

HOW TO PROMOTE DIVERSITY, EQUITY & INCLUSION In Small Businesses

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DIVERSITY, EQUITY, AND INCLUSION—

Three simple words with huge meaning
and ramifications for businesses



Diversity, equity, and inclusion (DEI) have taken over headlines due to current events shedding light on the unequal treatment of people of different races, ethnicities, income levels, genders, and sexualities. Whether intentional or not, ongoing bias and discrimination have limited diversity in our workforce and resulted in underrepresented populations.

Diversity, equity, and inclusion are most powerful when employers make a commitment to and foster a workplace culture around DEI. DEI can't just be a one-off project or side strategy to your business. It has to be a core value and foundation of who your business is—DEI is not what you do, it is who you are. As a result, DEI is everyone's responsibility.

While bigger brands take the spotlight when it comes to diversity, equity, and inclusion, small businesses have just as much to gain from a commitment to DEI. But because it is such a big initiative, DEI can feel overwhelming. **This guide will help small businesses take the first step in creating a plan and making a dedicated effort towards diversity, equity, and inclusion.** To start, it's important to understand what diversity, equity, and inclusion mean.



WHAT ARE DIVERSITY, EQUITY, AND INCLUSION IN THE WORKPLACE?

Diversity, equity, and inclusion can be broken down into its three components:



Diversity refers to some of the many ways that people differ, such as a person's race, religion, gender, disability, sexual orientation, age, education, socioeconomic status, or other aspects.



Equity helps people achieve the same outcomes, regardless of their differences, through fair and unbiased treatment.



Inclusion is an individual's sense of belonging, comfort, and support in the workplace.

It's important to understand the nuances of each of these areas—because you can do well in one and not in another. For example, if you hire someone with a diverse background but they don't feel comfortable having a seat at the table, you've aided diversity but are lacking inclusion.

You can think of DEI as a means to level the playing field. DEI in the workplace provides equal access to opportunities for employees. Opportunities could include applying for a job, getting a promotion, pursuing an education, starting a family, contributing ideas, and gaining new skills.

WHY DEI MATTERS—ESPECIALLY FOR SMALL BUSINESSES

There's no shortage of research and data that shows companies focused on diversity, equity, and inclusion (DEI) are more successful.

Companies that excel at diversity, equity, and inclusion initiatives see a

28%

higher profitability than other companies.

Source: Accenture, Getting to Equal 2018: The Disability, Inclusion Advantage, 2018

76%

of job seekers feel a diverse workforce is an important factor when evaluating companies and job offers

32%

of workers wouldn't apply to a job at a company with a lack of diversity

Source: Glassdoor, Diversity & Inclusion Workplace Survey, 2020

5 BENEFITS OF DEI

- 1 Higher profitability
- 2 Increased likelihood of innovation and competitive advantage
- 3 Enhanced employee engagement and productivity
- 4 Better customer loyalty and brand reputation
- 5 Improved hiring and retention

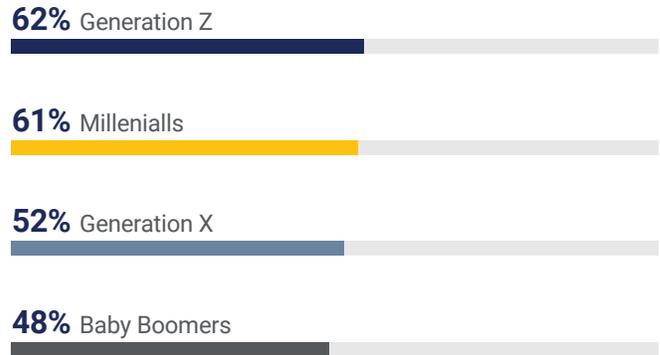
Ultimately, better diversity, equity, and inclusion in the workplace enable growth—both in people and profits.

DEI also has important implications for hiring and retaining employees. The number of workers who care about and understand the value of DEI is increasing. It's no surprise that Generation Z and Millennials value DEI more than Generation X and Boomers—because they're more diverse themselves.



Source: Pew Research Center, 2018

Percent Who Feel DEI Efforts Must be Intentional



Source: Pew Research Center, 2018

Further, ethnic minority and female worker populations are growing and making up a bigger share of spending power. So if our customers are becoming more diverse—so too should our workforce.

A diverse workforce creates creativity and innovation through differing opinions and perspectives. When employees think differently they are able to problem-solve, formulate plans, and innovate more easily.



All businesses benefit from DEI. But especially small businesses looking to grow. DEI brings many advantages to employee growth, product development, project management, and process improvement. To reap those benefits, organizations must start with a DEI plan.

PLANNING FOR DIVERSITY, EQUITY, AND INCLUSION

Diversity, equity, and inclusion do not happen overnight. These initiatives require careful planning and execution from the top down. Without a plan, diversity, equity, and inclusion are hard to execute and track.

A DEI plan is an internal, formal document or communication that provides the background, business case, goals, and strategy of the organization’s diversity, equity, and inclusion efforts. Having a formal DEI plan in place showcases a commitment to DEI and holds organizations accountable to DEI goals.

4 Steps to Develop a DEI Plan & Strategy

STEP 1

EVALUATE YOUR CURRENT PROGRESS TOWARDS DEI

To determine the progress your organization wants to make with diversity, equity, and inclusion you have to know where you’re starting from. Companies can judge their existing DEI efforts by assessing their current employee demographics and gathering employee feedback through internal surveys.

- ✓ Internal survey results should break down metrics like job satisfaction and sense of belonging by demographics for more insights
- ✓ Organizations can benchmark their demographic data against other data sources—such as the U.S. Bureau of Labor Statistics—to compare their current DEI progress and formulate goals



BUILD THE BUSINESS CASE

DEI requires buy-in from all levels of an organization from leadership to management to individual contributors. Not everyone will be aware of the benefits of DEI. So start by educating yourself and your company on its importance:

- Establish an Employee Resource Group (ERG) to talk about DEI ✓
- Hold a roundtable or lunch and learn to talk about the importance and benefits of DEI in the workplace ✓
- Set up formal training on topics like bias, micro-aggressions, stereotyping, cultural awareness, etc. ✓



Keep in mind that leadership plays an especially important role in the success of DEI efforts. Business leaders serve as role models and change agents for DEI. Holding leadership accountable for the DEI plan execution and success will ensure someone is advocating for its progress.

STEP 3**DEVELOP A DEI PLAN AND POLICY DOCUMENT**

Because diversity, equity, and inclusion encompass a lot, it's helpful to organize your DEI efforts into a document. There are numerous ways to approach a DEI plan, but most will include:

- ✓ The company mission and vision and how DEI fits in
- ✓ The business case for DEI
- ✓ Why the organization is committed to DEI
- ✓ Key steps or actions to achieve DEI goals
- ✓ Communication strategy for sharing DEI progress
- ✓ Goals and key performance indicators related to:
 - Recruiting Efforts
 - Hiring
 - Retention
 - Training & Development



STEP 4

COMMUNICATE YOUR DEI PLAN AND PROGRESS

A DEI plan will provide organizations more benefits when they can report on it and show their progress. Transparency of efforts is also important to uphold a commitment to DEI and ensure progress is made. Share efforts through a variety of channels:

- ✓ Make sure DEI comes through your company website and brand messaging
- ✓ Share status updates in company meetings
- ✓ Highlight progress through stats on job boards or in job descriptions



HOW TO IMPROVE DEI IN YOUR WORKPLACE

Diversity, equity, and inclusion require an ongoing commitment. So even if you have a DEI plan and strategy in place, there are plenty of opportunities to push your efforts further. Some tips that will make it easier to get started:

Look beyond traditional markers of diversity—especially if you're a small business, it can feel hard to include a lot of diversity if you only have 10 employees. But you can focus on a variety of diverse factors outside race and gender, such as age, family status, and location.

Start with leadership—DEI has to come from the top down, and this is usually the first indication to others looking into your company of the diversity that may be there. It also goes a long way in promoting inclusion and a sense of belonging when employees see someone of a diverse background—perhaps similar to their own—represented on the leadership team.

Reduce bias and discrimination in the interview and promotion process. There are plenty of interview tactics that promote DEI, but the most common is taking a structured interview approach. Structured interviews reduce bias by making the process the same for each candidate. And when writing job descriptions, think carefully about whether you're excluding anyone based on unreasonable requirements for education, skills, or experience.

TIPS FOR SMALL BUSINESSES

As a small business, it can feel like the only way to promote diversity, equity, and inclusion in the workplace is through your hiring. But often with smaller teams, that doesn't provide many chances to recognize DEI. Businesses can take steps to promote diversity, equity, and inclusion among their existing workforce too.



Support more religious and cultural practices.

Offer more floating holidays for those who don't celebrate events associated with Christian faiths.



Host more employee resource groups (ERGs).

ERGs are shown to provide a safe and inclusive environment for employees to voice their concerns and opinions about different DEI topics.



Make the workplace conducive for diverse workers.

Make accommodations for those with disabilities, employees that speak foreign languages, etc. In some cases, this is legally required but when it's not, going above and beyond to accommodate employees will make them feel recognized.



Celebrate diversity!

From Black History to Women History to Hispanic Heritage month to Juneteenth and other notable events, there is ample opportunity to observe diversity. Do a quick poll among your employees to see how they'd like to celebrate. It can be something as simple as a company catered lunch or educational lunch and learn. But any kind of celebration can bring positive attention to and recognize diversity.

USING AN HR PARTNER TO SUPPORT YOUR DEI EFFORTS

Small businesses already have their hands full with plenty of other responsibilities. Finding the time to work on diversity, equity, and inclusion in your company may seem impossible. With an HR partner like Obsidian HR, you can find more time and the strategic support you need to focus on this important initiative.

When you work with Obsidian HR, you can find and onboard talent faster and easier. Our resume database, recruitment advertising, and applicant dashboard make it easy to log jobs, create job listings, post to hundreds of job boards, and track results.



On top of that, our full-service HR team will help you handle everything that comes after a new hire so that they feel welcome and supported.

- Onboarding & Growing Teams
- Motivating & Engaging Employees
- Training & Developing Employees
- Securing & Offering Employee Benefits
- Handling Payroll, Compliance, & Legalities
- Managing HR Operations

***If you're ready to learn more,
reach out to us today!***

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