

Capitalising on diversity

Diversity and inclusion initiatives should start for ethical reasons, but economic drivers can make them succeed, says Stefan Doll. Capitalising on diversity of people is a way to achieve financial returns as well as a diverse and inclusive culture.

The average Kiwi just feels better knowing that everyone has a fair go. Many are convinced that they don't discriminate against others and employers attest to equal employment opportunities in their organisations. But if businesses are prepared to look a bit closer, many will discover they are falling behind their own expectations—and this does not feel good any more.

Unconscious bias, institutionalised discrimination, and command and control leadership styles are holding organisations back. Those shortcomings are further exposed by the increasing diversity of our population. Data from the 2013 Census shows one in four New Zealanders was born outside Aotearoa, the age difference between the youngest and oldest employees is increasing, and the number of single parent households is now 23.5 percent, to name a few examples. This irreversible trend towards more diversity and complexity is changing the way people are working together.

To respond to this new human resources landscape, we need to embrace and utilise the differences in people. Those who ignore the need for change will miss out on gaining a competitive advantage and eventually put their businesses at risk. Good employers apply a 'people first' philosophy knowing that the business will do well in return. Capitalising on people's differences is part of this win-win philosophy.

With good diversity and inclusion practices, employees feel enabled and connected, and have a greater sense of purpose. Organisations, in return, are better attuned to the needs of their customers, keep their top talent longer, make better decisions, and are more resilient and adaptable to change.

But are New Zealand's businesses realising those benefits? While businesses generally comply with the Human Rights Act and its 13 grounds of discrimination, this is only the foundation for a diverse and inclusive workplace. Fortunately, some organisations are already doing things differently to truly create equal employment opportunities for minorities and disadvantaged groups—and we would expect the workforce to become more diverse from these efforts.

But despite these initiatives—mainly based on women in senior

leadership positions, GenY, Baby Boomers and, to some extent, ethnic groups—little diversification of the workforce has been achieved with this approach. For this reason, many governments around the world have begun to regulate what organisations have failed to change. Norway, for example, was the first country to fully implement quota legislation for women, requiring 40 percent women on boards in 2003. (Here in New Zealand, NZX listed companies report only 19 percent women in directorship positions in 2013.)

One in three New Zealanders work in small to medium-sized enterprises where many business owners and CEOs seem unaware of the impact and opportunities of diversity on their business. Even those managers I've talked to who know something of the benefits of diversity and inclusion often feel uncertain about how they apply to their organisation, how to make a start, and what investment would be required over what time.

These concerns are common and understandable. Ideally, we want to know exactly what we get before we buy, but how does this work for diversity and inclusion? Differences between organisations can make it hard to learn from each other.

A promising solution seems to be a diversity and inclusion 'tasting' where one team (as opposed to the whole organisation) can experience diversity, rather than being told about it, and how it works for them. Focusing on a single team reduces complexity and is a great way of learning what works in the organisation as the small number of people and confined purpose of a team make it more agile and responsive. In this low-cost, low-risk model, the team's journey becomes a roadmap to help reduce uncertainty for the organisation.

The following sections in this article offer some insights into how organisations can gain positive experiences with diversity and inclusion.

THE OVERRATED IMPORTANCE OF THE CEO

It is fantastic if the CEO communicates the importance of diversity and inclusion and role models inclusive behaviours. However, one person cannot be sufficiently visible and close enough to all



staff to help them understand what diversity and inclusion means in their day-to-day work. As a result you hear comments like: "This stuff does not really apply to us because we are getting along well in our team."

The concept becomes clearer to frontline staff once they have had a positive experience of utilising their inclusive behaviours to improve what matters to them. Many of us will have seen the top-down implementation of an organisation-wide programme becoming an uphill push because middle managers and frontline staff did not buy into it. Let's modify this approach slightly.

In my experience, it is important for the CEO and the leadership team to set some parameters in the beginning that allow diversity and inclusion to happen. Then they can sit back and watch momentum grow from the bottom up. A few team leaders should be asked if they want to take part in a programme to capitalise on the diversity of their team. The overall objective is to improve the team's current KPIs by embracing and utilising the diversity of the team members.

An experienced diversity consultant facilitates and identifies teachable moments for the team and their team leader to help them create an inclusive culture. In the meantime, it is enough for senior leaders to show interest by asking the team on a regular basis about their experience. This team is well set up to succeed by team leaders who want to be part of it, by timely support from an external specialist, and by positive reinforcement from the top. What started off as a diversity and inclusion 'tasting' can develop into a recipe for what works in this specific organisation with every additional team coming on board.

Alongside an increase in teams with an inclusive culture, the opportunities and improvements identified are likely to be more cross-functional, more strategic, and of higher impact. All this is achieved by focusing on their core business. Senior leaders can stop sounding like a broken record and start being enablers.

FOCUS ON MINORITIES OR ALL INCLUSIVE?

A focus on minority groups may result in greater diversity, but not necessarily inclusive behaviours. Inclusive behaviours are more likely to develop when we shift our thinking from groups of employees towards the uniqueness of every single person.

So which way to go? Diversity and inclusion go best hand in hand. An inclusive culture needs to be at a certain maturity level to be able to attract and retain diverse talent and, more importantly, to leverage from their diversity. You can get an indication of how inclusive your culture is by asking employees if their thoughts and skills are utilised by the organisation. Then look at the diversity between those employees and ask why some groups are not represented or are over-represented.

If you have an inclusive culture, but diversity is low, you may have bias at work. Our assumptions about people can be quite wrong when they remain unquestioned, resulting in unnecessary conflict, lost productivity, and missed opportunities. Assumptions need to be tested by talking to the person concerned or talking to many more from this group of people. Why not starting this habit today and think about who you should be talking to?

UNDERSTAND THE PERSON BEYOND THEIR POSITION


Appointing the best suited person to a position is good practice, but unfortunately it comes with an undesirable side effect. We start to see this person through the filter of their position. Who would have thought what Bill Gates was up to when he delivered pizza? A person is always more than their function.

Finding out more about the potential and passion beyond their job helps build relationships and collaboration, can become a tangible asset for the organisation and is often very enriching. This is not to be confused with chatting around all day. Purposeful conversations help people to get to know each other well enough in order to care and look after each other. We all have a multitude of filters and unconscious biases. One strategy to uncover and reduce our biases is to be curious and open minded when we are trying to understand the person beyond their position.

HOW TO GET A GRIP AND MAKE IT STICK?

The diversity and inclusion concept is easier to get a grip of when we transfer skills from what we know; for example, lessons learned from other culture change initiatives or leadership development programmes. A look at good health and safety practices can also be a source of ideas, especially when they evolved from a compliance focus to a focus on building a health and safety culture. Health and safety is everyone's responsibility, so what can be done to make it the same for inclusion?

Shaping and maintaining the desired culture requires ongoing attention to and firm integration of what is important to an organisation. Diversity and inclusion stick better with the organisation if positioned as enablers for business goals, not as another thing to do.

People give their best as long as they feel accepted and appreciated as a person and can make a contribution. Individuals need to experience benefits from diversity and inclusion in their own work and work environment. The energy arising from those experiences helps them to endure in challenging times as well. 

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