie Allison

www.embankment.biz

Report designed by

Suzie Johanson

hoop@greensys.co.uk

Report edited by

Tom Hampson

www.thepresscompany.com

Copyright www.diversityprofessionals.org.uk

December 2007 © ®