

# Swot analysis of a culture shift

[Business](#), [Strategy](#)



Unconscious bias training. Unconscious bias is something that most people are familiar with but are not able to recognize within themselves. Training around this subject is especially important for those who make hiring decision within a company, but I think is extremely beneficial for all employees in an organization as well. Biases can be shaped in so many ways, and we often don't even know they are there. That being said, research has actually shown that forcing people to attend trainings around bias can actually have adverse effects. As I will touch on later, I think because of that fact trainings should be an options piece so that employees feel more ownership and responsibility over the takeaways.

A common bias that can arise unconsciously in the hiring process actually starts very early on in the process, and that is with a candidate's name. Several studies have shown that ethnic sounding names on resumes get treated differently than a traditionally white name. Because of this, some suggest removing names all together in the initial stages of the hiring process, but this is not always successful. Unfortunately, even without a name attached to a resume, candidates can still face discrimination. For example, those who include reference to associations, or even those who have attended a historically black college or university (HBCU's) also face discrimination, which brings me to my next point.

Training may help to combat the unconscious piece of bias, but the fact remains that not forms of bias are unconscious. Because of this, it is also very important to differentiate between unconscious bias behavior and behaviors that reflect true and intentional bias. Unfortunately, often times unconscious bias gets used as a blanket term in corporate settings because

it feels safer and is an easier conversation to have. A culture change is hard and so the difficult conversations need to be embraced and there needs to be a zero tolerance policy for bias behaviors if things are ever going to change, and that needs to come from the culture of an organization.

Speak up. One of the biggest causes of slowed progress in terms of diversifying our leadership teams is a fear of speaking up. In many cases, these can be uncomfortable conversations to have and most people are not equipped with the experience to be able to navigate these situations. There is also the added fear of retribution for speaking up about unfair employment practices. Because of that it is important to ensure that an organization has a human resources department that can support employees, but I also think the issue is much bigger than that. The women at Nike took a creative approach in solving for the fear of retribution by quietly and anonymously surveying employees in order to compile an arsenal of information to present to their leadership teams; the collective voice is much louder than the individual and in a case like this there really is a power in numbers. Additionally, if real change is to take place, leaders across the organization, no matter the department need to be advocates for change and must to be outspoken about the desire to change their culture.

A recent study found that diverse leaders who speak up about the issue of diversity are seen as less effective at their jobs. “ When leaders supported diversity in the workplace, their bosses and peers perceived them as less competent compared to leaders who did not actively support diversity—but only if they were women and/or people of color” (Hekman, Johnson, Foo, &

Yang, 2016). On the contrary, men who demonstrated diversity valuing behavior were actually seen as more effective. With that being said, there should almost be more of an onus on those in a position of privilege to speak up on the behalf of those who feel that they can, and hopefully this should create a culture shift.

Release the statistics. Lastly, I think an important best practice that can help with accountability is by being transparent on your hiring practices. This is something that not many companies are willing to do, but I think sharing diversity hiring stats is an important step for correcting course because there is no hiding from public scrutiny. If initiatives have existed for years and yet they have not yielded any significant results, then hopefully it will challenge teams to question why this might be so and to make the necessary adjustments. With this thought in mind, it is also important to look at this from the perspective that every company is different and success is not going to look the same for everyone.

Additionally, reporting as a whole can be problematic when not properly looked at. Information pulled from diversity reporting often shows lagging indicators and teams jump into action to solve for something that may no longer be accurate. Reporting and statistics are important, but they must be used cautiously.

Examining best practices is a great starting place when creating a plan for change, but it is also key to look at the things that haven't worked, and to think about the why. Implementing programs or holding people accountable to quotas is a much easier path forward than systemically shifting the culture

of an organization, and in this case, an industry, but as history has shown us, the former just isn't enough. This is one of the key reasons that decades down the road we are still not where we need to be.

## **SWOT Analysis**

The issues cannot be fixed with programs; diversity must be embedded in the culture of our industry. In order to demonstrate some of the reasons that a culture shift is the best way to truly achieve an inclusive environment, we must first take a look at the SWOT analysis for such a shift.

**Strengths.** The biggest strength of using a cultural change to achieve diversity and inclusion is the lasting effects as compared to other efforts. When you successfully shift the mindset and attitudes of an organization, the intended outcomes happen more organically and become engrained in the DNA of the company. Diversity almost becomes a byproduct of this shift versus the driving force of it, which in turn helps the inclusive piece be more successful. Increasing the feeling of inclusivity will happen naturally if there is systematic shift in values and principles. As mentioned throughout this paper, the benefits to increasing diversity are immense and finding a sustainable solution to the current lack of representation is the biggest strength of all.

**Weaknesses.** There is certainly a very challenging weakness with this approach that cannot be ignored and that is the fact that shifting the culture of an existing corporate organization is extremely difficult. It is one thing to shift gears when a company is in the early stages of growth, but for the most part we are looking at legacy organizations that have existed for decades,

and in some instances, as is the case with some of the leagues to some extent, centuries. Additionally, we know that the sports industry does have a certain level of bias intrinsically built into its values at the corporate level, and so shifting attitudes and actions on a fundamental level is not an easy thing to do.

Because of above mentioned challenges, if stakeholders attempt to shift the culture of an entire organization at once there is an enormous potential for failure, as the important piece of buy-in will be missing. The culture of an organization cannot be changed unless the employees are on board and therefore, it must be tackled piece by piece; more on which I will cover below.

Opportunities. Rather than trying to transform an entire organization at once, it might be beneficial to start with smaller pockets of the organization which can allow for the transformation to grow more organically. That could mean one team, one department, one business unit, etc.; whatever makes the most sense for each unique situation. Often times it might be smart to start with Human Resources, since D&I initiatives often initiate with HR, and they are the ones responsible for bringing in new talent. If the change is to be viewed as authentic then it is important to demonstrate that you practice what you preach, and your HR team needs to reflect that.

Another opportunity is around having employee led change. This can be achieved through volunteer committees, with key stakeholders also sitting in on order to help execute any takeaways. The more input people feel that they have, the more ownership they will in turn have over any outcomes.

Lastly, it is also important to demonstrate that the shift is to benefit everyone and ultimately make the company more successful. The opportunity here is to move your organization forward in every sense of the word. We are living in a time where social change for good is getting a lot of the attention that it deserves and so this is a very opportune time to make change happen. Stakeholders are becoming more and more demanding around doing what is right and disruptive movements that challenge outdated and unethical practices are paving the way for change.

Threats. The biggest threat to achieving cultural change is undoubtedly the resistance of some members of the current leadership teams and stakeholders, and tough actions may need to be taken to combat this. There will more than likely be those who do not agree with the changes and who no longer feel that the organization represents them. Of course the ideal scenario is to be able to demonstrate to every employee that the change is good for everyone, but the reality is that in all likelihood there will end up being departures (both planned and unplanned) caused by the transformation.

There is also the threat of exhaustion. As history has shown us, change will not happen overnight and as we have seen with organizations that have kept pushing down the wrong path towards change, fatigue begins to set in. There are often trigger moments that re-spark the conversation but if we do not change the approach, the end result will remain the same. This is no different when transforming an organization. There is no one perfect way to

achieve a culture shift and so we have to be careful to ensure that history does not repeat itself by ending up without much to show for the efforts.

## **Financial Return**

While there is a vast amount of intangible results seen from successful D&I initiatives, there can also be some very measurable returns as well. The return on investment (ROI) for increasing diversity and inclusion in senior leadership roles is actually quite evident. As previously discussed in this paper, companies with a diverse team at the senior executive level outperform their competitors, seeing a 0.8% increase in EBIT for each 10% racial and ethnic diversity increase. These companies also are up to 35% more likely to see financials returns over the industry norms. The financial gains should and do speak for themselves, but companies still aren't getting it right.

In order to demonstrate ROI, each company must first decide on the most effective way to measure the results of their efforts, whatever they may be. The first step would be ensuring that they are collecting data to begin with, which is not happening everywhere, and then next to decide what to do with that information and what information will be the most useful to you. While seeing financial returns as a result of the efforts is a plus, it is not the only (nor arguably the best) way to measure success.

When we look at the D&I from the perspective of a cultural shift we might be looking at more of a return on object (ROO), and an important data set to study might be the percentage of staff who participate in optional trainings. It could also be the number of people that are taking part in the company's



mentoring program or even participation numbers around ERG's. While there may be costs associated with implementing a great mentoring program, or allowing ERG's to host events, these great programs need to be viewed as investment on the part of company, and not solely as an expense. Because of this, it is additionally important to look at how those who participate in these various activities have progressed in their careers with the companies. Has retention improved? Are there more diverse leaders? Have employee survey results improved? These would all be important questions to study and analyze, and should be looked at and considered to determine the return on objective.

For companies that have spent years focusing on programs and trying to fill quotas, versus putting the focus on changing the culture of the organization, bringing in best-in-class consultants who can help tailor an approach might be the best path forward. While a typical consultant in this field could run at about \$175 per hour, spending less than \$1500 per day sounds like a pretty good investment for having the return of reinventing a company's culture. Where I think many companies can go wrong is by spending money on mandatory diversity trainings, when studies have actually shown that these can have adverse effects. That is not to say there isn't benefit to bias trainings, in fact I think that it is a must in some current company cultures, however a better approach might be to invest a little bit more, knowing that you may have to offer the training several times as (hopefully) interest increases and more people want to attend, knowing that the payoff will be more in the end than just forcing everyone to attend once.

A consultant could help solve for this. When done correctly, they would need to have an observation period in order to better tailor the approach to each company's need, and there will certainly be costs associated with this study period. Next, they will begin to offer an analysis and set up trainings and coaching around shift the culture – what is working and what isn't. It is also likely wise to have them return periodically over the next year or so to check on progress because changing a culture takes time.