

WCOOC Symposium

Online Forum Summary

The Importance of Data and Metrics in DE&I Initiatives

27th October 2023



ARMSTRONG WOLFE™
Women in the COO Community

Armstrong Wolfe WCOOC Symposium

Summary of tabletop exercise held on Friday 27th October 2023



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The Financial Conduct Authority (FCA) emphasises the importance of larger firms, those with more than 250 employees, collecting data on Diversity, Equity, and Inclusion (DEI).

The FCA mandates collection of employee demographic data for certain demographics, which correspond broadly to those protected under the auspices of the UK Equalities Act.

However, there are some differences, with FCA focus on “gender identity” rather than “gender reassignment” for example, and the FCA does not propose to require data on pregnancy/maternity or marital status, which are characteristics scrutinised by the Equalities Act.

The FCA allows other data, such as Socio-Economic Background, to be collected on a voluntary basis. The proposal is that firms collect data and set DEI targets at the board, senior management, and overall staff levels. Although the proposed rules apply to organisations with 250+ employees, all firms, irrespective of size, will need to report their employee counts yearly, to allow the Regulator regular oversight of growing firms that might cross this size limit and begin to be subject to the data collection rules. It is important to remember that at this stage these are proposals, subject to a consultation which closed on 18 December.

However, the collection of this DEI data isn't without challenges, particularly in light of data protection regulations such as GDPR. GDPR rules necessitate strict policies around handling, storage, and processing of personal data, sometimes making firms wary of collecting sensitive information to avoid potential breaches or misuse. Furthermore, individuals within protected characteristic categories might be reluctant to share their personal information due to concerns about potential discrimination, stigma, or misuse of their data.

These concerns are heightened if they've previously faced prejudice or if they perceive their workplace environment as non-inclusive.

Many surveys try to adjust for this through the inclusion of a “Prefer not to say” option. Providing a “prefer not to say” option, while respectful of individual privacy, can muddy the waters for organisations trying to gain a comprehensive understanding of their workforce's diversity.

If many employees select this option, it can mask potential areas of concern or underrepresentation, making data interpretation challenging. Conversely, a high inclination towards this option could be symptomatic of deeper trust issues and problems within the organisation, suggesting that employees might not feel secure or comfortable disclosing certain personal details.

Organisational culture plays a foundational role in influencing employees' willingness to be candid in DEI surveys. In an environment where trust, respect, and inclusion are cultivated, employees are more likely to believe that their responses will be used constructively, without repercussions.

Conversely, in a culture permeated with distrust or apathy, employees may withhold information or give skewed responses, fearing misuse of their data or potential backlash.

Conducting surveys at regular intervals offers multiple benefits

A positive and transparent organisational culture assures employees that their voices matter, that the information they provide is pivotal for genuine change, and that their individual identities and experiences are valued. Thus, fostering a good organisational culture is not just about ensuring the accuracy of survey responses, but also about affirming the organisation's commitment to meaningful and sustained DEI efforts.

One way in which a commitment to the development of such a culture can be undertaken is by careful management of the timing and frequency of DEI surveys, as they are key in capturing a holistic and evolving view of an organisation's diversity landscape. While collecting data when an employee joins provides a baseline, it captures only a snapshot of that particular moment, potentially missing out on understanding ethics and changes over time.

Conducting surveys at regular intervals offers multiple benefits. It allows organisations to track the effectiveness of DEI initiatives, understand changing workforce dynamics, and promptly address emerging issues. Regular check-ins also communicate to employees that the organisation's commitment to DEI is ongoing and not just a one-time effort. In essence, while onboarding surveys set the initial benchmark, periodic surveys ensure continuous improvement, engagement, and alignment with DEI goals.

Language plays a pivotal role in framing and perception for surveys. Utilising words that evoke partnership and trust can foster a more open and inclusive feel to the entire exercise. For instance, opting for "share" instead of "disclose" can make the process seem less formal and more collaborative, suggesting a mutual exchange rather than a one-sided revelation.

Carefully chosen terminology can ease apprehensions and convey a sense of respect, understanding, and care. Banks should prioritise language that encourages participation, engenders trust, and underscores the organisation's commitment to creating an inclusive environment where employees feel valued and heard.

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It can also be beneficial to display leadership by example, with executives in senior positions speaking openly about their participation in surveys, the benefits that they bring, and the goal behind them, in order to further encourage participation among employees.

Geographically, data collection nuances differ. Technical challenges aside, the type of data deemed important can vary by region. For instance, metrics which represent key issues and sensitive areas in one region may be lower down the agenda in another.

Banks operating in multiple regions must remain attuned to these nuances. By understanding and respecting each region's unique diversity challenges and priorities, banks can craft surveys that are both culturally sensitive and effective in addressing the specific needs and concerns of their diverse global workforce.

The collection of DEI data is paramount for fostering diversity of thought, a crucial driver of innovation and adaptability in today's dynamic business landscape.

A diverse workforce, representing a myriad of backgrounds, experiences, and perspectives, brings a broader range of ideas, approaches, and problem-solving techniques. By understanding and actively addressing gaps in representation through the collection of this data, organisations not only ensure a more inclusive environment but also unlock the potential for richer brainstorming, more robust decision-making, and a greater capacity to understand and serve diverse customer bases.

In essence, DEI data collection is an essential step towards harnessing the full spectrum of human ingenuity and insight, leading to enhanced organisational resilience and growth.

Agenda questions

What DE&I data does your firm capture?

(eg. Gender, Ethnicity, Disability, Socio-Economic)

- » Gender
- » Ethnicity
- » Disability
- » Well being
- » Mental health
- » Sex
- » Sociology-economic
- » Religious affiliation
- » Social mobility
- » Education
- » Marital status
- » Career responsibilities

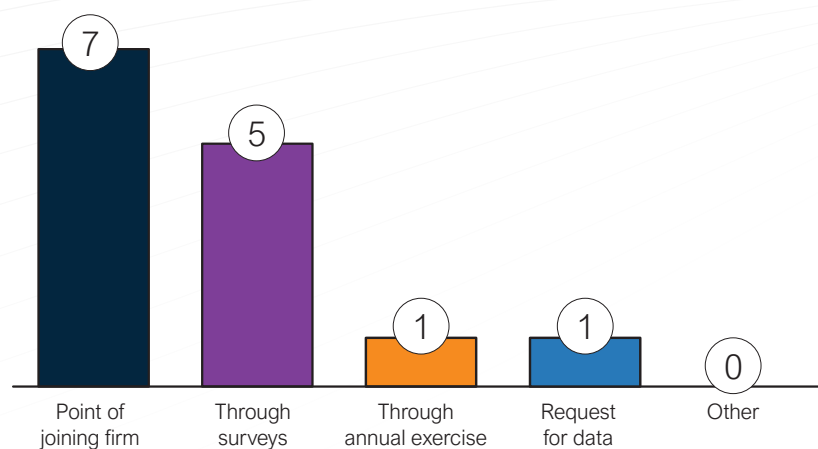
What do you see as the main challenge of collecting data?

- » Lack of awareness of why
- » System to manage the data
- » Data storage
- » Employee concerns
- » Consent
- » Privacy
- » Trust
- » Exhaustivness
- » Reluctance to self id
- » Vulnerability
- » Peoples view of purpose
- » Employee willingness
- » Systems
- » Source
- » Accuracy
- » Quality
- » Abstention
- » Technology

What do you see as the main benefit of collecting data?

- » Understanding the staff
- » Enable engagement
- » Diversity of thought
- » Improving diversity
- » Information
- » Targeted solution
- » Equity
- » Visibility
- » Change
- » Managemnt information
- » Identity issues
- » Targeted solutions
- » How to shape benefits
- » Storage KPIs
- » Planning
- » Inclusion

How do you capture data?



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