Episode 1 — Beyond the Business Case

Sarah: Hi! It's Sarah Kaplan again. You are listening to another limited series podcast by GATE audio. If you've joined us for our other podcasts, you will know that GATE stands for the Institute of Gender and the Economy at the University of Toronto's Rotman school of Management, and I'm GATE's Director. Our goal is to engage current and future leaders in rich conversations around inequalities in our society and how we might address them. In this podcast series one of GATE's MBA fellow's, Vanessa Ko, talks to executives about the hidden best practices for improving gender diversity in the workplace and highlights innovations that might actually move the needle on a thieving diversity and inclusion. So up next, listen to what Vanessa learned.

Vanessa: Welcome to Beyond the business case, a podcast by the Institute for Gender and the economy. I'm Vanessa Ko Each episode, we interview companies on what they're actually doing to improve gender diversity in their companies. We also highlight best practices and innovations in the field to try and change the conversation on gender diversity in business. So why are we doing this podcast? Well, gender diversity and inclusion is a big topic these days. A Google search for gender diversity and business shows more than 10 million results and the top results of titles like why gender diversity is good for business, and gender diverse companies are more productive. So there's clearly a discussion happening around the importance of gender equality. But at the same time, the needle really hasn't moved over the past 10 or 15 years. If you look at actual progress indicators, women still earn less than men on average, and only 5% of fortune 500 companies have female CEOs, a big step from 0% and 1995 but still, and a Global Gender Gap Report from the World Economic Forum says that at current levels of progress, we are more than 200 years away from a fully gender equal world. So with all the discussion and awareness, why aren't we achieving gender parity at work? To get a better perspective on this, we turn to academia first, Professor Sarah Kaplan, who is the director of the Institute for Gender and the economy at the Rotman School of Management gives us her views. Hi, Sarah, thank you for joining us today. So there's been a lot of talk about gender diversity in business, but we still have a long ways to go. What do you think is happening? And how does the institute's work fit in?

Sarah: The Institute for Gender in the economy has been around for about 18 months. And the idea behind it was simply that we haven't made enough progress on gender equality, it seems like we should have made more progress over the last 30 years, given the amount of talking and conversation and all of that. And so I began to wonder why we haven't made more progress. And it occurred to me that maybe we don't have enough of the right ideas. Maybe we need new ideas. And since we're at a university, we're research driven, I thought, why don't we create an institute that can focus on generating new research that will help us change that conversation with the hopes that with new ideas and new insights, we'll be able to actually make progress or get over the stalemate, because there was a lot of progress from the Women's Liberation Movement in the 60s and 70s. And into the 80s. But the 90s, in the 2000s. And beyond, it sort of flattened out. And it shouldn't be that way. It shouldn't be 2018. And not be there yet. So that's what that's what motivated. The creation of the institute was just can we use the rigorous research to change the conversation, so that we can actually do new, innovative different things to try to make progress?

Vanessa: Right, so you talk about changing the conversation? What is the conversation in your mind?

Sarah: Well, I think that the conversation right now has been sort of bogged down on one of we need more diversity, and the business case for diversity, oh, there's no women on boards, we need women on boards, and there's no women in leadership, or there's no women in STEM. And it's sort of it's a very limiting conversation, because one, it's a negative one, which is why are there so few women. And so most of the people have spent their time sort of documenting all the ways in which there is a gap, which is great. And we need to understand the nature of the gap. But if that's as far as we go, we can't really make progress. So I keep thinking that if we change the conversation to be more about understanding, not just that there's a gap, but what are the processes that produce the gap, then we can start to innovate around changing those processes or systems or structures or things like that. I think there's a lot of conversation

also about the, quote, intrinsic differences between men and women, that if you really look at it, we can see that is actually socially structured, those differences, there aren't there, there are some biological differences. But in terms of career aspirations, and all of those kinds of things. Men and women are different at the beginning of their careers. And so I want to kind of get rid of that conversation and get more to a conversation about what are the social structures and processes and systems that lead to these different outcomes? And then how can we intervene on those. So that's really, you know, how I want to change the conversation as a way from just the negative. And the other thing I would say about changing the conversation is often when we say the word gender, we think about gender discrimination, we think about women not having as many opportunities. But we should also think about the fact about the social structures that constrain men as well, because part of the problem is actually our understanding of masculinity, which means that men can't share in the household responsibilities or family care responsibilities without being policed in terms of their masculinity, which means that women have to take on more of the burden, which means women have to have more flexible careers which mean women have to you know, work more part time or in lower paying jobs and then you wonder how the gender pay gap got produced. not just about women, it's also about men. And so by focusing on the other side of the equation, and also now not just men and women, which is very gender binary, but all the different gender identities, I think we have an opportunity to actually make more progress than if we just focus on women per se.

Vanessa: I think this touches on an article you wrote last fall called Gender equality is an innovation challenge published in the Rotman. Magazine, can you tell us a bit more about what you wrote in that article?

Sarah: The idea in the article is, is, as I said before, because I'm frustrated about the lack of progress, I really was hoping that we could start talking less about changing our brains and our biases, because that's the first thing that people want to do. They want to get implicit bias training or give implicit bias training and say, but it turns out that our biases get structured, socially structured into us, from the time we're small children, the chance that we could change those is just very low. So we're never going to fix the problem by trying to fix our brains, because our brains are that what they are. But we can fix a problem by fixing the structures and processes and practices. So how can we innovate in that, and coming up with different ideas about innovating and recruiting, innovating and how we manage our supply chains innovating and new product development processes, in ways that lead to more inclusiveness? And so that was the inspiration for the article.

Vanessa: Right? So when you talk about innovation, what do you mean? Is it just changing the conversation or, you know, doing less implicit bias training? Are we what are we changing? What are we innovating?

Sarah: Yeah, so that's a good question. I think a lot of times when people think about innovation, they think about product innovation, like let's create a new product. And there are some product innovations that actually could be more gender inclusive. Like when we think about banking. Right now, we're learning that some of these banking apps like Wealthsimple, or other things, or investing apps, or things like that, actually are much more appealing to women than some of the experiences that women have had in the past, for example, going to an investment advisor, which is very male dominated kind of industry. So there could be product innovations that actually are more inclusive. But I'm also thinking about innovating, in, for example, recruiting practices. So could you change how you write your job ads, so that you attract more women, and actually, you then have a different kind of criteria that allow you to hire more women or and promote them because the job descriptions are de gendered. And then even thinking about innovating and supplier relations, for example, Walmart, when they launched their program to for women's empowerment, they had this goal of $20 billion of their products being sourced from women owned businesses, well, then they discovered that there's not enough women on businesses out there. So if they're going to hit that target, they're actually going to have to help support women owned businesses get founded, and then financing and giving them the resources and the infrastructure so that they can actually build their business. So the innovation came not so much in the decision that they want

those suppliers, but in all the different ways they had to learn how to support women owned businesses. So those are, you know, some examples of different ways. So some of them sound kind of small, but actually implementing them is kind of complex. But those are the kinds of innovations that I'm talking about. That's great.

Vanessa: So I guess I'm curious, do you think there is a role for more the traditional approaches like the business case argument or implicit bias training, as you mentioned? Are they still important, or are they relevant today?

Sarah:Yes, well, so I think diversity training definitely has a place. Broadly speaking, I'm not sure about implicit bias training in the sense that I think everyone should be aware of the fact that they have their own biases. I don't think we can fix them. But we do know that diversity training done well, can actually help diverse teams function better, because, you know, there's this research that shows that more diverse teams, and people talk about this a lot, especially when they make the business case, more diverse teams lead to better outcomes, more innovation. Well, it turns out, you only get that more innovation if the teams learn how to function well together. Because if you have a very diverse team, you can also get a lot more conflict because people come from different backgrounds, they don't know how to resolve differences. The only way you get the benefit of that diversity is if you have inclusive practices. Well, how do you get those inclusive practices, you can learn them in diversity training. So in that sense, there is a place for it, but you have to understand that the diversity training is not something that you just have to go through because HR told you, it's a set of tools that you can use to get the most out of the most innovation, the most productivity out of your teams, I think diversity training definitely has a place. The business case, I am personally still really struggling with. lot of people insist that they need it for their businesses that they can't move forward on any of these initiatives if they don't make a business case. I think that's slightly problematic in the sense of the fact that what the business case basically says is that women or people of color, whatever form of diversity that you're looking at people with different abilities have to be better than the status quo, right? I don't know why that why why should they? Why should anyone have to be better than the straight white man in the job in order to be included, as opposed to, which is where most of for example, the research on women on boards and things like that, if you look across all of the studies, it basically says there's no difference. So there's no difference. So that means there's no excuse not to include women on boards as an example. And so I worry about this business case, if it is not putting an unfair burden on women and people of color and people with different abilities to be somehow better than the status quo in order for those people who are in power in the status quo, meaning the straight white men to admit them, it's it's almost it almost reinforces privilege, right, by having by making the business case. But there's, I've talked to many CEOs who when I raise this point with them, they say, No, I have to have the business case. And I see the business case might be more diverse teams are more productive, and all this kind of stuff. But I just worry that we've been making the business case for diversity for 1015 years now. It's not moved the needle. And so I worry, it's counterproductive, because it actually gives people an out if they don't see better performance than that means they don't have to, quote, include people. So that's my concern about it. I'm not sure how much the business case is actually people think it's helping. But I'm not sure if you unpack it, if it's actually helping, right? It's, it's a question that I actually personally want to do more research on. And that's the great thing about running an institute that, you know, focuses on researchers, we can actually now produce research to understand that a little bit better. So, yes, great.

Vanessa: So part of what we're doing with this project is finding companies who are doing more innovative or different approaches to gender equality. But in your view, what do you think a company should be doing as a good first step to kind of embrace those more innovative approaches?

Sarah: Well, I think what companies can do is, first of all, they should know their data. So I think a lot of companies make assumptions about what's going on without really understanding. So I think one thing is to actually understand, do you have a gender wage gap? Do you have different representation in different groups, really trying to break it down, and not just overall, but like looking by job class, and all kinds of things like that, I think there's a real place for data. And even not just statistics, but actually understanding

employee perceptions about things as well, or consumer perceptions about things. I mean, a lot of the banks now are suddenly discovering that women have a lot of money, and boy, maybe maybe wealth management should be redesigned to go after the female client. So that's a customer thing. So whatever the dimension is, whether it's whichever stakeholders important to them, whether it's investors, because we know investors are getting more and more interested in companies being inclusive, whether it's consumers, whether it's employees, whether it's the supply chain, getting the data. So that's the first step. And I think many companies kind of skip that, because they think they know what the issues are. The second step would be to actually not focus so much on quote, fixing the women or fixing the people of color or whatever, not giving people more, you know, training on how to negotiate or things like that, but rather focus on the systemic processes, like what are we doing in our new product development process? That actually maybe is unintentionally gender? So thinking those things through is I think, asking the deeper question of why looking at the structures, looking at the practices, you know, the simple things that we've told companies to do forever, but still don't do like, don't have early morning meetings, don't have late afternoon meetings, don't have you know, everything on the golf course, you know, like different stuff. There's very simple, like nudges that you can do that can really change behaviors. But I should also say that every firm is different. So just because an intervention works on one firm, doesn't mean it'll work in another. And so that's one of the reasons every firm has to look at their own culture and their own situation and get their own data to really understand what is the issue that they're going to be dealing with in their organization?

Vanessa: Definitely. So more time and tactically and you mentioned the point of every organization is different. Is there a role for students or early stage professionals who are entering different organizations to bring that innovative and gender lens? Is that even possible is to Mammoth a task to even conceive?

Sarah: Yes. So I think there's a few things that people earlier in their careers can do. One is use the fact that an organization is inclusive or not as a screen, like you may not have the luxury if that's the one job offer you have. But as you're looking at in your career, and thinking about what kinds of careers you want to pursue, what kinds of jobs you want to pursue, go for firms that are going to include you, right, and if that keeps happening, if you vote with your feet, then firms are going to have to fix themselves because they're not gonna able to get good talent. So one way you can do it is simply by voting with your feet once you're inside an organization because no organization is perfect, even quite inclusive organizations have their problems. But in any organization, one thing you can do is figure out different ways that you can advocate for things. But one of the things I found is, it's much harder to advocate for yourself than it is to advocate for someone else. And in fact, when you advocate for others you're often seen as a leader.

Vanessa: Thank you, Sarah so much for joining us today. So to learn more about sir Kaplan's research and the Institute for Gender in the economy, please visit www dot gender economy.org. Next episode, we talked to some startups about the challenge of creating more gender diversity in their organizations, essentially the gender problem in startups. Thank you for listening to be on the business case and see you next time.

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