

Raji-Indira Sharma:

Diversity as global advantage



Current economic situation

<p>Demographic Change</p>	<ul style="list-style-type: none"> • The global workforce is significantly aging and shrinking – The number of persons in working age will continue to fall, a very substantial part will be older than 50 years. • Example Germany: In 2060 there will be about 36m people in the employable age – that means that there will be a reduction in the size of the working age population of 27% (despite an assumed migration of 200.000 people). • These demographic changes lead to a lack of skilled labor and intensify the “war for talent”. In fact, economy will face the change from an Employer market to an Employee market • Hence, a redistribution of labour is crucial. McKinsey identified a global talent pool/ unused resources pool of 83% women and multicultural, with 53% from Asia-Pacific and 35% represented by China and India (Global Labor Market Survey 2012, CTI Study 2013, McKinsey “Women matter”)
<p>Underlying BCG Study ‘The Global Workforce Crisis’ (Part I):</p> <p>Study analysis labor shortages and surpluses and their implications for future growth</p>	<ul style="list-style-type: none"> • BCG examined the workforce supply- and demand dynamics in 25 major economies (including the G20) through 2030. Ytd, these countries collectively account for more than 2 billion economically active people and + 80% of total world GDP. • Trends across the 25 economies are alarming: Between 2020 and 2030, projection of significant worldwide labor-force imbalances — shortfalls, in particular. • One significant implication is the potential aggregate value of GDP squandered, because either these nations cannot fill the jobs available or they cannot create enough jobs for the workers they have. This represents a stunning \$10 trillion — around 60% of U.S. GDP and more than 10% of total world GDP • Germany will see a shortage of up to 2.4 m workers by 2020 and 10 m by 2030. • What will the increasingly dramatic shortage mean? Quite simply, Germany will not achieve its historical GDP growth rates unless it takes action in one or more ways to foster Diversity

What exactly is Diversity and why is our economy depending on it?

<p>Defining Diversity</p>	<ul style="list-style-type: none"> • When we talk about Diversity, we always speak about Gender Diversity. But it is much more: Gender, Age, Physical Abilities, Religion, Ethnicity and Culture • We distinguish between Inclusive Diversity and Acquired Diversity <div style="text-align: center;"> </div>
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	<ul style="list-style-type: none"> Inherent Diversity plus Acquired Diversity makes the individual diverse, anywhere in the world
'Inclusion' as accompanying Partner of Diversity	<ul style="list-style-type: none"> More Diversity & Inclusion in the workforce will have clear economic advantage Inclusive leader behaviors effectively "unlock" the innovative potential Employer with lived diversity and inclusion are 45% likelier to report a growth in market share over the previous year and 70% likelier to report that the firm captured a new market (Harvard Business review Dec 2013) Example Cultural understanding: To understand the Chinese Car market, means to understand that not the driver seat is the center of attention of the consumer. It is the bench seat which needs special features and gadgets. Why? - Focus consumer in China have drivers.
Benefits of Diversity & Inclusion	<ul style="list-style-type: none"> Companies with a diverse workforce & inclusive behaviour, (i) perform better, (ii) are more attractive to talents, (iii) deliver better solutions for customers, (iv) have more employee commitment, (v) are more innovative 

Take Actions: Fostering Diversity

<p>Underlying BCG Study 'The Global Workforce Crisis' (Part II):</p> <p>Closing the gap of imbalance</p>	<ul style="list-style-type: none"> To further illustrate the magnitude of global labor-force risks, let's consider what it would take for Germany to close the serious labor gap which is projected by 2030. Assuming a target GDP growth rate of 1.3% (the 20-year average annual rate), Germany would need to adjust the following screws of Diversity to close the gap: <ul style="list-style-type: none"> Increase the workforce participation rate of workers age 65 and over from the current 4.1% level to 10%. Increase the participation rate of working-age women from 71 to 80% (The official participation rate does not distinguish between part-time and full-time jobs). So another lever for closing the labor gap would be to convert more women from part-time to full-time employment. Boost the net intake of immigrants from 369,000 to 460,000 each year through 2030 and ensure that the labor force participation rate of immigrants is at least as high as that of nationals. Boost labor productivity growth from 0.9 to 1.15 % through capital investment in infrastructure, innovation, technology, and training programs to help underqualified and less-educated working-age people improve their employability.
<p>What can Corporates do?</p> <p>Example Deutsche Bank:</p>	<ul style="list-style-type: none"> To be successful in the long term, Diversity must be therefore anchored in the Values and Beliefs – in the DNA of a Corporate. Cultural and social diversity are the norm at Deutsche Bank because of our global presence (with locations in more than 70 countries and a workforce with 136 nationalities). Our corporate culture is built on diversity principles that allow our staff to deploy their talents in an optimal way and to fully exploit their potential – irrespective of age, gender, religion, ethnic origin, sexual orientation or physical capabilities. We have introduced global diversity guidelines to guarantee that this culture is put into

	<p>practice. We have set up Diversity Councils in many regions, through which senior managers ensure adherence to the guidelines and achieve a diverse and balanced workforce.</p> <ul style="list-style-type: none">• By diversity, DB means an open, prejudice-free culture in which employees can develop their potential and contribute their individual talents.
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