accenture

KatesKesler
Organization Consulting
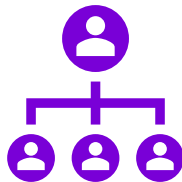Part of **Accenture**

Too Little, Too Late

Why many D&I efforts fall short

Accenture Strategy & Consulting
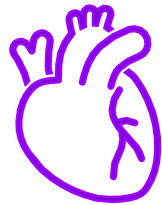
Changing Minds

Changing Hearts

Changing the Status Quo

Changing Minds

Inclusion and Diversity should be at the heart of todays Intelligent enterprises.

Having a diverse team or workforce is not enough. Everyone should feel safe and encourage to fully participate, and be on equal footing.

Organizations with inclusive culture have…

2x

as likely to meet or exceed financial target

6x

more likely to be innovative and agile

+7 %

higher intention to stay with the organization

+18 %

Increase in team commitment

RESEARCH SHOWS A CLEAR BUSINESS CASE TO FOCUS BOTH ON D&I FOR EMPLOYEES AND CUSTOMERS OF THE ORGANIZATION

Greater diversity leads to financial growth

Each **1% increase** in the rate of gender diversity resulted in an approximately **3% increase** in sales revenues

Diverse perspectives lead to innovation

Diverse teams out-innovate and outperform the competition; they are **45%** more likely to improve market share

Employees who are engaged are more productive

Leaders who give diverse employees equal airtime and an opportunity to 'speak up,' cause diverse employees to be **3.5 times** as likely to contribute their full innovative potential and productivity

Diversity also leads to financial returns above industry medians

Companies in the top quartile for gender diversity were **15% more likely** to have financial returns above their national industry median, and companies in the top quartile for ethnic diversity were **35% more likely** to have financial returns **above** the national industry median

Companies that embrace diversity and are competent at inclusion enhance customer loyalty

78% of LGBT community and their friends and relatives would switch brands to companies known to be LGBT-friendly
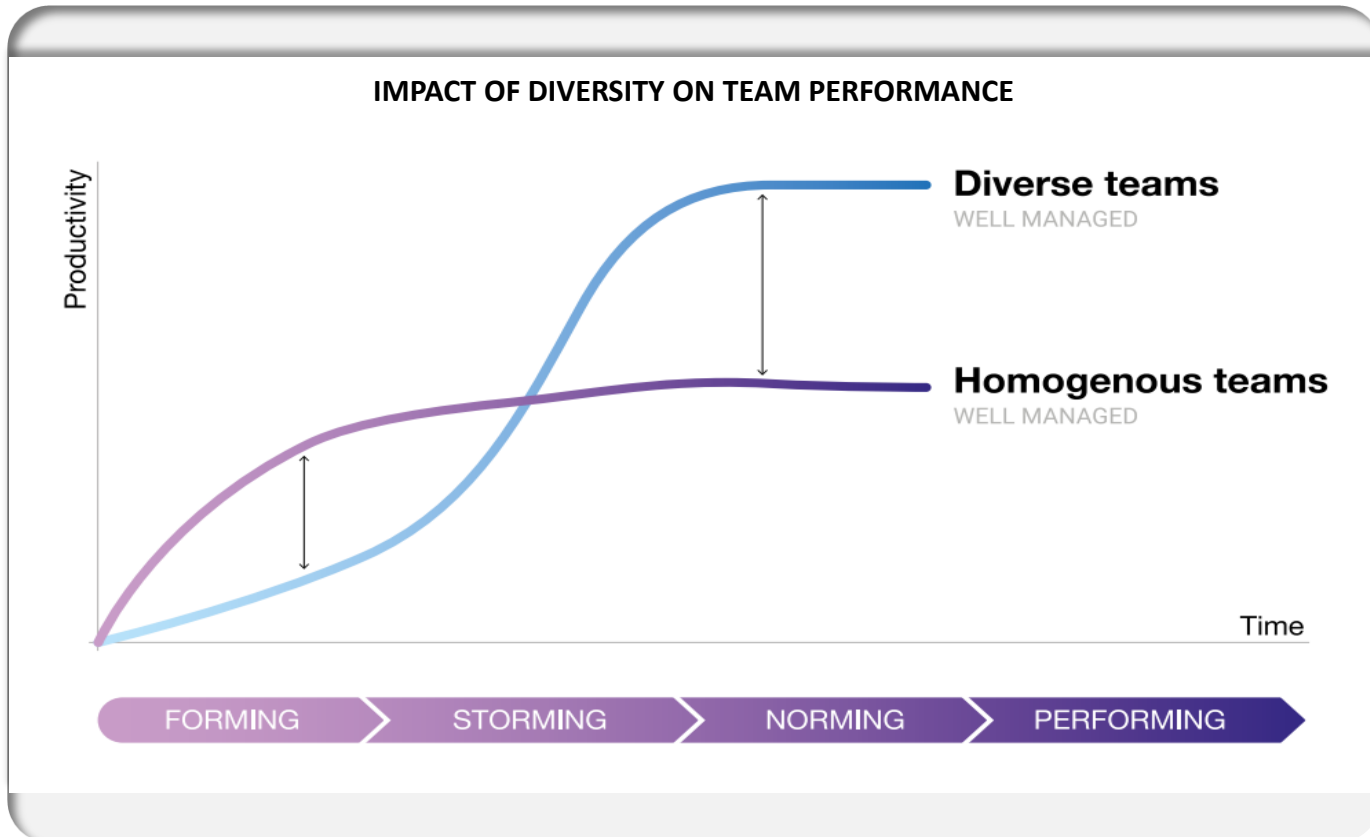
Strong collaboration solves complex problems

Heterogeneous teams solve complex tasks **better** and are **more creative** than homogeneous teams

NEED FOR DIVERSITY

In modern civilized society, promoting diversity has a moral, legal and economic imperative; Companies having diverse teams tend to perform better

NEED FOR DIVERSITY

IMPACT OF DIVERSITY ON TEAM PERFORMANCE

Diverse teams
WELL MANAGED

Homogenous teams
WELL MANAGED

Productivity

Time

FORMING › STORMING › NORMING › PERFORMING

Moral Imperative
- Inclusive companies declare fairness and opportunity for all as part of their corporate values and codes of conduct
- Giving equal access and opportunities to all people to work under fair and equitable conditions is simply the right thing to do

Legal Imperative
- The International Labor Organization has put into action several conventions to eliminate discrimination from workplace
- Multinational organizations need to consider the rights given to employees across different locations due to regional laws

Economic Imperative
- Expanding hiring to a broader talent pool provides avenues for staffing tough roles
- Companies leading their geography and industry for diversity, inclusion and belonging perform better than their market average across metrics like Profitability and innovation
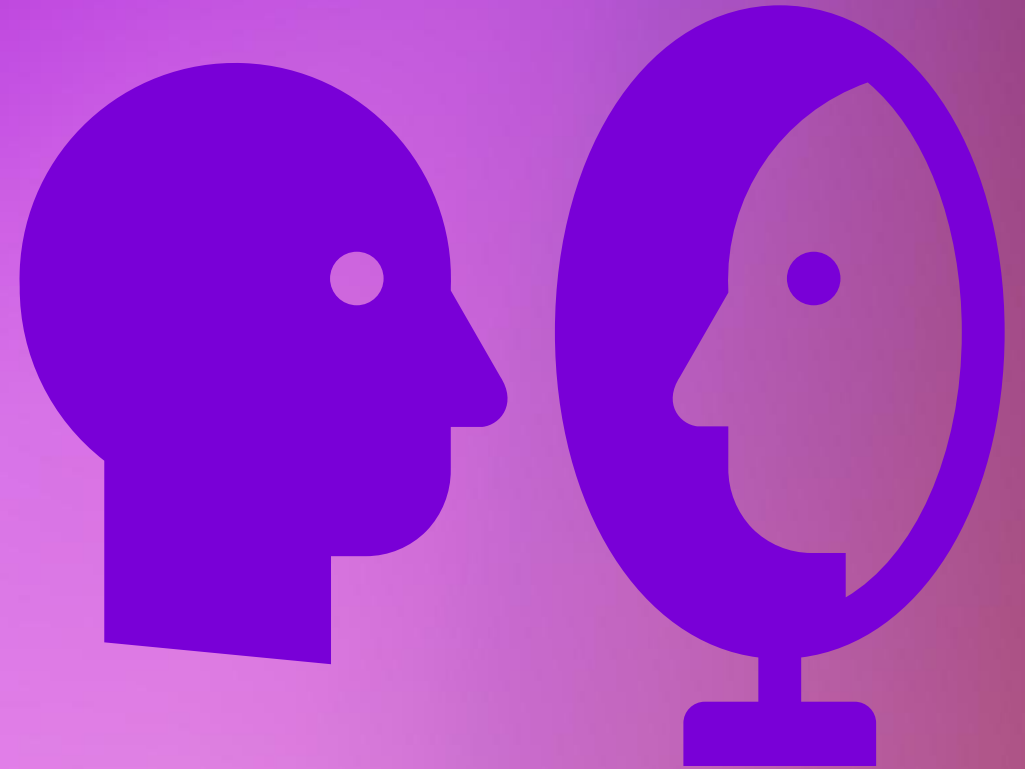
According to a WEF report, diverse companies are 25-36% likely to outperform peers in terms of profitability, have a 20% higher rate of innovation and have up to 30% greater ability of spotting and reducing business risks
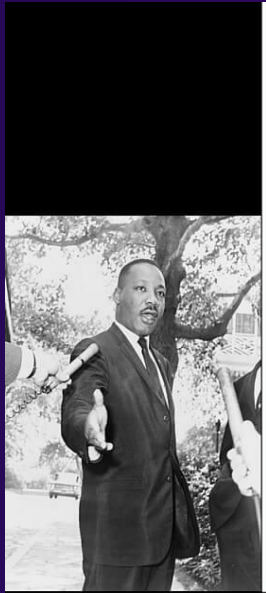
Changing Hearts

2020

"I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin, but by the content of their character." MLK

Changing Status Quo
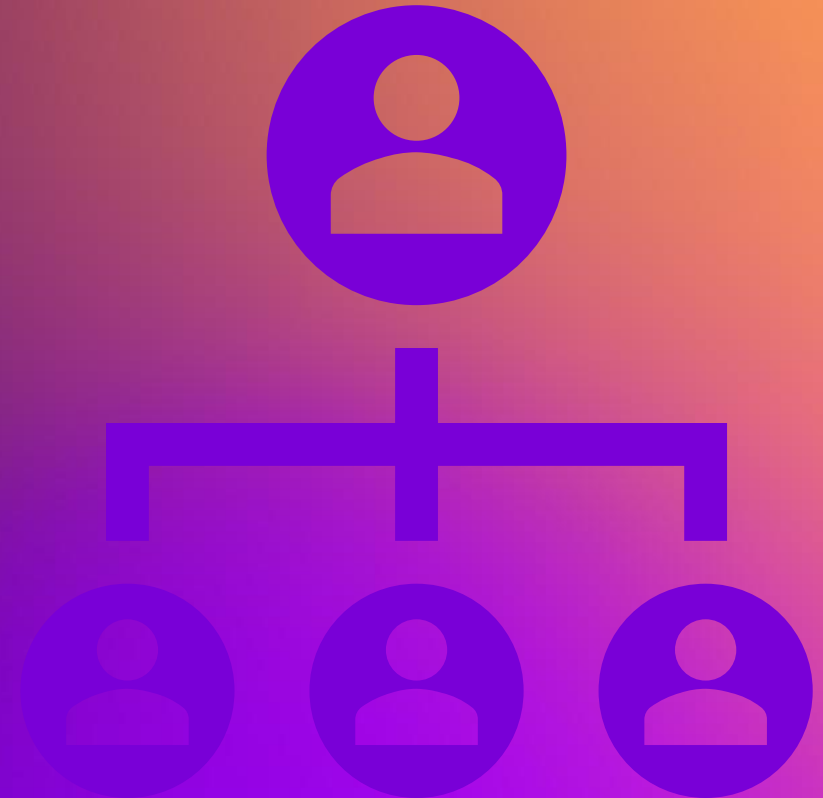
Six Pillars of the I&D Framework

1 **STRATEGIC INTENT:**
I&D is integrated in the overall growth strategy and communicated throughout organization

2 **COMMUNICATION:**
Thoughtful and inclusive communications are essential to the success of the organization

3 **METRICS & ANALYTICS:** Achieve I&D goals through a data-driven approach that identifies areas for improvement and tracks progress

DIVERSITY: all the visible and non-visible ways people differ, including unique styles, experiences, identities and ideas

INCLUSION: where differences are welcomed, valued and embraced, and all people feel a sense of community and belonging

Note: This framework has been empirically validated

4 **LEADERSHIP BEHAVIORS:** Leadership models behavior that makes those with different backgrounds feel welcomed, heard, and treated equally

5 **TALENT ACTIONS:**
Attract, retain, develop and advance talent programs to build more diverse and inclusive teams throughout the organization

6 **INCLUSIVE CULTURE:**
People of all backgrounds and cultures feel included and valued. Inclusion involves respecting individual differences and capturing the advantages they provide

Maturity Levels

Maturity Levels

1.00   4.00

| Basic | Foundational | Competitive | Leading |

Progression from one level of maturity to the next is intended to signal growth in overall I&D capability, and an increasing impact to the bottom line through increased innovation and employee engagement:

1. Basic: focused on meeting legal and regulatory requirements

2. Foundational: established solid foundation for full I&D agenda

3. Competitive: I&D agenda strengthens competitive advantage

4. Leading: I&D drives business benefit through innovative and leading practices
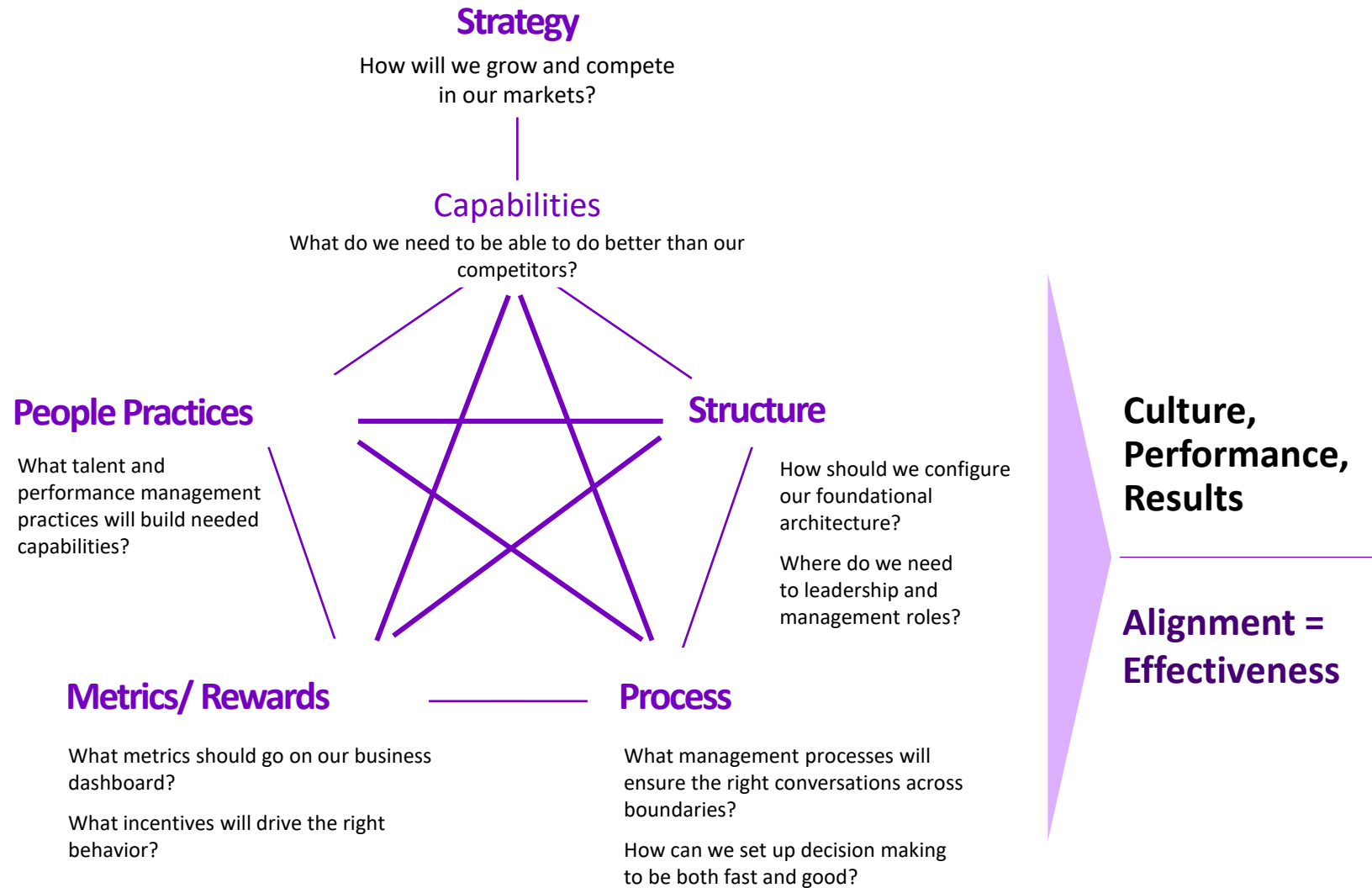
Poll: What maturity level is your organization at?

1. **Basic:** focused on meeting legal and regulatory requirements

2. **Foundational:** established solid foundation for full I&D agenda

3. **Competitive:** I&D agenda strengthens competitive advantage

4. **Leading:** I&D drives business benefit through innovative and leading practices
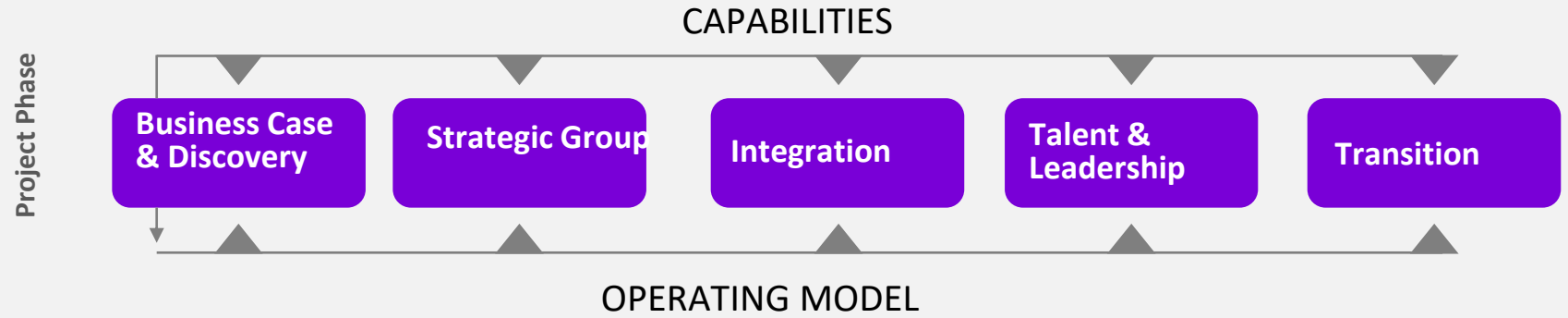
The star model

Source: Jay Galbraith

Strategy
How will we grow and compete
in our markets?

Capabilities
What do we need to be able to do better than our
competitors?

People Practices
What talent and
performance management
practices will build needed
capabilities?

Structure
How should we configure
our foundational
architecture?

Where do we need
to leadership and
management roles?

Metrics/ Rewards
What metrics should go on our business
dashboard?

What incentives will drive the right
behavior?

Process
What management processes will
ensure the right conversations across
boundaries?

How can we set up decision making
to be both fast and good?

**Culture,
Performance,
Results**

**Alignment =
Effectiveness**

When Star points are not aligned

| Strategy	Structure	Process	Metrics	People
If we are not aligned around the strategy	If structure & roles are not aligned to the strategy	If process and lateral connections are weak	If the metrics and rewards don't support the goal	If the wrong people are selected & practices are weak
Confusion	Wrong Tension	Waste, Slow Decisions	Internal Competition	Wrong Skills
Unclear priorities, people pulling in different directions Weak strategies will not produce new results No criteria for decision-making	Execution is weak Inability to mobilize resources on the right work Decision-making is mis-aligned or slow	Lack of collaboration across boundaries Higher costs, duplication Long decision and innovation cycle times Difficult to share best practices	Lack of focus against right targets Diffused energy Conflict in the matrix Frustration and turnover	Legacy players in new organization Old behaviors block change Effort without results

The five-milestones

Project Phase

CAPABILITIES

| Business Case & Discovery | Strategic Group | Integration | Talent & Leadership | Transition |

OPERATING MODEL

Milestones

1	2	3	4	5
We are clear on the problem to solve	**We have made a basic structure choice that supports the strategy**	**We have tied the pieces together - designed the points of linkage across boundaries**	**We have staffed the critical roles to carry out the work and build talent for the future**	**We are prepared to measure, learn, and adjust**
Map the Strategic Priorities	Select the Structure Building Blocks	Design in Lateral Connections	Staff the Talent	Set the Implementation Plan
Assess Org Gaps & Strengths	Choose the Best Grouping Option	Set the Matrix Up for Success	Design the Leadership Team	Navigate the Transition
Set Design Criteria	Design the Layers	Clarify Decision Rights		

>

Breakout

In your breakout groups, discuss the following:

1. Where is your organization on the D&I maturity model?

2. What can you do from an organizational perspective to increase the D&I maturity level of your organization?

3. Be prepared to share 1 or 2 actions that your team discussed to increase you D&I maturity level.

You have 15 minutes
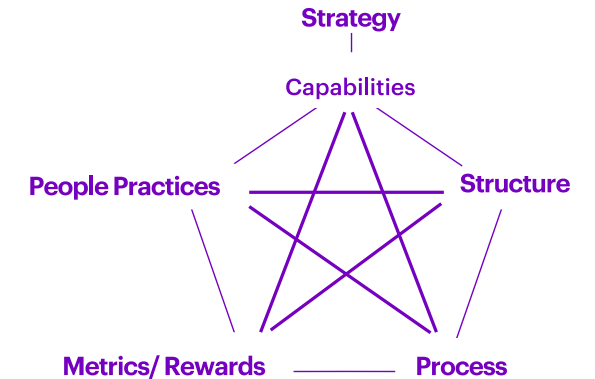
Call to Action

Integrated Strategy

Clear Capabilities

Aligned Objectives