Organisations with inclusive and diverse (I&D) Boards, leadership and workforces outperform those without.

- 87% inclusive teams make better business decisions...directly linked to better business performance.
- 74% of organisations agree that D&I is critical to the success of their organisation.
- 56% of the largest organisations (over USD10 billion in annual revenue) strongly believe that diversity drives innovation.
- 45% of organisations are more likely to report growth in market share if their workforce is diverse.

The future is inclusive - why now?

Changing demographics of the workforce and customer base
- A diverse workforce can better understand and address the needs of a diverse customer base
- Businesses without a varied mix of employees will miss out on the spending power of minority markets
- Millennials will comprise 75% of workforce by 2025 and want to work for inclusive organisations that facilitate team collaboration and professional growth
- Competition for skilled talent means responding to these new expectations.

Legal and investor pressure
- Legislation (e.g. mandatory gender pay gap reporting and anti-discrimination laws in some countries) has challenged the perception of I&D as a ‘nice to have’
- An inclusive culture is now seen as a way of protecting companies from costly employment tribunal claims
- Institutional investors are increasingly alert to I&D.

A shifting economic landscape
- External factors are forcing CEOs to transform their business models, e.g. accelerated technological change and the rapid sprawl of the global trading system
- This landscape requires new ways of thinking, which businesses might more easily achieve with a diverse workforce
- Innovative ideas are not inspired by someone echoing our own voice, therefore diversity is important.

Inclusion versus diversity: we need both

The most successful organisations today seek out, value and embrace difference in all its forms, i.e. diversity of:
- Thought
- Perspective
- Experience
- Background
- Appearance
- Skillsets
- Culture
- Personality
- Preferences
- Communication styles

Inclusion is about having a voice at the table

Source:
1) Forbes, Erik Larson, Sept 2017 based on a 2 year study of business teams in 600 companies
2) Russell Reynolds, Moving the Needle: A Roundtable Discussion on Diversity and Inclusion
3) ‘Fostering Innovation Through a Diverse Workforce’, Forbes Insight
4) Forbes, Credit Suisse, HBR 2017
5) Forbes Voice ‘How Millennials are shaping the office of the future’, Sept 2017
6) KPMG, #KPMGjoef
Boardroom questions

1. Do we have a strategic approach to building a diverse Board?
2. Do we know and understand the diverse communities that are critical to our organisation’s success?
3. Does our leadership team and the Board champion and role model diversity? Do we foster inclusive leadership at all levels of our organisation?
4. Do we have targets for diverse Board membership? Do we disclose Board skills and experience, including gender, race and ethnicity as required dimensions, and sexual orientation as an optional dimension?
5. Do we use a sufficiently broad lens to find the best candidates?
6. What are we doing to attract, retain and promote diversity of talent? Do we consider diversity of skill sets, backgrounds and perspectives?
7. What I&D policies do we have in place to encourage candidates to join us?
8. Do we provide advice for women and minority groups on how to progress their careers? Do we run mentoring and coaching schemes?
9. Are we investing in our people with leading-edge I&D training?
10. Do we measure and reward success based on merit, irrespective of difference and background, in a fair and consistent way?
11. Does our culture foster purpose-led inclusion that inspires diverse groups to work with pride and passion?
12. Do we engage with clients about I&D? Do we know what I&D issues our markets are dealing with?
13. Do we know and understand the diversity of our customer, client and user base, and the opportunities arising from this diversity?
14. Which is the most important factor that acts as a driver (or barrier) to your organisation’s effort in attracting retaining and developing diverse talent?

What actions can the Board consider?

- **Be patient but persistent**
  Cultural change requires a long-term perspective. Start the process now, and keep it going.
- **Initiate change**
  Collaborate with the management on a few priority I&D initiatives, be visible role models and provide support and advice to ensure they succeed.
- **Require ownership**
  Identify key executives who will be held responsible for progress—starting with the CEO.
- **Demand accountability**
  What gets measured gets done, particularly when the Board is asking the questions.
- **Lead by example**
  Board members to act as positive role models, taking on the role of mentor and champion of high potential executive women and minority groups. Build diversity into the Board and leadership team by actively looking for diverse candidate lists when discussing succession.

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