

Five lessons in diversity management

Businesses that are more diverse perform better but building a diverse workforce is not just about ticking the gender and race boxes, it is about building synergy within diverse teams and cultivating diverse behaviour across the organisation and many South African top employers are getting it right.



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Billy Elliott, country manger: South Africa for the Top Employer's Institute explains, "The power of diversity in all its facets is a business advantage. It is something we see gaining momentum in Top Employers in South Africa. I believe that the country's history and context has made employers here that much more attuned to the power and possibility of diversity."

Recent data has shown that South Africa's most sought-after employers are increasingly recognising that diversity is a key driver of performance. An increasing number of global studies, including recent research by McKinsey, demonstrate a clear link between greater diversity and better financial results.

"When properly understood, diversity is not just black and white – it is gold. It brings in more revenue, makes for happier customers and ultimately builds more sustainable businesses."

Based on data from the Top Employers Institute annual certification of HR best practice in South Africa; there are five key lessons in diversity management that can help set companies apart.

1. **Define and communicate your diversity programme** – 87% of South Africa's Top Employers have clearly defined and communicated an organisation-wide diversity programme and 74% of South Africa's Top Employers ensure details of their diversity programme(s) are easily accessible via the intranet or handbooks.

For British American Tobacco South Africa (BATSA), managing diversity is non-negotiable. "Diversity is a key business imperative for BATSA, given the landscape of our organisation, which includes more than 137 nationalities represented in over 180 markets," explains Candice Watson, HR Director: Sub-Saharan Africa. "The company's tactical approach to diversity starts with making everyone feel valued for what they can offer and that this is clearly communicated. The programme is called 'Bring Your Difference'. We believe that from difference comes strength."

According to Linda Ronnie, senior lecturer in HR at the University of Cape Town Graduate School of Business (GSB), this kind of explicit recognition of personhood is key to success especially in South African organisations, where there are diverse cultural and personal needs in play and mutual understanding in the workplace cannot be taken for granted. She believes that communication and the spirit of Ubuntu or recognising common humanity is especially useful here.

2. **Invest in diversity training** – 87% of South Africa's Top Employers have trained specific employee groups regarding relevant diversity practices to enable them to build an engaged workforce through authentic and inclusive employee engagement. According to the Global Human Capital Trends report 2015 from Deloitte University, employee engagement is a priority both for HR and for the business and plays a critical role in business performance.

Knowing this, Santam's Organisational Development Manager Annemarie Christodoulou says the company's core value of Humanity is expressed through a variety of diversity celebrations around Heritage Day and Women's Day and concrete steps are taken to build an inclusive workforce for persons with disabilities. "Historically, diversity appreciation interventions have been run externally, but this is increasingly managed internally. A key role of HR is to equip front line managers with the tools they need to build greater synergy within teams. We see diversity as a source of strength, and are constantly looking for ways to leverage that and communicate it to our people."

3. **Measure the results of your diversity programme** - around 85% of South Africa's Top Employers evaluate the impact and effectiveness of their diversity programme regularly.

At BATSA, diversity measures are tracked and monitored against markers, such as female representation, at senior levels. There is also a culture of grow-from-within and inspirational leadership, says Watson. Among Top Employers, 94% have programmes in place to help women progress to senior management.

BATSA and other Top Employers in South Africa understand that what you measure is what you manage. In the past few years, Google has gone big on diversity, investing \$150 million into its diversity programmes in 2015 alone and setting up a dedicated diversity-related page designed to make its diversity statistics more public – thus triggering other silicone valley companies to do the same.

In an interview with USA Today, Nancy Lee, Google's VP of people operations, explained that the move was not about altruism. Google wants to secure its own future by establishing itself as a leader in diversity. "The tech industry understands that the future of our industry means we have to be more inclusive. We are literally building products for the world. It can't be this homogeneous."

4. **Employ people from disadvantaged backgrounds** - 100% of South Africa's Top Employers employ people from disadvantaged backgrounds. The latter refers to groups that do not have optimal chances in the labour market because of their socio-economic situation.

For Pernod Ricard, current efforts are targeted specifically at increasing diversity at middle and senior management levels. "More than 75% of our external hires are equity hires, in line with our aim to reflect the demographic of the economically active population," says Andre Muller, head of Human Resources. In order to encourage buy-in among

staff and address diversity-related challenges, there is an EEC committee tasked with collecting and responding to staff feedback. "Our staff turnover is low, at around 6% per year, so we are doing some things right."

5. **Education and age are also diversity factors** - over 40% of South Africa's Top Employers ensure that they monitor and manage the differences in employees' educational backgrounds. "Creating departments or teams, with different educational backgrounds, ensures a more diverse way of thinking," says Elliott. "Employees can approach challenges with different perspectives."

Furthermore, says Elliott, over a third of South African Top Employers have programmes in place to attract, engage and retain older people and 90% of them set out also to employ younger staff, driving greater age diversity.

This too is part of a global trend. A recent study by McDonald's found that age diversity made for a happier and more productive workforce. Employees reported that they were up to 10% happier working in a multi-generational environment and that this resulted in improved customer satisfaction.

"The power of diversity in all its facets is a tremendous business advantage," concludes Elliott. "It's something we see gaining momentum in Top Employers in South Africa. I believe that the country's history and context has made employers here that much more attuned to the power and possibility of diversity."

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