BEFORE THE STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	
Complainant,	Docket No. TP-220513
v.	
PUGET SOUND PILOTS,	
Respondent.	

EXHIBIT TO TESTIMONY OF

Kathleen Nalty

ON BEHALF OF

PACIFIC MERCHANT SHIPPING ASSOCIATION

DEI Leadership Training and Action Planning Memorandum

FEBRUARY 10, 2023

Where to Start (or re-energize) a Diversity, Equity, and Inclusion (DEI) Initiative

Many organizations start a DEI initiative by forming a committee comprised of people who are passionate about the topic but quickly find themselves floundering because they don't have enough knowledge or experience to decide on next steps, let alone effectuate real change. This is compounded by a lack of leadership engagement. It is rare that a leader of any organization has had any formal training in DEI principles. And most leaders who think they have some expertise actually have acquired disparate bits of information that do not translate into actions that are strategic or effective in this realm.

The tendency is to default to "old school" notions, which usually means a programmatic approach popularized in the late 20th century, including more targeted recruiting, pipeline efforts, multicultural celebrations and speakers, employee resource or affinity groups, scholarships, internships, and memberships in DEI organizations. These "solutions" are all anyone really knows, so their implementation seems like the natural next step. While important, and foundational, none of these efforts fundamentally change the systems of the organization, which is necessary to make any real progress on DEI. More importantly, these traditional efforts, which organizations have implemented for decades, have not worked and never will to make DEI sustainable.

Organizations seeking to advance DEI are now taking take a different approach by engaging leaders (formal and informal) from the outset and educating them about modern-day DEI principles so they can be full partners in designing organizational changes. After all, leaders are the only people in the organization who can institutionalize DEI by changing cultural norms, holding people accountable for exhibiting inclusive behaviors, and embedding DEI principles in the systems and processes of the organization. Put differently, not one thing will change in an organization without the active engagement of leaders and leaders cannot lead if they don't know what they are doing.

There is another, significant benefit to leaders becoming educated first – gaining greater trust and confidence throughout the organization, which are necessary to facilitate change. In the past leaders have generally delegated all responsibility for progress on DEI to others (e.g., those responsible for traditional programs such as recruiters, HR, a committee). Now, however, there is a greater understanding that leaders must lead on DEI since it affects every aspect of the organization. So, once they know what they are doing and begin identifying action items, leaders will not only be able to talk the talk more effectively, but they can also walk the talk.

To make meaningful (as opposed to surface-level) progress in DEI, leaders and key implementers "go all-in" by engaging in an in-depth, 10-12-hour workshop and strategic planning session. Described in more detail below, the "All-In" DEI Leadership program has been successful at many different types of organizations in giving key people the knowledge they need to lead real change.

After leaders become educated, identify priorities for next steps for advancing DEI in the organization, and create an action plan, organizations usually begin to offer training on DEI principles to the rest of the organization. They also engage everyone in training on more advanced topics to grow individual competencies and skills in DEI.

All-In DEI Leadership Education Program

Leaders to lead on DEI engage in an in-depth, four module workshop series that includes an initial strategic planning session. The following concepts are covered in this interactive program:

1. The "Why of DEI" (3-3.5 hours)
   - The differences between diversity, equity and inclusion
   - The case for diversity – why diversity of all kinds is critical to business/ mission success as well as decision-making
   - How social identities can shape our worldview and also create blind spots
   - How to develop inclusive intelligence in ourselves and others
   - The case for inclusion
2. Unconscious bias (3-3.5 hours)
   - How it is formed
   - Cognitive biases and how to interrupt them
   - 10 hidden barriers that cause higher attrition rates for employees in underrepresented groups
   - How to recognize implicit bias in ourselves
   - Specific research-based strategies for interrupting or mitigating individual biases
3. How to create a modern-day DEI initiative (2-2.5 hours)
   - Definition of an inclusive workplace where diversity and equity thrive
   - 3-part model for advancing diversity, equity, and inclusion in organizations – Leader "My-In", Employee "Buy-In", and Structural "Tie-In"
   - My-In
     - Traits of inclusive leaders and colleagues
     - How inclusive leaders produce better results
     - Empathy
     - Psychological safety
   - Buy-In
     - DEI competencies – unskilled, skilled, highly skilled
     - "Framing" and "feel the need" inclusion nudges – communicating about DEI to garner greater buy-in
   - Tie-In
     - Inclusion process nudges – what organizations are doing to address unconscious bias by making structural changes to embed DEI principles, including bias interrupters

- Benchmarking progress using a DEI maturity model
4. Strategic action planning (2-2.5 hours)
    - Individual action plans
        - Participants create their own personal action plans based on what they learned to build personal skills and capabilities in:
            - interrupting unconscious bias
            - identifying blind spots and building greater inclusive intelligence
            - expanding their circle of influence
            - developing the traits of inclusive leaders
    - Organizational action plans
        - Participants prioritize and discuss action areas, based on research, to:
            - De-bias the organization by identifying 1-2 hidden barriers and brainstorming potential action items to eliminate those hidden barriers, and
            - Build the infrastructure for a modern-day DEI initiative by prioritizing 1-2 key strategies that more advanced organizations have implemented to become more mature in terms of DEI and begin to brainstorm specific actions that can be taken to effectuate those key strategies.

The minimum amount of time necessary to address all four modules is ten hours. Organizations can choose to add up to two hours to the training program to allow for more and longer small and large group discussions during each module. While the 10-hour program does include some discussion opportunities, most organizations would benefit significantly from the added time over the course of the workshops and, especially, during the last workshop which involves strategic planning.

Materials:

"All In" workshop participants receive significant take-aways, including 30 handouts that will assist in implementing a meaningful DEI initiative. Organizations often choose to print the handouts in hard copy and put them into three ring binders with numbered tabs for easy reference during the workshops, since many are actively used during the workshops. These notebooks serve as "DEI Leadership Toolkits" since they contain many important tools and resources for implementing a DEI initiative after the workshop series.

Strategic Planning Session:

The All-In DEI Leadership course is designed to give leaders foundational knowledge so they can begin designing a roadmap for change on DEI in the organization. During the course, participants put that knowledge into practice by immediately engaging in strategic planning discussions during the last workshop.

The most common approach utilized during the strategic planning session has participants address two of the hidden barriers to success experienced more often by people in underrepresented groups, as well as two of the key strategies that organizations with more advanced DEI efforts have instituted. Participants discuss potential action items that could be implemented to address those four issues in small breakout groups. The initial ideas are shared with the large group and then turned over to task forces or working groups following the workshop to develop more formal strategic action plans.

The 10 most common hidden barriers that cause inequities in organizations are: 1) networking, 2) insider information, 3) work assignments, 4) mentors/sponsors, 5) training/ development, 6) client contact, 7) access to insiders, 8) social integration, 9) feedback, and 10) promotions. Research studies show that while anyone in the organization could be negatively impacted, people in underrepresented groups have disproportionately less access to these opportunities and the accumulated impact materially disrupts their career progress. No organization has enough bandwidth to address all ten hidden barriers at the outset. Thus, during module 2, participants prioritize two of the hidden barriers that they think should be addressed initially. Eventually, an organization should address all of the hidden barriers, but it is important to only tackle one or two initially to keep the DEI initiative manageable.

Research shows that organizations that are more advanced in DEI implement ten key strategies to build the necessary infrastructure, including: 1) making DEI a top-level priority and part of the business strategy, 2) top leader responsible for DEI, 3) DEI competencies in job duties, 4) advanced DEI metrics, 5) leader accountability, 6) unconscious bias training, 7) embedding DEI in all departments, functions, and processes, 8) employee networks, 9) competing for external awards, and 10) use of scorecards to closely track progress on goals.

So, for example, if participants prioritized mentors/sponsors and feedback as the two hidden barriers, as well as leader accountability and embedding DEI as the two key strategies, the strategic planning session would have the following agenda:

1. Personal Action Plans:
    a. **Individual Actions:** The session would begin with everyone participating in small groups to talk about their personal action plans for 10 minutes with a large group report-out.
2. Organizational Action Plans:
    a. **Hidden Barriers:** Participants would be divided into small breakout groups with half of the participants discussing mentors/sponsors and the other half brainstorming action items pertaining to feedback systems. Participants would be able to choose the topic they are more interested in discussing (to foster greater buy-in). After 20-25 minutes, they would reconvene in a large

group and spokespersons from each group would give short reports on their group's discussions.

b. **Key Strategies:** Ideally, all participants would have an opportunity to discuss both of the prioritized key strategies. This is more feasible if the time is extended to 2.5 hours. In this case, everyone would be in small groups to discuss leader accountability for 15-20 minutes, with a large group report-out, and then engage in another small group discussion to discuss embedding with a large group report-out. If the strategic planning session is limited to 2 hours, participants would have to select only one of the two topics to discuss in small groups with a large group report-out.

Afterward, the ideas generated would be further discussed and shaped by working groups or task forces – one topic per group – and presented to either the DEI committee and/or leadership for approval and implementation.

DEI Infrastructure and Implementation

This agenda presupposes that the organization has already dealt with some foundational issues such as formation of a leadership structure for advancing DEI. Many organizations create DEI committees or councils that include formal leaders as well as representatives from across the organization to do this work. If this has not been done, the planning time at the end of the course could be spent discussing how DEI efforts could be organized within the organization. Participants could also discuss the obstacles that would have to be overcome to get a DEI initiative started.

Some of the foundational questions leaders and key implementers need to discuss at the outset of a DEI initiative include the following:

1. What is precipitating our consideration of a DEI initiative?
2. What are we trying to achieve through a DEI initiative? What outcomes do we want to accomplish?
3. What is our vision for our organization; what will our organization look like once we have institutionalized DEI?
4. How does DEI fit into the core values of our organization?
5. How would DEI help our organization achieve its goals?
6. What stakeholder groups are we seeking to impact and why (e.g., clients, customers, employees, potential employees, our communities)?
7. What do we know (or not know) about these stakeholder groups and their views and desires about DEI? How can we find out more about their views?
8. Who are we trying to influence within the organization to make change happen? What do we want them to do differently?
9. What resistance can we expect to encounter? How can we deal with any resistance to change?

10. Do we have the energy and resources for the long-haul or will this end up being a superficial effort?
11. Does the culture of our organization support accountability measures?
12. Have we been successful in the past with other change initiatives? If so, how can we leverage past success(es)?
13. Where will DEI fit in our organization? Will it be a silo or "add-on" or can we create a structure that is cross-functional and integrated into all facets of our organization?
14. Who should lead the change? Should it be top-down, bottom-up, or both? What would be most effective? What individuals would be the most effective change agents? How can they be activated and, more importantly, supported?

Leaders will be in a better position to answer these questions after the "All-In" DEI Leadership Program, but they can certainly be discussed before any training begins.

Roles and Responsibilities

Most people are not familiar with the components of a successful DEI initiative. They fall back on "old school" models that have never shown any results. Failure is guaranteed when an organization sets up a siloed committee solely comprised of people in underrepresented groups with little education or experience in DEI who have no power to affect any real change in the organization. Success can only be achieved when DEI becomes a part of what everyone does every day, and the DEI initiative is led by a group of people who are representative of the organization broadly and have the power and resources necessary to make DEI a part of all aspects of the organization.

DEI expert Lily Zhang, in her 2022 book "DEI Deconstructed," recommends that organizations ensure the following roles are filled at the outset of a change initiative to increase the odds of success:

1. **The Advocate** – most change initiatives have one or two people who challenge the status quo and expose inequities. Advocates are often the catalysts for the DEI initiative in that they force those in the majority to come to terms with the issues.
2. **The Educator** – the status quo will never change until people learn more about DEI principles. Educators change people's hearts and minds by sharing research and examples of the positive changes that can be derived from implementing a modern-day DEI initiative. Most organizations must rely on outside experts, at least initially, since they usually don't have in-house expertise (although many organizations are now hiring chief DEI officers who have formal training and extensive experience).
3. **The Organizer** – the person who fills this role is adept at bringing together disparate groups of people and encouraging the effective collaboration needed to build momentum toward change.

4. **The Strategist** – this person is highly skilled in strategic thinking and is constantly considering the "why" and the "how" of making change happen. The strategist understands the organization broadly, identifies "key information about all stakeholders, power dynamics, and decision points to inform the approach that is most likely to achieve goals effectively."
5. **The Backer** – gaining backing from powerful people in the organization is critical; they endorse the change initiative and lend their personal relationship capital and organizational positional power to ensure its success.
6. **The Builder** – builders do the work to make change happen; they are focused on the process of execution and outcomes by creating "working solutions that meet the needs of multiple stakeholder groups."
7. **The Reformer** – this role is necessary for the long-term success of a DEI initiative. Reformers use their influence and power in the organization to maintain momentum and continuous change over the long term.

Clearly some individuals could serve in more than one role but each role has to be represented at various points in the change initiative for it to be sustainable. Zheng contends that if any one of these roles is missing, a DEI initiative will fail.

Old-school diversity committees, which consisted of people in already underrepresented and marginalized groups, lacked members serving in many of these roles so it is no wonder they were unsuccessful. This model also highlights the necessity of formal leaders serving in more active ways to ensure the initiative's success.

Ongoing Education

There is much to learn about DEI and leaders who engage in the "All-In" DEI Leadership course will see the value in sharing some of the curriculum with all employees while also continuing to learn about additional topics. These are some of the individual workshops available to provide continuous learning opportunities:

- The Why of DEI
- Inclusive Intelligence
- Unconscious Bias
- Proximity Biases in the Hybrid Workplace
- Micro-Inequities and Aggressions
- Creating a Gender Smart Organization
- Addressing Unconscious Bias in Recruiting
- Inclusive Meetings
- Allies and Accomplices
- Using Inclusive Language

Kathleen Nalty Consulting

Kathleen Nalty is a lawyer, author, and consultant with over two decades of experience assisting organizations of all kinds in their efforts to advance DEI. She has received multiple awards for her thought leadership and work in DEI.

Kathleen is highly skilled at educating people in the principles of DEI no matter what their starting point. Clients and audience members will frequently remark that her training on DEI is the best they have ever experienced. She has a unique way of showing people how inequities can be thriving – even in organizations full of good, well-intentioned people - and how to effectively address those inequities.

For more information about Kathleen, visit www.kathleennaltyconsulting.com.