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Leading by Example
The case for making diversity part of your business strategy

March 2012

Diversity & Inclusion: Making the Case

Align D&I Objectives with your Business Drivers

Diversity and Inclusion Objectives are not in conflict with Business Value Drivers, align your organizations D&I initiatives with your business enablers
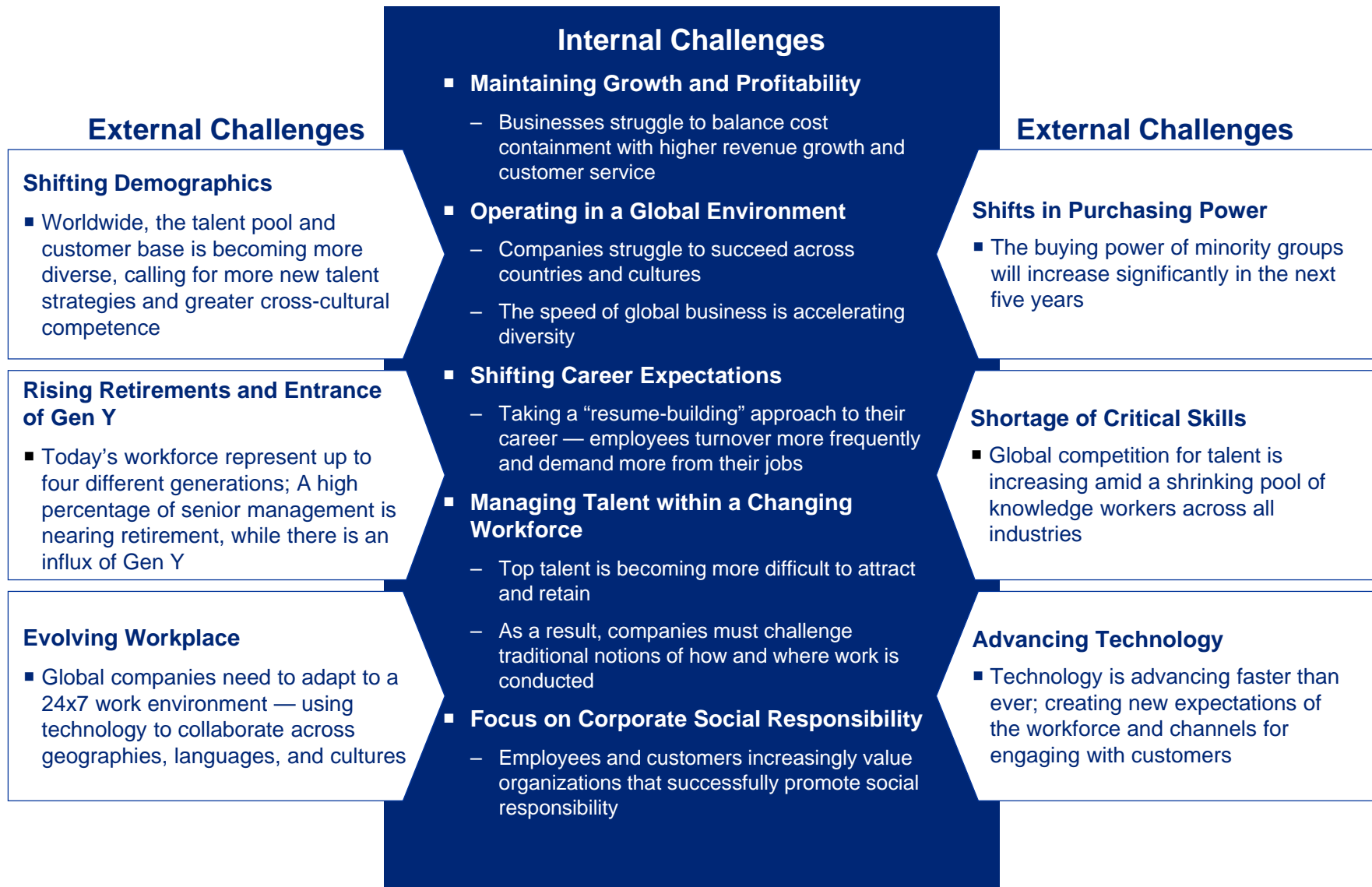
Embed the D&I Guiding Principles into your organization's culture

Include the guiding principles into your diversity and inclusion management plans and ensure that the whole organization feels accountable to them.
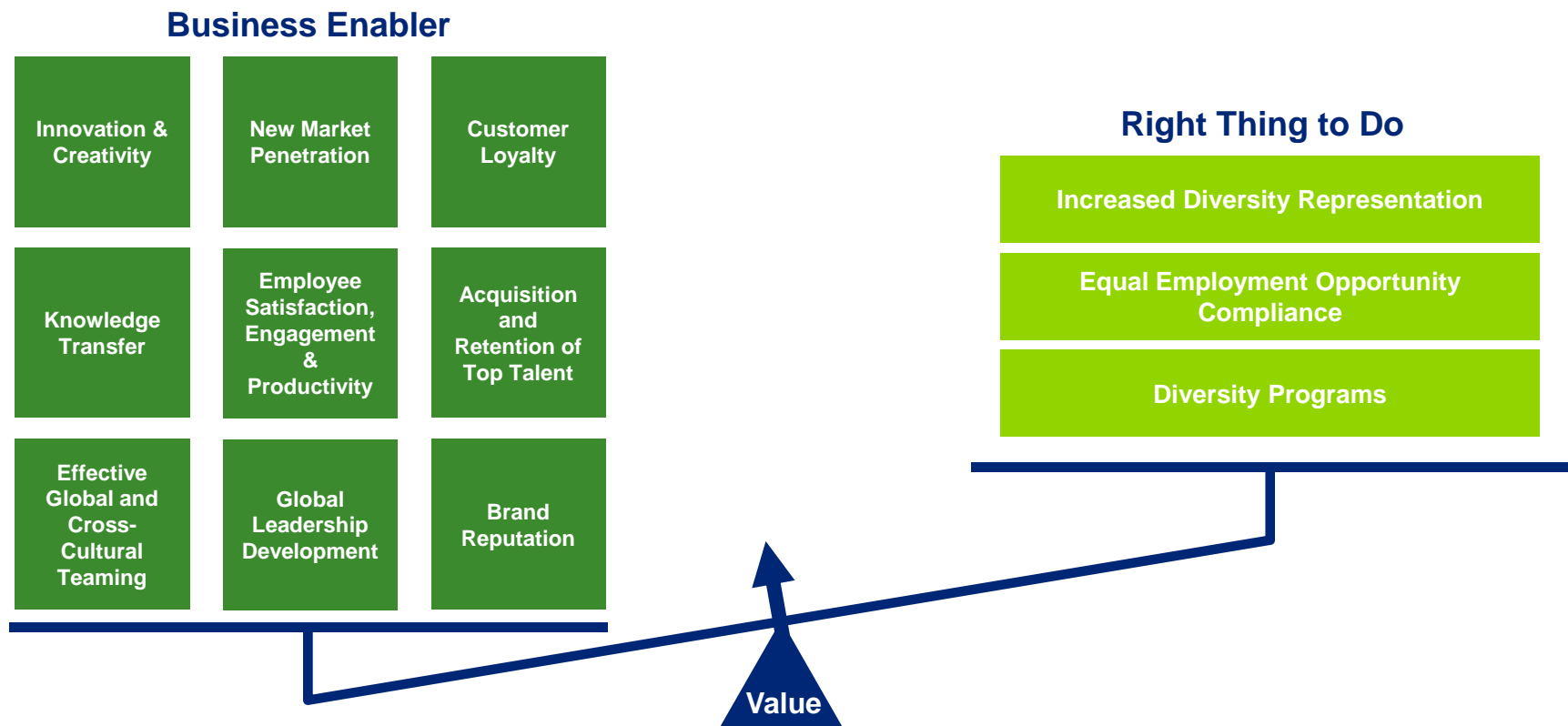
Keep at it!

Identify clear metrics and track progress of Diversity initiatives against the stated goals. Establish accountabilities within the organization against the goals and link to metrics.

Today's organizations face unique challenges that establish the context for change

Internal Challenges

- **Maintaining Growth and Profitability**
  - Businesses struggle to balance cost containment with higher revenue growth and customer service
- **Operating in a Global Environment**
  - Companies struggle to succeed across countries and cultures
  - The speed of global business is accelerating diversity
- **Shifting Career Expectations**
  - Taking a "resume-building" approach to their career — employees turnover more frequently and demand more from their jobs
- **Managing Talent within a Changing Workforce**
  - Top talent is becoming more difficult to attract and retain
  - As a result, companies must challenge traditional notions of how and where work is conducted
- **Focus on Corporate Social Responsibility**
  - Employees and customers increasingly value organizations that successfully promote social responsibility

External Challenges

Shifting Demographics
- Worldwide, the talent pool and customer base is becoming more diverse, calling for more new talent strategies and greater cross-cultural competence

Rising Retirements and Entrance of Gen Y
- Today's workforce represent up to four different generations; A high percentage of senior management is nearing retirement, while there is an influx of Gen Y

Evolving Workplace
- Global companies need to adapt to a 24x7 work environment — using technology to collaborate across geographies, languages, and cultures

External Challenges

Shifts in Purchasing Power
- The buying power of minority groups will increase significantly in the next five years

Shortage of Critical Skills
- Global competition for talent is increasing amid a shrinking pool of knowledge workers across all industries

Advancing Technology
- Technology is advancing faster than ever; creating new expectations of the workforce and channels for engaging with customers

Achieving enhanced business results calls for a paradigm shift

- The success of workforce diversity and inclusion efforts can no longer be measured in terms of the color and composition of the workforce; they must amount to real business results that create competitive advantage
- Understanding the global talent landscape and the potential impact of a comprehensive diversity and inclusion strategy can help companies shift the paradigm of corporate diversity from "the right thing to do" to a critical enabler in executing business strategy

Business Enabler

Innovation & Creativity	New Market Penetration	Customer Loyalty
Knowledge Transfer	Employee Satisfaction, Engagement & Productivity	Acquisition and Retention of Top Talent
Effective Global and Cross-Cultural Teaming	Global Leadership Development	Brand Reputation

Right Thing to Do

- Increased Diversity Representation
- Equal Employment Opportunity Compliance
- Diversity Programs

Value

A diverse and inclusive workplace is an enabler that leads to enhanced business performance

Innovation & Creativity	…leveraging diverse perspectives and ideas to foster creativity and new product and service innovation
New Market Penetration	…utilizing talent that closely understands the needs of emerging demographic groups
Customer Loyalty	…reflecting the diversity of an organization's customer base, which enables better customization of products, services, and marketing efforts
Knowledge Transfer	…facilitating knowledge transfer between baby boomers and younger generations to ensure retention of critical knowledge
Employee Satisfaction, Engagement and Productivity	…fostering an inclusive culture that values the diverse perspectives and unique skills of individual employees
Acquisition and Retention of Top Talent	…creating an inclusive culture where the best choose to be
Effective Global and Cross-Cultural Teaming	…increasing productivity and effectiveness of global teams by creating a culture that recognizes and appreciates cultural nuances and values
Global Leadership Development	…creating a culture that is committed to developing leaders who understand global business and can operate in cross-cultural environments
Brand Reputation	…developing a reputation as an employer who values diversity and a culture of inclusion, allowing them to attract the best talent and respond to changing market demands

Deloitte's commitment to Diversity & Inclusion supports strategic business outcomes

TALENT

1. Attracting top talent – from a shrinking talent pool - is essential to the success of our firm
2. The talent pool we draw from is continuing to become more diverse
3. Respecting, valuing and leveraging the unique capabilities of all our people will improve our talent experience and retention
4. The generation entering the workplace today has a stronger expectation for greater personal flexibility, different work experiences and inclusiveness from their employers than prior generations

CLIENTS

1. The leadership of our clients is increasingly reflecting the diversity of our Canadian population
2. As our clients globalize, we can serve them better if our people have a global perspective, knowledge and experience of different cultures and languages
3. Diversity leadership can strengthen our relationship with clients
4. Our clients are increasingly expecting us to demonstrate our commitment to diversity in our proposals and engagement teams

LEADERSHIP

1. Every partner is accountable for demonstrating leadership in this area by providing visible support for our vision and strategies.
2. Each partners must make a conscious effort to support diversity – to move from talking about diversity to taking action.

A Diversity and Inclusion Management methodology can be structured and flexible

A comprehensive approach to D&I involves assessing the current state, articulating a desired future state based on analysis findings and leading practices, and designing a strategy and supporting programs to achieve desired outcomes

Plan and Assess	Design	Build	Deliver	Operate

Talent

Clients

Leadership

Our approach has revealed a number of Guiding Principles for successful Diversity and Inclusion Management

Reflecting on our own experience and challenges, knowledge of external research and real-time experience working with clients suggest that **successful diversity and inclusion management plans have certain strategic actions and processes in common**

- D&I governance structure that starts at the top and cascades through all levels

- Visible support from the top

- D&I language and messages are frequent and consistent

- Clear business rationale with intended actions and outcomes

- Accountability and measurement is formalized and integrated into decision-making processes

Successful Diversity and Inclusion Management

- Talent processes and policies are D&I sensitive

- D&I management is entrenched in performance cycle through to retention of key talent.

- Individual development plans are that are inclusive and supportive of the diversity climate; set and monitor personal diversity goals

- Awareness and development is enabled through learning and growth opportunities

- D&I strategy is implemented through internal programs and external partnerships

Diversity assessment and planning is the cornerstone for establishing accountability for results

Best Practices

✓ Establish clear metrics and track progress against metrics throughout the year; communicate metrics to organization to ensure alignment against goals

✓ Ensure leadership accountability for progress against goals; link to performance metrics

Diversity Metrics

- **Workforce Representation** - Hiring, promotions, transfers, and turnover by employee group
- **Employee Survey Data** - Employee engagement ratings
- **Employee Development Programs** - Minority and female participation rates in employee development programs
- **Executive Commitment** - Leadership involvement in and commitment to diversity programs (i.e. BRGs, training)
- **Internal Availability** - Internal labor force with requisite skills for open jobs
- **External Availability** – Labor force with requisite skills in local labor market; national labor force with requisite skills (Canadian Census Data)
- **Legal Involvement** - Allegations and complaints
- **Flexible Benefits Programs** - Utilization rates by employee group for flexible benefits programs
- **Supplier Diversity** - Percentage of vendor budgets spent on minority suppliers
- **Branding** – Number of external awards or other external market recognition; positive media hits

Sustainability requires ongoing enhancements to the diversity plan outcomes

Plan Elements	Intended Actions and Outcomes
Accountability for Results	• Establish accountability for creating goals and plans to address barriers to an inclusive work environment; roll up goals to firm-wide scorecard to measure progress against plan • Be diligent about diversity sensitive policy review, development and application
Diversity education	• Develop a robust strategy, framework and curriculum for diversity education and learning needs for all levels and all services including "catalogue" of available courses and learning opportunities • Seek out, participate in and encourage the participation of others in learning and growth to increase awareness and create an inclusive environment in every office
Targeted Development	• Build D&I into role competencies, particularly for leaders and coaches • Contribute to improved retention of talent by actively supporting development programs for High Potential individuals in our diverse populations • Establish mentorship programs connecting people with different backgrounds to support advancement of our diverse populations and further educate leadership on differences • Enable and track sponsorship relationships for the development of non-traditional talent
Leadership in the Business Community	• Participate in and/or sponsor community events and develop relationships with organizations to encourage broader uptake of diversity initiatives
Communication and Awareness	• Encourage dialogue about diversity issues – keep it on meeting agendas! • Be diligent about recognition for D&I champions and advocates at all levels

Our call to action: 2011 Dialogue on diversity

- The question? Why aren't we fully and more effectively integrating skilled immigrants into the Canadian workforce?

- The result? A series of thought-provoking and insightful discussions on how Canada can do a better job

- Participants focused on these topics:
  - How can businesses harness the diversity of newcomers for business growth and innovation?
  - What barriers exist to fully integrating new immigrants?
  - What do businesses need to do overcome the barriers?

What we learned: Taking Action

Participants highlighted key areas where organizations needed to make changes:

- Review policies and practices, especially related to recruitment
- Develop internships – a great way to "test drive" the relationship, for both the employer and foreign-born worker
- Focus on cultural connections
- Leverage employee resource groups
- Mentoring – inside and outside your organization
- Education for employees and skilled, foreign workers

Find out more

- [Visit this link to read the Deloitte white paper](#), *Welcome to Canada. Now what?*
- Use the recommendations in the report to drive your organization's agenda
- Let's keep the discussion going. Share your feedback on my external iDeas blog: http://ideas.deloitte.ca/category/1#