## The impact of diversity and inclusion on corporate reputation, communications strategy and social citizenship

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Diversity and inclusion (D&I) have become increasingly important to organizational success and can impact corporate reputation, product/service delivery, internal culture, community development and competitive advantage. This is being understood by organizations, some more than others, who are investing time and resources into building and implementing D&I strategies and programs to support a diverse workforce in Canada. This workforce is now looking much different due to well-trained and intelligent new immigrants, visible minorities, aboriginals, LGBTQ employees and those with disabilities.

Three important areas that are impacted by D&I are corporate reputation, communications strategy and corporate social responsibility (CSR) in some very interesting ways. These areas were explored and analyzed in this study through content analysis of 15 company websites, and in-depth interviews with 12 senior executives. Content analysis was conducted by referring to Glassdoor's 2016 Employee Choice Awards, Best Places to Work on glassdoor.com (Glassdoor, 2016). From the Employee Choice Awards list, 15 organizations were selected for study. Particular organizations were selected by the researcher to ensure a mix of companies across varying industries. Two specific areas of each organization's website were analyzed: 'About Us' and 'Careers'. Data for the in-depth interviews was collected from senior leaders in varying industries. An attempt was made to solicit representation from senior level executives which included Chief Communications Officers, Chief Diversity Officers, Chief Executive Officers, Presidents and Vice Presidents. Additionally, other qualified senior management were sought resulting in a total of 12 interviews. Industries/sectors that were represented included: non-profit, financial, government, professional services/consulting, healthcare, airline, police and automotive.

This public relations/communications study and the connection to corporate reputation, communications strategy and CSR can be implicit or explicit. All three functions can impact how and to what extent an organization relates with its audience(s). These functions, if managed appropriately and influenced by D&I, can significantly strengthen the relationship an organization has with its stakeholders such as internal staff, sponsors, consumers, clients, government officials, board of directors and community groups.

Grunig (2006) references the importance of diversity in his work with the Excellence Study of Public Relations. "The emphasis on gender, however, also focused our attention on diversity of race and ethnicity—a fifth part of the Excellence edifice. This focus, along with the international nature of the project, helped us to expand the edifice to make it appropriate for use outside the United States—in diverse cultural, political, and economic contexts" (p. 161). If a connection between D&I and communications was made in 2006, we can surely appreciate how important that connection might be in 2017.

Supplementary to this note is how much immigration has grown in Canada. There have been over 200,000 new immigrants every year to Canada for at least the last 10 years, of which most have

typically come from Asia, Africa, the Middle East, Europe and the United Kingdom. Also, more females have emigrated than males over the last 10 years (Government of Canada, 2014). The rise of immigration also means a new potential workforce which then places much more importance on D&I and communications strategy, relationship building and messaging. Let us also keep in mind that for communications to be able to support the growing function of D&I, it itself needs to be diverse – practitioner diversity is key.

**Corporate reputation** is an extremely valuable asset to any organization. Effective D&I can impact how the internal workforce thinks about an organization which can also affect what external audiences perceive. If both viewpoints are more or less positive, this can lead to a favorable reputation. Data gathered shows that D&I can impact corporate reputation from the viewpoint of customers/clients, potential employees, internal stakeholders and the public. It can be argued that in 2016, D&I was, and still is a significant issue in Canada that is receiving much attention. This has been strongly fueled considering the demographic of the Federal Cabinet which is ethnically and gender diverse more than ever before. Out of 30 cabinet ministers, 15 are men and 15 women, along with representation across ethnicities, experience, age and a French-English language balance.

Cravens, Oliver and Ramamoorti (2003) put forth a reputation index which highlights key areas that can help build an organization's corporate reputation. Of this index, the second most important area after products/services is employees. "The employees are the means by which a corporate reputation is created. Through the actions of all employees, at the senior management and lower levels, the public derives an image of the corporation." (p. 205, para. 6). It is clear that employees are integral in the success of any organization, for which there must be an open and accepting workplace culture. Employees must know that they are accepted and included, which is the essence of D&I.

"In order to serve the market, you have to hire the market," says the director of communications who supports the D&I function of a national financial institution, during one of the interviews conducted for this study. He also states that at the board level, executive team level and front line level, targets are in place to ensure there is equal representation amongst diverse groups – "It's pretty clear from a business case that we need to be diverse to effectively service our markets." This supports why diverse employees should be critical to any organization, as they are the voice and brand ambassadors of that organization. In addition, Cravens et al. (2003) state "…if the employees are not loyal to a company, then it is unlikely that customers and other stakeholders will be loyal" (p. 205, para. 6). Loyalty can be invoked through an open, accepting and respectful workplace environment and culture.

D&I and **communications strategy** can work hand-in-hand when the importance of D&I communications is realized. Communications needs to play a role in D&I strategy and implementation. This is because communications is able to "identify various audiences, understand who is in each audience, the purpose of communicating with that audience, how D&I communications might be different for each audience," states the CEO of a D&I consultancy during another in-depth interview. This can and should be considered when implementing communications or D&I strategy, which the communications function has expertise in. In addition to the communications function, D&I would work best if it is connected to all other business areas. However, there can be a tendency for D&I to simply become a line item amongst a larger communications plan, if there is no senior officer assigned to it, as expressed by the head of D&I of a national financial institution.

While D&I can be included as part of **corporate social responsibility**, it might be prudent to also consider it as its own function. This would likely help ensure that D&I strategy and implementation are receiving an appropriate amount of attention and internal support. The connection shared between D&I and CSR is that both can be internally and externally facing functions with the premise of doing what ought to be done for the greater good.

Of course, leaving a positive imprint in the community is and should be of great importance for organizations, which all interview participants shared. However, the larger topic of conversation is that with D&I becoming a much stronger concept in Corporate Canada, the implications of CSR have also grown. Organizations must cast a larger net as to what they should be concerned about, above and beyond their core business. The concept of CSR must evolve as has workplace diversity.

McWilliams, Siegel and Wright (2014) discuss a research paper by Perrini, Pogutz, and Tencati (n.d.) which examined the state of CSR in Italy. "One of their significant findings is that firms are more likely to support CSR activities that have a direct effect on the welfare of the local community" (p. 10, para. 2). This is an outlook that Canadian firms ought to have. If the workforce and local community are both diverse, it would make sense for CSR initiatives to support diverse investments, projects or campaigns. This in turn would work best if CSR decision makers are diverse. The more diversity amongst them, the more likelihood of a variety of CSR projects and a greater social impact. This is the direct impact that D&I can have on the local community.

The communications function is critical to the success of any D&I program. Having communications closely involved is not only the right thing to do, but the smart thing to do, considering the importance of building strong relationships with various stakeholders. In the current context of the business world in which relationships with brands is the most important it has ever been and with an influx of a diverse workforce, organizations must invest time and resources on D&I. By doing so, many business units can be positively impacted along with leaving a positive imprint in local communities.

By analyzing the impact of D&I on corporate reputation, communications strategy and CSR, it should be understood that while it is important and acceptable to recognize color and diversity, it's even more important how that color and diversity are treated and leveraged in the workforce. Let's move forward in this overall discussion and focus on understanding what the real business advantages of D&I are. Once this has been explored, attention should be given to implementing D&I initiatives to realize the real business impact. The foundation of this realization is a set of business-related definitions. Based on data gathered and research conducted in this study, a set of definitions is provided for tangible business-related results.

Diversity is a representation of the mix of explicit and implicit differences amongst a group of people (the workforce) that reflects the community being served or in which organizations operate in, to help bring forward diversity of thought. Inclusion is how to ensure the mix of unique individuals feel accepted, respected and are treated fairly to work side-by-side so that diversity of thought can be harnessed to then help achieve business goals. Simply put, diversity is the WHAT and inclusion is the HOW.

## References

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