The Proof is in the Data: Diversity Promotes Innovation and A More Prosperous Organization

IP West

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Relationship between Diversity and Performance

• Companies in top quartile for gender diversity were 15% more likely to have financial returns above national industry median

• Companies in top quartile for ethnic diversity were 35% more likely to have financial returns above national industry median
Why?

• improved talent recruitment
• improved customer orientation
• greater employee satisfaction
• better decision making and innovation
Improved Talent Recruitment

• Diversity is an advantage in competing for top talent
• Diverse workers are good sources for diverse candidates
• Management behavior most likely to increase worker engagement is demonstrating a strong commitment to diversity
Improved Customer Orientation

• Reach key decision makers
  – 80% of purchasing decisions made by women
  – African-American and LGBTQ each control at least $1T in buying power

• Taking a customer perspective
  – able to respond to market developments more quickly and creatively
Greater Employee Satisfaction

• Diverse enough workplaces increase job and life satisfaction for women and minority groups
  – 15 percent of minority workers boosts satisfaction for those groups
  – boosts individual’s confidence
  – breaks down prejudices
Better Decision Making and Innovation

• Diversity of informed view enables
  – objections and alternatives to be explored more efficiently
  – solutions to emerge more readily and be adopted with greater confidence

• Diversity creates needed dissent
  – homogeneity stifles innovation
Increasing Diversity in Organizations

- create clear value proposition and set a few clear targets
- Understand current situation
- Differentiate initiative by diversity group
- Define rollout strategy for all initiatives
- Continuously address potential mindset barriers
Diversity Matters

• In a diverse and interconnected world, greater levels of diversity provides better performance.

• Leaders in diversity will pull farther ahead and laggards will fall further behind.