

Why Diversity Matters

The Business Impact of a Diverse workforce

So, firstly, let's talk about the equality elephant in the room...

Why Equality, Diversity and Inclusion Matter

Diversity as proactive policy – not box-ticking exercise

Good practice for promoting equality, diversity and inclusion (commonly referred to as ED&I) is not merely about meeting a quota or taking a transactional approach to the diversity issue.

A workable diversity policy is an ever-changing process; one that requires a proactive and transparent approach to meeting the evolving needs of your people, communities, networks and customer audiences. In essence, diversity – as it relates to modern 21st century human resources – is a way of thinking and operating that encourages an entirely new and positive outlook among co-workers, managers, C-suite level directors and the organisation as a whole.

It's about building and nurturing a work environment that promotes acceptance, respect and teamwork – and goes the extra mile to ensure this is delivered.

Diversity as a benefit to the organisation

Organisations that actively promote a diversity policy perform better. They're more productive, more profitable and the overriding engagement levels and morale of employees is higher.

ED&I =

Equality protects people from discrimination. Whatever your race, gender, sexual orientation, socio-economic background or disabilities, you should have the same opportunities as everyone else within the organisation.

Diversity promotes genuine variety in the workforce. In an increasingly multicultural society such as the UK, having a workforce that represents many sections of the community creates a stronger team who can apply a much more diverse thought process to problems and opportunities.

Inclusion promotes diverse representation across the organisation. To truly meet the aims of equality, you need a diverse workforce of empowered people, who have representation and influence at all levels, and in all areas, of the organisation.

Why Equality, Diversity and Inclusion Matter

Ethnically diverse organisations perform at least 35% better than their competitors.

Organisations that display ethnic diversity will outperform those in the bottom quartile by more than a third, and organisations that are rated highly for gender diversity will outperform competitors by 15% – that’s more than box-ticking; it’s a competitive advantage.

So ED&I is more than just a ‘nice to have’, it’s now a critical factor in your ongoing people strategy and the future success of your organisation.

Success through equality, diversity and inclusion

Diversity provides many key benefits to the organisation, but how ED&I is facilitated, implemented and valued within the wider organisation is critical to the successful delivery of true diversity.

What’s needed is an understanding of how the organisation can gain value from diversity, while also providing tangible benefits and career opportunities for every individual within the enterprise.

It’s about taking conscious steps towards a more inclusive future and a more heterogeneous workforce.

This goes beyond just promoting diversity and inclusion. It’s about actively restructuring the organisation based on the desired diversity outcome; adding real value and creating change.



Diverse organisations perform better

“Companies in the top quartile for racial and ethnic diversity are 35% more likely to have financial returns above their respective national industry medians.”

McKinsey & Company, 2015

Why Equality, Diversity and Inclusion Matter

‘Why Diversity Matters’, 14 March 2017

To help HR leaders and forward-thinking organisations achieve this goal of ‘value through diversity’, We recently held a thought leadership event that tackled the theme of ‘Why diversity matters’.

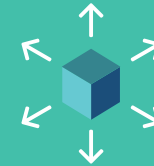
The day centered on three presentations from by our guest speakers:

Sharon Pegg, Group Inclusion and Diversity Manager at The Co-operative Group — ‘How best to facilitate diversity in an organisation’.

Patrick Johnson, Head of Equality, Diversity and Inclusion at the University of Manchester — ‘How to implement diversity across an organisation’.

Qudsia Karim, Head of Consulting at Impact International — ‘How best to evaluate the outcome of the value added by diversity’.

In the following chapters, we’ve summarised the key learnings from each of these sessions to help you tackle diversity in your organisation.



1. Facilitating Diversity

The Power of Networks

[Read ▶](#)



2. Implementing Diversity

Embedding ED&I in your Organisation

[Read ▶](#)



3. Adding Value

Discovering the Value of Diversity and Inclusion

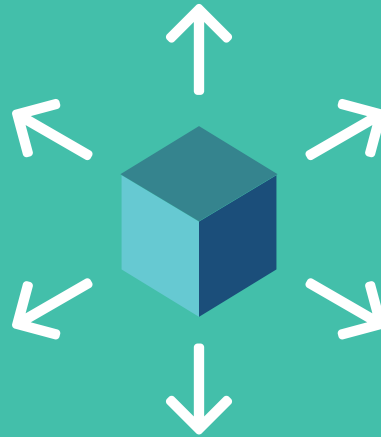
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4. Diversity

The Foundation Stone for your People Strategy

[Read ▶](#)



1. Facilitating Diversity

The Power of Networks

“Networks need to show that they are adding value. Listening, understanding and identifying the changes, and how this makes it a better place to be for all, is what we need to focus on.”

Sharon Pegg — Group Inclusion and Diversity Manager,
The Co-operative Group

1. Facilitating Diversity The Power of Networks

The Power of Networks – Colleague networks

Organisations perform higher when equality, diversity and inclusion are embraced. Diversity breeds innovation, enhances team engagement and helps to create a productive workforce who will support and drive the goals of the organisation.

To do this effectively, though, you need to learn the most positive ways of building ED&I into the fabric of the organisation and its networks, as Sharon Pegg, Group Inclusion and Diversity Manager at the Co-operative Group, outlined at the event.

Networks that represent the right people

Whether you're a private business, a public corporation or a member-owned organisation like the Co-op, the organisation must be able to attract and support the best talent to drive its ongoing strategy.

But there's also a core need for diversity and inclusion that allows the organisation to serve the communities in which it operates. Networks are a highly effective way to do this.

Encouraging and building staff networks helps you gain access to a variety of different communities, bringing you insights and experiences that help your organisations achieve more.



With a diverse network within the organisation, you'll achieve:

- ✓ Greater productivity through a more motivated and diverse talent pool.
- ✓ A culture of inclusion that helps drive innovation, aspiration and cultural knowledge.
- ✓ Valuable perspectives that broaden your engagement with employees, customers and the wider community.
- ✓ A more productive way to achieve organisational goals – whether you're a public or private sector organisation.

1. Facilitating Diversity The Power of Networks

Benchmarking to drive diversity

Attempting to measure the effectiveness of your organisation's diversity policy in isolation can be difficult. As Sharon pointed out, benchmarking your ED&I performance against national standards helps you identify where there are opportunities to improve your policies.

The Stonewall Workplace Equality Index, for example, is an annual benchmarking exercise conducted by the lesbian, gay, bisexual and transgender (LGBT) equality charity Stonewall.

The index aims to showcase Britain's top employers for LGBT staff, helping to drive the inclusion of these groups by UK employers. The Co-operative Group was ranked 31st in the top 100 Employers for 2017 – leading the way, as the only retail business in the index.

By nurturing the growth of staff networks within your organisation, you not only enhance the value of your ED&I strategy, but also make your enterprise a more inclusive place to work.

FACT

The performance of organisations is higher when equality, diversity and inclusion are embraced.



1. Facilitating Diversity The Power of Networks

How do you
maintain the
momentum
of networks?

“Our networks are all voluntary, so momentum and keeping people going at times can be tough.

That’s why a plan is great to see how far you have come, and what you have achieved.

Also, be really thankful to your networks, praise them, and celebrate success when it happens.”



Sharon Pegg
Group Inclusion and Diversity Manager
The Co-operative Group

NEXT ▶

Implementing Diversity



2. Implementing Diversity

Embedding ED&I in your Organisation

“To see change in the implementation of diversity, the senior leadership need to really scrutinise their policies and practices and make some fundamental decisions and changes.”

Patrick Johnson – Head of Equality, Diversity and Inclusion,
University of Manchester

2. Implementing Diversity – Embedding ED&I in your Organisation

How to successfully embed and improve the impact of ED&I in an organisation

Diversity can't be achieved overnight, and requires real drive and buy-in from senior management. If old viewpoints, hierarchies and organisational structures are holding back the development of diversity then substantial change will be needed for ED&I to blossom and flourish.

That means embracing change, a concept that can be lacking in many organisations.

Implementing ED&I change at the University of Manchester

As Head of Equality, Diversity and Inclusion at the University of Manchester, Patrick Johnson is well placed to expand on the challenges of implementing an effective diversity strategy.

And he's an advocate for an evidence-based approach to monitoring equality and diversity – using empirical data to measure and push the performance of ED&I.

Equality and diversity monitoring was first introduced at the university in 2007, and has been incorporated into annual performance reviews since that time.

Employee information is collected that includes data relating to age, gender, ethnicity, disability, sexual orientation, religion and belief – giving the university's HR team access to a huge pool of data.

Measurements of ED&I data are critical: as Patrick himself puts it, 'If you don't measure it, you can't improve it' and it's this desire for positive improvement that drives the work of the university's recruitment team.



A focus on gender and ethnicity

When it comes to nurturing ED&I, the university has a clear focus on gender and ethnicity, using **two charter marks** to drive forward cultural and systemic change within the institution.

2. Implementing Diversity – Embedding ED&I in your Organisation

Athena SWAN Gender Charter

Specifically developed for use within higher education, there are four key areas of measurement:

- 1. Career transition** — making sure women apply for roles they're qualified for, and encouraging women to take on mentoring roles and apply for promotions.
- 2. Career development** — providing training, guidance and support to encourage a higher number of women throughout the organisation, especially in senior roles.
- 3. Culture** — ensuring there's a positive gender balance on committees, and that transparent workload models are applied to balance work, roles and responsibilities.
- 4. Flexibility** — promoting a flexible work environment that actively encourages career breaks, paternity encouragement, working from home and a healthy work/life balance.

Race Equality Charter

Design to Improve the representation, progression and success of minority groups in higher education, it highlights two core areas:

- 1. Identification of barriers** — identifying and self-reflecting on institutional and cultural barriers that stand in the way of minority ethnic staff and students.
- 2. Creating initiatives** — actively developing initiatives and solutions to help ethnic minority groups overcome any barriers and achieve their potential within the organisation.

2. Implementing Diversity – Embedding ED&I in your Organisation

Monitoring data and driving change

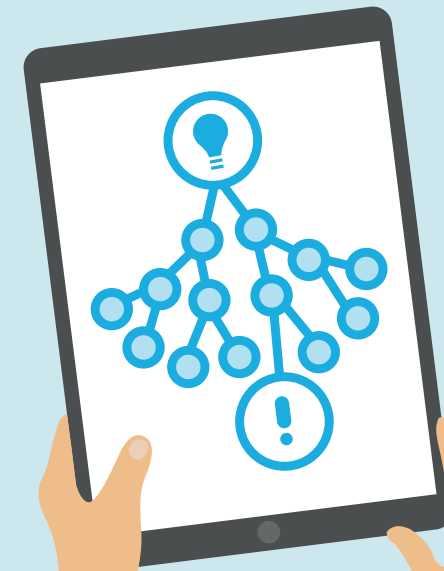
By monitoring both charter marks, the university gets a transparent view of its current performance around gender and race diversity, and can identify the places where more resources or support are needed to meet the charter standards.

This is done through a mixture of employee surveys, data analysis (both qualitative and quantitative), reviews of existing policies, practices and their outcomes, and consultation with the senior leadership teams within the university.

Change comes more easily when it's a top-down initiative, so getting the leadership team on board and involved is critical to the success of any ED&I initiatives.

FACT

Change comes more easily when it's a top-down initiative



2. Implementing Diversity – Embedding ED&I in your Organisation

Do diversity
quotas pose
a risk?

“Targets are important, as they give managers something to work towards. But you still need to recruit the best person for the role – and there’s an interesting debate around what we mean by ‘best’. If best is recruiting in your own image, you may be seen to have hired the wrong people.

We need to seriously think about our criteria and who we are looking for when hiring staff.”



Patrick Johnson
Head of Equality, Diversity and Inclusion
University of Manchester

NEXT ▶

Adding value



3. Adding Value

Discovering the Value of Diversity and Inclusion

“With diversity, it's really important to be clear on where your organisation is, versus where it really wants to get to – and to plan that change accordingly.”

Qudsia Karim – Head of Consulting, Impact International

3. Adding Value – Discovering the Value of Diversity and Inclusion

Discovering the value of diversity and inclusion

For your organisation to gain the true advantages of diversity, it's important to notice and embrace the differences that exist in your organisation and workforce.

That's an approach that Qudsia Karim, Head of Consulting at Impact International, advocates strongly and is central to understanding the genuine value of difference and belonging within any workforce.

For diversity to have an impact, shareholders, employees and customers all need to understand each other and work together in harmony – and that's a concept that's central to the 2D diversity model that Qudsia discussed at the diversity event.

The 2D diversity model

Research by the Harvard Business Review found that diversity can be broken down into two core types:

1. Inherent diversity

The first kind of diversity is known as 'inherent diversity' and refers to the traits you're born with (for example, gender, ethnicity, and sexual orientation).

2. Acquired diversity

The second kind of diversity is referred to as 'acquired diversity' and relates to the elements learned from experience (for example, appreciating cultural differences by working in another country, or working with a broader range of people).

These two dimensions of diversity have been dubbed '2D diversity' and the results from Harvard Business Review's research are encouraging.

Organisations that exhibit positive 2D diversity are 45% more likely to report market share growth over prior year numbers.

Businesses and organisations that display both inherent and acquired diversity will outperform their competitors and will innovate faster and more effectively to meet the needs of their communities.

3. Adding Value – Discovering the Value of Diversity and Inclusion

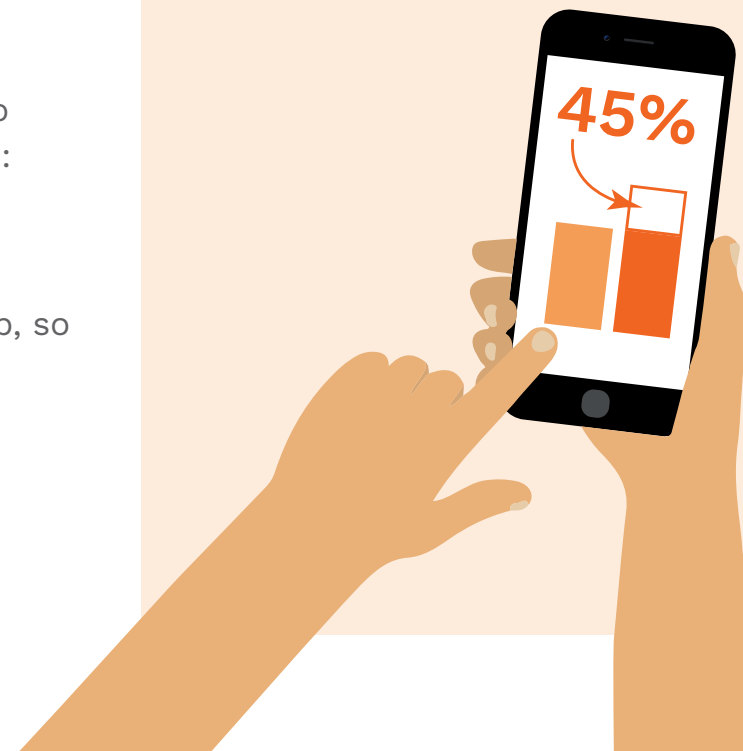
Four steps for making diversity deliver value

As Qudsia outlined, there are four foundational steps any organisation must take to move from an inactive, transactional approach to diversity through to a proactive, transformational methodology for bringing about change and progress.

1. Consider your approach – review your existing practices, measure your diversity data and identify the key ED&I challenges you face.
2. Set objectives to address challenges – agree on the key diversity goals you want to achieve and draw up plans to overcome the hurdles you've identified in step 1.
3. Build an inclusive culture – bring about change in order to create an organisation that embraces diversity and inclusion: make an organisation that's worth working for.
4. Create a diverse and inclusive leadership pipeline – to challenge the status quo, you need a diverse team at the top, so initiate a leadership programme that promotes equal opportunity and is inclusive of every person within the organisation.

FACT

Firms with 2-D diversity are 45% likelier to report a growth in market share year-on-year



3. Adding Value – Discovering the Value of Diversity and Inclusion

Why are we still
talking about
diversity?

“It's great that we are. My view is organisations are increasingly realising the value of diversity and want to get a quick return – however, this is about a culture change rather than initiatives.

Where organisations have focused on initiatives perhaps it hasn't delivered to expectations.”

**IMPACT
INTERNATIONAL**

Qudsia Karim
Head of Consulting, Impact International

NEXT ▶
Diversity



4. Diversity

The Foundation Stone for your People Strategy

“Frazer John Recruitment believes that the recruitment industry not only has a responsibility to provide balanced shortlists and encourage their clients to attract a diverse mix of people, but that we, as recruitment partners, can positively increase the talent pool in which we search, by opening the channels to market, and proactively encouraging (directly or passively) a more varied population of candidates.”

Anna Chenery – Senior Partner, HR practice, Frazer John Recruitment

4. Diversity – The Foundation Stone for your People Strategy

Why does diversity matter?

Because it's the foundation stone on which your people strategy must be based if it's to flex and change to meet the evolving needs of the 21st century market.

It's about recognising the differences that lie within your own organisation, embracing a policy of equality and inclusion and putting clear initiatives in place that actively aim to improve the diversity of your enterprise – from senior leadership, through management and core workforce.

Strength through difference

Having a wide range of voices, ideas, cultural touch points and opinions adds real strength and power to your organisation – and it's this inherent diversity that makes you stronger.

A piece of oak may appear strong, but the grain of the wood all points in one direction, creating potential weak spots and making the material unmalleable.

Compare this with a piece of plywood, where several diverse sheets of wood veneer are mixed together, and

the grain points in many disparate directions, and you have a material that's stronger and also more flexible.

In the same way, mixing up the range and breadth of people in your organisation creates strength, flexibility and agility through the added value of diversity.

Your organisation becomes more productive and you create a competitive edge that allows you to meet the changing markets, conditions and customer expectations of your key audiences and stakeholders – all of which adds significant value to your organisation's bottom line.

Who is Frazer John Recruitment?

We're passionate about connecting people and developing careers. What we bring to the table is a unique way of matching the best people with the most ambitious organisations.

We cover four demanding markets through our dedicated sub-brands: Finance, Technology, Human Resources, Digital & Marketing. We support both candidates and clients across interim, contract and permanent opportunities, with a professional and executive offering across those markets.



Find out more about us at frazerjohn.com

