



Module 1 (Part 1)

Part 1 Introduction: Need for SMEs to Be Diverse and Inclusive (D&I) (Benefits & Understanding the Dimensions)

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[www. projectdare.eu](http://www.projectdare.eu)

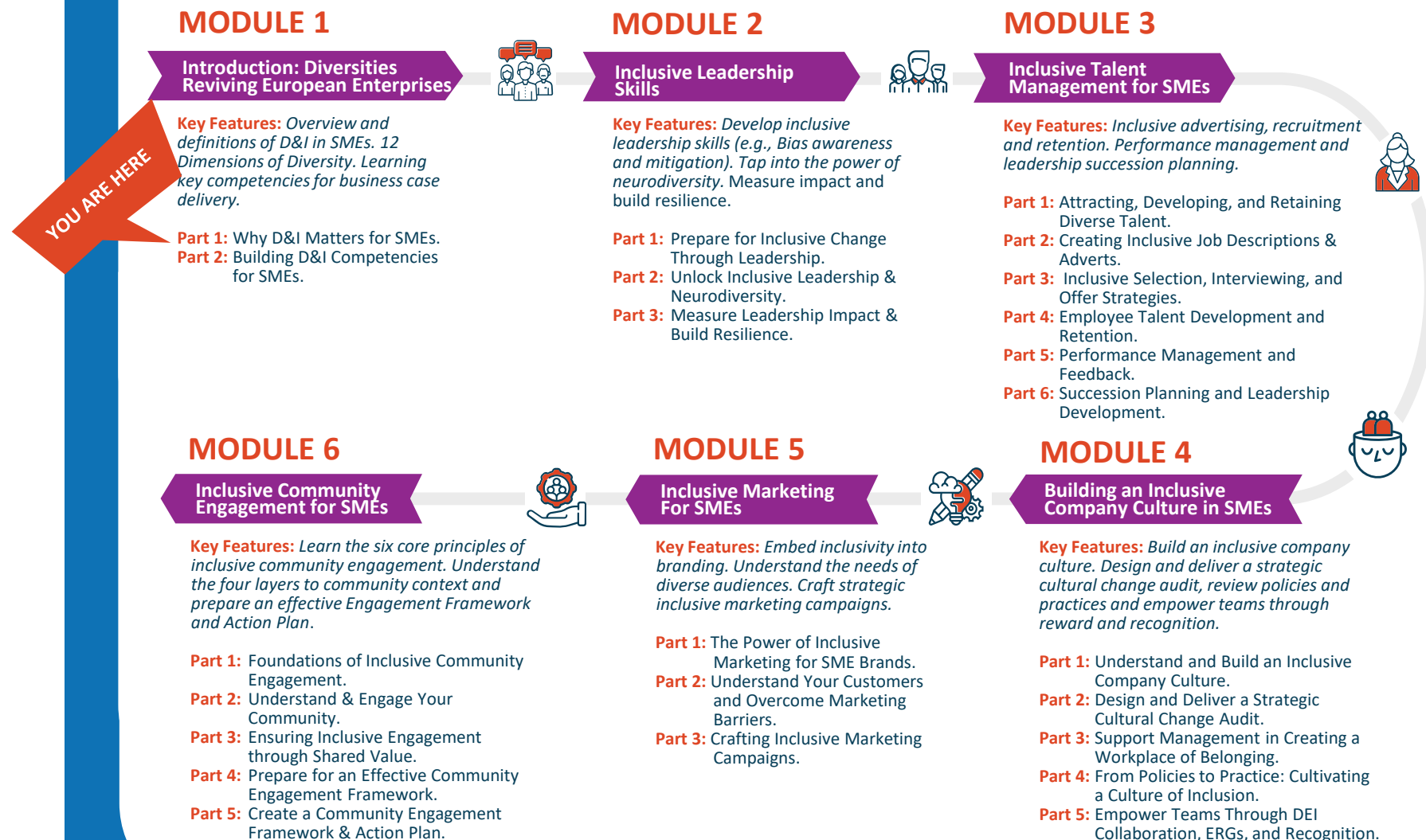
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Discover the DARE Modules Learning Pathway:

Enjoy our learning blocks designed to help SMEs build diverse, equitable and inclusive workplaces. Unlock the power of how DEI to drive the sustainable success of your company. Our practical and interactive Modules deliver real life insights and case studies from a European perspective – Join us in creating workplaces and communities where everyone can thrive!



Introduction DARE to Module 1

Unacceptable behavior is no longer acceptable in today's society and workplaces. There is a heightened awareness of inequality of opportunity related to people's background, identity, and circumstances this is especially evident in SME workplaces and communities. This module covers essential topics introducing European SMEs who would like to implement Diversity and Inclusion (D&I). It explains key learnings, including understanding and defining D&I in the European SME context, discovering the benefits, and opportunities, exploring different dimensions of D&I, recognising SME obstacles and challenges, understanding the seven DARE competency areas with examples of integration into SME strategies, and examining D&I from the perspective of VET educators, SMEs, and employees.

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Understanding Diversity and Inclusion (D&I) in the **SME Context** (*Definitions, Key Concepts, Dimensions and the DARE Framework*)

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Discover the **Benefits, Positive Impact and Opportunities** of D&I for SMEs

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Part 1

Part 2

Module 1 Part 1

Diversity & Inclusion (D&I) is a key driver of success in today's business landscape, particularly for SMEs seeking innovation, growth, a positive workplace culture and expanding market opportunities. This section explores the necessity for D&I change in European SMEs, key concepts, and strategic approaches tailored to SMEs. You will gain insights into the different dimensions of D&I, the DARE Framework, and the numerous benefits and opportunities that come with embracing an inclusive business model.

01

The Need for European SME D&I Change

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Discover the **Different Dimensions** of D&I that Need to be Considered by SMEs

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Discover the **Benefits, Positive Impact and Opportunities** of D&I for SMEs

Learning Objectives

- Understand the **current state** of D&I in European SMEs and the need for European SME D&I Change
- Understanding Diversity and Inclusion (D&I) in the **European SME Context**: Definitions, Key Concepts, Dimensions and the DARE Framework
- Discover the **Different Dimensions** of Diversity and Inclusion that Need to be Considered by European SMEs
- Discover the **Benefits, Positive Impact** and **Opportunities** of D&I for SMEs



01

The Need for European SME D&I Change



The Need for European SME D&I Change

Unacceptable behaviour is no longer acceptable in today's society and workplace.

We have recently seen a heightened awareness of the inequality of opportunity that exists across society, related to people's background, identity and circumstances. Significant events across the world have drawn attention to the unacceptable behaviours and ingrained inequalities in society that need to be addressed with urgency.

There is also a need for action to tackle inequalities in European workplaces. Workplace diversity and inclusion need genuine commitment by employers to create fair and inclusive workplaces, essential to tackle the diversity and inclusivity challenges experienced by many at work, based on their background, identity or circumstances.



The Need for European SME D&I Change

We are seeing change happen, but not at the pace required especially for SMEs. Some are improving in ways and others, are not at all.

For example, attention tends to be focused mainly on gender and race, but there's less focus on other personal characteristics such as social mobility, religion and belief, neurodiversity and the inclusion of transgender and non-binary people. As a result, not everyone with a particular characteristic is benefiting from progress in those focus areas. For example, progress in female representation has mainly benefited white women. People have multiple identities and behaviours that are interlinked in a complex way, which is why for example looking at intersectionality is so important.



Why DEI: Diversity, Equity, and Inclusion is Important for European SMEs?

As Europe continues to lead in these efforts, the positive impact of DEI on the economic and social fabric of the region will grow stronger. ([Source](#))

Adopting DEI principles is not only a moral imperative but also a strategic advantage for European SMEs. DEI principles ensure that all individuals, regardless of their background, have the opportunity to contribute to and benefit from a company's success. Understanding and embracing DEI is essential for innovation, improving employee engagement, and achieving sustainable growth, and aligning with global sustainability goals.

Diversity, equity and inclusion (DEI) bring more humanity to the workplace and transform it into a more inclusive environment and atmosphere, where people from diverse backgrounds feel welcome to a flourishing workplace. Everyone is provided with the necessary support to unleash their full potential in the workplace. ([Source](#))

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Importance of D&I for the European Union as a Strategic Driver

'The European Parliament is an inclusive employer, which values and seeks out a diverse talent pool. We foster a safe and respectful environment free of any form of discrimination for our entire staff, as reflected by our human resources policies and approaches.'

European Union



Good Reason For Change & Action

Source [CIPD Inclusion at Work](#)

The whole business needs to be committed. Addressing inequalities at work isn't something that can be done by just the people function. The whole business needs to own and engage with a commitment to equality, diversity and inclusion, making them part and parcel of all aspects of the business, not just a focus when time and resources allow.

Findings demonstrate there is a long way to go to make this ambition a reality, which starts with seeing the need for action especially in SMEs. The good thing is that employers are taking action and are motivated to do so by moral and social justice reasons, as well as recognising the business benefits.

Saving the bottom line looking after employees. Labour market figures show there is strong competition for talent and that many companies are facing skills shortages, meaning employers need to pay attention to staff retention as well as recruitment.

Good Reason For Change & Action

Source [CIPD Inclusion at Work](#)

Retention means keeping employees' happy long term. They need structural, cultural and social barriers removed; being treated fairly, and to progress enable people to utilise their skills and capabilities, encouraging them to stay with the company.

Untapped potential for SMEs. Low unemployment but record job vacancies also means employers will benefit from looking at untapped, under-utilised, and diverse talent pools.

Employees looking for D&I-orientated companies. However, again this newly added diverse workforce is looking for D&I companies as a priority, meaning they won't be attracted to, or stick with a company if they don't feel valued, included and respected, and if they don't feel they or their colleagues have equality of opportunity.



02

Understanding Diversity and Inclusion (D&I) in the European SME Context

Definitions, Key Concepts, Dimensions and the DARE Framework



02

Understanding Diversity and Inclusion (D&I) in the European SME Context

Definitions, Key Concepts, Dimensions and the DARE Framework

01

Why SMEs Need to Become Diverse and Inclusive

02

Defining D&I in the SME Workplace Context - Not 'Just for Some' but 'For All'

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Defining DEI (Diversity, Equity & Inclusion)

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Diversity is the Pathway to Innovation and Creativity

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How D&I is a smart, sustainable, innovative, moral, profitable, and ethical pathway to success!

Why SMEs Need to Become Diverse and Inclusive

For SMEs, understanding the significance of diversity and inclusion is crucial. It's an opportunity to tap into a diverse pool of talent and perspectives, which can fuel innovation, creativity, and problem-solving. However, achieving true diversity and inclusion can be challenging for SMEs, often due to limited resources, a lack of awareness, or existing biases throughout this Module we go through such challenges and provide understanding and solutions.

Diversity and inclusion matter a lot and can affect your business's success. As a small or medium-sized enterprise (SME), you may believe that diversity and inclusion are only important for large companies or public entities. But the truth is, they can benefit your business in many ways, from attracting and retaining top talent to enhancing your innovation and competitiveness.

SMEs must recognise that diversity is not just a social responsibility but also a business imperative. Numerous studies have shown that diverse teams outperform homogenous ones. They bring unique insights and approaches to the table, resulting in better decision-making processes and increased adaptability to changing market trends. Source: Nucleus Commercial Finance

Why SMEs Need to Become Diverse and Inclusive

D&I isn't just about traditional demographics such as gender, ethnicity, or age. They are important, but embracing diversity and inclusion goes beyond them. It encompasses a wide range of attributes, including different backgrounds, perspectives, experiences, skills, and ways of thinking. Inclusive environments acknowledge and value these differences, creating a sense of belonging for all individuals within a company.

However, implementing diversity and inclusion practices requires more than good intentions. It requires a strategic approach and commitment from leadership. SMEs should actively promote diversity through inclusive recruitment practices, mentorship programs, and professional development opportunities.

Education and training are also essential components of creating an inclusive culture within SMEs. That's where DARE comes in to provide ongoing diversity resources and training to companies and employees. Though DARE SMEs can raise awareness, challenge biases, and foster a more inclusive mindset throughout their company no matter where they are located.

Source [Nucleus Commercial Finance](#)



Diversity wins: How inclusion matters

May 19, 2020 | Report



Why is Diversity in the Workplace Important?

A series of three McKinsey reports shows the impact of diverse workplaces:

Why diversity matters (2015),

Delivering through diversity (2018), and

Diversity wins: How inclusion matters (2020).

The latest findings encompass 15 countries and more than 1,000 companies, employee sentiments, and the results show a correlative relationship between business performance and diversity. It reports greater access to talent and increased employee engagement contribute to this performance effect. The likelihood of financial outperformance gets stronger over time.



Defining Diversity and Inclusion in the SME & Workplace Context Means Not 'Just for Some' but 'For All'.

When employees don't feel that their ideas, presence or contributions are truly valued or taken seriously by their organisation, they will eventually leave.

Our research on company culture shows when employees trust that they, and their colleagues, will be treated fairly regardless of race, gender, sexual orientation or age, they are.

- 9.8 times more likely to look forward to going to work
- 6.3 times more likely to have pride in their work
- 5.4 times more likely to want to stay a long time at their company

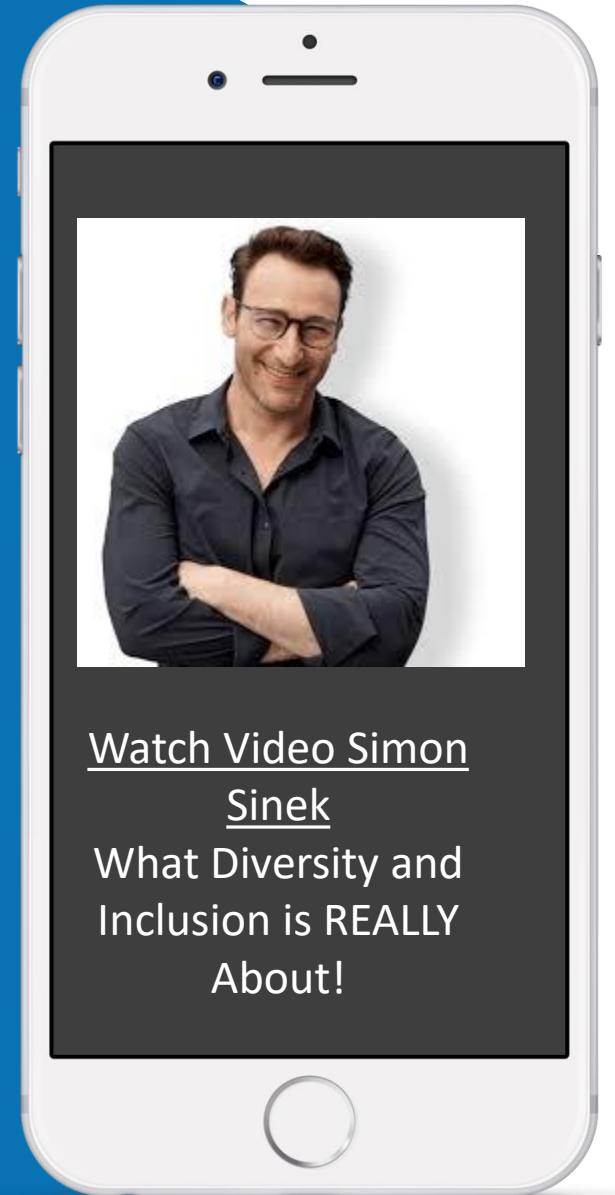
Having an inclusive workplace culture will not only help you attract a diverse set of talent but also help you retain the diverse talent you attracted in the first place.

Source Great Place to Work

Defining Diversity and Inclusion

Diversity, equity, and inclusion are three closely linked values held by many organizations that are working to be supportive of different groups of individuals, including people of different races, ethnicities, religions, abilities, genders, and sexual orientations. (McKinsey)

It's about creating working environments and cultures where every individual can feel safe and a sense of belonging, and is empowered to achieve their full potential. (CIPD)



[CLICK TO WATCH VIDEO](#)

Defining Diversity and Inclusion in the SME & Workplace Context Means Not 'Just for Some' but 'For All'.

The difference between diversity, inclusion and belonging is that diversity is the representation of different people in an organization, inclusion is ensuring that everyone has an equal opportunity to contribute to and influence every part and level of a workplace, and belonging is ensuring that everyone feels safe and can bring their full, unique selves to work.

Everyone matters in a for all workplace!

For all to benefit it is critical for success!

Source Great Place to Work

What Is DEI: Diversity, Equity, and Inclusion?

Diversity refers to the variety of differences among people in a company. This includes:

- **Demographic Diversity:** Age, gender, ethnicity, and sexual orientation.
- **Experiential Diversity:** Varied backgrounds and life experiences.
- **Cognitive Diversity:** Different perspectives and thought processes.

Equity involves creating fair opportunities for all employees. It means recognising that different people have different needs and may require different resources and support to achieve their full potential.

Inclusion is the practice of ensuring that all individuals feel respected, accepted, and valued. An inclusive environment actively involves every employee, leveraging their unique strengths and perspectives.

How do Equality, Diversity, Equity and Inclusion Differ?

Diversity, equity, and inclusion are often grouped together because they are interconnected and it is only in combination that their true impact emerges. But these terms are also easily misunderstood. It's important to grasp the individual meanings.

Diversity refers to who is represented in the workforce.

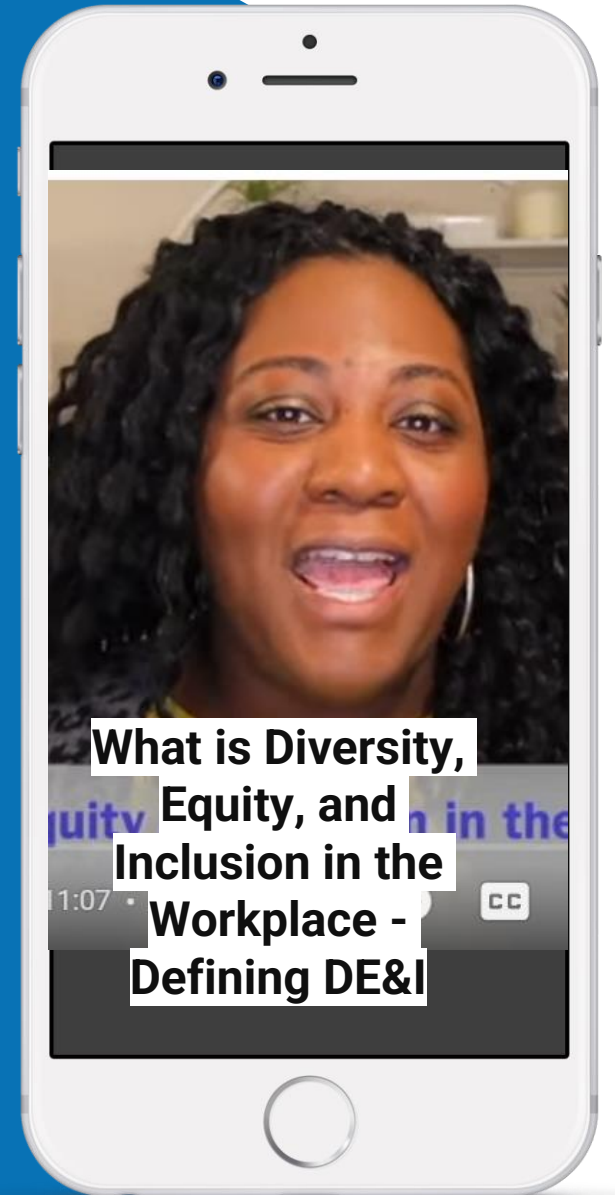
Some examples of diversity in workplaces include:

Gender diversity: What makes up the composition of men, women, and nonbinary people in a given population?

Age diversity: Are employees from one generation, or is there a mix of ages?

Ethnic diversity: Do people in a group share common national or cultural traditions, or do they represent different backgrounds?

Physical ability and neurodiversity: Are the perspectives of people with disabilities, whether apparent or not, accounted for?



[CLICK TO WATCH VIDEO](#)

Equity in the workplace is about ensuring all employees access the same opportunities, resources, and treatment.

Equity refers to fair treatment for all people, so that the norms, practices, and policies in place ensure identity is not predictive of opportunities or workplace outcomes. Equity means employees are valued based on their skills, knowledge, and abilities in a workplace, rather than their characteristics. Equity differs from equality in a subtle but important way. While equality assumes that all people should be treated the same, equity takes into consideration a person's unique circumstances, adjusting treatment accordingly so that the end result is equal.

In an episode of the [McKinsey Talks Talent](#) podcast on the inclusive workplace, McKinsey senior partner and talent expert Bill Schaninger offers a view on the implications of equity when sourcing talent: *“There’s a real difference between equal and equitable. Suppose we said, ‘All interns are created equal. We pay them nothing.’ The people who can afford an entire summer without getting paid are likely already coming from a position of privilege when the opposite is often the truth for many.”*

Inclusion ensures that everyone feels valued and, importantly, adds value.

Inclusion refers to how the workforce experiences the workplace and the degree to which companies embrace all employees and enable them to make meaningful contributions. It is a culture in which a mix of people can come to work, feel comfortable and confident to be themselves and work in a way that suits them and delivers your business or service needs.

Companies recruiting a diverse workforce must also strive to develop a sufficiently inclusive culture, such that all employees feel their voices will be heard—critical if they want to retain their talent and unlock the power of their diverse workforce.

Inclusion ensures that everyone feels valued and, importantly, adds value.

In an episode of the McKinsey Talks Talent podcast on the inclusive workplace, McKinsey partner and DEI expert Diana Ellsworth shared an example of how a lack of inclusion can manifest in workplace culture:

“The LGBTQ+ community is underrepresented in the workplace, especially at more senior levels. As a result, many feel like an “only” at work and are more likely to experience microaggressions; they might feel unable to talk openly and comfortably about themselves, for example, or need constantly to correct assumptions about their personal lives.”



How D&I is a smart, sustainable, innovative, moral, profitable, and ethical pathway to success!

Embracing diversity and inclusion (D&I) can bring significant benefits to SMEs, positively impacting various aspects of the business. Implementing D&I initiatives is not only ethically sound but also a strategic move that can drive growth and success.



Think! Diversity is the Pathway to Innovation and Creativity

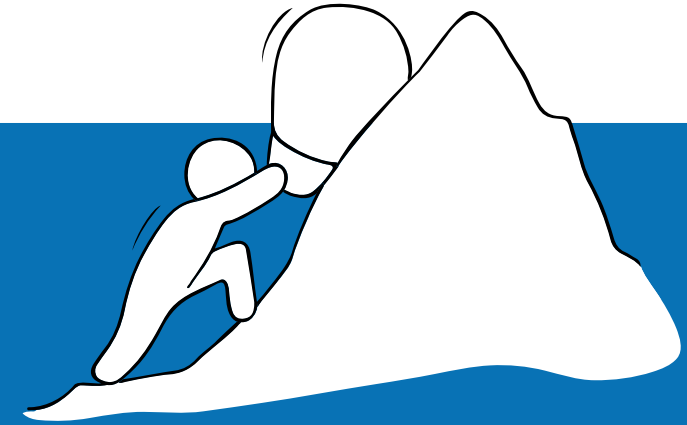
Just like a box of crayons with a complete palette of colours, diverse teams have more uses than their monotone counterparts. A diverse workforce brings together individuals with different backgrounds, perspectives, and skills. This diversity of thought fosters innovation and creativity, leading to more robust problem-solving and the development of unique solutions. By embracing diverse perspectives, SMEs can tap into a wellspring of fresh ideas and unconventional approaches that can give them a competitive edge.



Source [Nucleus Commercial Finance](#)

Diversity Leads to Better Analysis & Decision-Making

Diversity and inclusion positively impact the decision-making processes within SMEs. When a team is composed of individuals with varied backgrounds and experiences, it reduces the risk of groupthink and promotes a more thorough analysis of options. Diverse teams tend to consider a wider range of viewpoints, leading to more informed and balanced decisions. This ability to make well-rounded choices can greatly benefit SMEs, particularly in rapidly changing and complex business environments.

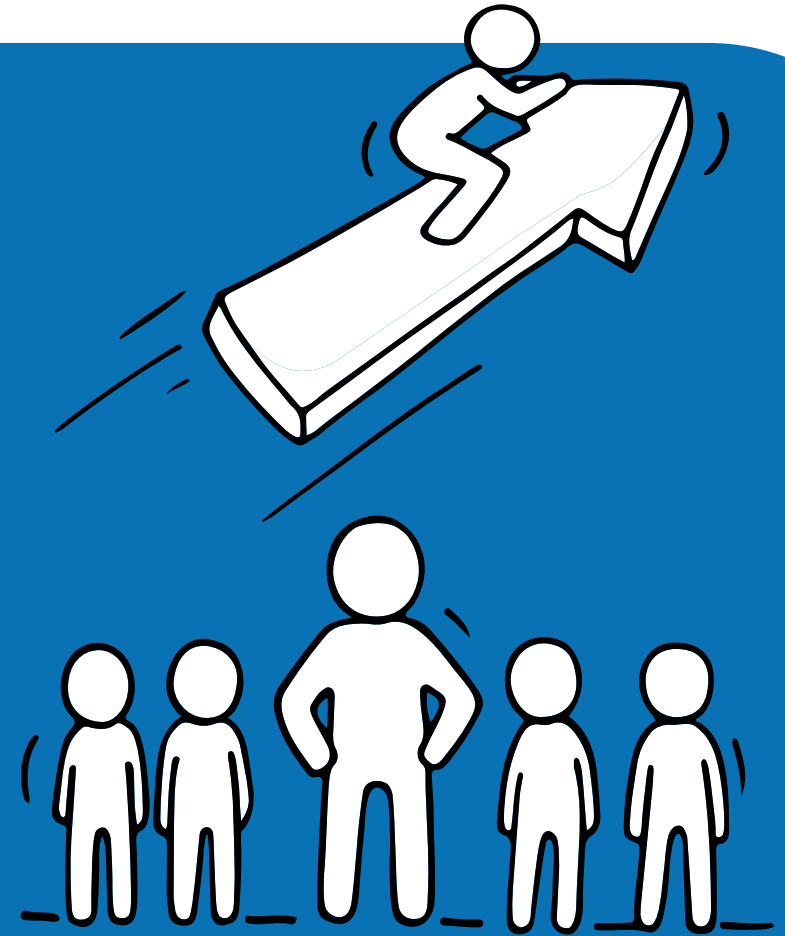


Source [Nucleus Commercial Finance](#)

Diversity Leads to Better Talent Leads to a Significant Competitive Edge

Beyond the internal advantages, diversity and inclusion act as powerful catalysts to attract exceptional talent. In today's dynamic and inclusive society, job seekers actively seek out companies that embrace the rich tapestry of diversity and foster an environment where everyone can shine.

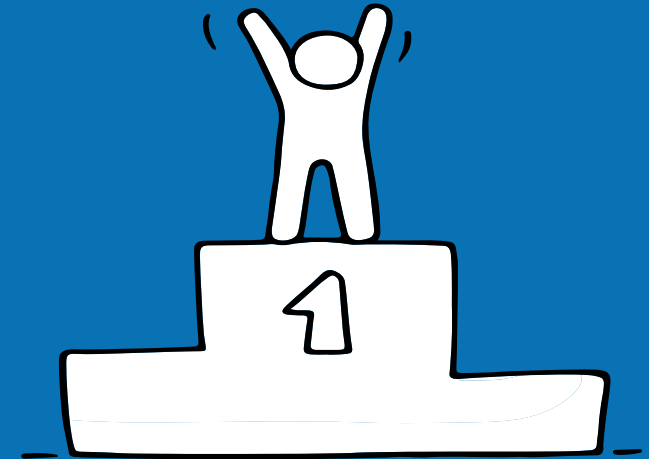
By showcasing their commitment to diversity, SMEs gain a significant competitive edge in attracting top-tier candidates from diverse backgrounds and experiences.



Source [Nucleus Commercial Finance](#)

When Diversity Takes the Stage Remarkable Transformations Occur

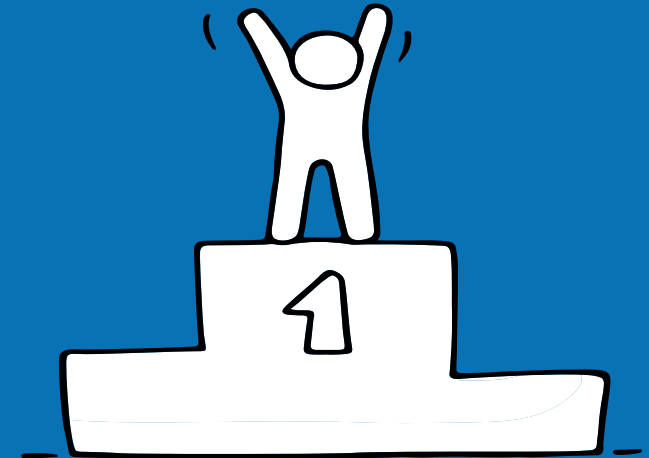
But that's just the beginning. When an inclusive culture takes centre stage and a diverse workforce steals the spotlight, remarkable transformations occur. Employee engagement and satisfaction skyrocket as they are embraced with value, respect, and inclusion. This magnetic environment fuels a workforce that brims with motivation, productivity, and an unwavering dedication to the company's triumph. The harmony between a diverse workforce and an inclusive culture creates a harmonious symphony of success, leaving everyone involved in a state of resounding victory.



Source [Nucleus Commercial Finance](#)

Diversity Opens the Doors to New Opportunities, Positive Reputation & Growth

Moreover, by embracing diversity and inclusion, SMEs can open the doors to expanding their customer reach and tapping into new market opportunities. A diverse workforce brings a valuable advantage of a deeper understanding of diverse customer segments. With employees who reflect the demographics and needs of their target markets, SMEs can effectively engage with customers and develop products and services that resonate with a wider audience. This strategic approach can lead to increased customer loyalty, a positive brand reputation, and ultimately, substantial business growth.



Source [Nucleus Commercial Finance](#)



03

Discover the Different
Dimensions of Diversity and
Inclusion that Need to be
Considered by European SMEs



03

Discover the Different
Dimensions of Diversity
and Inclusion that Need to
be Considered by
European SMEs

01

Introduction & Integration of SDGs

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Gender | Ethics & Culture | Age

4-5

Ability & Disability | Sexual Orientation |
Gender Identity

6-8

Belief Systems | Language | Socio
Economic

9-12

Educational | Cognitive & Neurodiversity
| Geographical | Family Status

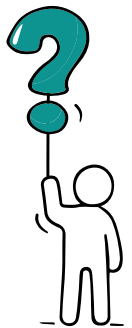
Reminder: What Is DEI: Diversity, Equity, and Inclusion?

- **Diversity** refers to all angles of human uniqueness. A diverse team is one where people with varying backgrounds and perspectives work together. Think of ethnic diversity, gender and age variation, different viewpoints, opinions and plurality in the way of thinking. Diversity sparks creativity, this is why more and more companies are striving to nurture it.
- **Equity** is understanding that every person has unique needs, that need to be addressed to ensure each employee has the same access to opportunities. This goes beyond equality, because treating everyone as if their experiences are exactly the same, will cause unfairness. By embracing equity, companies not only address bias but enable a more just and balanced work environment where everyone can develop to their full capacity.
- **Inclusion** means creating a workplace where everyone feels valued, respected, and supported, no matter who they are or where they come from. To truly promote inclusion at work, organizations should take a holistic approach. This includes implementing inclusive policies and practices, providing diversity training, actively listening to employee feedback, and holding leadership accountable for adopting an equitable culture. ([Source](#))

Dimensions of Diversity & Inclusion

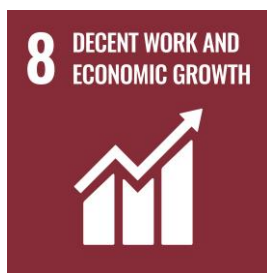


Small and medium-sized enterprises (SMEs) need to become more diverse and inclusive representing the world they live in today. Here we explain some of the main terms and types of the various dimensions of diversity and different aspects of human identity in the workplace.



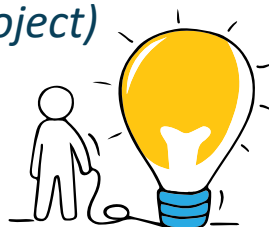
Gender | Race | Culture | Age | Neurodiversity
Ability & Disability | Religion and Belief Systems
Nationality and Citizenship | Language | Family Status
Socioeconomic Status | Sexual Orientation
Educational Background | Ethnicity | Parental Status |
Marital Status | Cultural Background and Heritage
| Remote and Flexible Work Arrangements





01 Gender

*‘Diversity in the workplace **enables innovation, enhances decision-making,** and reflects the varied perspectives of society, leading to **stronger teams and better business outcomes**’. (DARE Project)*



Definition: "Gender" diversity refers to the social, cultural, and personal roles and characteristics associated with being male, female, or non-binary.

Goal: Ensure representation and equal opportunities for individuals of all genders, including men, women, and non-binary individuals so everyone has equal access to opportunities, resources, and respect. Gender in the workplace influences the dynamics, creativity, innovation, decision-making, ethics, and opportunities creating a more professional, dynamic and reputable environment. This can be achieved through hiring practices, promotion opportunities, pay equity, and workplace culture. Strategies for promoting gender diversity and inclusivity in the workplace aim to create environments where all individuals, regardless of gender.



01

Gender »»

*"Gender diversity in SMEs is not just a moral imperative but a strategic advantage. Companies that prioritise gender diversity are more likely to have **better financial returns, increased creativity, and a broader range of perspectives** that drive **innovation and resilience** in an ever-changing market."*

McKinsey ([Delivering Through Diversity Report](#))

Why: According to [Eurostat](#), women accounted for 46% of the total employment in the European Union in 2020. In 2021, there were 6.9 million female scientists and engineers in the EU, 369 800 more than in 2020, accounting for 41% of total employment in science and engineering.

Why: According to the most recent [Eurostat statistics](#), in 2018 the gender pay gap stood at 14. % across the EU27, with Luxembourg recording the lowest gender pay gap, at 1.4 per cent, and Estonia the widest, at 21.8 per cent. The gender pay gap in the EU has significant variations across member states.

02 Ethics and Culture >>>



Definition: "Ethics" in the workplace involves fairness and integrity in decision-making, while "culture" encompasses shared beliefs and behaviours. Together, they shape an environment where integrity and collaboration thrive.

Goal: Embrace individuals from diverse racial, ethnic, and cultural backgrounds to promote inclusivity and respect for different traditions and perspectives. Create an ethical workplace culture where employees uphold integrity, respect, and fairness in all interactions. This fosters a positive environment where trust is cultivated, diversity is embraced, and collaboration thrives, ultimately leading to increased employee satisfaction and company success.

Why: Europe is home to a diverse population, with over [75% of its residents](#) living in urban areas, contributing to cultural diversity. According to a study by [the European Union Agency for Fundamental Rights \(FRA\)](#), ethnic minorities often face discrimination in employment in many EU countries.

03 Age >>>



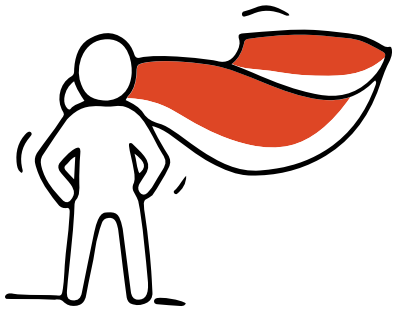
Definition: "Age" is an individual's chronological years since birth. It recognises the value of contributions from employees across different age groups, enabling an inclusive environment.

Goal: Creating an environment that respects workers' varied needs and perspectives, regardless of their age. Recognise the value of employees across different age groups, from millennials to Generation X, baby boomers, and beyond, to leverage their unique skills, perspectives and experiences. Promote age diversity and combat ageism. Ensure fair treatment, equal opportunities and career development.

Why: Europe has an ageing population, with a growing number of older workers remaining active in the labour market. The share of people aged 55 years or more in the total number of persons employed in the EU-27 increased from 12 % to 20 % between 2004 and 2019. In 2019, 48 % of all working men aged 65 years or more in the EU-27 were employed part-time compared with 60 % of women aged 65 years or more. According to Eurostat, the employment rate of people aged 55-64 in the EU increased from 38.4% in 2009 to 58.7% in 2019.

04

Ability & Disability >>>



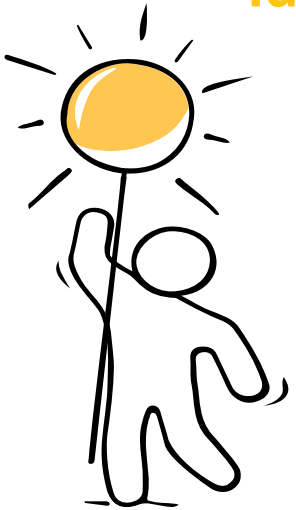
Definition: "Ability" diversity represents an individual's skills and talents to fulfil job responsibilities effectively. "Disability" refers to physical, cognitive, or sensory impairments that may hinder certain tasks or activities.

Goal: Create an inclusive environment for individuals with disabilities or different abilities, including physical, cognitive, sensory, or mental health conditions. Remove barriers and provide accommodations to enable employees with disabilities to contribute. Implement policies and practices that reflect the same. Promote awareness and understanding of disabilities among employees.

Why: The [European Commission](#) estimates that around 15% of the EU population has a disability. According to Eurostat estimates, that equals to 101 million people or one in four people adults in the EU. The EU has implemented legislation such as the [European Accessibility Act](#) to improve accessibility for people with disabilities.

05

Sexual Orientation and Gender Identity >>>

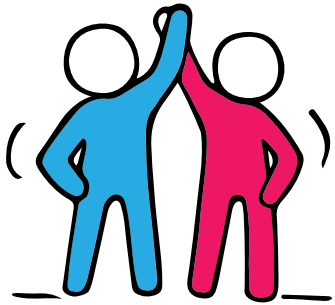


Definition: "Sexual orientation" refers to an individual's romantic or sexual attraction to others, while "gender identity" is one's internal sense of their own gender.

Goal: Create an inclusive workplace by acknowledging and respecting the diverse sexual orientations and gender identities of employees, ensuring they feel valued and supported. Support employees regardless of their sexual orientation or gender identity, including lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA+) individuals. This may include implementing policies to prevent discrimination, providing education and training, and offering support resources for LGBTQ+ employees.

Why: The [EU Agency for Fundamental Rights reports that LGBTQIA+](#) individuals face discrimination and harassment in various areas, including employment, in many EU countries. [Several EU countries](#) have enacted laws protecting against discrimination based on sexual orientation and gender identity.

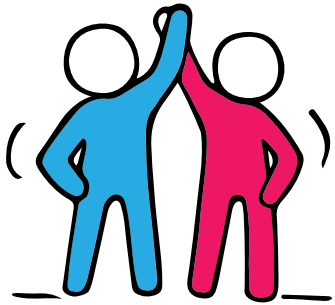
06 Religious and Spiritual Belief Systems >>>



Definition: In the workplace, "religious belief systems" encompass organised sets of beliefs and practices associated with specific religions, while "spiritual belief systems" are personal beliefs centered on meaning and purpose in life.

Goal: Create an inclusive workplace by respecting and accommodating diverse religious and spiritual beliefs, practices and perspectives by ensuring employees can practice their faith or spirituality without discrimination. Ensure accommodation and inclusivity for all faiths and philosophies. This may include providing flexible scheduling, prayer or meditation spaces, and fostering understanding among colleagues of different beliefs.

06 Religious and Spiritual Belief Systems >>>



Why: Europe has a [diverse religious landscape](#), with Christianity, Islam, Judaism, and other religions practised across the continent. Religious discrimination and intolerance remain significant challenges in some European countries. [European Platform on Religious Intolerance and Discrimination \(EPRID\)](#) aims to contribute to the collective promotion and protection of the right to freedom of religion or belief in the world as defined by Article 18 in the Universal Declaration of Human Rights.

07 Language >>>



Definition: “Language diversity” refers to employees who speak different languages or dialects, reflecting a variety of linguistic backgrounds and cultures. It encompasses differences in primary languages spoken, proficiency levels, and communication styles among individuals.

Goal: Embrace language diversity by accommodating multilingualism, promote effective communication across language barriers, and leverage linguistic skills to enhance collaboration and inclusivity within the workforce. Implement language-inclusive policies, such as providing translation services or language training, ensure a culture of respect and appreciation, and promote cross-cultural understanding and empathy.

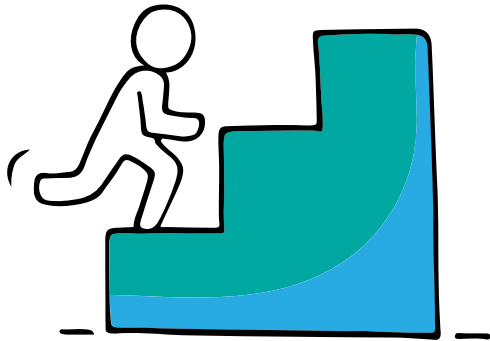
07 Language



Why: Europe is linguistically diverse, home to [24 official languages](#) with over 200 languages spoken across the continent. Language barriers can cause misunderstandings that lead to conflict, frustration, offence, violence, hurt feelings, and wasting time, effort, money, and the lives of the people. This can have a big impact—this [report](#) noted that language barriers lead to miscommunication, decreased productivity, difficulty during group collaboration, prevent managers from feeling respected and cause challenges in collaboration.

08

Socioeconomic

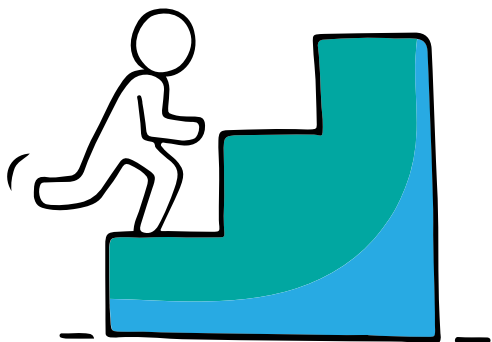


Definition: In the workplace, "socioeconomic" refers to the interplay between social and economic factors shaping individuals' positions in society. It encompasses variables like income, education, and occupational status.

Goal: Recognise that socioeconomic diversity is crucial to enable inclusivity. Recognise and value employees from different socioeconomic backgrounds, including individuals from diverse income levels, education levels, and family backgrounds. Create an equitable workplace where individuals from diverse socioeconomic backgrounds have equal opportunities for advancement and success. This involves implementing policies and practices that address systemic barriers, provide support for skill development and education, and promote inclusive hiring and promotion processes. This will enable companies to harness the full potential of their workforce and contribute to social mobility and economic equality.

08

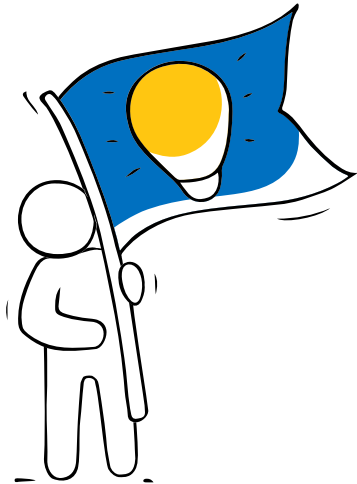
Socioeconomic



Why: Income inequality is a concern in many European countries, with variations in income levels and wealth distribution. In 2022, the highest levels of inequality in terms of disposable income in the EU were in Bulgaria (38.4), Lithuania (36.2) and Latvia (34.3). On the other hand, among the EU Member States, income was most equally distributed in Slovakia (21.2), Slovenia (23.1), Czechia (24.8) and Belgium (24.9).

Why: Access to education and employment opportunities can vary significantly based on socioeconomic background. The socioeconomic status of a family is determined by family income, parental education, parental occupation, and social status in the community, In 2022, more than 40 % of persons aged 25-34 years in the EU had completed tertiary education. In 2022, almost 84 % of persons aged 20-24 years in the EU had completed at least an upper secondary level of education.

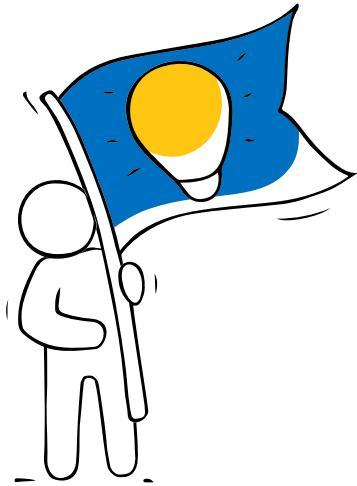
09

Educational
»»

Definition: "Educational" diversity in the workplace refers to the variety of educational backgrounds, experiences, and qualifications that employees bring to their roles. It encompasses differences in academic disciplines, levels of education, certifications, and training programs completed by individuals.

Goal: To leverage educational diversity and enhance company performance and innovation by tapping into a wide range of knowledge and perspectives. Embrace individuals with varied educational backgrounds, including those with degrees from different fields, vocational training, or alternative educational paths. Implement inclusive hiring practices that value diverse educational backgrounds, provide opportunities for continuous learning and skill development, and promote a culture of collaboration and knowledge-sharing among employees. This can create a dynamic and adaptable workforce capable of meeting evolving challenges and driving success.

09

Educational
»»

Why: [Europe has a well-established education system](#), offering diverse educational pathways, including academic and vocational training. In [2021](#), 43.9 % of all graduates from vocational programmes in upper secondary education in the EU were female, while the share was higher (61.2 %) among graduates from vocational programmes in post-secondary non-tertiary education.

Why: Access to education and training opportunities may vary across different regions and socioeconomic groups. [Ireland](#) is holding its own at the top end of the EU educational attainment ladder. More than half of 25 to 64-year-olds (53pc) in the country have a third-level qualification, the highest in the EU, and it compares with a 27-country average of one in three (33pc). [Sweden](#) has one of the best education systems in the world—the country known for its high standard of living and excellent education system. In 2023, the number of international students in Sweden was over 41,967.

10 Cognitive and Neurodiversity >>>



Definition: In the workplace, "cognitive diversity" refers to differences in thinking styles and abilities among individuals, while "neurodiversity" recognises the range of neurological differences, think of conditions like autism and ADHD.

Goal: Leverage the strengths of all employees by embracing their cognitive and neurodiversity. Recognise and value their unique strengths, perspectives and diverse cognitive profiles. Create an inclusive environment for such individuals with diverse cognitive abilities, learning styles, and neurodivergent conditions such as autism, dyslexia, ADHD, and others. Do this by implementing inclusive hiring practices that value diverse cognitive profiles, provide appropriate accommodations and support, and support a culture of acceptance and understanding among colleagues. Promote a workplace where all individuals can thrive regardless of their cognitive differences, companies can unlock innovation, creativity, and productivity.

10 Cognitive and Neurodiversity >>>



Why: Neurodiversity is increasingly recognised and supported in [European workplaces](#), with initiatives aimed at accommodating individuals with diverse cognitive abilities and neurodivergent conditions. Awareness and understanding of neurodiversity vary across different European countries and industries. It is thought that about [15 to 20 %](#) of the world's population is neurodivergent. This includes up to 10 % of people with dyslexia, 6 % with dyspraxia, 5 % with ADHD, and 1–2 % with autism.

11

Geographical »»»



Definition: “Geographical diversity” refers to the representation of employees from different geographic locations, regions, or countries. It encompasses variations in cultural norms, customs, and perspectives that arise from individuals' diverse geographical backgrounds.

Goal: Embrace geographical diversity by recognising and valuing the unique contributions and viewpoints of employees from various locations, different geographical regions or countries, acknowledging their diverse perspectives and experiences, share their insights and expertise. This will enhance innovation, and creativity, and improve global competitiveness. Implement practices that accommodate diverse communication styles, customs, and holidays, and support cross-cultural understanding through training and awareness initiatives.

11

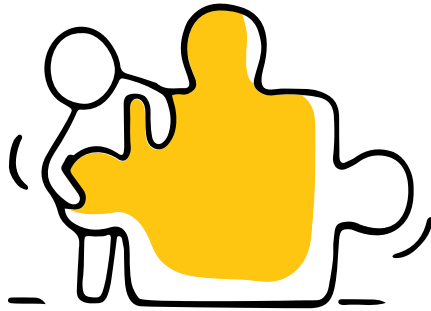
Geographical »»»



Why: The European Union consists of 27 member states, each with its own unique cultural, social, and economic characteristics. Cross-border cooperation and collaboration is essential for leveraging the diversity of perspectives and experiences across different regions. [Cross Border Cooperation \(CBC\)](#) is a key element of the EU policy towards its neighbours. It supports sustainable development along the EU's external borders, helps reduce differences in living standards and addresses common challenges across these borders.

12

Family Status

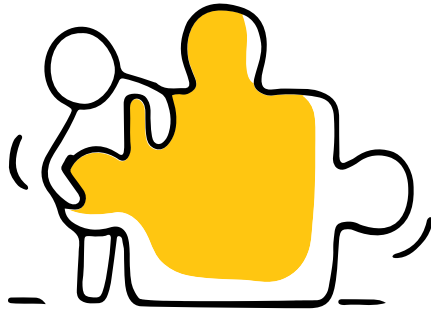


Definition: In the workplace, "family status diversity" refers to the acknowledgement and accommodation of employees with varying family structures, responsibilities, and caregiving roles. It encompasses individuals who may be single, married, in domestic partnerships, divorced, widowed, or caregivers to children, elderly relatives, or individuals with disabilities.

Goal: Support employees with diverse family structures and caregiving responsibilities, including parents, caregivers, single parents, and individuals with eldercare responsibilities. Implement policies and practices that support work-life balance, provide flexibility, and ensure equal opportunities for career advancement, regardless of employees' family responsibilities.

12

Family Status



Why: Family structures vary across Europe, the [most numerous type](#) of households in the EU in 2022 were single adult households without children, (71.9 million) followed by couples without children (48.2 million), and couples with children (30.6 million). [The Work-Life Balance Directive](#) is an EU law which aims to make it easier for EU employees to balance paid work, private life, and caring responsibilities.



04

Discover the Benefits, Positive Impact and Opportunities of D&I for SMEs

04

Discover the Benefits, Positive Impact and Opportunities of D&I for SMEs

01

Introduction

1-2

Increased Innovation & Creativity

Enhanced Employee Engagement & Morale

3-4

Improved Decision-Making

Broader Talent Pool & Recruitment Advantage

5-6

Better Customer Understanding & Market Reach

Enhanced Reputation and Brand Image

7-8

Reduced Turnover and Increased Retention

Legal and Compliance Benefits

Benefits of DARE

Benefits of Embracing Diversity and Inclusion in the SME Workplace

Embracing diversity and nurturing inclusivity in small and medium-sized enterprises (SMEs) can yield numerous benefits. DARE creates a more vibrant, innovative, and resilient company culture that has triple benefits for employees, customers, and the business.

The next two sections outline some of the benefits and advantages of becoming more inclusive and diverse in the workplace:



Benefits - Increased Innovation, Creativity, Engagement and Morale

01

Increased Innovation & Creativity

Diversity brings together individuals with different backgrounds, perspectives, and experiences. This diversity of thought can lead to innovative ideas, creative solutions, and fresh approaches to problem-solving, driving business growth and competitiveness.



* According to a study by McKinsey & Company, companies in the top quartile for ethnic and cultural diversity are 33% more likely to outperform their industry peers in terms of profitability.

* A report by the European Commission found that diverse teams are more likely to generate innovative ideas and solutions, contributing to business success and competitiveness in the European market.

02

Enhanced Employee Engagement & Morale

Inclusive workplaces where employees feel valued, respected, and included tend to have higher levels of employee engagement and morale. When employees feel like they belong and are appreciated for their contributions, they are more motivated, committed, and enthusiastic about their work.



* Eurofound's European Working Conditions Survey revealed that employees who perceive their workplace as inclusive are more likely to report higher levels of job satisfaction and well-being.

* Research by the Chartered Institute of Personnel and Development (CIPD) found that inclusive workplaces have higher levels of employee engagement, leading to increased productivity and performance.

Benefits – Improved Decision Making, Brader Talent Pool

03

Improved Decision-Making Diverse teams are better equipped to consider a wide range of viewpoints, weigh various options, and make well-informed decisions. This diversity of perspectives can lead to more comprehensive analyses, reduced groupthink, and ultimately, better decision-making outcomes.



* A study published in the Harvard Business Review found that diverse teams make better decisions 87% of the time compared to homogeneous teams.

* The European Diversity Charter Annual Report highlights that diverse teams are more effective at problem-solving and decision-making due to the variety of perspectives and insights they bring.

04

Broader Talent Pool & Recruitment Advantage

Embracing diversity and inclusivity can attract a wider range of talented candidates from diverse backgrounds. Having a reputation for inclusivity, SMEs can appeal to top talent-seeking that prioritize diversity and equity, giving them a competitive edge in recruitment.



* A survey conducted by Glassdoor revealed that 76% of job seekers consider diversity and inclusion an important factor when evaluating companies and job offers.

* According to research by the European Union Agency for Fundamental Rights, diverse and inclusive workplaces are more attractive to younger generations entering the workforce, enhancing SMEs' ability to recruit top talent.

Benefits – Better Market Reach and Enhanced Reputation

05

Better Customer Understanding & Market Reach

A diverse workforce can better understand and connect with diverse customer demographics. This enhanced understanding of diverse consumer needs and preferences can lead to more effective marketing strategies, product development, and customer service, ultimately expanding market reach and customer loyalty.



* A report by Deloitte found that companies with inclusive cultures are 1.7 times more likely to be innovative leaders in their market segments.

* The European Consumer Scoreboard highlights that businesses that prioritize diversity and inclusivity are better equipped to understand and meet the needs of diverse consumer demographics, leading to increased customer satisfaction and loyalty.

06

Enhanced Reputation and Brand Image

Companies that prioritise diversity and inclusion achieve and maintain a positive reputation and enhanced brand image. Increasingly customers, investors, and other stakeholders that value diversity and social responsibility can help enhance brand loyalty and attract socially conscious consumers.



* The Diversity and Inclusion in Europe report by McKinsey & Company found that companies with diverse leadership teams are perceived as more innovative and better performing by investors and stakeholders.

* A study by Accenture revealed that 62% of consumers prefer to buy from companies that share their values, including diversity and inclusion.

Benefits – Reduced Turnover, Increased Retention, Compliance

07

Reduced Turnover and Increased Retention

Inclusive workplaces prioritising diversity and equity experience lower turnover rates and higher employee retention. Employees who feel valued, respected, and supported are more likely to stay long-term, reducing recruitment costs and promoting continuity and stability within the company.



* The European Commission's Equality and Human Rights Commission reports that inclusive workplaces experience 39% lower turnover rates compared to non-inclusive workplaces.

* A study by the Centre for Economic Performance (CEP) found that companies with diverse and inclusive cultures have higher employee retention rates and lower absenteeism.

08

Legal and Compliance Benefits. Embracing diversity and creating an inclusive work environment can help SMEs comply with legal requirements and avoid potential discrimination lawsuits. By implementing inclusive policies, practices, and training programs, SMEs can mitigate legal risks and ensure compliance with relevant employment laws and regulations.



* The European Union's Directive on Equal Treatment in Employment prohibits discrimination based on various grounds, including race, ethnicity, gender, age, disability, sexual orientation, and religion etc.

* Compliance with diversity and inclusion regulations can protect SMEs from legal risks, reputational damage, and financial penalties associated with discrimination lawsuits and non-compliance with employment laws.

The strength of the team is each individual member. The strength of each member is the strength of the team

Phil Jackson

“



Learning Outcomes

- Analyze and understand the **current state of Diversity & Inclusion (D&I)** in European SMEs and explain the need for change.
- Define and **apply key D&I concepts, dimensions**, and the DARE Framework within the European SME context.
- Identify and **assess the different dimensions** of diversity and inclusion that SMEs must consider.
- Evaluate the **benefits, positive impact, and opportunities** that D&I brings to European SMEs.
- **Develop strategies** to integrate D&I principles into SME workplaces for long-term success.



Well Done!

Module 1 Part 1

Now Complete Module 1 Part 2:
Overcoming D&I Challenges:
Building Competencies for Inclusive
SME Strategies

www.projectdare.eu



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