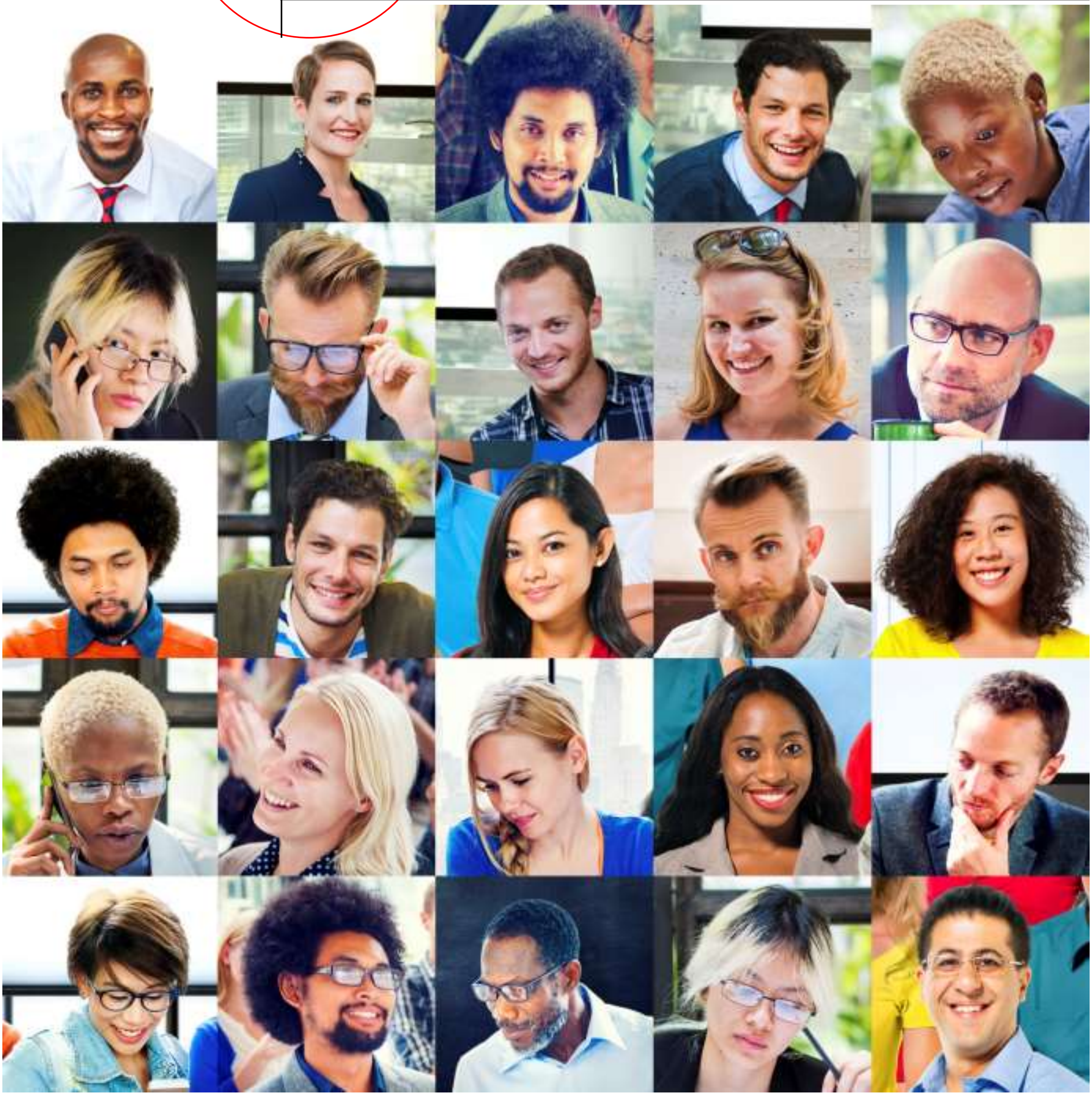
Time for Genuine Diversity

...keeping the issue in mind



A Quora Consulting Report

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Table of contents

Introduction

Every workplace related conference, event or seminar these days features a presenter droning on about the 'war on talent' – dire warnings of a looming crisis in labour availability. The one thing in common with all of these 'expert' commentators is that unanimously none of them offer resolution to this impending apocalypse.

We have undertaken some tangible quantitative research into the potential magnitude of this looming Armageddon and, importantly, how to address the challenge.

There are 13.5 million jobs going to be advertised over the next decade and less than 7 million people leaving schools and universities.

Our research started with gleaning hard metrics on the scale of the challenge. Working with the UK's Department for Work & Pensions (DWP), we studied how many jobs have been publicly advertised over the last twelve months. Extrapolating this forward over the next decade, this equated to 13.5 million jobs. We then took publicly available data from the Office of National Statistics (ONS) on the number of people leaving schools and universities over that same decade … and this equates to less than 7 million people.

So, this exposes the challenge of a 650.000 per year talent shortfall. The most obvious answer to addressing this is by expanding the diversity and inclusion of a workforce – tapping into the substantial labour pools that are currently not part of the current workforce or who are currently under-employed.

However, this is not without its hurdles – we cannot encourage people into the workplace with today's bland vanilla 'one-size-fits-all' generic design approach.

The important overarching principle is that no-one can talk with any degree of impunity about the future of work

Work is a hugely complex ecosystem with massively complex interactions between HR policies, IT technologies, real estate, management cultures, and 'messy people'. Each of these silos have massively diverging objectives, KPIs, metrics, timelines, and even different languages. Furthermore, people are messy, not because we spill our coffee or leave yesterday's sandwiches on the desk, but because we have 7 billion entirely unique individuals sharing our planet.

There are no two individuals who are alike. Every last person has different likes and dislikes. And there's no one single commonality between any of us. Some of us find the office environment too noisy, others don't care, some find it too hot, others find it too cold, some struggle with the quality of light…etc. etc.

Consequently, accommodating this new workforce by expanding diversity and inclusion cannot be confined to mere policies and HR initiatives.

It must also take into consideration the design and configuration of the physical workplace

The financial advantage

Our latest research reinforces the link between diversity and company financial performance – and suggests how organisations can craft better inclusion strategies for a competitive edge.

Awareness of the business case for inclusion and diversity is on the rise. While social justice typically is the initial impetus behind these efforts, companies have increasingly begun to regard inclusion and diversity as a source of competitive advantage, and specifically as a key enabler of growth. Yet progress on diversification initiatives has been slow. And companies are still uncertain about how they can most effectively use diversity and inclusion to support their growth and value-creation goals.

Our latest study of diversity in the workplace, delivering through diversity reaffirms the global relevance of the link between diversity – defined as a greater proportion of women and a more mixed ethnic and cultural composition in the leadership of large companies – and company financial outperformance. The new analysis expands on our 2002 research by drawing on an enlarged data set of 1,346 companies covering 12 countries, measuring not only profitability (in terms of earnings before interest and taxes, or EBIT) but also longer-term value creation (or economic profit), exploring diversity at different levels of the organisation, considering a broader understanding of diversity (beyond gender and ethnicity), and providing insight into best practices.

Diversity and financial performance in 2017

In the research, using 2014 diversity data, we found that companies in the top quartile for gender diversity on their executive teams were 15 percent more likely to experience above-average profitability than companies in the fourth quartile. However, in our expanded 2017 data set this number rose to 21 percent and continued to be statistically significant. For ethnic and cultural diversity, the 2014 finding was a 35 percent likelihood of outperformance, comparable to the 2017 finding of a 33 percent likelihood of outperformance on EBIT margin; both were also statistically significant (Figure 1).

Several other findings on gender diversity, ethnic diversity, and diversity around the world are also interesting.

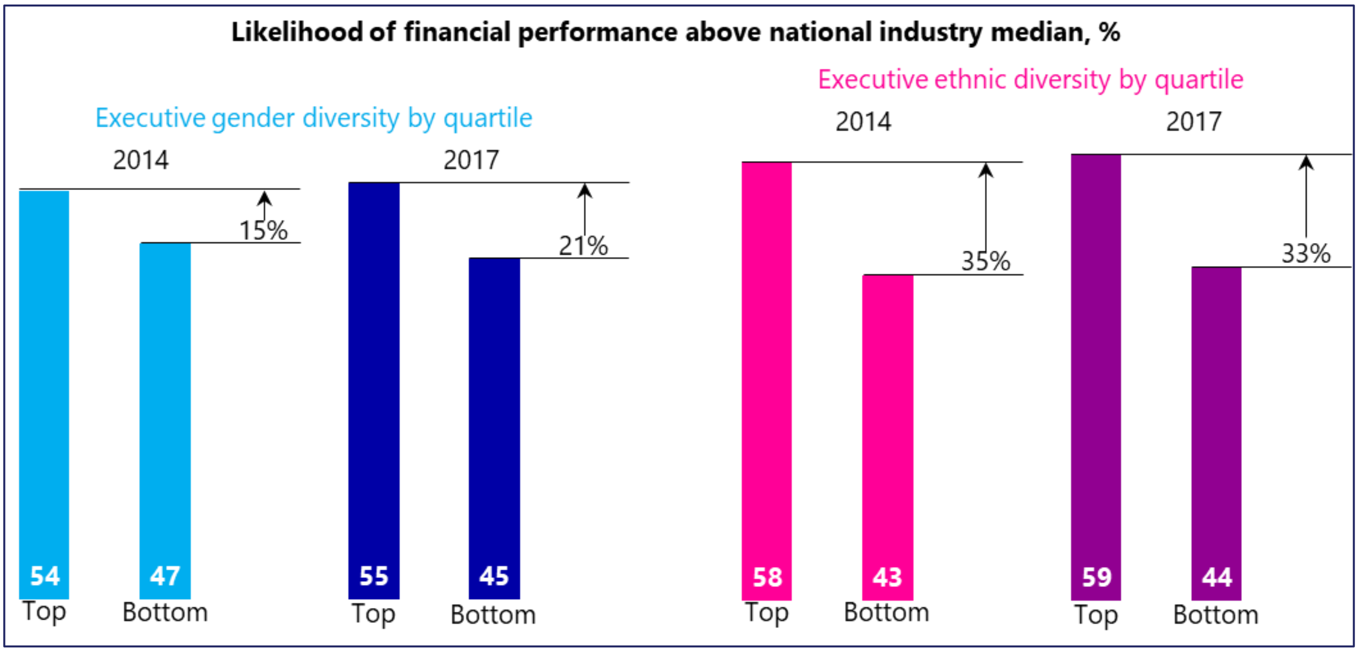


Figure 1 Gender and ethnic diversity are clearly correlated with profitability, but women and minorities remain underrepresented

Gender diversity

Gender diversity is correlated with both profitability and value creation. In our 2017 data set, we found a positive correlation between gender diversity on executive teams and both our measures of financial performance: top-quartile companies on executive-level gender diversity worldwide had a 21 percent likelihood of outperforming their fourth-quartile industry peers on EBIT margin, and they also had a 27 percent likelihood of outperforming fourth-quartile peers on longer-term value creation, as measured using an economic-profit margin (Figure2). operational decisions are made – play in the financial performance of a company.

Executive teams of outperforming companies have more women in line roles versus staff roles. We tested the hypothesis that having more women executives in line roles (typically revenue generating) is more closely correlated with financial outperformance. We know from research that women are underrepresented in line roles. In our data set, this holds true even for top-quartile gender-diverse companies experiencing above-average financial performance.

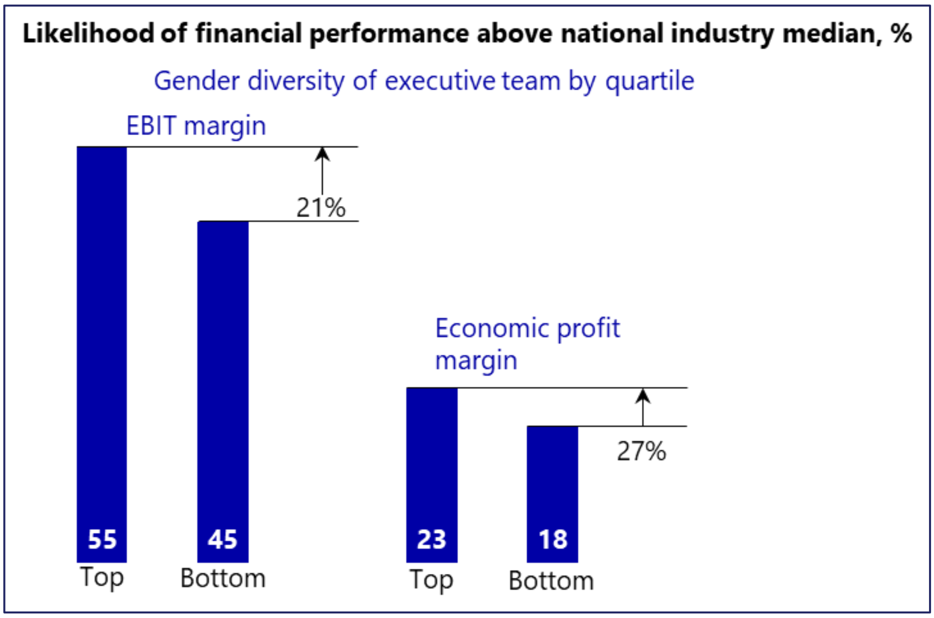


Figure 2 Gender diversity on executive teams is strongly correlated with profitability and value creation

For gender, the executive team shows the strongest correlation. We found that having gender diversity on executive teams, specifically, to be consistently positively correlated with higher profitability across geographies in our data set, underpinning the role that executive teams – where the bulk of strategic and

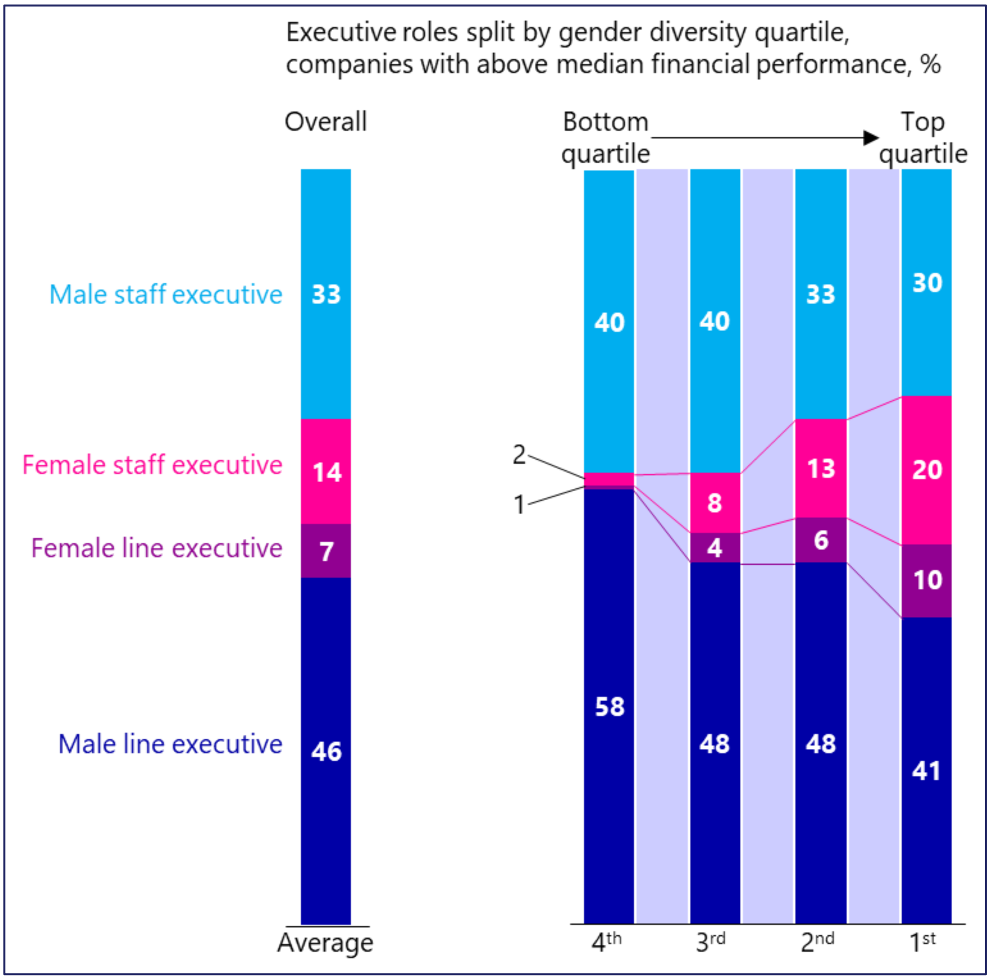


Figure 3 Even among top-quartile companies, women executives are more likely to occupy staff roles than line roles

Yet these top-quartile companies also have a greater proportion of women in line roles than do their fourth-quartile peers: 10 percent versus 1 percent of total executives, respectively (Figure 3).

Ethnic and cultural diversity

Top-team ethnic and cultural diversity is directly correlated with profitability. In our 2017 data set, we looked at racial and cultural diversity in six countries where the definition of ethnic diversity was consistent, and our data were reliable. As in 2014, we found that companies with the most ethnically diverse executive teams – not only with respect to absolute representation but also of variety or mix of ethnicities – are 33 percent more likely to outperform their peers on profitability. That's comparable to the 35 percent outperformance reported in 2014, with both figures being statistically significant (Figure 4).

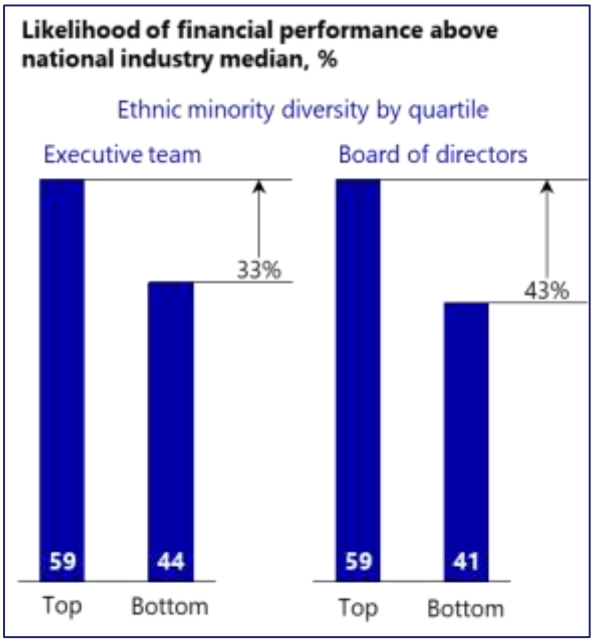


Figure 4 Ethnic diversity in the executive team and board correlates with stronger profitability

The penalty for not being diverse on both measures persists. Now, as previously, companies in the fourth quartile on both gender and ethnic diversity are more likely to underperform their industry peers on

Corporate leaders increasingly accept the business imperative for diversity and inclusion, but most wonder how to make it work for their firms and support their growth and value creation goals.

profitability: 29 percent in our 2017 data set. and cultural diversity on executive teams is low. We focused on our US and UK data sets to examine ethnically and culturally diverse representation among US and UK companies, considering the pipeline starting with university graduates.

Black Americans comprise 10 percent of US graduates but hold only 4 percent of senior-executive positions

Black Americans comprise 10 percent of US graduates but hold only 4 percent of senior-executive positions, Hispanics and Latinos comprise 8 percent of graduates versus 4 percent of executives, and for Asian Americans, the numbers are 7 percent of graduates versus 5 percent of executives. In the United Kingdom, the disparity is even greater: 22 percent of university students identify as Black, Asian, and minority ethnic (BAME), yet only 8 percent of UK executives in our sample do.

Black women executives are underrepresented in line roles and may face a harder path to CEO. As discussed, within our US and UK data sets, overall representation of women on executive teams shows an apparent bias toward staff roles.

Among our US sample, not only do women hold a disproportionately small share of line roles on executive teams but also women of colour (including Asian, black, and Latina women) hold an even smaller share.

Line roles versus staff roles on executive teams tend to differ in their ability to propel individuals towards the CEO position, with line roles the more likely incubators of future CEOs. In our US sample, black female executives, specifically, are more than twice as likely to be in staff roles than in line roles, and our sample denotes an absence of black female CEOs.

Other studies have found that black women suffer a double burden of bias that keeps them from the uppermost levels of corporate leadership.
Underrepresentation on executive teams in general, and in line roles in particular, could be an important piece of this story.

Diversity matters in the workplace

It is an important social issue and a performance imperative. More diverse top-management teams benefit from a richer decision-making dialogue, which can directly contribute to better financial performance.

However, in most organisations, the entire topic of diversity is poorly understood. The topic goes way beyond the classic gender diversity, it embraces race diversity and, importantly neurodiversity.

The case for change

Our research has examined both the impact of having more women in senior-management positions on business performance and the potential for greater female participation in the workforce to unlock growth in the global economy.

Women lead in different ways than men

Early in our research, we suggested that one of the reasons that companies with a higher proportion of senior women in their ranks might perform better was that men and women display different, but equally valuable, leadership behaviours.

> Women tend to encourage a more participatory decision-making process.
> Men tend to take corrective action more frequently when objectives are not achieved to bolster the coordination and control of organisational health.

Drawing on research in behavioural psychology and the organisational health of a company, we showed that women tend to encourage a more participatory decision-making process, such as improving the working environment of organisational health. Men tend to take corrective action more frequently when objectives are not achieved to bolster the coordination and control of organisational health.

Not all women and men can fall into these categories, of course. Nevertheless, our research has shown a strong correlation between the organisational health of a company and financial performance.

The risk of our research into leadership behaviour was that it would be seen as stereotyping women and men, unhelpfully accentuating differences at a time when many women were struggling to establish themselves in the workplace by emphasising that they were no different. But the corporate world now embraces the notion of diversity and acknowledges the value of different perspectives, backgrounds, experience, and even leadership styles.

The evidence is very strong that diverse teams outperform homogeneous teams, whether these are all-male or all-female teams. This occurs across all kinds of different dependent variables, from creative problem solving to analytical tasks to communication skills. Diversity helps because we have a complementarity of different perspectives, or collective intelligence.

Economic potential

It is important to clearly state that discrimination is neither accepted nor tolerated, and to leave no room for ambiguity,

If women equally participated in the global economy, they could generate additional GDP worth £28 trillion by 2025.

That amount is roughly equivalent to the size of the Chinese and US economies combined.

Our survey drawn from our 2010 data set had expanded to 2,791 companies spanning 48 countries found that those with the greatest proportion of women on their executive committees earned a return on equity 47 percent higher than did those with no female executive members.

If women equally participated in the global economy, they could generate additional GDP worth £28 trillion by 2025. That amount is roughly equivalent to the size of the Chinese and US economies combined.

By 2015, our data set had further expanded to 95 countries and we found that women generated just 37 percent of the GDP, even though they accounted for approximately 50 percent of the working-age population. Lower workforce participation explained most of the gap. But the fact that women often work part time and in less productive areas of the economy, such as agriculture, also counts.

To be clear, the report recognises that for a variety of reasons, not least cultural norms, women are unlikely to participate equally in the economy in the foreseeable future. But it nevertheless indicates the potential prize, even with only moderate progress. That prize is likely to be particularly valuable in countries where population aging threatens economic growth. A best in region scenario, where countries match the rate of improvement of the fastest-improving country in their region, could add as much as £12 trillion, or 11 percent, to the annual 2025 GDP.

The barriers to change

What do we now know about why inequality persists in the workplace?

> Our study tracked ten indicators of women's position relative to men in society, such as **education**, **health**, **safety**, **political voice**, and **financial** and **digital inclusion**

Our study tracked ten indicators of women's position relative to men in society, such as education, health, safety, political voice, and financial and digital inclusion, as well as five indicators of equality in the world of work. Broadly speaking, the better their standing in society, the better their relative situation in the workplace. There is almost no country in the world where equality in the workplace outstrips that of women in society.

This fact highlights the power governments have to instigate change, be it by introducing laws that protect women's rights, ensuring that girls have a good education, or offering financial support in the form of paid maternity leave, publicly funded childcare, or tax incentives to encourage both partners in a family to work. Much of our work has sought to understand the specific barriers to female leadership within business and hence the actions corporations can take to help lower them.

Not just a glass ceiling

Female representation, we have found, is not just a problem at the top. It remains an issue at each stage of the corporate pipeline, with the odds stacked particularly highly against Asian, Black, and Latina women, as well as other women of colour.

Lack of promotion

Some things change. In 2002, we cited research suggesting that women fail to make headway in their careers because they are less ambitious, do not seek promotion, or choose to drop out of the corporate pipeline.

Subsequent research has quashed those ideas.

In 2013, we found the great majority of mid- and senior-level women interviewed for a global survey (79 percent) were keen to reach a top-management position – much the same proportion as men.

Our latest research showed that **74%** of women and **80%** men want promotion to the next level

Our latest research showed that **74** percent of women and **80** percent of men want promotion to the next level.

That said, women are markedly less confident of fulfilling their ambitions, and perhaps justifiably so. They are less likely than men to receive promotions, even though they ask for promotions at similar rates.

Getting on the first management rung is the hardest. Entry-level women are 18 percent less likely to receive promotions than are their male colleagues, according to our latest report.

One concern in the more recent findings is particularly noteworthy. Fewer women than men are interested in reaching the highest corporate echelons. We can still only speculate why. Is the top job not appealing? Or is it too hard to get?

The women we surveyed stressed how this – coupled with the need to make themselves available anytime, anywhere to show they were serious about work – was a major barrier to their advancement

Domestic burden

Some things do not change. At the outset of our research in 2002, we highlighted women's double burden – their relatively greater responsibility for household chores while holding down a job. In Europe at that time, women spent twice as long on household duties as men.

The women we surveyed stressed how this – coupled with the need to make themselves available anytime, anywhere to show they were serious about work – was a major barrier to their advancement.

Their burden has not become much lighter. Our latest research found that more than half of the women surveyed do all or most of the household work. And women with children and partners are 5.5 times more likely to do all or most of the household work than are men in the same family situation. Not surprisingly, we also found that women who do most of the housework have lower aspirations to climb to the highest rungs of the corporate ladder compared with women who share the responsibility.

Unconscious biases

In the 'bad old days', many companies said a lack of high-calibre candidates explained their failure to recruit women or promote them to senior positions. This excuse no longer washes.

Most people now understand that biases can undermine women's success. Our work has examined some of them. The performance-evaluation bias, for example, means men tend to be evaluated more on their potential and women more on their achievements to date. Women also tend to receive less credit than men for success and more criticism for failure.

For their part, women are often less assertive than men and underplay their contributions. The maternal bias triggers assumptions that mothers have less commitment to their careers; therefore, they are held to higher standards and receive fewer leadership opportunities.

Accelerating change

The insights previously described have fuelled the many actions that companies are taking to advance equality in the workplace.

These include offering bias-training courses; taking steps to ensure that recruiting, performance, and promotion processes are fair; working to help employees balance their work and home

lives, such as offering extended parental leave, flexible working conditions, and childcare support; and looking hard at the data to understand where in the pipeline women get stuck. All these actions are important to promote the kind of inclusive culture in which companies thrive, although priorities can differ in different geographies depending on sociocultural context. At this juncture, two recommendations consistently made in our ten years of research stand out as vital to accelerate change.

Tracking and accountability

Results from the eight European countries that impose female quotas on corporate boards are instructive.

> In the absence of quotas, progress rests on measuring diversity, being open about progress, and holding people accountable

Female board-member representation in them today ranges between 33 and 40 percent, compared with an average of 17 percent in G-20 countries. Some observers, however, fear that quotas promote symbolic effort and therefore fail to build female-leadership capacity.

Others have come to see quotas as uncomfortable, but necessary, transitional steps. Change in France for instance is happening on boards because of the law. It is not happening in executive committees because quotas do not apply there.

In the absence of quotas, progress rests on measuring diversity, being open about progress, and holding people accountable.

Companies with the best records for female representation share their metrics with all employees, but such transparency is rare.

85% of companies track female representation at each level however less than half say they hold senior managers accountable for improving gender metrics, and fewer still set targets of any description.

While our latest study shows 85 percent of companies track female representation at each level, less than half that number say they hold senior managers accountable for improving gender metrics, and fewer still are bold enough to set targets of any description.

Leadership from the top

Senior-management leadership has been a constant theme of our seventeen-year journey. However, although 90 percent of companies proclaim a commitment to gender equality, the message is not getting through.

Only half of the employees surveyed in our 2017 research think their companies are highly committed to gender equality; the majority do not see senior managers taking steps to improve matters. This is bad news, as managers lower in the organisation are most likely to influence women's career progression and ambition. It is they who determine how widely policies are adopted. And women are more likely to receive promotions when managers act as their advocates, give them assignments that stretch their roles, and advise them on career advancement. Given that so many managers are male, it is clear why senior leaders must encourage more men to invest in gender diversity.

The time for wavering is over; companies need leaders who are prepared to shout from the rooftops that gender diversity matters and make it happen.

Understanding Neurodiversity?

Neurodiversity is a relatively new term that refers to people who have dyslexia, autism, ADHD, dyspraxia and other neurological conditions. These are 'spectrum' conditions, with a wide range of characteristics, but which nevertheless share some common features in terms of how people learn and process information.

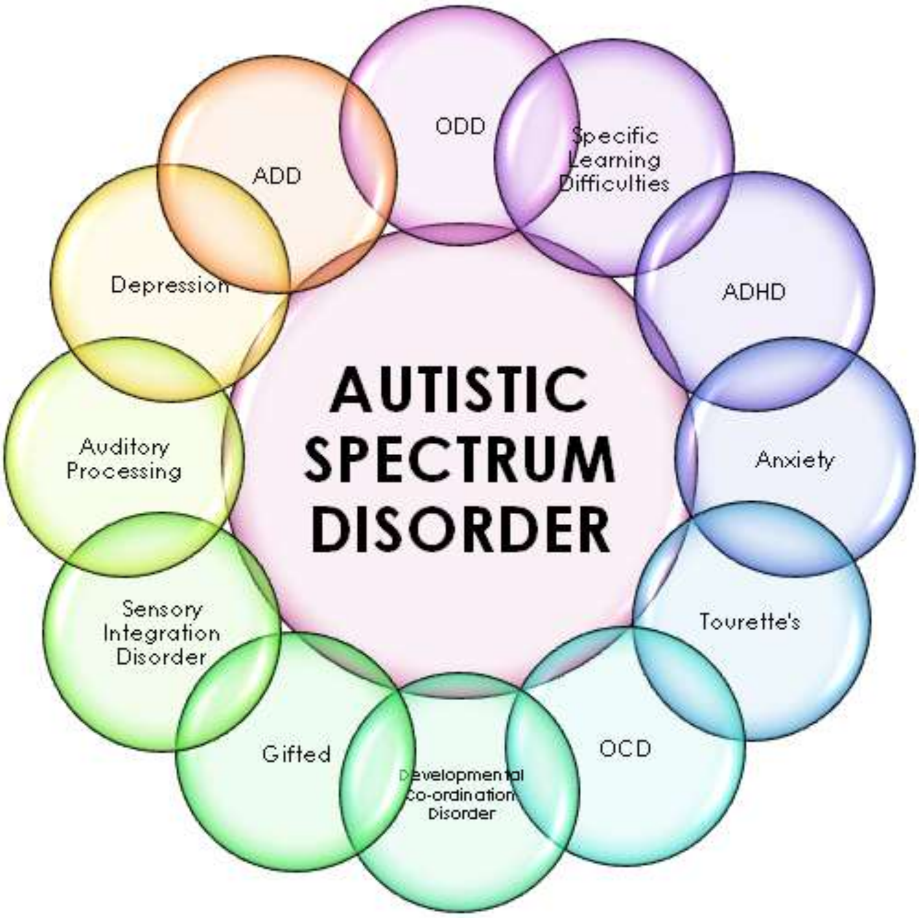
Order of magnitude

There are circa **300,000** people in the UK on the autism spectrum disorder (ASD) and not currently working. Easily 10% or **30,000** want to work and are perfectly capable of working

According to official data, there are approximately 300,000 people in the UK on the autism spectrum disorder (ASD) and not currently working.

Easily, 10 percent or 30,000 people want to work and are perfectly capable of working given the right empathetic workplace environment.

This represents a tremendous additional labour force that can bring new skills to any organisation.



What is “Neurodiversity”?

What’s known as the ‘neurodiversity paradigm’ has helped reframe how neurodivergence is understood and talked about – highlighting common strengths as well as challenges, recognising the significant variation even within a specifically understood demographic such as ‘dyspraxic’ or ‘autistic’, and presenting neurodiversity as a natural form of human diversity.

The progress of changing societal understanding and attitudes has been slow – it’s shocking to note that as recently as the 1970s, homosexuality was considered a mental disorder in the Diagnostic and Statistical Manual of Mental Disorders.

Other cultural forces have to this point often been limiting factors to our understanding and appreciation of neurodiversity. The common simile of a human brain is that of a machine – one that is either ‘fixed’ or ‘broken’, with an implicit ‘right’ way to operate.

Meanwhile, the IQ test – ubiquitous and barely challenged for 100 years – reflects a popular (mis)conception that human intelligence is fixed, on a linear scale. In the 1980s, Harvard professor Howard Gardner argued, instead, that we may be better off thinking of each of us as having

> A good way of thinking about the Autistic Spectrum is to consider of each of us as having ‘multiple intelligences’ – including visual-spatial, interpersonal, logical, musical and kinaesthetic.

‘multiple intelligences’ – including visual-spatial, interpersonal, logical, musical and kinaesthetic. Gardner’s ‘MI’ theory has since been given support and validation from more recent neuroscientific studies that demonstrate that such functions relate to different parts of the brain. It may be better, then, to think of human neurocognitive styles as operating across multiple continuums of competence – rather than on single lines such as between ‘able’ and ‘disabled’, or between ‘less intelligent’ and ‘more intelligent’.

When we describe people as ‘neurodivergent’, then, we are talking about people who in one or several respects have a thinking style at the edges of one or more of these continuums, with a brain ‘that functions in ways that diverge significantly from the dominant societal standards of “normal”’. Previously, society has tended to treat these alternative thinking styles as disorders – conditions diagnosed most often in childhood, by a deficit model – focusing on what the child struggles with, when compared with their peers. This has led, unsurprisingly, to a preoccupation with finding ways to help the neurodivergent individual better ‘fit in’ – effectively, to act and function as closely as possible to a ‘neurotypical’, in what are societies shaped only for the latter. There has been much less focus or appreciation on the true and often unique capabilities of such individuals, who though they may struggle with one task type, can excel in others.

We're all somewhere on the spectrum

There is an increasing body of evidence that suggests every single one of us is actually somewhere on the neurodiversity spectrum – it's just a matter of classification and societal norms.

Some of these conditions are referred to as 'Specific Learning Difficulties' (SpLD). 'Neurodiversity' is a broader reference to the diversity of the human brain and people's 'neurocognitive functioning' and, unlike the SpLD title, reflects the fact that these conditions are not solely related to learning and also that they can confer strengths as well as weaknesses.

New research has approached this subject of 'neurodiversity' specifically within the context of employment and the workplace. It seeks to identify policies and practices which help people with these conditions get work and flourish within a diverse workforce. It is based on case studies of organisations who are good practice employers in many ways, coupled with expert testimony from a number of practitioners operating in the field. Many of these experts have also contributed posts to a series of themed blogs to accompany the publication of the research.

Across the research, some common themes are in evidence

Problems with underperformance are particularly likely to arise where managers are not aware of somebody's neurological condition. Disclosure can be very helpful in preventing performance issues – but this needs to be handled carefully. A working environment in which employees are accepted and have the chance to play to their strengths is key.

When dealing with performance issues, there is a need to be sensitive and conscious of the extent to which the employee needs guidance (or alternatively wishes to input into the process themselves). Clear communications are crucial, and these should focus on the individual's strengths as well as their areas of weakness.

Recruitment processes can be a potential barrier to neurodiversity and care should be taken to avoid being discriminatory – simple solutions include offering multiple application methods, avoiding ambiguous/generic job adverts, setting only relevant tasks at the interview stage and ensuring that the selection process gives candidates the chance to demonstrate their abilities in different ways.

Greater awareness can help. Employers should be proactive in providing information on neurodiversity for those with neurological conditions as well as for those without. Employees with certain conditions are not always fully aware of the ways in which it might affect their ability to perform particular work tasks. In particular, having access to a network of employees can be an invaluable source of information and support.

Some aspects of good support and management apply to all employees generally, not just those with neurological conditions: giving clear instructions, ensuring staff are not overloaded, providing a working environment that is free of distractions. Allowing staff to channel themselves into tasks where they can excel rather than demanding that they continue to perform tasks where they are less suited can benefit the majority. Placing too much emphasis on 'all-round' generic competencies can disadvantage staff with neurological conditions who may have highly-specialised skills that could be harnessed differently.

Other practices do require tailoring to the individual, for example, in the case of autistic staff, leading discussions and solutions-finding, communicating unambiguously and providing advance notice of changes so that individuals can be fully-prepared. In providing appropriate support, think not just about employees' roles and their work environments but about a wider range of situations e.g. training. And bear in mind that these are spectrum conditions and that characteristics will vary across individuals and how they cope with the associated characteristics of their condition over time.

To be neurodiversity smart, firms should strive to develop a language and acceptance of neuro-difference, and to celebrate and leverage neurodiverse strengths while taking steps to accommodate – and not belittle – any specific challenges that an individual may face.

The potential merits of having a neurodiverse workforce should not be overlooked. Positive attributes commonly associated with this group include creativity, lateral thinking, bringing a 'different perspective', development of highly specialised skills and the consistency in tasks once mastered.

Provided ways of minimising any areas of weakness can be put in place, employers should be attuned to the possible benefits and even the competitive advantages that may be possible from having employees who think differently.

Case study

For over two years we have been working with one of the largest composite insurance companies to help them incorporate a small neurodiverse team into their workforce and the results have been staggering.

A ten-strong team of neurodiverse people have identified over £400 million of fraudulent claims.

Located in special sensory aware area, over the last full year, a team of ten people on the neurodiversity spectrum have been studying spreadsheets to identify insurance fraud that would otherwise have been missed using normal business practices. This ten-strong team have identified over £400 million of fraudulent claims.

Keeping neurodiversity in mind

The term 'neurodiversity' itself only entered the lexicon as recently as the mid-90's but it describes a reality that is time immemorial. Put simply, it's about the diversity of human brains; recognition of that fact that we are differently 'wired' and don't necessarily think alike. Proof positive are those with dyslexia, autism, ADHD, dyspraxia; minority 'neurotypes' with a range of characteristics that share some common features in terms of how people learn and process information.

It's a reminder of the simple fact that a person's competence doesn't exist in a social vacuum – rather, it's defined by the values of the culture to which we belong. And one might think this doubly true of the workplace, which reflects and even amplifies our wider culture, with its emphasis on certain standardised forms of behaviour. Two examples spring to mind:

1. Aspects of autism may be seen as at odds with the current corporate fixation on so-called 'emotional intelligence'
2. Dyslexia violates the business orthodoxy that everybody should be inherently, effortlessly literate.

Hiring in mind

Through case studies of organisations who are good practice employers, coupled with expert testimony from practitioners in the field, the research seeks to identify policies and practices which can help staff with neurological conditions to flourish within diverse workforces. The study underlines the significance of neurodiversity for workplace relations – in two main ways.

First, it's about recognising and untapping this group's latent potential. Positive attributes commonly associated with 'neurodivergent' staff highlighted by the research include creativity; lateral thinking; bringing a 'different perspective'; development of highly specialised skills, and; the consistency in tasks once mastered. Key to being able to harness these positive traits is:

1. Having enough flexibility in job roles to allow individuals to play to their strengths, rather than a rigid approach which takes no account of comparative advantage. Placing too much emphasis on 'all-round' generic competencies can disadvantage staff with neurological conditions who may have highly-specialised skills that could be harnessed differently.
2. Raising awareness among managers and staff, including those with neurological conditions themselves. People are not always fully aware of the ways in which their condition might affect their ability to perform particular work tasks. Setting up networks of employees can be especially helpful here; the research shows these to be an invaluable source of information and support.

The second area of significance for workplace relations has to do with mitigating performance management issues. The research is clear that problems with underperformance are most likely to arise where managers are not aware of somebody's neurological condition. Disclosure can therefore be very helpful in minimising the risk of avoidable performance management issues arising. Job roles can often then be adjusted to reduce the need for the individual to carry out tasks that are more difficult for them or they can be provided with adaptations to help them perform particular tasks (the research contains a number of good examples). But disclosure needs to be handled carefully and is unlikely to be a panacea in unsupportive workplaces where awareness of neurological conditions is low.

There is perhaps a tendency for those with an inclusive approach to neurodiversity to drift towards presenting an idealised view of the world and to disregard the fact that many of the characteristics of a person's neurological condition will have a bearing on their management of working life. The answer must be around creating a working environment which is sufficiently flexible that all employees can benefit.

From an employer perspective, this is not necessarily a question of social conscience but of being attuned to the possible benefits (and even the competitive advantages) that may be possible from having employees who think differently. Things may be set to change by default if we consider how the digital revolution has the potential to reshape utterly our familiar notions of work, production and value - and with it, our definitions of human competence.

Summary

Progress has been painfully slow. The 1,346 companies in our 2002 research have increased average gender representation on their executive teams by merely 2%, and ethnic and cultural diversity by a meagre 1%.

Since our first diversity report was published in 2002, we have seen a rapidly growing awareness of the business case for diversity and inclusion. Widely cited, the original report has influenced diversity and inclusion policy-setting and transformation efforts by corporations, the public sector, and third-sector organisations worldwide. While social justice, legal compliance, or maintaining industry standard employee environment protocols are typically the initial impetus behind these efforts, many successful companies regard diversity and inclusion as a source of competitive advantage, and specifically as a key enabler of growth.

Yet progress has been slow. The 1,346 companies in our 2002 research have increased average gender representation on their executive teams by merely 2 percentage points, to 14%, and ethnic and cultural diversity by a meagre 1 percentage point to 13%.

What's more, many companies are still uncertain as to how they can most effectively use diversity and inclusion to support their growth and value creation goals.

Delivering through diversity both tackles the business case and provides a perspective on how to act on diversity and inclusion to impact growth and business performance. Our latest research reaffirms the global relevance of the correlation between diversity (defined here as a greater proportion of women and ethnically/culturally diverse individuals) in the leadership of large companies and financial outperformance. The research is based on a large data set of over 2,000 companies covering 12 countries and using two parallel measures of financial performance – profitability (measured as average EBIT margin) and value creation (measured as economic profit margin). As importantly, we studied the diversity and inclusion efforts of 57 companies representing all major regions and multiple industries to have a more granular view of where in the organisation diversity matters most, and crucially, how leading companies have successfully harnessed the potential of diversity and inclusion to help meet their growth objectives.

Re-examining the business case for diversity and inclusion, we found:

- The relationship between diversity and business performance persists. The statistically significant correlation between a more diverse leadership team and financial outperformance demonstrated just three years ago continues to hold true on an updated, enlarged, and global data set.
- Leadership roles matter. Companies in the top-quartile for gender diversity on executive teams were 21% more likely to outperform on profitability and 27% more likely to have superior

value creation. The highest-performing companies on both profitability and diversity had more women in line (i.e., typically revenue-generating) roles than in staff roles on their executive teams.

- It's not just gender. Companies in the top-quartile for ethnic/cultural diversity on executive teams were 33% more likely to have industry-leading profitability. That this relationship continues to be strong suggests that inclusion of highly diverse individuals – and the myriad ways in which diversity exists beyond gender (e.g., LGBTQ+, age/generation, international experience) – can be a key differentiator among companies.
- There is a penalty for opting out. The penalty for bottom-quartile performance on diversity persists. Overall, companies in the bottom quartile for both gender and ethnic/ cultural diversity were 29% less likely to achieve above-average profitability than were all other companies in our data set. In short, not only were they not leading, they were lagging.
- Local context matters. On gender, while there is plenty more to do, some companies lead the way in both absolute average diversity and representation in top-quartile – UK, and US companies make up over 70% of this group. On ethnicity, there is less global progress, but Asian companies have a higher representation in the top-quartile versus overall representation in data set, suggesting material progress on ethnic diversity.

Lessons learned from the 57 leading companies we studied – among those that are engaging effectively with diversity and inclusion – support our earlier perspective on what likely drives the relationship with performance: that more diverse companies are better able to attract top talent; to improve their customer orientation, employee satisfaction, and decision making; and to secure their license to operate. While progress has been slow on average, individual companies have made real strides in improving their diversity and inclusion outcomes and in effectively using these results to influence business outcomes. From their experiences, we identified four imperatives for delivering impact through diversity and inclusion:

- Commit and cascade. CEOs and leaders must articulate a compelling vision, embedded with real accountability for delivery, and cascade down through middle management.
- Link diversity and inclusion to growth strategy. The diversity and inclusion priorities must be explicitly defined based on what will drive the business growth strategy. Leading companies do this in a data-driven way.
- Craft an initiative portfolio. Initiatives in pursuit of the diversity and inclusion goals should be targeted based on growth priorities, and investments made to both hard- and soft-wire the programs and culture of

inclusion required to capture the intended benefits.

- Tailor for impact. Diversity and inclusion initiatives should be tailored to the relevant business area or geographic region context to maximise local buy-in and impact.

This work sheds light on how companies can use diversity as an enabler of business impact. It articulates a clear opportunity for companies to promote diversity and inclusion in senior decision-making roles, and specifically in line roles on executive teams. As was the case with why diversity matters, correlation does not demonstrate causation. However, the statistically significant relationship observed between greater levels of diversity in the leadership of a large corporate organisation and financial performance does prompt action. We encourage companies to examine the case for diversity and inclusion and how it is directly relevant to their business, as leading companies are already doing.

Designing a truly effective diversity and inclusion strategy is no small undertaking. But we and the many companies we studied believe the potential benefits of stronger business performance are well worth the effort.

About this research

To understand that challenges and opportunities associated with creating a genuinely diverse and inclusive workplace, we started in 2002 by analysing survey responses from 1,346 organisations across a wide range of industries spanning 12 countries.

As our studies have expanded over subsequent years, our data set has grown to encompass 2,791 companies spanning 48 countries by 2010 and covered an impressive 4,342 companies spanning 90 counties by 2017

Our study included control factors for gender, age, academic level, role, tenure in organisation, hours worked, commute distances, and work location preferences to name but a few.

In total, our study provided over 3.2 million data variables to explore.

About the author – John Blackwell

John is widely recognised as the world's foremost thought-leader on the changing nature of work and effective business operation.

Drawing on a 35-year board-level career with IBM and MCI, John implicitly understands that opportunities for innovation and investment must continually balance the need to act quickly.

John is a prolific author with more than 80 titles to his name, including;

- A Mandate for Change
- Managing Uncertainty
- The Workplace of the Future
- Challenging Perceived Wisdom
- Smartworking
- Unleashing Creativity, Flexibility, & Speed

These and many more of John's reports can be downloaded from his online library.

A Fellow of the Chartered Management Institute and a visiting fellow at three prestige universities, to-date John and his colleagues at Quora has inspired more than 350 organisations to innovate new work practices.

Working together, John and Quora provide answers to problems that stifle change, dismantle barriers, and overcome corporate inertia to create effective new work practices.

About Quora Consulting

Quora is a unique business consultancy and provider of strategic solutions whose forte is inspiring business leaders to transform workplaces and work practices through precision analytics and compelling methodologies.

Our analytics help organisations focus limited resources on critical decisions. We provide frontline leaders with Net Present Value clarity to ensure effective investment decisions for;- attracting and retaining talent; determining space configuration and location; deploying technology innovations; enhancing staff productivity; and making fluent social, ethical, and environmental decisions.

Our newly released ***Workplace Excellence Platform*** has migrated our analytics, methodologies and metrics to a cloud-based platform. This offers organisations an unequalled opportunity to track change metrics & KPI progress in real-time together with simulating workplace investments prior to deployment. We also offer modules for automated space utilisation assessment and similar.

For the first time, organisations can fluently integrate internal and external data to predict future workplace behaviour, events, and demands.

A Quora Consulting Report

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