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# Diversity and Inclusion

## #GameChangers

# The time for talk is over

Diversity and inclusion (D&I) are top-of-mind for leaders across every industry and geography today. Customer needs and demographics are fast-changing, and competition is at the ready. There is increasing scrutiny around practices, policies and the composition of leadership at corporations. Competition for top talent is high, and up-and-coming leaders place a premium on corporate culture and institutional values that match their own. Evidence is accumulating to show that companies with diverse talent and an inclusive culture serve their clients better<sup>1</sup>, innovate more<sup>2</sup>, and have stronger employer brands<sup>3</sup> – all vehicles for achieving resilience and staying relevant in the long term. A journey towards a more diverse workforce and inclusive culture today is therefore critical to companies in their quest for a more resilient tomorrow.

To gather first-hand insights and perspectives, Russell Reynolds Associates spoke with a number of leaders at companies known for their leading-edge approach to D&I. Our conversations with CEOs, chief diversity officers and other influential members of the leadership teams at these game-changing companies – the #GameChangers – revealed a number of insights. While there are no simple solutions, several patterns emerged.

## LESSONS FROM CONVERSATIONS WITH #GAMECHANGERS

**1** **A conversation about diversity alone is not enough: Inclusion is essential.** Companies that are making real progress in D&I are focusing not only on creating a diverse workforce, but on fostering an inclusive culture as well. Further, many strive for a sense of belonging among employees – a critical end goal, without which diversity metrics and inclusive corporate initiatives are superficial at best.

**2** **#GameChangers see diversity and inclusion as inextricably linked to business goals.** #GameChangers align their D&I objectives with their broader business strategy and desired evolution in order to achieve resilience.

**3** **Diversity and inclusion are about the long game.** #GameChangers think about diversity and inclusion as long-term efforts, rather than a series of discrete short-term initiatives. Additionally, D&I are treated as company-wide issues affecting everyone, rather than separate efforts for a few diverse individuals.

**4** **#GameChangers move beyond talk and symbolic hires.** These companies hold themselves accountable to a set of established diversity goals reinforced through measurement and reporting. More essential, they actively work to change behaviors and mentalities across every facet of the organization.

**5** **Engaged and inclusive leadership is critical to success.** Our conversations repeatedly showed that diversity and inclusion must start at the top. For a company's D&I work to have lasting impact, leaders need to be committed to, and engaged in, the company's D&I agenda.

In the long run, companies “win” because they have great talent – the differentiator is people.

**Steve White, President, West Division, Comcast Cable**

We pride ourselves on our culture at Accenture, which is powered by a commitment to diversity. We are known for our inclusive culture, and it absolutely helps us attract premier talent.

**Aimée Meher-Homji, Global Diversity Recruitment Lead, Accenture**

A focus on an inclusive culture will sustain and drive the transformation that we are embarking on.

**Melissa Harper, Vice President, Global Talent Acquisition, Inclusion & Diversity and HR Compliance, Monsanto**

If MetricStream wants to be a leader in technology, it needs to develop women leaders.

**Shellye Archambeau, Chief Executive Officer, MetricStream**

We want to make the best products – with the fewest blind spots and the best features. This needs not only diversity of thought, but also a culture that encourages collaboration.

**Judith Williams, Global Head of Diversity, DropBox**

1. *How Diversity Can Drive Innovation*, Harvard Business Review, 2013.

2. *Fostering Innovation Through a Diverse Workforce*, Forbes Insights, 2011.

3. “Two-thirds of people consider diversity important when deciding where to work,” Glassdoor, 2014.

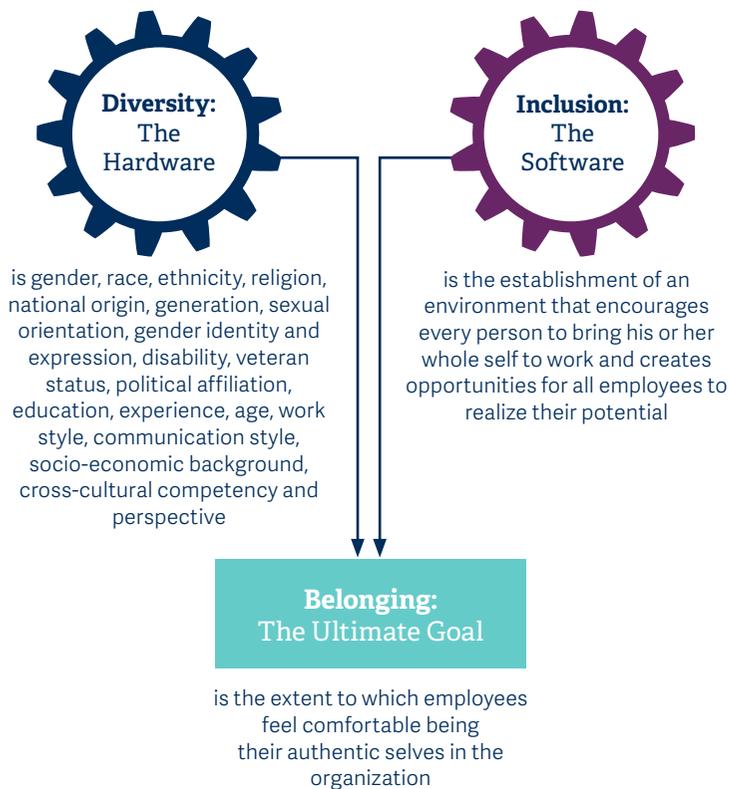
## A conversation about diversity alone is not enough: Inclusion is essential

Committed companies create and foster inclusive cultures. A Deloitte study revealed that over 60 percent of employees cover up some part of their identities at work to try to fit in, with underrepresented groups feeling the most pressure to do so – and experiencing a strong negative impact on their sense of inclusion and opportunity as a result.<sup>4</sup> Therefore, rather than simply accommodating employees of diverse backgrounds, an inclusive culture must go further, encouraging them to bring their “whole selves” – their passions, strengths, beliefs, backgrounds, priorities and relationships – to work.

Many leading companies use a simple but effective litmus test to gauge the success of their diversity and inclusion practices:

### Will this make employees feel like they belong?

Belonging is the extent to which employees feel they can be their authentic selves at work. If diversity and inclusion efforts are perceived as superficial, the company has not succeeded in creating an environment that embraces and leverages the voices and capabilities of its entire workforce. Ultimately, if employees do not feel like they belong, efforts around inclusion and diversity will fall short, limiting the opportunities available to a truly evolved enterprise.



To me, the basic premise is each employee asking the question, “Can people like me be successful here?” The key is to make them feel included.

**Latasha Gillespie, Human Resources Director, Caterpillar**

An inclusive culture is one where everyone feels a part of the conversation. However, being inclusive is different from being included. Employees feeling included – or having a sense of “belonging” to the company and seeing it as a place where they can be their authentic selves – is the ultimate end goal for any organization.

**Judith Williams, Global Head of Diversity, DropBox**

We want the best talent, so we provide a culture in which diverse talent, regardless of level and background, can bring their authentic selves to work. We believe, when people are themselves, they bring their best to work.

**Nellie Borrero, Managing Director Global Inclusion and Diversity, Accenture**

Diversity is one element of cultural competence, and checking the boxes doesn't make you culturally competent.

**David Levin, President and Chief Executive Officer, McGraw-Hill Education**

Diversity is representation – pure numbers. Inclusion leverages the value diversity brings. We focus on creating a culture where everyone is engaged and feels like they have a voice.

**Melissa Harper, Vice President, Global Talent Acquisition, Inclusion & Diversity and HR Compliance, Monsanto**

One driver of exceptional business results is an environment that allows diversity of thoughts and ideas. You can have great diversity representation, but awful results.

**Steve White, President, West Division, Comcast Cable**

4. *Uncovering talent: A new model of inclusion*, Deloitte University Leadership Center for Inclusion, 2013.

# #GameChangers see diversity and inclusion as inextricably linked to business goals

Our conversations revealed that #GameChangers leverage diverse talent to develop enterprise-level strategies and meet business goals. These D&I leaders exhibit:

**A better ability to serve customers**



Melissa Harper of Monsanto cited an inclusive culture as a leading catalyst of commercial success in the face of an increasingly complex and global customer base – a sentiment echoed in many of our conversations. Latasha Gillespie of Caterpillar shared that employee resource groups (ERGs) dedicated to specific employee communities typically go beyond a focus on diversity to serve concrete business needs; for instance, the company’s mobility team has tapped the experienced-hire ERG for its insights, while the corporate medical team has tapped the women’s ERG.

**A higher level of innovation**



Innovation, whether related to products, channels or business models, is a well-known path to long-term success. Steve White of Comcast shared that, in addition to supporting the company’s more obvious goal of creating an inclusive culture through employee engagement, the company’s ERGs help drive new business ideas and inform market strategies. Marta Tellado of Consumer Reports added that reflecting one’s consumer base through employee diversity helps inform the outreach to key diverse audiences, such as the Latino community.

**A stronger employer brand**



Leading companies recognize that the ability to hire the best talent is essential to long-term market relevance. Judith Williams of DropBox told us that an inclusive culture is so central to DropBox’s employer brand that potential employees inquire about it prior to joining. Further, given that employee referrals are a key source of talent, existing employees need to feel like they belong; otherwise, they will not refer the best talent to DropBox.



Inclusion is essential for evolution. As Alnylam evolved, we needed to attract and appeal to talent from all places – bigger companies, entrepreneurs, academia, etc. Diverse thinking was essential to make this happen.

**Karen Anderson, SVP, Chief Human Resources Officer, Alnylam**

Our ability to partner with a diverse set of clients across a broad set of industries at all levels of the organization will be enhanced if we ourselves have a diverse population to serve those clients. Our ability to collaborate depends on our inclusiveness.

**Julie Coffman, Partner, Bain & Company**

In 2015, first-quarter parts sales in one of our business units was trending about \$25m behind business plan. Simultaneously, we were trying to creatively find exposure and development opportunities for our high-potential talent. We decided to take a risk by creating teams (including people with no experience in parts sales), articulating the challenge, clearing their schedules, empowering them and getting out of their way. We called it the “100 million dollar challenge” and organized teams based on gender, geographic background, generations, language and functional diversity. The ideas and execution of those ideas generated \$57m in incremental sales. This was above and beyond the recoveries that the business produced using traditional methods.

**Latasha Gillespie, Human Resources Director, Caterpillar**

Culture is a differentiator. Numbers will follow. Game attracts game. If people are talented, they want to be around other talented people.

**Steve White, President, West Division, Comcast Cable**

## Diversity and inclusion are about the long game

#GameChangers understand that to unleash the benefits diverse talent promises, D&I Strategy must be a long-term, company-wide journey towards business goals, rather than a series of tactical initiatives catering to specific groups. As a result, they:



### Engage a broad spectrum of employees in diversity efforts, not just diverse individuals.

Leading D&I companies make diversity and inclusion part of a broad corporate and talent strategy, rather than a separate, isolated function. They ultimately engage all employees, including the non-diverse majority, in their diversity and inclusion strategies. Melissa Artabane of Bain highlighted the importance of engaging a broad set of leaders – for instance, inviting male leaders to women’s forums, or activating straight allies for LGBT initiatives. These efforts are highly worthwhile: through Caterpillar’s inclusion survey, for example, Latasha Gillespie has found a positive correlation between high inclusion scores, high safety scores and better inventory turns, proving that inclusion is better for the business.

When creating a diversity and inclusion strategy, we aim to have a global lens and consistent, easy language that everyone can identify with. If not everyone can relate to our agenda, then it becomes about “the other person.” The true definition of inclusion is one where everyone sees themselves in it.

#### **Melissa Harper, Vice President, Global Talent Acquisition, Inclusion & Diversity and HR Compliance, Monsanto**

Firstly, convince people in a way that is relatable for everyone. For example, Caterpillar is engineering-oriented, so we use a lot of scientific data and facts to raise the topic (of diversity). Secondly, find a “hook” that unites all employees regardless of diversity and background. At Caterpillar, that hook is safety, as it has always been the most important focus of our business. All employees understand the importance of safety and understand their accountability (regardless of level or position) for safety. To make it stick, we defined inclusion as “emotional safety.”

#### **Latasha Gillespie, Human Resources Director, Caterpillar**

Companies need to avoid a leader who is single-track and has a narrow opinion of how an organization can succeed.

#### **Joseph R. Swedish, Chairman, President and Chief Executive Officer, Anthem**



### Tackle D&I issues within their own companies, rather than replicating initiatives from other companies.

Companies that focus on diversity appropriately know where they lose their talent and why, and they focus on those areas over the long term. They know that quick-fixes and “ticking the boxes” will not deliver impact, nor will simply copying the efforts of others. Melissa Harper of Monsanto warned against “boiling the ocean,” or trying to do everything, recommending instead that companies focus on the areas that matter most to their own organizations.



### Appreciate that hiring and developing diverse talent require an inclusive definition of “the right fit,” along with a flexible corporate culture.

A company cannot hire and develop for diversity while retaining a narrow definition of what “great talent” is. Judith Williams of DropBox, for example, talked about “going beyond the usual suspects” when it comes to hiring.



### Adapt their cultures to the changing workforce, rather than hiring individuals who perpetuate the current culture.

Judith Williams of DropBox pointed out that when an organization hires people of diverse backgrounds, the culture changes too. Leadership needs to not only accept this change, but use it to the company’s advantage.

## #GameChangers move beyond talk and symbolic hires

Most companies acknowledge the importance of establishing objectives around diversity and inclusion, yet their broader talent strategies often do not support these goals. Companies that truly “move the needle” align processes and behaviors with talent objectives and hold leaders accountable.

### #GAMECHANGERS HIGHLIGHTED THE NEED TO:

- **Address unconscious bias.** Training to combat unconscious bias came up in every conversation with our #GameChangers. For example, Judith Williams of DropBox stated that to be truly inclusive, fundamental assumptions must be addressed.
- **Ensure the talent strategy encourages diverse thinking and inclusive behaviors.** Julie Coffman of Bain told us that global transfers are part of the company’s talent strategy; in fact, a meaningful percentage of employees are on transfer at any given time. Similarly, Karen Anderson noted that meetings at Alnylam are structured across functions and levels, allowing people to critique each other’s work, identify loopholes and leverage diverse perspectives.

We are very focused on reducing “process bias” and ensuring that our HR processes work well for everyone. In our performance management process, we began eliminating the self-assessed year-end rating after we saw a clear pattern of junior women rating themselves lower than their male counterparts.

**Marc Grainger, Global Head of Diversity and Inclusion, Global Head of Talent for Corporate Functions, Credit Suisse**



## #GameChangers move beyond talk and symbolic hires (cont'd)

- Focus on measurement, reporting and accountability.** Comcast measures diversity by function and level, drilling down into problem areas, while other #GameChangers tie bonuses to diversity goals. Additionally, some companies use a data-driven approach and business-intelligence dashboard to measure progress against goals. Many have firm-wide diversity surveys, including Caterpillar, Monsanto and Alnylam. Interestingly, Alnylam's survey focuses on corporate culture, measuring change through year-on-year data. Monsanto's survey recently found that its top performers also scored the highest on diversity and inclusion questions.
- Aim to get everyone on board, even if you do not always achieve it.** When there is enough discord between conduct and goals, no amount of good intentions will help. Companies should therefore strive for full participation across all functions and levels, even if they do not always achieve it. Steve White stated that Comcast strives to create an environment in which all employees "get it," but at the same time recognizes that in reality, some will get it and others won't.
- Know what you don't know.** Inclusive leaders pay attention, assume nothing and question everything. Shellye Archambeau of MetricStream pointed out that when backing a diversity agenda, it's all about the questions asked. Steve White of Comcast noted he spends 40 to 50 percent of his time trying to better understand his employees' needs. And Marta Tellado of Consumer Reports recently invited diversity and inclusion officers from other companies to join a collaborative knowledge-sharing session.

Our goals for diversity and inclusion are woven into recruitment, business practices and our strategic plan.

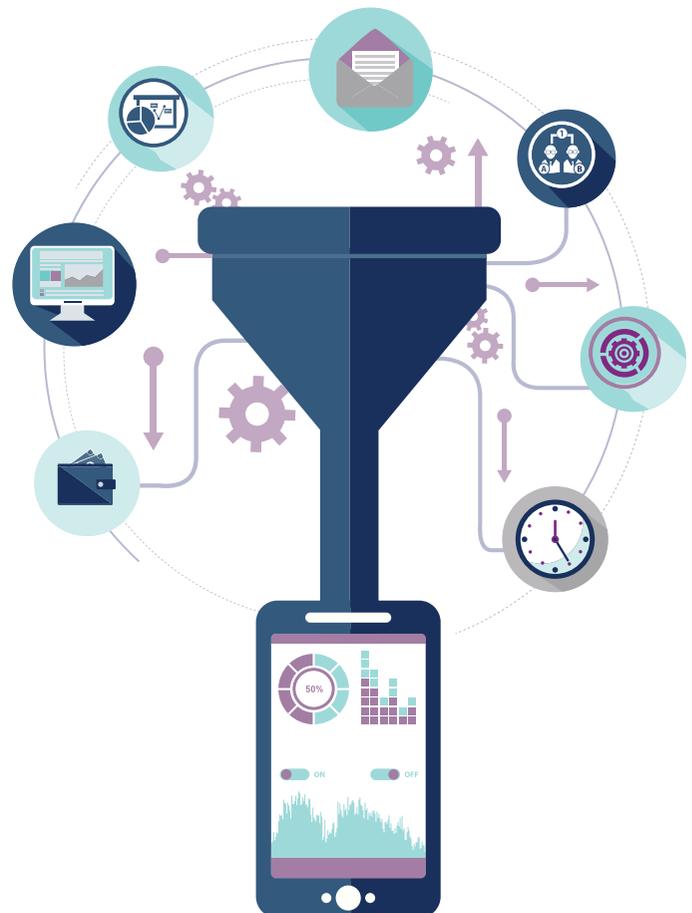
**Marta Tellado, President and Chief Executive Officer, Consumer Reports**

Our philosophy on people who don't get it? Educate, communicate, repeat and terminate.

**David Levin, President and Chief Executive Officer, McGraw-Hill Education**

Diversity doesn't translate globally – for instance, the US focuses on race and gender, while Europe tends to focus on gender. Global firms need to appreciate context and adapt accordingly.

**Shellye Archambeau, Chief Executive Officer, MetricStream**



## Engaged and inclusive leadership is critical to success

Inclusive cultures thrive on engaged and authentic leadership. We found that #GameChangers hire and develop leaders who see the business sense behind diversity and inclusion, hold themselves accountable and act as authentic role models. Joseph R. Swedish, Chairman, President and Chief Executive Officer of Anthem, asserted that he and other senior leaders of the company are uniquely accountable for displaying authentic behaviors and role-modeling the integrity of the corporate culture. Further, Swedish observed that employees are often afraid to talk about culture and the effect of inclusion and ethnicity. Leaders have a responsibility to address this fear. Julie Hoffman and Melissa Artabane of Bain noted that as Bain employees progress into leadership roles, role-modeling inclusion is an expectation; for example, it is a key input into the overall process of selecting new office leaders.

#GameChangers stand out because of leaders who see the value that diversity brings, foster inclusive cultures and exemplify behaviors that instill a sense of belonging among employees. Ultimately, they recognize that the factors that brought companies where they are today may not be the ones required to take them where they need to go. It will be essential to bring in inclusive leaders with culture-challenging mindsets, who will be key components of a long-lasting, resilient company.



Diversity is a fact, but inclusion is a choice we make every day. As leaders, we have to put out the message that we embrace, and not just tolerate, diversity.

**Nellie Borrero, Managing Director Global Inclusion and Diversity, Accenture**

This is a journey, and while we cannot make people do this, we can put in leaders who are passionate about it.

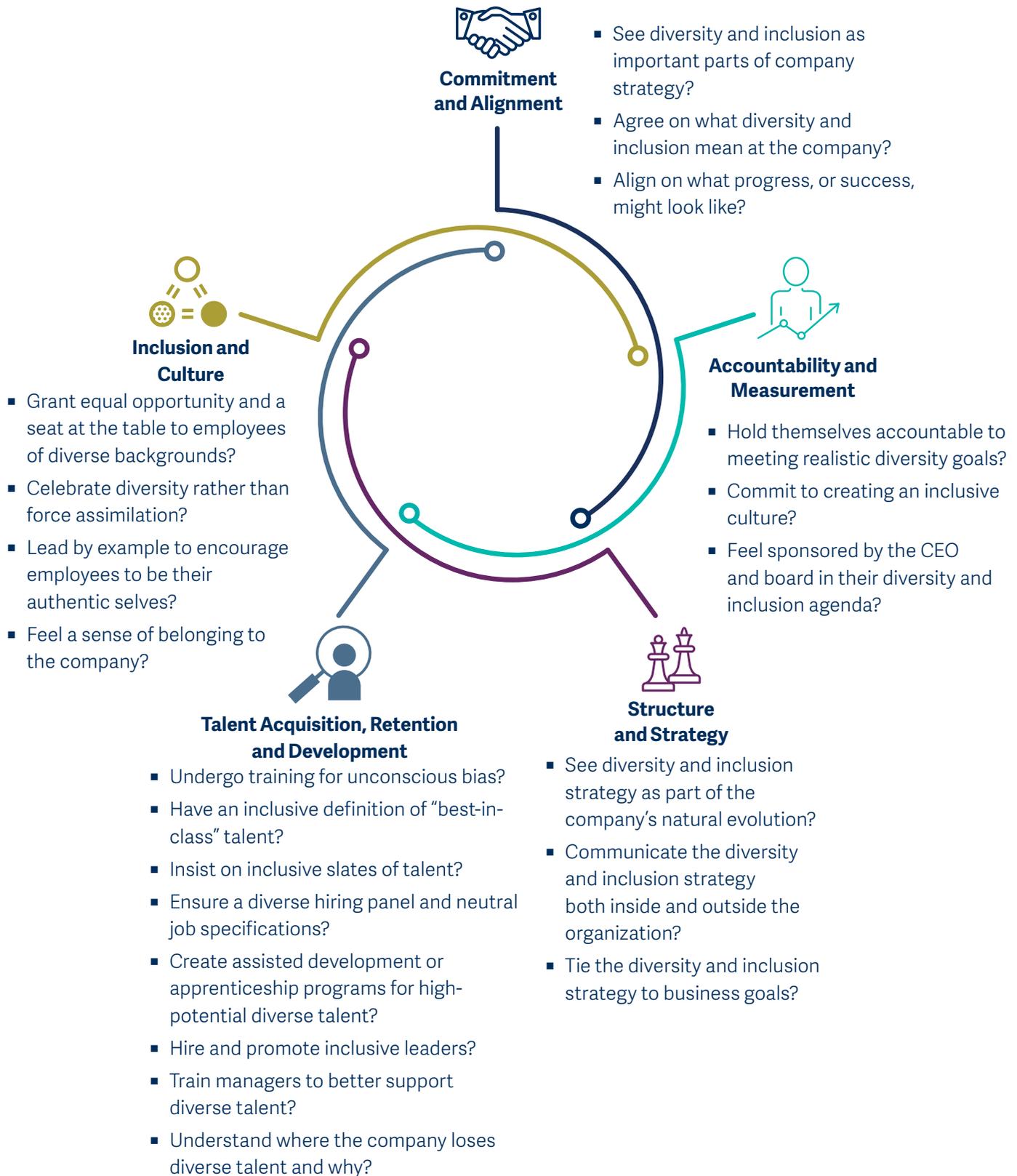
**Julie Coffman, Partner, Bain & Company**

Hope is not a strategy. You need accountability, execution and leadership to drive results.

**Joseph R. Swedish, Chairman, President and Chief Executive Officer, Anthem**

# Benchmarking for success.

## Do leaders within the company ...



## WITH THANKS TO OUR CONTRIBUTORS

### Accenture

Nellie Borrero, Managing Director  
Global Inclusion and Diversity  
Aimée Meher-Homji, Global  
Diversity Recruitment Lead

### Alnylam

Karen Anderson, SVP, Chief Human  
Resources Officer

### Anthem

Joseph R. Swedish, Chairman,  
President and Chief Executive  
Officer

### Bain

Julie Coffman, Partner  
Melissa Artabane, Director, Global  
Women's Leadership Council, Global  
Diversity Programs

### Caterpillar

Latasha Gillespie, Human Resources  
Director

### Consumer Reports

Marta Tellado, President and Chief  
Executive Officer

### Comcast

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### Credit Suisse

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Diversity and Inclusion, Global Head  
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### DropBox

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Diversity

### McGraw-Hill Education

David Levin, President and Chief  
Executive Officer

### MetricStream

Shellye Archambeau, Chief  
Executive Officer

### Monsanto

Melissa Harper, Vice President,  
Global Talent Acquisition, Inclusion  
& Diversity and HR Compliance

## AUTHORS

**JAMIE HECHINGER** founded and leads the firm's Social Justice and Advocacy Practice, along with high-profile chief executive searches for the nonprofit sector ranging across Foundations, Civil and Human Rights, Education Reform, Conservation, and Global Development organizations. She leads the firm's Diversity and Inclusion Practice for the Americas and is based in Washington D.C.

**ART HOPKINS** is a member of the firm's Technology Officers' Practice and Diversity and Inclusion Practice. He advises clients across sectors on their technology leadership, as well as clients within the technology sector on their executive leadership. He is based in Atlanta.

**ANTONIO MACHADO** is a member of the firm's Technology Practice and Diversity and Inclusion Practice. He conducts leadership recruiting and succession assignments at CEO and senior-executive level for public, private and private-equity backed clients ranging from small to Fortune 50 companies. He is based in Atlanta.

**HARSONAL SACHAR** is the global knowledge lead for the firm's Diversity and Inclusion Practice and a member of the firm's Consumer Sector. She is based in Toronto.

**NORA VISKIN** is the global knowledge lead for the firm's Digital Transformation and Data & Analytics Practices and a member of the firm's Diversity and Inclusion Practice. She is based in Boston.

Russell Reynolds Associates is a global leader in assessment, recruitment and succession planning for boards of directors, chief executive officers and key roles within the C-suite. With more than 370 consultants in 46 offices around the world, we work closely with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, environmental and political trends that are reshaping the global business environment. Find out more at [www.russellreynolds.com](http://www.russellreynolds.com). Follow us on Twitter: [@RRAonLeadership](https://twitter.com/RRAonLeadership).

### About our Diversity and Inclusion practice

Our Diversity and Inclusion practice helps organizations realize their full potential by creating and enabling truly diverse teams and fostering an intentionally inclusive culture.

We believe diversity, inclusion and belonging are drivers for innovation, agility, and a more engaged organization and workforce.

Through our experience in board effectiveness, CEO succession, team, leadership & cultural assessment, and executive search, we are able to create, develop, measure, and drive change towards authentically inclusive culture and diverse leadership.



### GLOBAL OFFICES

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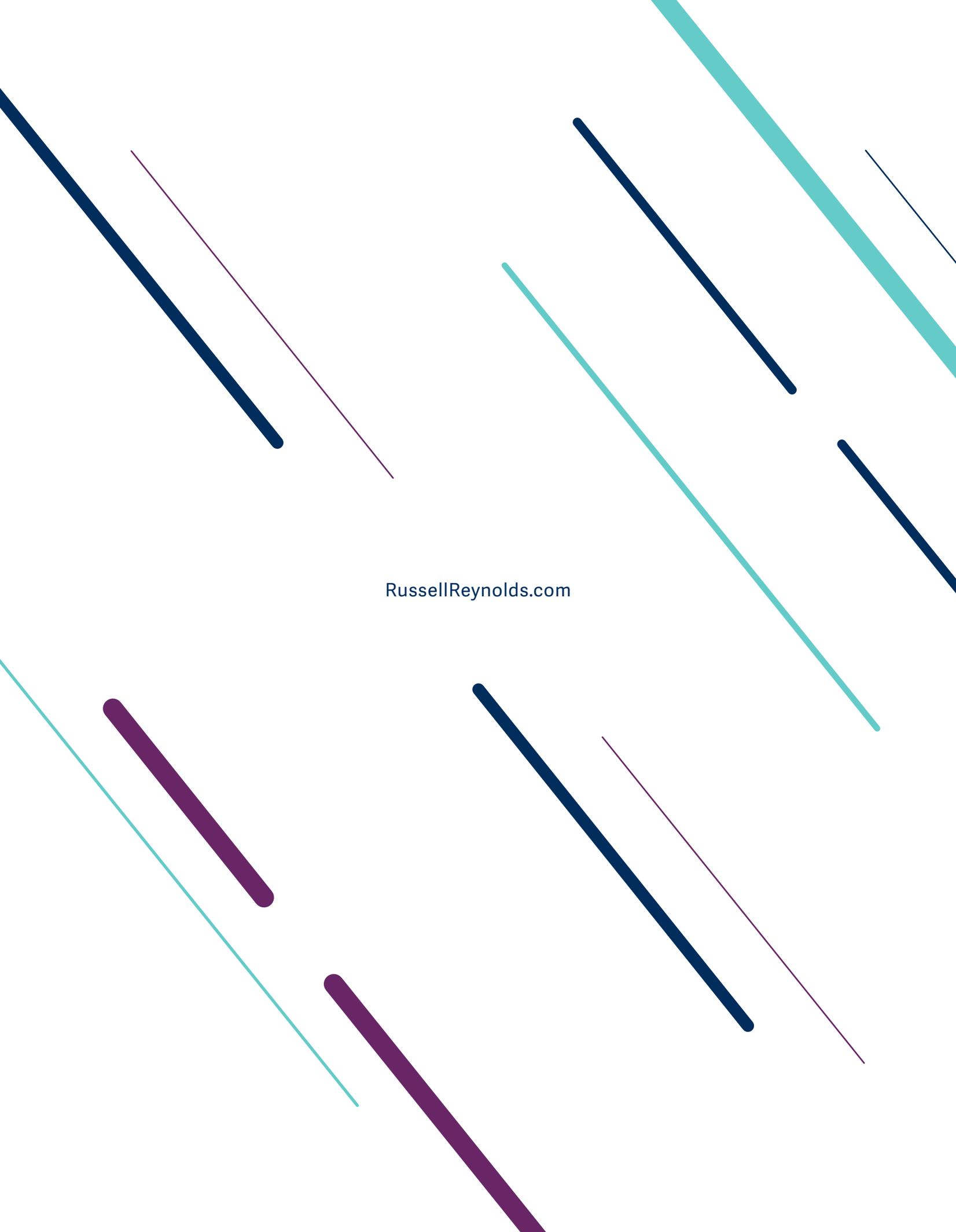
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