

Public & Social Sector Practice

# Tips for new government leaders: Unlocking diversity and inclusion

The COVID-19 crisis has created barriers to workplace diversity, equity, and inclusion. New government leaders can use proven approaches to address these issues and build the workplace of tomorrow.

*This article was a collaborative effort by Judy D'Agostino, Kweilin Ellingrud, Nora Gardner, Kerry Kraemer, and Sara O'Rourke representing views from McKinsey's Public & Social Sector Practice.*



© Jorg Greuel/Getty Images

**The public and social sectors** have higher levels of diversity than the private sector, but progress on workplace diversity and inclusion is stalling and at risk due to the COVID-19 pandemic. Despite some meaningful progress made over the last several years, diverse representation in the US workplace remains inadequate and uneven. While the representation of diverse communities in the overall workforce has been slowly increasing—especially among women in senior management—women, and especially women of color, remain underrepresented across the entire pipeline.

The public and social sectors celebrate higher diversity levels in senior roles than the average across private industry (Exhibit 1). For example, 34 percent of C-suite-equivalent roles in the public and social sectors are held by women and 22 percent by people of color compared with 21 percent and 15 percent, respectively, in the broader workforce. However, there is still room for improvement. For example, the total share of women employees in the federal government as well as the share of women members of the Senior Executive Service have remained essentially flat<sup>1</sup> over the past several years.

The COVID-19 crisis has made the challenges of both gender and racial diversity in the workplace more acute. Our 2020 Women in the Workplace Survey found that the pressures of the COVID-19 crisis are causing women to consider downshifting or leaving the workforce at higher rates than men, with one in four women (compared with one in five men) contemplating this shift. While many employees report high levels of exhaustion, burnout, and discomfort in sharing their personal challenges with coworkers during the crisis, the data show that women are experiencing these effects more acutely. In particular, three groups face distinct and

compounding challenges: women in senior roles, Black women, and mothers of young children.

## **Diverse and inclusive teams improve workplaces and outcomes**

Without dedicated initiatives focused on building and retaining a diverse workforce and creating an inclusive environment, workplaces (including public- and social-sector workplaces) could see a significant drop in the diversity of their workforces.

Research has repeatedly demonstrated the positive impact that diversity and inclusion have on organizational performance and outcomes (as well as the penalties suffered by organizations lacking diverse teams and inclusive environments). Benefits include better decision making, which is partly driven by having multiple perspectives brought to bear on problems as well as having an increased focus on and deliberation of the facts.<sup>2</sup> Researchers have also found a strong correlation between gender diversity and positive behaviors directly related to stronger organizational health. Additionally, McKinsey research shows that companies perceived as committed to diversity are approximately 75 percent more likely to support a pro-teamwork leadership culture.<sup>3</sup>

## **Four imperatives for building a successful diversity, equity, and inclusion strategy**

As leaders in government either step into new roles or prepare for broader organizational change, they have the opportunity to act and demonstrate their commitment to building diverse and inclusive environments. We recommend four steps to get started (Exhibit 2).

---

<sup>1</sup> As reported by the Data Analysis Group for financial year 2018, Office of Strategy and Innovation, US Office of Personnel Management.

<sup>2</sup> Heidi Grant, Jacqui Grey, and David Rock, "Diverse teams feel less comfortable—and that's why they perform better," *Harvard Business Review*, September 22, 2016, hbr.org.

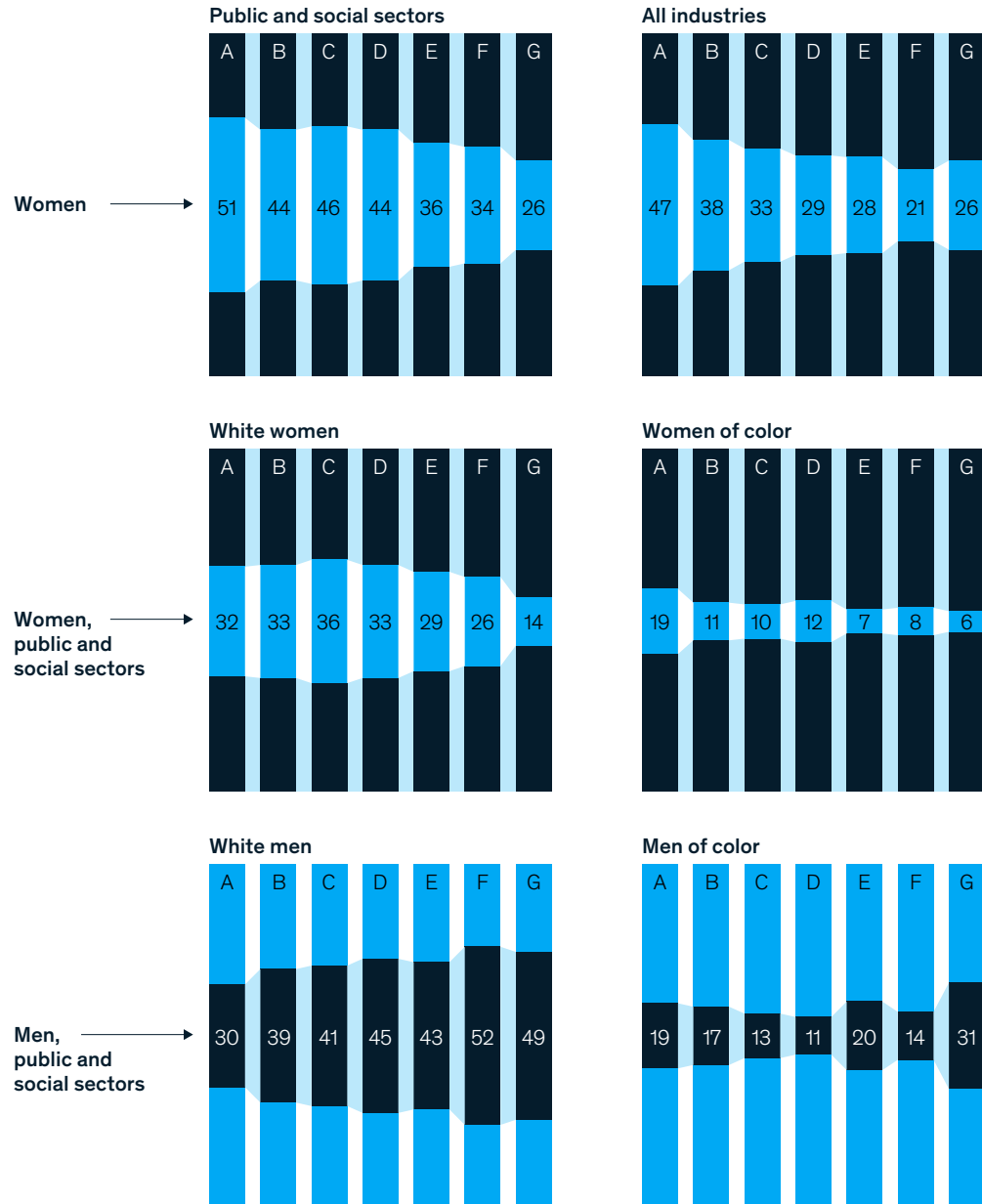
<sup>3</sup> Kevin Dolan, Vivian Hunt, Sara Prince, and Sandra Sancier-Sultan, "Diversity still matters," *McKinsey Quarterly*, May 2020; "Diverse teams feel less comfortable—and that's why they perform better," September 22, 2016.

Exhibit 1

# **In Canada and the United States, the public and social sectors show higher levels of women in senior roles than the private sector does.**

**Canada and US corporate roles in 2019 by gender and race, % of employees<sup>1</sup>**

A = entry level B = manager C = senior manager/director D = vice president E = senior vice president F = C-suite G = board



<sup>1</sup>Figures may not sum to shown totals, because of rounding. Overall figures for women in public and social sectors include employees who did not report race. Aggregate results from Canadian and US public- and social-sector companies (15 submitted pipeline data). All data collection occurred between May and August 2020. Talent-pipeline data reflect representation of men and women as of December 31, 2019). Source: Women in the Workplace Survey 2020

## Four imperatives can help build a successful diversity, equity, and inclusion strategy.



Understand the starting point



Set a simple and bold aspiration



Define a targeted strategy



Build on successes and ensure engagement

### 1. Understand the starting point

The first step to building a successful diversity, equity, and inclusion strategy is understanding how the organization performs along these dimensions. To achieve that, new leaders can do the following:

- **Understand all diversity, equity, and inclusion dimensions.** Creating the right environment is not just about “boosting numbers.” Rather, it takes a holistic focus on three aspects: first, diversity, or the composition or representation of employees across various elements of difference; second, inclusion, or the degree to which organizations embrace and enable employees to have a sense of belonging and make meaningful contributions; and third, equity, or the norms, practices, and policies in place to ensure identity is not predictive of opportunities or workplace outcomes. Leaders should understand the current state across all dimensions and the levers that enable organizations to improve across each dimension.
- **Create a robust fact base.** Leaders should push to get data on diversity, inclusion, and equity. For diversity, it is important to get a *granular* understanding of how racial, ethnic, gender, and other diversity indicators break down by tenure and subdepartment or program (rather than just at the department level). That will allow leaders to understand where there may be a gap and to answer questions such as the following: Is there a “broken rung”<sup>4</sup> in the pipeline (for example, a tenure after which the percentage of underrepresented groups tends to drop significantly)? Are some subdepartments performing well and others not? Is a particular group—Black women or members of the Hispanic community, for example—particularly underrepresented? For equity and inclusion, leaders should understand what policies, programs, and practices are in place as well as what their outcomes have been on retention, feelings of inclusion, and so forth. Employee surveys can often help to measure these outcomes.
- **Analyze what the data tell you.** Once leaders have a fact base, they can qualitatively and quantitatively assess the current state of inclusion and diversity, identify the specific areas of the organization's challenges (for example, does the agency struggle with hiring, promotion, retention, or any other area?), and develop hypotheses on the potential drivers of these issues (for example, is the issue due to policies, norms, or individual behaviors?). That information can be used to inform the diversity, equity, and inclusion goals that leaders set.

<sup>4</sup> The “broken rung” describes the disparity between men and women (particularly women of color) at the first step up to manager. (*Women in the Workplace 2020*, a joint report from LeanIn.Org and McKinsey, September 2020, [womenintheworkplace.com](https://www.womenintheworkplace.com).)

## 2. Set a simple and bold aspiration

Once leaders have a sense for how diverse, equitable, and inclusive their organization is, they should set a bold and tangible aspiration and ensure their leadership team is committed to getting there. To do so, leaders can consider the following guidelines:

- **Define and commit to a tangible aspiration.**  
When defining the aspiration for diversity, equity, and inclusion, leaders can consider an aspiration for the representation of various groups at various tenures as well as for concrete improvements in employee sentiment on inclusion and belonging. Grounded in a strong fact base, leaders can create bold yet realistic goals that address the organization's or department's specific challenges.
- **Ensure leaders communicate and model the aspiration.** Leaders should candidly speak to their employees about the current reality of and vision for diversity, equity, and inclusion in their organizations. Broad communication of the desired future state—starting with senior leaders and other champions throughout the organization—helps ensure everyone knows what the collective organization is working toward and is brought into building an inclusive culture. More important, leaders should visibly and vocally demonstrate inclusion and act as role models for what inclusive leadership looks like (for example, using purposefully inclusive language to address groups in meetings or making a specific point to acknowledge contributions by colleagues in underrepresented groups), sharing their learnings along the way.

## 3. Define a targeted strategy

Creating a targeted strategy involves not only identifying specific opportunities to address the agency's particular challenges but also engaging employees in those solutions. To do so, new leaders can consider the following:

- **Identify the opportunities that will make the most difference.** It is tempting to try to solve everything

at once, but organizations that have made the most strides on diversity, equity, and inclusion develop specific initiatives targeted at addressing their most acute challenges. For example, if the organization struggles with promoting diverse candidates into leadership roles, there might be a focus on sponsorship, addressing any bias in performance reviews, and stronger diversity in succession planning. If an issue is that underrepresented groups tend to feel disconnected from the broader workforce and unable to bring their true selves to work, the organization may want to focus on building more inclusive practices and behaviors and on systematic inclusion training for managers and other employees. Some potential actions to address common challenges include the following:

1. **Identifying and removing bias and promoting conscious inclusion.** A broad spectrum of initiatives exists for tackling unconscious bias, from implementing unconscious-bias training to embedding conscious inclusion into internal people processes (related to hiring, promotion, feedback, and development). New leaders could also consider instituting "conscious inclusion" through visible and nonvisible behaviors that encourage employees to be their full selves, unlocking the value of diversity in the workplace. Potential actions include circulating weekly inclusion "nudges" (for example, tips sent to employees on how to use inclusive language, questions employees can ask themselves to ensure feedback is unbiased, or suggestions on how to bring diverse perspectives into problem solving), enriching the diversity of hiring pools, and providing sponsorship to diverse employees. Ensuring that managers have the skills to practice proactive inclusion is key. Some companies celebrate great examples of inclusion through awards and sharing stories.
2. **Enhancing diversity in hiring pools.** Rather than relying solely on existing channels and networks to source candidates, leaders can

supplement those sources by rethinking how and from where the agency sources talent and by investing in proactive outreach and higher-touch recruitment activities within underrepresented applicant pools to expand the diversity of applicants. Further, when organizations require that each interview slate have at least two diverse candidates, we often see the hiring rate of the diverse candidate increase significantly (three to four times for some organizations). In the post-COVID-19 world, many organizations have realized that the remote-working environment can, in fact, help them reach and attract new talent, with 70 percent of companies saying they believe it will allow them to increase diversity in hiring.<sup>5</sup>

3. *Offering allyship and sponsorship, particularly for diverse employees.* The power of sponsorship is well documented, and diverse employees tend to be over-mentored and under-sponsored. LGBTQ+ and racial- or ethnic-minority senior leaders are more likely than others to say sponsorship had a positive impact in their careers and more likely to feel a strong sense of inclusion in their organizations.<sup>6</sup> LGBTQ+ senior leaders, for example, are

more than twice as likely as their non-LGBTQ+ counterparts to identify sponsors as having aided their advancement (with 80 percent noting that none of their sponsors were part of the LGBTQ+ community themselves).<sup>7</sup> While mentors alert mentees to opportunities, encourage them to take risks, and help them navigate the workplace's intangible rules, sponsors create opportunities, give sponsored candidates stretch assignments, and put their own reputations on the line to ensure the success of their sponsorees. The absence of mentors and sponsors create significant barriers for Black women in particular; they not only have fewer interactions with senior leaders than their colleagues of other races and ethnicities, but they are also less likely to have their managers advocate for new opportunities for them.<sup>8</sup> Leaders can encourage equitable sponsorship—for example, embedding in leader performance reviews an expectation that leaders sponsor people who do not look like them or tracking data to ensure all employees (including high performers) have clear sponsors. Employees in lower tenures also have a role to play by being allies,<sup>9</sup> which directly impacts employees'

**LGBTQ+ senior leaders are more than twice as likely as their non-LGBTQ+ counterparts to identify sponsors as having aided their advancement.**

---

<sup>5</sup> *Women in the Workplace 2020*, September 2020.

<sup>6</sup> "Understanding organizational barriers to a more inclusive workplace: McKinsey Global Survey results," June 2020, McKinsey.com.

<sup>7</sup> Peter Bailinson, William Decherd, Diana Ellsworth, and Maital Guttman, "LGBTQ+ voices: Learning from lived experiences," *McKinsey Quarterly*, June 2020, McKinsey.com.

<sup>8</sup> *Women in the Workplace 2020*, September 2020.

<sup>9</sup> An ally is someone who uses their power to support or advocate for others with less power.

satisfaction with their jobs and ability to succeed at work. Allyship actions include actively advocating for racial equality and publicly confronting discrimination.

4. **Providing flexibility.** The pandemic has brought to light the disproportionate household burden carried by women. Even before the COVID-19 pandemic, women spent more than double the amount of hours as men did on unpaid care work—shopping, cooking, cleaning, and caring for household members.<sup>10</sup> During the pandemic, 40 percent of mothers have added 15 additional hours per week of household and childcare duties compared with 27 percent of fathers,<sup>11</sup> which has led to disproportionate rates of burnout among women. It is important that leaders take the time to understand what challenges employees are experiencing and empower managers to help employees reach solutions to reduce the burden. Conversations can reveal simple solutions (for example, building in 30-minute buffers at the beginning of the workday, setting guidelines for email traffic after business hours, or enabling employees to shift the hours of their workdays) and create a more inclusive work environment.

— **Engage employees in the solution.** Before leaders finalize the short list of initiatives that will address their challenges, it is important to engage employees in understanding how these challenges manifest in the workplace and what types of solutions may or may not work. Through listening tours, focus groups, employee surveys, and other means of generating open discussion and feedback, leaders can test ideas and ensure they are crafting an agenda that will properly address agency challenges and have buy-in from across the organization.

#### **4. Build on successes and ensure engagement at all levels**

Defining a clear strategy is not enough—leaders should also make sure they have the mechanisms in

place to ensure rigorous implementation. Focus and execution discipline not only makes a big difference, it is the only thing that can change things significantly and make that change sustainable. Leaders can ensure rigorous implementation in the following ways:

— **Measure and celebrate progress toward diversity, equity, and inclusion outcomes.** Major change will not happen unless organizations assign clear initiative owners, measure progress, and embed new practices into management routines. Two early steps that leaders can take include providing transparency on progress toward organizational diversity, equity, and inclusion outcomes and celebrating subdepartments or individuals within the organization that can serve as role models and champions for the agency. Those steps can be complemented with empowerment at the manager level; often, managers best understand their teams' needs. Helping managers develop their skills—to identify situations that need to be addressed and handle challenging discussions—is critical. By enabling managers to make decisions that will address their team members' specific needs, agency leaders can enable a more dynamic response to employee needs rather than driving all direction from the top.

— **Use influencers to drive change.** Initiatives should not be exclusively spearheaded by leaders. Leaders can identify members who have informal influence within the organization and invite those influencers to act as champions for initiatives. These are often not the senior leaders but rather individuals who have been within the organization for a long time or have networks and skills to influence different people. A simple way to identify these influencers is by asking a series of employees, "Who do you seek out to get things done or to learn how to navigate the organization?" Often, certain people serve as "überinfluencers" and are relied on by a disproportionate number of individuals across the organization.

<sup>10</sup> "American Time Use Survey—2019 results," Bureau of Labor Statistics, June 25, 2020, bls.gov.

<sup>11</sup> *Women in the Workplace 2020*, September 2020.

— *Translate allyship into action across all levels.*

Identifying as an ally doesn't always translate to action. For example, while three in five employees identify as allies to women of color, our research shows that only one in ten mentor or sponsor a woman of color.<sup>12</sup> Only 39 percent of employees who identified as allies reported publicly acknowledging or giving credit to women of color for their ideas and work.<sup>13</sup> Allyship has a particularly salient impact on Black women: when they feel they have real allies, they are twice as likely to both feel they can bring their whole selves to work and to believe they have an equal opportunity for advancement.<sup>14</sup> Effective allyship is not limited to management; leaders can spotlight strong allies and the actions they take across the organization, celebrating positive changes and noting areas of growth as a team.

That led to meaningful conversations on race as well as reflections on where the organization had challenges in the past and improvements that could be made going forward. Pulse surveys can also be an effective way to collect more frequent and anonymous sentiment that helps leaders to understand what is working, hear ideas on how to get ahead on unspoken challenges, and gauge overall employee sentiment. Such communication is especially important in a remote-working environment. For example, one federal leader has instituted frequent virtual town halls to ensure she is getting key messages out to her teams and hearing their challenges regularly. That has led to new levels of engagement and satisfaction despite the pandemic's challenges.

— *Maintain open communication and feedback channels.*

Leaders should not pursue diversity and inclusion initiatives in a vacuum but rather maintain constant communication with managers and employees to assess the effectiveness of initiatives and ensure new issues are being addressed. Leaders can also use these channels to bring a more personal and open environment to the workplace. One leader of a state agency sent an email to her organization following the recent public focus on racial injustice and violence to gauge how her employees were doing and invited responses.

The COVID-19 crisis has demonstrated the urgency and importance of transforming diversity, equity, and inclusion in the workplace and has presented an opportunity for new leaders in government to reimagine how their organizations might work better and differently over the long term. By taking bold and effective steps to address their specific organizational challenges and enlisting everyone in the solution, leaders can craft a new workplace that is representative and inclusive of all groups and that enables improved mission outcomes.

---

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

**Judy D'Agostino** is a consultant in McKinsey's Washington, DC, office, where **Nora Gardner** is a senior partner and **Sara O'Rourke** is a partner; **Kweilin Ellingrud** is a senior partner in the Minneapolis office; and **Kerry Kraemer** is a consultant in the Chicago office.

Designed by McKinsey Global Publishing  
Copyright © 2021 McKinsey & Company. All rights reserved.