The Business Case for Diversity and Inclusion

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Director of Talent Management
Cascade Engineering
Principle Practitioner: Cascade Consulting Group

CASCADE engineering
The Cascade Family of Companies

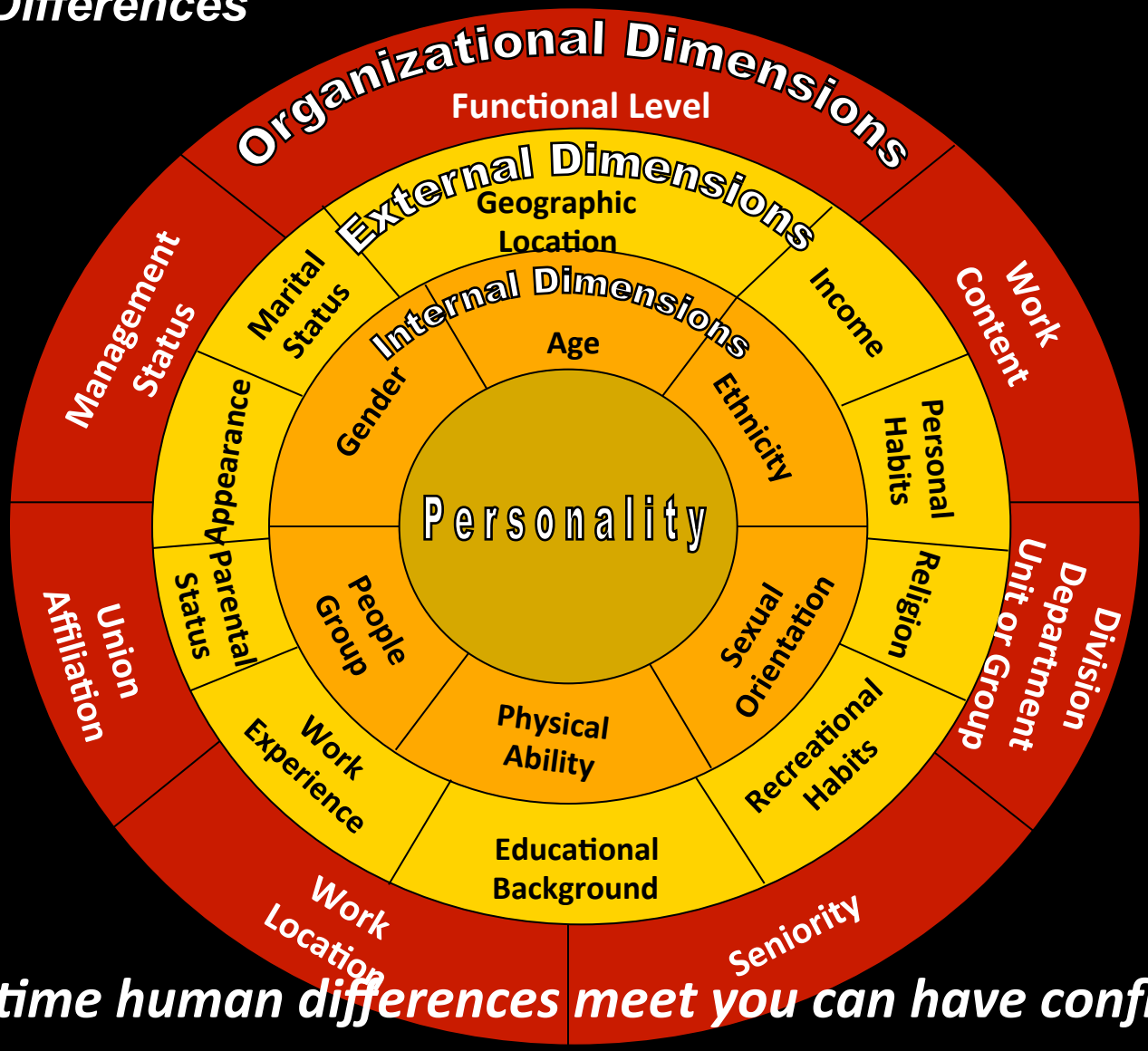
CASCADE consulting group

Question

What is diversity?

How do you define this term DIVERSITY?

Diversity = Differences



"Anytime human differences meet you can have conflict."

Question

What is inclusion?

I N C L U S I O N

R E G A R D L E S S of who the person is or what . . .

- they look like

- gender they are

- people group they belong to

- they believe

- their age is

- their sexual orientation

- religion they are

- their personality is, or where they come from . . .

they are treated with dignity, respect, kindness, and consideration and have fair and equitable opportunity to speak up, to learn, to develop, to grow, to participate and to contribute to their fullest.

Is having a D I V E R S E and I N C L U S I V E organization a good thing?

Is there a business case for being a diverse and inclusive organization?

4 Best Business Reasons

1. Teamwork, Creativity, Innovation
2. Changing Workforce and the War for Talent
3. Business Owners of the Future
4. Customers Demanding Minority Content

Question: Where does effective teamwork, creativity, innovation come from?

Joel Barker's

WEALTH
INNOVATION & DIVERSITY

Putting Our Differences to Work in the 21st Century

The Best Business Case Reason

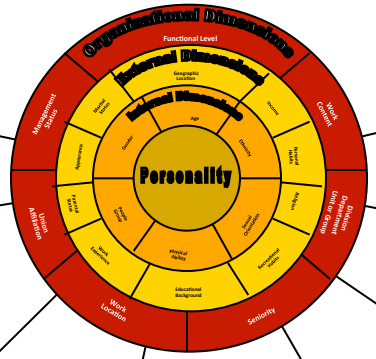
Diversity = Differences = Power of TEAM

Constructive Differing

ideas

skills

work experiences



life experiences

Inclusion

Participation

thoughts

beliefs

- TEAMWORK
- CREATIVITY
- INNOVATION

education

perspectives

Having a diverse workplace is important for being able to solve problems creatively and coming up with new ideas

The Changing Workforce and The War for Talent

"Thirty percent of managers worldwide say they are still struggling to fill key positions with skilled sales people and technical staff in shortest supply."

"According to the latest "talent shortage" survey of 39,000 employers worldwide by recruitment firm manpower, skilled trades-people, sales reps, technical workers, engineers, and good managers and executives all remain frustratingly hard to come by."

Management Issues

Nic Paton; May, 2009

The Changing Workforce and The War for Talent

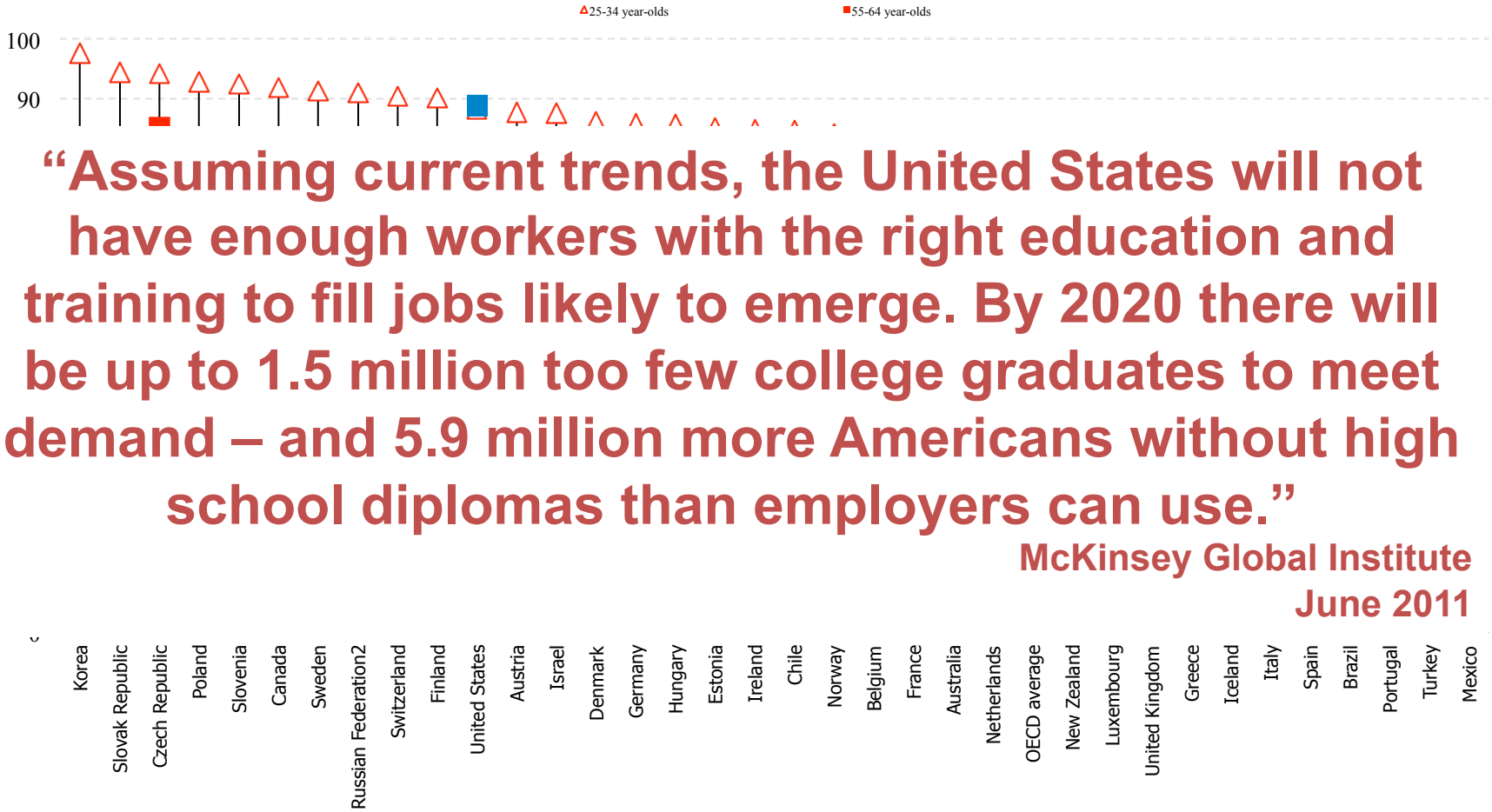
"Skills are scarce, workers have high expectations, and Millennials are now in charge."

Global Human Capital Trends 2014
By Deloitte Consulting

Structural Change?

Chart A1.2. Population that has attained at least upper secondary education[1] (2008)

Percentage, by age group



"Assuming current trends, the United States will not have enough workers with the right education and training to fill jobs likely to emerge. By 2020 there will be up to 1.5 million too few college graduates to meet demand – and 5.9 million more Americans without high school diplomas than employers can use."

McKinsey Global Institute
June 2011

1. Excluding ISCED 3C short programmes.
2. Year of reference 2002.

Countries are ranked in descending order of the percentage of 25-34 year-olds who have attained at least upper secondary education.
Source: OECD. Table A1.2a. See Annex 3 for notes (*www.oecd.org/edu/eag2010*).

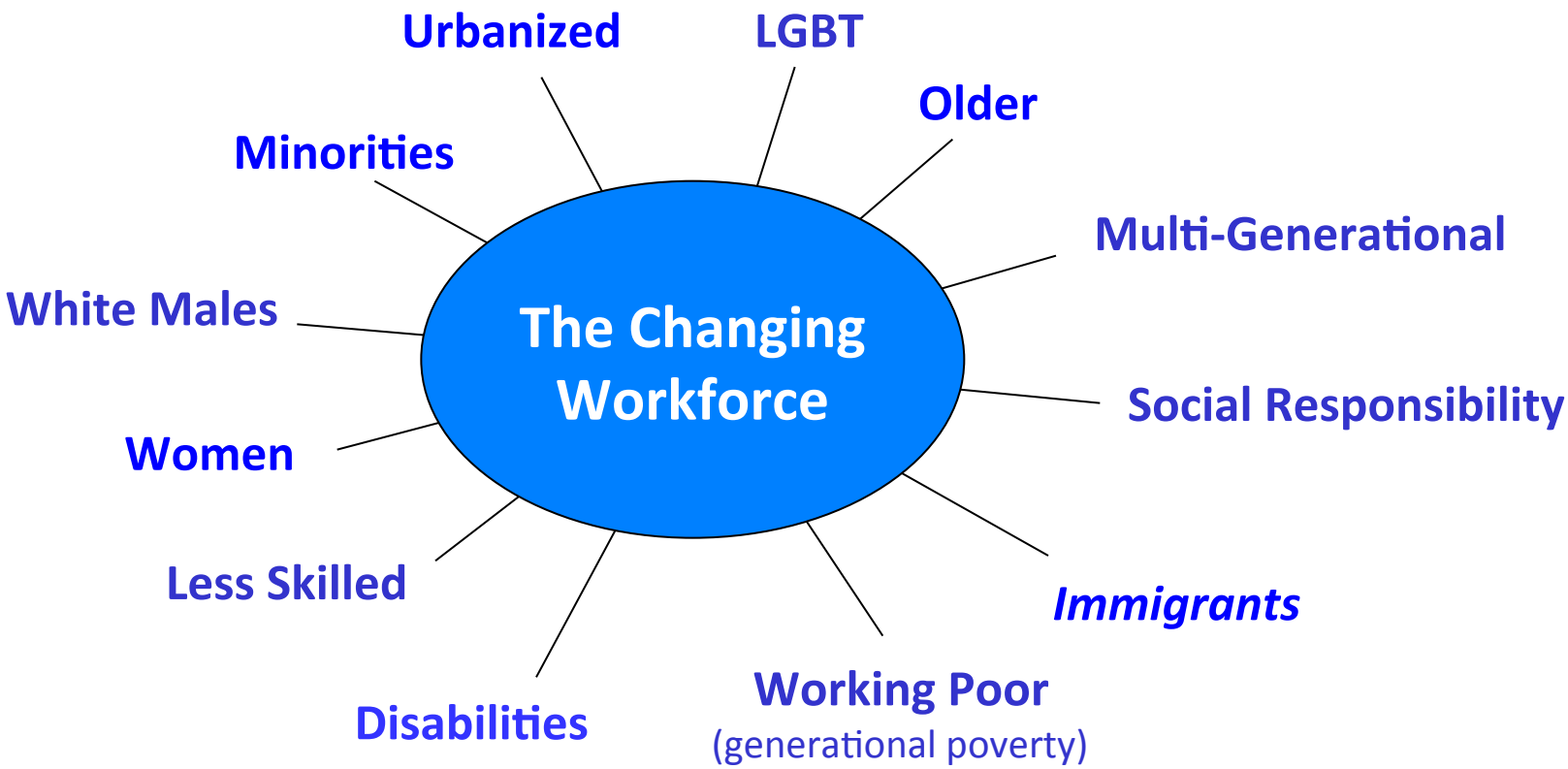
Question

If the United States is not developing enough technical and skilled talent to fill its needs where are we going to get the talent and skills from?

"We better recruit creative talent globally and make our communities attractive to foreign creative talent."

Ed Barlow
Futurist

Changing Workforce



"To attract and retain human capital, companies must . . .

. . . establish inclusion and camaraderie, membership and pride, security and fairness, fulfillment and growth, and economic interdependence."

Ed Barlow

“Companies are finding that they are dealing with a workforce with different demographics, different demands, and different expectations.”

Three major demographic shifts

First - the aging population as the "baby boomers" move into super-senior status

Second - the increasing proportion of nonwhites (African-Americans, Hispanics, Asian-Americans and others)

Third - the heightened technological competencies of the millennials and their successors.

Obviously, business will have to address these shifts.

Robert A. Howell distinguished visiting professor of Business Administration, Tuck School of Business at Dartmouth, and senior partner at Howell Group LLC.

Changing Attitudes

"The older generation thought nothing of getting up at five every morning – and the younger generation doesn't think much of it either." **- John W. Welsh; Builder**

“Today’s new grads say they want a life.”

“They’ve watched the workaholism of the baby boomer era and the work-life conflict it creates and most don’t want any part of it.”

Source: Life-Promoting Companies Retain Talent
Deborah Jones
President of Well-Advising Consulting Inc.
www.NQI.ca

We’re Not Going To Take It
Twisted Sister

"The United States of 2050 will look different from that of today: whites will no longer be in the majority. The U.S. minority population, currently 30 percent, is expected to exceed 50 percent before 2050. No other advanced, populous country will see such diversity." Joel Kotkin

Smithsonian Magazine
August 2010

Smart business leaders are already considering the changing face of the nation, because it also represents the changing face of business. Over the next 10 years we'll see more women rise through the ranks of leadership and new cultural perspectives will permeate every level of the most successful organizations—from the boardroom to the mailroom. At the same time, businesses will need to address a "changing of the guard," as the baby boomers step down from their management roles and Generations X and Y seek to fill their shoes. Ultimately, the changes of the next decade can only be effectively addressed through effective leadership that has already started.

Jay Hooley is chairman, president and chief executive of State Street Corp.

The New Breed – but what to do!

"57% of university students have work-life balance as their primary goal in taking a new job."

"They seek control over their work and their time, and desire employers who are flexible and allow for balance between work and personal life."

"Yet, while the younger workforce is seeking balance, they are faced with a nation full of high stress workplaces."

Source: Life-Promoting Companies Retain Talent
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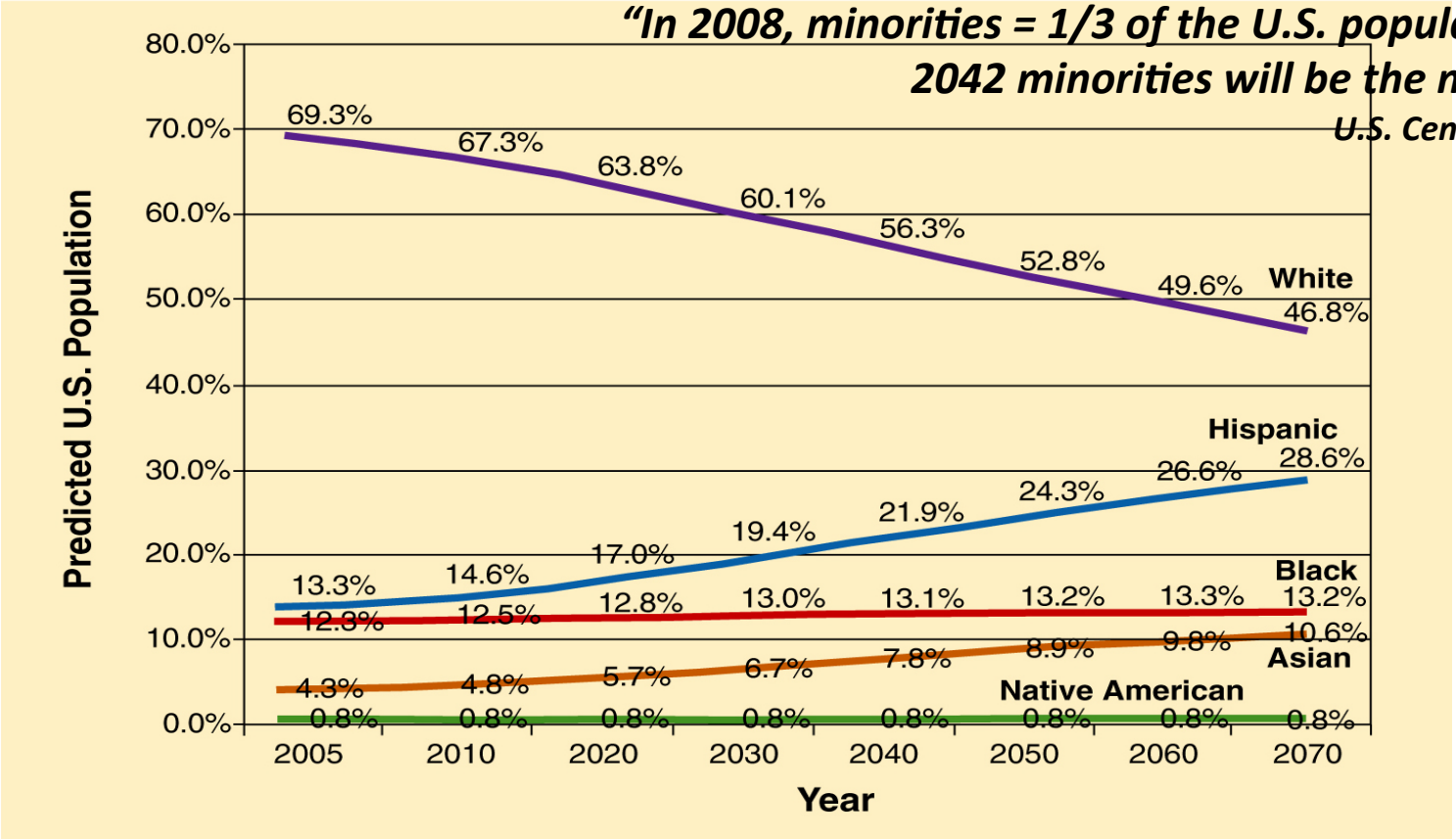
Bottom Line Info

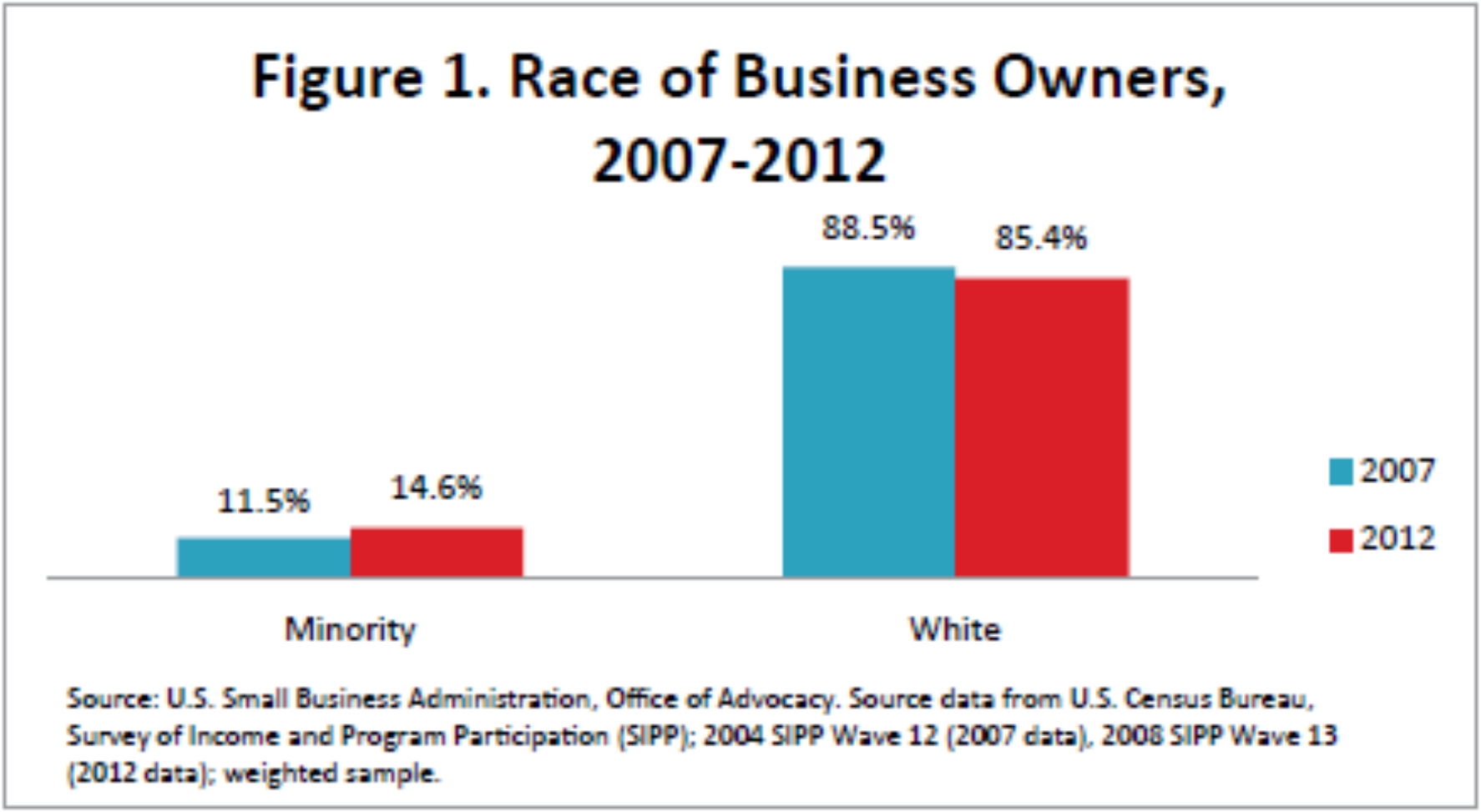
"The research group Catalyst studied 353 Fortune 500 companies and found that those with the most women in senior management positions had a higher return on equities – by more than a third."

The Business Owners of the Future



Companies owned by minorities and women . . . . . are the fastest growing business segment. . . a trend that is expected to continue.

Who will own and run businesses in the future?



Business Owners of the Future

In 2012

- **36.0 percent of business owners were women.**
- **The age makeup of business owners was shifting toward the older age groups. Between 2007 and 2012, those 50 and over had an increase from 46 percent to 50.9 percent, the likely result of the Baby Boom cohort's aging past their prime working-age years.**
- **The nearly 1.5 million immigrant business owners in the United States represent 12.5 percent of all business owners. The total business income generated by immigrant business owners is $67 billion, 11.6 percent of all business income in the United States.**

Robert W. Fairlie, Ph.D - Small Business Administration, Office of Advocacy

Rated More Important Than Pay

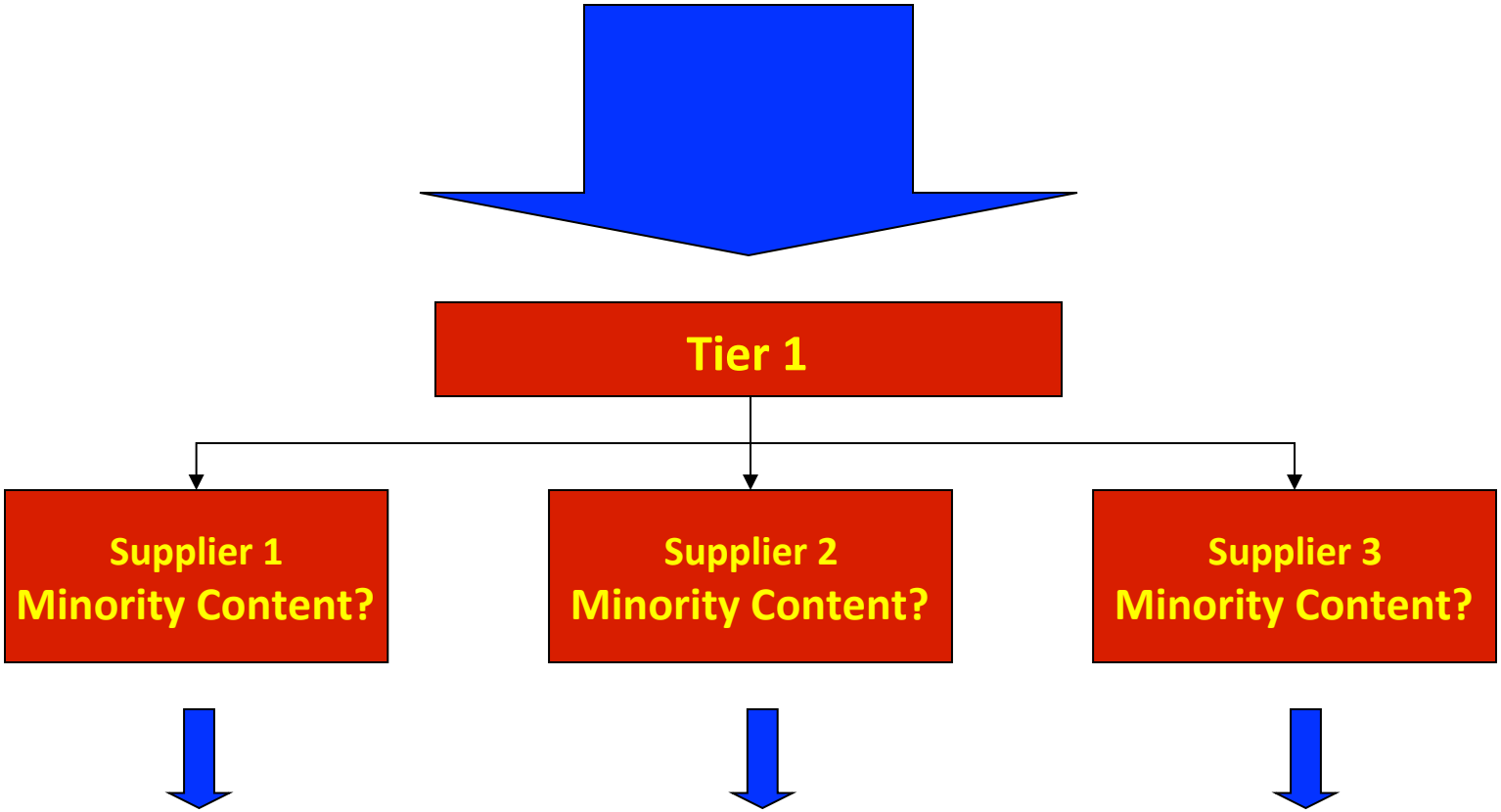
- Being treated with respect
- Having challenging and interesting work
- Opportunities to develop their abilities
- Friendly and helpful co-workers
- Good communication

Source: Life-Promoting Companies Retain Talent
Deborah Jones - President of Well-Advising Consulting Inc.

Customers Demand

SUPPLIER DIVERSITY SPENDING

GM	FORD	HONDA	HMI
6.5%	5.0%	6.0%	5.0%



"Our large consumer-oriented clients such as Coca-Cola, Pepsi, and Starbucks demand diversity in the companies they hire for investment banking and other services. They want to know that the companies they are giving their money to have the same level of concern for diversity"

Fred Campbell
Assistant VP
Global Diversity & Inclusion
Credit Suisse

Source: Knowledge @ Wharton

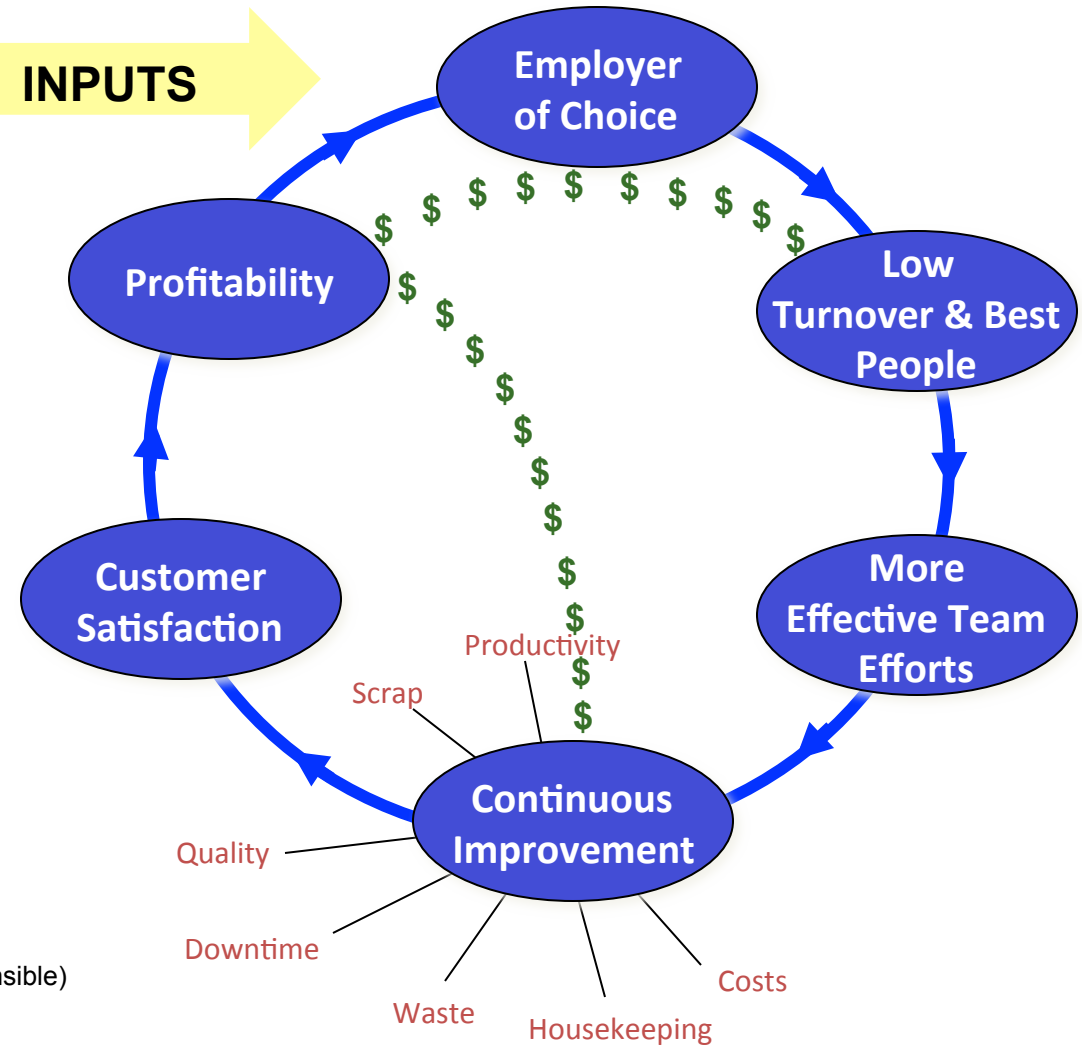
Employer of Choice

- **CULTURE** (people care about people)
- **ENLIGHTENED LEADERSHIP**

  Leaders who. . .

  - Create positive and high trust relationships with employees
  - Actively support an inclusive culture
  - Sincerely care for their people
  - Humbly listen to and are willing to be influenced by employee feedback
  - Emotionally intelligent
- **CAREER OPPORTUNITIES**
- **SAFE WORK PLACE**
- **MEANINGFUL WORK**
- **JOB SECURITY**
- **DEVELOPMENT OPPORTUNITIES**
- **COMPETITIVE COMPENSATION and BENEFITS**
- **ORGANIZATIONAL PRIDE** (Socially Responsible)
- **POLICIES AND PROCEDURES**

  (support and reinforce)



Can an organization be an employer of choice if employees feel discriminated against, are treated unfairly, disrespected, unvalued, and have no opportunities to grow, develop, contribute to organization improvements or advance?

NO!

GOOD INTENTIONS

ALONE

WON’T ESTABLISH A

DIVERSE OR INCLUSIVE

WORKFORCE