

Becoming a champion of inclusion:

How to release the true potential of diversity
in your leadership team

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Mercuri Urval

It's All About People™

In recent years diversity has gone from being a CSR issue to becoming a pillar of business growth and development. Research shows that diverse teams make better informed decisions, are more creative and innovative, and create business results that outperform the average in their industry. So how do you successfully increase and manage diversity in your team?

In their 2015 report “Diversity Matters”, McKinsey states that companies that invest in diversity are up to 35 percent more likely to outperform their peers¹. Their 2018 report, “Delivering through Diversity” even further re-enforces the power of diversity by emphasising the use of diversity as an enabler for business impact. According to the report, “*more diverse companies are better able to attract top talent, to improve their customer orientation, employee satisfaction, and decision making; and to secure their license to operate*”². Furthermore Deloitte states in their research that diversity can enhance innovation by about 20 percent as well as enable groups to spot risks, reducing these by up to 30 percent³. The business case for diversity is clear, and the societal benefits of increased inclusion of women, minorities and people from different cultural backgrounds are indisputable. **But, how can you make sure you, as a leader, have a diverse team that reaps these business benefits. It is not all about numbers and ratios...**

How can you personally become a champion of inclusion? Based on our experience from working with executives and companies all around the globe to increase business diversity, our experts present a structured framework for how you can foster diversity and create a high performing and inclusive work environment.

Getting the basics right: Plan it and measure it like any other strategy

To be able to reap the benefits of a diverse team, you need to first create a structure to enable and increase diversity within your business.

As with any other change process, it all starts with people, and strategy. A clear plan you can measure.

¹ McKinsey, *Diversity matters (2015)*

² McKinsey, *Delivering through diversity (2018)*

³ Deloitte, *The diversity and inclusion revolution: eight powerful truths (2018)*

1. It can't be a standalone plan, your diversity strategy needs to be explicitly integrated with a better business result

Businesses with a highly diverse workforce have been proven to work more effectively and perform better than competitors that are lacking diversity⁴. But initiating a diversity program for diversity's sake will seldom succeed. The initiatives and efforts to increase diversity must be tied to the overall business strategy, values and vision to ensure genuine commitment and successful implementation. As an executive you have a key role in driving diversity issues within your organisation. But, to get the entire company on board you need to make a business case, and prove how increased diversity will help you all to reach the company's goals.

2. Set clear targets

Ambition and good intentions can only take you so far. Without firmly established goals, your diversity efforts risk becoming overlooked and soon forgotten. After all, you can only manage what you measure. To create real outcomes and improvements, you need clear and tangible KPIs to ensure continuous visibility and monitoring of the company's diversity efforts. Transparency is key, and the management team should be held accountable for getting results.

Research emphasizes the need to set goals that leverage diversity as it shows that diversity of thinking is a font of creativity and performance⁵. It has also been proven that within diverse teams, the presence of multicultural members significantly enhanced the teams' creative performance⁶.

3. Measure with a Diversity Dashboard

How diverse and inclusive is your company? From recruitment to promotions, job advancement opportunities to retention and evaluations – make sure you know your business relevant metrics.

Mapping the current situation will create well needed diagnostics for your company's diversity work, and provide valuable insights as to which changes and areas you need to prioritise going forward.

4. Get recruitment and selection right – based on match to task, team and organisation

Strengthening human capital in organisations will remain one of the top challenges globally, and a key source of competitive advantage. On this basis, review your recruitment and development processes – are they truly objective and free of bias in finding the right person for each position? Even the most self-aware person has a natural tendency of choosing the familiar over the unknown. In a recruitment context, this tendency often leads us to, more or less unconsciously, elect candidates that we either already know, or are similar to ourselves in terms of age, gender and background. However, research clearly states that our implicit biases are not permanent; they are malleable and can be changed by devoting intention, attention, and time to developing new associations⁷.

So, to overcome unconscious bias, make sure your recruitment processes focus on competence, potential and cultural fit. Diversity will only flourish where people decisions are clearly based on objective merit.

⁴ Human Resources Director, *The danger of unconscious bias in HR decisions and how to avoid it* (2017)

⁵ Deloitte, *The diversity and inclusion revolution: eight powerful truths* (2018)

⁶ Human Resource Director, *Do diverse teams perform better?* (2018)

⁷ Kirwan Institute, *State of the science: Implicit bias review 2014* (2014)

5. Talk about it until fairness and meritocracy are understood as the cornerstone of your whole business approach

Transparency is always essential to foster trust and inclusion, so make sure to clearly communicate your strategy and tactics to increase diversity to the entire company. In doing so, be clear about the intention of initiatives and efforts concerning diversity – as an executive you need to be clear on your “why, what, how” before you communicate. Why are you doing this? What are your goals? How are you going to achieve those goals? This is a message you need to firstly envision together with your management team. Then make sure that the people within your team are evaluated and treated based only on merit. It is your actions over time that communicate your true diversity stance.

6. Plan for the long haul

Remember, success will not come from a short-term push or programme. Creating a diverse way of thinking and releasing your team’s potential will take time. Persistence is key, like with any other leadership agenda. To achieve sustainable results, companies must implement long-term, integrated efforts to institutionalise the value of diversity throughout the organisation. In pay systems, in HR policies, in succession decisions. Meritocracy needs to become an accepted norm.

If you want to not only attract new people, but also secure the right people, you need to have a plan for their future within the company. Have a succession plan in place from the start, and build clear plans for career advancement and development that are flexible enough to suit their careers as they go through different life phases. Be creative and find solutions that will enable talents of different genders, ages and backgrounds to have equal opportunities in rising to the top of the organisation.

How do you create a culture of inclusion within your leadership team?

Research from Deloitte identifies a basic formula: diversity + inclusion = better business outcomes⁸. In simple terms, diversity without inclusion will never amount to the same results as when the two are combined. Even when you have the right talents and diversity programs in place, you still need an environment that lets them bring what they specifically have to offer to the table, in order to reach success. It all starts at the top.

Inclusive leadership

Did you know that the behaviour of leaders can drive up to 70 percent of difference between the proportion of employees who feel highly included, and the proportion of those who do not?⁹ The tone for all office cultures starts at the top of the leadership chain. You as an executive must closely examine your own and your leadership teams attitudes, values and leadership style, and make sure that your actions match your words. Furthermore, placing diversity on the company’s agenda must be a collective decision, and one that gives initiatives the time and attention needed for them to spread their wings and fly. This approach sends a clear signal throughout the organisation, and creates the role models necessary to spread a culture of inclusion.

→ **Ask yourself:** Do we share the same view on diversity and inclusion in our leadership team?

Listen and learn

Do your research. Search for best practices both within and outside of your own industry, and learn from their mistakes and successes. Pick role models that are years ahead of your own journey, and ask what they did and how – not to copy their exact steps, but to gain a deeper understanding of the opportunities and challenges that lay ahead.

⁸ Deloitte, *Waiter, is that inclusion in my soup? A new recipe to improve business performance (2014)*

⁹ Deloitte, *The diversity and inclusion revolution: eight powerful truths (2018)*

Ask your leadership team to do the same and discuss your findings.

- **Ask yourself:** Which companies and leaders are currently doing the best job in terms of diversity?

Foster a diversity mind-set

Creating and fostering a diversity mind-set is not a simple task, nor will it ever be the result of a single diversity program or initiative. Rather, it comes from long-term commitment, education and motivation within all levels of the organisation. Diversity thinking and an inclusive culture must permeate everything from hiring practices, talent management and performance evaluations to product design and development, marketing and sales plans, and customer service practices.

- **Ask yourself:** How would you describe your culture today?

Spread success stories

Start highlighting positive examples of diversity within the company. Be it champions of inclusion within your leadership team, or employees, managers and executives bringing the word of diversity to life. Put faces and stories behind the company's diversity initiatives, and showcase real life role models at various levels of the organisation.

- **Ask yourself:** Which ambassadors do I have in my organisation?

Conclusion and 10 key takeaways: How to release the true potential of diversity in your business

Organisations that practice cultural diversity, and sustain a culture of inclusiveness grow in their global competitiveness. They recruit and retain the best and brightest, make better strategic decisions, produce more relevant products and services that mirror the market, and, as a result, achieve superior financial results. rs within your company – written and spoken – in your newsletter, on the intranet, on conferences and in team meetings. Success placed in the context of a diverse team and diverse way of thinking.

Key takeaways

10 key takeaways on how to release the true potential of diversity in your business

1. Make the business case for diversity in your own mind, and brick-by-brick, in the mind of your leadership team.
2. Map and analyse the current situation. Challenge preconceptions.
3. Set up clear, realistic and tangible KPIs, and hold your leadership teams accountable, frame the need as a business goal with defined business results.
4. Communication is the cornerstone – perfect your diversity explanation, the ‘why, how and what’.
5. Implement long-term and integrated plans throughout your organisation, accept that creating a diverse way of thinking will take time and needs persistency from you and your leadership team.
6. Find a role model, or two, contact them and ask them to speak for your leadership team. Be open for inspiration and learn from the best.
7. Create your succession and development plan, make them flexible enough to enable growth and development of all your talents.
8. Build recruitment processes that are unbiased and focus on diversity.
9. It starts at the top. Reflect and examine your own and your teams current leadership styles, is it inclusive? Do you share the same view?
10. Spread success stories to inspire others within your company – written and spoken – in your newsletter, on the intranet, on conferences and in team meetings. Success placed in the context of a diverse team and diverse way of thinking.

Writers

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Moa is Communication Manager at Mercuri Urval HQ. She is responsible for the company's communication and content on all internal and external platforms. Moa works closely with the group board and international colleagues on different topics and projects, ensuring Mercuri Urval promotes diversity and inclusion in order to release our teams full performance. Network with Moa to know more or for potential collaborations.

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