

MIDLANDS ENGINE OBSERVATORY ACADEMIC INSIGHTS

Diversity must be supported by genuine inclusion



This summary is based on [this article](#) at The Conversation

Theme:

The labour market benefits from a diverse workforce

Area of Focus:

Whilst the number of workers minority ethnic groups and women in the workplace is increasing, but continued success requires changes in attitudes.

Key Findings:

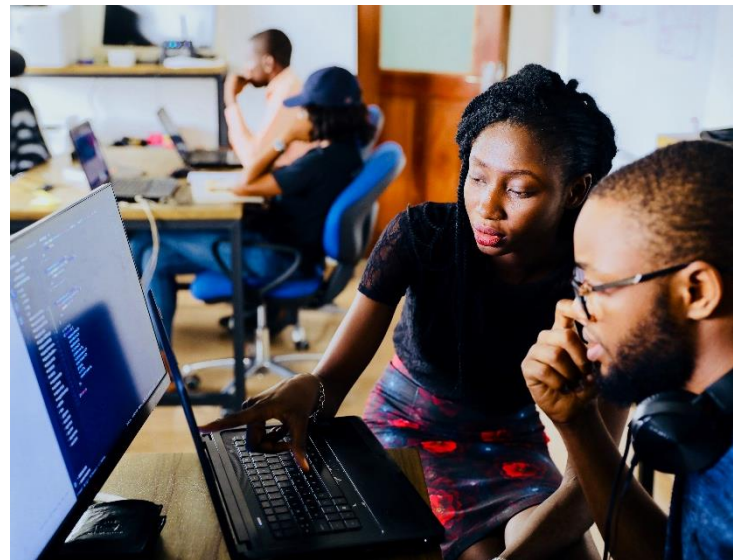
Research shows that increased diversity in a company leads to greater innovation, promotes learning, and improves customer reach. The top 25% of companies for gender, racial, or ethnic diversity are more likely to have financial returns above their industry averages. Different backgrounds and life experiences also allow employees to offer unique insights that may have been missed.

However, diversity initiatives are often based in the flawed ideas that true meritocracy can be achieved through ensuring everyone has the same chance of succeeding. But those who succeed in this system are often those who have a long-standing privilege.

This has led to subtle, and sometimes not so subtle barriers in many organizations which leave those from historically disadvantaged groups feeling less valued. It is important to understand the norms and patterns of discrimination that may be rooted within and organisation.

One way to tackle this is through a 'positive inclusion climate', which values and celebrates social identities of employees as sources of insight and skill. This has been shown to reduce levels of conflict and staff turnover.

Whatever the vision and commitment of an organisation to respect and equity, organisations need adequate systems and procedures to support inclusion.



Midlands Engine Impact:

- The Midlands has a diverse demography, and a low productivity rate. In 2019, the productivity gap stood at £82.3 billion. Whilst the gap between the Midlands Engine and UK GVA per head has decreased, there is still a shortfall of £5,849. Increasing the diversity of the workforce could increase the productivity of the region, leading to higher wages and a smaller productivity gap.
- The region needs to improve the diversity of business leaders in the region, both big and small. Research from the University of Warwick shows that the Midlands has lower than the UK average number of women in director positions. Only 21% of directors of Social Enterprises are from Black, Asian, or Minority Ethnic backgrounds, compared to the UK average of 31%. Local and regional bodies could develop better support.

For Further Information Contact:

Professor Marianna Fotaki
Professor of Business Ethics
Warwick Business School, University of Warwick
Email: Marianna.Fotaki@wbs.ac.uk
Telephone: [024 765 74668](tel:02476574668)

