

# Why workplace diversity makes business sense

Diverse, inclusive companies are more successful than those that do not nurture diversity. International research by McKinsey shows that gender diverse companies are 15% more likely to produce financial returns above their national industry medians, while ethnically diverse companies are 35% more likely to outperform.



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“Diversity should not merely be a compliance exercise to meet the needs of employment equity legislation and it should encompass a range of dimensions,” says Kimberley Axon, head of people services at Sage Africa & Middle East. “Gender, race and ethnicity are important considerations in a country with South Africa’s history but businesses also need to look at dimensions such as sexual orientation, religion, age and even personality type.

Gerrard Foster, director at Project Fable, an African insights and content design company, adds that diversity is critical in the connected economy because it gives organisations access to a workforce with a wider spread of creative ideas and ensures they are in tune with the needs of a diverse customer base. A diverse workforce brings the problem-solving skills and creativity businesses need as they move from an industrial to a digital economy.

“That may mean questioning many deeply held assumptions among managers and the people they manage. For example, many older employees may have risen through the ranks of the office hierarchy over the course of a couple of decades. They could be accustomed to rewards of seniority — a private office, a prime parking space — and feel entitled to a senior position,” continues Axon.

“This could create conflict if the organisation appoints a younger leader as their peer or even their manager. Yet many businesses are looking at appointing younger managers in their management teams because they have grown up with today’s technologies, are in sync with the needs of the future customer and understand the new, collaborative workplace.

“The start, if you are an HR manager or a business owner, is to create a safe forum where people can discuss issues around diversity and inclusion. It is important to listen to people to understand their life experiences, their challenges and whether they feel they can be themselves at work, without encountering prejudice.

“If you’re raising the conversation as a leader or business owner, you must be sincere, and that means you need to be open to questioning your own biases. However, recognising diversity and seeking to encourage a diverse team can position your company as an innovator and create a strong sense of community in the workforce.”

To listen to the full conversation by Axon and Foster, go to [soundcloud.com/sageinvisibleadmin](https://soundcloud.com/sageinvisibleadmin).

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