

How to experience the true value of diversity and inclusion



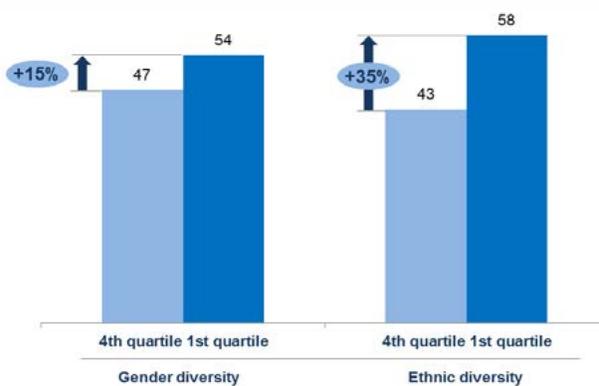
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Did you know diverse organizations are more likely to have stronger financial performance than those with little to no diversity? If there weren't already enough reasons to pursue a well-rounded, multi-ethnic, fully-gendered workforce, there's really no excuse now. Your bottom line depends on it.

How diversity correlates with better financial performance

Likelihood of financial performance above national industry median, by diversity quartile %



SOURCE: McKinsey Diversity Database

But diversity on its own is only half of the equation. You can't simply attract and hire a wide range of diverse employees without also making sure those employees feel included (and by extension, engaged, committed and happy).

Inclusion is the ying to the diversity yang. One without the other falls flat. To throw another metaphor into the mix, think of it this way: Diversity flips on the power switch for all kinds of potential—financial performance, innovation, growth, goodwill, talent attraction, etc. Inclusion is what turns up the volume on all of that potential.

How inclusive are you?

In our work with employee engagement, we've identified 10 indicators of an inclusive work culture. The more of these your employees experience, the more return you'll realize from your diversity initiatives (and your workforce in general).

Inclusion indicators:

1. My manager supports me.
2. I am supported when I make mistakes.
3. My organization is open to my ideas.
4. I trust the leadership of my company.
5. The work I do matters.
6. I see opportunities to move up.
7. I feel recognized and appreciated.
8. I feel connected to my co-workers.
9. I feel empowered to do my best work.
10. I can achieve my full potential.

Can your employees make all of these statements? If so, you've nailed the inclusive work culture and you're optimizing the value of

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your investments in diversity. Not only that, you've created an environment that will result in highly committed, highly engaged, high-performing employees.

If you've got some room to improve, here are three things you can do:

1. Find the gaps.

The first step is to look beyond the data to support diversity initiatives and forget about any numbers that might currently be your source of truth. Instead, find out if your employees truly feel included. Ask them about the statements above and see how they feel about each one.

Next, take a good, honest look at the answers you uncover. Identify where you have gaps and focus your resources to address these areas.

2. Invest in inclusion.

Once you know what's most important to your employees and what's currently missing, build those inclusive practices into your employer brand and your employee experience. Make sure inclusion is part of the promise you make to every potential employee – and that you can hold up that promise with the ones who choose to come work for you.

To deliver on inclusion at every stage of the employee lifecycle, flip the indicators of inclusion into strategies you can actually implement.

- **My manager supports me =**
Equip managers to know, understand, encourage and lead their teams well.
- **I am supported when I make mistakes =**
Treat mistakes as an opportunity to learn, not be punished.
- **My organization is open to my ideas =**
Encourage and reward idea-sharing.
- **I trust my leadership =**
Facilitate opportunities for leadership transparency.
- **The work I do matters =**
Communicate how each individual impacts business results.
- **I see opportunities to move up =**
Develop and promote employees from within.
- **I feel recognized and appreciated =**
Build a culture of recognition.
- **I feel connected to my co-workers =**
Provide genuine connection opportunities with teammates, other teams and leadership.
- **I feel empowered to do amazing work =**
Let employees make decisions and own their success.
- **I can achieve my full potential =**
Invest in training and development.

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(By the way, if your organization is already implementing the *New Rules of Engagement*, you're well on your way to success with inclusion. Many of these strategies overlap.)

3. Focus on people, not processes.

Finally, empower your managers to individualize the work experience for their unique and diverse teams. No two people are the same and the more diversity you add, the more differences there will be. In fact, often there are more differences within a group of people (say, Millennials) than between two groups (an "average" Millennial and an "average" Boomer). Encourage your managers to get to know each employee as an individual and create a work experience that is engaging and rewarding based on that person's needs, skills and perspective.

What's the link between inclusion, effort and innovation?

- Employees who feel included are **13 times** more likely to **find work inspiring**.
- **3 times** as many employees who feel included in their organization recommend it as a **great place to work**.

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Diversity and inclusion should not be separate initiatives or something "the HR group does." They are equally important (yet different) and both should be a part of an overall culture initiative or employee value proposition.

