

## **Role of business in addressing inequality**

### **Connect.Reflect.Act Talk by Steve Howard, Chief Sustainability Officer, IKEA**

#### **Abstract**

*It has been said that changes in the world have never been so fast and will never be so slow again. Further, social and environmental change is not something that individuals can do by themselves; it is something that requires cooperation from everyone. Understanding these great changes, IKEA as a company is trying to keep up and reflect the diversity in society through their business. For instance, IKEA does home visits to better understand different home environments that include heterosexual and LGBT households – there are all types of families. Beyond IKEA’s model, businesses can show through communication that they are as diverse and inclusive as society. Additionally, IKEA collaborates with many companies and factories. IKEA strives to make sure people have good jobs in good factories. A key way to include this in a business model is to ensure equality is systematic. Overall, reaching new heights in business comes from a 100% commitment to following a business code of conduct.*

#### **Leading change**

Everyone is a journalist today and everyone holds their own publication machines in our hands. Never has the pace of change in the world been so fast. It will never be slow again. Therefore we need to look into society and be nimble and be as diverse as society. We can play a major role in leading change.

At the IKEA group, 56% of staff are women and now 17,000 managers are women (48% managers). They have also launched a campaign to reach full equality. Today there is still a pay gap and research suggest it will take 70 years to close the gap. We can have equal opportunities and do it right now.

Diversity and inclusion is about everyone. That’s partly why IKEA does home visits. We know that families today are heterosexual, or LGBT couples or consist of single parents. There are all types of families.

Business can show through its communication that actually we are a diverse and inclusive society...and like IKEA we are open to all families.

There is progress in the world to have LGBT marriages. So in a small amount of time we have seen a lot of change but still much to do.

IKEA has many initiatives to be diverse and inclusive but we were not systematic. You can't be passive about equality you need to be systematic.

## **What is the role of business?**

It is about providing decent jobs. People want decent jobs and IKEA knows because it asks its staff every year. And they want decent pay which is why IKEA has been working with the fair wage network. They equalised pay for full and part time workers and this doubled job applications and improved staff retention. This is something you can do in business and lead from principle. You can always create the business case to do the right thing.

Change is difficult wherever you are and if you can opt out of change you probably will. 100% targets presents clarity. Any less then organisations set priorities. IKEA followed a code of conduct for 100% compliance. This has led to increases in metrics so again in business you can be clear on what success looks like and go all in. For change you have to go on the ground. From September this year IKEA will be measuring how many youth workers they have.

Then there is also the IKEA foundation: they are working on a better shelter, and have sponsored 160,000 solar lanterns, 4000 street lights. Over the last 18 months, when the refugee crisis came to Europe, workers felt there was something they needed to do and it led to over 5000 co-worker ran initiatives. IKEA now has longer term support to support refugees – this provides work experience and work opportunities for refugees.

For a stronger more inclusive environment we need to include refugees and IKEA is trying to do that with our initiatives. He thinks in this connected world, if we lead with principles and measure what we care about and feel the urge for equality we are on the right track. We need to can encourage business partners to go all in inequality.