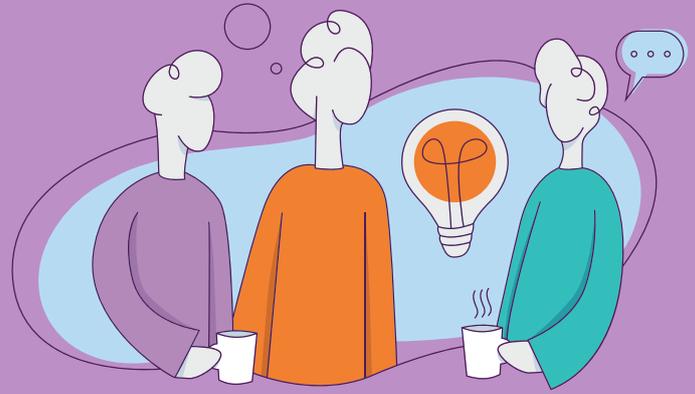


DIVERSITY + INCLUSION = BETTER BUSINESS OUTCOMES



Diversity and inclusion is a hugely important topic in business. We're talking about how prioritising D&I is better for your business - follow this six step guide to get started as a SME!



Every business can be a force for good
Updated in August 2020 by Heart of the City

Diversity + inclusion = better business outcomes

Diversity and Inclusion (D&I) is a huge talking point in today's business world. Businesses have had to show their hand on their [gender pay gaps](#) and there's been talk of [race and disability-focused employment quotas](#). There's also been concern from some over a perceived prejudice among UK employers towards [transgender workers](#).

Evidence shows that D&I in many organisations produces above-average financial results and can promote a broader scope of ideas and innovation. And building a D&I strategy that values employees and treating them with open-mindedness in a safe environment gives them the space to thrive.

The D&I business case

Most businesses want their customer base to be as wide as possible. Having a workforce that better reflects your market will help with this as you'll tap into revenue streams you haven't thought of before. And by including diverse perspectives and backgrounds you reduce your exposure to long-term risks that could sink unprepared businesses. Companies with strong gender and ethnic diversity are [15% and 35% respectively more likely to outperform their competitors](#).

Having a diverse and inclusive workforce allows you to build a positive brand identity that connects you to the community you're working in. [In a PwC survey](#), 54% of women and 45% of men said they researched if a company had D&I policies in place when deciding to accept a job. Broadening your approach by using strategies such as blind hiring will help you get the best applicants without unconscious biases getting in the way.

Diverse and inclusive teams are often happy teams! This can increase productivity and lower your employee turnover. Deloitte's research shows this: when employees think their organisation is committed to and supportive of diversity, and they feel included, their ability to innovate increases by 83%.

What can SMEs do?

For SMEs, this could feel overwhelming and expensive. It can be challenging trying to figure this out without the dedicated resources, consultants and budget that bigger businesses have. So, to help you get a clear idea of strategies to make diversity a reality, here are six steps you can take to build a more diverse and inclusive workforce.

1. Internal education and alignment

For a D&I strategy to have real meaning and impact, you should focus on changing existing cultures, thinking and behaviours. It's one thing to make an effort with policies, but to succeed, you need your entire business to understand why it's so important.

2. Gather data

Before implementing anything, you need to know what your workforce looks like. By having data on employee demographics, you'll better understand the diversity of your team and see any areas of concern or trends. Demographic data could include:

- age
- disability
- ethnicity
- gender
- gender identity or expression
- organisation function and level
- race



- religion, belief and spirituality
- sexual orientation
- socio-economic background

You probably already have a lot of this information on your HR system but lots of businesses also use voluntary surveys to know more. You might find it challenging to get diversity data from employees because some people won't want to give this information. If this happens, you could use online surveys that will capture information without identifying people.

3. Don't do too much too quickly

Introducing too many initiatives at once might mean you miss the opportunity to authentically connect with your employees. It's better to start with one or two initiatives that promote diversity.

Mentoring is an important part of a diversity initiative because it means you'll make progress internally first. And by starting internally, you're more likely to be successful. Another internal step you should take is to address the policies and practices affecting D&I. Take a look at them and see if there are any barriers that make it more difficult for people from different demographic groups to be employed. Once you can see these barriers, you can think about which policies or practices you need to change or get rid of – examples are employee referral programmes and unconscious biases.

4. Get senior management on board

For your D&I initiatives to succeed, you need your senior leaders to understand the business case for it, with direct links to your goals. You also need to show how management will be held accountable for supporting and engaging in the D&I initiatives. Talk to them about expectations such as keeping a dialogue with employees about D&I, training for team members and holding direct reports accountable.

You could also create a diverse committee of employees from all levels, as it means that leaders' support is visible. Your committee should have a clear mission, defined budget, expectations and performance indicators. Diversity committees meet regularly and are usually responsible for:

- promoting training and events to bring awareness about diversity and inclusion at work
- engaging co-workers in diversity and inclusion conversations
- reviewing and developing policies and procedures that will promote D&I

5. Communicate

Once you have a plan, you need to let your stakeholders know! Get a list of your different stakeholders and design messages that inform, educate, engage or empower – whatever's appropriate. Use metrics and success stories to connect the diversity and inclusion efforts to your organisational goals and strategic plan. Then, make a communication plan using all the channels you have, such as executive presentations, media, newsletters, your intranet and emails.

6. Disseminate, measure, review and adjust

It's so important to measure the results of your diversity initiatives– you need to know they're working. Some outcomes that will show success are:

- increased representation of identified groups
- higher employee survey scores
- better employee retention
- public recognition such as employer awards or social media accolades

Once you have some results, you should be telling people at all levels as this demonstrates the business case for your initiatives. Some communication tools you could use are:



- creating infographics for senior leadership meetings and public affairs
- memos to employees
- videos on your website for potential employees

D&I initiatives will need ongoing review, and you'll need to respond to changing needs. To do this, you should make a plan for periodic review of your initiatives and goals. And once you've had your initiative in place for a while, think about surveying your employees again to find out how they feel about your efforts.

...and finally

Don't expect a change immediately. To truly have a diverse and inclusive organisation, it takes internal education, investment and new ways of thinking about hiring and organisational culture, and that takes time. You don't always need big budgets or thousands of employees or huge brand names to work – just the time, effort, and intention to be better at inclusion.

More reading

- [Michael Page](#): *Diversity & Inclusion: How UK SMEs can turn the D&I challenge into an opportunity*
- [Strategic Finance](#): *D&I in small business*
- [CIPD](#): *Diversity and inclusion in the workplace*
- [ACCA](#): *The business case for diversity management*
- [Department for Business, Innovation and Skills](#): *The business case for equality and diversity*
- [HR Magazine](#): *What employers can do for BAME employees as we head back to the office*
- [Hydrogen](#): *Building a successful D&I strategy*

