The Impact of Diversity and Inclusion on Company Culture and Revenue

Since company culture is defined as the aggregate of attitudes, values, beliefs, and behaviors — the make-up of a workforce is the very bedrock of that culture. When your workforce is all males, all females, all people of one race or religion, you get a group existing in an echo-chamber of sorts, with many of the same values and perspectives.

A hundred years ago business was predominantly a white male occupation and consequently most companies had a very male-centric culture. World War One and the formation of the Women’s Bureau of the Department of Labor saw the beginnings of the movement towards a more inclusive and diverse workforce.

By the year 2000, 39 percent of the workforce in the US were women. Surprisingly, that number has not moved much in 20
years. Black workers make up only 12 percent of the US private-sector workers so there is still much work to be done.

“When I graduated from Columbia University with a master’s degree in Organizational Psychology, it was not easy for me to find a job,” says Shakila Maharaj. As a blind woman of color there were few opportunities for meaningful work related to her academic qualifications.

She returned to her home in South Africa and found employment in the HR department of South African Railways (Spoornet). She remained there throughout the years of Affirmative Action and the Employment Equity Act.

“But because it was South Africa, the first diversity initiative was race,” says Maharaj. “Then later came women and last of all disability, although there are still huge gaps in that area.”

After she left Spoornet she consulted internationally for clients in the banking sector, government, academic institutions, manufacturing companies, and tech companies. Her work was in strategy and policy development for diversity and inclusion.

“To institute change successfully it’s necessary to accelerate acceptance in the workplace,” explains Maharaj. “It starts with valuing diversity, then working on attitudinal change, and finally managing diversity at the operational level, which requires skills training.”

It doesn’t happen overnight.

The previous workforce has not been exposed to the new hires of a different race gender or creed and they are being asked to respect and engage with them as equals. And it must be genuine, not just a false acceptance to go along with the company policy.
This integration can be seen clearly in a merger. Two company cultures are forcibly brought together and have to be integrated so that the workforce gets along and pulls together for the greater good of the newly formed business.

These diversity and inclusion actions place an extra strain in HR of a company. HR becomes a more important player and must support management as they strive to implement initiatives that move them towards becoming an amazing workplace.

“Another factor of diversity is the tendency not to give diversity hires work of equal value,” states Maharaj. “That impedes their ability to grow in the job, which perpetuates the stereotype that they don’t have the ability to do the job or be equal to the original workforce.”

The way to handle these issues is to set up communication and feedback systems. Women should feel safe to give feedback if they feel they are being prejudiced or harassed. There is a definite culture issue between men and women in the workplace. The old “boy’s club” has an accepted communication and behavior dynamic, but it’s not the norm for women.

“What mostly holds them back is a lack of confidence and trust in themselves,” says Maharaj. “In many cases they are afraid that they don’t have the capacity to work with race, gender, or disability hires on an equal footing. The fight or flight mechanism kicks in and they either avoid it or they fight it. They become resistant and a barrier to change. When they recognize the gap within themselves, you can give them the skills to handle it.”

Having seen the result of the enforced diversity and inclusion in South Africa, Maharaj has some unexpected advice for companies in the US and around the world. “Don’t do it for the sake of representation, do it because you genuinely want talented people doing good jobs, earning the respect they deserve, and growing the company.”
Several studies have shown companies that do embrace diversity do better financially. Why is that?

A diverse team innovates. A workforce comprised of the same race group or cultural background thinks in a similar way and will do more of the same, time and time again. In a diverse group everyone comes from different perspectives and cultural values, with a different set of life experiences and solutions to problems. Consequently, diverse thinking leads to a rich company culture where new ideas are shared, and fast innovation is the result.

“More of the same leads to stability, not growth,” says Maharaj. “Innovation is what puts you ahead of your competition.”

She cited technology companies as a good example. “They are not using diverse development teams for any lofty reasons. It’s not driven by human rights, laws, or quotes. Diverse teams understand the end users’ needs. They can unlock market growth with their new ideas and adaptability. Diversity is critical because it drives innovation. And that keeps you ahead of your competition.”

About the Author: Shakila Maharaj is the Managing Director at ShazaCin Accessible Media. She is recognized global disability strategist, a member of the Presidential Working Group on Disability, and a registered Organizational Psychologist.