

DIVERSITY, EQUITY AND
INCLUSION:

SHAPING EMPLOYEES WELL-BEING

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Introduction

In today's rapidly evolving world, organisations increasingly recognise the significance of diversity, equity, and inclusion (DEI) as critical drivers of their success. The concept of DEI encompasses the intentional efforts to **create a culture that welcomes, respects, and values individuals** of different backgrounds, identities, and perspectives. By fostering a diversity, equity, and inclusion culture, organisations and their leaders can tap into a wealth of benefits that extend far beyond compliance with social and legal obligations.

This white paper aims to provide a comprehensive understanding of the importance of DEI and its profound impact on organisational growth.



MODULE 1

The Expectation of Commitment to Diversity, Equity and Inclusion

The Current Societal Expectations

Diversity, Equity, and Inclusion (DEI) have become increasingly important in today's society and there are clear expectations from both the public and regulatory bodies regarding organizations' commitment to these principles. We have identified critical societal and regulatory expectations in this regard.

Public Awareness and Expectations:

Social Movements and Activism - Over the past decade, social movements such as #MeToo, Black Lives Matter, and LGBTQ+ rights advocacy have gained significant momentum. These movements have raised public awareness about discrimination, inequality, and lack of representation, increasing expectations for organisations to prioritise DEI.

Market Sentiment - Studies have shown that consumers increasingly consider a company's commitment to DEI when connecting to a company. A 2021 survey by Edelman found that 60% of consumers consider a company's stance on DEI before buying their services.

Employee Expectations - The current workforce, particularly younger generations, places great importance on DEI. According to Deloitte's 2021 Global Millennial and Gen Z Survey, 76% of Gen Z respondents and 72% of millennial respondents believe leaders should prioritise DEI.

Shareholder Activism - Institutional investors and shareholder groups increasingly demand that companies prioritise DEI. Shareholder resolutions related to DEI issues have gained traction, indicating that investors consider it a key factor in evaluating a company's long-term sustainability.



The Role of HR Professionals in Creating a Diverse and Inclusive Culture

A diverse and inclusive culture fosters innovation increases employee engagement and drives organisational success. In this module, we explore the significant role that Human Resources (HR) professionals play in creating and maintaining such an environment, taking into account that **change needs to begin with the company culture at the core of the organization**. When DEI starts with genuine and true culture, it radiates out into the world organically to the people who matter most: the employees, the candidates and clients you support.

Recruitment and Hiring:

Inclusive Hiring Practices advocate for **unbiased recruitment processes** focusing on skills, qualifications, and potential rather than demographic characteristics. Organizations are encouraged to remove biases from job descriptions, broaden candidate sourcing channels to reach diverse talent pools and implement diverse interview panels to ensure a fair evaluation of candidates.

According to a survey by LinkedIn, 78% of HR professionals believe that diversity hiring is essential for driving innovation and creativity in the workplace.

- A report by Glassdoor found that 57% of job seekers consider a company's commitment to diversity and inclusion when evaluating job offers.

Increased Employee Feedback:

From internal surveys and focus groups to town halls, finding ways to get direct feedback from employees is essential to understanding how company culture is advancing or stifling DEI progress. Not only can leadership and HR teams learn from the insights gathered, but sharing those insights with the entire business has several positive outcomes:

- **Employees** know they are heard and see that their input matters, DEI and other people programs can be thoughtfully adapted to the unique needs of the business and its workforce.
- **Businesses** can measure changes to employee satisfaction or engagement as programs expand or adapt.
- **Leaders** can get a firsthand understanding of the impact DEI and other critical cultural efforts have on the workforce.

Training and Development:

According to a report by the Society for Human Resource Management (SHRM), organisations that invest in diversity training experience a 15% increase in employee engagement. In this direction, companies must design and deliver effective programs that foster awareness, empathy, and inclusive behaviours across the organisation.

At Gi Group Holding we promote diversity awareness, cultural sensitivity, and employee-inclusive behaviours to facilitate inclusions, providing:

- **Team Coaching:** to foster team spirit, enhance diversities and better collaborate.
- **Parents@Work:** to support moms and dads in balancing work life and home life.
- **Intercultural Group Coaching:** to assist employees in feeling and navigating the international environment.
- **Women4:** to promote female employment in traditionally male sectors and reduce gender bias.

These initiatives help foster a respectful culture for everyone.

Policy and Compliance:

HR professionals are responsible for developing and implementing policies promoting workplace diversity and inclusion. They ensure compliance with relevant laws and regulations and promptly address discriminatory practices or behaviours, building the ground for a more inclusive mindset & culture.

- Research by the Center for Talent Innovation showed that companies with diverse and inclusive cultures are 1.7 times more likely to be innovation leaders in their market.

Equal Pay Conditions:

Companies have the power to address **gender pay gaps** to ensure internal equity and external competitiveness, to recognize and reward performance, to adopt clear and transparent governance of compensation strategy committing to provide a fair and equal Total Reward Package.

Leadership Impact on Inclusion:

Employees consider a leader's commitment to diversity and inclusion necessary for their job satisfaction and psychological well-being, predicting higher team performance.

The company culture is only as strong as those who are behind it. If business leaders and managers get behind DEI messages and practices, adoption rates will likely rise. If they are quiet about DEI work and make the effort the responsibility of other groups (HR, people and culture, training, etc.), employees and partners are much more likely to see it as optional.

Employees take their workplace behavior cues directly from their managers and mentors. Engaged managers who are good at explaining why DEI matters and open to outreach on diversity issues are key to building a more welcoming company culture and solidifying the DEI mindset into rising generations of **talent** and leaders.

- A study by Diversity Best Practices revealed that 87% of employees believe that a leader's commitment to inclusion directly impacts the overall culture of an organization and contributes to a positive work environment.

Any efforts must be not only top-down but also bottom-up if they are to have any chance of working. While **C-suite leaders** might be focused on driving widespread culture change, **middle managers** are on the ground, responsible for the day-to-day operations of their team. For them there might be multiple barriers from taking ownership of advancing belonging. One barrier is competing demands, as they have to manage up, down and across.

At the end of the day, middle managers interact with a wide variety of employees across levels and therefore play a pivotal role in employees' experience and retention rates. To see a return on investment when it comes to inclusion, don't underestimate their impact on culture.

Sources:

- Title VII of the Civil Rights Act of 1964
- UK Equality Act 2010
- Equal Pay Act of 1963
- Understanding Affirmative Action
- Google Diversity Annual Report
- Microsoft Diversity and Inclusion Report
- Facebook Diversity Report
- Deloitte Global Diversity and Inclusion Report
- Harvard Business Review - How to Take the Bias Out of Interviews
- Society for Human Resource Management - Diversity, Equity, and Inclusion Training

MODULE 2

Benefits of Diversity, Equity and Inclusion for Employee Well-being

Understanding the Connection Between DEI and Employee Well-being

This section unpacks the positive impacts of Diversity, Equity, and Inclusion (DEI) initiatives on **employee mental health, well-being, and job satisfaction**. By examining relevant statistics, we can better understand the tangible benefits that organisations and individuals gain from fostering diverse and inclusive workplaces.

Improved Job Satisfaction:

A survey conducted by McKinsey & Company found that employees in inclusive work environments reported higher job satisfaction and were 3.5 times more likely to feel a strong sense of belonging.

Enhanced Mental Health and Well-being:

According to a report by Deloitte, employees who felt included at work were more likely to report higher mental well-being and lower levels of depressive symptoms, reducing anxiety and promoting positive mental health outcomes among employees.

Increased Employee Engagement:

A Gallup study discovered that organisations with higher levels of racial and ethnic diversity experienced 35% greater employee engagement compared to less diverse companies.

Higher Retention Rates:

Companies that prioritise DEI have higher employee retention rates. The Harvard Business Review reported that inclusive organisations were 1.7 times more likely to have employees who intended to stay with the company for at least another year.

Sources:

• McKinsey & Company • Deloitte • Gallup • Harvard Business Review



MODULE 3

Challenges in Meeting Expectations

Common Challenges HR Professionals Face in Implementing Effective DEI Strategies

Driving the Change:

HR professionals often encounter resistance from organisational leaders, employees, or even other HR team members who may need to fully understand or appreciate the value of DEI strategies. This lack of buy-in can hinder the implementation process. Also, DEI efforts should not be treated as one-time initiatives but as ongoing, long-term commitments. The struggle with maintaining momentum and being able to drive the change over time, is of crucial importance to evolve employees and society mindsets and culture on the topic.

- A Harvard Business Review Analytic Services survey revealed that 46% of employees believe Leaders lack a personal commitment to diversity and inclusion.

Overcoming Bias and Stereotypes:

Addressing unconscious bias and challenging stereotypes is a significant challenge. Companies must design inclusive recruitment and selection processes to mitigate bias and ensure fair opportunities for all candidates, cascading to the whole Company. In this scenario **Leadership engagement is crucial** to actively support and involve employees on the topic for a smoother and more successful DEI implementation



Building a Culture of Inclusion:

Shifting organisational culture to embrace diversity and inclusion requires companies to navigate complex dynamics and change management. Ongoing challenges are overcoming resistance, fostering open dialogue, and establishing inclusive policies and practices.

A Gallup study found that only 36% of employees strongly agree that their organisation's mission and purpose make them feel their job is important, indicating a potential lack of inclusive culture.

Addressing Intersectionality:

Recognising and addressing individuals' intersecting identities and unique experiences is vital for effective DEI strategies. HR teams face challenges ensuring their initiatives are inclusive and consider diverse dimensions such as race, gender, sexuality, disability, and socioeconomic status.

Sources:

- Harvard Business Review Analytic Services Survey
- Catalyst report
- Gallup
- McKinsey & Company

MODULE 4

Conclusion

In conclusion, workplace diversity, equity, and inclusion (DEI) cannot be overstated. As societal expectations evolve, organisations are increasingly being held accountable for creating diverse and inclusive environments. The correlation between DEI and employee well-being is a compelling **driver for change**. Studies have shown that employees who feel valued, respected, and included are more likely to be engaged, productive, and committed to their organisations.

To effect real change, **leaders play a crucial role** in embracing DEI as a core business imperative. They can shape company culture, policies, and practices, ensuring that diversity and inclusion are woven into the organisation's fabric.

The benefits of prioritising DEI extend far beyond immediate gains. Organisations that embrace diversity and inclusion position themselves for long-term success. They tap into a broader range of **ideas, experiences, and perspectives**, enhancing innovation and problem-solving. Moreover, prioritising DEI helps organisations attract and retain top talent as job seekers seek inclusive workplaces that align with their values.

Organisations can cultivate a more resilient and adaptive culture to support navigate the complexities of a rapidly changing world. Companies that commit to DEI not only create a more equitable workplace but also contribute to **a more inclusive society at large**. Let us seize this opportunity and work together towards a brighter, more inclusive future.





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