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
- Research: data & analysis
- Communication: concepts & tools
- Interaction: experiencing & learning

Profile Michael Stuber (Owner)
- Researcher, author
- Consultant, speaker
- Industrial Engineer

Expertise 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, Johnson Controls, Johnson & Johnson, Kraft Foods, Motorola, Sandoz Group Germany, Swiss Post, Stryker, Symantec, UBS, Vodafone

Not-for-Profit Clients

German Clients
Allianz, Bayer, Bosch Engineering, Commerzbank, Deutsche Bank, Deutsche Post World Net, Deutsche Telekom, Elite MediaNet, E.ON, GEA Group, Henkel, Infineon, Merck, RWE, T-Systems, Volkswagen AutoUni, Volkswagen Bank

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Slide 2
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 D&I 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
- Work & Employment

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

- Me
  - Age
  - Race/Ethnicity
  - Gender
  - Sexual Orientation
  - Beliefs/Religion

- Mental or physical ability or disability

- Wishes
- Realities
- Aesthetics
- Media usage
- Product affinity
- Brand awareness
- Purchasing power
- Service orientation
- Consumer behaviour
- Type of consumption
- Market & Consumption
What is the importance of D&I?

- 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

= 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?

- **Current & future workforce**
- **Attitudes, preferences & needs**
- **Employee relations, Work/Life**

**Internal drivers**
- Changing Demographics
- Changing Values
- Changing Relationships

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

**Trends**
- Anti-discrimination
- Expectations

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

**Contracts**

**Commitments**

**Changing Demo-graphics**

**Changing Values**

**Changing Relationships**

**Diversity & Inclusion - 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

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

Business Context

Understanding & Defining Diversity

Implementation Strategies

- Introducing Diversity
- Mainstreaming Diversity

Diversity Analysis

Process-Management: Organisation & Measuring Progress

Business Case

Diversity Goals
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 8)
  - The achievable Business Benefits and costs (Pull-Factors, cp. slide 23)

- **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 D&I

Mainstreaming Diversity

Corporate Communication

HR Management

Marketing & CRM

Introducing Diversity

Top-Down & Bottom-Up
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 D&I (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 D&I (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 D&I (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
D&I Implementation Strategies

- Accept Issues
- Recognise Opportunities
- Commitment to Change
- Sustain Inclusion

Head

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# Changing Phases and Approaches

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<th>Accept Issues</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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<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>• 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>
<td>• Diversity in (Business-) strategy</td>
<td>• Learning labs</td>
<td>• Accountability</td>
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<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 D&I Implementation

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

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