



4 REASONS

Inclusion and Belonging
Remain Timeless Priorities for
High-Performance Companies

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No organization can predict or control the ups and downs of the economic landscape in which it operates. And yet, at some point, every business makes the brave decision to build a product, grow a company and recruit and hire a workforce – despite the uncertainty.

In an effort to insulate themselves from the risk of the unpredictable, many companies have explored the benefits of increasing diversity among employees. And to some extent, these superficial efforts have shown promise, with research showing that companies in the top quartile for racial and ethnic diversity are 35% more likely to outperform their national industry medians.¹

“ But the majority of companies today have yet to fully embrace the potential of diversity within their organization because they’ve been missing an integral part of the conversation – **inclusion and belonging**. ”

WHY INCLUSION AND BELONGING, WHY **NOW?**

While the definition of inclusion and belonging has and will continue to evolve with the way companies do business, it's best understood as ensuring that everyone in an organization has the power to make change. True inclusion and belonging allow all employees in an organization to feel that they can contribute and have a voice in the work they do. That at a fundamental level, they are aligned with the company's mission and can live out their own values more deeply when they come to work.

Inclusion is also less about reinventing human resources processes, which may disguise systems that favor certain populations, and more about building equality into the way an organization hires and makes decisions. The most publicized example of biased process is, of course, when Amazon created a groundbreaking AI recruiting tool that evaluated successful employees to predict which candidates would be most successful at the company — and promptly identified men as the ideal job candidates.²



“Most organizations believe their hiring process is fair because everyone has to follow the same process,” said Michelle Kim, co-founder and CEO at Awaken. “This ‘equality’ mindset, which focuses on giving everyone the same tools and treating them the same, doesn’t recognize that our current system is not designed to treat everyone equally. Marginalized groups face systemic barriers to access and opportunities that others do not face, so we need to be extra intentional about designing a process that is equitable and accessible to all.”



The notion of being equitable and accessible to all is especially important today, as companies and individuals try to navigate the new workplace in the COVID-19 era. Where diversity efforts focus on representation, inclusion efforts focus on empowering people with different needs to do their best work. As Paige Maguire, Creative Director, XD, at R/GA Austin, said in her 2019 Women’s Day presentation, “Inclusion means our environments match our needs. It’s independence, not accommodation.”

“ The definition of inclusion is evolving for everyone, but we’ve found a good guide to be whether or not a company is giving actual decision-making power to underrepresented employees beyond having them at the table. **Diversity without inclusion can quickly become tokenism.** ”

— **Michelle Kim, co-founder and CEO at Awaken**

As organizations navigate the highs and lows of operating in unprecedented and tumultuous times, here are four reasons inclusion and belonging remain timeless priorities for businesses.

#1

CREATING AN INCLUSIVE ENVIRONMENT THAT MEETS EMPLOYEE NEEDS IS **GOOD BUSINESS**

When employees feel safe and supported in their roles, they're able to make better contributions to the business. But in today's economic situation, organizations are getting a front-row view of how stress and change affect productivity — and, ultimately a company's bottom-line. As employees struggle to adapt to having their work and home lives completely disrupted, the companies that support and even empower their workforce through this upheaval will see the biggest return on that investment.

“Psychologically safe employees are more interested in learning, excellence and genuinely connecting with others,” said professor Amy Edmondson, author of *The Fearless Organization: Creating Psychological Safety in the Workplace for Learning, Innovation,*

and Growth. “Without psychological safety, there's greater risk of cutting corners and people getting hurt, whether employees, customers, or patients.”³

While this need for safety is always present, it is especially urgent in times of economic uncertainty. How employers treat employees does not go unnoticed — and it will not be easily forgotten. As the expectation for businesses to be good corporate citizens rises,⁴ companies will be held accountable for the choices they make. These longer-term outcomes may manifest as changes in customer buying habits or whether top performing employees recruit others to join the company. And since employees are often the best recruiters for any company, that unwillingness to find new talent can be a pain point.



Some companies are tending to employee well-being and meeting their changing needs by allowing greater flexibility in working schedules, creating avenues for employees to socialize with each other distantly and even normalizing the presence of children in meetings. The latter is especially useful for single parents who may not have the support of a spouse while childcare centers are closed. Demonstrating not just a tolerance for blended work/home life but embracing it is helping to create an environment where employees feel they truly belong.

“ Everything we do is through the lens of care and support.... When you get culture right, everything else falls into place, and there is no better time to let that shine than right now. This pandemic has shown how critical it is to embrace our humanity, be understanding and caring — and that holds true for companies, too. **Make sure ‘human’ is prioritized in Human Resources.** ”

— **Kathie Patterson**, chief human resources officer at Ally Financial⁵



#2

INCLUSION AND BELONGING IMPROVE CORE HR METRICS

When U.S. businesses lose \$1 trillion every year to turnover costs,⁶ it's worth starting the conversation with the fact that focusing on inclusion has allowed workplaces to lower turnover,⁷ improve retention⁸ and reduce absenteeism.⁹ These documented benefits underscore the reality that when employees feel they belong and have a stake in the organization, they're more likely to stay and try to work through challenges than simply find a new job — and employers reap many of those benefits.

“Part of what can make an organization such a great place to work is that people are invested in staying and fixing the problems that crop up,” said Pamela Stroko, vice president, HCM Transformation & Thought Leadership at Oracle. “Over time, those benefits compound because you’re retaining valuable legacy knowledge and combining it with an overwhelming willingness to contribute. Powerful things can happen in that kind of environment.”

#3

INCLUSION AND BELONGING MAKE IT POSSIBLE TO EXPERIENCE THE **DIVIDENDS OF DIVERSITY**

Because a culture of inclusion and belonging gives everyone the opportunity and incentive to contribute, it also allows organizations to more directly tap into the proven benefits of building a diverse workforce, such as improved innovation,¹⁰ problem solving¹¹ and even profitability.¹² That is, when everyone on board has the space to bring their full contributions to the table, the company's processes, products and people will become stronger.

“Organizations need to ask themselves if they really believe in diversity and inclusion or not, and if so, is that something that is visible to the people who work there and the candidates who walk in the door,” Stroko said. “People need to be able to see a place for themselves within an organization and have confidence there’s someone they can identify with and share ideas with freely.”



But when it comes to getting a diverse group of candidates through the interviewing process and into the organization, it's on HR executives to do the work of building transparent and equitable experiences, such as the following:

- **Clearly communicate interview requirements such as a panel interview, whiteboarding exercise or length of interview meetings so candidates can ask for accommodations in advance**
- **Give new hires access to peers and mentors who can provide a safe space to ask questions and share experiences**
- **Agree on ways your organization will display the values of inclusion and belonging in everyday occurrences, such as team-building exercises, systems for decision-making and company policy**

“ There are so many documented benefits of increasing diversity within an organization at every level, but diversity without inclusion does not set organizations up for success. It might make the careers page look better, but you won't see any of the benefits of a diverse workforce unless you **give them the power to make decisions or contribute their perspective.** ”

— **Michelle Kim, co-founder and CEO at Awaken**



#4

INCLUSION AND BELONGING ALLOW YOUR ORGANIZATION TO ACHIEVE ITS **FULL POTENTIAL AND PURPOSE**

One of the downsides of investing in inclusion and belonging is that it can often take a long time to recoup a return on investment (ROI). But that's only if an organization ignores that it has a purpose and potential as a company outside of strictly bottom-line benefits.

In 2019, the Business Roundtable, made up of overwhelmingly successful executives at best-in-class companies such as JPMorgan Chase & Co., Johnson & Johnson and Vanguard, updated its Principles of Corporate Governance. While before this document focused only on the bottom line and ROI for stakeholders, these executives have now officially acknowledged corporations' role in improving society by

creating long-term value for everyone — including employees, communities and customers.¹³

“Belonging and inclusion can’t be successful until we see it as more than just a one-time event or activity, because it requires us to completely redefine the shared consciousness and principles that influence so many different things within a company,” Kim said. “When you make those changes, you can make a huge difference in broadening your company’s talent pool and screening people fairly and equitably. And that’s the goal you want to be working toward if you’re investing in making real change, not just seeking a short-term ROI in your bottom line.”

BE A PART OF THE FUTURE OF WORK **TODAY**

An incredible number of unknowable, ever-changing factors influence the talent life cycle today. The employers that navigate these ups and downs successfully — and that thrive as time goes on — will be the ones that continue to put people first and embrace their long-term role in making the business world a more inclusive place.

Because the future of work is not some distant time and place when an organization will have everything it needs to create the perfect working environment. It's now, today, when employees seek organizations that reflect the world they live in. Where company culture, inclusion and belonging create enough space for them to feel safe and while performing at their highest potential.

“**The current crisis has put organizations face to face with the ‘Future of Work’ today.** We no longer have an unlimited time frame to figure out culture, flexibility, trust, growing talent, remote working — that is all thrust upon us in this moment.”

— **Pamela Stroko**, Vice President, HCM Transformation & Thought Leadership at Oracle



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