

PAS 1948:2023

Diversity, equity and inclusion in the workplace – Code of practice



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Foreword

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Presentational conventions

The provisions of this document are presented in roman (i.e. upright) type. Its recommendations are expressed in sentences in which the principal auxiliary verb is "should".

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Where words have alternative spellings, the preferred spelling of the *Shorter Oxford English Dictionary* is used (e.g. "organization" rather than "organisation").

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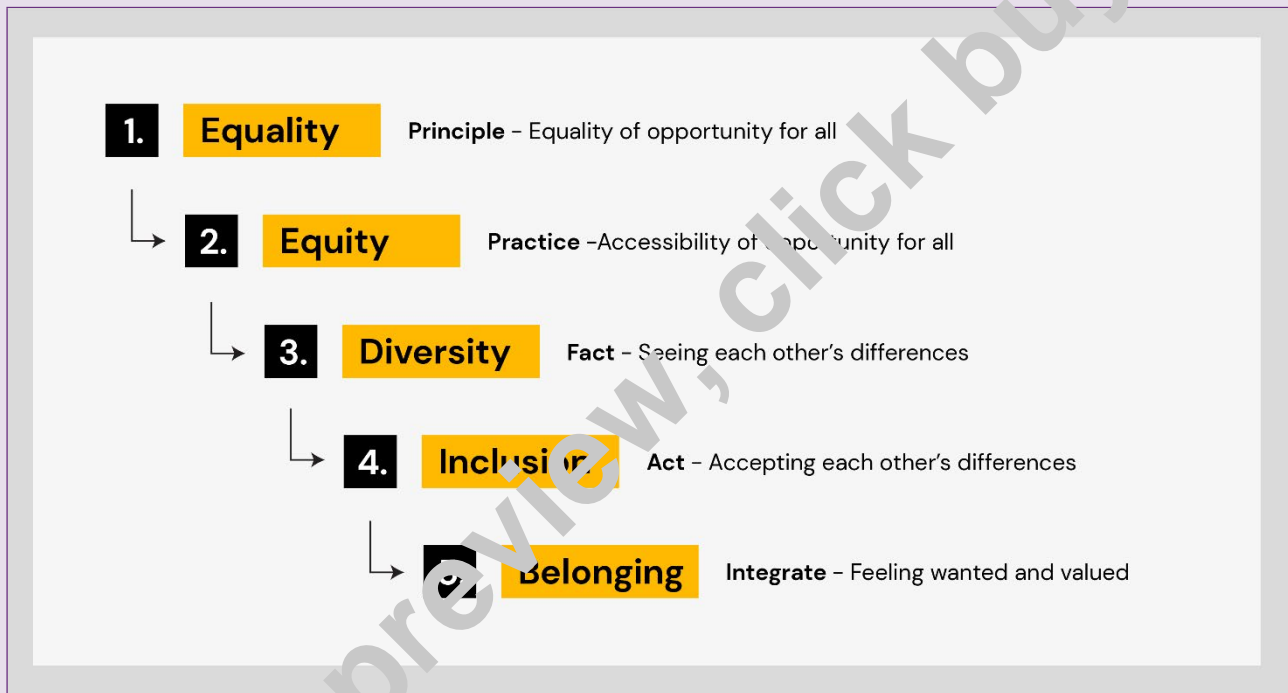
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Introduction

This PAS provides practical guidance and a number of workplace tools (Annex A, Annex B, Annex C, Annex D and Annex E) for organizations seeking to develop and implement a framework and culture that encourages, promotes, and supports diversity, equity and inclusion in the workplace.

The PAS aims to break down a topic that some might see as a complicated or costly concept into five simple steps, shown in Figure 1, that are clear, easy to understand and translate into action.

Figure 1 – Simple five step approach [© All-in Diversity Project (2021)]



This PAS is applicable to, and can be used by any organization of any size, in any sector, anywhere in the world.

The standard is not based upon and does not include any reference to any specific laws or regulations. Organizations are responsible for checking that any practices they choose to adopt or implement, are compatible with the laws and regulations of the locations and environment(s) in which they operate or are based.

In recent years, academic and vocational research and data-driven analysis of organizational practices from world-leading institutions has established a clear link showing the growing importance between diversity, equity and inclusion and organizational and commercial performance.

The World Economic Forum publication *The Case for Diversity, Equity and Inclusion 4.0* [1] cites three key reasons why diversity, equity and inclusion is a greater imperative than ever before for any business.

- a) Moral imperative: Giving equal access and opportunities to all people to work under fair and equitable conditions is simply the right thing to do.
- b) Legal imperative: The International Labour Organization has put into action a range of conventions to eliminate discrimination from all aspects of work.
- c) Economic imperative: To reap the full competitive advantages of diversity, equity and inclusion, some initial learning effort by managers, employees and the whole organization might be required – but a wide range of research conclusively documents that well managed diverse teams significantly outperform well-managed homogenous ones over time.

The business case for diversity has also been researched and evaluated by a number of established authorities.

The Gartner CIO *Executive Communication Guide* [2] concluded that “75% of organizations with frontline decision-making teams that reflect a diverse and inclusive culture will exceed their financial targets. The impact of diversity, equity and inclusion is highly positive. Gender-diverse and inclusive teams outperformed gender-homogeneous, less inclusive teams by 50%”.

The report states that “the difference in employee performance between nondiverse and diverse organizations is 12%” and the application of cognitive diversity “can be what saves the team from ‘groupthink’ and allows them to achieve better outcomes”.

NOTE 1 “Groupthink” is a phenomenon where the desire for harmony or conformity results in irrational, dysfunctional, or poor-quality decision-making. This stems from the desire to minimize conflict and reach a consensus by actively discouraging challenges, dissenting views, opinions or allowing any influences or views from outside of the immediate group. This results in decisions being made without any critical evaluation of the alternatives.

Research undertaken in the McKinsey publication *Delivering Through Diversity* [3] tracked over a 5-year period and updated in their more recent report *Diversity Wins: How inclusion matters* [4]. This identifies a statistically significant correlation between diverse workforces and the ability to out-perform competitors and increase profitability.

The recent McKinsey report [4] indicates that “Companies in the top-quartile by gender diversity were now 25% more likely to outperform financially, whilst top-quartile companies with greater ethnic diversity were 36% more likely to outperform on profitability”.

Whilst the research based upon commercial metrics and profitability might not be applicable to non-commercial organizations, the need to make effective and impactful decisions applies to all organizations.

This is especially true for those organizations either developing or dependent upon emerging technologies.

In 2021, Forbes published an article [5] exploring the relationship between artificial intelligence (AI) and diversity commenting that “AI systems are built on learning from data, and if the data is skewed as per the view of the person building it, it can have major consequences. Furthermore, AI is already around us in places you might not be aware of. For instance, the surveillance cameras in many countries already have sophisticated AI technology that evaluates every second of the movement of the citizens. If there is implicit bias in the system, it can be unjust to some people. Diversity holds great importance because we want to make sure that when an AI system makes a call, it will be able to make accurate decisions.”

However, a 2019 study by the AI Now Institute entitled *Discriminating Systems* [6] shared that women make up only 15% of AI researchers at Facebook and just 10% at Google. The study also found that less than 5% of the staff at Facebook, Google and Microsoft are black, while black workers in the U.S. as a whole represent roughly 12% of the workforce. Due to the lack of diverse engineers and researchers, the products that are developed and used by billions of users can result in the propagation of bias on a large scale. Consequently, inclusion and diversity in AI are crucial.

NOTE 2 While the impact of gender and race bias in business is now well established, recent research is now helping to raise awareness of the impact of bias towards other under-represented groups.

NOTE 3 Research from Purple¹⁾ states that, “The spending power of disabled people and their household worldwide is currently estimated to be worth \$8 trillion, increasing by 14% per annum. Only 10% of businesses have a targeted strategy for this huge market”. It was indicated that “more than 4 million people in the UK abandoned a retail website because of the barriers they found, taking with them an estimated spend of £11.75 billion. In 2019, that lost business, the ‘Click-Away Pound’, has grown to £17.1 billion”. With the advent of Web 3.0 and an even greater shift towards technology as enabler and it is vital that organizations understand the impact of bias at even stage of the development to delivery lifecycle.

The business and organizational case for diversity, equity and inclusion has been established against a background of statistical data analysis, performance measures and metrics. This PAS is designed to enable organizations to develop policy and practices that help them to:

- engage with and educate organizations on the benefits of diversity, equality/equity and inclusion;
- emphasize the increasing importance of social responsibility, sustainability (Environmental and Social Governance), ethical practices and “doing the right thing” to investors, employees, and customers;
- benchmark levels of diversity, equality/equity and inclusion across organizations and industries;
- highlight the importance of diversity, equality/equity and inclusion on innovation, technology and product development;
- understand the impact of flexible, virtual and remote working practices on employee demographics, perception and sense of belonging;
- consider how organizations can build diversity, equity and inclusion into existing procurement processes and supply chains;
- identify and develop diversity, equality and inclusion strategies for different categories of stakeholder, from investors and shareholders to employees, customers, suppliers and providers;
- expanding perceptions and definitions of talent and ensuring they are reflected in leadership positions and roles;

- emphasize the relationship between diversity and commercial and non-commercial performance; and
- help organizations develop a framework for promoting and supporting diversity, equality and inclusion in the workplace through standards such as this PAS.

Diversity, equity and inclusion are complex concepts. Our interpretation of these concepts is influenced by who we are and where we come from. Our perceptions and attitudes, including those about other people, are often based on a combination of our cultural, social, educational, religious and environmental backgrounds.

The established views and attitudes of the individuals in an organization, or the attitudes of individuals leading an organization can often become the culture for that organization. This can be the views of leaders, managers, key decision makers or others with influence within the organization.

Some organizations might be based in jurisdictions where laws and regulations or religious beliefs, customs or practice could have a direct impact on their approach to diversity, equity and inclusion in the workplace.

Some organizations such as front-line emergency services might insist on certain physical requirements as a prerequisite for particular posts.

In such cases, organizations should clearly communicate the reason and rationale for their position, including any legal, regulatory, health and safety, cultural, religious or other factors that the decision is based upon.

NOTE 4 This does not prevent the organization from considering adjustments to the requirements of the role, the environment, or through use of equipment or technology, to make it more accessible to a wider group of individuals. A rationale might be a minimum level of physical ability or mobility in order to fulfil a necessary aspect of the role, such as lifting physical objects.

¹⁾ Available at: <https://wearepurple.org.uk/business/>

Some organizations might be located in geographical areas which have varying levels of representation from different cultural and social groups.

NOTE 5 For example, it is not uncommon for capital cities or urban areas located close to national borders to have a greater level of representation from a wider range of different cultural or social groups compared to smaller towns in more provincial areas. In such cases organizations might seek to have a workforce that is as representative of the local population as possible in terms of gender, all faiths or none, ethnicity, abilities or any other characteristic or trait. Where employees are required to be based at a specific location(s), organizations can also consider factors such as commute time and cost, including access and availability of public transport. Where employees are not required to be based at a specific location, remote or flexible working could allow organizations to have employees from a much wider geographical area and increase levels of representation from different groups and backgrounds.

Changing workplace culture can be disruptive and have a negative impact on an organization if it is not done in a thoughtful and structured way.

While this PAS gives recommendations and guidance on policies, practices, and approaches, organizations can select and implement the recommendations and guidance which is most appropriate to them and at their own pace and budget.

The recommendations do not have to be implemented in any particular order, but a phased approach that allows the organization to measure progress and results against its aims and objectives is often the most successful.

Organizations can start with the recommendations that are likely to deliver change quickly and with minimal disruption to the organization. This could be setting up a Diversity Board or Committee or having a set of HR and people management policies that help support diversity, equity and inclusion. They can then work towards developing a clear plan of action with a defined timetable for implementing other recommendations and changes to working practices.

When agreeing actions, organizations can benefit from considering the activities that might be pre-requisites for achieving a specific goal or objective.

NOTE 6 For example, if the goal is to collect data on levels of diversity, the organization needs to decide what data they want to collect and how it is collected, and how it is communicated across the organization, including what they are doing, why they are doing it and how.

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1 Scope

This PAS gives recommendations for practical steps that organizations can take to help them develop and implement an effective framework to support diversity, equity and inclusion in their workplace(s). The PAS shows organizations how to develop and implement policies and practices to support their diversity, equity and inclusion aims and objectives in keeping with their existing principles and framework.

It is intended to be used as a practical implementation guide for other framework standards, such as BS ISO 30415, BS 76000:2015 and BS ISO 45003:2021.

This PAS includes recommendations and guidance as well as standards and principles statements issued by diversity, equity and inclusion organizations, research institutes, government agencies, and other bodies.

It covers practical measures for:

- a) demonstrating leadership buy-in and commitment to diversity, equity and inclusion at all levels of the organization;
- b) incorporating diversity, equity and inclusion principles and objectives into an organization's internal policies, practices, processes and procedures;
- c) establishing the organizational and business benefits of creating and maintaining an effective culture of diversity, equity and inclusion;
- d) recruitment and retention strategies that enhance diversity, equity and inclusion;
- e) addressing behaviour which is inconsistent with diversity, equity and inclusion principles through education, understanding and awareness, and supporting people who challenge such behaviour;
- f) identifying appropriate diversity, equity and inclusion learning and development needs at all levels within an organization;
- g) enabling peer networks to support underrepresented social and cultural groups;
- h) recognizing, engaging and supporting underrepresented social and cultural groups;
- i) creating inclusive brands, customer engagement and workplace culture, through adapting change management strategies for diversity, equity and inclusion;
- j) understanding and implementing concepts such as "diversity of thought", "dimensions of diversity", "intercultural competence" and "cognitive diversity";
- k) incorporating the principles of "inclusive innovation" and "inclusive by design" into services, business models, business processes, technology and product development cycle;
- l) setting achievable targets and objectives with clear Key Performance Indicators (KPIs) and data analytics to support continuous improvement; and
- m) measuring the progress of the organization in creating and maintaining an effective culture of diversity, equity and inclusion.

NOTE 1 While this is a comprehensive list it is not a definitive one; organizations can add measures and actions as applicable to their evolving aims and objectives.

It is applicable to any organization of any size, description, sector, industry or location.

It can be applied across all aspects of an organization's operations including but not limited to:

- 1) board governance;
- 2) internal and external stakeholder engagement;
- 3) human resources and people management;
- 4) communications, marketing and branding;
- 5) technology (including new and emerging technologies); and
- 6) design and development of products and services.

It is intended for use by decision-makers and influencers including, but not limited to:

- i) board members and organizational leaders;
- ii) operational and management teams;
- iii) HR and people professionals;
- iv) trade union and employee association representatives;
- v) advisors, auditors and investors; and
- vi) any individual within the organization looking to promote diversity, equity and inclusion.

This PAS does not cover existing local, national, or international employment law, regulation or policy.

***NOTE 2** It might not be appropriate or legal for an organization to implement one consistent policy across all of its operations due to local laws and regulations, religion or local custom, culture and value and beliefs. For example, it might be possible to apply policy and practice to gender equality, sexual orientation or same sex/gender relationships in some locations but not in others.*