

Moving from cheap talk to action: the case of diversity and inclusion



It is easy to talk about caring about diversity and inclusion. In fact, it would be hard to find a professional worker these days who would declare that they did not in public. It is also far too easy to write policies that are not enforced and make promises for change that go unfulfilled. This makes it all the more important to separate the leaders that take action from those that only talk about taking action. How can this be done?

Imagine you are interviewing someone today for a senior leadership position in your organisation. Alongside relevant skills and a proven track record, you are interested in hiring someone who will help further diversity and inclusion goals. How else are you going to make sure that you bring along a pipeline of colleagues whose characteristics are currently disproportionately represented at the top? During the interview, when you pose questions around diversity and inclusion, most candidates will state their commitment firmly. In fact, they will probably do so with gusto.

Be careful. This could simply be [cheap talk](#). Although each candidate will know the reality of their own level of commitment to diversity and inclusion, you only have their word for it. And of course, the benefit of exaggerating a commitment to diversity and inclusion is high when a high-paying job is at stake. In contrast, the current cost of words is zero. Unless of course, you start to make efforts to verify what they say at the point of interview!

At the interview stage, this can happen by requiring candidates to give hard evidence that illustrates they have enabled diverse talent to thrive in the past. This is very easy in academia. You can simply look at a person's CV and gauge their commitment to diversity and inclusion by looking at who they write papers with. It is harder in other contexts, but some proxies are not hard to gather. For example:

- References from a diverse set of past team members who are now in senior positions describing how the candidate helped them on their journey.
- The person's response to the diversity and inclusion question could also be probed for facts on pay gaps and changes to the pipeline composition under their management, which makes it harder for them to engage in cheap talk.

Looking beyond "virtue signalling" by requiring evidence gives you more of a shot at securing a candidate who truly has a proven track record of addressing [homophily](#) within an organisation. It is also better for your organisation.

For most organisations, the customer base is not homogenous. So, hiring a person who does not have an intention-action gap in addressing homophily means that you will naturally serve your customers better. The new hire will not simply lament at a pipeline lacking diversity, declaring it is not their fault. They will address what they can now and go the extra yard to move the dial. They will widen their search for talent at senior levels and their efforts to maintain a diverse pipeline. They will also give that talent voice, and benefit from hearing their ideas.

This follows because key people play a disproportionate role in driving diversity in the higher echelons of firms by acting as gatekeepers: directly restricting or enabling entry into positions as well as setting standards for others to follow. For instance, an [analysis](#) of all CEO female successions in the largest corporates in the United States between 1989 and 2009 found that women's success was related to their predecessors promoting gender-inclusive gatekeeping. Choosing gatekeepers carefully, therefore, leads to wins for the organisation's inclusive agenda.

Importantly, we have focussed on addressing homophily rather than picking out one characteristic. This is because to harness the benefits of inclusion, the solution cannot be, for example, to simply hire more women. To achieve greater diversity of thought which will drive innovation gains in firms, factors such as cultural, socio-economic and life experience are just as important as gender diversity. As an example, in India following the introduction of a law where all listed companies should have a female board director, men were replaced with women who are [part of their family](#). Although at a surface level they are improving diversity, it is important to consider if these appointments will translate into idea generation or problem-solving gains. In the absence of credible signals, the voices in the room might still be too similar to their predecessors to escape groupthink and generate innovative ideas.

Of course, if we get to a place where many employers are asking their new senior hires for evidence of inclusive leadership, there are real incentives for people to invest in this skill as they navigate through their organisation. But what about addressing cheap talk on diversity and inclusion beyond hiring?

Many firms today lean on mandatory unconscious bias training to help with diversity and inclusion. However, assessments of this type of training have found that, on average, it has [limited ability to change behaviour](#). In fact, mandatory training can even be [met with resistance](#) and backfire, as people do not like to feel pressured. However, offering [training as voluntary](#) can elicit the opposite response as employees feel they are in control. At the same time, if training programmes are voluntary, participation can act as a credible signal of commitment to inclusion.

Accountability can also make inclusion efforts more transparent and visible to others. A large body of literature has shown that social norms influence people's actions. We infer what is [appropriate and accepted](#) from the behaviour of others. As such, sharing evidence and the positive actions of colleagues can help move inclusion beyond just talk. In a study on the effect of social norms on diversity, researchers found that [visibility influences](#) how people follow norms, given the potential for their behaviours to be scrutinised. Participants in this online experiment were assigned the role of a manager hiring a new team member. They were told the HR department within the organisation cared about racial diversity and could review team composition decisions. They were then randomly allocated to a team of high importance within the company or one where there was a low probability that HR would review their decision. As a result, participants were significantly more likely to select a black candidate when the team was highly visible. It seems that visibility is a good motivator to move beyond cheap talk towards action.

In performance reviews, an increase in transparency and visibility has also shown benefits. A longitudinal study looked at [performance-based reward decisions](#) before and after a firm introduced accountability and transparency procedures. Before the procedures were introduced there was a significantly different gap in merit-based pay by gender, race and foreign nationality compared with white men receiving the same performance evaluation. After the policy, once managers realised that their decisions would be compared to other divisions, there was a reduction in this pay gap. Transparency in reporting can make disparities easier to spot and to correct. The use of data and auditing can also encourage managers themselves to review how they allocate resources within the team and encourage self-correction. What gets measured gets done!

Inclusion can truly create innovative cultures which drive financial results. However, change only happens when tipping points are reached, and a critical mass of people are invested and doing the same thing. To do this, we all need to reward actions and outcomes and ask for commitments to actions that are measurable from those who talk too much about diversity and inclusion in our presence without evidence of any action.



Notes:

- *This blog post expresses the views of its author(s), not the position of LSE Business Review or the London School of Economics.*
 - *Featured [image](#) by [SplitShire](#), under a [Pixabay](#) licence*
 - *When you leave a comment, you're agreeing to our [Comment Policy](#)*
-



Teresa Almeida is an MSc student in behavioural science at LSE. She has run B2B campaigns across some of the largest enterprise businesses in the area of information and communication technology. Teresa is fascinated with the world of behavioural science and decision-making, with an emphasis on applying insight to deliver tangible results.



Grace Lordan is an associate professor in behavioural science at LSE and director of the [Inclusion Initiative](#). She is an economist by background, and her research is focused on understanding why some individuals succeed over others because of factors beyond their control. In this regard, she has expertise on the effects of unconscious bias, discrimination and technology changes. Grace is also interested in using the techniques of behavioural science to design interventions for firms to promote good conduct, diversity and inclusion and curb biases that creep into high stakes decision-making. She has advised and given talks to large investment banks and international conferences on these topics. She has also led projects to advise commissioners in the UK and policy makers in the EC. At LSE, Grace trains executives in these approaches through her teaching on corporate behaviour and decision-making. You can find her at g.lordan@lse.ac.uk, and on Twitter: [@LSE_TII](#) and [@GraceLordan_](#)