

What is your rationale for work on diversity management? 1/17/24



PhD, PwC Latvia Head of Diversity and Inclusion
Agnese Cimdiņa

One of the signals indicating an organisation needs diversity management is a high level of subjective feelings of discrimination or injustice among its staff. Low innovation capacity or high staff turnover can also suggest its diversity and inclusion (D&I) practices are not successful. Yet these are just a few of the reasons why organisations turn to diversity management as a key priority.

Organisations often find it difficult to formulate their goal and approach to work on D&I. For example, why should D&I even be a priority if the country's national law is silent on it? Since the content of any work task, training course or strategy depends on the aim we want to achieve, this article outlines some common grounds for work on D&I at organisational level.

Five approaches

Baltic, Nordic and gradually also Central European organisations typically take one of five approaches based on different justifications.

The first is the legal approach, which could be called the basic one. This means a company is keen to meet basic regulatory requirements. Once it has met them it will not pay special attention to D&I issues. Requirements may vary from country to country. In Latvia, for example, D&I is entering laws in the form of anti-discrimination rules. Yet the persistently high indicators of employees' subjective feeling of discrimination show that the basic approach still needs strengthening.

The second is the moral approach – an organisation considers itself to be socially responsible and strives to offer equal employment and growth opportunities to people from different social groups, emphasising the value of everyone.

The gradually emerging third approach is the business or value creation approach, which recognises D&I's potential for growth without which it's hard to compete in today's globalised market. If we are working in a uniform team with like-minded people then all we can come up with are drab variations on the same theme and we are unable to compete in a world that, as we know, is not uniform and invariable.

The fourth is the PR approach, which companies often display as a signboard to take pride in, but which may in fact have little bearing on diversity management. An organisation may even be unable to explain who is responsible for diversity management, how diversity is defined, what is its diversity management strategy, and whether it has defined its key performance indicators in D&I. If it has not, there is clearly no purposeful rationale for work on D&I and no strategic, purposeful work being done in this area.

The fifth approach involves ignoring D&I, which is often blamed on there being no law to prioritise D&I or this simply being not relevant to the organisation. The percentage of organisations taking this approach is still quite high, making us wonder how an employee can even develop a sense of value and belonging in an organisation that does not care about D&I.

The motivation

The experience of Nordic countries suggests that leaders become particularly attentive to D&I when these matters are included in national regulations or binding international directives. And leaders become really motivated when they understand how to link diversity with their organisation's growth. This has several reasons:

- The uniform thinking approach is not competitive.
- Discrimination is costly at organisational, national and individual level.
- D&I ignorance adversely affects the image of the employer/organisation.
- If an employee does not have a sense of value and belonging then their productivity, motivation and loyalty will suffer, which will adversely affect the organisation's work in general.

The basis

Diversity management is mainly associated with two considerations:

1. How leaders treat workers regardless of the diversity spectrum;
2. How organisations encourage growth in the workplace and in society at large.

These fundamental D&I considerations transform into several reasons and related goals depending on the sector and the organisation's context. The lack of a clear rationale will not lead to concrete D&I activities, so for the sake of inspiration below are several grounds for work on D&I based on many years of practical work experience:



What is your organisation's rationale?

If you need any help in dealing with D&I issues or implementing diversity management, please do reach out to us. And if you wish to delve deeper into this topic, you are welcome to attend our training course [“Diversity Management: from Competence to Strategy”](#) (in English). We offer special terms if two or more of your staff sign up for the course.