DIVERSITY & INCLUSION:

Theoretical & Practical Insights from Requisite Organization

WHY DIVERSITY & INCLUSION?

What do we know about Diversity & Inclusion (D&I) at present?

- Diversity & Inclusion is a popular topic that everybody is talking about.

- Heaps of various articles, books and video clips are made about Diversity & Inclusion, how D&I is good for businesses, impacts productivity and performs miracles.

- In many companies, banners and posters for Diversity & Inclusion are replacing banners and posters for values of organizational culture or engagement or collaboration.

- Many companies introduce the roles of Diversity & Inclusion Manager, or Diversity, Inclusion, Well-being Manager, or Inclusion and Engagement Director, or Diversity Engagement Manager, and all other variations with these words in Titles.

And it is totally understandable as Diversity & Inclusion is a powerful method that has a significant positive impact on a company's social license to operate and economic bottom line.

Despite being a popular discussion point among the executives, there are still some questions to be clarified based on ROII & En-Sync 8020's survey, such as:

- **78%** of interviewees feel somewhat **less knowledgeable** or not knowledgeable with the issues of **Inclusion development** (approach, tools, etc.) in comparison to Diversity development

- **89%** of organizational culture programmes analysed by ROII focus on corporate or general values and do not include or partially include **Inclusion Values** or **Valued Individual Entitlements** as their development focus

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1. CONTEXT

What do we know about Diversity & Inclusion (D&I) at present?

At ROII and En-Sync 8020 we decided to check with some Business executives to discover what they think about Diversity & Inclusion. Their views can be summarised as follows:

o "It is a good feel topic to implement, sounds nice, as we all are for Diversity."

o "Everybody talks about and does something about Diversity & Inclusion, so maybe we should talk about and do it as well."

o "I read a lot about Diversity & Inclusion, it sounds positive and I want to do it in our company as I don't want from my CEO to hear from CEO peers what they are doing with Diversity & Inclusion and I don't want for my CEO to think that we are out of touch."

However, in general, there are **four most frequent questions** about Diversity & Inclusion that typically business and HR executives still ask and feel that more clarification will be helpful:

What is **the goal/s of Diversity & Inclusion**?

o It is not clear if the goal is just social responsibility, image and reputation, strengthening of the company's social license or there should be economic /productivity / cost goals

What is the **path / programme for an implementation** of Diversity & Inclusion?

o It is not clear how to design and implement diversity & inclusion programme, what the stages are, who does what in this programme and, in particular, more questions are about inclusion

How to **show a sizeable value / return on investment** into Diversity & Inclusion pro-gramme to my board of directors?

o There are articles that show that diversity & inclusion improves productivity by 5%, by 10%. However, there is a lack of more detailed examples that show a direct link between diversity & inclusion and economic / productivity impact

How **Diversity & Inclusion programme is different from other concepts**, let's say, organizational culture or engagement programme, or discipline and grievances?

o It is not clear if we should just review and improve our organisational culture and employee engagement programme as our top management is familiar with these concepts and accepted them or we should start a new programme for diversity & inclusion and start persuading the top management of its value and differences.

Before providing the Requisite insights into these questions, let's start with **the definitions for Diversity & Inclusion based on the principles of Requisite Organization** as it is, typically, the first step in our discussions. Frequently we can observe that different people have different ideas what Diversity & Inclusion mean, so in order to have a constructive discussion it is critical to agree on the definitions.

2. DIVERSITY IN REQUISITE ORGANIZATION

At ROII and En-Sync 8020 we identify and define the following terminology on the issue of Diversity:

Key Diversity Definitions

Diversity: Differences in **Skills, Knowledge, Experience, Values, Wisdom and Required Behaviours (SKEVWR)** among groups of people with differences in ethnicity, race, socioeconomic status, professional / academic background, gender, language, religion, sexual orientation, and geographical area.

Diverse Organization: An organisation that **effectively utilises differences** among groups of people and individuals who manifest different SKEVWR to perform the work in organisational roles more effectively and with better value to the organisation.

Diversity Management: A set of organisational processes to ensure **fairness and justice** is manifested in **recruitment for the roles** in the organization from **diverse talent pools.**

At the core of the Requisite terminology on Diversity there is an understanding that in applying diversity management, companies value the differences in competencies (skilled knowledge, experience, values, etc.) that diversity brings and how these differences can assist companies to perform certain types of work and tasks more effectively.

Therefore, key objectives for diversity management is to identify where (in what roles in the company) diversity can add value and how the company can utilise diverse talent pools within and outside the company.

For example, our observations in Mining & Metals companies in Russia and Kazakhstan show that high percentage of women are employed as Flotation Operators at Processing Plants in comparison to Mill Operators. Is this diversity in Flotation circuits perhaps caused by better abilities of women to recognise differences in bubble size and bubble colours that may bring better value from the flotation circuits?

3. INCLUSION IN REQUISITE ORGANIZATION

At ROII and En-Sync 8020 we use the following terminology on the issue of Inclusion:

Key Inclusion Definitions

Inclusion: People are able to **trust each other** and to rely upon each other's collaboration in common endeavours regardless of the vast range of diversity due to a **social space within the team** which allows for all team members to **feel valued, respected** and provides genuine creative freedom of ideas and a plentiful supply of constructive forces within people.

Inclusive Organization: An organisation in which:

• People can rest secure in the knowledge that they can trust each other to work together in an honest and straightforward manner that ensures that **their differences and contributions are valued.**

• They can use their personal capabilities to the full, for their own satisfaction and to contribute fully to the organisation.

Inclusion Management: A set of organisational processes to **define, embed and maintain a set of valued individual entitlements** (inclusion values) that create a sense of trust among the individuals Inclusion is about valuing others.

Thus, Requisite definitions of Inclusion are built upon key requisite concepts: **Valued Individual Entitlements** (VIE) and conditions of **Trust** that develop and sustain a perception among the team members that they, and their inputs, are valued.

It can be noticed that the requisite definition of Inclusive Organization reminds of us a well-known definition of Requisite Organization.

Requisite Organization is bigger than just being about Inclusion or Diversity, as Requisite Organization through Trust creates conditions not just for Inclusion, but for Employee Engagement, Collaboration, Well-being, Social Good, etc., in other words, conditions for the entire work-force to actively participate in achieving the mission and strategic aims of the organization.

4. TRUST AND INCLUSION BY DR ELLIOTT JAQUES

As Trust is the foundation of Inclusion and Diversity, let's review some key points on Trust made by Dr Elliott Jaques in his article on Trust, Good, and Evil:

• Trust is the main ingredient of the social glue that holds people together. It is the criterion by which we ought to judge whether behavior is good, normal, reasonable, moral, ethical, or whether it is bad, abnormal, reasonable, immoral, and unethical.

• Definition of good behavior and a good person, is readily translated into a solid definition of that otherwise very elusive concept *normality* – normal behavior and a normal person: this definition is that normal or good persons displaying good or normal behavior, are persons who collaborate with others in such a way as to enhance society's ability to carry out its species survival and adaptation work, such as reproduction and family rearing, economic production, government, education, law, and policing.

• The essence – of liberty, freedom and justice – in the good society lies not in the degree of untrammeled and unimpeded right of each individual to do as he or she might please, but rather in the quality of the binding that holds them together.

• Liberty and freedom as having to do with living under conditions where people can trust each other, working in concert with each other in providing for species survival and adaptation, with the opportunity to withdraw into musing and reverie, and private personal life, and sleep as occasion arises – and always within the law.

• Good laws are simply laws which bind society together. Binding together means binding everyone together, and not the binding together of special groups. They should not be founded upon the continual favoring of particular groups or categories within society – such as religious, or gender, or economic class, or color, or ethnic background – for that is to divide a society.

• Such divisions reduce and weaken trust within a society, even among favored categories, for majority groups cannot treat other groups unfairly without generating concern among them, and without generating that deeper-lying anxiety among their own members which, in turn, stirs underlying unease with respect to how far you can trust your own kind in the long run.

• Organizational structures that undermine the achievement of effective managerial leadership, unclear accountabilities, and authorities that pitch people against each other in what seem to be clashes of personalities, difficulties in matching individuals to roles, and employing people at full level of potential capability all have paranoiagenic consequences.

• In short then, organizational limits and constraints that enable people to be able to trust each other and to rely upon each other's collaboration regardless of the vast range of differences in personalities, are experienced as liberating rather than as repressive.

• We are looking for circumstances in which we can rely upon what everyone does to be within a social space that allows everyone to get on with what they want to do, in a manner that makes it possible for us to collaborate in common endeavors. Sound organizational limits act not as constraints in the burdensome sense, but rather as the context whose very existence allows for the genuine freedom that comes from a reliable social field that can be known and understood.

5. TRUST-INDUCING ORGANIZATION

Trust-inducing Organization is the necessary condition for development of Inclusion and Valued Individual Entitlements and for the team members to feel valued. Requisite Organization assists to understand what Trust-inducing Organization is:

Trust-inducing organisation is decidedly efficient from the viewpoint of getting the desired work done and on the other hand provides a secure feeling of satisfaction and of trust for each and every one employed.

It is of special importance that those employed should be able to trust the circumstances in which they find themselves.

People do not have to like each other to work together effectively.

But they do have to be able to trust each other in order to do so.

Trust between people is the basic social glue: suspicion and mistrust are the prime enemies of human interactions.

Below we present the key factors that induce Trust into any organization:

Trust Inducing Organization

· Equitable system of distribution of pay differentials related to differentials in levels of work

· Clear definition of accountabilities and authorities in lateral working relationships

· Managers one-level removed from immediate subordinates, in role and capability

· Managers-once-removed mentoring subordinates-once-removed on career devel-opment

· Employees well informed on the context of their work and on company vision

· Level of work in line with person's level of potential capability

· Regular feedback on manager's judgement of your personal effectiveness

· Appointments and promotions based upon potential capability, commitment and knowledge

6. VALUED INDIVIDUAL ENTITLEMENTS OR INCLUSION VALUES

The second critical aspect of the Requisite definition of Inclusion is **Valued Individual Entitlements** which, at ROII and En-Sync 8020, we refer to as Inclusion Values and Inclusion Culture. According to Dr Elliott Jaques: **Consonant values are the great inclusive and unifying force for the employees of any organisation**. In Requisite Organization there is the list of **7 valued individual entitlements** that can reach the hearts of people and gain from them the full inclusion that together make up organisational culture:

1. Work for everyone at a level consistent with their level of potential capability, values and interests.

2. Opportunity for everyone to progress as his or her potential capability matures, within the opportunities available.

3. Fair and just treatment for everyone, including fair pay based upon equitable pay differentials for level of work and merit recognition related to personal effectiveness appraisal.

4. Leadership interaction between managers and subordinates, including shared context, personal effectiveness appraisal, feedback and recognition, and coaching.

5. Clear articulation of accountability and authority to engender trust and confidence in all working relationships.

6. Articulation of long-term organizational vision through direct communication from the top.

7. Opportunity for everyone individually or through representatives to participate in policy development.

The role of managerial leadership at every organizational level is to make these unifying organizational values operationally real.

7. INCLUSION AND ORGANIZATIONAL CULTURE

In our discussions with Business and HR Executives on Diversity & Inclusion, we are frequently asked to clarify what the differences between Organizational Culture and Inclusion are and how to explain these differences to the Top management team to justify that there is a need for a separate Inclusion programme. As Dr Elliott Jaques is the creator of the term "organizational culture", ROII is in the best place to bring clarifications and draw the lines between these concepts and ideas.

Again, let's review the definition of *organizational culture* as defined by Dr Elliott Jaques and Requisite Organization.

The culture of the organisation is its customary and traditional way of thinking and doing of things, which is shared to a greater or lesser degree by all its members, and which new members must learn, and at least partially accept, in order to be accepted into service in the firm. In simple terms, to the extent that people can share common wishes, desires and aspi-rations, they can commit themselves to work together. It is a matter of being able to care about the same things.

It is worth pointing out that Dr Elliott Jaques identified **two main types of values** to look at:

Corporate or general values: A set of corporate values that are not only necessary for the business but also sufficiently acceptable as to **set limits within which everyone can be expected to behave**, i.e. the corporate values will not merely be stated but will be enacted:

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○ The values of all senior executives must be reasonably in line with the corporate values to enable them to behave requisitely within those limits.

○ These values must be translated into such policies, procedures and tasks as can resonate with what employees at every level themselves value, so that they may be moved to pull out all the stops and work with energy.

○ These values are required behaviours with which the employees must comply.

Valued Individual Entitlements (as defined above) However, frequently, Organizational Culture programmes focus predominantly on corporate / general values and completely ignore or forget about Valued Individual Entitlements. As a result, the confusion is created.

But, if we remember that there are two types of values that constitute Organizational Culture, the missing link between Inclusion and Organizational Culture becomes clear:

• To develop Inclusion / Inclusion Culture means to develop Valued Individual Entitlements
• To develop Organizational Culture means to develop both types of values (corporate or general values and valued individual entitlements)

As a result, we can summarise:

○ There is nothing new to Inclusion and Valued Individual Entitlements. Dr Elliott Jaques identified and described them years ago. They always were there, but were not on everyone's radar screen as they are now.

○ A lot of Organizational Culture Development and Improvement programmes are lopsided and one-dimensional as they do not consider a second type of values that comprise Organizational Culture – inclusion values or valued individual entitlements

○ And even for well-known corporate or general values it is frequently forgotten that they are vectors that must be expressed as behaviours and, as a result, compliance to these behaviours must be assessed and analysed. However, this is a topic for a separate conversation.

8. OBJECTIVES AND BENEFITS OF DIVERSITY & INCLUSION

Our analysis and discussions show the following impact that improvements in Diversity & Inclusion have on triple bottom line of companies:

Social Bottom Line is a primary driver that is impacted by improvements in Diversity and Inclusion. Social Bottom Line is measured by the level of Social License to Operate (positive or negative. Social License to operate is the level of positive support that social license holders (employees, communities, local and federal government, NGOs, unions, etc. have toward companies' objectives.

○ Diversity increases the range of social license holders that may have positive support toward companies' objectives by including representative from diverse communities or groups

○ Inclusion ensures that diverse employees (social license holders have positive support of companies' objectives and influence communities or groups they are part of to have positive support as well

Economic Bottom Line must be impacted as well for a Diversity & Inclusion programme to be approved and supported. Economic Bottom Line is a company's net income, which can also be referred to as net earnings or net profits. Economic bottom Line can be increased by enacting strategies to increase revenues (volume of outputs, throughput, productivity or decrease expenses.

○ Diversity delivers better outputs (more outputs in shorter time, or more outputs for less cost in certain roles that benefit from competencies of diverse talents that have a better match with the competency profiles of such roles.

○ Inclusion delivers better outputs (more outputs in shorter time, or more outputs for less cost by creating conditions that increase productivity and compliance to plan with a poten-tial of cost reduction.

(see **Requisite Transformation at** https://www.requisite.org/requisite-transformation/)

As a result, we can summarise two major benefits that can be measured and tracked:

O **Improvement in social license to operate** for a company *(check for updates on ROII Life and contact ROII for the methodology to quantify and measure Social License to Operate)*

O **Improvement in a company's economic bottom line** (more outputs in shorter time, or more outputs for less cost)

9. DIVERSITY MANAGEMENT: KEY PROCESSES

Diversity Management is a set of organisational processes to ensure **fairness and justice** is manifested in relation to **recruitment** from **diverse talent pools for the roles** that can benefit from increased diversity of candidates.

Our experience, in particular with Mining & Metal companies, shows that there are several key processes to ensure effective diversity management and to ensure fairness and justice that can be categorised into 2 categories:

Identifying and valuing diversity needs

- **Role Design**:
O to define accountabilities and tasks of the roles in the company

- **Competency mapping**:
O Identify skills, knowledge, experiences, values required to perform the tasks in the role effectively

- **Competency Assessment**:
O Identify the gaps in skills, knowledge, experiences, values that role holders have

- **Personal Effectiveness Appraisal:**
O Identify the impact of the gaps in the skilled knowledge on performance and effectiveness of the roles
O Identify the tasks and roles that are consistently under-performed and do not deliver the value expected

- **Diversity Value Analysis:**
O Identify if the problem is in training or if a use of diverse skillsets (diverse talents) can ensure better fit to the role requirements and perform the role's tasks more effectively
O Identify the sources of diverse skill sets
O Identify the value that a use of diverse skillsets can deliver to the company

- **Social License Analysis:**
O Identify the social license holders
O Identify opportunities to expand the pool of social license holders

O Evaluate the impact on Social License to Operate by expanding the pool of social license holders

Attracting from targeted diverse talent pools

- **Internal Diversity Analysis** (Clear understanding of the company's existing talent pool and its diversity)
O Gaps in diversity of talent pools for certain roles

- **External Diversity Analysis** of the external labour markets:
O Identifying the diverse pools of talents / skillsets
O Forecast of labour supply from diverse talent pools

- **Employee Value Proposition for targeted diverse talent pools**

- **Recruitment** from diverse talent pools:

O Advertisement reaches to all diverse talent pools
O Application of competency assessment tools for the candidates from diverse talent pools

- **Induction and integration of diverse talents into a company and a role**

Our analysis of these diversity management processes in a number of companies that are interested in the topic of diversity and inclusion shows the following potential gaps and opportunities for improvement:

Role design: generally, well performed at present, companies have learnt a lot on how to improve clarity on accountabilities (still a bit of work to be done on authorities, in particular, managerial authorities).

O Potential area for further improvement is **Standardised Work Instructions** for Level 1 Operators.

Competency Mapping: there is still a lot of improvement to be made on the quality of competency mapping, the value of good competency mapping become obvious to many business and HR executives, but a lot of misconceptions still exist on how to do the competency.

O Potential area for further improvement is **Task Analysis** (a link of competencies to a particular task in a role)

Diversity Value Analysis: there is no standardised process that links certain roles in the company and, in particular, certain competencies to various diverse talent pools and the value of improvements attributed to better competency match among diverse talents.

Social License Analysis: there is no standardised process, that is consistently practiced, to provide quantified measurements of Social License to Operate and evaluate the impact of expanding diversity of social license holders on the level of Social License to Operate.

Human Resource Planning (Internal Diverse Labour Demand and Supply, External Labour Market Diversity Analysis, etc.): there is a significant improvement to be made to direct the human resourcing and human resource planning processes at tapping the value of diverse labour force.

10. INCLUSION MANAGEMENT: KEY PROCESSES

Inclusion Management is a set of organisational processes to **define, embed and maintain a set of valued individual entitlement's** (inclusion values) that create a sense of trust among individuals. The following framework is used by ROII and En-Sync 8020 to describe Inclusion Management:

| Inclusion Processes | Inclusion Process Maturity | Inclusion Factor Model | Inclusion Factor Assessment |

10.1 Inclusion Processes

Every organisational inclusion value / valued individual entitlement to be enacted to the level of inclusion must be supported by effective processes:

Inclusion Values / Valued Individual Entitlements	Critical Processes that impact Inclusion values
Work for everyone	Potential capability assessment (applied, potential and future capabilities)
	Job evaluation (level of work complexity)
	Competency mapping
	Role Selection & Appointment
Opportunities for everyone to progress	Career planning & management
	Talent pool develop & analysis
	Mentoring
	Training & Development
Fair and just treatment for everyone	Appeal procedures / grievances
	Felt fair pay
	Personal Effectiveness Appraisal **and** Merit review

Leadership interactions between managers and subordinates	10 Managerial Leadership Practices (Managerial Team Working, Context Setting, Managerial Planning, Task Assignment, Induction and Coaching, Deselection & Dismissal, etc.)
	Organisational Conditions for Managers to be effective (management training, full managerial accountability & authorities, right distance between manager and subordinate roles, etc)
Clear articulation of accountability and authority	Role Design process:
	o vertical accountabilities & authorities (core accountabilities, tasks, projects, people, development tasks)
	o horizontal working accountabilities & authorities
Articulation of long-term organisational vision	Strategy Development
	Strategy Linkage / Cascading of strategy-linked tasks of various complexity / time horizon)
Opportunity for everyone to participate in policy development	Standardization (corporate policies, functional policies, procedures, standards, guide-lines, standardised work instructions)
	Compliance Audit
	Effectiveness Audit

⚠ We would like to direct attention to "Opportunity for everyone to participate in policy / work development" and the processes that are involved in the development of this Valued Individual Entitlement or Inclusion Value.

In Requisite Organization every organizational level must be involved in the development of work:

›› **Levels 5-8** – Corporate policies
›› **Level 4** – Functional policies
›› **Level 3** – Business processes (procedures and standards)
›› **Level 2** – Standardised Work Instructions and compliance improvement
›› **Level 1** – Execution, compliance and feedback

For more information on distribution of work development per organizational strata contact ROII.

10.2 Inclusion Factor Model

ROII Inclusion Factor Model as an example for Level 2 Frontline Team consists of 4 main parts that impact the development of valued individual entitlements as perceived by the employees (team members):

Level 2 Frontline Team, such as: size of the team, self-managed horizontal working, Level 2 managers at right level of decision-making capability, managerial leadership practices, standardization of critical processes, etc.

Level 3 Operating Unit Manager, such as: a size of the Level 3 unit to which the Level 2 belongs, quality of manager-once-removed leadership practices, right work complexity / decision making capability of Level 3 Unit Manager, effectiveness of X-functional horizontal working relationships, etc.

Level 2 Specialist Functions / Support: the key inputs from special functions

o Without the effective Level 2 Specialist support the work that was delivered to improve Trust and inclusion among the members of Level 2 team will go down the trench.

Inclusion Processes: to ensure that maturity of inclusion processes at least at stages 4-5 as applied to Level 2 Frontline Team and its members.

Only when all these 4 parts of the Inclusion Factor Models are developed and implemented, the improvements in the outputs that Level 2 Frontline Team delivers can be observed.

At ROII and En-Sync 8020, more specifically, we focus on four sets of team performance indicators that are positively impacted by inclusion:

- Safety performance
- Plan Variability
- Compliance to Standards
- Level of Inclusion

Mining Manager

(Level 3)

Manager-once-Removed Practices

Standard Operating Procedures

Managerial Leadership Practices

Leadership Appraisal

Effective Integrated Schedule (shiftly, daily, etc.)

Level 2 Production Coordination and Dispatching

Level 2 Technology Troubleshooting (Mining Engineering)

Superintendents / Mine Captains

Level 2

Behaviour Compliance

Managerial Leadership Practices

Inclusion Processes

Shiftbosses / Operators

Level 1

✓ Full **Managerial Accountabilities & Authorities**
✓ **Role Complexity** is at Level 3
✓ **Decision Making Capability** is at Level 3
✓ **Match with Competency** profile
✓ **Strategically linked tasks** – up to 2 years
✓ Operating Unit **Inclusion Size** – up to 250 people
✓ Self-managed **horizontal working relationships**

✓ Full **Managerial Accountabilities & Authorities**
✓ **Role Complexity** is at Level 2
✓ **Decision Making Capability** is at Level 2
✓ **Match with Competency** profile
✓ **Strategically linked tasks** up to 1 year
✓ Self-managed horizontal working relationships
✓ Output Team **Inclusion Size** – up to 40 – 70 people

✓ Optimal Workload
✓ Role Complexity is at Level 1
✓ Decision Making Capability is at Level 1
✓ Match with Competency profile
✓ Strategically linked tasks – up to 3 months
✓ Positive Intention to comply with standards
✓ Self-managed horizontal working relationships

✓ **Safety Improvements**

✓ **Variability Reduction**

✓ **Compliance Improvements**

✓ **Positive Perception of Valued Individual Entitlements**

10.3 Inclusion Factor Assessment

At ROII we identified and developed a set of indicators and tools for evaluation of the level of Inclusion Factors. Example of the tools and indicators developed by ROII:

	Key Measurements
Inclusion Values	o Perception of Inclusion values by team members o Positive intention to comply with inclusion behaviours by Team members
L2 Managers	o L2 Capability matches L2 work complexity
Managerial Leadership Practices	o Perception of managerial leadership by team members
Managerial Accountabilities and Authorities (A&A)	o % of managerial authorities that the team manager has o % of manager-once-removed authorities that the unit manager has
Team Horizontal Working	o Level of conflict intensity for the team's horizontal working o % of clarity in horizontal working relationships
Quality of Integrated Planning	o Key resources and availability to output team and o Number of Unwanted events caused by lack of resources
Quality of Technical Support	o Control instructions, their effectiveness (number of unwanted technical events) o Troubleshooting effectiveness (time to restore)

11. Implementation Path for Diversity & Inclusion

Key points about the path to Diversity & Inclusion based on the experience of ROII and En-Sync 8020:

(1) Two streams of work in parallel

Objective of Diversity workstream is to identify the roles that can add more value when more diverse talents are added.

Objective for Inclusion workstream is to develop an awareness and buy-in that inclusion adds to economic bottom line. With this aspect of Diversity & Inclusion HR and Business executives frequently struggle when presenting the Diversity & Inclusion programme to the Top Management or the Board:

o **Development of diversity without Inclusion** has little sense as to bring diverse talents into an organisation that is not trust-inducing and non-inclusive will lead directly to low job satisfaction, low performance of diverse talents, high turnover among diverse talents and, eventually, will undermine the idea of Diversity & Inclusion overall.

o Inclusion and its impact on economic bottom line (Return on investment) are considered by executives interviewed as two of the most difficult aspects of Diversity & Inclusion programme

o **Frontline Teams** are the focus of Inclusion Buy-in Development as Frontline teams produce direct outputs, and the impact of Inclusion takes less time to manifest (typically up to 2-3 months) and it is easier to measure the benefits (more volume, less cost, less cost per unit)

(2) Converging two streams. After roles with diversity value identified and inclusion benefits understood. The next step is to develop inclusion for the roles that are targets for diversity and to show additional value from diversity

(3) Continuing with company-wide Inclusion. As the value of inclusion is further proved, it makes sense to expand and continue with the inclusion development into more teams and units to increase a positive impact on the company's performance.

Select the scope for diversity focus (technical roles, frontline teams)

Develop benchmarking process for diversity: Procedure, standards, accountabilities

Perform benchmarking for diversity across company assets (Australia, Americas, West and South Africa)

Establish benchmarking partners and benchmark diversity for focus roles with other companies across the world

Identify roles with better diversity

Benefits from better diversity use SKEVWR model to analyse the benefits

Set **diversity criteria** for the roles selected (gender, age, ethnicity, etc.)

Develop competency profiles based on SKEVWR model

Analyse existing talent pool for the roles selected and changes in diversity over 1, 2, 5, 10 years

Analyse external sources of the talents that fit the diversity criteria

Develop and implement Human Resourcing Strategies (recruitment, training, internships, etc.) to attract candidates from the diverse sources

Diversity Scope

Benchmarking Process

Internal Benchmarking

External Benchmarking

Diversity Analysis

Diversity

Inclusion

Select the roles / teams for diversity improvement based on diversity analysis

Audit the inclusion culture for the teams with the roles selected

Develop the inclusion improvement programme for the teams with the roles selected

Implement the inclusion improvement programme

Track economic and social bottom line impact from diversity & inclusion

Inclusion Definition

Define Inclusion culture (values, processes, conditions) and audit tools

Inclusion Awareness

Select several "good" and "bad" performance teams

Audit their inclusion

Analyse the differences in performance using inclusion

Inclusion Pilot

Select several teams with bad performance

Audit inclusion culture

Develop and implement inclusion improvement programme

Track improvements

Inclusion Benefits

Present results on inclusion awareness and inclusion pilot to Senior Leadership Team

Link the benefits of performance improvement to better inclusion for the pilot teams

Inclusion Training

Develop Inclusion trainings

Train managers on inclusion culture (values, processes, conditions)

Inclusion self-audit tools

Develop programme for inclusion improvement across the company

Implement programme for inclusion improvement across the company

Audit the implementation and monitor the impact on inclusion and performance programme for inclusion improvement across the company

Validating inclusion impact on performance

Company-wide Inclusion

12. DEVELOPING BUY-IN FOR DIVERSITY & INCLUSION

Frequently, Diversity & Inclusion programmes face the need for buy-in development from the Top management, especially if the companies are heavily invested in and have communicated Organizational Culture programmes, or Employee Engagement, or Well-being, etc.

In such companies, executives accountable for Diversity & Inclusion programmes need to spend time and efforts on developing the buy-in. The following buy-in scenarios can be suggested based on the benefits that Diversity & Inclusion can deliver.

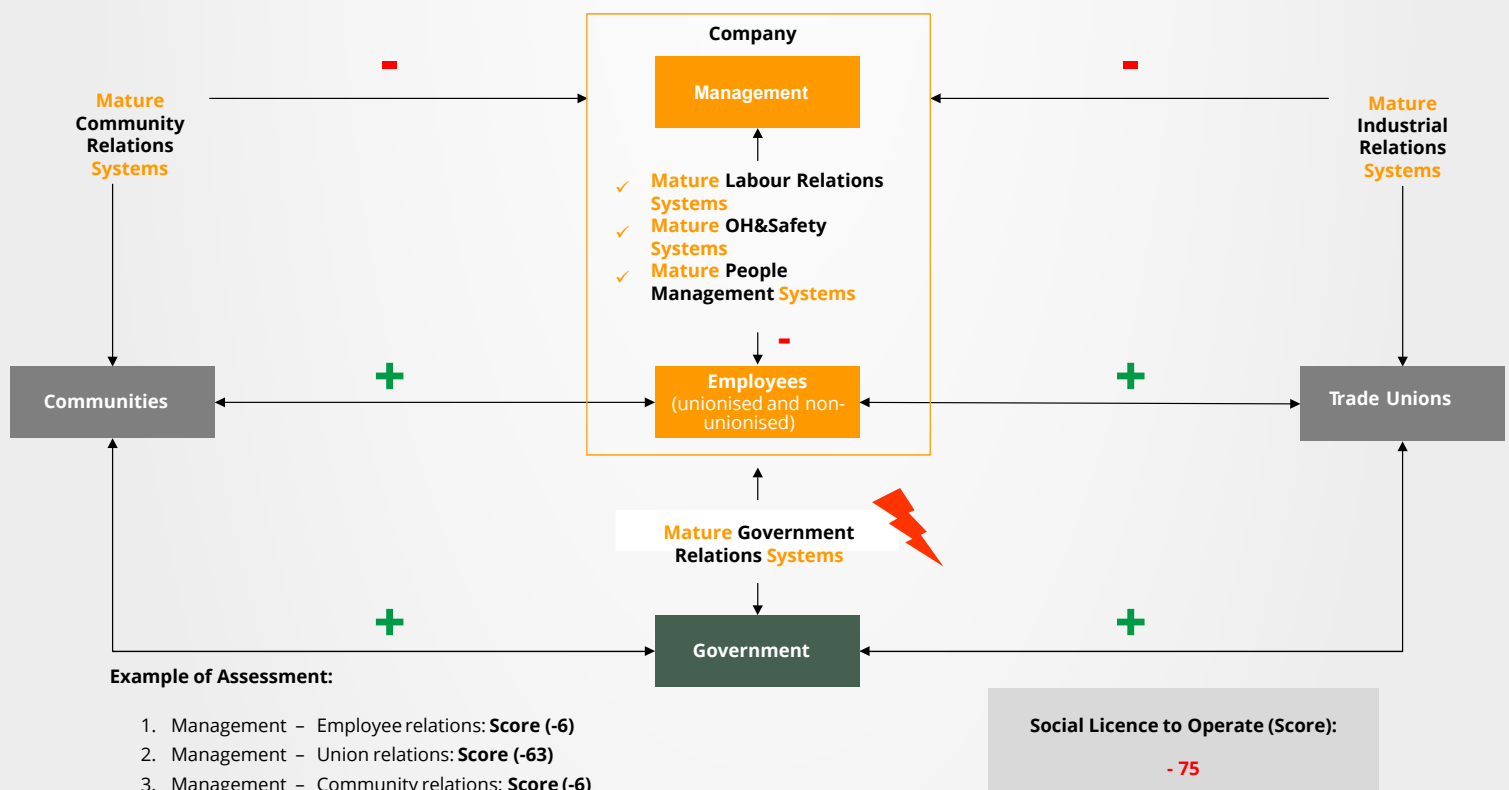## 12.1 Diversity and Social Bottom Line / Social License to Operate

If the company faces challenges with Social License to Operate, then one of the targets for the Executives accountable for Diversity & Inclusion is to show an impact of attracting diverse talents on the level of Social License to Operate.

ROII developed the framework to quantify and measure the level of Social License to operate among the key social license holders *(for more information on Social License to operate contact ROII)*:

The objective of social bottom line development is **to obtain and maintain the social license to operate** with the employees, communities, trade unions, activists groups and government with the purpose to secure and sustain the economic bottom line increase and growth.

At ROII we identify the following actions to build the case for Diversity and Social Bottom Line:

- Map key social license holders for the company.
- Assess the diversity representation across the social license holders.
- If possible, quantify the measurement of Social License to Operate across various social license holders and the diverse pools of talents.
- Compare the diversity representation across the social license holders and the company and identify any gaps or distortions.
- Identify the benefits from improving the diversity and its positive impact on social license.

Example of Assessment:

1. Management – Employee relations: **Score (-6)**
2. Management – Union relations: **Score (-63)**
3. Management – Community relations: **Score (-6)**

Social Licence to Operate (Score):

- 75

12.2 Inclusion and Economic Bottom Line

However, more frequently there is a need to show Return on Investment from Diversity & Inclusion programmes or to show the value of the programme to operations / production management. In this case, the focus should be on Inclusion as it can show the direct benefits, especially, if to take Frontline teams as a focus to develop buy-in.

At ROII we identified the following key steps in the development of the buy-in:

Step 1. Inclusion Awareness: Good / Bad Performance Team

❭ Select one team that is considered a good performance team and one team that is considered a bad performance team.

❭ Assess Inclusion Factors for both teams.

❭ Analyse how inclusion factors are different for both teams and how good performance team has higher level of inclusion values / valued individual entitlements among the team members and better performance results (safety, compliance to plan, compliance to stan-dards).

❭ Present the results to the top and operations / production management.

Example of Good/Bad Performance Inclusion Assessment for two Level 2 sections (Output teams) at Metallurgical Operations:

			"Good performance team"	"Bad performance team"
Inclusion Values	**Inclusion Values** (Valued Individual Entitlements)	Perception of Inclusion values by team members Positive intention to comply with inclusion behaviours by Team members	**Higher**	**Lower**
Team Inclusion Conditions	**Level 2 Output Team Size**	• Max. up to 40-70 for Level 2 Output Team, up to 250 for Level 3 Unit	**Within**	**Exceeded**
	L2 Manager	• Job evaluation and potential assessment **(L2 Capability matches L2 work complexity)**	**Match**	**Mismatch**
	L3 Manager	• Job evaluation and potential assessment **(L3 Capability matches L3 work complexity)**	**Match**	**Match**
	Managerial Leadership Practices	• Perception of managerial leadership by team members	**Higher**	**Lower**
	Managerial Accountabilities and Authorities	• % of managerial authorities that the team manager has • % of manager-once-removed authorities that the unit manager has	**Same**	**Same**
	Team Horizontal Working	• Number of system conflicts (not self-managed)	**Lower**	**Higher**
	Matching Competence	• % of employees who match the competence profiles	**Higher**	**Lower**

For full report for this example, contact ROII.

Step 2. Performance Prediction based on Inclusion Factor Model

To show the power of Inclusion and its impact on the performance of the teams, and especially for production and operations managers, at ROII we perform the following set of actions:

- Select multiple Level 2 Frontline teams across Multiple Level 3 Units.

- Perform Inclusion Factor Assessment for the teams selected.

- Predict their performance outputs and team effectiveness based on the level of Inclusion factors and perception of valued individual entitlements by the team members.

- Schedule the interviews with Level 3 and Level 4 Managers accountable for Level 2 Frontline teams.

- Ask the managers to give their judgement on the performance of the teams.

- Compare the results of the prediction and the managers' judgement.

- The ROII experience shows that there is high probability of match between these two evaluations.

This step develops confidence among production / operations managers in the power of Inclusion.

Example of Performance Prediction Assessment for two Level 2 mining sections:

Mining Areas	Stratum II Mining Sections	Perfrmance Inclusion Prediction on Organisational Effectiveness and Performance of the Mining Sections	Production Manager's description of Organisational Effectiveness and Performance of the Mining Sections
Alimak Mining	Alimak First Line Manager	BAD	BAD
	Alimak Mechanical Shop	GOOD	GOOD
Conventional Mining	Reef 0,1 First Line Manager	BAD	BAD
	Reef 2 First Line Manager	AVERAGE	BAD
Development	CCF Waste Development First Line Manager	GOOD	GOOD
Internal Mining Transport	Muck & Haul First Line Manager	GOOD	GOOD
Services	Construction & Services First Line Manager	BAD	AVERAGE
Longhole Mining	Longhole Drill & Blast First Line Manager	GOOD	GOOD
Development	Waste Development First Line Manager (+upper east)	BAD	AVERAGE
	Ore Development First Line Manager	GOOD	GOOD

Step 3. Performance Improvement based on Inclusion Development
To expand confidence in Diversity & Inclusion programme, ROII advises to perform the pilot aimed at improving the performance of a "bad performance" team.

- Identify "bad performance" team
- Perform Inclusion Factor Assessment for the team
- Develop the Inclusion and Performance Improvement programme

- Train and communicate the programme
- Implement the programme
- Monitor the changes in the team's inclusion and performance
- Present the results of the pilot

FOR MORE INFORMATION ON DIVERSITY & INCLUSION, PLEASE CONTACT REQUISITE ORGANIZATION INTERNATIONAL INSTITUTE
membership@requisite.org

The Requisite Organization International Institute was established in 1999 to provide support and services to those engaged in implementation and further development of the work on human organizational development begun by Elliott Jaques as Stratified Systems Theory over sixty years ago.

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Provide access to and authoritative knowledge about the full body of work in human organization and human capability developed by Dr. Jaques (and colleagues).

Provide authoritative guidance for the development of tools and resources which contribute to and support the implementation of Requisite Organization (RO) in organizations and institutions around the world.

Provide guidance and support to those seeking to conduct research and development in the Institute's specialized areas.

Ensure that Jaques' body of work, known as Requisite Organization, becomes the standard by which all other organizational development programs are measured.

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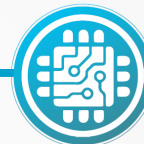
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