

Challenges in Adopting Diversity, Equity and Inclusion in the Workplace

By SIMRAN TOOR

An illustration featuring a black silhouette of a person in a business suit pushing a large red arrow upwards. To the right, a large, stylized hand in a light skin tone is shown holding the arrow. The background consists of a large orange arrow pointing right, with the word 'LOW' written in white on its left side. The overall scene is set against a light blue background with a grey ground plane.

LOW

Workplace
DEI Adoption

While it is accepted that diversity, equity and inclusion (DEI) measures have a proven, positive impact on profitability and sustainability, Singapore organisations remain slow in adopting them. Part of the solution may be to develop a better local data set on DEI-specific issues to help move the needle.

Given that much of the conversation around DEI centres on issues of equality and equity, it is tempting to conclude that such measures exist purely as a matter of fairness; or that the main benefit of adopting them is to assist those who do not have the same opportunities as others, all things being equal.

The data, however, tells a very different story.

Studies – albeit mostly carried out overseas – have consistently shown that workplaces with a focus on DEI are more likely to outperform their competitors and excel in areas ranging from innovation and profitability. DEI-friendly organisations enjoy higher employee recruitment and retention rates, better customer satisfaction, and are better suited to serve a diverse customer base.

DEI-specific focus

Having a more diverse set of employees means the organisation benefits from a more diverse set of skills, which increases the collective knowledge within the workplace and allows the organisation to perform more effectively. Some studies have shown that workplace diversity can help the bottom line.

HIGH

The Tripartite Alliance for Fair Employment Practices (TAFEP) in Singapore states in their *Start-Up Kit for Creating an Inclusive Workplace* that organisations with a focus on DEI can reap multiple benefits including access to new markets, increased stakeholder trust, enhanced brand value, increased client loyalty, and a reduction in employee absenteeism or turnover. The *Start-Up Kit* notes that whilst most such research has centred on large multinational corporations, similar benefits have been found for small to medium enterprises (SMEs) in Europe. TAFEP extrapolates that similar benefits are expected for SMEs in Singapore.

The business case for the adoption of DEI measures is, therefore, clear. As a result, highly diverse and inclusive companies do not consider DEI to be a simple human resources issue. Instead, they view it as a business strategy. The US retailer Target, for example, considers DEI a “business function” relevant to every aspect of the company, including its strategic decisions. (See Josh Bersin, “Elevating Equity and Diversity: The Challenge Of The Decade”, 11 February 2021).

Low adoption of DEI in Singapore

It has been more than a decade since the Ministry of Manpower and TAFEP introduced DEI-related toolkits to guide organisations on implementing DEI processes.

Yet, *The Straits Times* in September 2019 reported that Singapore was the second-worst performing country on workplace DEI, based on a poll carried out across 14 developed countries by Kantar.

Interestingly, this is not for want of an understanding by employers of the importance of workplace DEI measures. According to a 2021 report by the Singapore National Employers Federation (SNEF) and Kincentric, 71 per cent of Singapore organisations recognise the positive impact of DEI on company culture and 55 per cent recognise its impact on employee engagement. However, 70 per cent have yet to introduce DEI policies.

This begs the question: Why, despite understanding the associated benefits, have most Singapore employers yet to embed DEI measures in their organisational processes? What are some of the challenges that stand in the way of DEI adoption and implementation?

So, what might the problem be?

Might the issue be a lack of DEI specialists in Singapore? Such persons can be engaged to help organisations design and develop a DEI framework. They can also play a key role in training an organisation’s leaders and employees to encourage them to learn the importance of DEI policies and processes.

Or could it be that Singaporean employees are somewhat more resistant to cultural change within an organisation? It is possible that some still perceive DEI as an “imported” idea having limited relevance to the local workplace, or that DEI is an issue that only concerns the young.

As it stands, there is limited publicly available data to help shed light on the matter, and no firm conclusions can – at least at right now – be reached.

That said, the findings in the 2021 SNEF and Kincentric report are helpful. A quarter of those surveyed in the report highlighted the lack of data as a challenge faced by their organisations in adopting DEI measures. These include, for example, DEI-related data points on the gender pay gap, career progression, age-based performance and barriers to participation in work for those with disabilities or caring responsibilities.

Other factors highlighted in the report as potential challenges include difficulties integrating DEI practices with employee behaviour (i.e. employee resistance to cultural shifts) and difficulties ensuring compliance with existing DEI policies, including getting managers to run their teams in an inclusive way.

Of the various factors raised, the lack of data is arguably the most compelling and difficult to overcome. As a general rule, leaders within an organisation must possess all the tools and information they need before they can effectively strategise and make changes that impact their organisations in a substantive and meaningful way. This includes accurate and market-specific data points on the issues being considered. As attributed to the fictional detective Sherlock Holmes: “It is a capital mistake to theorise before one has data.”

Strengthening the data landscape

In Singapore, the dearth of readily or publicly available local data on DEI issues means that organisations may lack the information required to design or implement an effective DEI framework or to identify issues that need to be addressed. For example, it would certainly be an uphill task for a leadership team to try and implement measures to ensure there is no gender pay gap if they do not even have information on whether (and if in what circumstances) such differentials in pay arise.

Having the relevant data is, therefore, fundamental. As to the challenges that organisations face in encouraging cultural shifts and employee compliance, these too can be addressed by reference to data. For example, employee training sessions can be designed to include facts and figures or evidence-based case studies. Real-life examples tend to resonate better and could prove a useful tool in inculcating an understanding within the workforce of how DEI measures are beneficial to the organisation and must be fostered by everyone.

The question then arises as to how the lack of data can be addressed. Understandably, not all organisations are able to conduct their own research. Even for those that can, it seems a great overlap in effort, time and cost to have multiple entities trying to research and analyse the same key issues simultaneously. Research conducted overseas may also not always be relevant for direct adoption in Singapore.

Publicly accessible repository

So how do Singapore organisations obtain the facts and figures needed to build a sustainable DEI framework and access all the benefits this brings? It would certainly be ideal if there were a publicly accessible repository, where a comprehensive range of DEI-related data is compiled.

Readily accessible DEI data could help organisations grow their subject-matter understanding and expertise, develop better DEI strategies, and promote employee adoption and compliance. Such a resource would also prove particularly helpful to SMEs or smaller organisations that may find it challenging to carry out their own research in the area.

A public repository of this nature currently does not exist, and this may be a gap worth filling. To this end, Singapore organisations (including industry bodies and interest groups) and the relevant government agencies could work together to share data and build up a storehouse of information. Organisations with their own DEI research capabilities could look to depositing their findings with this repository to build and strengthen the pool of available data. Of course, quality control processes and criteria should be applied to ensure that this resource provides accurate, reliable and up-to-date data.

With such a resource in place, organisations would likely find it less of a challenge to design and adopt sustainable DEI strategies and reap the attendant benefits.

Hopefully, over time, Singapore’s overall DEI adoption rate will improve, and its second-from-the-bottom ranking on workplace DEI performance will prove a thing of the past. ■

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