

Board Leadership Centre

Getting started on the Inclusion and Diversity Journey



Let's do this.

In 2021 societal changes brought more attention to Inclusion and Diversity, what can the Board do to stay on top of people's needs?

2021 has been a landmark year for the causes of Inclusion and Diversity (I&D). Long-building trends were accelerated by the COVID-19 pandemic, media and social attention on issues of systemic racism and economic inequity as well as new diversity disclosure requirements for some businesses and government entities.

Increasingly, organizations are making public commitments to improve I&D, both internally and externally. With the pandemic pushing most of us to work from home, CEOs now rank 'talent risk' as the number one threat to long-term growth, with executives recognizing the need to keep their people feeling safe but also connected, engaged and productive.

In an age of transparency, businesses must act proactively to implement strategic inclusion and diversity practices. I&D initiatives play a central role in fostering an enjoyable work environment where everyone feels safe, valued and engaged. From a business perspective, companies with engaged teams have less absenteeism, less turnover, and greater profitability. I&D initiatives can also increase employee productivity, customer centricity and improve an organization's brand and reputation.

We recognize and understand that each organization is at a different stage of its I&D journey and differs based on interests and needs.

So be sure to consider your own organizations' unique context, meet with the stakeholders you want to include, understand where they are at, and guide them along their own individual transformation journey, focusing on elements that are important to various stakeholders. Below are some examples of how you can work with your stakeholders (employees, customers, patients, citizens, or vendors) to support their needs:



	Topic	Brief	Key Questions
1	Culture  Define what I&D means to the organization in the long-term and design a roadmap of initiatives that will support long-term ambitions	Start with the end in mind and define what kind of culture you want your organization to have. Define clearly what behaviours will be fostered and which ones will not be tolerated. Plan for a robust education plan, as changing the culture is only possible if we change the values, the mind-set and the demonstrated actions in the day-to-day.	<ul style="list-style-type: none"> – Why are attrition rates higher than at peer organizations? – How do we foster a sense of belonging for all employees?

2

Equity



Gain a clear understanding of I&D progress on creating fair opportunities and equitable access at an individual and organizational level. Identify which I&D initiatives are driving the most opportunity across the business or hindering success.

As a second step, tailor definitions that bring clarity to what Equity is, and why it is important for your organization. We define each term as follows: Diversity is the ways in which individuals differ. Inclusion is the respect, support and removal of barriers to contribution. Anti-racism is the act of actively opposing racism by challenging and changing systems and structures. Equity is the fair treatment, access and opportunity for all people. Belonging is a feeling of security, support and acceptance.

- How do we build equitable policies, practices, and processes?
- Is our recruitment process equitable?
- Why should we strive for a diverse leadership team? Or a diverse workforce?
- How do we achieve equity in pay?

3

Environment



Analyze connections between employee health and wellness and organizational success. Identify inclusive initiatives that can have positive impacts on productivity, collaboration and morale.

As a third step, look at the specific environment that is impacting your sector, your company, your locations and your workforce. Gain an understanding of current organizational I&D capabilities through a current state assessment that will help you identify opportunities and gaps in your current context.

- How do we address the disproportionate impacts of COVID-19 on our workforce? (e.g. on working parents)
- How do we ensure an accessible and inclusive virtual work environment?

4

Performance



Embed I&D principles into talent processes to attract people from a wider talent pool, fill skills gaps, and reduce turnover.

Once you have a baseline, develop your I&D Strategy, including your company's I&D principles, the initiatives or actions you will take to improve your talent processes, and the metrics you will use at every stage to measure impact.

- How does inclusion and diversity affect business performance?
- How do we find the best talent?
- How do we drive increased engagement and productivity?

5

Progress



From the beginning of your I&D Journey, work on both the Moral Case and the Business Case to increase buy-in and accountability. Quantify the potential financial benefits of a strong I&D program as a way of "making a business case" for I&D investment.

Inclusion and Diversity is not a responsibility to be relegated to the side of the desk, or from a siloed office or function. Inclusion and Diversity is part of every role, and it is a shared responsibility at all levels.

- How do we measure I&D progress at an organizational level?
- Should we hold individuals accountable for I&D efforts? How do we do this?
- How do we measure diversity at each level?

6

Governance



Ensure the organization has formal structures, measures and key performance metrics (KPIs) in place holding them socially accountable to its workforce and other stakeholders.

Finally, set up a simple and clear path ahead with an Inclusion and Diversity Strategy that is supported by a formal Governance. Starting from the Board, cascading down to C-Suite and management, and working through the I&D Committee and the Employee Resource Groups, clarify roles and responsibilities.

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Contact



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Learn more about **KPMG's Inclusion and Diversity Practice** and check out how you can measure your organization's **Inclusion IQ™** to start your I&D Journey today.