

# How Organizations Across Asia Approach DE&I in Their Workforce

*As businesses across Asia pursue bigger diversity, equity and inclusion agendas, awareness of regional nuances of DE&I goals is essential, particularly for multinational organizations.*

As many firms focus on delivering their diversity, equity and inclusion (DE&I) goals in more concrete ways, it has become increasingly evident that DE&I is not just an altruistic endeavor to improve society. It has clear commercial and economic impact.

Indeed, more than eight out of 10 organizations in Asia rate DE&I as very or extremely important in their efforts to future proof their workforce and 83% are planning to create metrics and goals. That's according to our seventh global HR pulse survey, conducted in April 2021, with more than 500 respondents across the Asia-Pacific region. Further, 83% of firms plan to re-evaluate their DE&I programs to build agility and workforce resilience, while 71% are asking or considering asking their employees for input on their DE&I initiatives. The urgency to act is irrefutable.

Increasing regulations around this topic have prompted firms to revise their DE&I programs and efforts, from addressing pay gaps to increasing diversity in gender, age and race. Such initiatives are commonplace in North America. However, many local employers in Asia have addressed DE&I by side stepping some of the tangible identifiers used in North America and focusing on what's beneath the surface — the reality that we all think differently.

Diversity of thought should not diminish or undermine the impact of being visibly different, which has defined huge parts of societies, experiences and lives. But focusing more attention on this concept can potentially serve as a differentiator for organizations across Asia to realize the benefits of truly fostering and empowering an inclusive workforce.

How firms view diversity and what their end goal is can vary by country. Driving diversity agendas is challenging, especially in a region that covers approximately 50 countries with various religions and forms of governments, not to mention nearly 2,500 different languages and dialects.

This challenge is compounded by the wide variety of firms and regulatory standards present in the region. The spectrum ranges from:

- Multinational companies that apply a diversity lens more often associated with the North American perspective

- Regional/local companies that recognize the importance of developing a diverse range of employees' skills and capabilities — particularly since the coronavirus (COVID-19) pandemic
- Local companies and small- to medium-sized enterprises that may perceive diversity as a consideration for larger firms only, and not relevant to their day-to-day activities

These different company profiles are faced with their own set of challenges when executing DE&I goals in Asia. For example, how should multinational companies think about DE&I when they have global headquarters mandating more explicit and targeted diversity goals than is typical for Asia? Contrastingly, how should small, local companies that don't readily consider DE&I in their agendas start making moves in this direction? These are complex questions that require thoughtful planning. What may be considered a differentiator in a U.S. head office, for example, will likely be seen differently in Asia. That's why we recommend that businesses use a regional lens to their DE&I approach — from how diversity and inclusion data is captured to the overall strategy.

## Achieving More Diverse Perspectives in the Workforce

Tangible identifiers serve as a proxy for diversity and come in varying forms, such as gender, disability, ethnicity and nationality. While certain companies, industries or regions might focus on gender parity, for instance, others might turn to ethnicity or culture. However, *all* are really striving for different input, contributions, beliefs, skills and capabilities to prevent groupthink and bring new ideas to the organization to create lasting impact.

An analysis from The University of Nottingham Ningbo China found consistent evidence that points to the importance of deep-level diversity. This is defined as unobservable attributes, such as personality, values and attitudes, all of which positively influence innovation. Put simply, diverse perspectives add organizational value. Managers who focus less on surface-level characteristics, and instead embrace team members with the behavioral strengths needed to fill development gaps of the wider team, will likely drive the greatest levels of innovation.

Yet, this does not undermine the importance of having a visibly diverse team. It's crucial to acknowledge both and understand how diverse mindsets and diverse demographics work together. For example, businesses that survey employees on their level of engagement and perception of the employer brand usually score higher if the workforce views itself as fair, diverse and inclusive. Further, cultivating a team of unique backgrounds can elicit diversity of thought through its indirect effect on group dynamics, ultimately sparking curiosity and new conversations. We should also note that a focus on physical traits provides visible proof of a firm's progress towards broad and inclusive mindsets.

Innovation, the life blood of keeping organizations relevant and competitive, requires diversity of thought rather than a machine mindset. We are starting to see Asian countries focus their efforts on this method. The [Global Innovation Index 2021](#) recently found that Singapore, China, Hong Kong and India, which are a melting pot of workforce cultures and backgrounds, have all accelerated their innovation and post-pandemic economic growth. We believe that embracing this viewpoint, alongside managing and mitigating historic inequity, presents an opportunity to progress and pioneer a new way of addressing DE&I.

Further, as countries and organizations continue to grapple with talent supply amid rising employee turnover (see our recent article on "The Great Resignation" [here](#)), hiring from diverse sources can help fuel growth in most maturing economies. This approach will not only optimize people spend, but also build more resilience within the

workforce. Broadening pools of job candidates to include a multitude of experiences, backgrounds and skill sets will turn diverse capabilities and thoughts into impactful action. Value propositions will be customer centric, resonate with the business and deliver value to a wide range of clients, ensuring that business outcomes are aligned to customer perspectives.

Figure 1 below demonstrates the diversity spectrum. We can see the historical focus on tangible traits as tactical attempts to diversify the workforce. The post-pandemic shift has increased the emphasis on skills more aligned to mindset. For example, balancing the need for hard technical skills, like programming or digital marketing, while also recognizing that agility, resilience and learnability will provide a more flexible and sustainable workforce in the future.

At the same time, we believe embracing diversity of thought will naturally lead companies to a more demographically diverse workforce. An inclusive culture fosters an environment where everyone can bring the best version of themselves to work. This means that talent from all backgrounds and experiences will excel, ultimately attracting more diverse talent for the future.

Figure 1

**The Diversity Spectrum**

No Diversity	Tangible Diversity Efforts	Diversity of Thought
<ul style="list-style-type: none"> <li>• Lower performance</li> <li>• Lower ESG</li> <li>• Governance risk</li> <li>• Low employee brand</li> </ul>	<ul style="list-style-type: none"> <li>• Positive momentum/recognizing the benefit of change</li> <li>• Need to manage analytics vs. action</li> <li>• Short-term vs. long-term adjustments</li> <li>• Positive discrimination, exclusivity vs. inclusivity</li> <li>• Potentially seen as reactive</li> </ul>	<ul style="list-style-type: none"> <li>• Drive physical diversity, but agnostic of diversity</li> <li>• Build balance and engage all</li> <li>• Develop agility and resilience</li> <li>• Become entrenched in people strategy</li> </ul>

Source: Aon

## Leadership Tools and Solutions for Mastering a Diverse Mindset

Assessing your roles to ensure you have inclusive leadership directly supports diverse hiring practices. This goes beyond confirming job candidates with diverse traits, like ethnicity and gender, are applying and getting considered, though that is still important. It’s also about equipping leaders with tools to ensure they know the right questions to ask to secure job candidates with the skills and personality traits that will offer diverse perspectives and innovation.

A diverse workforce without an inclusive leader is less effective than a team with no variation. Inclusive leaders — those who are collaborative, flexible and emotionally intelligent — can harness the benefits of a diverse workforce by facilitating an inclusive culture. Even with innovative talent in place, it is up to the manager to create an environment that allows it to flourish. This is where the hard work lies. It's important that all colleagues of a diverse workgroup are consistently supported and shown their value through meaningful rewards and career development that will ultimately build and sustain diversity across all levels of the organization.

Using robust [personality questionnaires and other talent assessments](#) removes the pitfalls of human bias that can creep into leadership pipelines. Actively assessing whether leaders demonstrate and cultivate desired behaviors is much more effective than relying on perception. Firms can then use these leaders to help foster a growth mindset. Applying the same robust assessments across the workforce enables firms to build a holistic understanding of their talent and potential. Ultimately, this will serve as the foundation of a strong future business — one that can move forward with confidence and purpose.

## Next Steps

There is tremendous momentum and business opportunity across Asia, with its high growth and large consumer bases. Companies that position themselves as leaders and develop inclusive workforce environments where diverse perspectives are valued are better able to own their potential and success. While an increased focus on DE&I presents many business challenges, it also opens the door to a multitude of opportunities. Asia can pioneer a different way of tackling the issue.

Diversity should reflect an employee's skills, experiences and upbringing, which will shape what they bring to the table. It's about looking ahead at the skills you need and capturing differing opinions and imaginations to invite open conversation and entrepreneurship. Asia has the opportunity to become a leader in diversity by broadening the definition of diversity beyond visible markers and the traditional approaches taken to-date. If done successfully, the upside will be substantial.

For more insights on the growing trend of DE&I and how to take a data-driven approach to driving change, please download our recent white paper, [Driving Positive Change Through Diversity, Equity and Inclusion](#).

If you have questions and want to speak with one of our experts, please write to [humancapital@aon.com](mailto:humancapital@aon.com).

## Author Contact Information

**Kirsten Ross, CFA**

Corporate Governance Lead, AMEA  
Human Capital Solutions  
Aon  
+61.410.478.015  
[kirsten.ross@aon.com](mailto:kirsten.ross@aon.com)

**Ishita Goel**

Senior Consultant, Human Capital Solutions  
Aon  
+65.6231.6331  
[ishita.goel2@aon.com](mailto:ishita.goel2@aon.com)

**Sharad Vishvanath**

Partner, Human Capital Solutions  
Aon  
+91 124 447 1500  
[sharad.vishvanath@aon.com](mailto:sharad.vishvanath@aon.com)

**Alexander Krasavin**

Partner, Human Capital Solutions  
Aon  
+65 6645 0124  
[alexander.krasavin@aon.com](mailto:alexander.krasavin@aon.com)

## About Human Capital Solutions

Aon's human capital business provides leaders with a powerful mix of data, analytics and advice to help them make better workforce decisions. Our team, spanning 2,000 colleagues in more than 30 countries, includes the firm's rewards, talent assessment and performance & analytics practices. To learn more, visit [humancapital.aon.com](http://humancapital.aon.com).

## About Aon

Aon plc (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance. For further information, please visit [aon.com](http://aon.com).

This article provides general information for reference purposes only. Readers should not use this article as a replacement for legal, tax, accounting or consulting advice that is specific to the facts and circumstances of their business. We encourage readers to consult with appropriate advisors before acting on any of the information contained in this article.

The contents of this article may not be reused, reprinted or redistributed without the expressed written consent of Aon. To use information in this article, please [write to our team](#).

©2021 Aon plc. All rights reserved