

# how to manage diversity in the workplace.

Around the globe, organizations of all sizes are increasingly focused on promoting diversity and inclusion in the workplace. It's easy to see why: there's a strong correlation between diversity and financial performance. A 2017 study by McKinsey and Company showed that organizations in the first quartile for gender diversity were 21% more likely to have financial returns that were higher than their national industry medians. For ethnic and cultural diversity, that number was an astounding 33%.

Yet, despite the fact that a growing number of companies recognize the benefits of diversity and inclusion programs, some may find that their initiatives fall short. This is often because they don't have a multi-layered approach, dedicate the necessary resources or tie diversity goals to leader accountability. In addition to the obvious financial losses associated with failed initiatives, it also means these companies miss out on the many benefits of diversity in the workplace.

The truth is that <u>diversity and inclusion</u> cannot be achieved simply by establishing diverse recruitment objectives. In order for diverse employees to be attracted to an organization and stay there, they need to believe it's a place where they can thrive. All talent needs to feel a sense of belonging. This can only be achieved if the work environment makes every worker feel valued and provides equal opportunities.

Your organization's cultural competence is not only critical to creating an inclusive workplace. It can also help you attract and retain a more diverse workforce. As a result, your company will become more creative, more productive and more competitive.



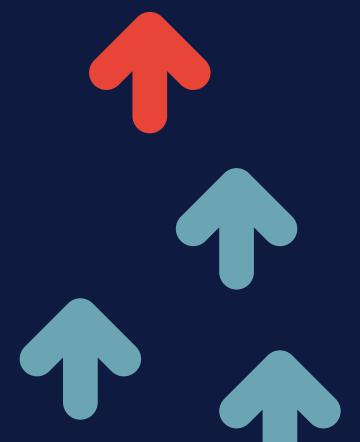
## the benefits of diversity & inclusion in the workplace.

Not too long ago, diversity was often seen as a "check the box" obligation that had to be met to avoid compliance issues and legal problems. In today's competitive marketplace, however, companies are realizing that building a diverse workforce offers a range of benefits.

To begin with, a company that actively and successfully gears its recruitment and retention efforts towards diverse talent will source from a wider pool of candidates. In a market where talent is scarce, this is a significant advantage. Thanks to the exchange of ideas of people from different backgrounds, generations and belief systems, diversity promotes creativity. This is critical to an organization's ability to innovate and advance. Having a diverse workforce also helps companies better understand and represent their customers. These benefits combine to enhance company culture and improve productivity, which ultimately has a positive impact on financial performance.

Recent research by <u>Deloitte</u> illustrates the growing awareness around diversity hiring and inclusion in the workplace. In 2017, 69% of executives agreed that diversity and inclusion were important issues. The number of executives who rated inclusion a top priority increased by 32% compared to three years earlier.

If so many executives believe that diversity and inclusion are essential to their organizations' success, what's impeding the results of their programs? And more importantly, how can companies overcome these challenges to truly realize the benefits of inclusivity?



### why do diversity & inclusion initiatives fail?

Everyone has some level of bias — preconceptions in favor of or against a person or group — based on his or her culture, background and experiences. When bias and its underlying drivers go unaddressed, it becomes a barrier to a diverse workplace and will derail diversity efforts. For example, hiring managers might pass over diverse candidates. Employees might make diverse colleagues feel like they don't belong. Or managers might not offer diverse employees the same advancement opportunities as others.

A simple top-down implementation of diversity programs is not sufficient to create meaningful and positive change. You also need a middle-out approach to drive meaningful change. In this respect, exit surveys can be an effective tool for understanding where your diversity and inclusion program falls short.

These surveys can help you understand whether your senior leaders are truly invested in creating an inclusive workplace — as experienced by your company's talent — and devise strategies to address any issues accordingly.

As a consequence, diverse workers aren't likely to stay or thrive in a work environment where they don't feel comfortable or have sufficient opportunities to advance. Addressing bias at an integral level that encourages people to adjust their belief systems to be more open and inclusive can be more effective.

# foster cultural competence to create a culture of inclusivity.

So how can you ensure your diversity and inclusion program is successful? The answer lies in cultural competence.

Cultural competence refers to an individual's ability to interact respectfully with people from different cultures and backgrounds. As Kofi Annan, winner of the Nobel Peace Prize and seventh Secretary General of the United Nations, once said, "We may have different religions, different languages, different colored skin, but we all belong to one human race." This goes to the very heart of what cultural competence is all about: treating every individual with equal respect.

In an organizational context, cultural competence defines how well a company manages cultural differences within its workforce, whether between or within teams. It's about offering equal opportunities to and facilitating collaboration between employees — regardless of gender, age, skin color, ethnicity, religion, ability, military background or other characteristics. This competency is crucial to diversity and inclusion efforts.

# 3 steps to building cultural competence.

Whether you're trying to build diversity within your organization or a specific team, here are three steps you can use to develop cultural competence:

### Know the diversity of your team

Visible diversity refers to characteristics that are more easily observed, such as gender, race, age and certain abilities. Invisible diversity refers to characteristics that aren't always readily apparent, such as religion, sexual orientation and neurodiversity. When you're aware of the diversity of your team, you'll have more insights as to common preconceptions or misconceptions they might be dealing with. In turn, you can gain a better understanding of how to limit the impact of those attitudes in the workplace.

While some organizations are required to request this type information at the time of application (per EEO regulations in the U.S.), self-disclosure is entirely voluntary. Many individuals do not self-identify for fear of being overlooked for opportunities. This is why it is critical to make all candidates and employees feel that they will not be marginalized for supplying these details.

### 2. Engage your entire workforce in the inclusion effort.

Diversity and inclusion are opposite sides of the same coin. Diversity refers to the demographics employees belong to; inclusion is the equal treatment of those people. When you achieve true inclusion, all employees feel as if they belong and have access to the same opportunities.

To ensure mutual understanding and respect, your entire team needs to buy into the mission and objectives of improving diversity. After all, your workers are the ones who drive the company culture. One way to align your team around your mission is to communicate the benefits of a diverse workforce. You also have to show them common ground; something that every employee believes in and that can benefit them directly. This can be the company's mission, a project goal or even your organization's social responsibility initiatives. The goal is to unify people, so they can work together more effectively.

### 3. Identify and manage bias

Bias can be a significant challenge to creating and sustaining a diverse workplace. Think of the consequences of a recruiter, hiring manager or other manager with bias determining who comes into the organization and who is developed for advancement. This will not only adversely impact your diversity strategy; it could also put your company at risk of legal and compliance infractions.

When bias prevents diversity and inclusion, it can also negatively impact your corporate and employer brands, resulting in loss of market share and talent.

So, how can you effectively and proactively identify and manage bias within your organization? Talk about it regularly. Explain why it exists, what the consequences are and what you can do about it as a team. Get buy-in from the C-suite and the rest of your workforce by offering educational training for leadership. It's also important to recognize those who participate to encourage others to do the same.



### tracking the success of your

### diversity & inclusion program.

Keeping an eye on important metrics will help ensure your company is continuously advancing toward its diversity and inclusion goals. The following strategies can help your organization stay on track:

### diversity talent pipeline

To establish a pipeline of diverse talent, you need to source talent intentionally. This involves using strategies such as recruiting at diverse colleges, for example. It can also include setting KPIs that challenge hiring managers to consider diverse talent among their top three candidates for a position. Finally, you can tie diversity to compensation, making it a factor that's considered in the assessment of leadership performance.

### employee mobility

A robust mobility program can support diversity because it allows management teams to nurture high-potential diverse talent that they can leverage. In today's world, people want more than a job: they want a career. That's why it's important to make sure all employees know that mobility programs exist.

Team elevation requires careful change management and clear communication. Inform new employees about these programs during onboarding, have conversations about possible career paths and discuss opportunities for advancement or skill development when appropriate. You can also showcase examples of individuals who have successfully advanced to encourage and inspire others.

### compensation

When it comes to compensation, the gender wage gap still exists. In 2017, women earned only 82% of what men earned. Most people would agree that there should be equal pay for equal experience, skills and results. And in a market where talent is scarce, offering equal and competitive compensation will not only support strong diversity, but also give you a competitive recruiting edge.

### training

Real leaders develop future leaders, and training is an important aspect of developing and growing a team. Ensure that all employees have equal access to educational opportunities, whether that's external training or attending conferences and workshops.

Also ensure that succession plans include diverse talent. Couple this with the training and development plan to ensure those individuals are ready for promotion when opportunities become available.

### mentorship

The support an employee receives from a mentor can be critical to their confidence — and subsequently, their ability to advance. That's why it's essential to make mentorship programs available to everyone.

To establish an effective mentorship program, begin by determining what you want to accomplish and who the program is for. Once you've secured executive support, you can start thinking about structure. A vertical program pairs employees with more senior mentors, while in a lateral program, peers mentor each other. Regardless of the structure, the program should be specifically designed to meet certain objectives.

According to PwC's report, "Time to talk: What has to change for women at work," 45% of women believe an employee's diversity status can be a barrier to career progression. Mentorship programs can help women break workplace barriers that may be holding them back from advancement. For example, Women in Randstad Empowering Development (WIRED) is a Randstad program designed to coach and help advance women within our own organization. Men are encouraged to participate in WIRED as sponsors. This brings different perspectives and involves everyone in our company goal to develop and support female leaders.

## reap the benefits of a diverse team.

By knowing the diversity of your team, engaging your entire workforce in the inclusion effort, identifying and managing bias, and consistently tracking diversity metrics, you can proactively foster cultural competence that's integrated into the very identity of your organization.

But becoming culturally competent doesn't happen overnight. It requires strong and visionary leadership, thoughtful change management, and consistent effort to create and sustain a culture of inclusivity. Once this is achieved, you will experience a greater return on your diversity strategy because your teams can be effective, collaborative, creative and productive.



### want to learn more?



<u>Contact</u> Randstad Sourceright. We can provide the expertise and hands-on guidance to help you bring your workplace diversity and inclusion vision to life.

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### about the author



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As chief diversity and inclusion officer, Jenkins spearheads initiatives both within and outside of our organization. She not only advances diversity and inclusion among internal employees, she also partners with customers as they work to achieve their own diversity goals. Jenkins firmly believes that diversity and inclusion must be woven into every aspect of the talent life cycle to attract quality candidates, enhance employee engagement and drive performance. She brings more than 20 years of human resources, diversity and compliance experience, along with a passion for advocating on behalf of underserved populations. She is the executive sponsor for Randstad's Hire Hope program, which provides career readiness training and job placement services to at-risk women, including survivors of exploitation and trafficking.