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Diversity, Equity, Inclusion and Belonging: The Business Case

Jeremy York, SHRM-SCP, SPHR
Vice President, Talent Strategy and Success



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Diversity, Equity, Inclusion and Belonging: The Business Case

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Learning Objectives

- Define diversity, equity, inclusion and belonging (DEIB) and its application in the workplace.
- Discuss the business case for DEIB—how it impacts your business operations.
- Review DEIB as it relates to the bottom-line.
- Understand the importance of a diverse, equitable, and inclusive workplace.





**WHAT DOES DIVERSITY, EQUITY, INCLUSION, AND
BELONGING MEANS TO YOU?**



**In order to be
successful as an
organization, we must
have the best from
individuals, and they
must feel the ability to
contribute.**



What is Diversity?

The collective mixture of differences and similarities that includes individual characteristics, values, beliefs, experiences, backgrounds, preferences and behaviors.

-Society for Human Resource Management

What is Diversity?

- Diversity embraces the perspectives, experiences, cultures, genders, and ages of others and uses them to foster new ideas and innovation.
- Diversity values both visible and invisible traits.

Visible and Invisible Diversity Traits

Visible Traits

- Ethnicity/Race
- Age
- Gender
- Physical Traits/Abilities

Invisible Traits

- Beliefs/Values
- Family Status
- Education
- Working-Style Preferences



What is Equity?

- Fair treatment, access, opportunity, and advancement for **all** people while identifying and eliminating barriers to such elements.
- Equity acknowledges there are under-represented people and that fairness regarding these unbalanced conditions is needed to assist equality in the provision of effective opportunities to **all**.

-Racial Equity Tools Glossary



EQUALITY vs EQUITY



Equity



What is Inclusion?

The achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization's success.

-Society for Human Resource Management

Why Diversity, Equity, and Inclusion?

A diverse, equitable, and inclusive workplace benefits everyone in the organization by making the organization stronger, more resilient, and more competitive.

- “Workforce diversity and inclusion is a key driver of internal innovation and business growth.”

-Forbes Magazine

- “Companies with diverse executive boards enjoy significantly higher earnings and returns on equity.”

-McKinsey & Company

- “Multicultural networks promote creativity.”

-Harvard Business School





**What about
belonging?**

Belonging: What is it?

Belonging is the feeling of being part of something and mattering to others; it is created through inclusion which consists of intentional acts.



Importance of Belongingness

79% of organizations say fostering a sense of belonging in the workplace is important or very important for their success over the next 12 to 18 months, but only 13% say they are ready to address this trend.

--Deloitte



Why is Belonging Important?

- Belonging is a fundamental need; the need for social connections is innate and universal.
- When there is a sense of belonging in the workplace, people have a shared identity, shared values and interdependence, and feel comfortable being their true selves.
- Belonging is vital to performance and well-being.

The feeling of organizational isolation among employees has a direct impact on people's performance and retention.

--Howard Ross





75%

Decrease in employee sick days.

56%

Increase in job performance.

50%

Reduction in turnover risk.

Benefits of Belongingness





**More than the RIGHT
thing to do!**





The Business Case

Diversity, equity, and inclusion creates opportunities for organizational and financial growth by:

- Attracting and retaining the best talent.
- Reducing costs associated with turnover, absences, and low productivity.
- Gaining and keeping greater/new market share with an expanded diverse customer base.

Attracting and Retaining Talent

- **Your employees are your talent**—they bring specialized skills that can only be obtained through experiences.
- Talent **is tied to** variables such as race, gender, sexual orientation, ability, religion, marital/parental status, and socio-economic background.
- Talent **adds the competitive edge** to the organization through creativity, innovation, idea generation, etc.
- A work environment that is not inclusive **drives talent away** negatively affecting employee morale and the company's bottom line.



Attracting and Retaining Talent

- **Retain your talent**—this starts with creating a culture that makes employees want to stay.
- **Be fair and consistent**—ensure that all employees have full and equal access to opportunities.
- **Showcase differences**—create opportunities to discuss the importance and value of differences.
- **Foster openness**—encourage employees to express ideas and opinions and attribute a sense of equal value to all.
- **Promote diversity in leadership**—this practice provides visibility and realizes the benefits of diversity in the workplace.





Turnover, Absences, and Productivity

- Over 2 million people leave organizations each year due to perceived unfairness—comments/jokes, unfair policies, perceived invisibility, etc.
- This trend costs U.S. corporations \$64 billion each year (equivalent to combined revenues of Google, Goldman Sachs, Starbucks, and Amazon.com).



Turnover, Absences, and Productivity

Diversity, Equity, and Inclusion improves employee morale, performance, and productivity through workplace practices that develop, recognize, and treat people based on fairness and the value of their differences.

- Improved retention and cost reductions due to lower absenteeism and turnover—**Loyalty and Dedication**.
- Increased productivity resulting from employees being encouraged to utilize their diverse experiences to perform their work—**Efficiency and Quality**.
- A sense of connectedness that inspires employees to do their best work—**Engagement**.





Greater/New Market Share

As the marketplace diversifies, businesses **MUST** reach out to diverse markets who possess a lot of buying power—this money can either benefit you or your competitors.

- Individuals with disabilities spend approximately **\$1 trillion** per year.
- LGBT consumers average **\$884 billion** annually in disposable income.
- Older generations (boomers and above) account for **70 percent** of all discretionary income in the U.S.
- Women are responsible for **83 percent** of all purchases.

Greater/New Market Share

How will you capture these markets?

- If your employees are uncomfortable conversing with colleagues with disabilities, how are they likely to treat clients with disabilities?
- If your sales team is constantly telling jokes that belittle gays and lesbians, are they likely to be effective and respectful when dealing with openly gay customers?

The skills that your employees learn when transitioning into a more diverse and inclusive workplace are immediately transferable to your customers.



Return on Investment

Diversity, Equity, and Inclusion's impact on your bottom line:

- Over a 10-year period, the index of publicly traded companies in DiversityInc's Top 50 Companies for Diversity list outperformed the:
 - NASDAQ by **28%**
 - Standard and Poor's 500 by **29%**
 - Dow Jones by **20%**
- Gender diverse companies are 15% more likely to outperform others.
- Ethnically diverse companies are 35% more likely to outperform others.



Summary

- An environment that is positive and motivating for its people increases worker satisfaction, productivity and retention.
- When people feel respected and their differences are valued, they are better able to realize their full potential and make meaningful contributions to the workplace.
- Diversity, equity, inclusion and belonging facilitates innovation and provides clients and customers with increased value.
- Diverse organizations significantly outperform others increasing their bottom line.





Wrap-Up

What specific actions will you take based on what you learned in today's session?



Questions





Jeremy York (he/his), SHRM-SCP, SPHR
Vice President, Talent Strategy and Success

jeremy@purpleinkllc.com

Strategic | Communication | Achiever | Activator | Input

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