

## ii. Why Should I Care About Managing Diversity?

In the study on Inclusive and Harmonious Workplaces conducted by the Ministry of Manpower (MOM) in 2010, 87% of companies surveyed agreed that workplace harmony was important to business outcomes.

Research has shown that well-managed diverse teams outperform homogeneous teams as they tend to be more creative, and effective at problem solving. However, when diverse teams are not managed well, communication and trust can break down, resulting in lower performance.

## ii. Why Should I Care About Managing Diversity?

You should care about managing diversity because:

- i. Organisations which create an inclusive and harmonious environment enhance their reputation with job seekers, allowing them to attract the best workers in the market.
- ii. Employees who feel included, valued and rewarded are more engaged and motivated. In a worldwide survey<sup>1</sup> of 3 million employees on diversity, employee satisfaction and organisational performance, it was found that creating an inclusive and harmonious environment was a key driver in employee engagement and commitment.
- iii. Greater employee engagement leads to reduced turnover. A 2008 study<sup>2</sup> by Gallup Management Group in the United States revealed that engaged employees had 51% lower turnover on average.



1:David Pollitt, Diversity is About More Than Observing the Letter of the Law: A Climate of Inclusion Benefits Business Performance Human Resource Management International Digest, Volume 13, [2005]

2: Dernovsek, Darla, 'Engaged Employees' Credit Union Magazine 74(5) p. 42, [2008]

## How Han's has benefited from managing workplace diversity

Han's F&B Pte Ltd (Han's) operates a chain of bakeries, full-service restaurants and cafes. In response to labour shortages and other operational challenges, Han's started diversifying its workforce in 2006 with the following initiatives:

- ➡ Redesign of jobs for its of mature workers, for example, by tapping on technology to reduce the physical requirements of certain roles;
- ➡ Recruitment of employees from over 10 countries;
- ➡ Recruitment of People with Disabilities through job attachment programmes and
- ➡ Recruitment of ex-offenders through the Yellow Ribbon project.



### Han's diversity management strategy

To manage its diverse workforce, Han's takes active measures to build an inclusive culture.

- ➡ Han's makes a conscious effort to ensure that teams are well diversified, comprising employees across generations and nationalities. According to Han's Managing Director, employees of different profiles often have different strengths and attributes. Diverse teams allowed employees of different profiles to learn from each other.
- ➡ The company culture and work ethos are emphasised as part of the orientation programme to all new hires.
- ➡ An open-door policy is practised where employees are encouraged to raise concerns or challenges faced at work.



### **Benefits of its diversity management strategy**

Han's diversity management strategy has brought business success. Within a span of 3 years, the productivity of Han's workers has increased by 40% and the net earnings per wage dollar have more than doubled. Han's Deputy General Manager also shared that having an inclusive workplace improves employee engagement – staff absenteeism is extremely low and staff turnover has dropped fivefold between 2006 and 2009.

Source: Interview with Han's F&B Pte Ltd, November 2010 – January 2011

