

The Benefits Of Diversity And Inclusion In The Workplace



Modern businesses need more than clever marketing and quality products to succeed. To compete effectively in today's diverse global marketplace, companies must create a business environment that reflects an awareness of, and a willingness to embrace, that same diversity.

Doing so can yield significant financial benefits, yield better business decisions, strengthen company culture, and more.

But an inclusive workplace and diverse workforce can also benefit your company in ways you may not have considered.

And while many companies believe they're already taking a proactive stance on diversity inclusion, there remains significant room for improvement across industries and verticals.

Take a closer look at the benefits of diversity and inclusion in the workplace, and how they can help your organization enrich much more than just the bottom line.

Benefits of Diversity and Inclusion in the Workplace: An Overview

Forward-looking (and forward-thinking) businesses have long recognized the value inherent to a diverse workplace.

Being able to explore different perspectives and draw on experience created by different backgrounds not only boosts profitability (increasing the probability of exceptional performance and profits by as much as 36%) , but improves everything from product development to community engagement to strategic decision-making.

In fact, research from Deloitte found inclusive workplaces generated more cash flow per employee over a three year-period—up to 2.3 times more than companies who did not prioritize inclusion.

Again, however, while diversity and inclusion—sometimes abbreviated to *D&I*—are sometimes conflated with one another, it's crucial to remember that *both* are required when building a truly inclusive work environment.

Understanding the distinction between the two is critical to putting both to work effectively.

Diversity refers to the wide spectrum of different perspectives informed by bringing together people of different races, ethnicities, social classes, religions, political affiliations, cultural backgrounds, sexual orientations, and gender identities.

Inclusion refers to ways in which a company can ensure a positive employee experience wherein all members of a diverse workforce feel recognized, valued, engaged, and heard. Inclusive workplaces are characterized by staff who feel like their contributions matter, their unique skills and talents are both recognized and put to good use, and share a set of common goals for shared success.

Companies who want to attract top talent and compete effectively in today's marketplace strive to integrate and balance both diversity and inclusion as part of their corporate culture. This balance is essential, as diversity without inclusion can actually create a toxic atmosphere where exclusion and divisiveness poison

productivity.

In turn, an inclusive workforce without diversity feels respected and heard, but loses the benefits that come with different perspectives from team members of varying ethnicities, genders, and backgrounds. It can reinforce unconscious bias and create a seemingly monolithic corporate culture perceived as unfriendly to potential job seekers whose backgrounds, ethnicities, or sexual orientations/gender identities fall outside the status quo.

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Key Benefits of Inclusion and Diversity in the Workplace

Inclusive companies who build diverse workforces gain long-term financial benefits for their troubles. But they also gain a bevy of other benefits that go beyond the bottom line to enhance their agility, reputation, and resilience.

1. A Broader, Deeper Talent Pool of Job Seekers

Breaking free from the restrictions of select postcodes or demographic profiles connects companies with a whole new world of job seekers. This expanded, more diverse talent pool can bring fresh perspectives that will help you:

- Reach out to new markets;
- Attract top talent, including Gen Z and Millennials who place a premium on workplace inclusion and diversity;
- Innovate with new products;
- Make better decisions at all levels;
- Incorporate cultural diversity into your policies and procedures as well as your marketing; and
- Create and fill new roles within your organization focused on further improving inclusion and diversity.

2. A Healthier Work Environment—and Better Employee Engagement

A sense of belonging, paired with a shared vision and a work environment that respects not only the need for work-life balance but the importance of gender, social, political, and ethnic diversity, goes a long way toward providing an exceptional employee experience.

A corporate culture that prizes diversity and inclusivity also promotes awareness of larger, thornier issues such as systemic inequality, racism, sexism, ableism, etc. and work to create policies and procedures that eliminate them or mitigate their impact in the workplace.

Happy employees are more productive, more engaged, and more likely to stay with the firm that's making them feel heard, respected, and valued.

Ethnic, gender, political, and cultural diversity—when combined with an inclusive culture that honors different perspectives and makes everyone feel valued, heard, and respected—also fosters greater creativity, better communication, and stronger team-building.

Stronger, more diverse teams stick together, and less employee turnover helps keep costs low, minimizes brain drain, and helps further reinforce those long-term working relationships that can lead to powerful insights and better problem-solving (research conducted by the Harvard Business Review found teams solve problems significantly faster when they bring together diverse perspectives and modes of thought).

Plus, higher retention signals to potential job seekers that the company is sincere in honoring its commitments to a diverse workplace culture.

Encouraging engagement has its benefits; companies who work to ensure employee engagement earn 2.5 times as much revenue as those with low engagement.

Engaged employees are nearly 40% more likely to have above-average productivity, and investments in employee engagement can yield as much as \$2,400 extra profit per employee each year.

In addition, having their needs respected and voices heard can reduce the anxiety that can accompany working in new paradigms. Inclusive, diverse companies also recognize that not everyone navigates the remote work lifestyle quite the same way, for example.

It can be a significant source of anxiety and stress for some, and having protocols in place to address concerns and meet employee needs can significantly improve employee satisfaction and boost productivity while still protecting employees' mental and physical health.

3. A Sterling Reputation and a Bigger Customer Base

It's not just your team members who respond to diversity and inclusion. Research shows that consumers are increasingly aware and in favor of companies with inclusive cultures that feature a diverse workforce.

Consumers respond more positively to diverse companies, and have a more favorable view of brands they perceive as diverse and inclusive.

This not only provides soft value by improving company reputation with existing customers, but can help attract new clients who prefer to give their custom to companies who value diversity and are seen as socially responsible.

Integrating Diversity and Inclusion into Your Corporate Culture

The benefits of a diverse and inclusive culture are obvious. But building a truly inclusive environment staffed by diverse talent takes time, skill, and a collaborative, communicative approach.

You can help your company realize the benefits of diversity in the workplace by:

- **Ensure leadership teams prioritize, and are accountable for, incorporating diversity and inclusion into your company culture.** This includes providing additional education and training to give senior management the necessary tools and skills to guide the rest of the organization to success in overcoming common obstacles such as

unconscious bias.

- **Formalizing and documenting your company policies and procedures related to diversity and inclusion.** Ensure diversity and inclusion considerations are “baked into” all your business processes, including recruiting, onboarding, and training. Clearly document your code of conduct and best practices for practicing inclusivity and supporting and honoring diversity.
- **Implement a recognition and rewards program.** Employees like to feel heard, but they *love* to feel appreciated. Public recognition can be a powerful aid in fostering a sense of belonging and engagement, and also helps reinforce the importance of celebrating and honoring company values such as commitment to gender diversity, support for LGBTQ team members, building cross-cultural awareness, etc.
Literally celebrating the diverse employees who make your company a happier, healthier and more productive place to work empowers your team members and encourages them to connect and strive toward even greater shared success.
- **Communicate and collaborate with your employees.** Employee feedback is one of the best metrics at your disposal in gaging the effectiveness of diversity and inclusion initiatives. Don't be afraid to ask what's working, what isn't, and what measures they would take to further improve things. Provide readily accessible feedback opportunities employees can use to make themselves heard, and be prepared to act on their feedback in real ways so as to demonstrate the value of their input.

Make Diversity and Inclusion a Part of Your Recipe for Success

The future of innovation, financial health, and competitive strength lies in crafting a company culture that recognizes the importance of different perspectives and prioritizes inclusion.

Collaborate closely with your team members to incorporate cultural diversity, a sense of belonging, and lasting employee satisfaction into your business development planning.

You'll not only reap rich financial awards from happier, more productive

employees, but harness the creativity and innovation that accompany a truly inclusive culture committed to providing an exceptional employee experience that attracts and retains diverse talent.

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