

The Impact of Diversity, Equity and Inclusion (DEI) on Innovation in Small Businesses of Cape Breton

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Introduction

- Diversity in organizations refers to creating a welcoming, respectful, and appreciated work environment for people with different experiences, backgrounds, and viewpoints.
- Simply claiming or partially incorporating DEI in business is insufficient for fostering an innovative environment. DEI must be fully embraced and implemented across all aspects of the organization.
- Diversity composes of a range of elements including but not limited to ethnicity, language, gender, learning abilities and others.

Background

- The BCG Wit survey on diversity and innovation: indicate that companies with higher diversity scores have shown a 45% growth in innovation compared to companies with lower diversity scores.
- A survey conducted by LinkedIn shows that Diverse companies earn 2.5x higher cash flow per employee with 35% more productivity from inclusive teams along with 87% more efficient decision-making capacity .
- According to Stats Canada, small businesses in the private sector contribute to 37.5% of GDP and in Nova Scotia, 97.8% of businesses are small scale which is above the country's average

Objectives

- Study diversity within small businesses in Cape Breton in link to innovation.
- Investigate how DEI in businesses help meet the needs of diverse customers.
- Study the impact of diversity, equity and inclusion on growth and productivity in businesses.
- Explore advances in business innovations when implementing DEI.
- Investigate how small businesses are leveraging the diverse population of Cape Breton for growth.

Theoretical Model



Proposed Methodology

Participants: n=30 Businesses

Number of employees of organization: 10-99

Region: Cape Breton

Survey method: Online

Sampling method: Stratified Sampling

Selected businesses: Different categories of Cape Breton including Fishing and Aquaculture, Food and Beverage Production, Tourism and Hospitality, Agriculture and Farming, education and home care services.

Survey:

- Conduct an online survey by directing questions with to business owners.

- The questions cover areas: how diversity is included in businesses, associated changes, and whether they have seen any growth in their business on the basis of innovation ,customer satisfaction and productivity .

Expected Findings

- **Enhanced creativity and problem-solving :** Diverse teams bring varied perspectives and experiences leading to more creative solutions and innovative approaches.
- **Improved decision-making :** Inclusive environments encourage open dialogue and diverse viewpoints, resulting in more comprehensive decision-making.
- **Increased market reach and customer satisfaction:** Businesses that embrace diversity are more attuned to a broader customer base. This understanding helps in tailoring products and services to meet the needs of diverse market segments, thereby increasing customer satisfaction and loyalty.
- **Collaboration and team dynamics:** Diversity enhances team dynamics by encouraging collaboration among individuals with different skill sets and backgrounds. This synergy often leads to the development of innovative products and services, driving business growth.
- **Challenges and areas for improvement:** These include resistance to change, unconscious biases, and the need for ongoing training and education.

Future Directions

- Conduct a survey on medium and large sized business and integrate the result to investigate effective factors.
- Conduct a study on employees working in these businesses relating to their perspectives and opinions.
- By Integrating the results from all the studies, we will get valuable insights on utilization of diversity and inclusion to bring more innovations in businesses, thus Cape Breton has a potential to emerge as a vibrant startup hub

References

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