



The psychology of Diversity and Inclusion



What is diversity?

Diversity factors can be **seen** or **unseen**. Diversity is about ...

Race & ethnicity

Social background

Age

Disability

Sexual orientation

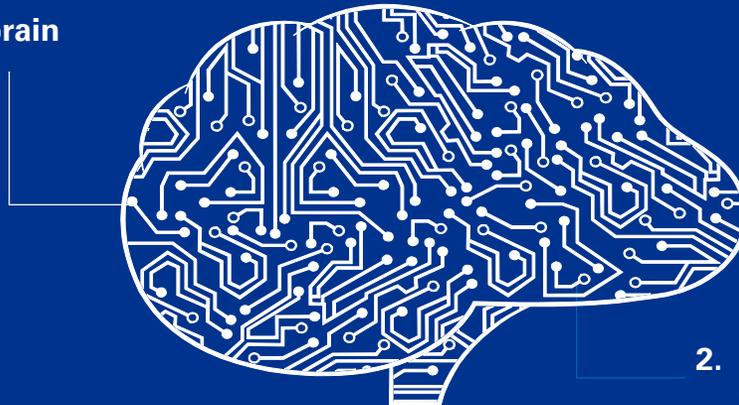
Neurodiversity

Gender

Religion

Neurodiversity refers to the **different** ways the **brain** can **work** and **interpret** information

1. Differences in brain structure



2. Differences in brain function

What do we mean by diversity, inclusion and belonging?



Diversity

... is being invited to the party



Inclusion

... is being asked to dance



Belonging

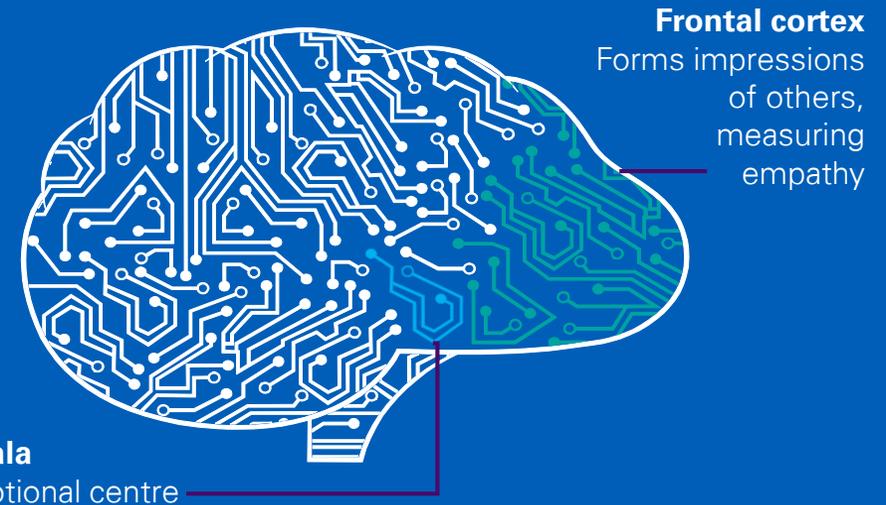
... is dancing like no one's watching

What impacts diversity and inclusion at work?

Social identity theory suggests that our sense of self is defined by our group memberships. People can unconsciously prioritise members of their 'in-group' and negatively evaluate members of 'out-groups'

Possible unconscious biases in the workplace :

Selective perception	Selecting particular objects or aspects of people for attention, and attributing positive or negative characteristics to these
Self-centred bias	Making decisions that serve ourselves in ways that others may view as unethical
Early information bias	Prioritising information that is shared early
Stereotyping	Common heuristic that humans use that may be irrelevant and discriminatory
Status quo bias	Making non-rational decisions to maintain the current state. E.g. a panel could unconsciously prefer to hire people from a specific background for a role
Confirmation bias	Processing information by using information that is consistent with one's existing belief



Unconscious bias can cause **exclusion** in the workplace

The effects of unconscious bias:

- Biased recruitment**
- Gender inequality**
- Poor culture & lack of organisational creativity**
- Decrease in performance**

Why do organisations need diversity?

Diversity is more than a tick in a box. It brings real business benefits.



Of employers are focusing on diversity to better understand our customers



Of organisations with diverse teams perform better



Of job seekers said a diverse workforce is important



Faster at effective decision making than non-diverse teams



Increase in innovation is reported in businesses that create an inclusive environment



Of organisations with ethnically diverse companies outperform the rest



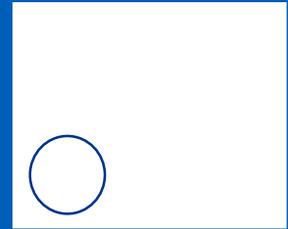
Of businesses report higher revenues if companies have more diverse management teams



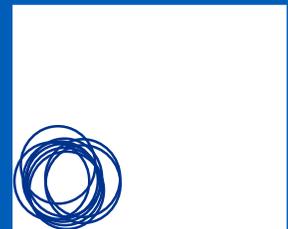
Of companies are more likely to capture a larger portion of the market if they are more diverse

Diversity builds intelligent teams

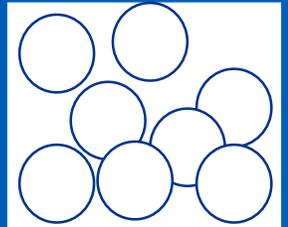
An intelligent individual



An unintelligent team (team of clones)



An intelligent team



Sources: KPMG, Deloitte, People Management, LinkedIn, Syed, M. See Slides 8 & 9 for References.

How can we increase diversity and inclusion?

HR activities to increase workforce diversity:



Measuring success. Measuring ethnic diversity should be a key performance indicator. In order to achieve this, organisations need to define the as-is state and aspirational targets, and measure progress against these targets



Changing culture. In order to achieve lasting change, culture change is also needed. Workplace culture should enable employees to bring their whole selves to work and encourage open dialogue about different backgrounds



Reshaping processes. To ensure equal opportunities for colleagues from diverse backgrounds, several HR processes need to be reassessed to ensure that they are transparent and fair. From initial recruitment to ongoing support and succession planning



Driving progression. Helping colleagues from diverse backgrounds progress up the career ladder through social mobility initiatives. This can be achieved by organisations being more inclusive to those that opportunities are given to



Building inclusion. To achieve a workplace where diversity is truly embedded organisations need to achieve a workplace where it is OK to talk about and celebrate diversity

Applying behavioural science concepts to build an inclusive workplace:

Linking intrinsic motivations to the employee lifecycle. Recruiting and rewarding people who are motivated to have a sense of belonging at work, and are curious about other culture

Nudging to drive behavioural change. Using nudges to drive more inclusive behaviours, mitigate unconscious associations and drive long-term behavioural change

Assessing how biases apply to HR processes. Identifying where confirmation bias might apply to recruitment and promotion processes

Applying choice architecture to frame options during key people decisions. Using choice architecture to drive objective leadership decision making during the promotion cycle

Using the psychology of inclusion. Rewarding people who clearly demonstrate inclusive values and behaviours, for example proactive collaboration outside usual groups

Embedding diversity and inclusion in our People Consulting methodologies

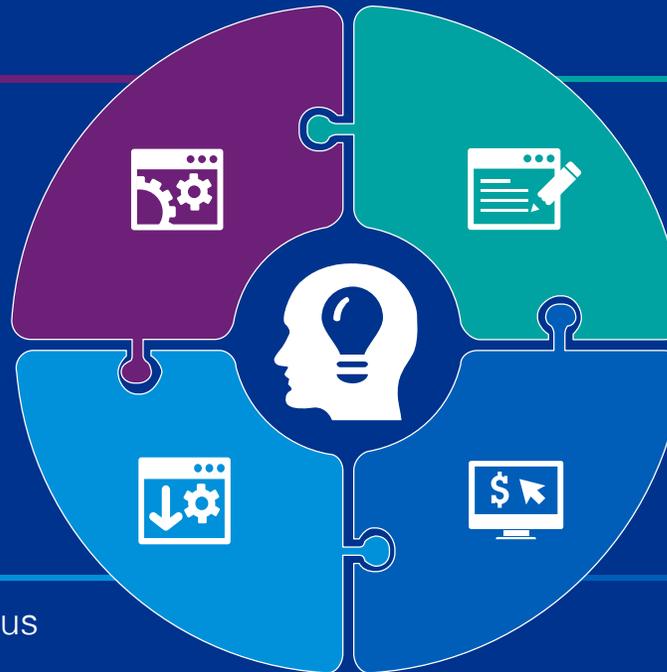
How do we embed diversity and inclusion into our proposition areas?

Organisational transformation

- ✓ Immersive Culture Campaigns including interactive masterclasses and targeted communications
- ✓ Applying a diversity lens when we validate the FTE base of the organisation, and design and deploy new structures

Learning

- ✓ Immersive, scenario-based unconscious bias learning
- ✓ Applying neurodiversity concepts to learning design



Workforce transformation

- ✓ Highlighting and applying the importance of neurodiverse skills in strategic workforce planning

Hr transformation

- ✓ Reviewing the employee lifecycle, identifying opportunities for improvement
- ✓ Improving the accessibility of HR policies

Key Contacts



Tim Payne

Partner
People Consulting
KPMG in the UK

tim.j.payne@kpmg.co.uk



Ruth Svensson

Partner
Learning Consulting
KPMG in the UK

ruth.svensson@kpmg.co.uk



Azalia Lawrence

People Consulting
KPMG in the UK

azalia.lawrence@kpmg.co.uk



Holly Archer

People Consulting
KPMG in the UK

holly.archer@kpmg.co.uk



Dilen Ghetia

People Consulting
KPMG in the UK

dilen.ghetia@kpmg.co.uk



Appendix

References and Further Reading

References

- ACAS, 2018. Neurodiversity in the workplace. Retrieved from <https://archive.acas.org.uk/neurodiversity>.
- Acas. (2016). Neurodiversity at work. Available from: [https://www.acas.org.uk/media/4655/Neurodiversity-at-work/pdf/Neurodiversity_at_work_0916\(2\).pdf](https://www.acas.org.uk/media/4655/Neurodiversity-at-work/pdf/Neurodiversity_at_work_0916(2).pdf)
- Baumeister, R.F., Twenge, J.M. and Nuss, C.K., 2002. Effects of social exclusion on cognitive processes: anticipated aloneness reduces intelligent thought. *Journal of personality and social psychology*, 83(4), p.817
- CIPD (2018). 1 in 10 HR professionals say their organisation is now focusing on neurodiversity at work. Available from: <<https://www.cipd.co.uk/about/media/press/150218-neurodiversity>>
- CIPD. (2018). Neurodiversity at Work. Available from: <https://www.cipd.ae/Images/neurodiversity-at-work_2018_tcm22-37852.pdf>
- Deloitte, 2013 – 'Waiter, is that inclusion in my soup? A new recipe to improve business performance', Available at: <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/human-capital/deloitte-au-hc-diversity-inclusion-soup-0513.pdf>
- Department for Business, Energy & Industrial Strategy (2017, 28 February). Race in the workplace: The McGregor-Smith review. Retrieved June 2020, from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/594336/race-in-workplace-mcgregor-smith-review.pdf
- Eisenberger, N.I. and Lieberman, M.D. (2004). Why rejection hurts: a common neural alarm system for physical and social pain. *Trends in Cognitive Sciences*, 8(7), p294-300
- Juliet Bourke. 2016. Which two heads are better than one? How diverse teams create break through ideas and make smarter decisions.
- Klingberg, T., Hedehus, M., Temple, E., Salz, T., Gabrieli, J. D., Moseley, M. E., Poldrack, R. A. (2000). Microstructure of temporoparietal white matter as a basis for reading ability: evidence from diffusion tensor magnetic resonance imaging. *Neuron*, 25, 493-500.
- Koshino, H., Carpenter, P.A., Minshew, N.J., Cherkassky, V.L., Keller, T.A. and Just, M.A., 2005. Functional connectivity in an fMRI working memory task in high-functioning autism. *Neuroimage*, 24(3), pp.810-821.
- Luskin, Bernard. (2016). MRIs reveal unconscious bias in the brain. Available at: <https://www.psychologytoday.com/gb/blog/the-media-psychology-effect/201604/mris-reveal-unconscious-bias-in-the-brain>
- LinkedIn 2018 – Global recruiting trends 2018: 4 ideas changing how you hire; Available at: <https://news.linkedin.com/2018/1/global-recruiting-trends-2018>
- People Management, (2017) - Diversity drives better decisions. Study carried out by Cloverpop, Available at: <https://www.peoplemanagement.co.uk/experts/research/diversity-drives-better-decisions>
- Sherman, G.F. & Cowen, C.D. (2009). A road less travelled: From dyslexia research lab to school front lines. In K. Pugh & P. McCardle (Eds.), *How children learn to read: Current issues and new directions in the integration of cognition, neurobiology, and genetics of reading and dyslexia research and practice*. 43-64. New York: Psychology Press.
- Tajfel, H., & Turner, J. C. (1979). An integrative theory of intergroup conflict. *The social psychology of intergroup relations*, 33, p.47.
- Temple, E. (2002). Brain mechanisms in normal and dyslexic readers. *Current Opinion in Neurobiology*, 12, 178-183.
- Syed, M., 2019. *Rebel Ideas: The power of diverse thinking*. Hachette UK.
- Virgin. What is Unconscious Bias and Why is it Important to Understand it? <https://www.virgin.com/entrepreneur/what-unconscious-bias-and-why-it-important-understand-it>

Further Reading / information

Reading

Virgin Money (2016, March). Women in Finance: 2016 Empowering Productivity Report Retrieved June 2020, from <https://uk.virginmoney.com/virgin/assets/pdf/Virgin-Money-Empowering-Productivity-Report.pdf>

Lordan, G. & Robinson, K. (2020). Inclusion in the City : Setting the Agenda for the First Years of the Inclusion Initiative at LSE. Available at: <http://www.lse.ac.uk/PBS/Research/tii/about>

Podcasts

Recruiting Future with Matt Alder – Episode: 209, Matthew Syed, Rebel Ideas, available at: <https://recruitingfuture.com/2019/09/ep-209-matthew-syed-rebel-ideas/>

Recruiting Future with Matt Alder – Episode 261: Data, Diversity and Inclusive Hiring, available at: <https://recruitingfuture.com/2020/04/ep-261-data-diversity-and-inclusive-hiring/>

Recruiting Future with Matt Alder – Episode 203: Diversity, Inclusion, Equality & Belonging, available at: <https://recruitingfuture.com/2019/08/ep-203-diversity-inclusion-equity-belonging/>

CIPD Podcast 161 – Challenging systemic racism in the workplace, available at: <https://www.cipd.co.uk/podcasts>

CIPD Podcast 152 – Neurodiversity: a vital aspect of workplace inclusion, available at: <https://www.cipd.co.uk/podcasts/neurodiversity>



kpmg.com/uk



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2021 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.