

Is it possible to design diversity, equality and inclusion into an organisation, and if so, how?



AiCHANGE
MANAGEMENT
PEOPLE CHANGE COMMUNITY

Abi Richards & Jodie Walls, Liverpool 2021

*“Never doubt that a small group of thoughtful committed citizens
can change the world; indeed it’s the only thing that ever has.”
Margaret Mead*

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Introduction

In recent years, social justice movements and media coverage have continued to surface questions in respect of diversity, equality and inclusion which have given rise to conversations within organisations. The question is, are organisations acting upon these conversations and changing the way in which they operate?

Partnering with the European Organisation Design Forum, Ai Change Management have asked this question to begin to understand if it is possible to design and embed diversity, equality and inclusion into an organisation.

We were commissioned to carry out this research by Ai Change Management who hold the belief that effective organisation design requires a humanistic approach applying an Organisation Development (OD) mindset.

***If everyone gets a fair chance
in life, we all thrive***

Organisations consist of complex and social processes with people at the centre.

***Equalities and Human Rights
Commission***

We found a simple yet profound summary provided by the Equalities and Human Rights Commission to be particularly helpful, “if everyone has a fair chance in life, we all thrive.”

As the leading researchers, we are delighted to share our findings with you in the hope our work will prompt us all to create communities in which we all thrive.

Abi Richards

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Liverpool September 2021

Executive Summary

Is it possible to design and embed diversity, equality and inclusion into an organisation and if so how?

Our question is framed in the context of organisation design, using Liverpool as our landscape of enquiry.

Through a series of interviews we identified seven themes and have referenced our findings and recommendations using the following themes:

1. Discrimination in Organisations
2. Viewing Diversity, Equality and Inclusion Independently
3. The Benefits of Diversity, Equality and Inclusion
4. Quality of Training
5. Monitoring and Assessing Diversity, Equality and Inclusion
6. Talking about Diversity, Equality and Inclusion
7. External Factors.

Our findings identified that whilst there is a desire to do something, it was not always clear what could be done to embed diversity equality and inclusion into the organisation.

Our recommendations highlight the fact that organisations are human systems. The introduction of policies, plans and statistics, although useful, will not address the question unless people are included.

We wish to create a culture of action and continue the conversation within the context we have created and invite input from those partnering with us.

On the basis that the design of an organisation is based on a set of prioritised choices, we have discovered no reason why diversity, equality and inclusion should be excluded from the menu of design choices available.

Context for Enquiry

The context of our enquiry is **organisation design** using the city of **Liverpool** as our primary landscape of enquiry.

Firstly, the expertise of Ai Change Management, who commissioned the research, and the EODF who are partnering with Ai Change Management, is in organisation design and development. There are many research papers, policy documents and plans which exist on the subject of diversity, equality and inclusion, yet our question is specifically in respect of organisation design.

Secondly, whilst our research has been informed by conversations with people from across the UK and Europe, we have sought to create a conversation with leaders in the city of Liverpool, who have both an interest in our question but also have influence to get things done. As expected our research has surfaced more questions that need to be asked, and has started a conversation that we hope will lead to action.

Organisation Design

We interviewed Naomi Stanford, who is a leading organisation design expert, during our data gathering phase. She defines organisation as

‘arranging how to do the work necessary to effectively and efficiently achieve a business purpose and strategy whilst delivering high quality customer and employee experience. Arranging involves aligning the organisation with the strategy, creating coherent designs, while building trust among key stakeholders.’

arranging how to do the work necessary to effectively and efficiently achieve a business purpose

Naomi Stanford

Intentional and intelligent design is fundamental to a successful organisation. It includes the planning and preparation of how an organisation aligns all of its activities with the goal of maximising efficiency and effectiveness. Naomi shared with us “An organisation that has fully considered its design will maximise the experience for both customers and employees.”

All organisations and human systems are perfectly designed to deliver what is currently being experienced by its people, partners and customers. The design of an organisation is based upon a series of intentional or unintentional choices.

Some organisations, institutions and systems are designed intentionally, or on purpose, with particular agreed principles in mind, for example, location, cost, customer or process.

Others are shaped by their environment and have become what they now are over time, being influenced by many different factors. Whilst they have not been designed with the same level of intentionality as others, there remains some basic assumed principles that have been applied to shape what they have become.

In recent years, strategic principles, such as health & safety, have been designed into organisations, driven by the needs of the wider community, that have involved more than appointing a health and safety champion role. The operating model supported by the required cultural shift has produced organisations, institutions and systems in which health & safety has become embedded into how things get done.

Ai Change Management shared with us what is evident during a meaningful review of the design of an organisation as follows:

Compelling reason to change - Organisation design can be disruptive and costly. Unless the leaders of the organisation understand and embrace the reason for change, and are completed by it, it is likely that when difficult choices need to be made, the required energy and focus will be lost, and the activity that was originally intended to improve effectiveness and efficiency has the opposite effect. Organisation design, when done well, creates the context for applied leadership development.

Sequential - Effective organisation design is a sequential step by step approach, at each stage building on what has been discovered on the journey, with “go / no go” milestones along the way.

Intentional - The most effective designs are those which have a clear purpose.

Intelligent - Organisations are human systems and the inclusion of people, their ideas, perspectives and cultures are vital if we are to design, develop and lead healthy organisations. This means we seek out and use of all available data, both quantitative and qualitative.

Liverpool , our landscape of enquiry

When scoping the landscape of our enquiry, we decided that whilst we would talk to people from across the UK and Europe, we would focus on leaders within our city, for the following reasons:

Action based enquiry - We want our research to create a context in which actions arise out of conversations. We considered that a geographical focus would help.

Whole system thinking - Organisations are neither separated nor isolated from the wider external environment in which they exist. We wish to continue the conversation within the wider “whole system”.

Continuing the conversation - We understand that our enquiry is only the start of the conversation, which we believe needs to be built upon. By engaging with interested and influential leaders in the city, it is our hope that the city context will provide the opportunity for the conversation to continue and grow into shared action based outcomes.

Monitoring progress - We recognise that progress will take time and a continuing commitment from leaders from across all sectors. Again, the city context will help us baseline and monitor progress as we share information across the whole system.

It is in this context we are exploring if it is possible to design diversity, equality and inclusion into an organisation, community or indeed any human system.

Method of Enquiry

As the leading researchers, we have conducted over twenty interviews with CEOs and diversity champions, drawn not only from the Liverpool region but from across the UK and Europe. Our report outlines the main findings and recommendations, and addresses the enquiry question.

We identified the participants from the wide network of OD practitioners provided by Peter Lawrence, Director of Organisation Development at Ai Change Management.

Before we started the research we needed to ensure we had a clear enquiry framework. To do this, we clarified the definitions of diversity, equality and inclusion that we would be referencing with our participants. The primary definitions, shown below, were chosen on the basis that we believed they were concise and widely recognised.

Diversity

“Diversity is the range of people in your workforce. For example, this might mean people with different ages, religions, ethnicities, people with disabilities, and both men and women. It also means valuing those differences”. (acas, 2021)

Equality

“Equality is about treating people fairly, impartially and without bias and creating conditions in the workplace and wider society that encourage and value diversity and promote dignity and inclusion”. (British Council, 2017: 4)

Inclusion

“Inclusion means creating an environment where everyone feels welcome and valued. An inclusive environment can only be created once we are more aware of our unconscious biases, and have learned how to manage them”. (University of Edinburgh, 2021)

We also went into this research with the understanding that these terms would further develop throughout the time of our research.

It was also important for the purpose of this research and the research question that we understood all possibilities of protected characteristics. For this, we aligned to what the British Council's Equality Policy suggests, however, we were not limited to these.

“Age, disability, gender including transgender, HIV/AIDS status, marital status including civil partnerships, pregnancy and maternity, political opinion, race/ethnicity, religion and belief, sexual orientation, socioeconomic background, spent convictions, trade union activity or membership, work pattern, on the basis of having or not having dependants, or on any other grounds which are irrelevant to decision-making”. (British Council, 2017)

After establishing the framework and definitions to align to, we could enter the data collection phase which consisted of a number of interviews. Most of our interviews took place through video conferencing due to the Coronavirus pandemic restrictions. It is important to note that a rapport is indeed much harder to establish via online platforms, however, all of our participants kindly gave their time to provide in-depth responses to our questions.

The bank of questions we followed for our research is shown below. It must be noted, however, that we performed unstructured interviews as we wanted to ensure that we followed the conversation and participants highlighted what was important to them. Therefore, these questions are the basic structure of our research, yet our interviews were by no means tied down to these questions. Our method was to follow the flow of the conversation and learn with a common curiosity (Schein, 2013).

- Do organisations care enough about diversity, equality and inclusion?
- What would the organisation look like if it were more diverse, equal and inclusive?
- What would the organisation gain by being more diverse, equal and inclusive?
- What is holding the organisation back from maximising diverse groups of people?
- What is one thing the organisation can do to positively impact diversity, equality and inclusion?

- Is the management team diverse enough to provide adequate challenge and do they create the right environment in which people of all backgrounds can speak up?
- What are some best practices evidenced by leading CEOs and their companies?
- How do you think organisations should monitor and assess the progress of diversity, equality and inclusion within organisations?
- What role does training play in maximising diversity, equality and inclusion? Can you think of any specific training methods that have had a great impact?
- Have you seen any visible change in light of the recent social justice movements such as Black Lives Matter and Me Too?
- How can we ensure that diversity, equality and inclusion is sustainable and not forgotten?

After completing our interviews we began our sense-making phase. For us, it was very important to separate the data collection phase and sense-making phase to ensure there was no bias during the process.

To make sense of the large set of qualitative data we had collected, we decided to conduct a thematic analysis, a method used to analyse qualitative data. This thematic analysis was conducted on the transcribed interviews by pulling out the key ideas or ‘themes’ found within the data. Thematic analysis has a variety of advantages, one of them being the fact that it is a highly flexible research tool that can be used to make sense of complex data and provide manageable chunks of meaning without simplifying the data.

Our thematic analysis identified the following seven main themes within the data:

1. Discrimination in Organisations
2. Viewing Diversity, Equality and Inclusion Independently
3. The Benefits of Diversity, Equality and Inclusion
4. Quality of Training
5. Monitoring and Assessing Diversity, Equality and Inclusion
6. Talking about Diversity, Equality and Inclusion
7. External Factors

The seven themes will be further discussed in more detail in the following sections. These themes have guided our report while also inspiring further questions that can be investigated as a result of this research.

Findings of Enquiry

These themes have guided our report whilst also inspiring further questions that can be investigated as a result of this research.

The purpose of our research was not to provide a definitive solution, but to start a conversation around whether it is possible to design diversity, equality and inclusion into an organisation, and if so, how? As expected our research has surfaced more questions which need to be explored and we hope will help move ideas and conversations into actions.

1. Discrimination in Organisations

Unsurprisingly, the findings identified a lack of diversity, equality and inclusion in organisations, with many participants working in organisations in which senior management teams are heavily dominated by white, middle class men.

Social justice movements such as Black Lives Matter and Me Too have been a catalyst for organisations to actively engage in discourse and explore the changes required to move forward. Participants suggested the lack of progress stems from not knowing how to address the issue in terms of expertise, resource costs and concerns around potential time and implications.

It was encouraging to learn that organisations have taken steps to redress the balance in terms of gender, with more women in senior and decision making positions. However, these positions were primarily held by white, middle class women, and there continues to be a considerable under-representation of black and other ethnic minority groups.

Most participants recognised that their organisations are on a diversity, equality and inclusion journey, and for real change to happen rather than window-dressing, organisations must not only 'talk the talk', but be willing to 'walk the walk'. As an example, on 8th June 2021, we hosted a virtual open space to present and discuss our initial research findings with interested organisation design practitioners. Whilst twelve people

registered to attend, only three joined the online event. This data supports the views of our participants as stated above.

Our participants implied that the presence of bias in recruitment processes has had a huge impact on recruiting a more diverse workforce, and therefore organisations do not reflect society. Although not the sole solution, our findings demonstrated that recruitment is one of the key areas to address when beginning a journey of embedding diversity, equality and inclusion into an organisation.

There was a general consensus that to break down these barriers, organisations should adopt a blind recruitment process. It was also suggested that curriculum vitae's can provide an obstacle in recruiting a diverse workforce as they often place a heavy emphasis on education including results and university prestige. This can result in recruiting people with the similar background or a certain level of education, which can limit ways of thinking and working in an organisation, and lead to recruiting more of the same. As an alternative, cover letters or personal statements offer an opportunity for applicants to express their experience and skills.

Participants stressed the importance of how job vacancies are framed, advertised and the language used in job descriptions. Posting the opportunity on a homepage considerably limits who sees the post, and assumes that the applicants an organisation wants to attract will have access to this. Instead, organisations should consider expanding their advertisements to external job vacancy websites, or community outreach recruitment drives so that a wider audience is being reached. This helps promote social justice, social mobility, expanding an organisation's talent pool and reach in the community. When using recruitment agencies, an organisation must fully brief their agency on diversity, equality and inclusion values and what they expect.

The interview stage is where a judgement is made about an organisational culture fit for both the applicant and the organisation. As human beings, we are also social actors in which our performance is shaped by perceived expectations in certain environments. Interviews, for example, are situations which are highly performative and we may not show our full or authentic selves. Expectations around clinical and scripted interviews is unhelpful and can further limit the recruitment of a truly diverse and inclusive workforce.

2. Viewing Diversity, Equality and Inclusion Independently

Using diversity, equality and inclusion as a catch-all and interchangeable term can lead to a generic or formulaic approach being used to address these three distinct areas. Each term has its own definition, dimensions and complexities, which determine how they should be addressed when developing strategy and approach. Our findings highlight the importance of recognising the difference between diversity, equality and inclusion. One cannot be achieved without the other, and therefore organisations must establish what each means to them to be successful in delivering diversity, equality and inclusion.

A visibly diverse organisation does not automatically lead to equality and inclusion, or mean that employees can voice their concerns, nor does it mean these concerns are taken seriously by management. However, by viewing them as independent goals, organisations can define and focus their diversity, equality and inclusion journey based on the nature and scale of their organisation. It allows for more succinct evaluation and monitoring, evidencing what is going well and where improvement is required.

As mentioned earlier in this report, we went into this research with the understanding that our definitions and contextualisation of diversity, equality and inclusion would evolve.

The concept of intersectionality is important in understanding the impact of diversity. Protected characteristics such as gender, race, ethnicity, disability, are not always static or fixed, and can be fluid and intersect on many levels.

Equality is much more than ensuring we treat others without bias. Equality also includes actively breaking down barriers that are present for some. The internal oppression that can exist within some organisations demands an active effort from those at the senior management level to provide direction, leadership and role modelling of behaviours to create fair opportunities for everyone.

Many of our participants referred to the assumption that an organisation which is considered to be diverse and equal, is automatically inclusive. Our participants felt strongly that neither equality or diversity can successfully function without inclusion. This is

because inclusion involves empowering people and ensuring that they feel involved, valued, respected and treated fairly.

The participants' reflections and responses provided a clear indication that a one-size-fits-all approach does not exist. Organisations need to establish what their roadmap to success looks like for each of these areas, in order to determine the requisite actions and initiatives. Whilst this will bring complexity, it will provide the basis for a sequential, intentional and intelligent approach for implementing and embedding the desired outcomes.

3. The Benefits of Diversity, Equality and Inclusion

Participants stressed that the business case and benefits of implementing diversity, equality and inclusion are clear, and create a compelling case for change. A diverse organisation encourages growth, productivity, innovation, new perspectives and ways of thinking, which improve products, services and experiences.

Many of our participants noted that successful diversity, equality and inclusion practices emanate from organisations that truly believe in and understand the change needed, and are committed to translating ideas and words into action.

The moral case means diversity, equality and inclusion are recognised as the 'common sense answer', and the 'right thing to do'. Internal and external organisational awareness is key to ensure societal challenges and movements are reflected in organisation and strategy design. This leads to more diverse, equal and inclusive organisations, based on understanding of others and creating a sense of belonging. Behaviour and mindset shifts and changing attitudes on the larger scale will ensure that organisations are contributing to systemic change for the benefit of communities and cities.

As stated by the British Council (2021), "committing to diversity, equality and inclusion aligns with many perspectives within human rights and social justice." They state that, "organisations should embrace the moral case of achieving a fair, inclusive, anti-racist organisational culture that is attentive to colonial histories and decolonizing practices" (British Council, 2021: 6).

Our findings heavily support these ideas. Organisations should review their values and goals to prioritise creating fair chances and dismantling oppressive structures that too often transgress into the workplace. Organisations are human systems, and a well functioning and designed organisation prioritises people. Shaping organisation culture intentionally to foster an environment of psychological safety drives a sense of belonging, attracts and retains a more diverse workforce, and empowers people to speak-up.

It is clear that by fully embedding diversity, equality and inclusion into organisations, the system becomes richer as organisations become compounded by many different perspectives. This increases productivity, engagement, creativity and ultimately leads to better services and products. This encourages collaboration, trust, respect and growth so both the organisation and its people can reach their full potential.

4. Quality of Training

Training is one element of the overall strategy and approach to diversity, equality and inclusion, and provides a basis for starting the conversation. However, there was a mixed response to the effectiveness of training. Participants recalled their experiences of diversity, equality and inclusion training, including face to face or e-learning, compulsory terminology quizzes and an exercise in skimming over language.

Participants argued that to fully and successfully embed diversity, equality and inclusion it must be embedded in the culture and not an annual exercise. Successful training is about open conversations and needs to be tailored and refined, so it is meaningful and demonstrates how mindset and behaviour shift can be achieved.

Many participants stressed that storytelling which reflects authentic experiences is the most powerful tool. Quality training can have a lasting effect and reach outside of the organisation. An ongoing training programme drives a sustained level of engagement and maintains momentum. Our findings emphasised the longevity of quality training including elements of storytelling, listening and reflection. This is a more powerful way of achieving a shift in mindsets, behaviours and attitudes, and aligning these with the values of your organisation.

5. Monitoring and Assessing Diversity, Equality and Inclusion

Discussions around the relationship between data and diversity, equality and inclusion gave rise to mixed opinions. Particularly, the way in which organisations assess diversity, equality and inclusion, with 'data' being the keyword to monitor progress. Some participants implied that the requirement to publish data in the public domain, may encourage and compel organisations to ensure that diversity, equality and inclusion were an intrinsic part of their culture, especially when there is potential for reputational damage.

The balance between collecting, analysing and using both qualitative and quantitative data to effect change is key, with some participants noting that you can't manage what you can't measure. Other participants emphasised the need for more qualitative data, which provides an opportunity for employees' voices to be heard, rather than their identity categorised as numbers and statistics. Qualitative data is rich and allows for real experiences to be heard (e.g. how comfortable employees feel at work). Most importantly it must go beyond protected characteristics.

There are many methods for collecting such data, including anonymous surveys, employee resource groups etc, which provide ongoing data and narrative. Developing and asking questions that get under the skin will reveal truths to address areas such as social mobility, sexual orientation, race, gender, geographical location, age, safety, bullying, accessibility, and more.

Questions confronting the culture of an organisation must be tackled head-on:

- "Do you believe your employer is committed to diversity, equality and inclusion?"
- "Have you experienced or been a witness to bullying or harassment in the workplace?"

Importantly, to fully monitor and assess diversity, equality and inclusion, an organisation must respond effectively to the data, ensuring that concerns are acted upon, demonstrating continuous progress.

6. Talking About Diversity, Equality and Inclusion

Discussing diversity, equality and inclusion can be complex and confusing, especially for those who have had minimal exposure to diversity, equality and inclusion issues in their life experience. Therefore we were cognisant of the fact that we needed to collect data that was not just *said* but rather *unsaid* and observed through behaviour. In some cases, the uncomfortable conversation of confronting diversity, equality and inclusion within organisations resulted in, what could be described as scripted answers. Some participants only wanted to scratch the surface of the conversation rather than delve deeper as to why diversity, equality and inclusion is not always fully embraced within organisations.

These scripted or 'expected' answers primarily relied on policies that were already in place within organisations. There was sometimes a lack of critical engagement as to the effectiveness of these policies in practice. In these cases some answers were limited, but this provided data in terms of behaviour and mindset around diversity, equality and inclusion. Scripted answers demonstrate that there is sometimes an element of fear or reticence in speaking about these issues. Consequently by not stepping out of comfort zones limits, our knowledge and progress on embedding diversity, equality and inclusion is limited.

Creating a environment and feeling of psychological safety emanates from an organisation understanding the need to recognise where they are not diverse, equal or inclusive enough, and that it is not a weakness to admit that change or improvements are required. It is about recognising the problem, being willing to make the change, and taking intentional, intelligent and sequential steps to achieve progress.

People must be able to trust the management team to deal with issues and concerns raised. It is not enough to be visibly diverse, organisations must prioritise the safety of their people and deal with any complaint of discrimination seriously. However, this is dependent on creating trust, so that employees feel safe reporting issues without fear reprisal.

All voices should have the chance to be heard for an organisation to progress. Open conversations can only exist if the organisation is free of internal oppression. These conversations can be thought provoking, uncomfortable, and personal. However, it is an

important step in creating the right environment where people can be honest with each other.

7. The External Factors

As previously stated, organisations do not exist in a vacuum and they cannot be isolated from society. In light of the Black Lives Matter and Me Too movements, many of our participants stated that organisations that do not take these conversations seriously, will simply fall behind others. It is notable that many organisations made public statements regarding these movements, however, as stressed by our participants, these were too often performative and lacked genuine action for change.

Organisations must recognise the strength of collaboration on a community level. This can include involvement with education, health, community hubs, and teaming up with local organisations. By taking advantage of what is around us we can build a common ground among the community which establishes shared goals and values.

Since March 2020, the coronavirus pandemic has caused multiple lockdowns and disruption, damaging businesses and highlighting the diversity, equality and inclusion challenges in society. It has however, emphasised how collaboration is essential for society as a whole to function. As this research was conducted within the timeframe of the pandemic, it has inevitably become an integral part of the recommendations towards embedding diversity, equality and inclusion. The question now is, how we can build upon the collaboration, goodwill and community that was so effective in bringing people together to navigate the pandemic, to improve and embed diversity, equality and inclusion.

Participants mentioned 'role models' as an important element in demonstrating and embedding diversity, equality and inclusion, leading to greater engagement and understanding of one another. Organisations who are doing well in making diversity, equality and inclusion a core part of their structure provide a learning opportunity. Successfully designing diversity, equality and inclusion into the system will start to shift mindset and behaviour, potentially setting a level of expectation for others.

Diversity, equality and inclusion are all social elements to an organisation and need a humanistic approach. A successful organisation should have the ability to open their doors and partner with others on a collective mission to succeed in diversity, equality and inclusion. Not only does this create stronger organisational relationships and contacts, but it promotes diversity, equality and inclusion on a community level across the city. For example a 'buddy' system could be an invaluable internal and community outreach tool to help organisations strengthen relationships within the community and local area.

This research has mainly focused on collecting data from within organisations as well as speaking to diversity and inclusion champions. Admittedly there has been a lack of insight into what customers and consumers think and experience about diversity, equality and inclusion within organisations. After analysing our findings, we believe that getting more insight from customers and their view would add an incredible amount of value and insight into designing diversity, equality and inclusion into organisations. Do customers believe that organisations care enough about diversity, equality and inclusion? Moreover, do customers see a difference between organisations that have prioritised diversity, equality and inclusion at the core compared to those who are lacking in this area?

Understanding customer opinions on diversity, equality and inclusion in organisations could be a valuable tool. Organisations that are unwilling to start conversations around diversity, equality and inclusion may have more of an interest if the ultimate impact and option of customers is harming their service, product or profit.

Organisation structure and policies provide a basis for dealing with inequality but are ineffective without the real understanding of the reason change is required. Organisations have a choice to contribute positively by taking steps to reducing inequality, and increasing diversity and inclusion.

Recommendations

The findings suggest that there is considerable work to be done to embed diversity, equality and inclusion into the core of organisations, and the thematic analysis and rich qualitative data, raised many questions and pointed to possible solutions.

Our research question is framed in the context of organisation design, and consequently we invited our sponsor, Peter Lawrence, and his team of OD associates to share their perspective based on our findings, to contribute to and inform the recommendations referenced below.

We present the recommendations under the seven themes identified.

Additionally found that the eight assumptions of Appreciative Inquiry to be helpful in shaping our recommendations:

1. In every society, organisation or group, something works.
2. What we focus on becomes our reality.
3. Reality is created in the moment and there are multiple realities.
4. The act of asking questions of an organisation or group influences the group in some way.
5. People have more confidence and comfort to journey to the future (the unknown) when they carry forward parts of the past (the known).
6. If we carry parts of the past forward they should be what is best about the past.
7. It is important to value differences.
8. The language we use creates our reality.

Discrimination in Organisations

Our findings identified a clear case for change within the organisations represented and a commitment to do something even though it was not always clear what could be done or where to begin. How organisations are designed or aligned is based on a set of intentional choices.

We recommend that the leaders who wish to explore this context further, begin a conversation to identify if there is a shared leadership commitment to action, and develop their own case for change.

Viewing Diversity, Equality and Inclusion Independently

Establishing and understanding what the terms diversity, equality and inclusion mean to an organisation and the individuals who work for it, is key in being able to determine the stance, approach and action required. Each term has a specific definition, purpose and intention. Authenticity in strategy, purpose and the reason for change will shape the organisation culture, drive engagement, progress and success. Diversity, equality and inclusion should be a golden thread running through an organisation.

We recommend that leaders, teams and individuals explore discuss and define what each term means in their context on the basis that the language we use becomes our reality.

The Benefits of Diversity, Equality and Inclusion

Whilst organisation design can be disruptive and costly, the commitment to addressing the challenges around diversity, equality and inclusion can be the difference between success and failure. Diverse teams drive better business performance, products and services. The recruitment, attraction and retention strategy can provide access and opportunity, promoting social justice, social mobility, expanding and maximising the impact of an organisation's talent pool and reach in the community.

The business case identifying the benefits of an inclusive and diverse workforce has been made repeatedly in recent years yet for some reason that has not proved sufficient to prompt action.

We recommend a whole system focus (not just people processes, eg. recruitment) to identify current practices and processes, exploring how a more inclusive, equitable and diverse approach would benefit the organisation.

Quality of Training

The experiences of diversity, equality and inclusion training, including face to face or e-learning, compulsory terminology quizzes, received a mixed reception. Participants argued that to fully, and successfully, embed diversity, equality and inclusion it must form part of the culture and not an annual exercise.

The findings emphasised the longevity of quality training including elements of storytelling, listening, and reflection. This is a more powerful way of achieving a shift in mindsets, behaviours and attitudes, and aligning these with the values of your organisation.

We recommend that training is informed by storytelling which reflect authentic experiences, using the statement “ This is a place where.....” forming the basis of a cultural audit.

Monitoring and Assessing Diversity, Equality and Inclusion

We recognise the value of policies, systems, quantitative and qualitative data to measure diversity, equality and inclusion and using this data to inform action.

We recommend an organisation assessment to understand what is known to include:

- ***Data which is currently available in terms of the workforce and protected characteristics.***
- ***Existing targets, performance objectives, pay gaps***
- ***Inclusion measures e.g. recruitment, employee surveys, work allocation, decision making, product / service design***

We also recommend that qualitative data is gathered using self focused questions, on the basis that the act of asking questions of an organisation or group influences the group in some way.

Talking about Diversity, Equality and Inclusion

It is clear that talking about diversity, equality and inclusion can be complex and confusing, especially for those who have had minimal exposure to diversity, equality and inclusion issues in their life experience. Some participants only wanted to scratch the surface of the conversation rather than delve deeper as to why diversity, equality and inclusion is not always fully embraced within organisations.

An effective organisation design intervention requires that people who work within the organisation are included.

We recommend that people are not only consulted but also help to co-create the future. People have more confidence and comfort to journey to the future when they carry the best parts of the past with them.

External Factors

Organisations do not exist in a vacuum and they cannot be isolated from society. It is notable that many organisations made public statements in response to media coverage, however, as stressed by our participants, these were too often performative and lacked genuine action for change.

Organisations must recognise the strength of collaboration on a community level. By adopting a systems thinking approach, we can build the table at which the crucial conversations take place based on cross cultural, intergenerational and multi-organisational learning. The use of storytelling and role-modelling provide a catalyst for social justice, equality and cohesion.

We recommend that organisations give consideration to the wider system in which they operate, identifying and managing those stakeholders who have an interest and influence to deliver genuine action for change.

Creating a Culture of Action

Throughout the period of our research we wanted to create a culture of action based enquiry. After conducting our participant interviews we convened a number of group enquiry sessions with leaders from within the Liverpool City Region, our landscape of enquiry.

In July 2021 we hosted a lunch for leaders from the Liverpool Business Improvement District Company, Civil Service, NHS, Combined Authority and the Private Sector who had an interest in our research and also had influence in their organisations to move us from enquiry into action based outcomes. We gave this meeting the theme of 'So what, what next?', encouraging our attendees to take part in action orientated conversations around the emergent themes of this research. We felt that this was important because diversity, equality and inclusion has been the subject of many conversations within communities and organisations not just in Liverpool, but across the world.

The conversations at the meeting of leaders gave us hope that we will one day see systemic change, beyond the conversations and true exploration about how we will start to build diversity, equality and inclusion into communities and organisations.

Their passion, commitment, support and action orientated thinking of those leaders will be invaluable to us to ensure that this research truly makes a difference to society in the future.

We now wish to open up the conversation further and have extended the invitation to leaders from other sectors and organisations to a business breakfast briefing in September 2021, at which we will share our emergent findings, create an opportunity for dialogue and seek actioned orientated contributions which will be added to this report on the following page.

We will then follow that up with a conversation with the North West OD network event later in September and publish the final report early in October 2021. It is our hope that the momentum and movement we have created will continue within the city into the future.

Continuing the Conversation

We shared our findings with the following communities :

10th September 2021, leaders from the public, private and voluntary sectors in the city.

23rd September 2021, the Civil Service OD&D Shared Expert Service community.

24th September 2021, the North West OD Community network (ODNE & EODF).

<https://odneurope.org> <https://www.eodf.eu>

The following insights were shared:

- We need to continue the conversation within the whole system. This is not simply a HR issue.
- Organisations need to create their own compelling case for change, translating the words into whole system action.
- We need to be prepared to “get it wrong” and be kind to one another when we do.
- We must collaborate more across our city sharing data.
- We need a “table” at which we can share ideas, tell stories and start to take intentional action.
- Inclusion is what is says it is.
- We need to create space and time for appreciative conversations of inquiry within our organisations.
- If there is “one catalyst for change”, what is it?
- Consider cross functional pop up / experiment teams in our organisations to explore how aspirations can become reality.

Responding to feedback we have provided a summary of our recommendations which can be found on page 31.

The conversation continues

Conclusions

It is clear that our findings have inspired further questions rather than provide concrete and definitive answers. Our findings have highlighted the inequality and discrimination which still exists within many organisations. Whilst organisations recognise that there is still much more work needed in respect of diversity, equality and inclusion, there appears to be a genuine desire to do something, even if it is not yet clear what needs to be done.

We recognise that the findings we have set out are not new, and the issues we are raising are complex. However, we have provided the following conclusions to our research question

“Is it possible to design diversity, equality and inclusion into an organisation, and if so how?”

On the basis that the design of an organisation is based on a set of prioritised choices we have discovered no reason why diversity, equality and inclusion should be excluded from the menu of design choices available.

We would however, make the following qualifications:

Context is critical. Every organisation and community is different and there is no one size that fits all.

Sequential. As with any organisation design work, progress needs to be sequential ensuring that at each milestone what has been agreed and learned is embedded into the next phase, helping all of the people in the organisation to move at the same pace.

Compelling case for change. The leaders must be intellectually and emotionally engaged with the reason for change. Organisation design can be disruptive and costly. Without the commitment of the leaders it is likely that the efforts to change will be distracted and the work will fail to deliver the initial aspiration.

Intelligent. All available data must be made available and used as part of the initial organisational assessment. This includes the hard quantitative data, such as surveys and

what is considered the softer qualitative data such as the stories people tell and cultural artefacts.

Intentional. From the outset the purpose must be clear and intentional. The reason and motivation for the change must be clearly communicated with measurable milestones, using the data referenced above. Recognising that systemic change takes time and requires a consistent context, the intentional scope of the work needs to be clearly defined at the outset.

References

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With Special Thanks To...

Our participants for giving us your time and great insight into this important research question:

- Andrew Ruffler, CEO - Professional Liverpool
- Bill Addy, Chief Executive - Liverpool BID Company
- Clare White, CEO - LCVS
- Colin Davies, CEO - Hope City Church
- Crispin Pailing, Rector - Liverpool Parish Church
- David Connor, Founder - UN 2030hub
- Fiona Abrahams, Founder - Fashion Heaven
- Irene Afful, Board of Directors - Professional Liverpool; Founder & Director of Ametrine Coaching & Consultancy
- Joe Corcos, Director People and Infrastructure - Equality and Humans Rights Commission
- Kshama Priyadarshini, Senior Manager - Aadhar Housing
- Lisa Gresty, Talent, Leadership and Organisational Development Lead - NHS Cheshire & Merseyside
- Lisa Shoko, Project Manager - Mersey Care NHS Foundation Trust
- Maria O'Sullivan-Abeyratne - CEO & Founder Adaptista the Adaptive Marketplace
- Nahida Ahmed, HM Revenue & Customs
- Naomi Stanford, Organisation Design Author and Consultant
- Nick Richmond, UK Community Lead, European Organisation Design Forum
- Rehana Begum, Strategic Organisational Effectiveness Practitioner - Mersey Care NHS Foundation Trust
- Tracey Gore, Chair of Liverpool Race Equality Task Force - Liverpool City Council on Secondment from Steve Biko Housing Association
- Yasmin Egala, Diversity, Inclusion and Wellbeing Champion - Ministry of Justice UK
- Zena Me Systemic Leadership Consultant and Coach

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Introducing Ai Change Management

Ai Change Management is a team of practitioners experienced at building capability to design, develop and lead organisations in the public, private and voluntary sectors at a national and international level.

The practice is built upon the 8 assumptions of Appreciative Inquiry (Ai) , and the values shown below:

1. In every society, organisation or group, something works.
2. What we focus on becomes our reality.
3. Reality is created in the moment and there are multiple realities.
4. The act of asking questions of an organisation or group influences the group in some way.
5. People have more confidence and comfort to journey to the future (the unknown) when they carry forward parts of the past (the known).
6. If we carry parts of the past forward they should be what is best about the past.
7. It is important to value differences.
8. The language we use creates our reality.

People

The inclusion of people, ideas, perspectives and cultures to design, develop and lead healthy organisations.

Change

Participatory approaches to organisational change and decision-making which respect the contributions, dignity and worth of all.

Community

Social responsibility and social justice – the benefit and wellbeing of all. Equitable policies, principles and practices in organisations and communities.

Ai Change Management are NW Community Builders for OD Network Europe (<https://odneurope.org/about/supporters-and-principles/>) and NW Country leads for the European Organisation Design Forum (<https://www.eodf.eu>)

<https://ai-cm.co.uk>

Summary of Recommendations

- 1. We recommend that the leaders who wish to explore this context further, begin a conversation to identify if there is a shared leadership commitment to action, and develop their own case for change.*
- 2. We recommend that leaders, teams and individuals explore discuss and define what each term means in their context on the basis that the language we use becomes our reality.*
- 3. We recommend a whole system focus (not just people processes, eg. recruitment) to identify current practices and processes, exploring how a more inclusive, equitable and diverse approach would benefit the organisation.*
- 4. We recommend that training is informed by storytelling which reflect authentic experiences, using the statement “ This is a place where.....” forming the basis of a cultural audit.*
- 5. We recommend an organisation assessment to understand what is known to include:*
 - Data which is currently available in terms of the workforce and protected characteristics.*
 - Existing targets, performance objectives, pay gaps*
 - Inclusion measures e.g. recruitment, employee surveys, work allocation, decision making, product / service design**Additionally that qualitative data is gathered using self focused questions, on the basis that the act of asking questions of an organisation or group influences the group in some way.*
- 6. We recommend that people are not only consulted but also help to co-create the future. People have more confidence and comfort to journey to the future when they carry the best parts of the past with them.*
- 7. We recommend that organisations give consideration to the wider system in which they operate, identifying and managing those stakeholders who have an interest and influence to deliver genuine action for change.*