



# Why diversity, inclusion & belonging really matter

By Linda Hughes

With more and more organisations embarking on diversity programmes, it's essential to understand what that truly means and the benefits that a diverse workforce can have on a company's performance. In this article, we examine how you can move the dial on your own diversity strategies.

# Introduction



In times of crisis, topics like diversity and inclusion (D&I) can get pushed to the side-lines. Often perceived as a “nice to have” in the best of times; D&I risks getting taken off the senior team agenda entirely in the current crisis as leaders struggle to manage in a time of fundamental uncertainty. So, what do we really mean by D&I, diversity is about getting the right mix of people, with the right skills and competencies. Inclusion is about making sure the mix we have works and belonging you feel part of that team. However, we believe that D&I will be one of the critical differentiators in how companies weather this storm. Those that have invested in developing inclusive leaders and cultures and building balanced leadership teams across their businesses will fare better than others. And the many companies that have had mixed success with D&I efforts may benefit even more from keeping it on their leadership agenda.

With many companies mandating that employees work from home; our ways of working have been fundamentally changed for the foreseeable future—and perhaps forever. With technology, we are now being invited into people’s homes and personal lives in unexpected ways (kids in the background, casual clothes, unkempt hair, cats on keyboards). This means people have to work together in a more forgiving, focused, and empathetic way than in past decades. During normal business times, we push our way through work or projects and if someone doesn’t agree (or doesn’t fit), we can ignore them and still possibly reach an outcome. Today, when almost everyone is sensitised and out of their normal comfort zones, our ability to listen, empathise, and adjust (all principles of highly inclusive companies) is key to success.

Companies that have built inclusive cultures are more able to tap into 100% of their talent in a way that creates competitive advantage. Companies that emerge resiliently from the crisis will become the most attractive to talent of all kinds and will be able to recruit the best of the best, including diverse talent, which will create a positive feedback loop in terms of performance and additional resilience.

# Key statistics on D&I you can't ignore

Even before the current crisis, leadership teams that did not reflect the demographic realities of today's markets and talent pools may have been unwittingly creating risk by being out of sync and unable to cope quickly enough with today's realities and crises. Now the stakes have become unimaginably high. Leaders are facing complex challenges that will require the best thinking to come up with solutions.

Research shows that teams that are diverse are better at solving complex problems. Yet, even today, many companies still have very homogenous leadership teams (one gender, one culture/ nationality, one background). Yet, companies that have built balanced teams across their business and functions—not just a few women in functional roles such as HR or communications, or a few people of different cultural backgrounds representing global markets—are those that will be able to draw on the business benefits that balance brings to the table.

As we live through this extraordinary moment in history, with unexpected levels of uncertainty and risks not seen for generations, it is those companies that are able to draw on a wealth of perspectives in their teams—across genders, generations, cultures, ethnicities, and backgrounds—that will ultimately be prepared for the new collective, global reality.



## The business case for diversity is proven.

Studies by McKinsey, Deloitte, Forbes, Glassdoor, PWC et al show that diverse boards, teams, and companies with strong D&I brands are more profitable.

Inclusive companies are **1.7x** more likely to be innovation leaders in their market.

Gender diverse companies are **15%** more likely to outperform non gender diverse companies.

**85%** of CEOs whose organisations have a D&I strategy say it has enhanced business performance.

Ethnically diverse companies are **35%** more likely to have financial returns above industry medians.

**67%** of job seekers said a diverse workforce is important when considering job offers and **57%** percent of employees think their companies should be more diverse.

**54%** of employers citing diversity as something that is crucial to ensuring they are doing business ethically.

Organisations with women board representation outperformed those without by **26%** in share price performance (Credit Suisse, 2012). Employees at these organisations report feeling increased engagement, motivation, trust, and well-being in the workplace.

## What good looks like

As COVID continues to impact the workplace, organisations who are masterful at creating connections in new and unexpected ways will embrace this moment as an opportunity to transform the employee and client experience. Transforming teams and cultures, to lead into the new future and to guide their organisations into a deeper sense of community and connection, both internally and with their clients and communities will emerge as successful.



Leading D&I companies make diversity and inclusion part of a broad corporate and talent strategy, rather than a separate, isolated function. They ultimately engage all employees, including the non-diverse majority, in their diversity and inclusion strategies. It is important to engage a broad set of leaders – for instance, inviting male leaders to women’s forums, or activating straight allies for LGBTQ+ initiatives. These efforts are highly worthwhile: through Caterpillar’s inclusion survey, for example, they found a positive correlation between high inclusion scores, high safety scores and better inventory turns, proving that inclusion is better for the business.

Engaged and Inclusive leaders who seek out and value individual perspectives, create a sense of belonging, and build deep alignment to a clear purpose—they also do the best job at creating high performing teams under normal circumstances. Today, they are also the best at building connections among their virtual teams, engaging and getting people to collaborate effectively in a tough context, across physical distance and video screens. Inclusive leaders will be able to demonstrate compassion, kindness, and curiosity about their teams.

This is a great moment for leaders to expand the view of the human beings who work for them and accept their various worldviews and lifestyles. Many people who are not the dominant majority have learned to keep their private lives private, and now they might feel a bit exposed. The best inclusive leaders will use curiosity and empathy to embrace the fullness of those people and others in their teams. Getting people to listen more to each other and to be more aware of how each person's perspective adds value to the collective matters a lot in today's disrupted environment. Leaders need to create an environment in which each person can "share their lived experiences," so they can feel comfortable about being authentic, speaking with honesty, and sharing uncomfortable perceptions.

HR should be a consultant to the business, helping leaders address key D&I issues. Building HR capabilities to do this well has to be an organisational priority. Along with embedding D&I into every HR programme.

And lastly, accountability needs to happen at all levels – within and outside the organisation. No one person or group can create significant D&I results. Just like with any other business imperative, progress and outcomes need to be shared to make a meaningful impact.

## Creating inclusive strategies



**First start by answering these questions as they provide the framework for an inclusive strategy...**

### **1 | Does your executive team and Board of Directors have representation from all the demographics that you employ and/or serve?**

If there are groups missing from the team, then their concerns aren't being properly discussed or considered. Making your top team more representative provides the direction and messaging of your commitment to D&I.

### **2 | Are you only collecting demographic information on data that you need to report on?**

Consider how it feels to be a member of a demographic that isn't counted. Not counting someone gives the impression that they aren't being seen, valued, respected, listened to, and ultimately tells them that they don't matter. Here are examples where this is often seen:

- Collecting gender information for men and women but having no transgender or non-binary options
- Collecting racial information but making no room for biracial or multiracial identities
- Asking for marital or relationship status but including no applicable options for the LGBTQ+ community

Look at a combination of data to understand the diverse perceptions – it is likely, that each intersection of individuals feels very different from the next. You might already have this data, but are you looking at it? If you are, what are you doing with it?

### **3 | Who oversees the recruitment process and how are they making sure that the pipeline of candidates is diverse?**

In other words, are candidates from non-traditional or non-obvious backgrounds even seeing the job opportunity?

Kick start actions to address your recruitment process to increase the representation of candidates – there are several actions to take here: website, network, adverts, value proposition, job descriptions, are just a few ...

### **4 | Have you made diversity and inclusion part of someone's job description or expected responsibilities?**

Try building inclusion change teams or councils, which are comprised of business leaders who recommend, implement, or sponsor programmes based on building awareness and spreading knowledge, understanding, and removing barriers, innovation, and diversity of thought, recruiting and development, and/or behaviours and experiences related to the demographic diversity of your employee base.

### **5 | What leadership training programmes do you offer?**

Part from providing a leadership programme, what are you doing to advance employees of underrepresented groups? Offering mentorship and training/education opportunities to help elevate and promote from within and provide reassurance of your commitment to positive action.

### **6 | Are business leaders actively and regularly engaged in the conversations and programmes related to diversity and inclusion?**

This is a crucial piece of changing internal culture and showing employees that the company cares about their diversity and what they uniquely bring to the organisation. Plus, you have provided your leaders with the confidence to talk about these subjects as they have received and taken part in appropriate training about social issues from a wide range of sources and perspectives.

### **7 | Are you cultivating a sense of belonging?**

To be a truly inclusive company means your employees feel like they can bring their whole and best selves to work every day. They feel like they not only contribute, but that they are wanted and that they belong.

### **8 | How do you celebrate diversity of ideas and people?**

When someone feels like the organisation values their unique perspective and the skills that their life experience has granted them, they will be more engaged, creative, and productive. Remember, without diversity, we operate in a homogenous system and homogeneity is the death of innovation and progress.

### **9 | Are there differences in pay, overall compensation, and benefits related to race, gender, and other dimensions of diversity?**

Remember to consider all groups when putting your data sets together (not just the minority, or those most frequently discriminated against). For example, men are often not included in, or

hesitate to ask for, flexible work arrangements (hours, parental leave). Knowing the factors related to using distinct arrangements can create a more equitable environment.

## 10 | Are you making available to your employees' information about how diverse your employee and the leadership team are?

Real progress comes when you are transparent and regularly share data with employees in a way they understand and can relate to. Presenting it alongside other company data makes it real and valid.



## Final thoughts

We know employees can devote too much of their energy to their jobs, careers, to be uncomfortable; or worse, unsafe just being themselves. But with managers who actively listen to their teams, tackle tough questions that may be uncomfortable to ask, and taking intentional and thought-out action is the first step to not only growing their teams and organisations – but may transcend and create a tipping point that affects others in the future.

And we know that every organisation is different and helping them to build a more diverse and inclusive culture represents numerous opportunities. Organisations can not only build a more sustainable and effective business but broaden their reach into the market, increase their engagement with broader stakeholder groups, and help create offerings that are both innovative and unique, with employees who feel a real sense of belonging.