



Transforming Business Beyond COVID-19

An Equity Fluent
Leadership Playbook

Created by the Center for Equity, Gender and Leadership
(EGAL) at the UC Berkeley Haas School of Business
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Why We're Here and Where We Want to Go

A Message from EGAL's Founding Director, Kellie McElhaney

“ We will not go back to normal. Normal never was. Our pre-corona existence was not normal other than we normalized greed, inequity, exhaustion, depletion, extraction, disconnection, confusion, rage, hoarding, hate and lack. We should not long to return my friends. We are being given the opportunity to switch a new garment. One that fits all of humanity and nature. ”

- Sonya Renee Taylor, Artist, Author, and Activist

Upon reading this quote, I knew that EGAL needed to immediately get to work. We cannot and will not play any part in returning to business as usual. Business as usual was not serving large swaths of our population. If we are true to our mission of igniting and accelerating change, it is our responsibility to use our voice, our work in developing evidence-based Equity Fluent Playbooks, and our platform. We must be leaders, and educate leaders, who are part of driving change. I have never felt more passionate about a work stream as I do about this, and I am proud to have a great team working with me.





Purpose and Scope of Playbook

What is this playbook?

COVID-19 is having a devastating impact on individuals, communities, and economies globally. It is exposing staggering inequality in the US, while offering a once-in-a-generation opportunity to address this inequality and to rebuild business and the workplace in disruptive and courageous ways. This playbook aims to provide business leaders with both the understanding of how COVID-19 is impacting workers, specifically workers of color and women, and a framework for analyzing how their actions in recovery can either foster equity in society or suppress it.

For whom is this playbook?

This playbook is for every business leader, including those both actively working on equity issues or those new to the space. It is for leaders who are action-oriented and have the courage to try new ways of thinking in business. The playbook primarily focuses on the experience, needs, and realities of Black, Brown, and female workers in the US, which we utilize as an expansive term to refer to employees, contractors, entrepreneurs, and anyone else who is working for pay.

Why use this playbook?

Business leaders are having to act fast in responding to and recovering from COVID-19. However, time and again we have seen how efficiency and speed come at the cost of equality. This reduces the ability of business to adequately support workers and fosters greater societal challenges that hurt us all. Instead of looking back in twenty years and wishing we had done things differently, this playbook aims to provide the resources needed now to take an equity fluent, bold approach to COVID-19 recovery and business rebuilding.

PART I:

The Need for Equity Fluent Recovery

Recognizing the immediate and critical need to integrate equity and inclusion into COVID-19 recovery efforts, EGAL is releasing this playbook for business leaders in a multi-part series.

This first release focuses on grounding the conversation in the most immediate and business targeted impacts that communities of color and women are facing during the pandemic. EGAL has also created a framework for defining what effective equitable recovery is in order to assess which businesses are leading, much of which are lagging today.



PART I

How is COVID-19 impacting communities of color and women? How do we define equitable recovery?

PART II

Are the actions of companies driving towards an equitable recovery?

PART III

What can we learn from past crises when it comes to designing equitable recovery?

PART IV

What are the transformative actions that are needed now for equitable recovery?

Equity Fluent Recovery

/'ekwədē/ /'floōənt/rə'kəv(ə)rē/

Noun

A recovery in which business leaders commit to using their power and position to address the vast inequities that have been exposed and exacerbated by COVID-19. Recognition that these inequities have been perpetuated through our business models necessitates that business is part of the solution and of rebuilding. Leading inclusively is not only a moral imperative, it's a strategic business imperative, as well.

Assessing Impact Through an Equity Lens

COVID-19 has laid bare the systemic barriers to equality that communities of color, women, and especially women of color face in the United States. Higher rates of infection and death from contracting the virus are a symptom of the embedded inequities that these groups grapple with day in and day out, including in society and in the workplace.

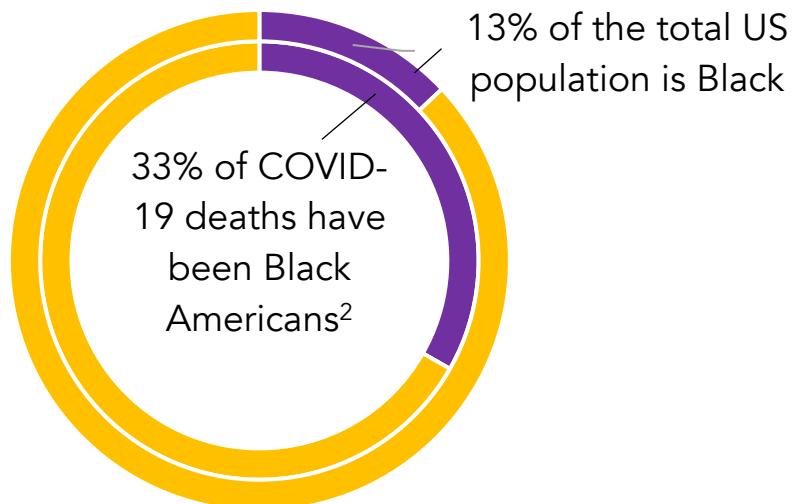
EGAL has compiled social, economic, health, and labor data to better **understand the impact of COVID-19 through a racial and gender lens**. We assessed the severity and reach of this impact on three primary groups of workers: Black, Latino or Hispanic, and women.

While this list is by no means exhaustive of the harsh realities that these groups are facing, it grounds us in an understanding of how the actions of companies can exacerbate or mitigate gender and racial inequalities. It is undeniably clear that the treatment of the worker in recovery is fundamental to systemic change and lasting equity gains. Our top findings are summarized in the following slides.

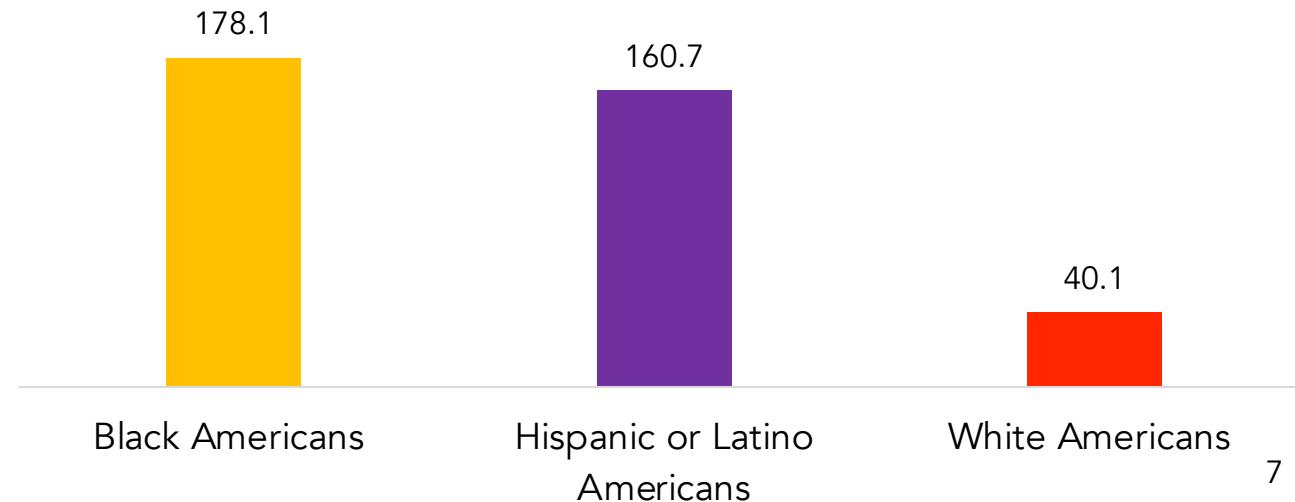
The Ripple Effects of COVID-19

Inaction in the face of COVID-19 not only leaves workers worse off, but it also means businesses are more likely to be unstable for longer. During the 2007-2009 economic crisis, companies with greater outcomes in supporting marginalized populations in their workforce experienced a 14.4% gain in stock performance, while the S&P500 declined by 35.5%.¹

It also means that the systemic challenges we face today in the US will only continue and likely worsen. Systemic racism and patriarchal structures are built into the fabric of our society and how we do business. We know that sick people = sick systems. The most devastating manifestation of this during COVID-19 has been the disproportionate deaths experienced by people of color.



COVID-19 Hospitalization Rates
March 2020 to June 13, 2020 (rate per 100,000 population)³



The Ripple Effects of COVID-19

The following pages dive deeper into COVID-19's impact on workers of color and women. This impact to workers creates more dire consequences for business and society, which in turn further exacerbates the risks workers face to their health and livelihoods. This is a dangerous and costly reinforcing loop.

People of color and women are:

- More likely to be in contact with COVID-infected individuals
- More likely to suffer job losses
- Less likely to be making a living wage
- Less likely to have access to healthcare and job benefits
- More likely to own businesses that will close

66% of Hispanic workers report that if they had to miss work for COVID-19, they would not be paid. 47% report struggling to meet basic needs.⁴

Businesses are likely to face:

- Lower labor force health and productivity
- Less satisfied and committed employees
- Reduced access to a diverse and strong supplier base
- Elongated health and economic crises that hurt profits and market performance

28% of employees rated their employer's response to COVID-19 as a C or lower. Out of those, 40% said they would pursue a new job.⁵

Society is likely to face:

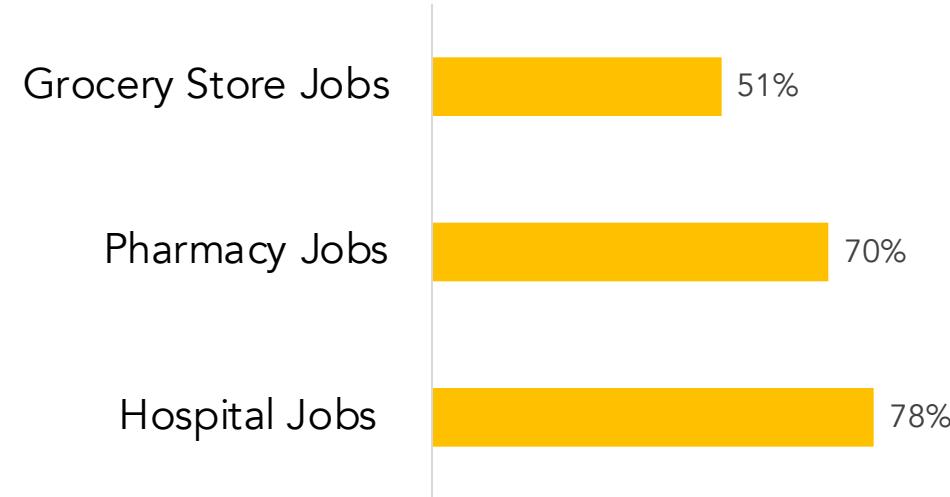
- Increased economic and wage inequality
- Greater strain on health and emergency infrastructure
- Slower economic growth
- Higher unemployment due to automation
- Less competition from small businesses in the marketplace

41% of bosses globally are currently increasing investments in automation for a post-COVID-19 world.⁶

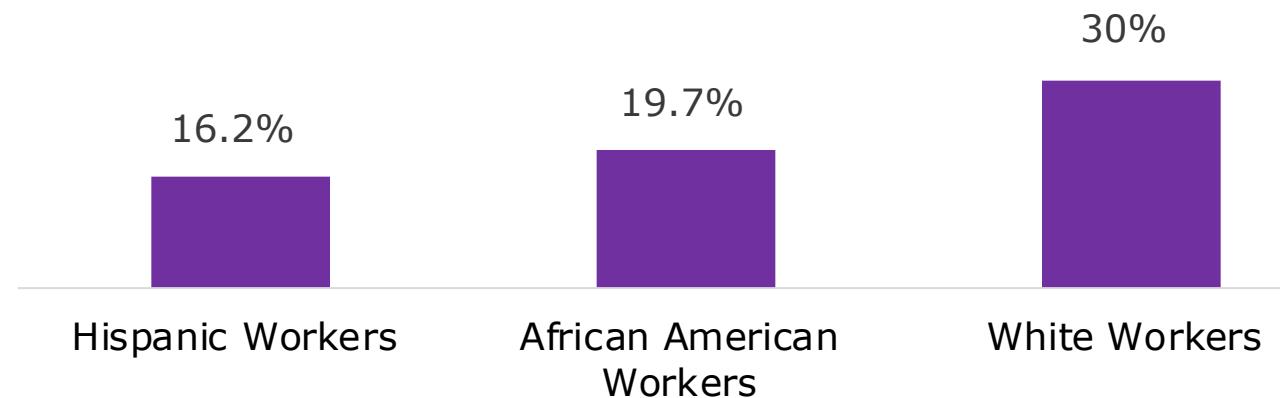
People of color and women are more likely to be in close contact with COVID-infected individuals in the workplace.

This is because of the industries in which they work, their higher likelihood of being considered essential workers, and their lack of flexible work arrangements, all of which restrict their ability to telework during COVID-19.

Percentage of Essential Service Roles Held by Women⁷



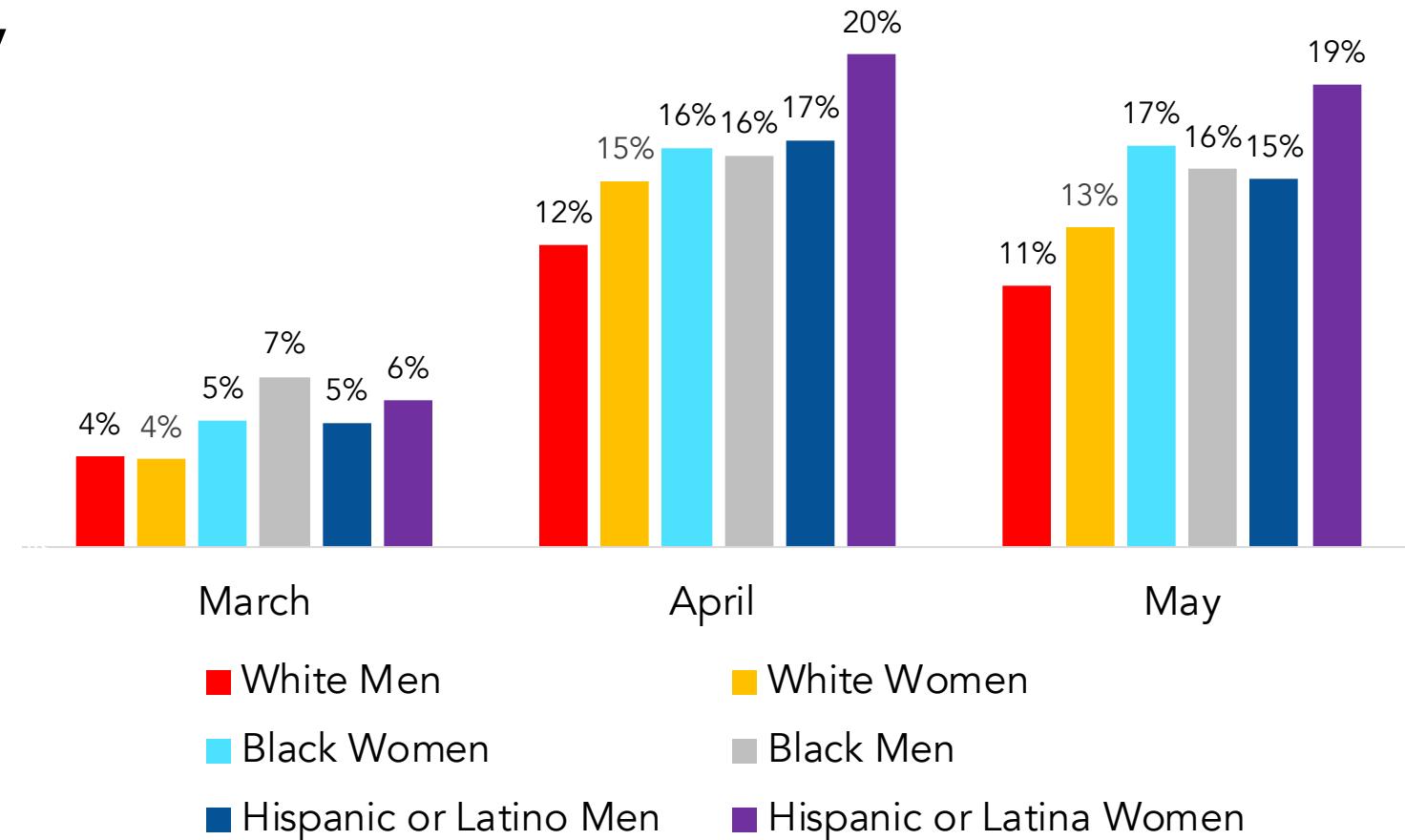
Workers that can Telework during COVID-19⁸



People of color and women are more likely to suffer job losses during COVID-19.

This is because of their heavy concentration in at risk-industries through COVID-19, like restaurants, hospitality, manufacturing, and retail. Job losses can take the form of unemployment, layoffs, and/or reduced hours.

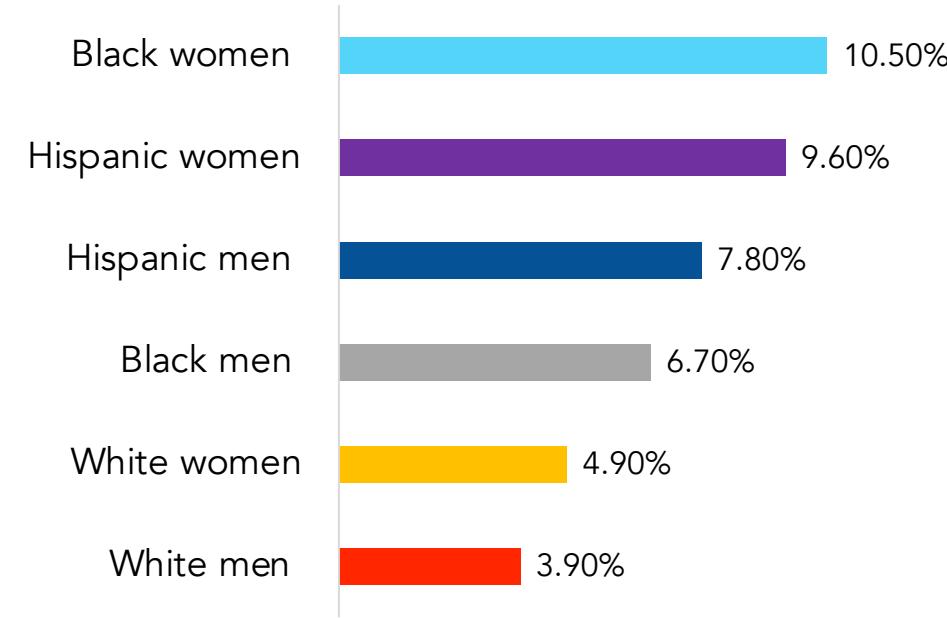
Unemployment Rates (%) in 2020⁹



People of color and women are less likely to be making a living wage.

Jobs held by people of color and women are more likely to be hourly, part-time, lower-quality, and largely in the service industry. These jobs are less likely to pay a living wage, meaning enough money for a worker to adequately meet their basic needs. People of color and women are in the highest need of hazard pay during COVID-19 as they are more likely to be working on the frontlines and in consumer facing roles, increasing their exposure to COVID-19. Women of color disproportionately occupy these jobs with lower pay.

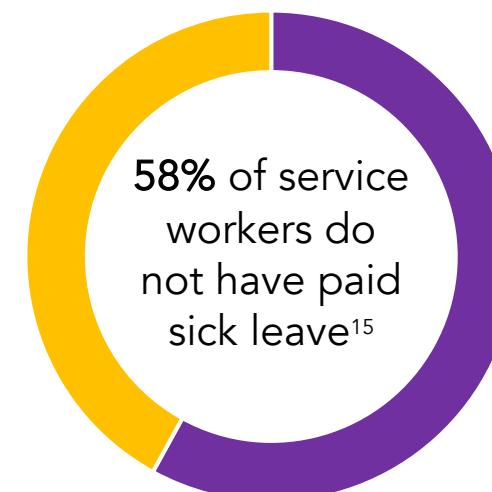
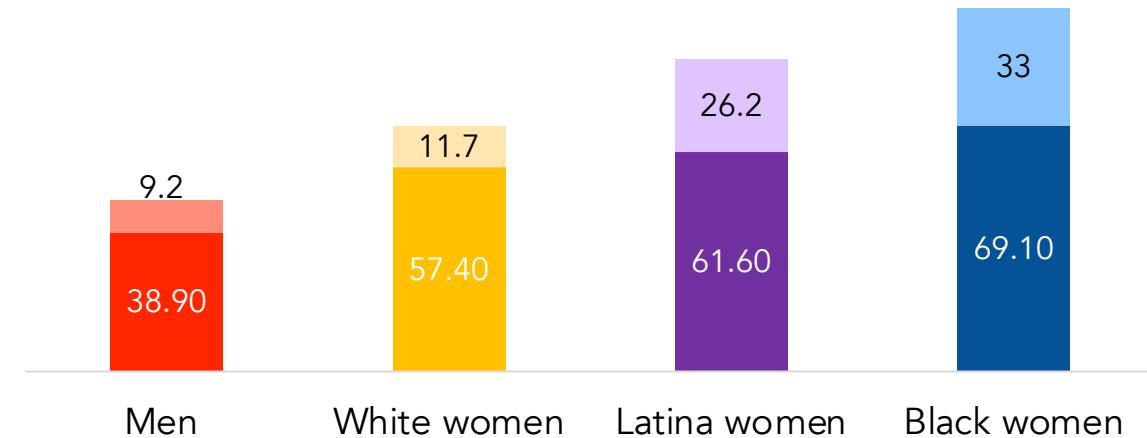
Working-poor Rates in the US¹⁰



People of color and women are less likely to have access to healthcare and job benefits.

Jobs held by people of color and women largely lack health insurance, paid sick leave, and childcare and eldercare. Hispanic and Black Americans are more likely to be uninsured than white Americans.¹³ Women of color shoulder a larger burden of caretaking work in the US. This lack of benefits is especially precarious during COVID-19 while workers are struggling to balance work and life, while also not having the healthcare they need if they get COVID-19.

Average Hours per Week Spent on Childcare (bottom) and Eldercare (top) during COVID-19¹⁴



Low wage workers who have no sick leave are 1.5x more likely to go to work with a contagious illness, exposing their families and other low wage workers.¹⁶

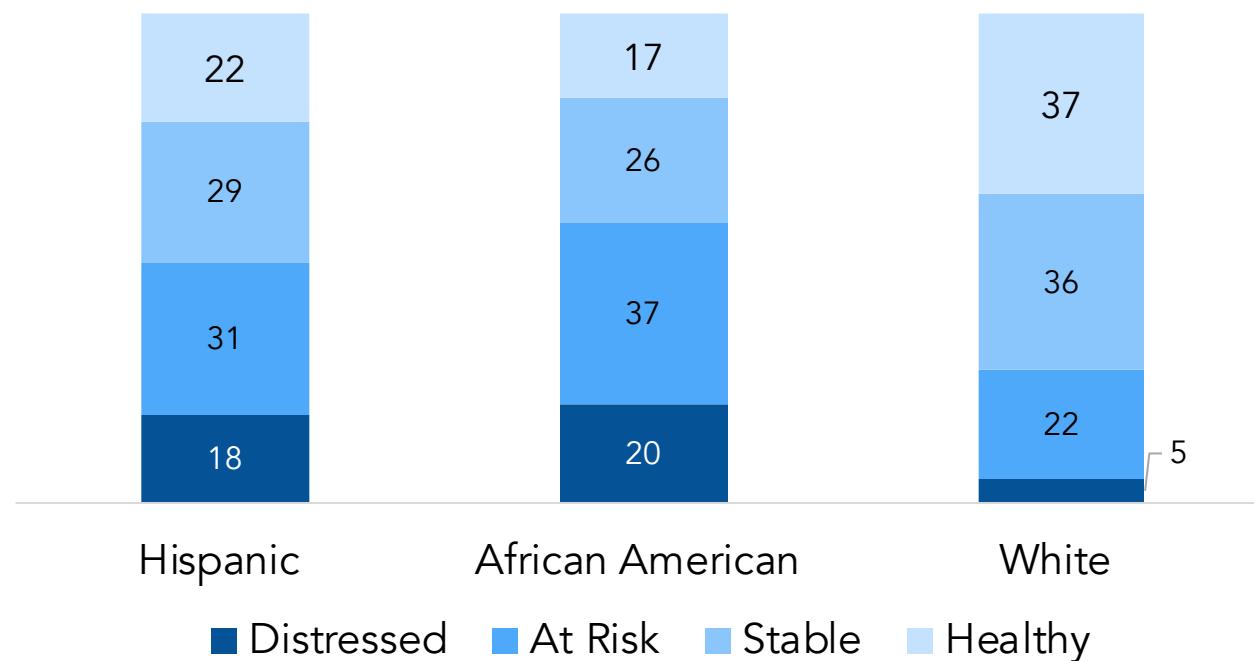
People of color and women are more likely to own businesses that will close during COVID-19.

One major reason is that minority-owned and women-owned businesses have lower access to capital than white businesses. We saw this play out with the limited access minority-owned and women-owned businesses had to the Paycheck Protection Program during COVID-19. They are also more likely to occupy industries severely impacted at this time.

Percentage of Businesses in Five Most Vulnerable Sectors during COVID-19¹⁷



Classification of Health of Businesses (%) by Identities of Owners Before COVID-19¹⁸



Defining Equitable Recovery

This overwhelmingly disparate impact of COVID-19 necessitates that business leaders step up, take bold actions, and lead to ensure that our post-pandemic economy is one built on a foundation of economic security, healthy workers, and strong social protections for people of color and women.

While **calls for equitable recovery have been far sweeping**, actions matching this rhetoric have been underwhelming. We are far from seeing big ideas towards building a new future of equal opportunity in our society and the workplace. Most actions instituted by large corporations to date have been temporary fixes, such as one-time bonus payments for frontline workers or offering workers PTO for the first time if they contract COVID-19. Part II of the Playbook will dive deeper into these actions. However, while this is a start, we know that this will not be enough. By further defining the forms that equitable recovery can and should take, EGAL seeks to make clear what actions and ideas align with an approach to recovery that throws out the old operating system and builds a new one constructed on racial and gender equity.

To envision the actions needed to reach this new, equitable normal, EGAL brought together a diverse group of stakeholders from the private sector and worker advocacy non-profits in order to define “equitable recovery.” Through a design workshop and EGAL’s research, we have developed a new framework for achieving what we call an “equity fluent recovery” and five spheres of influence that are central to this definition. For a full list of workshop participants, see Annex A.

Pursuing “Equity Fluent” Recovery

In the media and in corporate communications, equitable recovery is often focused on returning to the previous normal and the workplace that already existed. But from EGAL’s workshop and our research, it is clear that equitable recovery is not returning to normal – not at all. In fact, it is about moving to a new normal that seeks to integrate equity not just into the return itself, but in the very fabric of how businesses operate. We call this “equity fluent recovery.”

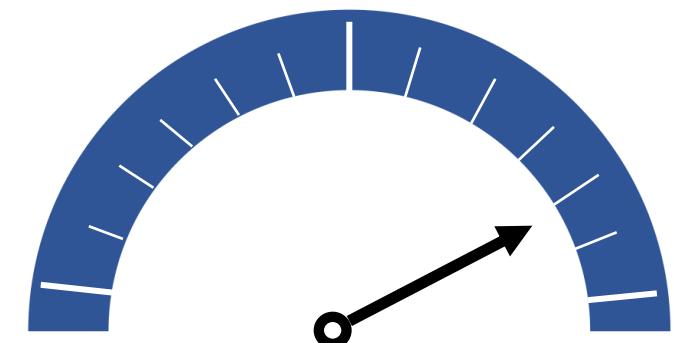
Equity Fluent Recovery is one in which each of us as business leaders commits to using our power and position to address the vast inequities that have been exposed and exacerbated by COVID-19. Recognition that these inequities have been perpetuated through our business models necessitates that business is part of the solution and of rebuilding. Leading inclusively is not only a moral imperative, it's a strategic business imperative, as well.

Seeing this spectrum of equitable recovery in the conversation, EGAL developed the speedometer on the right to better define where companies are in their recovery efforts, and where they should be. While we recognize that change will not happen overnight, EGAL wants to work with business leaders to make progress in pushing the throttle towards equity fluent recovery.

“ Corporate America can no longer get away with token responses to systemic problems. It is going to take a systemic response to sufficiently address this crisis that has been decades in the making. ”

- Darren Walker, President of the Ford Foundation

Return to
“Normal”

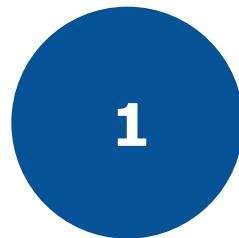


Equitable Recovery Speedometer

Equity Fluent Recovery

Equity Fluent Recovery - Spheres of Influence

To envision the actions needed to reach equity fluent recovery, EGAL has developed five spheres of influence that are critical to recovery. While broad, they are meant to be visions of what areas of change are most critical when it comes to tackling systemic racial and gender barriers.



LEADERSHIP & POWER

Foster equity and inclusion through workplace norms and management structures.

- Leadership should be aware and committed to supporting marginalized workers.
- People from marginalized and underrepresented groups should be elevated in company leadership structures.
- Leadership needs to be accountable not only to shareholders, but stakeholders more broadly including the community.
- Participants in our workshop debated whether a solution like a global CEO consortium on equitable recovery could help companies articulate stronger equity strategies or would just inadvertently exacerbate existing inequalities. Overall, there was a sense that it could be a good start, but that it won't reach the root issues if it fails to bring the voices of those most impacted authentically to the table.



WORKER EXPERIENCE

Provide jobs that make it possible for workers to live economically secure and healthy lives.

- Benefits workers receive should be permanent beyond COVID-19, not just temporary measures.
- Healthcare, paid leave, and childcare should be guaranteed components of jobs.
- Companies should re-evaluate their support systems for workers considering the changing nature of work. Too often, supply chain, temporary, and contracted workers are overlooked in benefits and support policies.
- Be active in reskilling and upskilling workers to ensure more equitable outcomes in a more automated business future.

Equity Fluent Recovery – Spheres of Influence

3

DISCOVERY & LEARNING

Learn new ways of doing business through collaborating with historically underrepresented voices.

- Rethink old business patterns and examine the status quo, like working arrangements, to create more flexible, successful, and supportive work environments.
- Collaboratively design and deliver authentic public-private partnerships to pilot equity strategies that lead to systems-level change.
- Develop and publish high return on investment strategies for supporting people of color and women in the workplace.
- Examine how product development and distribution can integrate an equity and inclusion lens. This includes evaluating how marketing and communications perpetuate harmful social norms.

4

STRATEGIC INVESTMENTS

Utilize an equity lens in all investment decisions and business strategies.

- Scale up investments and business priorities in minority-owned and women-owned businesses, such as prioritizing procurement from these businesses in the supply chain.
- Introduce greater rigor to foundational investing and non-profit partnerships, including reporting work in this area through a racial and gender lens.

5

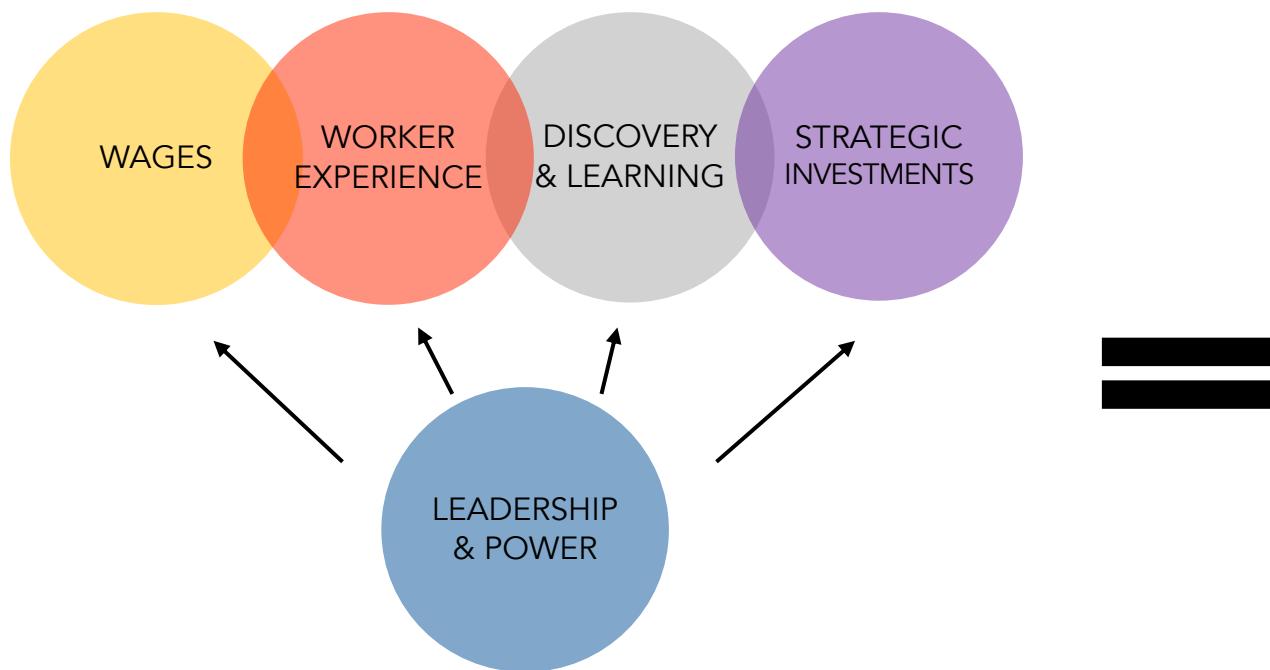
WAGES

Change wages to better recognize and reward contributions made by workers at all levels.

- Redesign compensation structures for workers to reduce existing pay gaps between men and women, workers of color and their white counterparts, and workers and executives.
- Create metrics of success for equity goals that are tied to executive pay.

Equity Fluent Recovery – Spheres of Influence

The equity fluent recovery spheres of influence will serve as a guiding framework in developing transformative business plays in Part IV of the EGAL Playbook. While each category of influence has its own unique challenges and solution areas, all spheres are intrinsically linked to the role that leadership and power play in business. Changing how power is built and what leaders serve at a company are fundamental to achieving lasting gains in all other spheres of equity fluent recovery.



Transformative Equity Fluent Recovery Plays for Business
PART IV Coming Soon!

Transformative
Business
Play

Playbook Part II

With our definition of equity fluent recovery in mind, EGAL is reviewing the current actions of Fortune 100 companies during COVID-19 and is plotting them on the spectrum of returning to normal versus driving towards a new normal- an equity fluent recovery.

In Part II, EGAL will present our key findings on corporate actions and shed light on how corporations are approaching COVID-19 recovery in real time. We will identify gaps that exist, actions that are making a difference, and opportunities for collaboration and new thinking.



Center for Equity, Gender and Leadership

The Center for Equity, Gender and Leadership at the Haas School of Business (University of California, Berkeley) is dedicated to educating equity fluent leaders to ignite and accelerate change. Equity Fluent Leaders understand the value of different lived experiences and courageously use their power to address barriers, increase access, and drive change for positive impact. Equity Fluent Leadership™ Playbooks deliver strategies and tools for business leaders to advance diversity, equity, and inclusion. The Playbooks serve as a bridge between academia and industry, highlighting and translating research into practitioner-oriented strategies.

Learn more @ haas.berkeley.edu/equity/

Annex A – EGAL's Design Workshop Participants

To envision the actions needed to reach the new, equitable normal, EGAL brought together a group of stakeholders from the private sector and worker advocacy non-profits in order to define “equitable recovery.” During the session, participants wrote on post-its what they believed equitable recovery means and what it should encompass. We then grouped these ideas into similar categories to provide a foundation for defining equitable recovery.

Workshop Participants



Carolyn Johnson
Black Cultural Zone



Heather Ainsworth
Workable Concept



Rachna Saxena
Dalberg



Smita Pillai
Zendesk



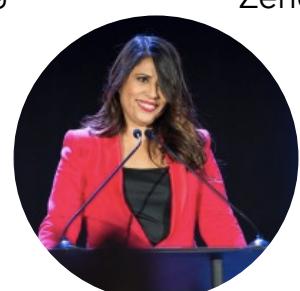
Jose Corona
Eat, Play, Learn
Foundation



Susan Goss Brown
Previously of Gap Foundation



Kim Almeida
Levi Strauss & Co.



Liz Ortega
Alameda Labor

**Workshop facilitated by EGAL's staff: Abigail Mackey, Kellie McElhaney, and Genevieve Smith

Annex B – Sources

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