

HOW DIVERSITY CAN AFFECT THE BUSINESS

Peritum Agri Institute



Product Sales



Sales can increase because of decisions made by executives with a broader and more diverse background.

A recent AMA study demonstrated a clear correlation between diversity at the executive level and an increase in sales.



Customers Demand It

In cases where there is a great deal of customer contact (either face-to-face or on the telephone) the number of customers and sales can increase dramatically when the customers can see that people serving them understand their unique needs.

For example, a major bank found that, by increasing the diversity of its counter staff, it attracted a more diverse range of customers as well as increasing its overall sales at the branches that more closely "mirrored" the population of the neighbourhoods in which they were located in.

Products that meet Customer Needs



Companies like Quantum have found that the use of cross-functional product-development teams resulted in products that more closely fit the needs of their customers.

In a similar light, teams with a diversity of backgrounds are more likely to understand the variations in customer needs and usage that can occur in a large customer base.

By broadening the range of ideas, you can broaden the usability of your product.



Our Customers are Changing

As the percentage of diversity increases in the entire population, the percentage of customers that are diverse also increases. If companies are to increase their penetration into these markets they must have product-development people that understand the diverse needs of this "new" market.

Advertising and Marketing are More Effective

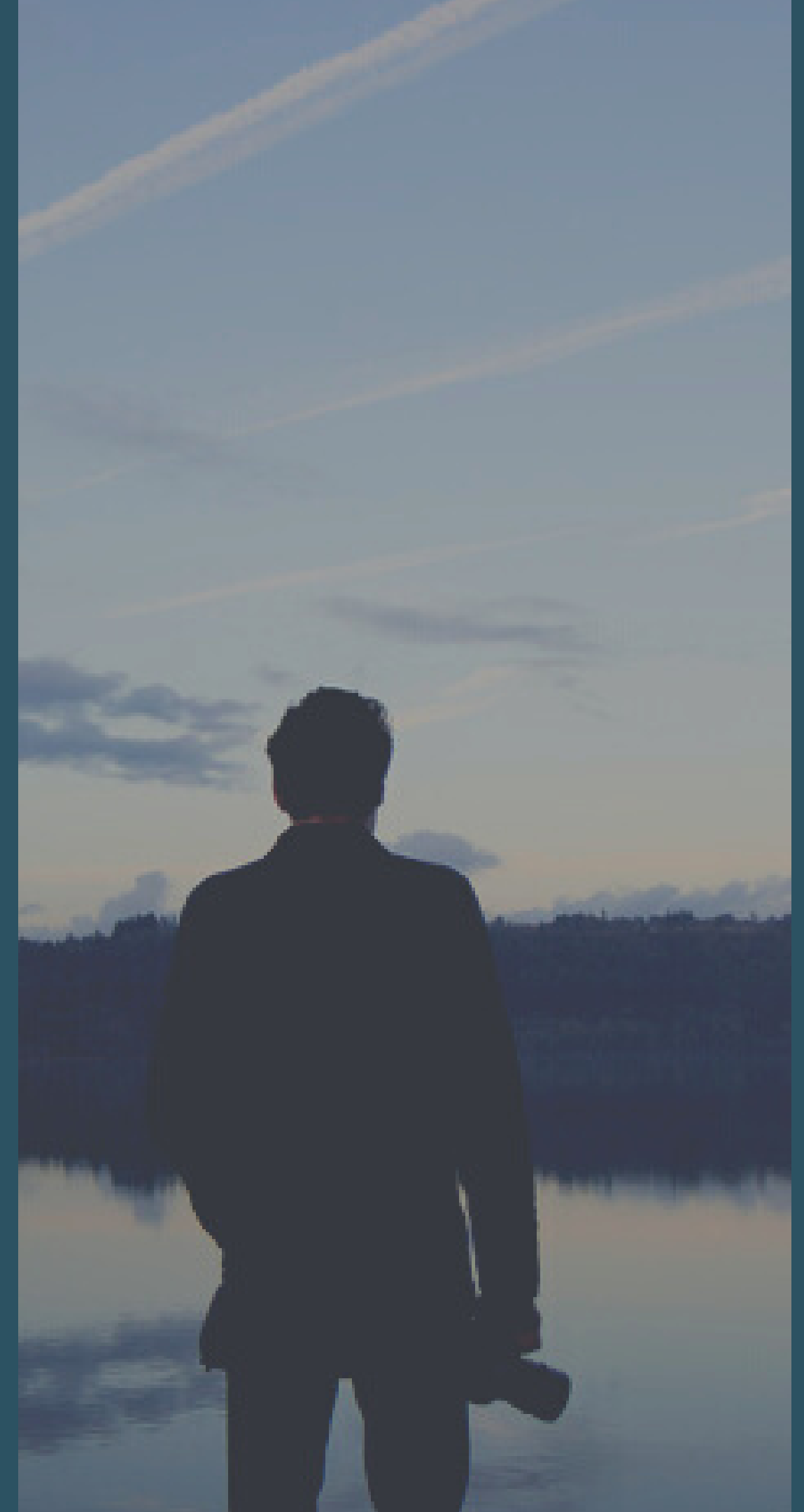
“MAINSTREAM” ADS DON'T HAVE THE SAME IMPACT ON DIVERSE POPULATIONS. AS THE DIVERSITY IN THE MARKETING AND ADVERTISING STAFF INCREASES, A FIRM'S ABILITY TO DESIGN CAMPAIGNS THAT MEET THE NEEDS OF EXPANDED CUSTOMER BASE, ALSO INCREASES. OUR IMAGE AS A FIRM, AND OUR ABILITY TO RECRUIT, WILL ALSO IMPROVE AS AN INDIRECT RESULT OF THE CHANGE IN OUR ADVERTISING.

Globalisation and Competitive Advantage Demand It

IF A CORPORATION IS TO BE TRULY GLOBAL, ITS WORKFORCE MUST UNDERSTAND THE UNIQUE NEEDS OF PEOPLE FROM DIFFERENT CULTURES AND REGIONS.

IF A COMPANY'S WORKFORCE DOES NOT INCLUDE PEOPLE THAT HAVE LIVED, TRAVELLED, OR UNDERSTOOD THE UNIQUE NEEDS OF CUSTOMERS IN DIFFERENT COUNTRIES, THEN PRODUCT DEVELOPMENT AND SALES MAY SUFFER DRAMATICALLY.

IF WE ARE TO GAIN A COMPETITIVE ADVANTAGE, THEN WE MUST NOT ONLY BUILD A DIVERSE WORKFORCE, BUT ALSO DO IT FASTER THAN OUR COMPETITORS.



Productivity

WORKING THROUGH DIVERSITY ISSUES IS AN EXCELLENT PREPARATION FOR LEARNING HOW TO CHANGE AND INNOVATE.

LESSONS LEARNED IN MANAGING DIVERSITY CAN HELP MANAGERS AND EMPLOYEES WORK THROUGH COMPLEX PROBLEMS AND TO DEAL WITH OTHER FAST CHANGE ISSUES THAT OCCUR IN AN INTERNET ECONOMY.

ALSO, BECAUSE A LARGE PERCENTAGE OF PRODUCTION AND SERVICE WORKERS COME FROM THE DIVERSE POPULATION, AN INCREASE IN MANAGERS, THAT UNDERSTAND THEIR NEEDS, WILL INCREASE THEIR (AND OUR) OVERALL PRODUCTIVITY IN THESE IMPORTANT BUSINESS FUNCTIONS.

Difference

Communication

LOSS OF TALENT AND INCREASED RECRUITING COSTS



UNEMPLOYMENT RATES

As unemployment rates continue, failing to recruit from an ever-increasing segment of the population will have a direct impact on the company's level of talent.



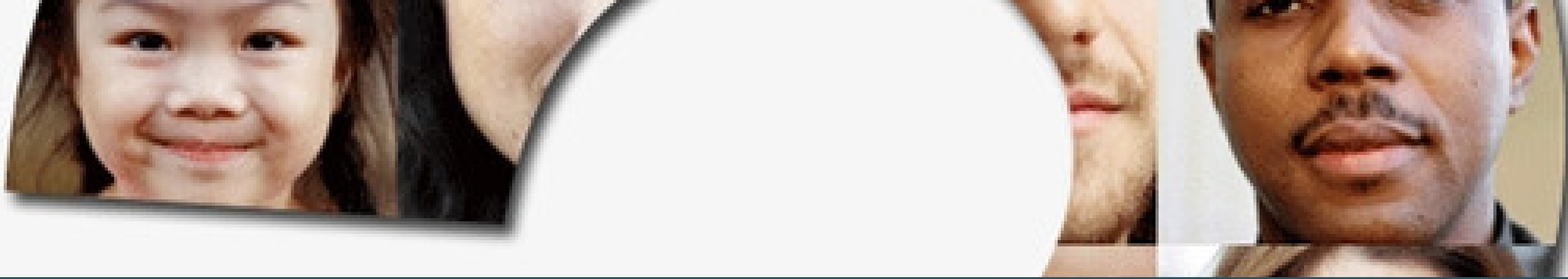
GROWTH OF DIVERSE POPULATION

As the diverse population grows, failing to recruit from its ranks means that a corporation will miss out on a huge talent pool as well as dramatically increasing its recruiting costs as it "fights" over the increasingly-smaller pool of non-diverse candidates

EVENTUALLY, IF THE DIVERSITY POPULATION GROWS, AND IF UNEMPLOYMENT STAYS HIGH, EXCELLENCE IN DIVERSITY RECRUITING WILL NO LONGER BE "OPTIONAL."

IN A GLOBAL ECONOMY, COMPANIES CAN EXPLOIT LABOUR SURPLUSES IN SOME REGIONS BY HIRING "REMOTE WORKERS" AND BY IMPORTING TALENT. GLOBAL RECRUITING REQUIRES MANAGERS AND RECRUITERS WITH DIVERSE PERSPECTIVES AND EXPERIENCES.

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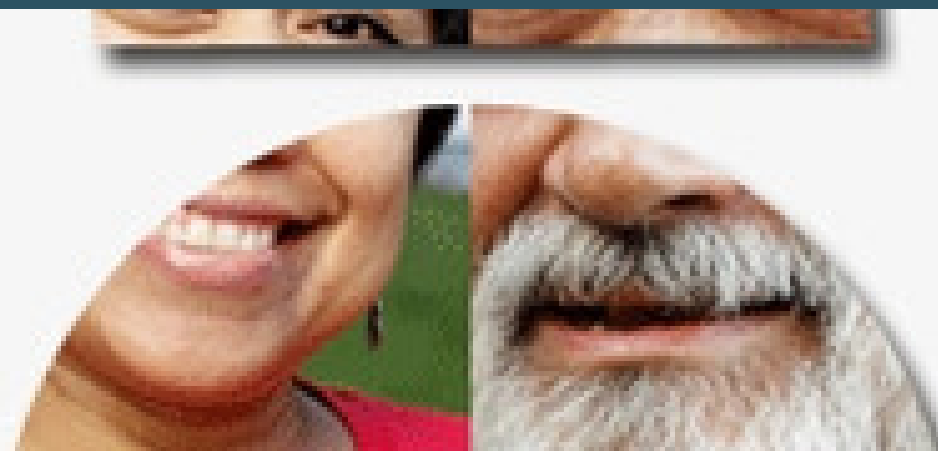


"Why" Questions

People from diverse backgrounds and experiences (as well as those new to an organization) often "challenge" and question business processes and -practices.

As "outsiders", or people that think differently, they wonder why things are done "that way" as opposed to "another way", which may seem more natural to them.

This questioning, if managed correctly, can lead to the dropping of antiquated processes and to the adoption of a continuous-improvement mindset.



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Better Decision-Making

TEAM MEMBERS FROM THE SAME BACKGROUND AND EXPERIENCES GENERALLY MAKE DECISIONS WITHIN THEIR NARROW RANGE OF EXPERIENCES.

BY EXPANDING THE TEAM TO INCLUDE MORE DIVERSITY OF IDEAS (AND MORE OUT OF THE MAINSTREAM IDEAS) AND EXPERIENCES, YOU INCREASE THE CHANCES OF GETTING BOTH A BROADER RANGE OF IDEAS AND CRITICISM.

ALTHOUGH THIS DIVERSITY OF IDEAS MAY INITIALLY SLOW THE DECISION PROCESS, THE OVERALL QUALITY OF THE DECISIONS IS LIKELY TO IMPROVE AND THE NUMBER OF TIMES THAT DECISIONS NEED TO BE REVISITED DECREASES.

Employees and Stockholders May Demand It

BECAUSE OF THE CURRENT DIFFICULTY IN ATTRACTING TOP TALENT, COMPANIES HAVE BEEN FORCED TO DO MARKET RESEARCH TO IDENTIFY WHAT FACTORS CAUSE TOP APPLICANTS TO CONSIDER A FIRM.

WHAT COMPANIES HAVE FOUND IS THAT BOTH APPLICANTS AND CURRENT EMPLOYEES DEMAND A DIVERSE WORKFORCE, EVEN IF THEY THEMSELVES ARE NOT FROM THE DIVERSE POPULATION!

IN ADDITION, COMPANIES WITH "LIBERAL" OR SOCIALLY CONSCIOUS STOCKHOLDERS, OFTEN FIND THAT THESE STOCKHOLDERS QUESTION THE FIRM'S LACK OF DIVERSITY IN SHAREHOLDER MEETINGS. THESE "ACTIVIST" SHAREHOLDERS EXPECT THE FIRM TO RESPOND TO THEIR "SOCIAL" AGENDA.

SUPPLIERS AND STRATEGIC PARTNERS MAY ALSO BE MORE WILLING TO DO BUSINESS WITH YOU IF YOUR WORKFORCE IS AS DIVERSE AS THEIRS IS.



The Ability to Execute



The ability to execute plans in all business areas may be improved because of diversity efforts which teach employees how to deal with "different" people and different ideas.

By learning how to work through problems and difficulties rapidly, employees can then transfer that skill to a broader range of business problems.

Retention



BECAUSE DIVERSE EMPLOYEES ARE IN SUCH HIGH DEMAND, PROGRAMMES THAT ARE DEVELOPED TO SUCCESSFULLY RETAIN THEM CAN ALSO BE USED IN HARD TO FILL/RETAIN JOBS AND TO HELP OUR OVERALL RETENTION EFFORTS.



CUSTOMER SERVICE



HIGHER CUSTOMER SATISFACTION



INCREASED CUSTOMER SERVICE WORKFORCE



BETTER UNDERSTANDING OF DIFFERENCES



PERITUM

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