

## DEI When We Need It the Most



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### **Covid-related setbacks require redoubled DEI efforts, but are companies delivering?**

The Covid-19 pandemic has marked our era in many ways already, having tragically gripped the entire globe. Yet the universality of Covid conceals its unequal outcomes. Less empowered groups suffer disproportionate impact in terms of [illness severity](#), [mortality](#) rates and [knock-on effects](#) of job losses and lockdowns. For diversity, equity and inclusion (DEI) champions, concerns loom large that Covid is unwinding egalitarian progress and making their work more difficult by diverting precious resources – primarily awareness.

### **Gender balance expectations and outcomes**

Six months after the first case of Covid-19 was reported in November 2019, the [INSEAD Gender Initiative](#) (IGI) conducted a [survey](#) regarding the anticipated impact of the disruption on gender balance. Then, 57 percent of

respondents were worried that Covid-19 was negatively affecting gender balance, with interesting patterns connected to where they were living.

Specifically, both female and male participants in more **gender egalitarian countries** (in Europe and elsewhere) tended to be more concerned about the effect of Covid-19 on women's future. This is consistent with pre-Covid research showing that women in a **more gender-balanced context** were more troubled by evidence of gender inequality rising.

Similarly, respondents living in Europe (relative to the rest of the world) anticipated a more negative future impact of Covid-19 on women and increased their commitment to bolstering gender DEI. Two diversity leaders in Europe commented on this finding. Dirk Luyten, Managing Director of Levante Capital Management and IGI supporter, proposed that this could be related to differences in information, due to local/regional news coverage, or to the profiles of participants in terms of their networks or organisational roles. Anne Dumesges, INSEAD Women in Business Board Member, asserted that this was cultural rather than rooted in the seriousness of Europe's pandemic impact: "Why do I say it is cultural? I think Europeans are raised to be critical thinkers, and this makes them focus on what does not work rather than what other people want to hear."

Those who anticipated negative professional and societal impact for women **were correct**. For example, as Dumesges further shared about **CEO nominations during 2020**, "... without a doubt companies, during Covid-19, have returned to traditional comfort-zone candidates when appointing CEOs. Unfortunately, this means less women (12 percent to 6 percent)."

### **What can businesses do?**

Now, more than a year after the global disruption to individuals and society began, as vaccines provide hope of an end to the pandemic and related disruption, we assess what businesses are - and can be - doing to improve DEI.

Our team recently interviewed 17 senior managers (41 percent male) in DEI roles or in human resources or business leadership with direct responsibility for DEI. Participants represented industries including technology, social media, consulting and manufacturing. They were based in Asia-Pacific (APAC), Europe, North America and the United Kingdom, and all companies had a global presence. No national culture differences emerged from these

interviews. These leaders provided nuanced insights on the DEI challenges that were created or exacerbated by the pandemic, and possible solutions.

### **Company culture matters for responses**

Research on stress responses and terror management suggest that in times of anxiety or when human mortality is salient (i.e. Covid-19), people reassert their existing cultural values. This could influence responses to gender balance because organisational decisions are made by people. In fact, DEI responses to Covid-19 were largely guided by organisations' approaches to DEI pre-Covid. For example, Jennifer Hsiao, Head of Talent for Bain in APAC, noted that firms already having DEI woven into the "fabric of the organisation" made a conscious effort to maintain and expand the intensity of their initiatives. However, organisations in which DEI was what one interviewee called "nice to have" deprioritised it once the scale of the pandemic became apparent.

More than half of the leaders interviewed indicated that DEI was so vital to their organisation's identity that there was no need for a conversation around its importance under crisis conditions. For the others, recognising the financial impact of Covid-19 led to reevaluations of investment in DEI. Results varied in this second group, ranging from consensus to continue at the same scale to deciding to reduce efforts.

### **Prior programming disrupted**

Overall, the nature of the DEI initiatives changed for almost all organisations, with only one participating organisation (in microfinance) reporting no change. Organisations increased their focus on **building inclusion**, which was viewed as the need of the time. Two organisations recruited new staff in their DEI departments during the pandemic to manage programmes related to psychological wellness. The other 15 organisations experienced hiring freezes. But with almost everyone working from home, increasing inclusion involved accommodating different needs of employees and incorporating **flexibility**.

Work-from-home **arrangements** complicated communication. They also blurred lines between personal and professional lives, which was uncomfortable for some employees. Organisations in the technology sector felt that they had an advantage. As Maya Hari, VP and Managing Director of Twitter (Asia Pacific) said, "As a technology company, Twitter was on the

right side of the line when it came to Covid. We had been preparing for diversification of the workforce and remote working well before the pandemic. Given this, we felt less challenged compared to many others.” An employee base accustomed to digital communication and flexible work arrangements already in place made the adjustment to working from home easier. A manufacturing company, however, struggled more. With the need for on-site presence, few established remote communication channels, and necessary adjustments to ensure the safety of staff while maintaining business continuity, this organisation felt the disruption more acutely.

### **Diverse pipelines during hiring freezes**

How can organisations maintain their talent pipelines in line with DEI targets with hiring frozen? After following best practices for talent development in combination with diverse hiring before Covid-19, one firm centred its strategy on retention efforts, to ensure that its past progress was not undone by the pandemic. “If we lose leadership team members, we lose 10 years of talent in the making that we can never get back.”

Regarding job losses, nine of the organisations had avoided layoffs. Those that had executed layoffs had not considered diversity metrics, stating that job cuts were decided by position and necessity, and not by gender. Related to this, Dumesges highlighted how Covid recovery requires even greater transparency on diversity metrics, including (voluntary and involuntary) departures, nominations for opportunities, and more. We also recommend tracking internal mobility by gender as organisations are working to best leverage the talent they already have.

### **Looking beyond gender**

The dramatic expansion of the Black Lives Matter (BLM) movement after the police killing of [George Floyd](#) galvanised attention to racial equity, not only in the United States, but also globally. Bob Grove, Chief Client and Operations Officer, Asia Pacific, at Edelman said, “A lot of work was done in response to the BLM movement, with training and group conversations ramped up and spread across the organisation globally, not just internally but also with our clients.” Organisational diversity agendas expanded beyond gender to race, some including a separate racial equity initiative. Other firms initiated conversations internally to understand how their black employees were coping.

Although US offices were generally the first to respond, many conversations and actions extended broadly, some being sparked by local issues. For example, one firm's discussion about ethnic minorities in its Singapore office grew into a more general discussion about one nationality's dominance of office culture and decision making, and the need for greater balance.

## **Family involvement**

Leaders have found that providing help to working parents has helped to maintain a sense of inclusion for employees during the pandemic. These efforts include parenting classes, home schooling tips and support groups for working parents.

In cultures with more entrenched views that household work is a woman's responsibility, some companies have introduced discussions for men on sharing domestic workload, which is a first step towards building gender balance at **home**. The CEO of a manufacturing company in Asia quoted an employee as saying, "It's easier to run an ammonia plant than to put the kids to bed." The HR leader of a technology firm mentioned how some Asian countries with very traditional gender roles, such as Japan and Korea, have required a stronger push along these lines.

## **Rising humanisation**

Despite the increased challenges, ten of the organisations interviewed felt that by accelerating plans for decentralisation and remote working, the pandemic has helped create long-needed flexibility. It has pushed these organisations towards better and faster communication channels and more awareness of employee morale. It has also shortened the time from suggestions by employees to actions by top-level management. Heightened attention to psychological well-being and work-life boundaries has made these workplaces more human. Empathetic and data-driven leadership will be essential for organisations to position themselves for post-pandemic recovery with the most effective, diverse and engaged talent.

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## About the series

### Diversity, Equity and Inclusion

In the wake of the tragic death of George Floyd in the United States and protests in over 60 countries, global attention to DEI (diversity, equity and inclusion) has experienced a long-overdue resurgence. As the need for more inclusive forms of leadership and culture becomes apparent, we focus here on the informed perspectives of INSEAD experts focusing on race, ethnicity, gender, sexual orientation, and their intersections. These thought leaders -- both faculty and their close collaborators with rich experience in practice -- inform understanding of how to develop DEI and address identified DEI development needs.

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