NURTURING A DIVERSE INNOVATIVE WORKFORCE

IDEASCALE WHITE PAPER
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Some people see diversity as just another buzzword or just another feel-good corporate policy. That's far from the truth. Nurturing a diverse workforce isn't just a politically correct practice; it's a real concern in businesses across the country, and the lack of it may impact your innovation efforts.

New research indicates that diversity unlocks innovation and drives market growth. Employees at companies with diversity are 45% more likely to report that their firm’s market share grew over the previous year and 70% more likely to report that the firm captured a new market.

The truth is that diversity in the workforce is still startlingly low. In the past ten years, women have increased their participation in senior management by only 1%. Women occupy only 21% of senior business roles in the US as of April 2016.

Racial diversity also continues to be a concern. African Americans are 16% less likely to be called for an interview than white candidates, even when recruiters aren’t biased. Often recruiters are afraid customers will have racial biases, and won’t hire minorities as a result. Even in technical companies, racial bias is prevalent. Google has 59% Caucasians, and only 3% Hispanic and 2% African American. Google also has only 30% women.

This paper covers:

• Why diversity is important to innovation
• What diversity is and isn’t
• How to incorporate diversity into your hiring practices
• The process for nurturing a diverse and innovative workforce
Why is this important to your organization? Research shows that companies with more diversity do better financially and are more likely to attract top talent.

Both candidates and employees care what your diversity rate is. Approximately 67% of job seekers say that a diverse workforce is important when evaluating companies and job offers. Additionally, a recent survey showed 57% of people think their company should be doing more to increase diversity.

Even more important, companies in the top quartile for diversity are 35% more likely to outperform their industry. This is especially true for racial diversity.

Why Diversity is Important to Innovation

Innovation is based on new ideas and new ways of looking at things. A workplace diverse in gender, ethnicity, and life experience is more likely to innovate and bring new products to market.

Diversity is key to creativity, which is one of the major underpinnings of innovation. Typically, when you try to solve a problem, your mind will give you information related to the problem and other approaches that have been tried. However, creativity requires applying information from entirely different concepts to the problem.

When everyone on your team has the same set of experiences and expectations, you'll get ideas that all sound the same. On the other hand, an older or younger team member might approach the problem from a completely different angle. So might someone born in Ghana, or someone who grew up very poor or very wealthy. The more people that you have with different experiences and perspectives, the more likely you are to approach innovation in a new way.

When diversity and innovation come together, the results are transformative for an organization, making a culture of innovation that encourages agile thinking and rewards risk-takers a reality. In fact, when you include diversity in leadership as well as on your teams, you’ll find your corporate culture enriched in even more ways. Diversity in leadership can lead to new ideas for incentives, projects, and approaches to staff enrichment.

Leaders that value innovation are more able to win top talent, improve customer orientation and employee satisfaction, and make quality decisions. This creates a virtuous cycle of improvement and success. Organizations with diversity among their leaders are also setting the example for their teams and their industry.
What Diversity Is, and What Diversity Isn’t

There are a lot of ways to begin promoting a more diverse workforce, but many of these efforts fall short of achieving real diversity. There are many things that people and organizations call "diversity," but they really aren’t.

Diversity is not about just making things better for one group of people. Too many workers and leaders think that diversity is about focusing on improving the experience of a specific minority group and that the effort degrades the experience of the majority groups. That’s far from the truth. In reality, diversity is about making things better for everyone. If your retention rate for Caucasians is significantly higher than for minorities, that’s a concern for everyone. When you improve the situation for minorities and improve retention rates in those groups, the experience of everyone in the company improves.

Diversity isn’t just rewarding recruiters for racial or gender-based hires. Facebook tried to create a point-based system for hiring, and it hasn’t changed the results. While more minorities may get interviews, the actual hiring is still skewed. Creating an incentive program doesn’t cause more inclusion in hiring or team projects.

Diversity also isn’t about "creating a diversity program." Often, forced diversity initiatives backfire, making everyone more uncomfortable and less likely to share. Innovation based on diversity requires everyone to communicate naturally and share their experiences. Without this open sharing, the diversity program won’t work.

Finally, diversity isn’t about forcing compliance or policing language. While language can be hurtful, a focus on “what you can and can’t say” detracts from the true purpose of having people with different perspectives, age ranges, and backgrounds.

Instead, diversity must stem from a true mindset shift at the highest level. It can’t be about a quick "let’s hire a few minorities" initiative. It has to be about true inclusion and a true commitment to bringing in new perspectives. These perspectives may be easy to see on the surface, or they may not. Using a shallow surface measure of diversity won’t serve your organization.
True diversity has two parts, inherent and acquired.

- Inherent diversity focuses on traits you were born with, such as ethnicity, gender, and age.

- Acquired diversity focuses on having diverse personal experiences. These can include different levels of wealth, different family situations, different geographical backgrounds, and more.

As you nurture diversity in your organization, you'll want to focus on both kinds. Help different age groups work together rather than allowing the older or younger employees to run the show. Have both women and men in leadership. Hire people with different socioeconomic levels, different political viewpoints, and different geographical experience.

Keep in mind that diversity requires more than having different people in the same room. It means that minority perspectives are given the same weight and respect as everyone else's. It means creating a culture where different ideas are heard without judgment, and there's a safe environment for expressing ideas and taking risks.

Companies with diversity are 45% more likely to report that their firm's market share grew over the previous year and 70% more likely to report that the firm captured a new market.
How to Incorporate Diversity into Your Hiring Practices

One major misconception is that hiring for diversity means that you can no longer hire for cultural fit within your company. As long as your corporate culture isn’t based on the exclusion of differing viewpoints, that’s not true at all.

Diversity is about having people that have different racial, gender, age, or personal experiences than each other contributing equally in the workplace. Cultural fit, on the other hand, is about finding someone who has the work ethic, values, willingness to take risks and other attributes that your company is built around. These traits are found in people regardless of their gender, race, age, or personal background.

Instead of being negative and focusing on threats and repercussions when your staff doesn’t respect diversity, give your employees something to feel good about. Give positive reinforcement to those who are inclusive and promote diverse perspectives.

Consider creating mentoring programs focused on bringing different types of people together. This can encourage collaboration across demographics and departments, which is vital to innovation.

Here are some steps you can take to specifically incorporate diversity into your hiring practices:

• Get opinions. Talk to your recruiters and employees. Find out how they feel about differences in the workplace. You may want to avoid the word “diversity” because it’s so politicized. Instead, focus on asking how your organization is doing in including people with different backgrounds, perspectives, and lifestyles.

• Make a plan. Don't just trust your recruiters to “do what's right.” Their biases or the perception of customer biases can affect recruiting. Instead, create a clear plan of action with built-in accountability that moves you toward your hiring goals.

• Remember that retention of diverse employees is just as important as hiring them. Make sure your culture encourages minorities and others whose life experiences are unique.

Be sure that you’re flexible and take your time. People don't change overnight. You may be able to stop people from talking a certain way, but you can't stop them from thinking that way just by making rules. Encourage everyone to care enough about the workplace to learn about each other.

Create a culture in management where everyone has a seat at the table. If bosses are not inclusive in discussions, team meetings, and developing programs, then the recruiters and employees won’t be either.
Having a diverse team is fantastic, but if you don’t have the right tools in place, you won’t be able to take advantage of their ideas and perspectives.

Tools don’t have to be expensive. In fact, fancy or complicated tools may discourage the creative teamwork, joy of discovery, and collaboration that a simpler setup allows. The most important aspect about tools for an innovative workforce is that they encourage new ideas and allow for those ideas to be collected, recorded, and evaluated.

Consider creating an area of the office that is open, flexible, and designed for trying something new. So many organizations put everyone in a cubicle and then expect to call a meeting in a conference room and spontaneously have creativity. Instead, create a space for creativity to happen naturally, unplanned. Have an area that employees can use to tinker with new ideas, whether your organization is technical or service-based. Having a creative space can dramatically improve productivity and innovation.

Think about having larger project teams. Many organizations try to keep project teams small for efficiency and speed, but this may result in less innovation and creativity. Instead, engage a wide range of people in new projects so that you’ll have more knowledge, more perspectives, and more creativity in your product. You may find that combining so much knowledge allows you to finish faster!

Finally, make sure you have software and social tools that allow you to capture ideas and promote discussion that brings new ideas to the front. Many organizations have made use of IdeaScale as a way to capture ideas from a huge variety of people during innovation projects and continuously afterward. This allows you to capture a variety of knowledge and perspectives without taking the time to have face-to-face meetings. You also have access to physically remote workers as well as around-the-clock ideation.
Creating a truly inclusive workforce is more than having different-looking people at a conference table. It’s about all of those people feeling comfortable speaking up and contributing. This begins at the top.

People often follow their boss’ lead. If leadership is only giving lip-service to the ideas behind diversity, so will the workers. Fortunately, as leaders, managers, and team members begin to understand the benefits of diversity for the company, they will be more interested in encouraging participation from everyone on their team.

Creating a variety of methods for participation can be very helpful. Instead of having an in-person brainstorming meeting, try providing options to email, dial-in, web conference, or asynchronous idea generation if participants prefer. Rather than having the most talkative person lead or share, create a structure where participants can have time to write ideas and then each share from their lists.

Consider creating more flexibility within the organizational structure to give new people a chance to step forward and lead. Also allow time for private reflection during innovation projects, allowing people to absorb the new ideas and perspectives they’ve heard and apply them to the problem at hand. This, along with the open creativity area mentioned above, can help people have those impromptu discussions that often lead to major breakthroughs.

Remember that your job is not just to gain a diverse workforce, you have to keep it. The only way to do that is to provide a culture of inclusion and equality for every employee from day one. If you don’t have that, the employees you have that feel different and unwanted will leave, and you’ll never reap the benefits of diversity.
Great Examples of Diversity for Innovation

Diversity and innovation isn’t just a concept on paper. It’s a reality that’s in play at organizations around the world. Here are two examples, one from Making All Voices Count, and one from The Cerebral Palsy Alliance.

Making All Voices Count

Making All Voices Count is an organization that is committed to improving the responsiveness and accountability of governments around the world. To this end, they created the Global Innovation Challenge. They made sure the application pool was diverse by allowing anyone – from anywhere in the world, and from citizens to organizations – to contribute ideas.

Making All Voices Count has a total user-based of 90,000 users across five continents. In the challenge, each applicant has to prove they would implement their idea in the target country. The ideas are evaluated, and winners are moved to the final round.

In the final round, the top 30 ideas’ creators gathered together for a week of mentorship and workshops. The top winners are announced at the end of the week, but the reality is that the mentorship and workshops have been tremendously valuable for all 30 of the finalists.

Over three years, Making All Voices Count has received almost 900 ideas and has funded ten winning ideas through the Global Innovation Challenge. Winning ideas include mobile reporting to improve the delivery of government services, the web and mobile platform that aggregates data on development projects in Ghana, an initiative to increase civic participation in South Africa, and a project to reduce infant mortality in Indonesia.

By collecting ideas from a diverse user base and giving all ideas equal vetting, Making All Voices Count was able to harness diversity to bring innovative solutions to serious problems.
The Cerebral Palsy Alliance

The Cerebral Palsy Alliance is an Australian non-profit providing service to children and adults with cerebral palsy (CP) and their families. It was the first organization in the world for people with CP and has a long history of innovation.

The Cerebral Palsy Association knows that its best ideas will come from people living the experience – patients, families, and medical staff. Many times people working with this disability are marginalized in society and the workplace. The Cerebral Palsy Alliance works to change that through a variety of initiatives, including an international World Cerebral Palsy Day each year.

To celebrate and bring awareness to World Cerebral Palsy Day, the Alliance created "Change My World in One Minute," where people around the world contributed ideas about how to improve the lives of those with CP. This initiative, first piloted in 2012, brought together the world community of 17 million people living with CP. The innovative solutions that surfaced included a solar-powered wheelchair for areas without electrical charging stations available for powered wheelchairs.

The Alliance has a strong engagement strategy to build their climate of innovation worldwide. Senior managers visit various programs to launch initiatives and facilitate discussion, giving “permission” to do things differently. In addition, a dedicated innovation space in their headquarters is available to host think tanks, presentations, and other events to inspire new thinking.

Educational programs at the Alliance build capacity for innovation and creativity among staff. ‘Innovation and Creativity’ are included as core competencies in job descriptions, and regular blogs and resources are produced about innovation. There’s even a quarterly innovation award.

By creating engagement processes both within the Alliance and with a worldwide audience, they are changing the lives of those with cerebral palsy all over the globe.
Conclusion

Diversity isn’t just something that’s nice to have, or that looks good on paper. It’s a requirement if you want to stay innovative in today’s changing society. Diversity isn’t just about hiring different types of people; it’s also about having a culture of inclusive and open dialogue, so employees stay and contribute new ideas. These changes take time, but the dividends are incredible in both financial and non-financial terms.
Related Reading

Blogs:

IdeaScale Blog  www.ideascale.com/blog
Innovation Management  www.innovationmanagement.se
Crowdsourcing Industry Site  www.crowdsourcing.org
The Daily Crowdsourcer  www.thedailycrowdsourcer.com

Case Studies Referenced:

Making All Voices Count  https://ideascale.com/resource/2015-innovation-award-making-all-voices-count/
The Cerebral Palsy Alliance  https://ideascale.com/resource/cerebral-palsy-alliance/

Books:

The Wisdom of Crowds  by James Surowiecki
Crowdsourcing  by Jeff Howe