

Powering Progress

The Vital Role of Diversity and Inclusion in the Contingent Workplace

Unlocking Diversity: The Power of Contingent Workers in Workforce Inclusion

In today's rapidly evolving labor market, companies are increasingly leveraging the power of contingent workers - freelancers, contractors, part-timers, and gig workers - to drive innovation, agility, and growth. Amid this shift, one significant yet often overlooked advantage of contingent work arrangements emerges - their potential to enhance diversity, equity, and inclusion (DEI) in the workforce.

What is Workforce Diversity and Inclusion?

Workforce diversity refers to the representation of different races, ethnicities, genders, ages, religions, disabilities, and sexual orientations among employees. Inclusion, on the other hand, refers to creating an environment where all individuals feel valued, respected, and have equal access to opportunities and resources. A diverse and inclusive workforce fosters creativity, innovation, and empathy, contributing to improved performance and productivity.

How Can Employees Support Diversity and Inclusion in the Workplace?

Employees play a vital role in fostering diversity and inclusion. They can support DEI efforts by being open-minded, respectful, and accepting of differences. Additionally, employees can actively participate in diversity training programs, engage in open discussions on diversity-related issues, and be advocates for underrepresented groups.

However, for any diversity initiative to be successful, it must be underpinned by a supportive and inclusive company culture. This is where contingent workers can make a valuable contribution.

The Power of Contingent Workers in Fostering Diversity Access to a More Diverse Talent Pool:

Contingent work arrangements open doors to a broader talent pool, bringing a wealth of skills, experiences, and perspectives to the table. Traditional hiring methods may sometimes limit the diversity of applicants, while the flexibility of contingent work can attract a more varied range of candidates, thereby increasing workforce diversity. In fact, a study by the Center for American Progress found that gig workers are generally more diverse in terms of race, ethnicity, and gender than the overall workforce.

Opportunities for Underrepresented Groups:

Contingent work can be a game-changer for individuals who face systemic barriers to traditional employment, such as individuals with disabilities, caregivers, or those in rural areas. Offering flexible work arrangements allows these individuals to engage in meaningful work, enhancing diversity within the organization. A study by Upwork, for example, found that a larger percentage of women engage in freelance work than traditional employment, suggesting that contingent work arrangements can increase gender diversity in the workforce.

Reduced Bias in Hiring:

The focus on specific skills and qualifications in hiring contingent workers helps reduce bias in the recruitment process. As a result, contingent hiring can contribute to a more diverse and inclusive workforce. An Accenture study discovered that 62% of executives believe gig workers will help reduce bias in the workplace, highlighting the importance of contingent work in promoting DEI.

Overcoming Challenges with TCWGlobal Services

However, despite its potential, the use of contingent workers also poses challenges related to labor rights, job security, and access to benefits. This is where services like *Global Employer of Record* and *MSP* by TCWGlobal come into play. By taking on all employer obligations, TCWGlobal enables companies to harness the power of contingent labor without the associated complications, making the process seamless.

Key Strategies to Enable Diversity, Equity, and Inclusion

To unlock the potential of contingent workers in driving diversity, equity, and inclusion, organizations must:

- Embrace a culture that values diversity, fostering an inclusive environment where all individuals, including contingent workers, feel valued and respected.

- Leverage data and analytics to assess the diversity of their contingent workforce and identify areas for improvement.
- Incorporate diversity and inclusion in their contingent workforce strategies, aligning them with their broader DEI goals.
- Partner with organizations like TCWGlobal that are committed to supporting the contingent workforce and are equipped to handle the associated challenges.

The Financial Importance of Diversity and Inclusion in the Workforce

A diverse and inclusive workforce is more than a business imperative; it's a catalyst for innovation, adaptability, and sustainable growth. The McKinsey Global Institute report underscores this, noting that companies with more diverse workforces perform better financially and are better equipped to navigate complex challenges.

Diversity and inclusion (D&I) have always been integral to a thriving workplace, but today, their importance is highlighted more than ever. With workplaces becoming increasingly multicultural and diverse, it's essential for organizations to recognize and leverage the strength that lies within this diversity. Various studies and statistics underline the powerful correlation between diversity, inclusivity, and improved company performance.

Impact of Workplace Diversity on Company Performance

Corporations embracing diversity and inclusivity tend to outshine their competitors. A McKinsey study found that such corporations are 35% more likely to outperform their rivals.

Moreover, diversity fuels innovation and market expansion. According to Harvard Business Review, diverse companies are 70% more likely to capture new markets.

A diverse team brings a mix of unique perspectives, experiences, and skills to the table, fostering creativity and problem-solving ability. Consequently, People Management noted that diverse teams are 87% better at making decisions.

The benefits of diversity are not just restricted to innovation and decision-making, but they directly contribute to a company's financial health. Boston Consulting Group (BCG) discovered that diverse management teams lead to a whopping 19% higher revenue.

The Critical Importance of Gender Diversity

On the gender diversity front, there's still ample room for improvement. Only 6.6% of all Fortune 500 companies have women as their CEOs, as per Fortune. However, gender diversity has been proven to significantly enhance company performance. Clear Company found that companies employing an equal number of men and women managed to produce up to 41% higher revenue.

Interestingly, the potential benefits of gender diversity extend beyond individual organizations. McKinsey noted that the GDP could see a 26% rise by equally diversifying the workforce. Moreover, gender-diverse companies are 15% more likely to notice higher financial returns.

Despite this, Clear Company reported that 40% of people believe there is a double standard against women. Additionally, only 23% of C-Suites are made up of women, according to Women in the Workplace.

Job Seekers Value Diversity and Inclusion

Job seekers today are more discerning about their prospective employers' stance on diversity and inclusion. Glassdoor found that 2 out of 3 job candidates seek companies that have diverse workforces. Moreover, Deloitte's study noted that 74% of millennial employees believe their organization is more innovative when it has a culture of inclusion, and 47% actively look for diversity and inclusion when considering potential employers.

Statistics on Workplace Inclusivity

Inclusive workplaces garner more than just diversity; they breed innovation, engagement, and economic success. Josh Bersin found that inclusive companies are 1.7 times more likely to be innovative and get 2.3 times more cash flow per employee.

Despite these benefits, a Harvard Business Review study revealed that 78% of employees work at organizations that lack diversity in leadership positions. Discrimination and harassment also persist, with 45% of American workers experiencing such issues in the past year, according to Gallup. However, the importance of inclusivity is not lost on the millennial workforce, with Deloitte noting that millennials are 83% more likely to be engaged at work at inclusive companies.

Advancing Diversity, Equity, and Inclusion through Workforce Education

Providing equal access to education within the workforce is a powerful way to promote diversity and inclusion. Benefits from these initiatives include more sales revenue and innovation, increased social mobility and employee engagement, as well as higher profits. It's a win-win-win for organizations, individuals, and society.

For organizations looking to foster diversity, equity, and inclusion, the first step might be rethinking their approach to skill-building and workforce education.

Finally

Unlocking diversity through the power of contingent workers can be a potent strategy for companies looking to create more inclusive workforces. The mix of broader talent access, flexible work arrangements, and reduced hiring bias offered by contingent work arrangements can lead to better business outcomes and a more inclusive workplace culture. Partnering with TCWGlobal can allow you to leverage these benefits without the extra headache.