

- ▶▶ Grow a culture of inclusion
- ▶▶ Value diversity in recruiting
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DIVERSITY

Embracing diversity – whether in a company or in society as a whole – is for the benefit of all. People from diverse ethnic backgrounds, cultural orientations or different generations bring with them a wealth of cultural backgrounds, life experiences, thoughts and ideas. The best leaders and companies will find a competitive advantage in diversity, leveraging and exploiting it to come up with innovative and better solutions for the world of tomorrow.

Connecting Generations – Getting Ready for the Future

For the second time in a row, the Edelman Trust Barometer – an annual worldwide survey on trust in institutions, government, NGOs, media and business – has found that more than 80% of the people expect business to balance profits and the common good. How can companies grow sustainably and in balance? Businesses have to find an answer to this question. Many current examples show that companies still struggle in doing so. Why is this?

We think it is because their management has not understood that you cannot change your original way while behaving like you always have. In order to change and grow differently than before, companies must do everything different. On their path to a better future they need to innovate, experiment, take risks, pioneer. Or more precisely: their employees have to. Companies doing well in supporting them in doing so, especially as they are characterized by a great diversity.

Today, more than five generations meet at the workplace: the postwar generation, the baby boomers, and the generations X, Y and Z. They all work towards the same goal: developing business further in order to benefit from its success. But

they work with different mindsets: while the older generations were indoctrinated with the mantra of never ending economic growth and greed for more profit, the younger generations have experienced this same growth as a threat to their own prosperity, the environment and society as a whole.

Most of the attempts of sustainably developing traditional companies have been led by older generations only. And herein lies the problem: their behavior patterns are characterized by a quest for the preservation of structures and the securing of reputation. How can they possibly

drive fundamental change? The younger generations on the other hand are characterized by a great sense of community and are not so much attached to hierarchy as to performance excellence. To change and to constantly innovate is almost natural to them.

Consequently, companies can do good if they connect the generations and share responsibility for innovation between them, leaving hierarchies and authorities behind. Internal communication, as well as the leadership style, play a decisive role in the process of connection. It is no longer about leading and following, but about collaborating. ■



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Today, connecting generations is no longer about leading and following, but about collaborating

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The Power of Inclusion

What does diversity and inclusion mean and how can it add value to an organization? The terms diversity and inclusion are sometimes used interchangeably, while, in fact, the concepts are quite different. Diversity refers to the variety of human characteristics and perspectives, while inclusion refers to the act of truly embracing and leveraging those characteristics and perspectives.

Many companies focus on the more visible aspects of diversity, such as race, gender, ethnicity and physical or mental ability. Thermo Fisher Scientific looks at both visible and less visible characteristics (i.e., communication, working style, conflict resolution techniques). The company believes diversity and inclusion (D&I) creates a global environment that embraces and leverages all of the unique qualities and differences of every individual employee. Growing a culture of inclusion creates value for organizations because employees are empowered to bring their whole selves to work and contribute their best.

Employee resource groups (ERGs) are a key element of this strategy. ERGs are formed by em-

ployees to share knowledge and experiences on how to positively impact the path towards a more inclusive culture. Within four years, company employees have founded six ERGs and 65 local and regional chapters. In Germany and across Europe, the Lesbian, Gay, Bisexual, Transgender and Allies (LGBT) ERG and the Women's ERG are particularly active. Employee resource groups provide career development opportunities to employees as well as opportunities to get involved in local communities to publicly show Thermo Fisher's support to its employee communities. The European chapter of the LGBT ERG empowers employees to create a culture of acceptance, respect and inclusion. Through events discussing LGBT inclusion in the workplace with internal and external speakers, employees are educated on the different needs of LGBT and non-LGBT employees, – encouraging everyone's best contribution to the company's success.



Growing a culture of inclusion creates value for organizations

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The European chapter of the Women's ERG provides women, as well as men, with the opportunity to develop important leadership skills and networks. The chapter has led a series of career development events across the region discussing effective management and leadership to help advance women in the workplace.

With employee resource groups, among other D&I activities, Thermo Fisher Scientific enables its employees to fully engage in their work, and helps to spark the innovative thinking the company needs to fulfill its mission of enabling its customers to make the world healthier, cleaner and safer. ■



Diversity Wins – Strategic Priority for Success

Diversity is increasingly considered a strategic priority by many CEOs – and for good reason. McKinsey & Company studies have found a clear correlation between a company's degree of diversity in its top management teams and strong financial performance – regardless of geography or sector. According to McKinsey's study "Diversity wins", which examined 180 publicly traded companies across four countries, more diverse companies generally report higher return on equity and greater EBIT margins.

But why are companies with a diverse workforce actually better performers? Specific performance drivers linked to diversity provide advantages in recruiting the best talent, greater customer orientation, increased employee satisfaction, and better decision making. Diverse teams can offer more problem-solving tools, broader thinking, and better solutions, allowing companies to explore alternatives more efficiently.

There are five levers that top management can apply to enhance diversity:

Make diversity a business objective. Top organizations have embedded diversity into their

strategy and set up professional diversity management.

Value diversity in recruiting. It is important to ask: "Can this candidate contribute something 'different' to make us better?" Recruiting procedures should be as objective as possible.

Consistently anchor respect for diversity. Preparing a code of conduct can raise awareness of cultural benefits and norms. Top managers should serve as role models.

Remain truly unbiased in reviews and promotions. Mechanisms can include 360-degree feedback, strengths-based development, or career committees that confer about career possibilities for each employee.

Launch the flagships. It is important to launch one or two high-visibility flagship projects. This signals full management commitment and makes these projects more likely to succeed. For example, McKinsey recently founded, together with ten other organizations, the ini-

tiative "Chiefsache", aimed at increasing the representation of women in leadership positions.

Successful diversity programs have clear objectives and are led from the top. Diversity programs are in essence change programs – they seek to alter the composition of leadership teams or staff and to disrupt old habits and routines.

At McKinsey, we strive to achieve the greatest mix of talent within our teams, including different nationalities, a good gender balance, and diverse academic and professional backgrounds. Speaking of academic mix, only half of our current recruits in Germany are business graduates, while the rest have a background in the sciences, engineering, informatics, or social sciences. ■



Companies with a diverse workforce are actually better performers

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