

Introduction to Diversity, Equity & Inclusion on the Saville Assessment Client Resources Area

This section on our Client Resources Area aims to help Saville Assessment test users pinpoint our relevant materials on Diversity, Equity and Inclusion (D,E&I) and share useful thought pieces.

This document is not intended to give legal advice on what the 'must do' requirements are across different legal jurisdictions with respect to D,E&I. Assessment users should always be aware of the relevant legal requirements in their own jurisdiction.

What is Diversity, Equity and Inclusion?

The addition of 'Equity' to Diversity & Inclusion represents an important division to concept of ensuring fairness, particularly where assessment is concerned. Let us look at the individual components to understand why.

'Diversity' is often exemplified as a statistic or set of statistics. In organizations, for example, this can mean ensuring there is fair representation across the main protected characteristics. 'Equity' can often be operationalized as action. It relates to fairness and provides the means to achieve greater equality. For example, running specific campaigns to encourage more females into STEM subjects and engineering careers. 'Inclusion' is more closely associated with the impact, the recognition and acceptance that results in people feeling a sense of being a part of something or belonging. Inclusion is perhaps the most difficult of the three to achieve.

At Saville Assessment, we recognize the importance of all three aspects. We see it as critical across the application of our assessments in hiring, developing and leading people. Organizations have an obligation to meet legal requirements as well as moral obligations to promote good diversity, equity and inclusion across their hiring, development, and promotion practices. Legal ramifications aside, there is compelling evidence that companies who can effectively recruit and manage a diverse workforce have a clear competitive advantage over those that do not.

Companies with more diverse workforces perform better financially (1). Research has also shown that US companies with diverse executive boards have a 95% higher return on investment (2). McKinsey's 2020 report (3) demonstrates that the business case for both gender and ethnic diversity in top teams is stronger than ever. Companies whose boards are in the top quartile of gender and diversity are 28% more likely than their peers to outperform financially. But diversity is not just a consideration to be made at the top tier.

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In general, teams that are more diverse are found to be more productive and generate larger revenues than non-diverse teams (4). Gender inclusion plays a major role in how an organization performs. For example, data shows (5) that the most gender diverse companies are 15% more likely to have financial returns above their industry average.

The companies that lead on diversity appear to have taken bold steps to strengthen inclusion(3). However, maintaining diversity within the organization is often a question of balance.

“Diversity is being invited to the party. Inclusion is being asked to dance.”
(Verna Myers)

Assessments have an important role to play in both the promotion and practice of good D, E & I. From ensuring a diverse talent pipeline is maintained throughout external selection processes to select staff, through to internal talent management and development activities, assessment can make a significant impact.

Managing diversity practice within the organization should be part of ongoing change, monitoring and evaluation processes that occurs throughout the organization, where differences are accepted, and inclusivity is seen as a fundamental human right.

References

- (1) Why diversity matters. January 2015. Published by McKinsey and Company.
- (2) Is there a payoff from top-team diversity? April 2012. Published by McKinsey and Company.
- (3) Diversity wins: How inclusion matters. May 2020. Published by McKinsey and Company
- (4) Ellison, S. F. and Mullin, W.P. Diversity, Social Goods Provision and Performance in the Firm. Journal of Economics and Management Strategy, Vol 23, Number 2, Summer 2014, 465-481
- (5) CS Gender 3000 report – Published by Credit Suisse, 10.10.2019