



GLOBAL FITNESS  
INSTITUTE

**CHCDIV001 Work with diverse people**

**Notebook**





## Definitions

The Society for Human Resource Management (SHRM) defines diversity as “the collective mixture of differences and similarities that include, for example, individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences, and behaviours.” They break down diversity even further into two categories – visible diversity traits and invisible diversity traits. In discussions revolving around diversity, visible traits are often what is emphasized and include race, gender, physical abilities, age, and body type. Invisible diversity traits include things such as sexual orientation, religion, socio-economic status, education, and parental status among other things.

Inclusion, while closely related, is a separate concept from diversity. SHRM defines inclusion as “the achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization’s success.

It is important to establish a clear understanding of how the concepts of diversity and inclusion differ, as many well-intentioned companies have made the former a priority while neglecting the latter, leading to disappointing outcomes that often undermine the totality of diversity and inclusion efforts.

Diversity is more than just fair representation of minorities, cultures, gender and differences it happens to be a state of mind or state of being within the corporate culture of an organization. This organization could be your workplace, your church group, your sports league, your school – are you part of a group of individuals committed to promoting diversity.

There seems to be many different surveys that measure an organization’s commitment to Diversity. Their methodology for ranking companies is associated with questions that measure the corporate culture and the human-capital results, which are the key indicators of progress. If companies have employee resource groups or mentoring programs, are these programs available throughout the company. However, how can an employee resource group leverage and expand upon diversity and adequately improve upon underrepresented groups within a corporation. Here are 5 ways that employee resource groups and other group types outside of the workplace can do that:

- 1) **Engage your members-** Just ask them. Provide for open forums and discussions with an OPEN membership in order to foster cross cultural communications. Have each individual communicate their successes and opportunities in communication, leadership, and management and be able to organize that information into categories to come up with educational opportunities, group activities, and community service projects to overcome barriers



2) **Leadership Accountability** – For those individuals that organize and lead the group, a mission statement and commitment to excellence and fostering open communication must be a passion for them to lead. This is an opportunity for leadership to delegate and reward memberships’ ability to lead whether formally or informally. Leaders or those that want to take on a leadership position must take a look at the informal attained — gained through networking, ability to influence, or passion — and begin using it now to make change in your organization. It goes on to say that, patience is a leadership virtue, but it doesn’t necessarily mean waiting until you have a leadership title to act on it.

3) **Interacting with other networking groups** – How well does your group interact with other similar groups within your organization or at other organizations similar to yours? Start expanding group relationships beyond just internal members. Leverage large groups of people to attend conferences or engage speakers. When you have groups that can interact with each other or memberships a part of several different groups, you are promoting diversity and leveraging resources. Each one has unique and sometimes diverse memberships of individuals and yet engaging these partners will go far in promoting diversity at corporations

4) **Education** – By far, education and empowerment are the two biggest factors when trying to promote not just diversity by metric numbers, but diversity by practice. Events such as Leadership workshops/conferences provide many educational and motivational speaker opportunities that promote diversity. When members return from classes such as these or more formalized class opportunity they bring a lot of motivation back to the organization because they put these ideas into practice. Management and leadership should make an extra effort to commend new ideas that are learned in settings such as these.

5) **Measurement, metrics and scorecards** – Some diversity studies are based solely on metrics. However, you can’t develop metrics without data. By implementing many programs as mentioned above and creating a scorecard for diversity influence and improvement you can begin to gain momentum in ensuring diversity remains a powerful foundational force in your organization or company. Companies may measure diversity internally with specific diversity supplier programs, minority contracting processes, human resource commitment to diversity candidates in the hiring and promotion processes. Other items that can be measured are budget dollars to diversity groups, membership populations and availability/access to employees, and educational opportunities and productivity measurements. Once implemented employees strive to improve upon their own diversity scores for performance reviews but will also require that if you are a minority you have to also look out for others on your team, the true essence of diversity.

Making other people a priority is perhaps most challenging for emerging leaders—especially women and minorities, who may feel heightened pressure to protect their interests in a world that seems (and often is) rigged against them. . . . . if your goal is to lead . . . . Start with a commitment to make another person, or an entire team, better—and then go back for the skills and resources to pull it off.



## Organisational diversity

**We know intuitively** that diversity matters. It's also increasingly clear that it makes sense in purely business terms. Our latest research finds that companies in the top quartile for gender or racial and ethnic diversity are more likely to have financial returns above their national industry medians. Companies in the bottom quartile in these dimensions are statistically less likely to achieve above-average returns. And diversity is probably a competitive differentiator that shifts market share toward more diverse companies over time.

While correlation does not equal causation (greater gender and ethnic diversity in corporate leadership doesn't automatically translate into more profit), the correlation does indicate that when companies commit themselves to diverse leadership, they are more successful. More diverse companies, we believe, are better able to win top talent and improve their customer orientation, employee satisfaction, and decision making, and all that leads to a virtuous cycle of increasing returns. This in turn suggests that other kinds of diversity—for example, in age, sexual orientation, and experience (such as a global mind-set and cultural fluency)—are also likely to bring some level of competitive advantage for companies that can attract and retain such diverse talent.

In some research, metrics such as financial results and the composition of top management and boards, The findings were clear:

- Companies in the top quartile for racial and ethnic diversity are 35 percent more likely to have financial returns above their respective national industry medians.
- Companies in the top quartile for gender diversity are 15 percent more likely to have financial returns above their respective national industry medians.
- Companies in the bottom quartile both for gender and for ethnicity and race are statistically less likely to achieve above-average financial returns than the average companies in the data set (that is, bottom-quartile companies are lagging rather than merely not leading).
- In the United States, there is a linear relationship between racial and ethnic diversity and better financial performance: for every 10 percent increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes (EBIT) rise 0.8 percent.
- Racial and ethnic diversity has a stronger impact on financial performance in the United States than gender diversity, perhaps because earlier efforts to increase women's representation in the top levels of business have already yielded positive results.
- In the United Kingdom, greater gender diversity on the senior-executive team corresponded to the highest performance uplift in our data set: for every 10 percent increase in gender diversity, EBIT rose by 3.5 percent.
- While certain industries perform better on gender diversity and other industries on ethnic and racial diversity, no industry or company is in the top quartile on both dimensions.



- The unequal performance of companies in the same industry and the same country implies that diversity is a competitive differentiator shifting market share toward more diverse companies.

It is not suggested that achieving greater diversity is easy. Women—accounting for an average of just 16 percent of the members of executive teams in the United States, 12 percent in the United Kingdom, and 6 percent in Brazil—remain underrepresented at the top of corporations globally. The United Kingdom does comparatively better in racial diversity, albeit at a low level: some 78 percent of UK companies have senior-leadership teams that fail to reflect the demographic composition of the country’s labor force and population, compared with 91 percent for Brazil and 97 percent for the United States.

These numbers underline the work that remains to be done, even as the case for greater diversity becomes more compelling. We live in a deeply connected and global world. It should come as no surprise that more diverse companies and institutions are achieving better performance. Most organizations, including McKinsey, must do more to take full advantage of the opportunity that diverse leadership teams represent. That’s particularly true for their talent pipelines: attracting, developing, mentoring, sponsoring, and retaining the next generations of global leaders at all levels of organizations. Given the higher returns that diversity is expected to bring, we believe it is better to invest now, since winners will pull further ahead and laggards will fall further behind.

### **Examples of Diversity in an Organization**

As the population becomes more diverse, employers recognize that their employees, clients and vendors have similarities and differences that they need to accept and appreciate. Diversity in an organization extends beyond hiring employees of various ethnic backgrounds. It involves embracing and empowering all minorities. Employers must adapt their organizations to reflect these changes by incorporating diversity practices in their small businesses.

### **Fair Representation in Advertising**

When a company plans its advertising campaign, it should strive to fairly represent diversity in print, web and mobile advertising efforts. To fairly represent the diversity in your customers, people from various ethnic backgrounds or even a same-sex couple in your advertisements. Ensure that you don't discriminate against potential customers who may have handicaps such as learning disabilities or physical impairments by representing those people in your advertisements.

### **Recruiting at Minority Events**

Minority groups, organizations, schools and businesses host job fairs and recruiting events to help employers fill their open positions, as well as to encourage minorities to use networking to secure positions with companies. If you're looking to recruit employees, rent a booth at these events, or host your own networking mixers. Ensure that the language and images on your signage are designed to attract minority candidates. Make connections with minority organizations, which might have members with the qualifications and skills you need in job candidates, and have your positions posted on their job boards, blogs and social networking sites.



### **Develop a Job Rotation Schedule**

Diversity within an organization isn't limited to race or gender, but also can focus on introducing employees to other departments and job functions within the organization. Job rotations allow employees to learn what co-workers do and how that contributes to the success of the organization. It teaches employees to respect each other, build relationships and see firsthand how diverse the workplace is.

### **Celebrate Cultural Holidays**

Rather than solely recognizing mainstream holidays such as Christmas and Thanksgiving, host a cultural celebration monthly that represents different countries, religions and values. Sponsor an international potluck lunch, and ask that each guest bring a meal from his ethnic background to share. Arrange for authors from various cultures to visit the office and share ideas on teamwork and diversity. Invite employees to wear traditional dress that represents their heritage, or a heritage they admire.

### **Teach Employees another Language**

The Spanish language is widely spoken in the United States as the country becomes more diverse. Hire a language expert to teach your employees basic words and phrases in Spanish to help them interact more efficiently with customers. If your firm is in an area with a large number of people from another nation, teach employees key words in phrases in that country's language. Teach employees sign language if you have deaf workers. Learning any language is enrichment for your employees, and doing so teaches them about the importance of diversity within your organization and throughout the world.

Managers accept that employers benefit from a diverse workforce, but the notion can be hard to prove or quantify, especially when it comes to measuring how diversity affects a firm's ability to innovate.

New research provides compelling evidence that diversity unlocks innovation and drives market growth—a finding that should intensify efforts to ensure that executive ranks both embody and embrace the power of differences.

In this research, which rests on a nationally representative survey of 1,800 professionals, 40 case studies, and numerous focus groups and interviews, we scrutinized two kinds of diversity: *inherent* and *acquired*. Inherent diversity involves traits you are born with, such as gender, ethnicity, and sexual orientation. Acquired diversity involves traits you gain from experience: Working in another country can help you appreciate cultural differences, for example, while selling to female consumers can give you gender smarts. We refer to companies whose leaders exhibit at least three inherent and three acquired diversity traits as having two-dimensional diversity.

By correlating diversity in leadership with market outcomes as reported by respondents, we learned that companies with 2-D diversity out-innovate and out-perform others. Employees at these companies are 45% likelier to report that their firm's market share grew over the previous year and 70% likelier to report that the firm captured a new market.



2-D diversity unlocks innovation by creating an environment where “outside the box” ideas are heard. When minorities form a critical mass and leaders value differences, all employees can find senior people to go to bat for compelling ideas and can persuade those in charge of budgets to deploy resources to develop those ideas.

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Most respondents, however—78%—work at companies that lack 2-D diversity in leadership. Without diverse leadership, women are 20% less likely than straight white men to win endorsement for their ideas; people of colour are 24% less likely; and LGBTs are 21% less likely. This costs their companies crucial market opportunities, because inherently diverse contributors understand the unmet needs in under-leveraged markets. We’ve found that when at least one member of a team has traits in common with the end user, the entire team better understands that user. A team with a member who shares a client’s ethnicity is 152% likelier than another team to understand that client.

Inherent diversity, however, is only half of the equation. Leaders also need acquired diversity to establish a culture in which all employees feel free to contribute ideas. Six behaviors, we have found, unlock innovation across the board: ensuring that everyone is heard; making it safe to propose novel ideas; giving team members decision-making authority; sharing credit for success; giving actionable feedback; and implementing feedback from the team. Leaders who give diverse voices equal airtime are nearly twice as likely as others to unleash value-driving insights, and employees in a “speak up” culture are 3.5 times as likely to contribute their full innovative potential.

These findings constitute a powerful new dimension of the business case for diversity.

## **Benefits**

There are a myriad of benefits to building a diverse and inclusive workforce at every level of a company, not least of which is the need to address a looming retirement crisis by pulling in talent from historically under-tapped demographics. In recent research explored the concurrent departure of The Baby Boomer Generation from and Millennial Generation ascendance into the workforce and their implications for companies’ talent management strategies. Looking beyond generational changes, recent studies found that return on equity is 53% higher on average for companies ranking in the top quartile of executive board diversity while EBIT margins were 14% higher on average.

This of course begs the question, why do companies that prioritize diversity and inclusion perform better?

Boris Groysberg and Katherine Connolly of Harvard Business School conducted a study in 2013 of 24 companies that had earned reputations for making diversity a priority. One of their key findings was summed up perfectly by Paul Block, the CEO of Mersant who told



them “People with different lifestyles and different backgrounds challenge each other more. Diversity creates dissent, and you need that. Without it, you’re not going to get any deep inquiry or breakthroughs.” The dynamic created by dissent prevents organizations from becoming too insular and out of touch with their increasingly heterogeneous customer base and as a result, working teams are able to come up with a wider range of solutions to business problems. Further, an inclusive workplace that understands the needs of their employees, making them feel valued and respected has a significant and positive impact on employee retention. Perhaps most importantly, research suggests companies that openly articulate values of inclusion and have a diverse workforce tend to appeal to a wider customer and supplier base.

### **The State of Diversity in 2014**

In the past 20 years, diversity and inclusion has grown as a corporate imperative. According to SHRM statistics, 55% of companies are big promoters of diversity while 42% of diversity programs are advocated by the CEO, top leadership, and HR heads. While approaches in various parts of the globe differ – diversity and inclusion programs in North America tend to be more centralized while programs in Asia and Europe are more relaxed – one commonality around the world has been a heavy focus on hiring and promoting women. The focus on women is understandable as they constitute 50% of the global population and are easier by comparison to integrate into an organization due to fewer overall cultural differences with men who are heavily represented at the highest levels in the corporate workplace. As a result, a majority of business leaders are concerned about large gaps in mirroring the general population, particularly with regard to three systematically under-represented groups: workers over the age of 50, individuals with disabilities, and religious and ethnic minorities. In the coming years it will be important for companies to overcome the hurdles that prevent these groups from being incorporated into the highest levels of an organization.

Diversity and inclusion will continue to dominate the discussion in boardrooms and HR divisions across the globe as the makeup of the workforce changes significantly. In order for business and HR leaders to maintain talent continuity and broaden their appeal in various market segments, they must develop a clearer understanding of diversity and inclusion and how those concepts fit together. The benefits of building a workforce of diverse people who are empowered to positively contribute to a company’s success are numerous – from better financial performance and more innovative problem-solving to easier employee retention and greater appeal to customers. So much progress has been made in the last few decades, but in order to fully take advantage of the power diversity and inclusion brings to an



organization, consider incorporating these three best practices to continue building on the foundation of diversity and inclusion you have established:

**1. Continually build pipelines of diverse talent.**

It should go without saying that minority groups of all kinds are by their very nature, smaller than their majority counterparts. Size constraints of varying degrees can make recruiting the right kind of talent from a given group quite the challenge. Often the biggest barrier to building a diverse and inclusive workforce is the unfounded concern that an organization must sacrifice quality to meet a quota. The truth is that high quality, diverse talent exists but it may be harder to find.

Combatting this dynamic requires advance preparation. Companies should make a point to engage with diverse talent on an ongoing basis long before the need arises to pull new people into the organization. By proactively getting to know people of varying backgrounds, business and HR leaders will be prepared to hire diverse talent with speed and confidence.

**2. Be flexible and lead by example.**

Flexible work arrangements can be very beneficial to the development of a diverse and inclusive workforce. Flexibility such as work-from-home options help to alleviate the pressures of recruiting diversity candidates who may be a good fit for a role but may not be in a position to relocate. For candidates who are able to relocate, such flexibility often helps to reduce the impact of leaving behind a support system of friends and family who might otherwise step in to assist with things like child care. Flexibility provides the added benefit of aiding in the recruitment *and retention* of women at the senior level who, despite working full-time, still take on the bulk of household and child care responsibilities.

The key to making flexibility work is leading by example. It is not enough to simply put a policy in place – employees must understand and believe that taking advantage of flexible work arrangements will not reflect on them negatively. Very senior leaders should find ways to demonstrate that sometimes family considerations take precedence – and that’s okay.

**3. Emphasize mentoring and coaching**

Providing access to leadership and training opportunities for women, minorities, and other historically underrepresented groups at lower levels in the organization will boost efforts to craft a more diverse and inclusive senior leadership team by ensuring that diverse candidates are eligible and qualified for promotions. Mentorship programs have the added benefit of fostering inclusivity by offering employees a feeling of belonging and a safe place to discuss sensitive issues. This also creates a “chain of command” of sorts for escalating



issues to senior leaders who are then enabled to keep an eye on the challenges of promoting diversity and inclusion, and can re-calibrate programs or approaches as needed.

Diversity and inclusion is a complex and nuanced topic with many factors for business and HR leaders to be aware of.