

Operationalization of diversity and inclusion management strategies

Appropriate D&I policies maximize workforce potential and organizational productivity.



p-Watch: A macro view of productivity trends

Traditionally, diversity and inclusion (D&I) are defined primarily by gender and race perspectives. A single, internationally accepted definition of “diversity” has yet to be endorsed by the global corporate community. Depending on the region, the broad definition of D&I may imply specific issues unique to the organization or the country of operation, including sexual orientation, race, ethnicity, nationality, social and income class, physical ability, religion, age, and gender.

Taking D&I global is about embedding fundamental principles into the corporate value system by creating an environment that optimizes the full potential of each employee. The main objective is to encourage all employees to utilize their talents and skills for the benefits of their career development and the organization.

Corporate leadership plays a key role in installing a unique diversity management culture that fosters a respectful, inclusive, knowledge-based environment where each employee has the opportunity to learn, grow, and contribute to the organization’s sustainability. The primary reason for workforce diversity is to strengthen the concept of equal opportunity in the workplace. Although every organization has a unique level of D&I maturity, the common challenge faced across all sectors is the establishment of D&I performance measurement and criteria.

Regional challenges

The different dynamics and definitions of D&I have raised questions of cultural competency and the importance of executives’ ability to perform in a robust work environment in Asia. The regional challenges of implementing D&I in Asia include economic differences, rapid technological change, regional differences, a mobile workforce, and corporate culture versus national culture and communication patterns.

However, Malaysia has a different perspective on D&I. It formulated the Vision 2020 to drive the country toward the ambitious goal of transforming into a developed economy by 2020. In making this transformation a reality, D&I are important for a multicultural, multiracial country like Malaysia. In addition, the influx of foreign workers has been on an upward trend to cater to development needs, and it is anticipated that they will increase to about 20% of the total workforce. Luckily for Malaysia, a growing number of companies in the country have been embracing D&I in the workplace.

In 2014, Bursa Malaysia (formerly known as the Kuala Lumpur Stock Exchange) required all public-listed companies to disclose diversity policies covering gender, ethnicity, and age for the board of directors and workforce. Starting in January 2015, it made it mandatory to publish this in the annual reports of all public-listed companies.

In early 2016, the Diversity in the Workplace 2015 Survey

was conducted by TalentCorp-PricewaterhouseCoopers involving the largest 100 public-listed companies. The Life at Work Awards recognize Malaysian employers with excellent workplace strategies that enable employees to achieve success in their corporate and personal lives and demonstrate a company's commitment to championing D&I.

The winners include corporations like Maybank Group, IBM Malaysia, IHS Malaysia, Shell Malaysia, and KPMG Malaysia. These high-performing organizations are not only the employers of choice for talent but also have proven track records of good business performance. This is evidence of a correlation between D&I as fundamental corporate values and productivity and performance. More Malaysian employers are now championing progressive workplace strategies to attract and retain quality talent, in addition to ultimately helping the country achieve Vision 2020.

Success stories from Malaysia

Listed companies in the financial services and fast-moving consumer goods sectors in Malaysia achieved the government's target of 30% women in top management. The top 100 listed companies, including BIMB Holdings, Telekom Malaysia, Digi, Top Glove, Nestle Malaysia, and Petronas Dagangan Berhad, had more than 25% female representation at the board level. To respond to the changing needs of today's workforce and retain talent better, Malaysia's regional financial services leader, Maybank, introduced flexible work arrangements (FWAs), providing options for staff to work on fixed flexible schedules, flexitime, and part-time as well as at flexible work locations. The organization also tracks diversity metrics in its succession pool, resulting in an increase in women serving in senior management positions from 11% in 2008 to 35% in 2014. The Women Mentor Women initiative was introduced which pairs female staff with mentors in senior management.

In KPMG Malaysia, D&I have always been an integral part of corporate DNA and implemented from the top down. Leaders play an important role in ensuring that the momentum is sustained. Two women were appointed as partners to head business units based on merit. The organization's human resources agenda promotes employee engagement and a healthy work-life balance. It also formalized FWAs and recently announced an unprecedented annual one-week office closure, which is paid time off for all employees to rejuvenate and spend quality time with their families and friends.

IBM Malaysia emphasizes the development of female talent in IT, technology, and finance, with women "ambassadors" appointed to drive these initiatives. The global IT firm also created the Business Resource Group and Women in

IBM Network Group to inspire women to achieve their full career and leadership potential.

Shell Malaysia sets specific D&I targets for the technical and commercial skill pool and East Malaysian hires. The oil and gas giant also revised its Shell Graduate Program to be more female-centric by prioritizing women in its selection process and created a toolkit for D&I recruiting excellence.


Global benchmarks

The Deutsche Bank Diversity Program is firmly anchored in the corporate values and beliefs of the organization. This includes an open, unprejudiced corporate culture in which employees develop their potential and contribute their individual talents.

PepsiCo has a core belief that making the most of diverse strengths and talents helps make the company more successful. D&I management is woven into the fabric of corporate culture to position the organization as a global, multicultural, multigenerational company capable of serving the world's communities effectively.

Vale has implemented D&I to promote an inclusive working environment and respect for differences, both of which are principles included in the corporate code of ethics and conduct and the human rights policy. D&I are

key success factors to achieve optimal productivity in Vale. Research has shown that when diversity is embedded in organizational culture, both management and employees reap tangible and intangible benefits from the optimization and capitalization of workforce diversity of the different skill levels, styles, and sensibilities of the workforce. However, the greatest challenge is maintaining the uniqueness of national culture while still addressing the shared goal of embedding D&I into day-to-day operations. Forward-thinking companies are taking a leadership role to maximize the benefits of a diverse workforce.

An effective D&I strategy results in motivated and engaged employees who can power creativity and innovation that can lead to a better understanding of the different needs of customers, better marketing strategies, and improved sales performance. It enhances the employer brand, attracting high-quality talent. It also leads to reduced reputational, legal, and financial risk. All of these combine to deliver a strong competitive business advantage. 

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