One of us

Harness the benefits of a diverse workforce

mindgym

Tell me the truth

In the last few years, diversity has leapt up the strategic agenda of the world's leading businesses.

With such sudden appetite, there's a lot to be said on the subject. But which bits are worth listening to?

The team of psychologists at Mind Gym have combed extensive peer-reviewed research and met with chief diversity officers from many of the world's most progressive companies to separate proof from puff.

This ebook provides the evidence to answer three vital questions:

- **When** is diversity good for business?
- **What** can company bosses do to realize the benefits?
- **Which** investments will give the most guaranteed return?

If you find these ideas helpful, please share. If you want to discuss them, please get in touch. Whatever you do, park your assumptions and let the evidence be your guide.

Diversity is bad for business

Lazy analysis of good research has led us to believe that diverse companies, teams and boards are more successful than their homogeneous rivals. It isn't true.

"Diversity" sometimes correlates with better performance and sometimes with worse results. Many companies that have invested in bringing in more women and people from different ethnic backgrounds discover that it is still the white (usually heterosexual) men who remain the top performers.

Often in the same companies, no sooner is a quota filled than someone from the "protected category" leaves and the voracious recruiting starts all over again.

It might seem that the quest for more diverse workforces is a distraction that is driven by political correctness rather than what is best for business. No wonder some corporate bosses regard D&I as a distraction.

They are woefully mistaken.

A range of demographic and economic trends make greater diversity essential for businesses to succeed. Without it, your company will fail to understand customers, enter new markets or attract the talent that you need to gain an advantage.

However, diversity alone is bad for business. To realize improved performance, diversity must come hand in hand with a culture of inclusion.

Some businesses recognize this already and yet struggle with what to do. The D&I apothecary is filled with tempting solutions like unconscious bias training. Some have lasting impact. Most don't.

So, what really matters?

When diverse is a curse

One of the most robust studies to show that diverse teams outperform homogeneous ones comes from The Netherlands.[1]

In it, students were randomly allocated to all male, all female and mixed gender groups. These teams were then given the entrepreneurial challenge of running their own company. The mixed gender "boards" consistently outperformed the single gender ones, hence the conclusion that diversity leads to improved performance.

But it turns out that's only half the story.

The key point is that the students of both genders already study and play together – i.e. they already have an inclusive culture.

In studies where there was diversity but no inclusive culture, the results were very different:

- **Lower** operating profit[2]
- **Missed** opportunities – failure to innovate[3]
- **Higher** attrition rates[4]
- **Less** discretionary effort[4]
- **Less** likely to have captured a new market[5]

And it's not much fun for the people who work in these businesses either who:

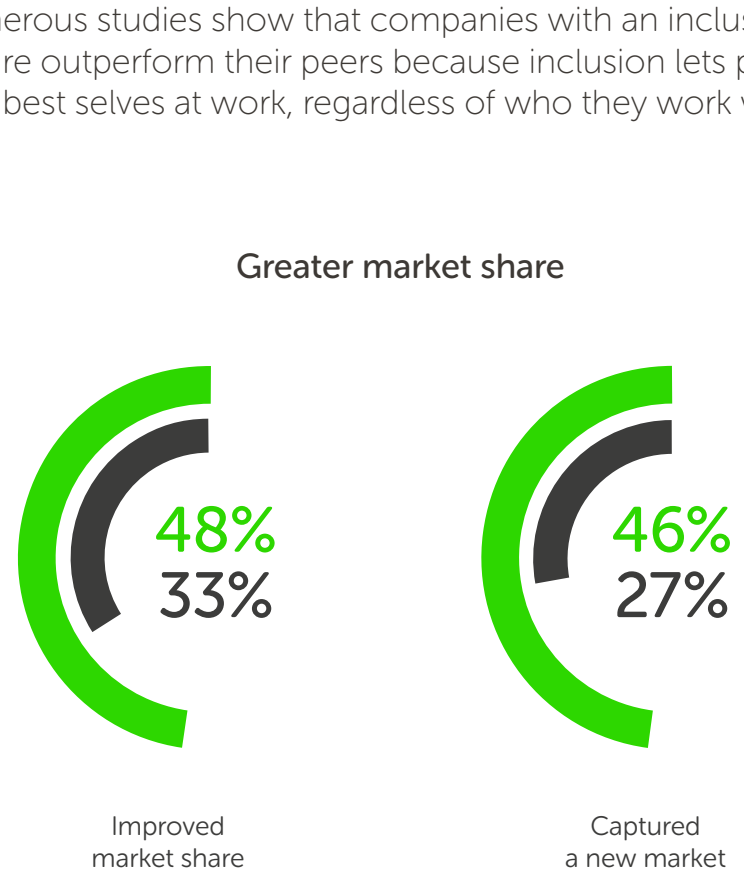
- Perform **less well**[6]
- Have **lower** engagement[7] and wellbeing[8]
- Are more likely to be **absent**[9]
- Have **worse** interpersonal relationships[9]

Changing demographics, growth opportunities in new markets and many other socio-economic trends means that diversity is necessary.

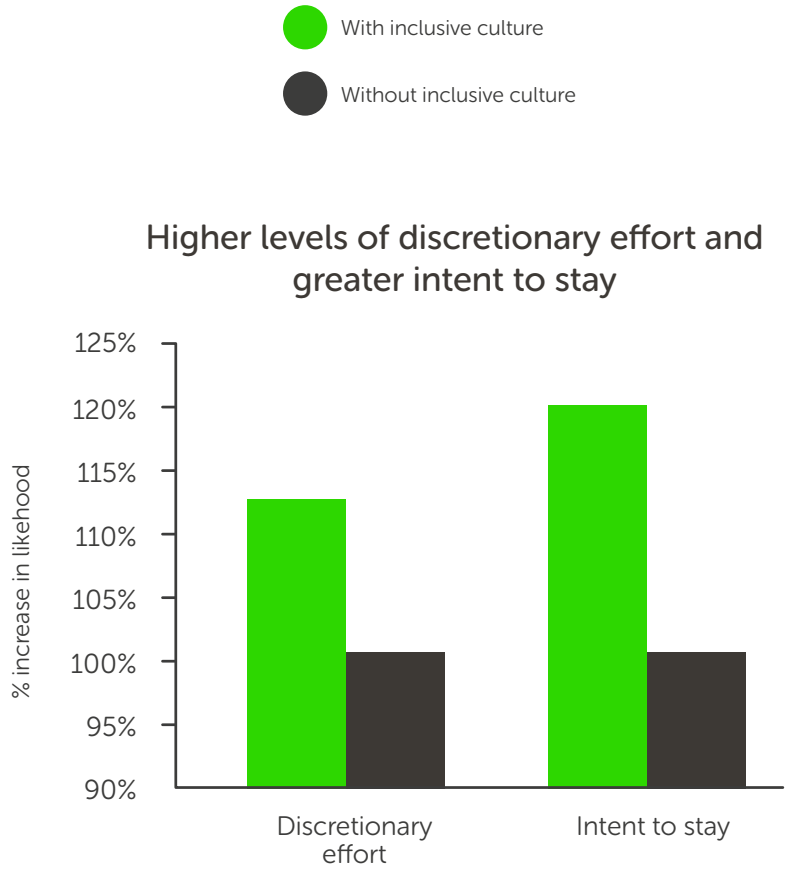
But if it can also lead to worse performance, what is a business leader to do to realize the benefits and avoid the pitfalls?

Inclusion is the solution

Numerous studies show that companies with an inclusive culture outperform their peers because inclusion lets people be their best selves at work, regardless of who they work with.



The Centre of Talent Innovation, a not-for-profit think tank (2013). A study of 75 corporations, across 192 countries, covering 6 million employees.



The Corporate Executive board Global Labor Market survey (2012) of 18,500 employees.

Businesses with **high inclusive engagement** have an operating profit almost **three times higher (27%)** than those that don't.

Towers Watson (2012). Global workforce study.

What is an inclusive culture?

It's one where no one feels the need to bend themselves out of shape to fit in.

Do you fit in?

Yoshino and Smith, 2013.

Most of us are faking to fit in

It isn't just the "usual" categories, even 45% of white heterosexual men are bending themselves out of shape to fit in at work.

When we do bend ourselves out of shape, our performance suffers (think of all that wasted mental energy). And we're more likely to quit. This is why recruiting to fill quotas can become such a thankless task – no sooner have we filled the spaces than someone resigns and we have to start again.

And faking it doesn't just harm performance; it affects wellbeing too. Brain scanning shows that the feeling of being socially excluded activates the same part of the brain as physical pain.[1] It hurts in as much the same way as being hit.

Exclusion is bad for business, painful to our colleagues and makes work a much less pleasant place to be. So, why do we do it?

[1] The anterior cingulate cortex

Naturally exclusive

We are primed to spot difference quickly and exclude people who are not "like us".

The human race learnt very early on that it's safest to be with similar creatures. In prehistoric times, those who ventured far didn't return. Society may have moved on, but our primitive brains still gravitate towards people and things that are similar.[10]

Psychologists call this the similarity attraction bias and it explains a number of seemingly irrational choices:

— We are 260% more likely to contribute to a hurricane relief fund if the name of the hurricane starts with the same letter as our own[11]

— The more "like me" we perceive a stranger to be, the more likeable, intelligent, knowledgeable, moral, and better adjusted we think they are[12]

— People named Louis are far more likely to live in St Louis than elsewhere in the US. Same with Thomas (St Thomas), Charles (St Charles), Helen, Marie and Mary[13]

Better to be harassed than ignored

Being ignored is actually more harmful to our wellbeing and sense of belonging than outright harassment.

Workplace ostracism predicts a drop in turnover over three years, while harassment doesn't.[8]

Of course harassment is hugely damaging, but businesses need to be just as alert to the consequences of our natural tendency to exclude.

How to build a culture of inclusion

View the 17 tests

You've decided that your company/ department/team isn't inclusive enough and you want to do something about it.

But what?

The most common answer is training to help people become more aware of their "unconscious biases" and so tame them. This won't do any harm, but will it do much good?

A huge study by 24 researchers tested 17 different techniques to mitigate unconscious bias with 17,021 white participants.[14] Only nine had any impact and, of these, two were brazen attempts to cheat the test. The only valid technique that individuals can use at work is "counter stereotyping" and even that has limitations in the workplace.

The key is to create a psychologically safe environment – that is where people feel safe to be themselves – and at Mind Gym we've identified the three places to focus on which will give a far more certain return:

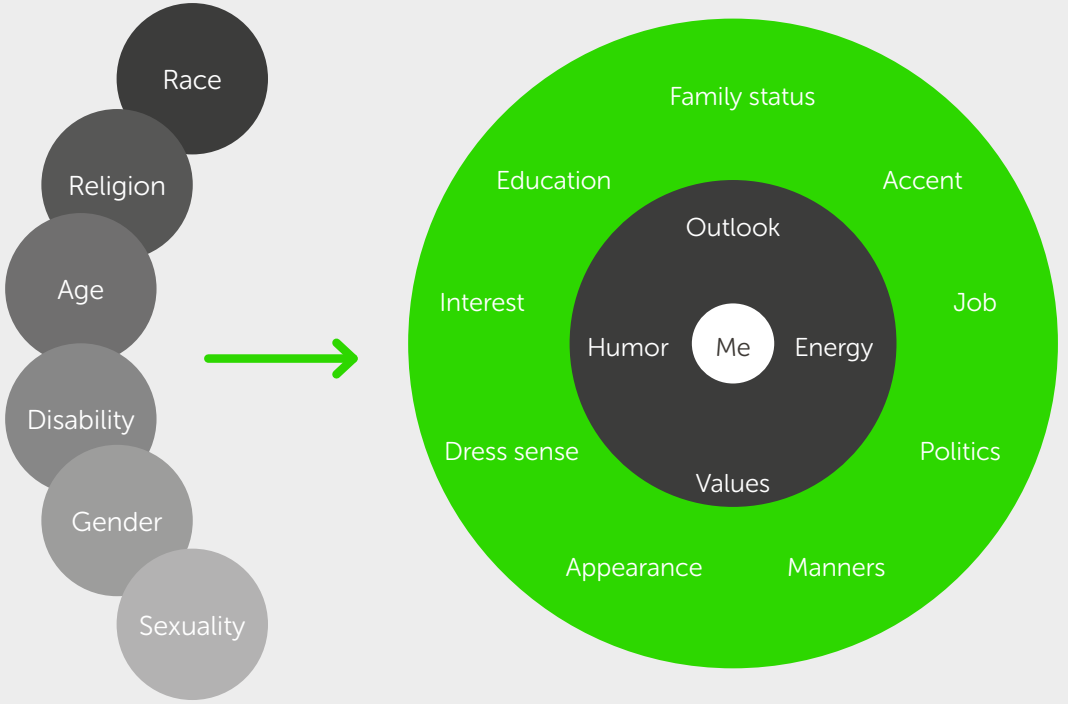
1. Welcoming difference
2. Making fair decisions
3. Bringing people in

What's different?

An inclusive culture is one where people don't feel that they have to bend themselves out of shape to fit in. This means that whatever our differences, we can be ourselves, albeit our best work selves.

Difference isn't just about the diversity "big six", important though they are. We're all different in infinite ways. We start to create an inclusive working culture when we shift from "I'm different from you" to "I'm different like you".

The key to inclusion is both to **notice differences** in other people and to **value them**.

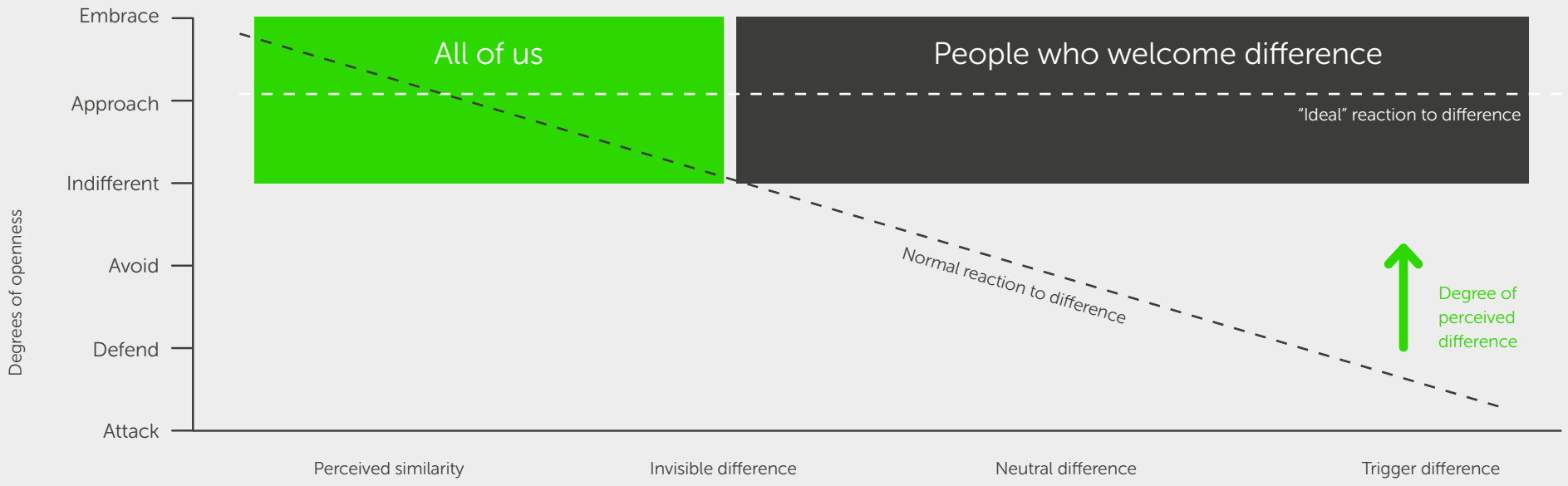


1. Welcoming difference

It's easy to get on with someone when we have something in common, but a lot harder to remain attentive when their passions turn us off.

Even more invidious are our trigger differences. Be it a limp handshake or an unusual taste in music, most of us can recognize that there are attributes in others that take us to a dark place. Our response to these tends to be negative and quite strong.

Our response to difference



Discovering new ways to look beyond our own, personal trigger differences so we make the effort to get to know the person despite their annoying ticks (and often why they have them) makes us much more likely to appreciate people who seem different. And once we get to appreciate them, they may not seem so different after all.

If the first time you meet someone you find them boring, it's your fault.

The solution: adapt how you respond to difference.

2. Making fair decisions about people

We all have short cuts that we use to make decisions about people: the kind of person who is a good team player, or good with clients, or a good communicator. Only our short cuts may be giving us a false reading.

When insurer Legal & General measured the trust in their senior managers at the end of a series of roadshows, they discovered that, contrary to the prevailing view, bumbling Arthur was believed by employees far more than slick Colin.

We all have favorite songs and food, and that usually extends to favorite character traits and people. However, our own flavor of favoritism may be leading us to make poor decisions about whom to put forward to speak at a conference or be considered for a promotion.

Once we unearth the flaws in our mental rules about people, it's easy to change them.

Common shortcuts

- **Tall = better.** 58% of Fortune 500 CEOs are six feet or taller (compared with 15% of all men) and 30% are 6'2" or taller (compared with 4% of all men). Data suggests that every additional inch in height is associated with a 1.8 to 2.2% increase in wages – or roughly £467 ($789) per inch.[15]
- **White = better.** Researchers sent out fictional CVs that were identical except for the name on the header and noted the differences in callbacks:[16]
  - Kristen: 13.6% vs. Aisha: 2.2%
  - Brad: 15.9% vs. Rashed: 3.9%
- **Male = better.** Two groups of students read near-identical case studies about an entrepreneur whose outgoing personality and networking abilities had aided his or her considerable success. The only thing that differed was the name: Howard or Heidi. While Howard was seen as more appealing, Heidi was seen as selfish and not someone the students would like to work for. (Incidentally, the real-life entrepreneur was called Heidi.)[17]

3. Bringing people in

When we want to bring people in who might otherwise feel excluded, we need to be aware what micro-signals we're emitting. We also need to be tuned into what others are doing and know how to act when someone is being left out.

Mary Rowe coined the term "micro-inequities" to describe the subtle behaviors that make us feel excluded,[17] like checking our phone while they're talking or saying "uh-huh, uh-huh" to everything they say. Although unintentional and unnoticed by the perpetrator, these micro-aggressions (as they're now known) add up to have a major impact on our performance and health.

Research shows that over time, micro-aggressions lead to:

- Alcohol abuse[19]
- Increased anxiety[20]
- Higher levels of stress[20]
- Higher levels of depression[21]
- Poorer performance[22]

These signals often have the effect of excluding people who aren't part of our group; for example in pre-meeting chat about the weekend's sport or plans for half term.

Imagine that you're one of a group of graduates talking with a director at the induction drinks. Felipe, one of your peers, has dressed up specially for the occasion. As he walks up to the group, the director turns to him and says "Ah, yes, another glass for all of us please." You realize that the director has mistaken Felipe for a waiter. Do you know how to bring Felipe into the group without embarrassing him or the director?

So then...

When these three things are done well, the result is an inclusive culture where everyone feels psychologically safe; i.e. they can be their best work selves without having to bend themselves out of shape.

Mind Gym can help

Mind Gym has produced three bite-size, 90-minute workouts that are delivered live, either face-to-face or in a virtual classroom, as well as a Go large (to raise awareness for larger groups).

These can be used on their own or together and in conjunction with Missions (challenges to do "back at work") and Boosters (to review what happened when they you tried to put them into practice).

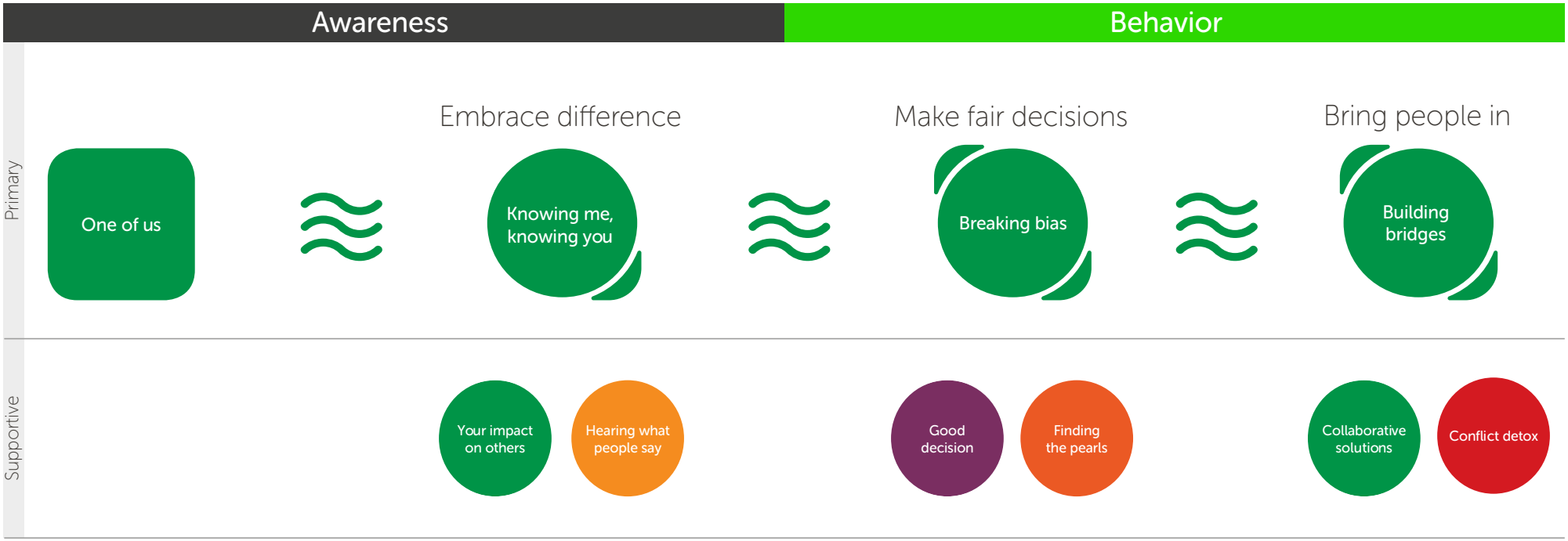
These "inclusion" workouts have already been adopted in a wide range of companies including Zurich, Unilever and MetLife.

Each experience is related to what the research tells us is at the heart of building an inclusive culture:

Knowing me, knowing you – how do we spot and cherish difference in others, and control our responses to the trigger differences that get in the way of inclusion?

Breaking bias – how do we audit and rewrite our mental shortcuts so that we can make fair and unbiased decisions about people?

Building bridges – how can we value and protect people who might feel left out, turning exclusive situations into inclusive ones while saving face for everyone involved?



Go large

Go larges are a tour de force; high-impact, high-energy experiences, perfect for team away days, launches and conferences.

Workout

Workouts compress up to a day's traditional training into an action-packed 90 minutes full of practical tips and techniques.

The Mission gives participants a way to succeed by trying out what they've just learnt. Should they choose to accept it.

Booster

Theory is neat, but the world is messy. **The Booster** highlights what happens when we bring them together so a lasting difference is made.

Pledge

The Pledge is a public commitment to put good intentions into glorious practice.

About Mind Gym

Mind Gym transforms performance by changing the way people think.

61% of FTSE 100 and 53% of S&P 100 companies use Mind Gym for major challenges, such as:

- Building a high-performance culture (Microsoft, Thomson Reuters)
- Delivering major productivity gains with more effective managers (Unilever, Met Life)
- Turning around employee engagement (Zurich, Telefonica)
- Transforming customer service (Santander, Canon)
- Managing the human aspect of major reorganizations so they deliver in full (GSK, UK govt)

In 2014, over 250,000 leaders, managers and individual contributors will take part in a live Mind Gym experience delivered by one of 250 qualified coaches in 40 countries, supported from offices in London, New York, Dubai and Singapore.

Mind Gym's record of consistently delivering impact at scale is grounded in six beliefs:

- Five minutes with a genius beats a month with a fool
- Science is sexy – in research we trust
- People change only when they believe it's in their own best interest
- One size fits no one
- Little and often – think gym rather than boot camp
- We choose how we think far more than we realize

Visit us at www.themindgym.com

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