

New Private Markets

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NEWS & ANALYSIS

Vista's diversity head on the firm's approach to 'conscious inclusion'

Khalida Ali, director of diversity and inclusion at Vista Equity Partners, goes into detail on how the tech investor is trying to reinforce an inclusive and welcoming culture.

As recently as five years ago, it was not easy to find a private equity conference with the topic of diversity and inclusion anywhere on the agenda. No lunchtime speaker, no end-of-day workshop, no hallway discussions.

Thankfully, times have changed.

With last summer's protests and renewed commitments to diversity, equity and inclusion across all sectors, private equity has begun taking steps to focus on these issues. Many firms are now launching their own programmes to increase diverse representation among their ranks. All are progressing at different levels, which is to be expected, and it's safe to say the industry still lags behind others. But one thing has become clear: those who develop a diverse workforce have more successful fundraising, dynamic recruiting and better business performance at the GP and portfolio level than those who ignore or are slow to adopt a programme.

But increasing diverse representation is just the first step. Important, yes, but DEI programmes are not a numbers game. Instead, successful DEI programs should

focus on building a diverse workplace that is fair and welcoming to all employees. More specifically, a DEI approach that emphasises the "conscious inclusion" of all employees will create a desired foundation, and ultimately, a work culture that is truly diverse and equitable.

The concept

A focus on conscious inclusion acknowledges that unconscious or implicit bias – unfair or unsupported prejudices or judgments including those based on race, ethnicity, gender, age, sexual orientation and ability, among others – exists at work and that there are ways to create a practical approach to improve thoughts and behaviours that contribute to a more welcoming company culture. Being aware is not enough; we all must work to change our behaviour.

But firms don't have to figure out their approach on their own. For example, Vista Equity Partners has been working with a strategic partner to build a continuous learning journey and data-based approach to conscious inclusion as part of an overall DEI programme. This approach has

helped educate employees, raise awareness of issues, set benchmarks and provide practical workshops to create lasting behavioural change.

While setting the strategy is essential, accountability is critical as PE firms consider ways to measure and quantify inclusion, track progress and provide an accurate picture of the environment within the organisation over time.

How it works

Vista's "Conscious Inclusion" programme begins with a learning journey including three interactive workshops based around open discussion. The first workshop defines the issues and fundamental concepts where participants begin to explore how their behaviours may impact people around them. The second reviews what bias looks like and how it manifests in the workplace. The third introduces skills and tools that advocate for equity in the office and beyond.

In one of the exercises, participants are paired and share two demographics characteristics about themselves. They then share how they have experienced

bias in relation to these characteristics. Through critical discussions, the participants begin to see and understand that bias is experienced by everyone. They can then start to think about themselves in relation to the topics and concepts that are introduced.

These workshops provide a strong basis for assessment and adoption of new behaviour, but accountability is also critical. While mandatory programmes and trainings are helpful, it's important to also embed DEI evaluations into employees' performance reviews to round out the learnings. Then, those who do not meet standards as evaluated by their peers can receive further support through a professional coach to ensure genuine buy-in to the culture.

Creating lasting change

Iteration is key to advancing any new programme, and for firms just starting

their DEI journey, progress will beat perfection every time. For example, invite and leverage feedback after every session to improve future versions of training and workshops and include employees in the process to learn the ways concepts are applied and how to best connect and engage, together.

Developing solutions that can scale – like a conscious inclusion framework – help companies move beyond incremental progress on DEI. When employees have a shared language and understanding of DEI, then metrics can create action-oriented next steps, and multiple levels of accountability are achievable. Ultimately, constructing inclusive environments is the only way to truly diversify organisations and create lasting change.

And in the PE world, getting DEI programmes right is critical. Building a diverse, equitable and inclusive environment attracts more diverse people

into the PE field, and equally important, the industry has a unique intrinsic multiplier effect through portfolio company engagement to accelerate DEI advancements at scale.

To be sure, it is the conscious effort on inclusionary behaviours that makes a difference and helps leaders to recognise bias in themselves and in their systems. And no doubt, having more diverse leadership and teams, in turn, gives PE firms a competitive advantage through an engaged and productive workforce, better investment decisions and business outcomes with benefits to all stakeholders. While the business case makes sense, so does the moral one that empowers the human spirit in our place of work.

Khalida Ali is director, diversity and inclusion, at Vista Equity Partners