Introduction From The President

One of the most confusing and confused issues facing those responsible for leading, managing and delivering not only an upper quartile customer experience but any level of customer experience is Diversity. It is an issue which affects customers and staff in equal measure and has the double-edged weapon like capability of causing dissatisfaction and harm to all parties engaged in any transaction. The issue is further complicated and confused that diversity has become a generic, inclusive expression that can be inclusive of any kind of majority or minority difference and the "rules" for behavioural, social and interpersonal transaction can be, on one hand formalised to the degree that they are part of the legislative fabric of a nation and on the other hand be totally informal and poorly communicated expectations that one group may consider their right to enjoy. The fact that whether the required behaviours are framed in law or implied by social expectation they are equally capable of causing major dissatisfaction, potential offence and in customer management terms permanent loss of business.

So, can scholarly words assist?
Diversity
The *Oxford English Dictionary* has a general definition : *"The condition or quality of being diverse, different, or varied; difference, unlikeness."* This carries none of the implications and responsibilities extant in the current social and business environment.

Diversity in Business
Workplace diversity is an issue that has increasingly become a talking point in many businesses – particularly, in human resources departments. Although some managers may feel legally compelled to create a diverse workforce, others may see the strategic benefits of having a broad range of types of employees.
https://smallbusiness.chron.com/define-diversity-workplace-4926.html
 So a recognition of the legal responsibility and the operational opportunity

Diversity in the Workplace
Diversity means having distinct or unlike elements. In a workplace, diversity means employing people who may be different from each other and who do not all come from the same background. The differences may be those of national origin, physical appearance, religion, education, age, gender, or sexual orientation.
https://www.encyclopedia.com/finance/finance-and-accounting-magazines/diversity-workplace

The definition has moved on from its OED origin and it is the realms of this sweepingly large third definition that the root of the more difficult issues are to be found, many with blurred edges and where any number of cases for even more fragmented diversity could be made for it can be argued all people are, to a greater lesser degree, different and there are no qualification rules on the number of people to be included.

It is a basic truth, that of the 5 P's of customer experience management, *(Policy, Places, Products/Services, Processes and People)* it is the around *People* that this issue is centred and around which the others P's will have to adjust their orbits if a stable and equitable operational balance is to be achieved.

The development of the "…..ist" suffix language has perhaps provided an unhelpful shorthand for the protagonists on both sides to generate superficial labels that can on both an individual and organisational level be attached to others without any proper substantiation and lead to attempts at unnecessary manipulation on both sides in order to overcome or substantiate a prejudice.

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"I'm 51 years old, but my lawyer is having it changed to 32."

So…
So what is happening to help those responsible for ensuring that an harmonious relationship is maintained by those on both sides of the customer experience equation?

On March 01, 2022, Customer Experience Magazine published an article **Diversity Initiatives to Increase Business Performance** from the recently published book Beyond D&I: Leading Diversity with Purpose and Inclusiveness (Palgrave Macmillan). by Kay Formanek is the author and also a global speaker on Diversity and Inclusion, visiting lecturer at leading business schools and Founder of Diversity and Performance.
It looks at the grassroots movements of #BLM, #MeToo and by the exposure of pronounced and increasing equity gaps during the COVID-19 pandemic, and how organizations are allocating ever-increasing budgets to diversity-related initiatives.

Already in 2002, MIT Sloan School of Management found that $8 billion is spent each year on diversity training alone in corporate America. In Europe, diversity investments have jumped significantly in response to diversity legislation, quota requirements and the global response to the killing of George Floyd.

Postings for diversity and inclusion professionals jumped 35 per cent between 2016 and 2018. Furthermore, a 2019 study revealed that 63 per cent of diversity professionals in S&P 500 companies had been appointed or promoted to their roles during the past three years. According to 2021 research by GIA the expected compounded annual growth on diversity investments globally will be 12,6% (doubling the diversity investments) every 5 years.

 However is all of this producing the desired outcomes ?

This article will review why the sizeable investments in diversity are not delivering diversity benefits. As well as to present a solution that supports organizations and their leaders benefiting from their investments in diversity.
Why 75% of all diversity investments are going to waste?
Despite this considerable investment in diversity, these investments are not converting to moving the diversity needle, nor delivering on the diversity business case. Indeed, research suggests that 75% of all diversity investments are going to waste and some activities even reduce diversity performance. The COVID-19 crises have added to the loss of previous diversity investments as women and other underrepresented groups exit the workforce.

In a nutshell, investments are not translating to diversity benefits because diversity investments are often ad hoc, not proven in benefits.
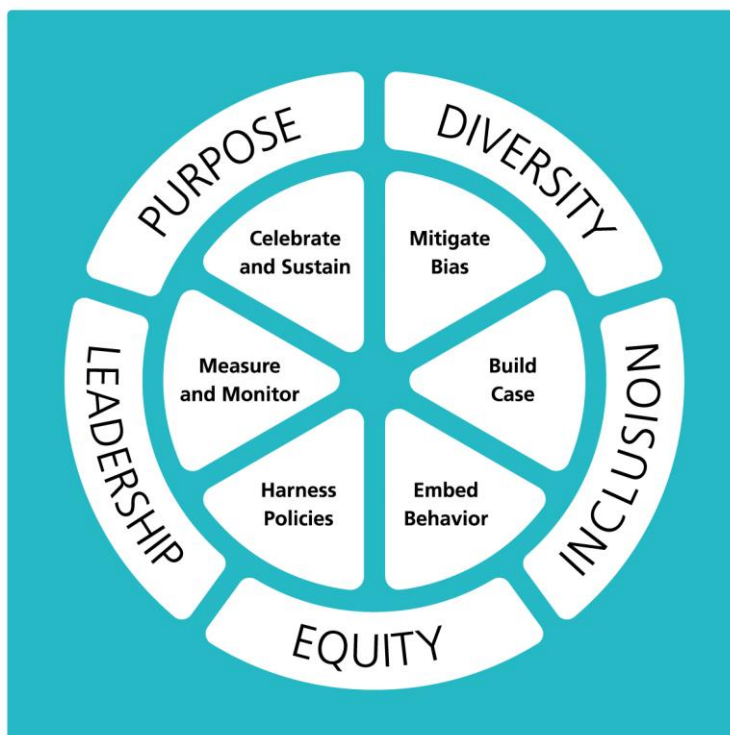
Why ?
Three re-occurring problems:

1. **Ad hoc, duplicate initiatives**—An inventory of initiatives carried out in over 50 medium to large organizations reveals that organizations typically have 70 discrete diversity initiatives (such as unconscious bias training, mixed recruitment panels, sponsorship networks, inclusiveness index)—and at times as many as 400 or more. Ad hoc adoption of best practices by different organisational units and geographical locations means limited transferability, cross-organizational learnings, and other synergies.
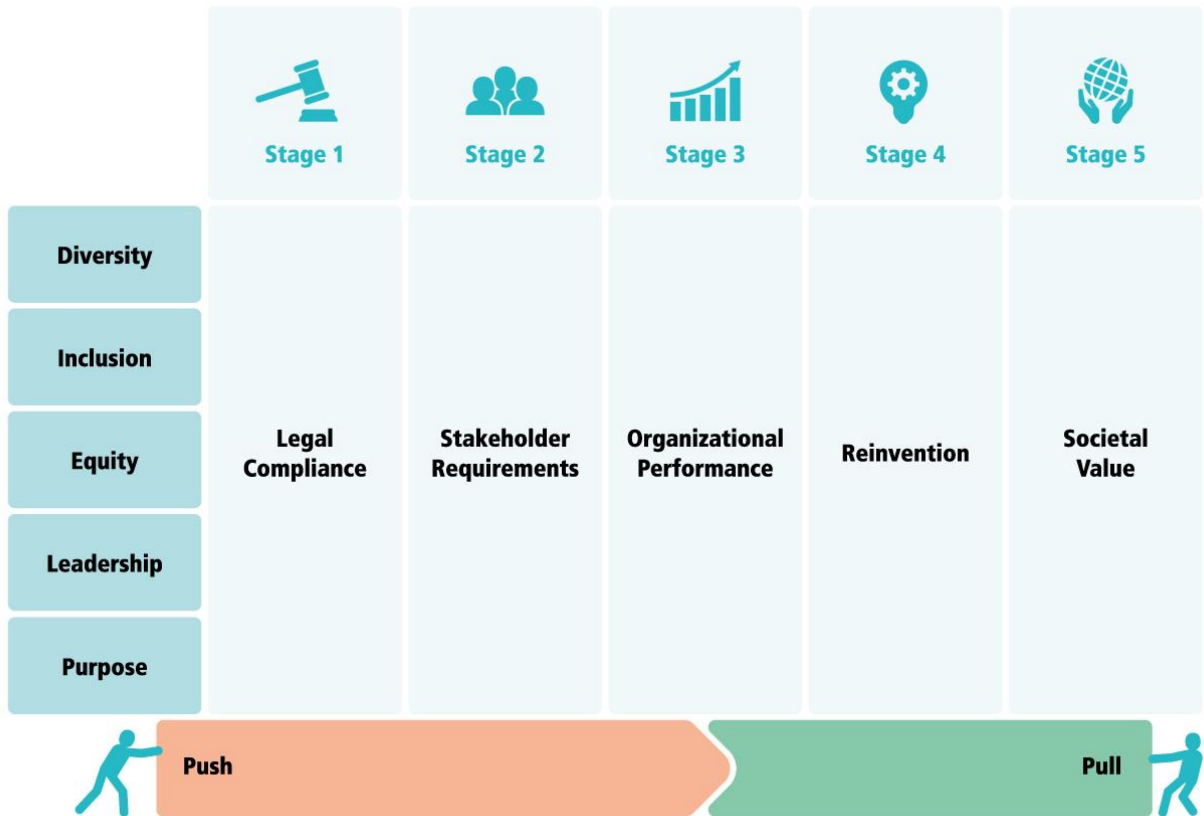
2. **Ineffective Initiatives**—Organizations assume diversity initiatives effectively produce the desired or intended result ("efficacy"). Often organisations select diversity interventions without piloting, testing and measuring the benefit of the intervention in their unique context. For example, some unconscious bias workshops actually reinforce biases (such as mini-me bias, affiliation bias, in-group bias, race and gender bias) instead of diminishing them. This occurs when facilitators offer stereotypes as examples in the training and create a name-and-shame environment.

3. **Non-integrated Initiatives**—Frequently, diversity initiatives are launched in an isolated manner rather than connecting them up and ensuring that they reinforce one another. Without an integrated approach, synergies between initiatives are missed and people may become weary as well as confused, wondering when the "next diversity flavour of the month" will be launched. Here is real diversity fatigue when participants are not able to understand the steps of the diversity journey.

Benefits of building organization diversity capabilities

	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Diversity	Legal Compliance	Stakeholder Requirements	Organizational Performance	Reinvention	Societal Value
Inclusion					
Equity					
Leadership					
Purpose					

Push → ← Pull

Organizations would be well served to have a reference diversity capability architecture for their ambition level for diversity and a proven package of initiatives that are shown to deliver the required diversity benefits for their selected stage.

For example, organizations that pursue diversity for legal compliance (Stage 1) need to support a smaller set of required diversity initiatives than an organization that pursues diversity to avoid stakeholder penalties (Stage 2). Or an organization that seeks bottom-line performance (Stage 3), wishes diversity to support its transformational capability (Stage 4) or desires to support societal sustainability through its diversity initiatives (Stage 5).

The good news is that this Diversity Capability Architecture has been recently developed, published and is based on extensive scholarly research. Applied learnings from multiple organizations around the world.

The six diversity capabilities leaders need to cultivate within their organizations in order to close diversity performance gaps. These capabilities are interdependent and work together:

*   **1. Mitigate Bias**—*Mitigating personal and systemic bias so that stakeholders feel included, and equity is advanced. This requires an organization to identify its talent blind spots, to raise awareness on bias and why it occurs. As well as to equip leaders with the skills to mitigate bias in practice.*
*   **2. Build the Case**—*Translating the diversity purpose into a clear case for diversity, identify the appropriate performance level and allocate budget to the diversity journey while measuring the results of the investments.*
*   **3. Embed Behaviour**—*Embed inclusive behaviours across the organization, supported by appropriate values, rituals and daily practices. A simple check-in before the start of a meeting or supporting all participants in a meeting being able to contribute, are some behaviours that can foster a sense of engagement and belonging.*
*   **4. Harness Policies**—*Identifying the right policies to guide, reward and promote daily diversity practices. Reviewing policies with the beneficiaries of these policies is critical to ensure that the policies are being valued by its beneficiaries.*
*   **5. Measure and Monitor**—*Measuring and monitoring progress in closing the Diversity Performance gap. People wish to understand what constitutes success and whether progress is being made against the diversity goals. So often this is not done.*
*   **6. Celebrate and Sustain**—*Energizing collective commitment to the diversity journey, stay aligned with stakeholder expectations and support the organization's transformation journey. Diversity is a journey and like all journeys it can be difficult and experience setbacks. Thus it is important to celebrate the diversity achievements and recognize those that are supporting the journey through their daily actions.*

For each of the 6 diversity capabilities, there is a corresponding package of validated initiatives that organizations need to implement. A 'package' of initiatives is an integrated suite of efforts, comprising multiple projects or actions, that work together to enhance the diversity capability of the organization for the desired stage of performance.

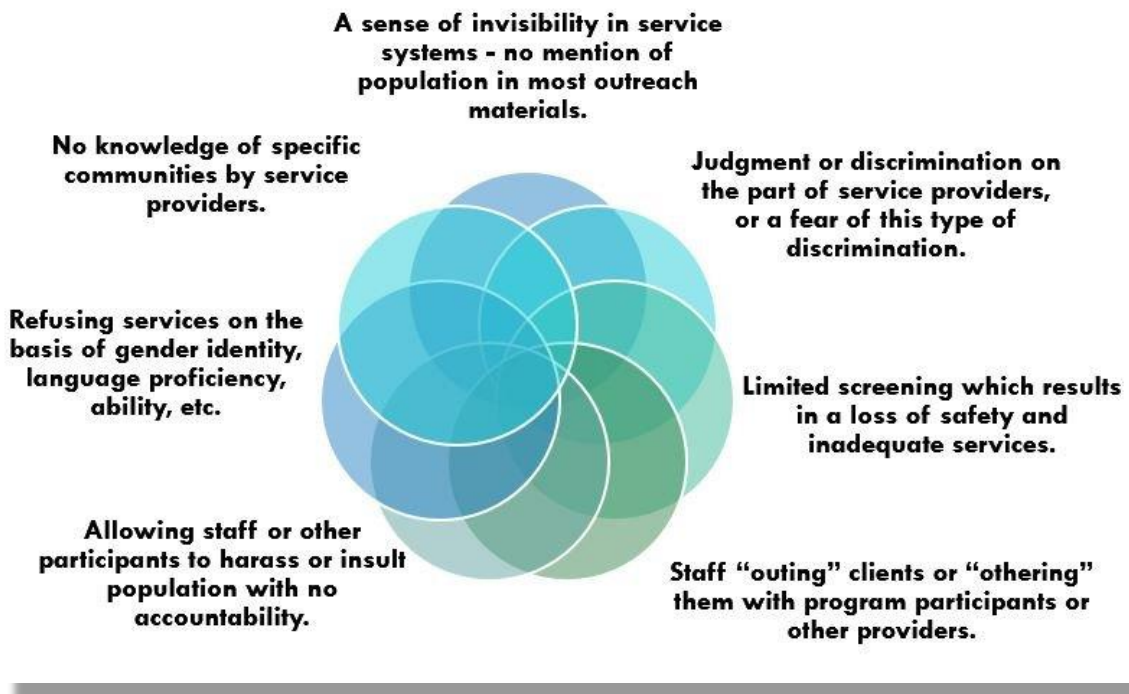***Translating to a diversity roadmap with milestones***
Having a proven Diversity Capability Architecture allows an organization to be deliberate about their diversity investments. To have confidence that they are implementing proven diversity initiatives to satisfy their aspired diversity ambition. This allows leadership to create a compelling and understandable roadmap of diversity initiatives.

The above approach provides a structure and frame work to overcome customer interface barriers. But what kinds of diversity issues create such barriers?

BARRIERS TO SERVICES FOR MARGINALIZED CLIENTS

A sense of invisibility in service systems - no mention of population in most outreach materials.

No knowledge of specific communities by service providers.

Judgment or discrimination on the part of service providers, or a fear of this type of discrimination.

Refusing services on the basis of gender identity, language proficiency, ability, etc.

Limited screening which results in a loss of safety and inadequate services.

Allowing staff or other participants to harass or insult population with no accountability.

Staff "outing" clients or "othering" them with program participants or other providers.

https://harver.com/blog/diversity-in-customer-service/

To what degree do companies take these issues seriously?

Why should you care about diversity in your customer service department and what can you do to make the most of it?

For 87% of organizations around the globe, diversity has become either a stated value or priority area for their companies.
What benefits does having a diverse customer service team bring to the table?
A study found that inclusive companies are 1.7 times more likely to be innovation leaders in their field and diverse companies are as much as 35% more likely to outperform their competitors.
In a survey by Forbes Insights, 65% of senior executives said recruitment of diverse employees was their top priority.
Angela Stringfellow. She says that annually, disabled Americans have an estimated $544 billion in disposable income
Further studies have shown that inclusive companies are 1.8 times more likely to be change-ready than their less inclusive competitors.

The seven key ways having a diverse customer service department can benefit the overall health of the company.

1. Serving a diverse customer base
No matter what industry or space a company is in, it's likely that its customers are diverse people with a mix of race, religion, social status, and a number of other characteristics. A diverse customer service team is better equipped to connect to customers.

2. **Diverse perspectives lead to innovation and creativity**
Diverse teams are breeding grounds for innovation and creativity. An innovative and diverse workforce can expose a customer service team to various perspectives, experiences, and opinions and share ideas for original solutions in a more creative way.

Companies with above-average diversity scores report

45%

average innovation revenue compared to 26% reported by companies with below-average scores.

Source: BCG

Engaged employees are

24%

more likely to help boost sales than their unengaged peers.

Source: Gartner

3. Creating a culture of continuous engagement and learning
Having actively engaged employees is a key goal for companies. Actively engaged employees are more productive and become outspoken advocates for a company. Engaged employees especially Millennial employees. 83% of Millennials are more engaged when they feel the company they're working for fosters an inclusive culture but, without that feeling only 60% of them will be actively engaged.

4. Fostering an inclusive work environment
Janet Stovall states that diversity and inclusivity are two different things. Companies can mandate diversity, but they have to cultivate inclusion.. This can mean putting in place processes like:
> ** Anti-discrimination policies*
> **Team education about workplace bias, cultural diversity management, microaggression prevention, and more*
> ** Creating an open dialogue that fosters inclusivity*

5. Attracting more diverse talent
Hiring (and retaining) top-performers into a business relies on creating a diversity-friendly culture. A Glassdoor survey found 67% of people consider diversity an important factor when they were deciding where to work, 86% of female Millennials said employer policy on diversity and workforce inclusion is important, so to get them on board (and build an organization of the future) create a culture where people want to work.

6. Diverse teams solve problems faster
A diverse customer service team can solve problems faster and easier.

a team that is made up of people with different experiences, backgrounds, and skills. s are the team is more likely to offer up unique ideas and solutions. Harvard Business Review conducted a study that found cognitively diverse teams were able to solve problems faster than those who had similar cognitive behaviors.
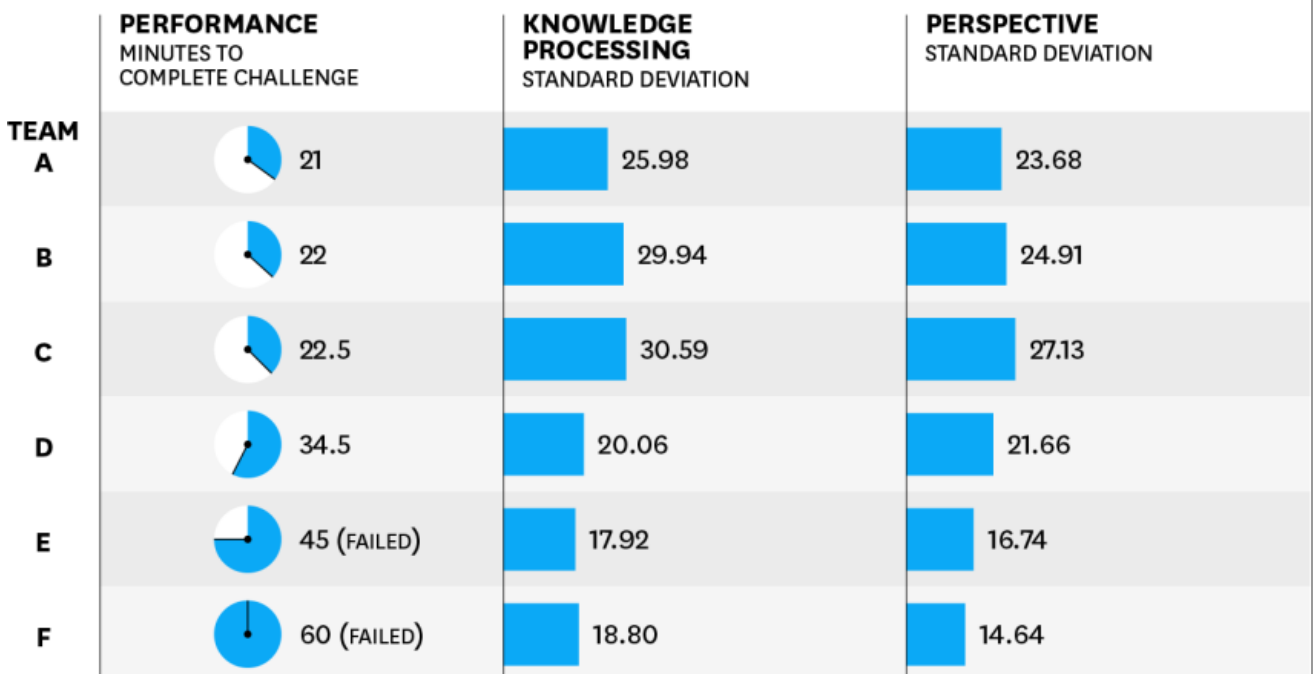
The study measured two factors:

Knowledge processing: the extent to which individuals prefer to consolidate and deploy existing knowledge, or prefer to generate new knowledge when facing new situations Perspective: the extent to which individuals prefer to deploy their own expertise, or prefer to orchestrate the ideas and expertise of others when facing new situations Then, six teams were put to the problem-solving test: teams A, B & C all had the diversity of both knowledge processes and perspective, whereas teams D, E & F all had less diversity. The results:

Higher Cognitive Diversity Correlates with Better Performance

TEAM	PERFORMANCE MINUTES TO COMPLETE CHALLENGE	KNOWLEDGE PROCESSING STANDARD DEVIATION	PERSPECTIVE STANDARD DEVIATION
A	21	25.98	23.68
B	22	29.94	24.91
C	22.5	30.59	27.13
D	34.5	20.06	21.66
E	45 (FAILED)	17.92	16.74
F	60 (FAILED)	18.80	14.64

NOTE COGNITIVE DIVERSITY IS CALCULATED AS STANDARD DEVIATIONS IN THINKING STYLES PRESENT ON EACH TEAM.
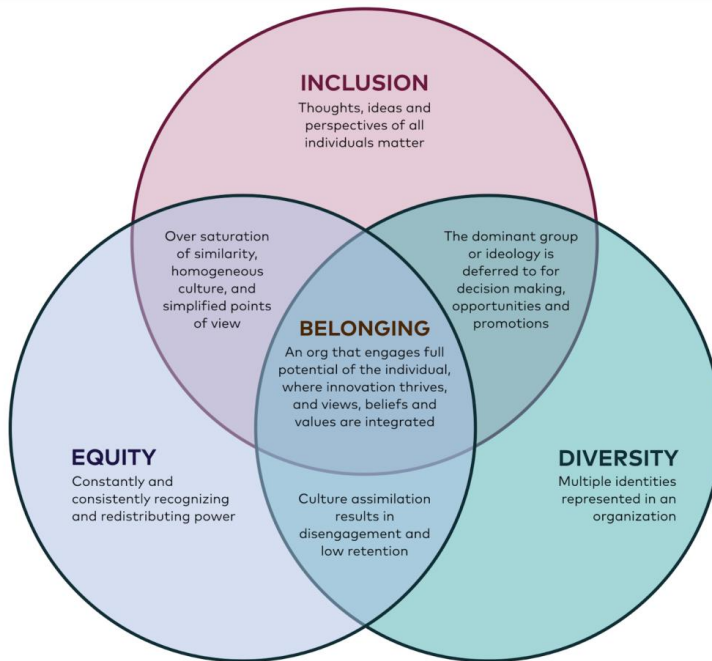SOURCE ALISON REYNOLDS AND DAVID LEWIS USING THE AEM CUBE, A TOOL THAT ASSESSES
DIFFERENCES IN THE WAY THAT PEOPLE APPROACH NOVEL SITUATIONS   © HBR.ORG

7. Improving employee retention
Employees who feel that their individuality is valued and that they uniquely contribute to the goals of the company they work for, they are more likely to stay.
At the heart of employee retention is fostering a sense of belonging in your teams. Turner Consulting Group, a Toronto-based Diversity and Inclusion consultancy, built this diagram to show that fostering a sense of belonging in a workforce can't be done without inclusion and diversity.

INCLUSION
Thoughts, ideas and perspectives of all individuals matter

Over saturation of similarity, homogeneous culture, and simplified points of view

The dominant group or ideology is deferred to for decision making, opportunities and promotions

BELONGING
An org that engages full potential of the individual, where innovation thrives, and views, beliefs and values are integrated

EQUITY
Constantly and consistently recognizing and redistributing power

Culture assimilation results in disengagement and low retention

DIVERSITY
Multiple identities represented in an organization

Many of these feelings of belonging stem back to having engaged employees. Engagement can reduce employee turnover, and improve employee retention rates. Engagement is one of the most important factors employees consider when deciding whether they should stay at a company and keeping top-performers, can have a massive impact on your company's bottom line. A study by the Center for American Progress found the average cost for a company turning over skilled jobs is 213% of the cost of one year's compensation for that role keeping the most engaged team members around for longer can have a significant impact on their overall financial value to the company.

💰 Cost to Value of an Employee

Discretionary Effort from high Engagement

Employee Engagement, Recognition, Development, Great Management

Economic Value to the Organization

New Assignement

"Return Zone"
The organization is benefitting from you

🌱 Training

Time

"Investment Zone"
The organization is investing in you

⛏ Onboarding

👋 New Hire

10

https://harver.com/blog/diversity-in-customer-service/

The Journey of the Customers Experience Starts Before They Talk to You

https://www.providesupport.com/blog/customer-diversity/

Many Customers, especially prospective customers, often engage with an organisation long before they talk to them through their media and their word of mouth brand reputation. How the organisations speaks to and behaves towards its target market has the potential to be both an area of risk and opportunity when it comes to diversity issues. Given the breadth of the hypothetical remit of the so called seven diversity areas

Cultural background and ethnicity,
Age,
Gender, gender identity,
Disability,
Sexual orientation,
Religious beliefs,
Language and education.

and can be extended to include Professional skills, Working style, Location, and Life experiences it is clear that creating brand messages which not only appeal to the target sectors of the market while not alienating the sensitivity of other sectors becomes something of a highly skilled activity.

Added to this is, thankfully, the mysterious absence from the equation of what is potentially the most contentious issue of all – Politics.

So How Is It To Be Done?

In her article
Why Diversity, Inclusion & Equity is a Key Differentiator in Your Marketing Strategy
Hava Billen states
The first step in a marketing campaign lifecycle is to identify the target group and adapt the offer to match the audience characteristics. Lately, technology has enabled marketers to collect tremendous amount of customer data. Thanks to marketing automation platforms, customer behavior tracking and analytics tools, and customer data platforms, marketers have access to a 360-degree view of the customer. Collectively, big data, combined with new methodologies for data processing and analysis, has enabled marketers to deploy new models for audience segmentation with predictive capabilities based on artificial intelligence (AI) algorithms.
This AI goes as far as predicting future consumer purchase behaviors, thanks to browser cookies, mobile geo-location positioning, online browsing history, social media sharing, brand likes, and online shopping experiences.
Yet research by the Geena Davis Institute on Gender in Media found that
> a. *54% of consumers surveyed do not feel culturally represented in online advertising.*
> b. *71% of consumers expect brands to promote diversity and inclusion in their online advertising.*

The analysis shows that there are still big issues around representation of what are called "minority" groups:
> a. *Women are 14.1 times more likely to be shown in revealing outfits and*
> b. *6.9 times more visually or verbally objectified.*
> c. *Men are 1.4 times less likely to be shown happy and 2.4 times more likely to be shown angry.*
> d. *Only 1.1 % of online ads researched represent people with disabilities.*
> e. *Only 0.3% of online ads included the LGBTQ+ target group in their ads (this group has immense purchasing power).*

These numbers clearly tell us that there is an enormous opportunity for marketers
How can Diversity, Equity, and Inclusion act as a brand differentiator?

Diversity *ensures that a marketer invites everyone to the party. In other words, the message and offer are designed for a diverse target group*
Equity *in marketing terms can be interpretated as being fair to your audience. This fairness can be manifested via delivering your offer on diverse channels so that everyone has the same chance at that offer.*
Inclusion *enables that everyone has the same chance for consuming an offer. A visually impaired person can read the offer; a person with hearing loss can understand what you communicate in your videos; a gay couple can relate to your "romantic couple weekend away" banner; a person who practices a different religion does not feel insulted by your assumption that Easter is a celebration for everyone.*

Why talk about Diversity, Equity, and Inclusion (DEI)?

In the summer of 2019, The Female Quotient partnered with Google and Ipsos and surveyed more than 3,000 consumers in the US from various backgrounds to get insights about brand perception, based on their advertising and marketing diversity and inclusion efforts. At a high level, the outcome was:

People are more likely to purchase a product if they consider it diverse and inclusive.
>*64% of those surveyed took action after seeing a diverse and inclusive ad.*
>*69% of Black consumers say they are more likely to purchase from brands with advertising that positively reflects their race/ethnicity.*
>*71% of LGBTQ consumers said they are more likely to interact with an online ad that authentically represents their sexual orientation.*

Creating a marketing strategy that incorporates diversity, equity, and inclusion practices can bring more loyal customers and expose your brand to a much larger market.

Consider, too, that
>*70% of consumers expect brands to take a public stand on social and political issues. "Like a Girl," a 2015 Super Bowl spot for Procter & Gamble's "Always" brand, is a good example. Like*

>*Nike's recent campaigns have amplified the voices of underrepresented communities with its series of ads under the campaign titled "Until We All Win," which aims to uplift indigenous people, LGBTQIA, and athletes.*

>*Dove has always been a brand which supported women of color and women of all sizes. The brand's "Real Beauty" campaign has broken the standard of beauty which is portrayed every day on media.*

>*L'Oréal Paris launched a video campaign, "Your Skin, Your Story," featuring a diverse blend of individuals and illustrating their individual skin stories, empowering women to feel comfortable in their skin.*

>*Vodafone has also expressed its support to diversity with its campaign "Belong," where it celebrates diversity.*

When a brand takes a stand on DEI, it immediately builds a positive brand perception in consumers' eyes. This links to an increase in brand effectiveness, and significantly lifts purchase intent and loyalty.

Marketing practices that serve diverse audiences are inclusive and enable everyone to have the same chance to consume an offer.

Marketers have great potential to tap into diverse groups of people and match their needs by implementing marketing practices that are diverse, inclusive, and give everyone a fair chance of accessing the offer. How can you put this in practice?

- ***Build offers that are accessible*** *in your email marketing, so you can reach an audience from wide backgrounds, capacities, languages, and cultures.*
- ***Highlight real stories of people from all walks of life.*** *Storytelling is a powerful tool in marketing. Each customer is a unique individual with a unique story and motivation to consume a product or service. Include this in your brand. Tell a story that authentically speaks the language of your consumers – and spark even more interest among others.*
- ***Include all faces in your campaign visuals and video assets****: including POC (People of Color), LGBTQIAs, Baby Boomers, Gen X, Gen Y, and Gen Z.*
- ***Use non-assumptive language in your marketing and graphics****.*
- ***Use diverse channels*** *to reach the widest possible audience and ensure that everyone has the same chance to access your offer.*
- ***Use diverse channels*** *to reach the widest possible audience and ensure that everyone has the same chance to access your offer.*
- ***Empower underrepresented groups****. Build campaigns and offers which show support for these groups.*
- ***Abolish prejudices*** *by highlighting the damage prejudice does and the exclusion it creates.*
- ***Develop diverse*** [***audience personas***](#) *to ensure your marketing efforts do not operate from a homogenous persona point of view, but that they reflect the diverse characteristics that are important to your audience and/or your business.*

Consumers expect brands to be inclusive and reflect the reality of their lives in advertising.

Finally, organizations with inclusive cultures are

- a. *Two times more likely to exceed financial targets,*
- b. *Three times as likely to be high performing,*
- c. *Six times more likely to be innovative and agile, and*
- d. *Eight times more likely to achieve better business outcomes.*

https://www.selligent.com/resources/blog/why-diversity-inclusion-equity-is-a-key-differentiator-in-your-marketing-strategy/

Policies	Are your recruitment, skill development, assessment and measurement sufficiently robust to optimise the potential benefits of a greater diversity in your workforce and target audience by giving customers the best possible experience? Are there really equal opportunities for all?
Products /Services	Is there a diversity audit on all products and services to ensure that potentially sensitive issues are being avoided and potential competitive advantages are not overlooked?
Places	Are all the places and channels through which customer communication and transaction occur capable of meeting the legal, transactional and social expectations of a diverse customer base?
Processes	Are all the processes that interface manually and digitally with all the diverse sectors of the customer base fir for purpose?
People	Are all the people from leaders, managers and staff both a diverse a representative cross section of the customers and markets you serve and able to provide the degree and level of diverse service required to give the organisation a sustainable competitive edge.
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Final Word

Accepting the principle of diversity is a thing that is more easily said then done not least because it is a topic that has gathered even greater momentum over the last decade. It is difficult in many areas for many people for it challenges both conscious long held beliefs that have been rooted sometimes in tradition or religion and for unconscious prejudices that have social origins. The opportunity therefore exists for organisations to expand their thinking about where they fish for their customers and where they fish for the talent to give all their customers a positive upper quartile experience and also create the opportunity to bring fresh thinking from the insights of those in different group to potentially refresh thinking at both a detailed and strategic level.

As far as the customer experience management opportunity is concerned diversity is not about hiring a few token personnel, there is enough evidence to show it is about a root and branch strategic review of the risks that may be incurred and opportunities that may be missed by not taking the diversity opportunity seriously.

Ultimately the approach an organisation has to diversity is the responsibility of those who lead the organisation. Embracing the opportunities of diversity is a values-based decision, if the leaders truly believe in diversity, will become a reality in the organisation. If not then it will at best only partially succeed and an opportunity will have been squandered.
It is not an easy subject for its background music is played on human heart strings but nothing that was really worth achieving is ever easy.

Recommended Reading
https://cxm.co.uk/diversityinitiativestoincreasebusinessperformance/?utm_source=CXM&utm_medium=Newsletter
https://searchcustomerexperience.techtarget.com/tip/5-benefits-of-developing-diversity-in-customer-service
https://harver.com/blog/diversity-in-customer-service/
https://hbr.org/2017/03/teams-solve-problems-faster-when-theyre-more-cognitively-diverse
https://www.providesupport.com/blog/customer-diversity/
https://www.selligent.com/resources/blog/why-diversity-inclusion-equity-is-a-key-differentiator-in-your-marketing-strategy/

The ICXI One Question Quiz

Has your organisation re-examined its diversity policies and performance this year? ☐ YES

If "No" would now be a good time to do so? ☐ NO

INTERNATIONAL
CUSTOMER
EXPERIENCE
INSTITUTE