DIVERSITY & INCLUSION
THE PROPELLING POTENTIAL PRINCIPLE

Activating Resources – Facilitating Change
Profile & Portfolio: European Diversity Research & Consulting

- **Profile European Diversity Consulting**
  - Specialisation on Diversity since 1997
  - Innovative – international - integrated
- **Strengths**
  - In-house research & knowledge management
  - Pioneer status & international network
- **Portfolio** [www.diversity-consulting.eu](http://www.diversity-consulting.eu)
  - Research: data & analysis
  - Communication: concepts & tools
  - Interaction: experiencing & learning

- **Profile Michael Stuber (Owner)**
  - Researcher, author
  - Consultant, speaker
  - Industrial Engineer
- **Expertise** [www.michael-stuber.biz](http://www.michael-stuber.biz)
  - 20 years of international experience
  - Change & organisation development
  - Leadership & management development
  - Marketing & communication
  - Age, gender, culture, work/life integration,…

**International Clients**
- Airbus / EADS, Air Products, AXA Winterthur, BP, Brown-Forman, Credit Suisse, Ford, Hewlett-Packard, HSBC, Johnson Controls, Johnson & Johnson, Kraft Foods, KPMG Luxembourg, Motorola, Panasonic, Sandoz Group Germany, Swiss Post, Stryker, Symantec, UBS, Vodafone

**Not-for-Profit Clients**

**German Clients**
- Allianz, Bayer, Bosch, Com- merzbank, Deutsche Bank, Deutsche Post, Deutsche Telekom, Elite MediaNet, E.ON, GEA Group, IKEA Germany, Infineon, KfW, Merck, Met-ro, RWE, T-Systems, VW Bank, Volkswagen AutoUni, Volkswagen Bank

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Overview

- What is the Propelling Potential Principle?
- What is the importance of Diversity & Inclusion?
- Why is D&I a necessity?
- Why should companies be aware of D&I?
- How is D&I successfully implemented?
- Which concrete approaches make D&I a driver for success?
- What are the advantages and disadvantages of D&I?
What is the Propelling Potential Principle?

The Propelling Potential Principle uses Diversity & Inclusion systematically through consciously valuing and pro-actively including differences and similarities of people for the advantage of all parties.
The diversity of Diversity

- Personal & Lifestyle
  - Foreign language(s)
  - Living surroundings
  - Social environment
  - First language(s)
  - Marital status
  - Parenthood
  - Perception
  - Aim in life
  - Mobility
  - Habit

- Social skills
- Career goals
- Myers-Briggs
- Learning type
- Technical skills
- Team behaviour
- Work mentality / mind-set
- Methodological know-how
- Work/Life-Balance preferences
- Success/performance orientation

- Organisation
  - Work conditions
  - Compensation
  - Working time
  - Career path
  - Procuration
  - Seniority
  - Location
  - Function
  - Division
  - Level

- Me
  - Mental or physical ability or disability
  - Age
  - Race/Ethnicity

- Gender
- Beliefs/Religion
- Sexual Orientation

- Market & Consumption
- Wishes
- Realities
- Aesthetics
- Media usage
- Product affinity
- Brand awareness
- Purchasing power
- Service orientation
- Consumer behaviour
- Type of consumption

Diversity - The Propelling Potential Principle
What is the importance of Diversity & Inclusion?

- Strategic competitive advantage: Diversity as a common thread of key trends
- Avoiding opportunity costs: Diversity to anticipate external changes
- Return on Investment: Business benefits of Diversity
D&I and the key strategic themes of corporations

- Corporate Challenges – now and in the future
  - European Integration & Enlargement
  - Globalisation
  - Organisational change and complexity
  - Complex organisation structures
  - M&A, strategic alliances
  - Shorter innovation cycles
  - Shareholder Value (pressure on costs and productivity)
  - Brutal competition
  - Differentiation - in search of profiles

- Diversity relates directly to all those trends!
D&I and the key strategic themes of SMEs

- **Corporate Challenges – now and in the future**
  - Internationalisation
  - Ensuring and increasing success through investment in employees and markets
  - Focus on employees as individuals rather than business resource only
  - Skilled labour and managers
  - Succession (family owned, external, through company sale)
  - Corporate and shop floor management (flexible and personal contact)
  - Corporate culture as a competitive edge
  - Salary policies (performance-based)

- **Diversity, Individuality and Inclusiveness relate directly to all these trends!**
Why is D&I a necessity?

**Internal drivers**
- Current & future workforce

**Trends**
- Changing demographics
- Changing values
- Changing relationships
- Anti-discrimination
- Expectations

**External drivers**
- Clients, job market, financial markets, public
- Talent & consumer preferences, ranking/rating
- Customer relationships, company image

**Contracts**
- Commitments

**Results / Outcome**
- Productivity
- Sales & attractiveness

Diversity - The Propelling Potential Principle
Business Case for Diversity & Inclusion

- Our services:
  - A downloadable Business Case Presentation
  - [www.european-diversity.com/resources](http://www.european-diversity.com/resources)

- Our study:
  - International Business Case Report (IBCR)
  - 90 robust, empirical studies – each summarized on one single page
  - 135 pages – pdf format – 370 Euro (plus VAT if applicable)
The goal and objectives of the Propelling Potential Principle

1. Diversity of the stakeholder as a reflection of the business environment
2. Open-mindedness through respect and value
3. A productive work environment that is characterized by Inclusion
4. Value-added through clear positioning to external stakeholders
How is D&I successfully implemented?

Business Context

Understanding & Defining Diversity

Implementation Strategies

Mainstreaming Diversity

Introducing Diversity

Diversity Goals

Process-Management: Organisation & Measuring Progress

Business Case
Basics of Implementation (1/2)

- **Business-Context: Connection between Diversity and the core business**
  - Vision and mission statement (values), corporate goals and strategies, challenges and key issues

- **Understanding Diversity: Definitions and Paradigms**

- **Diversity Goals: Description of the Goal system**
  - Goals and Objectives

- **Diversity Analysis: Review of the situation**
  - Demographic analysis of diversity at the company, analysis of the culture in the company and the workplace, external Diversity analysis of markets, customers, image and position
Basics of Implementation (2/2)

- **Business Case: Benefits of Diversity**
  - The strategic added value of Diversity (cf. Business-Context)
  - The costs of ignoring Diversity (Push-Factors, cf. slide 9)
  - The achievable Business Benefits and costs (Pull-Factors, cf. slide 25)

- **Strategy design: Identification of effective approach**
  - Models and approaches: tactical analysis, model of phases, approach of promoters or identification of key activities

- **Process-Management: Organisation & Measuring Progress**
  - Responsibilities and interfaces, milestones and achievement of the goals
The Implementation of Diversity

Mainstreaming Diversity

Introducing Diversity

Top-Down & Bottom-Up

Corporate Communication

HR Management

Marketing & CRM
Introducing D&I (1/2)

- **Top-Down**
  - Extended vision statement
  - Policies
  - Accountability for action (score cards)
  - Pilot projects with involvement of the Top-Management (Sponsor, Champion)
  - Statements of management and other forms of communication
  - Awards
  - Training of management
Introducing D&I (2/2)

- **Bottom-Up**
  - Communication with employees
    - (wide communication with feedback possibilities)
      - Posters, brochures, flyers, employee journal
      - Corporate TV, Intranet
      - Discussion groups, hotline
  - Employee networks
  - Trainings (Awareness Training and Skill-Building Training)
  - Mentoring
Mainstreaming Diversity (1/3)

- Corporate Communication
  - Internal (employee) Communication
    - Topics, corporate imaging
    - Rules of internal language
  - Public Relations
    - Product and corporate PR
    - Sustainability (Sponsoring or promotion in connection with Corporate Social Responsibility)
Mainstreaming Diversity (2/3)

- **HR Management**
  - Staff recruitment
    - Job descriptions, job posting, employer image marketing
    - Selection criteria and process
  - Staff development
    - Career management
    - Training, further education
  - Employment
    - Workplace, work time, employee development
    - Compensation & benefits
  - Staff reduction
Mainstreaming Diversity (3/3)

- **Marketing & Customer Relationship Management Methods**
  - “Diversity”
    - Approaching the entire market, excluding predominantly existing stereotypes
  - “P.C.”
    - Approaching the entire market in which diversity is explicitly used
  - “Open & Comprehensive”
    - Approaching the entire market open-mindedly in order to implicitly address diverse customers
Diversity Implementation Strategies

- **Head**
  - Sustain
  - Commitment
  - Recognise
  - Accept

- **Heart**
  - Issues
  - Opportunities
  - to Change

- **Hand**
  - Inclusion
## Changing Phases and Approaches

<table>
<thead>
<tr>
<th>Accept Issues</th>
<th>Head</th>
<th>Heart</th>
<th>Hand</th>
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<tbody>
<tr>
<td>Connections to established activities, programs</td>
<td>• Personal examples for discrimination / exclusion</td>
<td>• Business-Context</td>
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<tr>
<td>Benchmarking</td>
<td>• Point out existing diversity</td>
<td>• Diversity on the agenda at management meetings</td>
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<tr>
<th>Recognise Opportunities</th>
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<tr>
<td>Inactive market and productivity potentials</td>
<td>• Training videos</td>
<td>• Consider legal consequences</td>
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<td></td>
<td>• Best Practice Examples</td>
<td>• Reward Diversity successes (awards)</td>
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<th>Commitment to Change</th>
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<tr>
<td>Involvement in Diversity marketing</td>
<td>• Attendance in networks, mentoring &amp; events</td>
<td>• Mandatory trainings</td>
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<td>Team Diversity Workshops</td>
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<td>• Cascade accountability for Diversity projects</td>
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<td>Diversity recruiting</td>
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<tr>
<th>Sustain Inclusion</th>
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<td>Diversity in (Business-) strategy</td>
<td>• Learning labs</td>
<td>• Accountability</td>
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<tr>
<td>360° feedback of Diversity</td>
<td>• Direct complaint reporting</td>
<td>• Balanced score card</td>
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<td>• Job rotation</td>
<td>• Diversity as leadership competence</td>
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Developmental Phases of Diversity Implementation

- Integration in Management Processes
- Consideration of Key Functions
- Broadening & Integration
- Theme und Project Foci

Duration
The Do’s and Don'ts of European Diversity

- **Do’s**
  - Intensive work at all levels
  - Differentiated strategy
  - Visible engagement of top management
  - Intensive communication & inclusion
  - Projects that produce fast results along with long-term goals for optimal business benefits

- **Don’ts**
  - Focus on few differences
  - No full-time position for Diversity implementation
  - Use of quotas
  - Marginal budgets
  - Make Diversity only an HR matter
## Return on Investment (ROI): The Business Benefits of D&I

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<th>External</th>
<th>Internal</th>
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<tr>
<td><strong>Consumer Markets</strong></td>
<td><strong>Individual</strong></td>
</tr>
<tr>
<td>□ Increased market share</td>
<td>□ Increased productivity</td>
</tr>
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<td>□ Easier entry to new markets</td>
<td>(quantitative and qualitative)</td>
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<tr>
<td>□ Improved customer intimacy</td>
<td>□ Improved morale, commitment</td>
</tr>
<tr>
<td><strong>Shareholder</strong></td>
<td><strong>Inter-Personal</strong></td>
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<tr>
<td>□ Enhanced rating</td>
<td>□ Improved team effectiveness and</td>
</tr>
<tr>
<td>□ Improved attractiveness</td>
<td>co-operation</td>
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<tr>
<td><strong>Labour Markets</strong></td>
<td><strong>Organisational</strong></td>
</tr>
<tr>
<td>□ Broader access to labour markets</td>
<td>□ Increased openness to change</td>
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<tr>
<td>□ Improved employer image</td>
<td>(re-structuring, M&amp;A etc.)</td>
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<tr>
<td><strong>Community</strong></td>
<td>□ Enhanced effectiveness of</td>
</tr>
<tr>
<td>□ Improved public image</td>
<td>complex organisation</td>
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