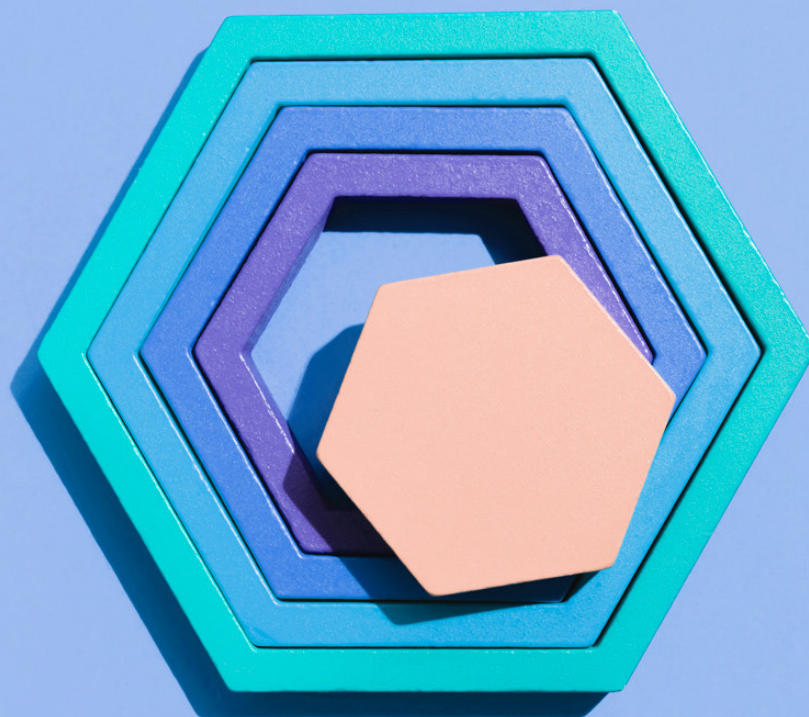


Public Sector Practice

Advancing diversity, equity, and inclusion

During the COVID-19 pandemic, women have had bigger workloads—and have burned out in greater numbers. Government leaders can use proven approaches to address these issues and build better workplaces.

by Nora Gardner



The COVID-19 crisis has created barriers to workplace diversity, equity, and inclusion (DEI). Women in particular are facing great challenges as they struggle to unplug in work-from-home environments. Because of this, burnout is a growing problem.

In this episode of the *McKinsey on Government* podcast, Francis Rose speaks with Nora Gardner, a senior partner in McKinsey's Washington, DC, office, on how to address this pressing issue. Rose and Gardner discuss the business case for diversity, as well as how government leaders can use proven approaches to address DEI issues and build the workplace of tomorrow. The conversation has been edited for clarity.

Francis Rose: You wrote recently that there's a strong business case for diversity. That's a different way of looking at diversity, equity, and inclusion than people have done for a long time. What is that business case, and how can a public-sector leader apply that?

Nora Gardner: We have done research and really believe in the business case for diversity. What I mean when I say that is we've been tracking, in the private sector, company performance over many years and seeing how that correlates with diversity. We can show that more diverse companies happen to also be better at financial performance and delivering value to shareholders.

Considerations for the public sector

Francis Rose: How do you apply that shareholder concept in the public-sector context? It's obviously different for a federal agency, compared to a company. But outcomes that I imagine a private-sector leader is thinking about regarding the value to shareholders and to citizens are probably along the same lines, aren't they?

Nora Gardner: Absolutely. The concept translates—and, in fact, in my view, translates even more fully when you think about mission outcomes

for public-sector agencies. Of course, public-sector agencies pay attention to the efficiency and effectiveness of what they do, and so those performance levers apply.

But what they do is so incredibly important and has so much impact. It's also very, very close to citizens' and residents' lives, and so all the logic would hold about reflecting your customer or—even more important, I would argue—in a mission delivery context.

Francis Rose: In that context, Nora, I think there are two phases, or two elements, that a public-sector leader is thinking about. One is the workforce that she's leading—whether it reflects the citizens whom that organization is serving. And the other is the way that service is delivered to people across the spectrum of all the different ways that one thinks of diversity, equity, and inclusion. This may be too philosophical, but are the concepts that one thinks about in DEI the same in the internal considerations that one makes, as opposed to the external considerations that one makes?

Nora Gardner: They are absolutely related. Some of this has to do with the pure representation of reflecting those whom you serve or those whom you seek to serve, and so, in that sense, they're absolutely related. But part of that business case for diversity is also ensuring that you get creativity, innovation, and different ways of thinking. And that, of course, comes when you have a variety of perspectives and backgrounds and an environment that unlocks them to the benefit of the outcomes you're seeking. These are very related.

What's been really exciting about this moment is that we're seeing companies and public-sector organizations starting to link these much more closely together. We're starting to, of course, think about employee experience and outcomes and connect the dots to what they do; the change they're trying to effect in the world; the people they serve; and, if it makes sense, the policies and the thought leadership they put out.

Leading organizations really don't see those as mutually exclusive, but they start to get reinforcement and synergy among those. It's a wonderful moment when we see organizations and agencies really connecting those dots more fully. Seeing that the connection to a great employee environment leads to better mission outcomes leads to a better nation for all of us.

Building and maintaining a DEI strategy

Francis Rose: There are a lot of dots for leaders to connect now, too, at the federal level. There is the executive order [EO] advancing diversity, equity, inclusion, and accessibility from the White House. The President's Management Agenda [PMA] vision references it, if I recall correctly, maybe a half-dozen times. There's a lot of stuff here for leaders to work through. What is the best process by which that leader should take the pieces and put them together into something that forms a strategy?

Nora Gardner: The key to this is connecting those dots and seeing things as reinforcing, as opposed to looking at this as "yet another thing I've got to do." Because, yes, you've got to take care of your employees. And in some cases, our leaders in the public sector are leading huge workforces. So that's, in and of itself, a great deal of work.

Then you're thinking about, "OK, what's my plan on diversity, equity, and inclusion?" And then, "What's

my plan on equity in outcomes?" And all of a sudden, that can feel like way too much to do. So one thing is to change that mindset and see those connections.

The leaders who do that usually act based on the way they view their source of meaning and what they're trying to do—not just the sort of plan that they have in place, but how they lead. And it's a little bit like, "You know it when you see it," but when you see leaders who follow that source of meaning all the way through, not only the tactics of what they do but also how they behave, it's really inspirational and creates a better environment for everybody.

Francis Rose: Given that there are some people who might take this as just another responsibility that one has, how do you do this in a sustainable way, rather than simply saying, "Let's put a structure in place and then let it sit there and not really pay attention to it"? It sounds like this is something that needs to be nurtured on an ongoing basis; it's a plant that needs to be watered, not something you put on the table and let go of.

Nora Gardner: Absolutely. And when we see this done well, there are a few conditions in place. One is that it's helpful, if not necessary, to have senior-leader commitment. I just can't overstate how important that is; we see it in our work with private-sector entities as well.

It's also important to recognize that these are really challenging times that we're in right now—with

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the pandemic, with people juggling many, many responsibilities. We do now see a lot of burnout, and I'm sorry to say that we see that happening differentially.

When we look at who's stepping up to do DEI work, we see that women do more than their male colleagues and male leaders. That work is not always recognized formally, even though it's exactly the work this moment requires, of course, because of the executive order and all the strains we're under, and also because of the strains that working through this pandemic—virtual work and juggling everything going on—has caused for leaders.

Distinctions between diversity, equity, and inclusion

Francis Rose: Just the three concepts: diversity, equity, and inclusion—I wonder if we don't do a disservice by clustering them all together—because they're not the same thing. And I wonder if a little differentiation before we proceed much further is useful.

Because, for a long time, when I would talk to leaders in the federal government, the discussions around “diversity and inclusion” started with “diversity.” “Inclusion” got added. Now “equity” is part of the conversation. And that evolution, I think, is probably instructive to people who are trying to figure out the next thing they should do—or the next five things they should do.

Nora Gardner: Yes, the concepts are different. They are reinforcing, as you said, but I think it's important to clarify what they mean. When we say “diversity,” we're really talking about “representation.” There, you do see that data, and numbers are helpful to look at.

But that can be diversity in many forms, including gender representation, racial and ethnic representation, differing abilities, LGBTQ+ representation, and diversity of thought,

background, and lived experience. There are many ways to think about diversity, but here, you're looking at representation.

“Inclusion” is more about the environment: Is there a sense of belonging? Does every colleague feel comfortable sharing? Do they feel comfortable bringing their full selves to work and thriving in a team? And finally, “equity” is about both fairness and similar outcomes, regardless of starting position.

Now, as I said, those are different concepts, but very much reinforcing. We talked about the business case for diversity early on, and we said the business case is that more diverse teams lead to higher performance. They do so when there's an environment of inclusion that allows businesses to make the most of that diversity. Generally speaking, you get more equitable outcomes in those situations. And if you don't, then you want to take a look and find out why.

Four steps for DEI success

Francis Rose: You sent me some notes about what public- and social-sector leaders can do. We've talked about the first one. You have four notes in total.

The first one was building on the energy that we've seen from the PMA and the EO on diversity, equity, and inclusion. The second one was “recognizing and rewarding positive contributions to DEI and well-being.” Does that get more challenging in the environment that a lot of people are working in right now? What's the impact that the remote-work environment is having, broadly, on these concepts?

Nora Gardner: Yes, absolutely. This has been a really challenging time, although it's also been a time of experimentation and flexibility. And, certainly for many federal employees, that has had some positives, absolutely.

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But we do see increasing levels of burnout and stress. People are dealing with really challenging personal situations. The missions of many institutions are totally key to being on the front lines of helping us through this pandemic. Think about that: there's just a lot of stress in our system.

What we see in our research, as I mentioned, is some leaders and employees really stepping up to do more. What are they doing? They are checking in on their employees. They are helping to offer ways to manage workloads and stress. They are supporting and sponsoring colleagues in employee resource groups.

That's, as I mentioned, exactly what we need from leaders, employees, and public servants right now. We would really like to see that effort recognized, rewarded, and of course celebrated, but also formally so in performance reviews, for example.

Emphasizing allyship in your organization

Francis Rose: Another element of DEI that you pointed out to me is “building allyship and educating about antiracism.” Define “allyship.” What makes a

good ally in these kinds of situations and these kinds of issues, Nora?

Nora Gardner: Allyship is extremely important. In our research, we've also talked about mentorship and sponsorship. It's very important to give great advice and to create opportunities as sponsors. Allyship is stepping up in support of colleagues who are identified in another group: to support them, to create opportunities for them, to speak up when you see negative behaviors, and also to amplify and lift them up.

The thing about allyship in our research is that it actually works. We do research on the employee experience and how it differs between women and men and women of color, and so on. We see that women of color who have allies have more positive experiences at work and fewer negative experiences at work and that, in fact, they're on par with the experience of all employees.

So allyship works. Many, many people want to be allies. An increasing number—70 to 80 percent of employees—reports that they identify as allies and want to be allies.¹ The challenge is when we then ask about action. We do not see those same employees

¹ For more information, see *Women in the Workplace*, McKinsey and LeanIn.Org, September 27, 2021.

taking the actions that I described, which are so very important to those colleagues.

Francis Rose: It's a case, I guess, of, "I wouldn't mind being that, but I'm not sure I'm crazy about doing that," right? How do you change that dynamic? Is there something that can happen in the workplace that moves somebody from being willing to be that to being willing to do that?

Nora Gardner: Absolutely. One thing is just educating allies on actions they can take and which actions would be most important to the people they're trying to support. We see some agencies, companies, and organizations also setting up formal allyship programs and even training.

Higher-performing companies and organizations are more likely to have instituted a program like this. It's trying to understand how you identify or how you intervene in a productive and constructive way when you see othering behavior or when you see someone's credibility being challenged.

How can you support colleagues in a positive way? The positive intent is real, and it's not for lack of trying. But I think people don't always know exactly what to do, how to do so with confidence, and that it will be appreciated.

The pros and cons of workplace flexibility

Francis Rose: The last item on the punch list that you sent me is "normalizing employee support and flexibility." And you have a footnote: "Also, be wary of solutions gone wrong—for example, excluding virtual colleagues." It strikes me that that's probably behavioral and not intentional.

As we're all navigating a new world, it sounds like you intended that as more of a reminder: "don't forget about these people," not that there's some kind of abnormal situation going on right now. Am I on the right track?

Nora Gardner: Yes. Virtual work has been so interesting. We've been doing research on experience in the workplace for a long time, and the number-one thing, prepandemic, that women said they wanted and needed to make their lives work, and their working lives work, was flexibility.

As I mentioned, for many federal employees, that was not something they were able to access. Moving to virtual work, at least for those employees who were able to do that, in some cases held real promise of providing that very flexibility we all want and need.

But flexibility without boundaries can lead to feeling like you have to be always on, a little more conscious of differences, and therefore doing even more to make up for that. We've been doing a lot of looking into people's lives through a video screen. On the one hand, that's humanizing and wonderful: you see people's pets, their home lives, the interruptions. And that is really nice from an inclusion point of view.

But that can accentuate differences if you're not careful about it. As we move into a world where we're doing a little more hybrid work, coming into the office only sometimes, we have to be careful that we don't exacerbate differences around those preferences.

Francis Rose: Final thought. Nora, I appreciate your time today. Of those four things—building on positive energy from the top by referencing the executive order, the PMA, and others; recognizing

and rewarding positive contributions to DEI and well-being; building allyship and educating about antiracism; and normalizing employee support and flexibility—those aren't progressive steps, are they? You don't do one, and then do the next, and then do the third and the fourth. These are things that one does all at the same time, right?

Nora Gardner: Absolutely. It's an all-of-the-above situation: they're all necessary, but not individually sufficient. And it's important that all leaders and all

of us step up, take these actions, and see them as our role and our job. We, of course, want to reward and recognize those who are checking in on each other, who are leading, who are doing this important work. But it's all our job as well.

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