

Part 4



Module 3: Inclusive Talent Management for SMEs Part 4: Employee Talent Development and Retention



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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!

MODULE 1

Introduction: Diversities Reviving European Enterprises

Key Features: Overview and definitions of D&I in SMEs. 12 Dimensions of Diversity. Learning key competencies for business case delivery.

Part 1: Why D&I Matters for SMEs.
Part 2: Building D&I Competencies for SMEs.

MODULE 2

Inclusive Leadership Skills

Key Features: Develop inclusive leadership skills (e.g., Bias awareness and mitigation). Tap into the power of neurodiversity. Measure impact and build resilience.

Part 1: Prepare for Inclusive Change Through Leadership.
Part 2: Unlock Inclusive Leadership & Neurodiversity.
Part 3: Measure Leadership Impact & Build Resilience.

MODULE 3

Inclusive Talent Management for SMEs

Key Features: Inclusive advertising, recruitment and retention. Performance management and leadership succession planning.

Part 1: Attracting, Developing, and Retaining Diverse Talent.
Part 2: Creating Inclusive Job Descriptions & Adverts.
Part 3: Inclusive Selection, Interviewing, and Offer Strategies.
Part 4: Employee Talent Development and Retention.
Part 5: Performance Management and Feedback.
Part 6: Succession Planning and Leadership Development.

MODULE 6

Inclusive Community Engagement for SMEs

Key Features: Learn the six core principles of inclusive community engagement. Understand the four layers to community context and prepare an effective Engagement Framework and Action Plan.

Part 1: Foundations of Inclusive Community Engagement.
Part 2: Understand & Engage Your Community.
Part 3: Ensuring Inclusive Engagement through Shared Value.
Part 4: Prepare for an Effective Community Engagement Framework.
Part 5: Create a Community Engagement Framework & Action Plan.

MODULE 5

Inclusive Marketing For SMEs

Key Features: Embed inclusivity into branding. Understand the needs of diverse audiences. Craft strategic inclusive marketing campaigns.

Part 1: The Power of Inclusive Marketing for SME Brands.
Part 2: Understand Your Customers and Overcome Marketing Barriers.
Part 3: Crafting Inclusive Marketing Campaigns.

MODULE 4

Building an Inclusive Company Culture in SMEs

Key Features: Build an inclusive company culture. Design and deliver a strategic cultural change audit, review policies and practices and empower teams through reward and recognition.

Part 1: Understand and Build an Inclusive Company Culture.
Part 2: Design and Deliver a Strategic Cultural Change Audit.
Part 3: Support Management in Creating a Workplace of Belonging.
Part 4: From Policies to Practice: Cultivating a Culture of Inclusion.
Part 5: Empower Teams Through DEI Collaboration, ERGs, and Recognition.



Introduction DARE to Module 3

In today's evolving business landscape, diversity and inclusion are more than just values—they are key drivers of innovation, productivity, and long-term success. This module equips European SMEs with the essential knowledge and tools to build a truly inclusive workplace.

From conducting inclusive audits and crafting equitable recruitment strategies to refining selection, interviewing, and onboarding practices, you will learn how to attract, support, and retain diverse talent.

Additionally, this module explores employee development, performance management, and leadership succession planning, ensuring that inclusivity becomes a sustainable and integral part of your organization's growth.

Section 1

Section 2

Section 3

Section 4

Section 5

Section 6

Becoming an Inclusive European SME Employer

Creating Inclusive Job Descriptions & Adverts

Inclusive Selection, Interviewing and Offer Strategies

Employee Talent Development and Retention

Performance Management and Feedback

Succession Planning and Leadership Development

YOU ARE HERE

Inclusive Talent Management for SMEs

Part 1

Part 2

Part 3

Part 4

Part 5

Part 6

Part 4

Employee Talent Development and Retention

- ❑ Explore strategies to nurture diverse talent, enable equitable growth opportunities, and retain top performers.
- ❑ Learn how to create inclusive career pathways and tailored development plans to support employee advancement and retention and, ultimately, company sustainability.

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Step 8: Employee Talent Development and Retention

Learn how to assess and analyse your current workforce. Learn how to develop retention strategies, design career pathways and develop plans.

Learning Objectives

- ☐ Learn how to assess the current workforce and **evaluate skills and talents** to identify growth opportunities.
- ☐ Understand how to create **inclusive onboarding processes** and ensure workplace accessibility for all employees.
- ☐ Explore strategies for designing tailored **career pathways and professional development plans** for diverse talent.
- ☐ Gain insight into how to **nurture and retain top performers** while ensuring equitable growth opportunities.
- ☐ Discover how to implement **talent development and retention strategies** that contribute to long-term company sustainability.



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Step 8

Employee Talent Development and Retention

Support employee growth with an inclusive culture of advancement.

»» Step 8 Employee Talent Development and Retention



»» **Action 1** Assess and Analyse the Current Workforce

»» **Action 2** Set Goals and Develop Strategies

»» **Action 3** Design Career Pathways and Development Plans

»» **Action 4** D&I Retention Strategies

“Diversity is being invited to the party; inclusion is being asked to dance.”



What is D&I Talent Management?

D&I Talent Management refers to the strategic process of attracting, developing, and retaining a diverse pool of talented individuals to meet company objectives. Effective talent management involves identifying high-potential employees, providing them with opportunities for growth and development, and aligning their skills and capabilities with the company's strategic goals.

It enhances employee engagement, satisfaction, and retention. When employees feel valued, respected, and included in decision-making processes, they are more likely to be committed to their work and contribute positively to company success. As Dr. Rohini Anand, Senior Vice President of Corporate Responsibility and Global Chief Diversity Officer at Sodexo, notes, ***“Diversity is being invited to the party; inclusion is being asked to dance.”***

Source [Medium](#)

Research conducted by McKinsey & Company found that companies with diverse executive teams are 33% more likely to have above-average profitability compared to their industry peers. Similarly, a study by the Boston Consulting Group revealed **that companies with more diverse management teams generate 19% higher revenues due to innovation.**

Employee Retention What is it?

Employee retention rate measures the percentage of employees who remain in their roles over a given period. Employee retention strategies, also known as talent retention strategies, are practices and policies designed to motivate top talent to stay in a company to reduce turnover. These strategies are created to engage and motivate employees and boost overall employee satisfaction.

Be preventative not reactive. Instead of waiting for a spike in employee turnover or for your staff to raise specific complaints, you should take the initiative to implement strategies for employee retention that improve employees' overall experience and make them want to stay longer at your company.

A high retention rate is good because it shows that employees are happy in their roles and suggests that they are unlikely to leave. A low retention rate, on the other hand, suggests issues with the employee experience in your company.

Analyse your Inclusive Retention Rate?

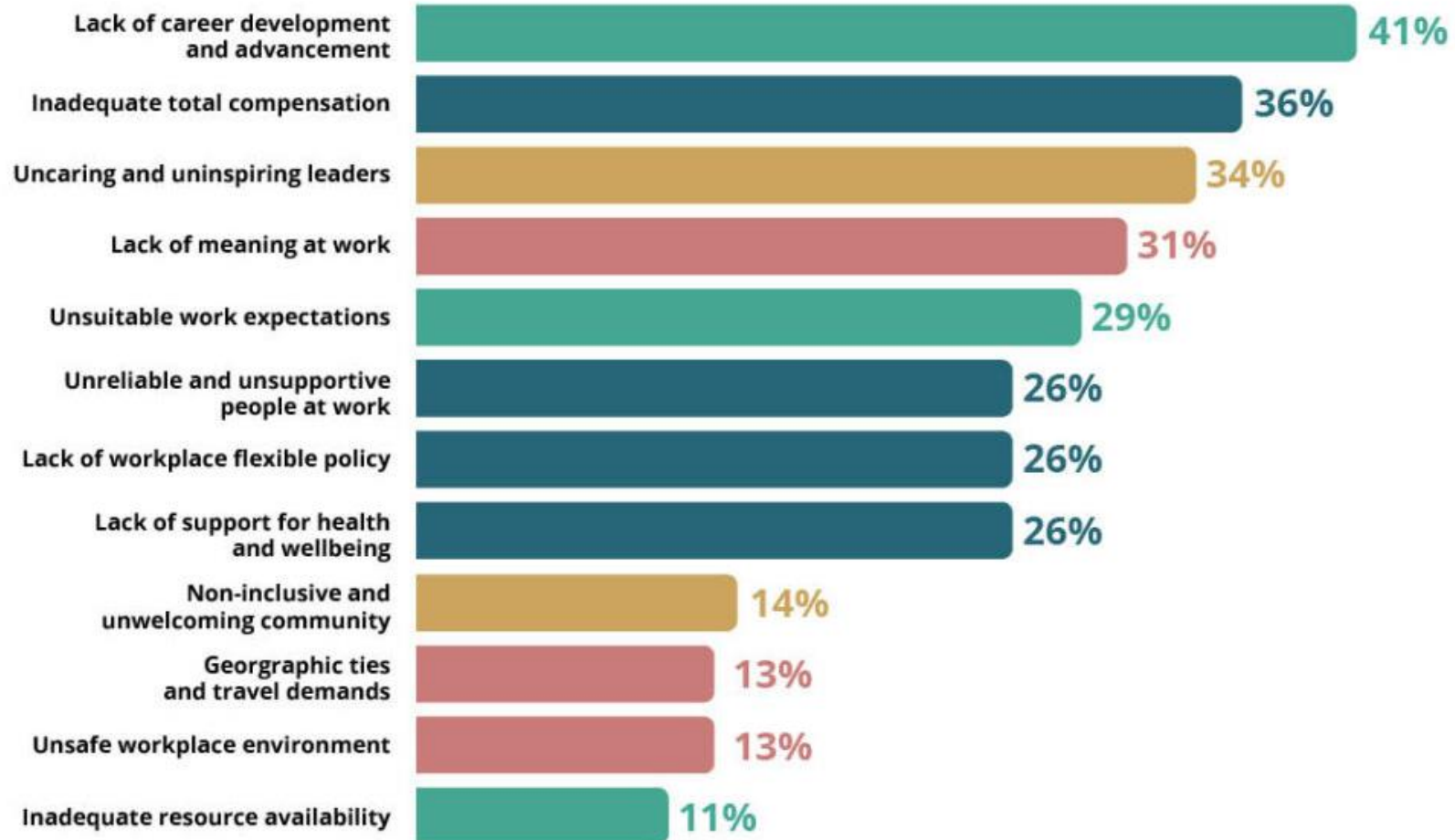
- ☐ Who are you retaining?
- ☐ Is diversity decreasing or increasing?
- ☐ What are your employees saying in surveys, exit interviews, ERG meetings and in other feedback and communication formats?
- ☐ Where is your retention rate highest? Why are they staying?
- ☐ Where is your retention rate lowest? Why are they leaving?
- ☐ What is the trend in your employee retention rate?

The main causes of employee turnover

- ☐ Lack of meaningful work
- ☐ Feel excluded or mistreated
- ☐ No progression
- ☐ Unsustainable expectations
- ☐ Unreliable and unsupportive managers or co-workers
- ☐ Unethical behaviours



Top Reasons Workers Quit their Jobs



Source: *McKinsey & Company*



Starts with Onboarding

Onboarding is the Foundation for Retention

Employee talent development and retention are crucial for any SME striving to remain competitive and sustainable. A well-structured onboarding process is the foundation of these efforts, setting the tone for an employee's long-term engagement and productivity within the company.

*"Onboarding is not just about paperwork and policies; it's about connecting employees with your company's vision and values from day one. It sets the stage for a journey of growth and loyalty." - **John Doerr**, HR Expert*



Onboarding Importance of Onboarding in Employee Talent Development

Proper onboarding is essential. Onboarding is the critical first step in which diversity and inclusion retention principles must be ingrained. Effective onboarding introduces employees to their roles and the company's D&I culture, goals, expectations and values. When D&I is embedded in the onboarding process, employees feel welcome and supported regardless of their background, making them more likely to stay long-term. This foundation enhances talent retention, engagement, and development, as employees are more inclined to trust their growth path within a company that values inclusivity.

It is essential to help new employees transition smoothly into their roles. Proper onboarding enables a sense of belonging and allows individuals to align their personal growth with the company's objectives, ultimately contributing to their skill development. Establishing clear career progression paths from the start makes employees feel more invested in the company's culture and success, resulting in enhanced commitment to their learning and development.

Onboarding Onboarding is the Foundation of Retention

According to a study by the **Society for Human Resource Management (SHRM)**, effective onboarding can increase retention rates by 82%. A well-planned onboarding process reduces the likelihood of turnover, especially within the first six months of employment, by addressing concerns about role clarity, culture fit, and professional growth. Employees who experience a positive introduction to a company are more likely to stay for extended periods.

Key Components of Effective Onboarding for Retention:

- ✓ **Role Clarity** Employees understand their responsibilities and how their contributions impact the company.
- ✓ **Cultural Integration** New hires feel welcomed and accepted within the company culture.
- ✓ **Developmental Roadmaps** Structured growth plans are shared early, offering opportunities for continuous learning, development and progression.

Source [SHRM Onboarding: The Key to Elevating Your Company Culture](#)
Source [24 shocking employee onboarding statistics in 2023](#)

Action 1

»» Onboarding Talent and Integration Strategies Support New Staff

Objective: Create a welcoming and supportive environment for new employees. Here are some strategies;



- ❑ **Pre-Onboarding Orientation and Preparation:** Provide new hires a welcome package that includes company values, mission, and expectations before their first day. Ensure that your onboarding materials and sessions reflect a diverse workforce and respect cultural differences.
- ❑ **Structured Training Programs:** Develop a 30-60-90 day training schedule that outlines role-specific tasks, key resources, and expected outcomes. Educate all employees about unconscious biases and how to create an inclusive workplace environment and the D&I culture to set the tone from the beginning.
- ❑ **Cultural Immersion:** Organise team introductions and social activities that help new employees feel a part of the company community. Inform and allow for training on the company's values, D&I initiatives, and cultural norms as part of the onboarding process.

Action 1

»» Onboarding Talent and Integration Strategies Support New Staff

- ❑ **Mentoring Programs** Pair new hires with experienced employees who can provide guidance, answer questions, and help them navigate the company culture. Connect new diverse employees with mentors from diverse backgrounds to offer advice and foster belonging.
- ❑ **Buddy Systems:** Assign a “buddy” to each new employee—someone not in a managerial role but can offer informal support and advice.
- ❑ **Feedback Mechanisms:** Set up regular check-ins during the first few months to gather feedback from new employees and address any concerns they may have. This should include mentorship or buddy feedback. Get mentors to regularly provide feedback to guide new employees through their initial challenges and discuss their development and comfort levels.
- ❑ **Clear Career Path** Share opportunities for professional development from the start, making it clear that the company supports and encourages long-term growth.

Action 2



Onboarding Talent and Integration Strategies Make Adjustments for People with Individual Needs & Disabilities

- ✓ **Reasonable adjustments should be available for everyone.** Reasonable adjustments are particularly important for increasing the recruitment and retention of able-bodied and disabled staff. Offer all new employees reasonable adjustments that meet their individual needs. While reasonable adjustments (see next slide) should be prioritised for disabled staff, nondisabled employees could also benefit from such job modifications. While adjustments would benefit most employees, the legislation only requires employers to do so for disabled staff, but that doesn't mean you should exclude everyone.



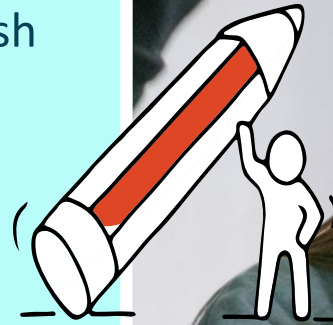
A large-scale survey found that one in three non-working disabled people say that their barriers to work could be resolved with workplace accommodations. Disabled employees who work in offices with accessible facilities (for example ramps, bathrooms, and other adjustments) are more satisfied with their employer and say they are more likely to stay there.

Retention Checklist: Making Your Workplace More Accessible & Inclusive

Making your workplace more accessible can help a range of people feel supported and safe at work and can help build a stronger sense of belonging. This might include people with a disability, neurodiverse people, and people who speak English as a second language. There are several strategies you can use to help your workplace be more accessible, including:

- ❑ **Audit the accessibility of your workplace** to identify barriers to accessibility and make changes to address these barriers or move to more accessible premises. This also benefits your customers!
- ❑ **Engage an access auditor** to audit your workplace and provide costings and advice on compliance. Similarly, you can engage a consultant to assist you with each diversity specialisation.

Source [Exude](#) HR through the Lends of D&I



- ❑ **Use plain English** in staff communications and signage, speak clearly, avoid company jargon and check in on new staff to see if they are ok and understand what is required off them
- ❑ **Use accessible information technology** where appropriate (for example, using closed captioning on videos, or voice-to text software, and files suitable for screen reader technology)
- ❑ **Consider the layout of your workplace** and discuss ways you might make your workplace more accessible to a wider range of people: those with a disability, or with additional environmental requirements. This might include considering the flow of the office space to allow room for wheelchairs or mobility aids, installing ramps, or adding accessible signing such as signs with braille and button-operated entry and exit. It could also include changing lighting and reducing noise in the workspace.



- ❑ **Other reasonable adjustments** include modifications to facilities, work practices, equipment or training that would allow an employee to perform the essential requirements of their job safely.
- ❑ **Allow absences or allowances** for rehabilitation, treatment, or assessments
- ❑ Provide a **support worker** to assist or provide transport to the workplace
- ❑ **Adjust working hours**, phase a return to work for someone who just had a baby, suffered health problems, had to go through treatment, etc.
- ❑ Provide **flexibility around start and finish times**
- ❑ Provide **information in accessible formats** such as large font, audio
- ❑ Provide **appropriate furniture** such as chairs, screens, desks, meeting tables
- ❑ Allow them **time to process large amounts of information** or better go through it in conversation or provide a summary sheet



Retention Checklist: Making Your Workplace More Accessible & Inclusive

- ❑ **Regular Employee Engagement Surveys** are used to gather employee feedback and understand their need to stay engaged and happy.
- ❑ **Career Development Tracking:** Track diverse employees' progress to ensure they receive equitable opportunities for promotions and professional growth.
- ❑ **Flexible Working Policies:** Introduce flexible working policies, which diverse employees, such as parents or individuals with disabilities, often appreciate.
- ❑ **Regular Audits:** Continuously monitor the progress of diversity initiatives through quarterly diversity audits and feedback surveys. Don't forget to implement employee feedback.
- ❑ **Adjust as Needed:** Use data to adjust your D&I operations, activities, programs and policies if certain employees or diversity groups are still underrepresented or struggling with retention. Display milestones and achievements.



The McKinsey Report "**Diversity Wins: How Inclusion Matters**" (2020) highlights that companies with more diverse workforces outperform less diverse competitors by 36% in profitability. This is because diverse teams are more innovative, creative, and better at solving complex problems. For SMEs, embracing diversity from the outset—beginning with onboarding—creates a foundation for sustained growth and success.

McKinsey Report: Diversity Wins

McKinsey
& Company

Diversity wins

How inclusion matters

May 2020



Example: SME (France): performs annual audits to track gender, race, and disability representation across the company and adjusts its policies accordingly.

Reading World Economic Forum's Gender Parity Report: Analyse how monitoring diversity initiatives helps improve gender parity across European industries.

Tip: When you calculate the employee retention rate, you gain insight into many aspects of your business, including Quality of hires, Upcoming hiring needs, Management, Employee morale, Job satisfaction, Company culture, Workplace environment and how friendly, safe and comfortable it is, Future performance and opportunities

Example SME (Germany): Introduced flexible working hours and locations for all employees, contributing to a 15% increase in employee retention, particularly among working parents and people with disabilities.

McKinsey research reveals that the top driver for employees to leave their employers is a lack of career development and advancement, followed closely by inadequate compensation.

Reading European Employee Retention Report (2023): Focuses on diversity and inclusion initiatives in retaining talent across Europe.

Onboarding lays the groundwork for an employee's entire journey within a company.

By addressing immediate role expectations and long-term growth potential, companies can cultivate an engaged, loyal, and continuously developing workforce. Therefore, onboarding is an investment in talent development and retention.





Talent Management and Retention Strategies

"Talent management rooted in diversity and inclusion creates an ecosystem where everyone can thrive. When employees feel seen and respected, they are more engaged and committed to both their personal development and the company's success." – **Patricia Espinosa**, D&I Expert.

D&I Talent Management and Talent Development

For SMEs, building a culture of diversity and inclusion through thoughtful talent management and development strategies leads to a more innovative, adaptable, and successful company.

Talent management refers to a company's commitment to recruit, retain, and develop employees, ensuring they have the right skills and capabilities to meet business goals.

Talent development, a key aspect of talent management, focuses on helping employees grow through training, mentorship, and career progression opportunities. Both strategies aim to enhance employee satisfaction, productivity, and loyalty, ultimately contributing to the company's long-term success.

Diversity and Inclusion (D&I) Talent Management refers to the strategic approach of attracting, hiring, and nurturing a diverse workforce while enabling an inclusive environment. For SMEs, this means developing policies and practices that embrace employees from different backgrounds, cultures, and perspectives. D&I talent management ensures that employees are recruited fairly and that all individuals, regardless of gender, race, or socio-economic status, have equal opportunities to succeed and contribute.



What Is Talent Management?

All HR processes and strategies to attract, develop, motivate, and retain high-performing employees.

BENEFITS



Driving organizational performance



Attracting top talent



Stronger organizational culture



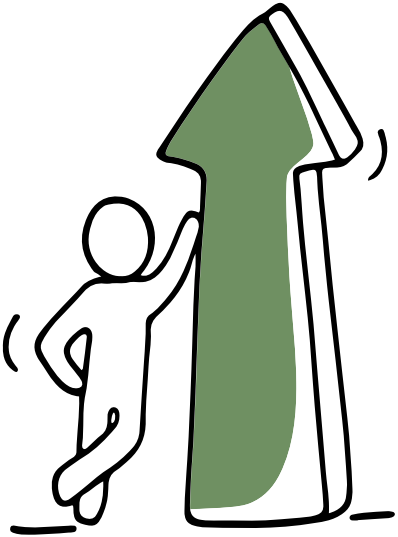
Better succession management



Developing employee skills

9 Main Positive Impacts of D&I Talent Management

According to the new-generation workforce, diversity and inclusion are the guiding forces behind company success. Therefore, strategies should acknowledge the role of diversity and inclusion in talent management. Since the workforce comes from diverse backgrounds, companies must carefully craft policies and practices that promote diversity and create a sense of community for all employees.



1. **Attracts a Diverse Workforce.** A commitment to D&I is a powerful magnet for top talent. Prospective employees actively seek out companies that value diversity, as it signals an inclusive and equitable work environment.
2. **Retention and Employee Engagement.** Inclusive workplaces build inclusive cultures which promote higher employee engagement and job satisfaction. When employees feel heard, valued, and supported, it reduces turnover rates, and employees are more likely to stay long-term and make the business successful.
3. **Innovation and Creativity.** Diverse teams bring a variety of viewpoints and experiences to the table, a breeding ground for groundbreaking ideas. This diversity of thought fuels innovation and creativity, leading to the development of more innovative products and solutions. Creating a melting pot of thoughts, beliefs, and experiences creates new solutions for products and services.

By embracing diversity and inclusion in talent management, SMEs ensure that they are not just keeping up with the times but actively shaping their future through a workforce that thrives on adaptability and innovation. Better talent development and management begins with a single view of talent across your company, where you create an engaging employee experience backed by diversity and inclusion (D&I).

4. **Drives company performance;** by attracting and retaining top talent and creating an inclusive culture of performance excellence, companies can achieve better results and gain a competitive advantage. An inclusive company enables a positive, supportive environment that boosts morale, productivity, overall performance, and commitment.
5. **It is imperative for forward-thinking companies** to be responsible for shaping their workforce. It entails creating an environment where individuals from diverse backgrounds, with unique perspectives and experiences, are welcomed and actively embraced—essentially creating a workplace where everyone can thrive. They voice new ideas and innovate by challenging employees to grow and develop. This enables businesses to stay ahead of the competition by developing and improving their products and services.
6. **D&I workplaces are more dynamic and agile,** with various backgrounds and perspectives converging. Such diversity empowers SMEs to navigate the complexities of the modern business landscape with agility. D&I SMEs have access to a dynamic workforce with varied viewpoints, enabling innovation and providing a broad spectrum of creative solutions to complex challenges. They can swiftly adapt to changing market conditions, making it a strategic asset.

9 Main Positive Impacts of D&I Talent Management

7. **Problem-Solving and Decision-Making.** Implementing inclusive talent management guarantees that decisions are made with the valuable input of diverse perspectives. Diverse teams are better equipped to tackle complex problems and make well-rounded decisions. They consider a broader range of perspectives and experiences, leading to more effective solutions.
8. **Market Competitiveness.** Diverse teams are better equipped to understand and serve diverse customer bases. This enhances a company's market competitiveness and ability to connect with a wide range of clients. You could miss out on millions of customers because you need help understanding their unique needs. Diverse teams are equipped with the knowledge it takes to reach more people. They help you tap into new markets and gain new insights with their inside perspectives and diverse ideas.
9. **Employee Development.** Implementing inclusive talent management practices cultivates a favourable work environment wherein all employees perceive themselves as esteemed and treated with respect. This constructive culture significantly enhances employee morale and well-being, establishing an environment conducive to productivity and individual development. Support with mentorship and programs supporting underrepresented employees' growth and advancement, improving their skills and leadership potential.

According to the LinkedIn Workplace Learning Report, 94% of employees claimed they would remain at a company longer if it invested in their careers. At the same time, another report found that employees believe professional development is the number one way to improve the company's culture.

Talent management focuses on skill transformation through training, mentoring, and coaching. By investing in employee development, employers encourage performance and career growth. This helps them not only to fill skills gaps and build a skilled workforce but also retain it.

Source AIHR Academy to Innovate HR

Talent Management

Enables employee transformation

Fills skills gaps

Retains Employees

Improves Company Culture

Key Strategies for Integrating D&I into Talent Management

1. **Leadership Commitment.** Senior leadership must be committed to and visibly advocate for diversity and inclusion. This commitment sets the tone for the entire company.
2. **Inclusive Hiring Practices.** Review and modify recruitment processes to eliminate biases and ensure that job postings, interviews, and candidate evaluations are fair and inclusive.
3. **Diverse Talent Pipelines.** Establish relationships with educational institutions, companies, and networks that can help source diverse talent.
4. **Training and Education.** Provide diversity and inclusion training to employees at all levels. These programs help create awareness, challenge biases, and promote inclusive behaviours.
5. **Employee Resource Groups (ERGs).** Support and encourage the formation of ERGs that allow employees to connect, share experiences, and drive D&I initiatives within the company.
6. **Metrics and Accountability.** Establish measurable diversity and inclusion goals, regularly track progress, and hold leaders and teams accountable for achieving these objectives.
7. **Measure the impact of D&I on Talent Management** by developing KPIs aligned with D&I goals. Consider recruitment, company levels, job satisfaction and retention. [More information here.](#)

*A thriving workplace is
proves diversity always
trumps ability!*



A thriving workplace is about more than just having a diverse workforce. It is about creating an inclusive environment where individuals are empowered and encouraged to embrace their differences. Diversity encompasses a broad spectrum of differences among individuals, including, but not limited to, race, ethnicity, gender, age, sexual orientation, abilities, religion, and socioeconomic backgrounds. Beyond visible attributes, diversity also encompasses differences in perspectives, experiences, and ways of thinking.

Professor Scott Page, author of “The Diversity Bonus,” aptly states, “Diversity trumps ability,” emphasising the value of diverse perspectives in problem-solving and decision-making processes.

Moreover, a diverse workforce is also more likely to attract and retain top talent as people are attracted to companies that prioritise their well-being and growth.

Source [AcaciaLearning](#)

“Companies with more than 30 % women on their executive teams are significantly more likely to outperform those with between 10 and 30 % women, and these companies in turn are more likely to outperform those with fewer or no women executives. As a result, there is a substantial performance differential — 48 % — between the most and least gender-diverse companies.” (Source)

Creating an Inclusive Policy shows that you recognise and believe in a diverse workforce and the strengths and opportunities they bring!



When you add the feeling of inclusion to your diverse talent pool, you can achieve the highest levels of employee satisfaction. Creating inclusive policies for such personnel groups shows that you not only recognise that certain employees are different but also believe that having them working for your company will lead to added strengths and better growth opportunities.

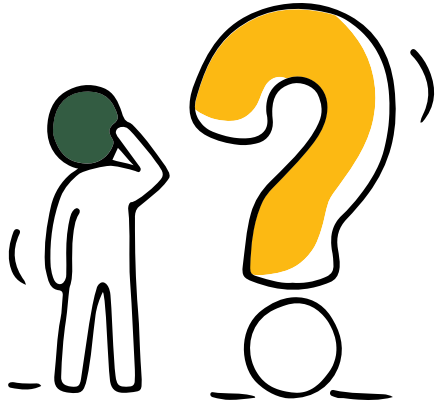
Source [Bluesky Talent Management](#)

Creating a positive environment for your staff is very important. Your staff needs to be valued, respected, and included in any form. By having diversity and inclusion in managing talent, you increase job satisfaction, improve mental health, and improve the overall well-being of your staff. And you safeguard everyone's future.

Action 3

D&I Talent Development: Audit to Understand the Current Workforce

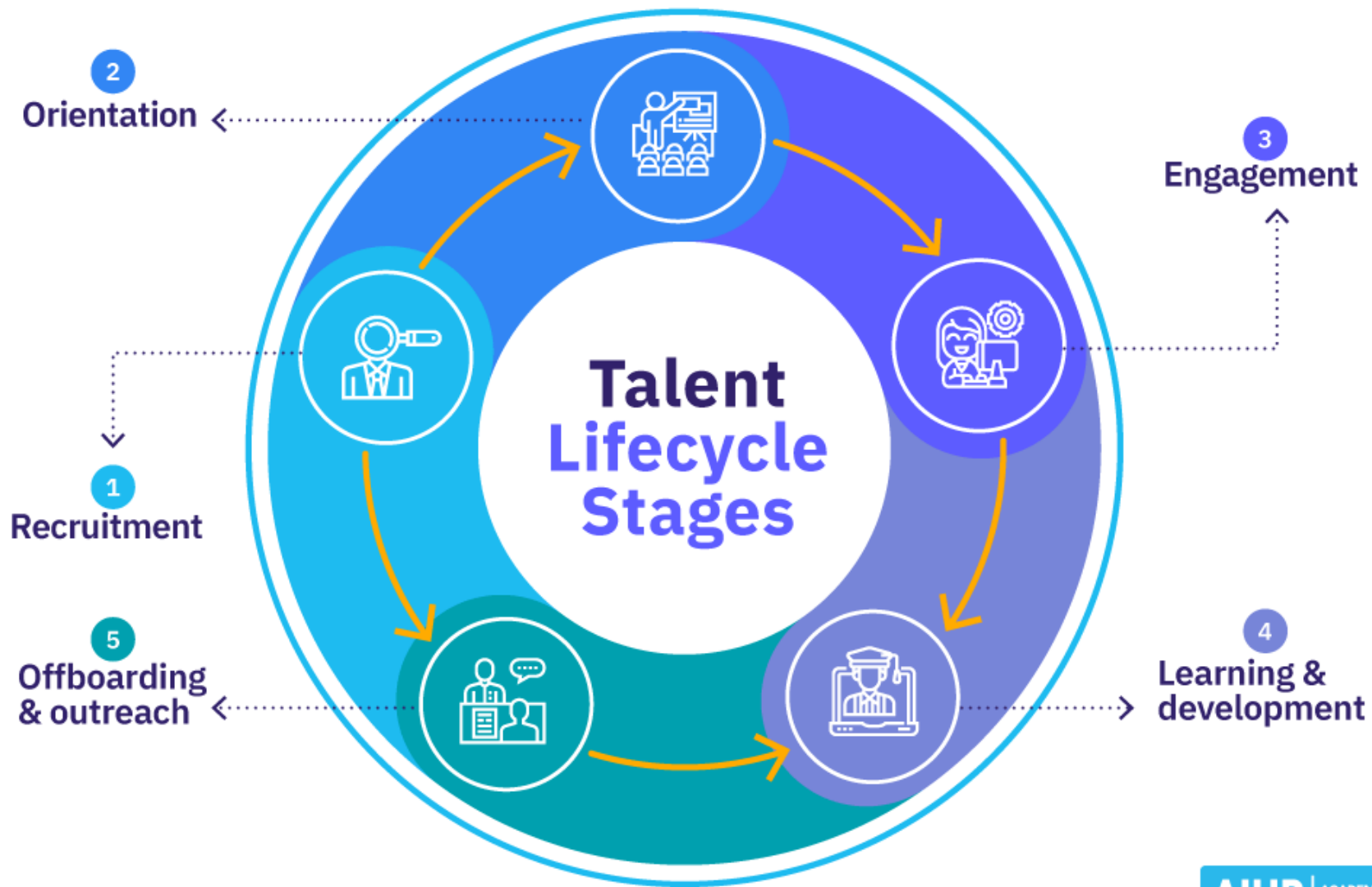
How?



As explained, D&I should neither be treated as a “nice to have” policy nor imposed by the HR department. It should be central to the company’s strategy and come from leadership to gain commitment from everyone and to make real and lasting progress. It must be treated as a business priority for a business to truly improve innovation, grow sales or penetrate new, untapped market segments.

Conduct a D&I Audit to understand the current workforce and identify inclusivity and gaps in workforce diversity representation. For an SME, understanding D&I talent development starts with thoroughly assessing its current workforce. By identifying gaps in diversity representation, evaluating existing talent development programs, and strategically implementing new initiatives, SMEs can formulate an inclusive work environment that helps diverse employees advance.

First, perform a diversity audit to understand the demographics of your employees. Look at gender, age, ethnicity, disability, etc. workforce data to analyse diversity in areas: hiring, promotions, training opportunities, retention rates, etc. Look at different levels, e.g., entry, mid and senior levels and if diversity exists. *Ensure compliance with GDPR when collecting sensitive information.*



Action 4

D&I Talent Development: Analyse Skills and Talent Development Gaps

How?



- ✓ **Identify Skills Gaps** by anonymously surveying managers and employees to assess their perceived and true skills gaps in skills or leadership development opportunities. Compare the types and levels of training offered to diverse and non-diverse employees to ensure equity in talent development. Use the same survey to assess the effectiveness of career development programs, check inclusivity and that they are working.
- ✓ **Analyse Promotion and Retention Patterns** by tracking the progression of diverse employees within the company.
- ✓ Are there fewer promotions for underrepresented groups?
- ✓ Is there a higher turnover rate for certain demographics?
- ✓ Do underrepresented employees have access to mentorship & leadership development?
- ✓ Are there equitable opportunities for promotions?
- ✓ Are skill development programs designed with inclusivity in mind?
- ✓ **Regularly measure, track and report internal D&I talent development data.**

Action 5

D&I Talent Development: Implement D&I Eliminate Bias Training for All



Start by implementing D&I Unconscious Bias training for everyone. Unconscious bias refers to beliefs, thoughts, or feelings we are unaware of that can influence our conscious judgments and decision-making. This will raise awareness of unconscious bias, promote cultural competence, and enable an inclusive workplace culture. Training programs should be interactive, engaging, and tailored to the company's specific needs, providing practical tools and strategies for promoting diversity and inclusion in daily work practices.

Training supports managers. This training helps managers ensure that fair employee evaluations are based on qualifications and abilities rather than demographic characteristics.

Training supports employees. To make sure all employees are supported fairly to progress in their careers and collaborate successfully with co-workers from different backgrounds, companies should provide training programs, mentorship, coaching, and cultural competence training.

Action 5

D&I Talent Development: Implement D&I Eliminate Bias Training for All

Research shows men are more likely to successfully negotiate salary and promotions while women are more likely to be penalized when negotiating salary and promotions.

Prevents leadership progression. In the workplace, bias commonly affects areas such as hiring, talent development, and promotion, often preventing deserving individuals from advancing into leadership roles.

Hinders talent development. Bias, particularly from stereotypes related to ethnicity, religion, disability, age, or sexual orientation, can hinder talent development and career progression.

Creates inequality. Additionally, gender-based biases may affect decisions around compensation and hiring, pay inequity, unequal access to opportunities and unfair treatment of employees.

Action 5

How?



D&I Talent Development: Eliminate Bias

Mitigate bias in talent management and promotional decision-making by taking these key steps:

Standardise performance reviews. Use agreed criteria consistently across all employees rather than relying on open-ended responses. This approach ensures a fairer process, particularly for those for whom English is a second language, who may otherwise be disadvantaged despite being qualified for promotion.

Involve multiple decision-makers. Promotion decisions should, whenever possible, include input from more than one individual, ideally involving senior members of the company. A diverse panel, including people of different genders and backgrounds, can provide a broader perspective and help reduce bias.

Diversity and inclusion training. Providing leaders with access to diversity and inclusion training can raise awareness of unconscious bias. However, such training is most effective when paired with structural policy changes, such as reducing bias in hiring and standardising performance evaluations.

Action 5

How?



D&I Talent Development: Eliminate Bias

Introduce blind reviews. Anonymise candidate details: In hiring and promotion processes, remove identifying information such as names, gender, age, or educational background from resumes and performance reviews to reduce bias related to ethnicity, gender, and background. Focus on achievements by evaluating candidates based solely on their work accomplishments and relevant experience to ensure a merit-based selection.

Structured Feedback Processes

Provide clear feedback. Ensure employees receive structured, constructive feedback, highlighting specific areas of improvement. Avoid vague or subjective comments, which can lead to unfair evaluations.

Peer and upward feedback. Incorporate 360-degree feedback systems that allow input from peers, subordinates, and supervisors. This can provide a more holistic view of an employee's performance, reducing reliance on one person's subjective opinion.

Action 6

D&I Talent Development: Mentoring and Professional Development

Mentoring, coaching, and networking activities can lead to professional development and provide pathways for talent development and career progression. SMEs can support people in their company to participate in mentoring or networking opportunities by taking the following steps:

Professional Development Plan. Provide a professional development plan for all employees, including a professional development fund.

Leadership Programs. Encourage women and other marginalised employees to participate in leadership programs. Read [When Women Lead Workplaces Listen](#)

Encourage informal mentoring between employees with different levels of experience. Informal mentoring can encourage productive relationships, support employee's skills and knowledge development, and encourage mentorship and coaching skills in mentors.

Invest in external mentoring opportunities through several service providers, or watch for professional development, mentoring, and networking opportunities through local business development or D&I companies.



Mentoring, Sponsorship or Workplace Buddies.

Mentoring or coaching can be very useful for a diverse candidate (e.g. refugees, young people). In addition, having a buddy or co-worker who can support the candidate and outside management structures can help someone settle into the company. Here are some examples of how this can be achieved.

Mentorship and Sponsorship Example: Develop opportunities for underrepresented employees to access mentorship and sponsorship from senior leaders. Mentorship programs pair employees from diverse backgrounds with experienced mentors to provide guidance, support, and career development opportunities. In contrast, sponsorship programs advocate for the advancement and visibility of high-potential employees from **under-represented groups**. (Source)

Workplace buddies are great for assisting with onboarding and adjusting to a job by guiding day-to-day activities and assistance in sourcing information. For example, identifying the local transport infrastructure to enable on-time attendance. A workplace buddy also develops an understanding of individual circumstances and can provide an advocacy role if required. Training staff to become workplace buddies encourages an inclusive culture and provides additional peer support for those joining the workforce.

Encourage Women to Participate in Leadership Programs



Beverly, a corporate lawyer, also had reason for reticence. In her first performance evaluation after maternity leave, she was penalised for having too few client-billable hours, even though her clients had been handed to two colleagues in her absence. Fearing that she would be seen as unreasonably sensitive if she pointed this out, Beverly accepted the status quo set out by her boss.



Anne, a senior leader of a public-sector company, had long suffered imposter syndrome because her leadership style did not match the traits her company signalled that it valued. Only when she attended a leadership program did she recognise the value of her clear vision, her collaborative style, and her listening ability. “I realised [leadership] doesn’t need to be brutal”.



Three senior female officers from the strategic services of the military believed that their strengths in listening, making connections, and building relationships were standing in the way of their promotion because all the evidence these women could see showed that the military had rewarded only the more traditional strengths.

Action 7

D&I Talent Development: Support Flexible Professional Development

In an inclusive workplace, all employees should have equal access to support, opportunities and resources. A lack of support for career breaks and flexible work associated with parental leave, sick leave, or caring responsibilities disproportionately affects the career progression of women and people with a disability or chronic health condition. Proactively ensuring that promotions and professional development are offered fairly and equitably to your workforce can benefit your business.

Studies show that increasing the proportion of women in management positions by 10 per cent or more leads to a 6.6 per cent average increase in the market value of securities exchange companies.

Being an equal-opportunity employer by supporting all employees in accessing professional development and promotional opportunities will also help attract and retain talent. Due to size and growth capacity, small businesses may need more scope to offer promotion and career progression. However, offering best practice professional development opportunities to all employees and promotion opportunities where possible can help small businesses remain competitive with bigger companies for talent such as STEM talent.

Action 7

D&I Talent Development: Support Flexible Professional Development

All employees should be entitled to parental leave, and if possible, offer additional paid leave for parents and carers.

Each parent is eligible for up to 240 days of paid parental leave (all but 90 days of which may be transferred to the other parent), plus unpaid leave until the child is 18 months old.
(European Parliament)

Gender-equal Parental Leave Policy. While this is not possible for some small businesses to accommodate, having a clear and gender-equal parental leave policy is a good way to show your business values its employees. It can also help managers and employees understand how parental leave works and can help attract and keep staff.

Reports show that women undertake a greater share of caring and domestic work, resulting in more time spent out of the workforce and less opportunity for professional development and career progression. This issue is often amplified by factors such as ethnicity, disability, and neurodiversity, making it harder for some women to return to work following a break.

Action 7

D&I Talent Development: Support Flexible Professional Development

Flexible Working Policy for Leadership. A lack of workplace flexibility to accommodate caring responsibilities can result in fewer women in senior and leadership roles and should be considered by businesses in developing flexibility policies.

Flexible Working Policy for return to work can help people with caring responsibilities to return to work after a break, develop skills, or update and maintain career progression.

Businesses can support parents and carers by:

Offering flexible working arrangements to all employees, including work-from-home options and flexible hours of work. Suggestions are detailed in the Retention section.

Providing access to the same benefits to all employees (including those on flexible working arrangements), e.g., health and financial benefits, training, and promotional opportunities.

Encourage parental leave for men, as well as women, when a new child enters the family. Men and women in leadership roles must proactively role model the normalisation of caring and parenting duties and/ or a flexible approach to place and work hours.

***Inclusive Talent Management
Companies Outperform by 25% in
Profitability & Reduce Turnover Rates
by 22%***

Harvard Business Review article titled "Diversity Doesn't Stick Without Inclusion" (2017) emphasises that companies must prioritise an inclusive culture and nurture diverse talent to maximise the benefits of a diverse workforce and significantly reduce turnover rates by 22%.

According to a comprehensive report by McKinsey & Company titled "Delivering Through Diversity," (2018) companies with more diverse executive teams outperformed their less diverse counterparts by 25% in terms of profitability. This highlights the significant impact that diversity can have on financial success and underscores the importance of fostering diversity within companys.



Learning Outcomes

- ❑ **Assess workforce strengths and opportunities:** Developed skills to evaluate the current workforce's capabilities and identify areas for development and growth.
- ❑ **Set actionable development goals:** Learned how to define clear objectives and strategies to align talent development with company needs.
- ❑ **Design inclusive career pathways:** Gained the ability to create structured and equitable career advancement plans that support diverse talent.
- ❑ **Implement effective retention strategies:** Understand how to nurture an inclusive workplace culture and apply strategies that promote long-term employee engagement and retention.



Well Done!

Now Move onto Module 3 Part 5
Performance Management and
Feedback

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