

## **D&I Insights: Creating Enduring Cultural Shifts with KUSI's Conscious Equity Solution**

*Why organizations have recently come under criticism for “woke washing” and a robust solution to make cultures more connected and diverse.*

### **Introduction**

We know that strong cultures spur organizational success, but what do inclusive, diverse, and equitable cultures actually look like? How can leaders offer permanent solutions to creating connected cultures rather than short-term fixtures?

Organizational leaders consistently find Conscious Equity to be one of the most effective qualities and drivers behind building enduring connected and cohesive cultures. Conscious Equity embodies an easy-to-follow set of principles and practices that compel team members to actively include their colleagues. Incorporating Conscious Equity into organizations bolsters cultures and frequently contributes to firms achieving strategic goals.

This white paper will highlight some of the cultural challenges faced by organizations before turning to how Conscious Equity Learning provides a long-term solution. The white paper will explain how organizations can seamlessly integrate the principles into their own workplaces to build more cohesive culture and share several principles that drive [KUSI](#)'s own approach in teaching Conscious Equity.

### **Initial Challenges in Shaping Connected Cultures**

In the past few years, leaders from the largest and most large, complex, and highly-regulated organizations have promised action-oriented plans to build a more diverse and equitable experience for their employees. Despite their initial plans, the same organizations have faced backlash from employees for failing to actually deliver on their promises for more diverse and equitable. As team members at each organization continue to press their organizations for legitimate change, their frustrations are part of a larger workplace cultural [phenomenon](#) that leaders of both public and private sector firms are now confronting.

***Woke Washing: Originally coined by social impact [groups](#) to highlight the shortcomings of corporate lip-service to social justice issues, “woke washing” refers to efforts by organizations to quickly expose people to diversity, equity, and inclusion without offering long-term solutions for cultural change.***

Major firms including [Whole Foods](#) to [Pinterest](#) to [Adidas](#) have all recently come under criticism, leaders in each organization have been forced to confront the pervasive phenomenon of “woke washing.” Large companies and firms with positive intentions for creating more inclusive and cohesive cultures frequently fail to actually deliver on the plans. Employees continue to feel alienated and left behind. In effect, organizations “woke wash” without actually delivering enduring change that includes team members.

There are several reasons for the shortcomings and emergence of “woke washing.” Creating large scale changes with a socioeconomically, racially, or ethnically diverse workforce is challenging to achieve in full effect when considering the broad swath of perspectives on large teams. After organizations deliver initial trainings, team members easily forget the positive reinforcements and new practices, instead reverting to old exclusive practices. When employees regress to what they know, they reinforce exclusionary practices and exacerbate the feeling of alienation and division on workplace teams.

## **Understanding Conscious Equity as a Solution**

Conscious Equity centers around two philosophies that compel employees to think about their role and actions in their workplace within the context of ongoing social and political issues. By embracing Conscious Equity, team members take on an active approach to building cohesive cultures.

### Embracing External Pressures

The first philosophy relies on the idea of accepting external pressures. It is common in workplaces for employees to try keeping their political and social views completely outside of their work. This form of professionalism can be invaluable for productivity by keeping team members focused on tasks and promoting inclusion. Yet external pressures and ongoing news events inevitably permeate themselves into casual work conversations and organizational events.

***Active Acceptance: Contemporary political issues permeate into workplace conversations. Conscious Equity calls upon employees to actively accept this dynamic.***

Ranging from chatting at a water cooler to company team-building events, employees’ beliefs and views on political and social justice issues make their way into conversations and activities. Rather than ignoring, neglecting, or even denying this phenomenon, Conscious Equity encourages team members to actively embrace it. Conscious Equity does not ask employees to actively discuss politics and social justice issues as part of their work experience, but it calls upon them to actively accept external pressures as part of their workplace environment rather than pretending that they do not exist.

### Active Inclusion

The second philosophy centers around active inclusion. By recognizing the external presence of political and social activism manifest themselves, team members can take active steps to avoid comments or jokes that could be seen by fellow employees as insulting or insensitive microaggressions, implicit bias, or unconscious bias. Being able to thoroughly understand, empathize, and react to employees’ unspoken behaviors, mindsets, and social patterns enables both company leaders and employees to build more connected and inclusive cultures.

***Conscious Equity and Risk Mitigation: Organizations with Conscious Equity see higher employee satisfaction scores and fewer complaints to Human Resources.***

At its core, Conscious Equity is a risk mitigation strategy. If overlooked, organizations struggle when leadership is deaf to the diverse set of voices on their teams. By calling upon team members to actively accept their biases and beliefs rather than denying their role in casual workplace conversations, organizations generate more connected cultures, generate higher satisfaction rates among employees, and reduce the quantity of complaints to Human Resources.

## **Integrating Conscious Equity Into Organizations and Cultures**

Conscious Equity encourages teams to actively accept external pressures and become more actively inclusive, but how do these principles actually manifest in an organization's culture? There are both individual and collective strategies that organization leaders should embrace to incorporate Conscious Equity into their cultures.

### Individual Strategies

On an individual level, executive management should actively seek to acquire and retain diverse talent. By placing emphasis on building diversity programs and promoting diverse talent from within, organizations effectively build teams that include multiple perspectives where the practices of active awareness and inclusion in Conscious Equity become the most realized. One recent [studies](#) from Harvard Business School confirmed that building diverse leadership on work teams increases social awareness across teams.

***Key Insights: Teams incorporate Conscious Equity by acquiring and retaining diverse talent, and also creating events that are mindful of employee needs.***

Casual conversations in workplace environments are among the many opportunities where team members can actively practice Conscious Equity. For instance, if one employee accidentally says something that could be interpreted as a microaggression or insult, other team members should actively seek to invite the employee to learn more about ways to be inclusive.

### Collective Strategies

On a collective level, organizations should strive to create team-building events that consider the diverse needs and values of team members. For example, company happy hour events do not need to exclusively revolve around drinking activities. Organizations can introduce alternative activities related to community service work or leisure to include different employee preferences without sacrificing team-building goals.

Each set of strategies present the many ways for organizations to build cohesive and connected cultures with the principles of Conscious Equity. As employees actively practice inclusion, adding Conscious Equity in workplace cultures creates enduring change. The valuable capital

built by the principles of Conscious Equity can pay dividends that extend beyond positive culture outcomes into the strategic sphere.

### Conscious Equity Norms and the Ideal State

The philosophies of Conscious Equity appear frequently, and KUSI encourages leaders and team members of organizations to actively draw upon five principles that drive Conscious Equity

1. Emotional intelligence (EI)

Emotional Intelligence remains a fundamental component of Conscious Equity. Members of organizations should turn empathy and compassion into a communication strategy to support inclusive teams. Greater awareness of both the strengths and limitations of individual team members with emotional intelligence drives organizational change through both diverse and high-performing teams.

2. Systems Thinking

Conscious Equity functions most effectively when members of an organization embrace a Systems Thinking approach to communication. Leaning on principles in metacognition, systems thinking encourages employees to actively think about the multiplying impact of their communication. Together, systems thinking empowers employees to develop strategic intelligence to understand people, culture, and processes related to diversity, equity, and inclusion.

***Key Insight: Systems Thinking draws upon findings from Google's Project [Aristotle](#) that the psychological safety of team members fuels the highest performance from the group. Encouraging employees to actively prioritize the comfort of others allow teams in organizations to flourish while building a more connected culture.***

3. Cultural Competence

Employees should be able to understand an organizational culture at both a local and global level. Appreciating how values manifest at both the individual and organization-wide level fosters more authentic and inclusive team practices.

4. Building a High-Performance Team

Leaders reinforce Conscious Equity by actively supporting the diversity of different cultures, ethnicities, races, and backgrounds within their organization. Employees actively support each other by adopting the “No One Left Behind” mantra and committing themselves to social, racial, and gender equity within the workplace.

5. Fostering a Connected Culture

Conscious Equity functions the most effectively when everyone is on the same page. When employees internalize a shared set of values, they uphold a consciously equitable and inclusive workplace.

## **Leveraging Conscious Equity to Achieve Organizational Efficiencies**

The practices of Conscious Equity allow organizations to reach strategic goals. For firms seeking higher financial returns or hoping to emerge as industry leaders, there is compelling evidence that shows embracing strategies associated with Conscious Equity has a valuable effect. Conscious Equity principles like promoting diverse talent and assembling teams with multiple perspectives can help organizations increase competence and organizational performance.

Market research shows that organizations who actively incorporate the Conscious Equity principle of recruiting diverse talent perform well above their respective industry average. In an analysis of nearly 400 leading firms across the world, management consulting leader McKinsey & Company found in a recent [study](#) that companies ranking in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above respective domestic industry medians. Meanwhile, firms leading in gender diversity are 15% more likely to have financial returns above respective industry medians. Credit Suisse [built](#) on McKinsey's findings by analyzing the effects of gender equity, finding that large firms with at least one female director outperform peer groups with no women on the board by an average of 26%.

***Key Takeaways: Recent studies find that incorporating Conscious Equity principles correlates with higher financial returns, industry growth, and better retention of human capital.***

McKinsey's findings even established a linear relationship between racial diversity and better financial performance. Each time a firm increased their racial or ethnic diversity on a senior executive team by 10%, they saw their earnings before interest and taxes (EBIT) rise nearly 1%. The correlation between better financial outcomes and diversity suggests the overwhelmingly positive role that Conscious Equity and its associated practices play in achieving exceptional organizational outcomes.

McKinsey and Credit Suisse's findings support the strategic value behind Conscious Equity. Diverse talent creates an environment that actively fosters original ideas enabling organizations to stand out from their peers. Elevating diverse talent and allowing for the convergence of different ideas spurs innovation. By valuing all voices and backgrounds, employees at firms that implement Conscious Equity become more invested in their work.

## **KUSI's Approach to Teaching Conscious Equity**

Promoting and upholding the principles of Conscious Equity may be easier to achieve with some employees and teams than others. Larger organizations frequently struggle to fully integrate Conscious Equity principles into the practices of each division and department. When teaching Conscious Equity to public and private sector organizations, KUSI actively designs curriculum and learning strategies to account for the challenges of large-scale implementation.

### Micro Learning Labs

KUSI development programs build around the values of accessibility and connection. When teaching the nuances of Conscious Equity, KUSI draws upon micro learning labs to help engage

participants. Rather than passively disseminating Conscious Equity principles over lectures, KUSI puts them into practice with participants. In an interactive and virtual environment, KUSI creates experiential learning exercises that allow students across the world to connect and brainstorm with each other without leaving their desks. For larger organizations, micro learning highly personalizes the experience of learning about Conscious Equity.

### Self-Paced Learning

Understanding Conscious Equity can be easier for some employees than others. For instance, recognizing implicit bias in an organization from the perspective of an entry-level employee may differ greatly from an executive. KUSI accounts for varying levels of familiarity and comfort by creating self-paced learning experiences, allowing for employees and students to digest information at their own speed. Organizations seeking to build Conscious Equity without losing productivity strongly benefit from the self-paced nature of KUSI learning.

***The KUSI Difference: With decades of experience teaching Conscious Equity principles, KUSI designs customize courses accessible for any organization – especially those with diverse and larger personnel groupings with employees that have varying levels of experience.***

### Customized Instructor-Led Learning Labs

Conscious Equity embodies general principles, but the experience of actually putting the practices into effect can be easier for some organizations than others. When teaching the practices of Conscious Equity, KUSI builds learning development programs around such discrepancies by tailoring curriculums to the specific needs of firms and organizations. KUSI's customized approach allows instructors to diagnose specific problems and propose highly innovative and original solutions. With decades of experience and evidence-based learning strategies, KUSI's success in working with a broad range of industries the public and private sector allow instructors to offer personalized approaches for understanding Conscious Equity in different contexts.

## **The Bottom Line**

As organizations face criticism for offering well-meaning but often vacuous policies to promote diversity and inclusion, Conscious Equity provides an effective solution. Conscious Equity learning calls upon employees to actively embrace the complex and political world we live in while still maintaining professionalism. Greater cognizance of political and social issues allows the members of an organization to actively include and connect with each other rather than engaging in their own bubbles.

Conscious Equity draws upon emotional intelligence, systems thinking, and cultural competence to empower employees to drive organizational change. The practices of Conscious Equity encourage leaders to promote and retain diverse talent and create open spaces for employees to discuss complex contemporary social issues. Embracing the practices of Conscious Equity not



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only creates more cohesive cultures, but also drives organizational efficiencies and actively helps firms in exceeding their financial goals.

***Key Takeaway: Conscious Equity is a risk mitigation strategy for firms to ensure that their efforts to promote and educate employees about diversity, equity, and inclusion cement themselves in a more connected culture.***

KUSI teaches Conscious Equity by leveraging the principles of engagement and accessibility to deliver virtual and in-person courses empower organization members. KUSI offers its own customizable course, [Conscious Equity 2.0: Fostering a Connected Culture](#), alongside other leadership, diversity, and development [programs](#) designed to elevate both young and experienced leaders.

### About KUSI

KUSI Global Inc. develops, partners, and implements transformational leadership training programs to promote global connections and conscious cultures. With more than 20 years of experience, KUSI has earned a reputation for spurring cultural shifts in large-scale organizations. With robust learning programs and customized solutions, KUSI offers professional training, education, and curriculum development for firms in the private and public sectors. KUSI Global Inc. is minority-owned, holding both EDWOSB and 8a certifications. For more information, visit <https://kusitraining.com/> or call 1-844-777-5874 (KUSI).