

DIVERSITY & INCLUSION: THE LINK WITH SUSTAINABILITY AND THE EXPANDING ROLE OF HR

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Presentation Outline

- **Historical Development**
- **Definitions**
- **Various Dimensions**
- **The Role of HR**
- **Ways of Implementation**
- **The link with Sustainability**
- **Organizational Benefits**

Some General Facts

- Labour Force consists of groups of people with different cultural values, needs, lifestyles, family obligations and personal competencies.
- Different groups of people are often treated unequally and may fall victims of discrimination

Forms of Discrimination

- **Personal Discrimination due to individual treatment**
- **Organizational Discrimination due to corporate policies and**
- **Structural Discrimination due to legislation and the cultural environment of every society**

Indicators of Discrimination

- **Level of Unemployment**
- **Payment gap**
- **Lack of employment opportunities**
- **Horizontal/Vertical Labor Segregation**
- **Economic/Social Inequality**
- **Psychological hardship**

The Role of State

In response to Globalization and growing Human Rights Movements, after the 70's gradual introduction of legislation against discrimination due to gender, race, ethnical background, religion, disability, sexual orientation and age.

The Role of Business

- **At the beginning companies were avoiding diversity fearing it would create conflict among employees or were using the “melting pot” approach**
- **Gradually companies adapted to legislation against discrimination in recruitment and promotion of tolerance (E.E.O. and A.A.)**
- **Since the 90’s Diversity & Inclusion policies were introduced as a key competitive advantage.**

Two Different Approaches

Equal Opportunities policies aim at facing discrimination against diversity through legislation with emphasis on ethics and human rights (social Justice approach)

Diversity Management accepts that there are differences and seeks to take advantage from them for the company (business case approach)

Some Definitions

Diversity Management is the set of practices aiming at the recruitment, development and retainment of talents from various groups of people in order to create a sustainable competitive advantage for the company

Inclusion is about inviting and valuing the ideas, contributions and presence of different groups of people and integrating them into the work environment

Differences between D&I

Two interconnected concepts but not interchangeable

Diversity without inclusion is called “tokenism”

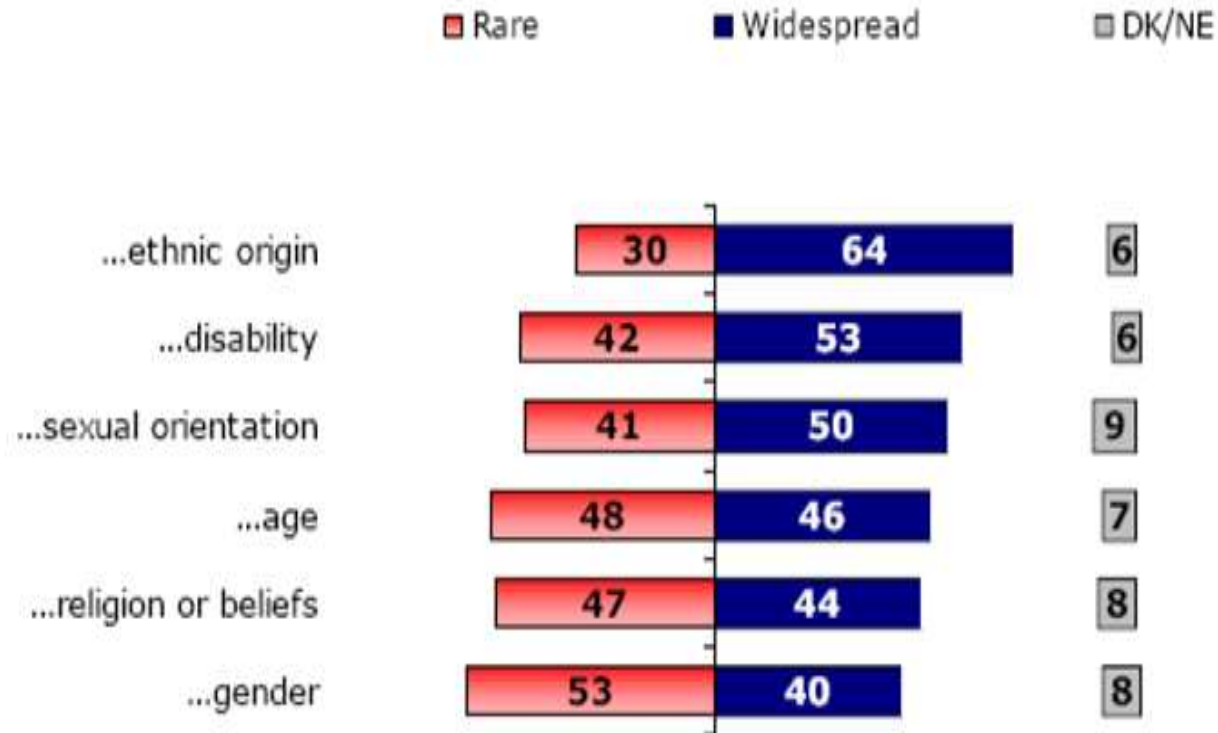
An inclusive workplace not only has a diversity of people present, it has them involved, developed, empowered and trusted by the business.

Diversity is expressed in numbers but inclusion through organizational culture

Dimensions of D & I

Gender	Religion	Appearance
Disability	Social Class	Ideology
Ethnic Origin	Family situation	Weight
Sexual Orientation	Rank/Seniority	Residence
Age	Health	Pronunciation

Discrimination in Europe



Survey by CIPD in the UK

52% of large private companies had a written policy about D&I

Among them:

78% monitored selection decisions

57% offered interview training

45% had practices for talent search from various sources

Survey by CIPD in the UK

Limited use of the following:

Equality/ Gender audits

Benchmarking

Attitude surveys

Exit Interviews

The Role of HR

- **Avoid actions which can be considered as sexist, racist, homophobic or offensive**
- **Special programs for work/life balance**
- **Recruitment, selection, retainment and inclusion from underrepresented groups**
- **Seminars/workshops in equality, diversity, unconscious bias, stereotyping, inclusive culture (sensitivity/awareness training)**
- **Affirmative Action, Quotas, Gender and Cultural Audits, Employee Resource Groups**

Marks and Spencer's EO Policy (1)

It is our policy to:

- Promote a business environment free from discrimination, harassment and victimisation on the basis of gender, sexual orientation, marital or civil partnership status, gender reassignment, race, colour, nationality, ethnic or national origin, hours of work, religious or political beliefs, disability, age.
- Ensure that our workers are not disadvantaged in any aspect of our employment policies or working practices unless justified as necessary for operational reasons.
- Ensure that all decisions relating to employment practices are objective, free from bias and based solely on work criteria and individual merit. In every set of circumstances we aim to find a solution that takes account of an individual's personal circumstances and the needs of the business.

Marks and Spencer's EO Policy (2)

- **Recognise that it may be necessary to make reasonable adjustments to ensure that disabled workers or applicants are not placed at a substantial disadvantage by a practice or policy that exists in M&S. Employ a workforce that reflects the diverse community we serve and maximises personal and commercial opportunities**
- **Review changes in attitude and application of internal policy.**
- **Raise staff awareness by designing and delivering training programmes that support the Equal Opportunities aims.**
- **Comply with the law and communicate to our stakeholders the responsibility to protect both individuals and the company**



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Top tips for being “Age Positive”

- Learn from the good practice of Age Positive champions by removing age limits from recruitment advertisements. Avoid using words like 'young' or 'mature'.
- Use a mixed-age interview panel in the selection process wherever possible.
- Promote on the basis of measurable performance and demonstrated potential rather than age.
- Offer employees of all ages the opportunity to train and develop themselves - encourage reluctant older and younger workers by using, as role models, employees who have benefited from training.

Top tips for being “Age Positive”

- **Base redundancy decisions on objective, job-related criteria. Automatically making workers over a certain age redundant, or operating a last-in-first-out system will lead to a loss of key knowledge, skills and corporate memory.**
- **Agree on a fair and consistent retirement policy with employees. Offer pre-retirement support and, where possible, consider flexible or extended retirement options.**

Organizational Benefits from D&I

- Full use of human potential available among employees resulting in higher revenue growth
- Recruitment and retention from a wide pool of talents (5.4 time higher retention)
- Better understanding of diverse needs of different groups
- Increase in productivity and innovation
- Improves corporate image and employer branding

Organizational benefits from D&I

- **Helps in better understanding and collaboration among employees**
- **Helps in fighting stereotypes and unconscious bias**
- **Reinforces corporate values and business ethics increasing employees' motivation and pride in their work**
- **Contributes to sustainable development**

Sustainable Development

Sustainable Development is seeking to meet the needs and aspirations of the present, without compromising the ability to meet those of the future.



SUSTAINABLE DEVELOPMENT GOALS



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Sustainable Development of Business is measured by 3 sets of indicators the E S G

- Protection of the environment (environmental indicators)
- Consideration of social needs of internal and external stakeholders (social indicators)
- Economic Stability and Accountability (governance indicators)

Corporate Governance

The official system of accountability and control guiding corporate business decisions in a company which specifies:

- **Top management roles and behaviors**
- **Investor and stockholders' relations**
- **Internal audit and risk management**
- **Executive pay**

Organizational Benefits from applying ESG criteria

- **Have greater access to capital, secure loans and gain access to a wide range of investors**
- **Avoid business risks such as corruption scandals or environmental accidents**
- **Attract and retain customers through enhanced brand image and corporate reputation**

Organizational Benefits from applying ESG criteria

- Legitimize business and profit levels and avoid government intervention or public criticism
- Manage human resources more effectively through attraction and retention of talent and enhanced motivation and commitment of the workforce, and
- Gain acceptance in local communities and support from host country governments, including favourable policy treatment.

Link of HR with Sustainability

By applying Sustainable HR i.e. monitoring and recording all activities which help in promoting equality, fairness, wellbeing, ethical behavior and responsible treatment of employees in the workplace and in the community, HR can prove an important strategic partner and help the company gain all advantages of ESG criteria



Sustainable HRM

Sustainable HRM is the long-term socially and economically efficient and fair recruitment, development, retainment and treatment of people.

Directly linked with the “S” dimension of ESG and with sustainable development

HR Practices adding to Sustainability

- **Diversity programs for employment of handicapped people.**
- **Equal opportunities for women and migrant workers.**
- **Program for helping the unemployed get work experience.**
- **Internal two-way communication program, where employees' ideas and attitudes are expressed and taken into consideration.**
- **Professional orientation for employees' children.**
- **Employee safety programs with employee involvement and constant training.**
- **Monitoring of organizational climate for employee commitment and work satisfaction.**

HR Practices adding to Sustainability

- **Work-life balance programs.**
- **Employee wellness programs including physical training and health advice.**
- **Career development programs for women and young graduates.**
- **Volunteer programs financed by the organization to support socially deprived groups (old, poor, handicapped people)**
- **Employee assistance programs involving advice for stress management personal counselling, recovery from traumatic events such as harassment, bullying, jobs loss etc.**
- **Employee involvement in NGO'S to fight, poverty, distribute food and care for the homeless.**

The Road Ahead for HR

- **The HR Agenda is expanding**
- **HR has the highest demand among business managers in the US following the resignation wave**
- **HR is becoming the main agent for change and a key strategic partner for business growth and sustainability**



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**Thank you and
Good Luck**



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