

A photograph of three diverse professionals in a meeting. A man with glasses and a light blue sweater is leaning forward, looking at a document. A woman with glasses and a grey cardigan is standing next to him, also looking at the document. A man with glasses and a blue shirt is sitting in the foreground, looking towards the other two. The background shows a brick wall and a window. The image is overlaid with a large orange diagonal shape and a circular graphic containing text.

HOW DIVERSITY
IS **ELEVATING**
COMPANIES'
PERFORMANCE
& **CREATIVITY**

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HOW DIVERSITY IS ELEVATING COMPANIES' PERFORMANCE & CREATIVITY

Diversity of talent has been one of the most discussed developments within recruitment in recent years, with organisations now better understanding the links between a more diverse workforce and increased levels of business performance.

DIVERSITY & BUSINESS PERFORMANCE

Businesses that take on board the message of a diverse hiring programme are able to gain advantage in a number of essential areas for future success; not least of which is financial performance.

Business success is intrinsically linked to companies creating and maintaining an active pipeline of talented workers and bringing together the myriad skills and perspectives that different individuals can provide. Research published by Deloitte in its High-Impact Talent Management Report 2015 singled out the benefits of a diversity-focused approach to hiring and stated in its conclusion how “companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers.”

It found that companies demonstrating the strongest commitment to diversity in hiring are able to benefit from 2.3 times higher cash flow per employee over a three-year period, are 1.7 times more likely to be innovation leaders in their field, and are 3.8 times more likely to be able to coach their staff for improved performance.

Research published by McKinsey & Company showed a strong correlation between organisations that operate a diverse hiring policy and those in the upper echelons of financial growth. The company’s ‘Diversity Matters’ study published in 2015 revealed how businesses that are ranked within the top quartile for gender and ethnic diversity are 35 percent more likely to deliver financial returns above the median for their industry.

At the same time, companies within the bottom quartile are statistically less likely to achieve above-average returns - denoting the fact that these businesses are not simply failing to lead, but are consistently lagging behind their competitors.

The research went on to show that diversity can therefore be a lead indicator for company performance, with this metric becoming an important differentiator between firms working in similar industries and geographic locations.

Businesses should therefore be seeking a diverse pool of talent that draws upon each of the key factors listed above if they wish to reap the highest financial rewards. Adopting an inclusive and diverse hiring strategy is shown to deliver a key financial and performance advantage for those who embrace this approach to recruitment.

DIVERSITY & INNOVATION

Diversity lies at the heart of increased creativity and innovation within a business. It serves as the catalyst for developing new modes of thought, and with that comes the ability to identify improvement in working methods.

This is the conclusion of research carried out by Harvard Business Review, which drew upon the responses of 1,800 professionals, focus groups, interviews and more than 40 industry case studies to determine the impact of gender, ethnicity and cultural differences on innovation in the workplace.

It found that firms demonstrating higher levels of diversity in gender, ethnicity and culture are 45 percent more likely to record growth in market share for their business each year than their peers which lack diversity, with the ability of these more diverse groups to “think outside the box” shown to be a key factor in this result.

Importantly, the research determined that leaders who better appreciate the ability of diverse groups to achieve innovative solutions to problems, and who actively support diverse hiring practices as a result, are 3.5 times more likely to unlock the full potential of their business.

These results correlate with the findings of McKinsey’s report, which concluded that organisations with a greater level of diversity within their workforce are able to improve key decision-making and more easily come up with new ideas to benefit their business and clients.

DIVERSITY & COMPANY COMPETITIVENESS

The competitive nature of the modern corporate landscape means that businesses should be doing all they can to differentiate themselves from others in their field. This can be easier said than done, however, but adopting a diverse approach to hiring can deliver an advantage in this area.

Developing a more diverse workforce enables businesses to capture a larger share of the consumer market. It enables them to more effectively market their services to different groups, ensuring businesses have a fuller understanding of their target consumer.

From product design to marketing, a diverse business is better able to leverage the individual insights of staff that can have a direct impact on the firm’s bottom line. By encouraging differentiation in thought and drawing on the different experiences of staff, businesses can better position themselves to stand out from the crowd.

Businesses that employ a positive approach to diversity in hiring are also better able to attract the leaders in their field, as research from Glassdoor has shown that 67 percent of job seekers view a diverse workforce as an important factor when considering where to apply for roles.

Companies that remain committed to diversity are therefore positioning themselves to attract and retain the best talent, denying these individuals to other businesses and deriving a competitive advantage as a result.

DIVERSITY & EMPLOYEE ENGAGEMENT

Employee engagement is another of those topics that continues to reverberate, with businesses keen to ensure they are getting the most from their staff. As previously mentioned, offering the opportunity to work within a diverse group of people is a key attractor for many top professionals, and this in turn can help a business succeed.

Meanwhile, increased levels of diversity were shown by McKinsey to deliver a positive impact on levels of employee satisfaction. The research found that a boost in positive attitudes towards their employer is seen among a majority of staff when levels of diversity within an organisation exceed 15 percent. Moreover, in cases where diversity in recruitment was viewed as more of a “token effort” levels of satisfaction were significantly lower.

This beneficial impact was witnessed across all aspects of corporate diversity, through gender, culture, race, age and background. It means that businesses demonstrating a commitment to developing a diverse workforce are more likely to benefit from increased employee retention and to develop a positive reputation, which in turn can help in top talent attraction.

Research conducted in partnership between the University of Georgia, Dublin City University and the University of California, Berkeley School of Law also highlights the statistical significance associated between diversity in the workplace and employee engagement.

It revealed how corporations with a strong commitment to diverse and inclusive hiring policies are able to leverage increased levels of trust and an associated upturn in performance among existing employees. This, in turn, demonstrates the value of diversity in hiring to securing improved employee engagement and overall performance.

WHAT ARE THE KEY ELEMENTS OF A DIVERSE HIRING STRATEGY?

So, now that we understand the benefits of diversity in the workforce, what can we do to make tangible improvements?

A diverse hiring strategy boils down to understanding the need to bring together different personalities, backgrounds, skills and levels of experience within the workforce to create a more complementary whole. This can be achieved through a focus on several key elements. These are:

- Gender
- Culture
- Race
- Ethnicity
- Age

Each of these characteristics play an important role in defining a person, and by attracting a diverse talent pool, businesses are more easily able to leverage complementary skills and attitudes that can benefit them in the long run.

Often, companies can become blinkered in their desire to attract a certain type of person, or a certain type of skill set, when in reality, they could be better served by bringing together a more diverse group of people that will be able to challenge one another to drive better results. This practice is often reinforced by a misheld belief that a specific type of individual is the right fit for their business to begin with; however, this is not always the case.

There are two main issues that tend to arise for those businesses that fail to identify a diverse hiring programme as being key to their future success, and these are ‘similarity in thought’ and ‘similarity in behaviour’ - each of which can stifle future performance.

The problem of ‘groupthink’ can become all too common in businesses where a lack of diversity is prevalent. This occurs when individuals with similar mindsets fail to identify different methods for resolving the same problem as a result of their lack of varied experience and understanding.

Meanwhile, a lack of diversity in behaviour can also lead to teams becoming fixated on a single approach to resolving their problems or getting work done. It takes a mix of introverts, extroverts, cultures, genders and races to be able to provide the wide breadth of knowledge and approaches that can help companies to adopt a forward-thinking and progressive business strategy.

HOW TO ACHIEVE INCREASED DIVERSITY WITHIN YOUR BUSINESS

As we've seen, direct links can now be drawn between the level of diversity within an organisation, and its likelihood of securing enhanced future performance and success.

However, it's all well and good to discuss the advantages of enabling a more diverse workforce, but if companies are unable to put this change into practice, there is ultimately no benefit to be gained. As a result, here we offer a range of recommendations to help drive ever-greater diversity within your business:

- 1. Create links with local organisations** - Connections to cultural organisations, colleges, churches and community facilities can help broaden the appeal of your business to different groups. It can also help to open the eyes of your HR team to opportunities for recruitment from within these different communities. Building strong relations with these organisations means representative staff are more likely to be invited to attend local events, which can be an excellent way to engage with communities and improve diversity in hiring.
- 2. Foster diversity at all levels of your business** - Organisations should ensure they are attracting a diverse workforce at all levels - this means everyone from board level and down. Businesses can only expect to achieve the benefits of a diverse approach to addressing new challenges if diverse attitudes are incorporated throughout their structure. We recommend senior referrals as a means to achieve this. Here, businesses can draw on the network of their top executives to widen their search for top talent - helping to bring recruiters into personal contact with individuals at all levels of business.
- 3. Implement an equal opportunity employment policy** - Establishing a recruitment programme that operates in a meritorious fashion will help to remove any unconscious bias towards a particular race, gender, age, background, etc. If an individual has the right skills and attitude to succeed, they should be the ones your company is looking to hire. Keep tabs on bronze and silver-medal candidates, as these are individuals that may be well-suited for other roles within your organisation and can be invited to return when a new opening appears.
- 4. Provide diversity training to existing staff** - Educating existing employees on the importance of a diverse approach to hiring will help to ensure a smoother transition for new starters and create an atmosphere of increased inclusivity that can help bolster employee retention and productivity. We advise setting up social media campaigns to showcase the existing levels of diversity within your business. This can be a great way to reach out to new groups and spread a positive message regarding diverse hiring, as well as helping to position you as a company that people from diverse backgrounds want to work for.
- 5. Use a data-driven approach to recruitment** - Workforce analytics and Big Data can help to improve hiring outcomes by removing emotional bias from the recruitment function. Performance data can help to identify existing qualities within staff that help them to succeed, as well as revealing aspects of diversity within your business that may currently be lacking. We recommend sharing your gaps and progress with your entire staff, not just leadership. Hold your organisation accountable and rely on all levels of the business to help make the changes.
- 6. Offer a wide range of benefits** - Key to attracting a diverse workforce is to make your business attractive to as many people as possible. Companies should consider offering benefits like free childcare, flexible working and accommodation for cultural and religious holidays, this will help to position your business as an inclusive and understanding place to work. Gender-friendly job descriptions (avoiding gender-specific titles, comments or prerequisites) can also help to encourage a more diverse response to new openings.
- 7. Form affinity groups to brainstorm new ideas** - Bring together groups of staff from different areas of your business and with diverse backgrounds and skills to brainstorm ideas on improving diversity programmes. This ensures a wide mix of attitudes and experiences and can be a great way to develop innovative new approaches. We also advise assigning specific goals to these groups, such as how to reach out to different communities of job seekers, as a way to focus people's efforts on achieving workable solutions.
- 8. Learn from any past mistakes** - Create an exit interview format for all those leaving your business. Ask those with experience of working within your organisation about the issues they faced during their tenure, and use this information to inform future decision-making regarding diversity hiring. Another key recommendation is to widen this process to new-starters as well. This enables you to receive up-to-date feedback on your current messaging and approach to diversity in hiring, helping you to further develop programmes to boost engagement and candidate attraction.

At Allegis Global Solutions (AGS), our goal is to facilitate an agile and adaptive hiring strategy for all our partners, with the ability to attract and deliver a diverse group of candidates to enable businesses to gain all of the key advantages we've previously mentioned.



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Alfonso Nunez is a highly successful change consultant specialising in HR, Talent Management and Organisational Change, with a strong track record of developing and delivering effective strategies to provide business advantage across a variety of industries. With a reputation for quality and a commitment to delivering viable business solutions in competitive and pressured environments, Alfonso has a wealth of experience managing in-house and outsourced HR and talent management teams for some of the world's leading companies. He currently serves as Managing Director of Business Development and Client Solutions, APAC at Allegis Global Solutions.