

ESG and DEI Strategies Improve Company Culture and Financial Goals



Although research has shown that a commitment to DEI and sustainability can make businesses more productive and profitable, there are still those who question the investment it takes to implement these strategies in a meaningful way.

Since DEI programs focus on the people in the organization, it stands to reason that it will have a profound effect on the culture of an organization. And the culture can help tell a brand story that matters.

Your people can be your greatest advocates. But they must

regard the company as a great place to work. Instead of getting hyper focused on the ROI of these programs, make it about providing a climate of inclusion for your workers.

Jean Gillson is a staunch supporter of DEI and how it can elevate the success of a business. For more than 20 years Gillson has owned a manufacturing casework business.

“I have a background in operations and HR, but my passion is DEI,” she says. “I strongly believe that business and people should be more married together. DEI is the way to achieve that.”

She refers to the Great Resignation as an indicator of workers’ disappointment with company culture and working conditions. “The people are speaking. If companies refuse to listen, they will fail or at least suffer,” warns Gillson.

She believes that DEI encompasses much more than race, color, and creed. It’s about everyone. DEI programs should bring people together and embrace the differences to create a positive change in the business.

“Remote work is here to stay – and even increase through 2023,” says Gillson referring to a report from data scientists at Ladders. The report projects that 25 percent of all professional jobs in North America will be remote by the end of 2022, and remote opportunities will continue to increase through 2023.

Company Culture vs Climate

Company culture is based on core values, beliefs, and behaviors. Businesses need to make their values the guiding light that’s embedded into every aspect of the organization. It’s the collective view of “the way work is done.”

Climate is how the staff perceive the impact of the work environment on the individual. It’s the atmosphere created in

the organization based on the culture. When both are in alignment with the people in the organization it makes it a great place to work.

DEI is an integral part of the culture. And how that plays out will inevitably influence the climate.

“Personality tests are an effective tool a company can use to build inclusion,” says Gillson. “They are a very valuable tool to learn how to deal with different people.”

The goal of personality tests is to understand people, but there is also the added benefit of helping your people to learn more about themselves. A good test can give you tangible, scientific information on how to make changes in areas of weakness.

“Many of us don’t understand ourselves well,” notes Gillson. “The pandemic has inspired change that was much needed. Companies are offering PTO policies to help with work-life balance. They’re focusing on personal production levels, rather than hours on the clock.”

SMB DEI Strategies

It’s the people that make a business successful, so it’s imperative that companies beef up their people strategies. “One way a small business can double up on the value of DEI programs is to partner with local community organizations,” says Gillson. “You can employ workers from diverse groups connected to those organizations.”

This is a smart way to create an inclusion program. Sponsoring community events can provide positive exposure and visibility for the brand at the same time.

DEI and The Bottom Line

Companies with a strong diversity, equity, and inclusion program are more likely to hit their financial goals. A study

conducted over a three-year period showed that diverse companies enjoy 2.3 times higher cash flow per employee. And those with a more inclusive workforce are 120 percent more likely to hit their financial goals.

Research from Deloitte, Boston Consulting Group, the Harvard Business Review, Forbes and more, all show the same thing: diverse and inclusive companies are more innovative and, therefore, the more profitable they can be.

A 2020 study from McKinsey found that businesses with more ethnic and cultural diversity were as much as 36 percent more profitable than less diverse ones.

So, it's not just about doing good or doing the right thing. It's just good business.