I. Introduction

To evaluate the impact of global diversity efforts, we have investigated best practices that correlate to results, measured in increased human-capital diversity and business opportunity. Through 203 data submissions and extensive interviews with 25 companies, we have learned that diversity-and-inclusion initiatives have been mostly focused around gender, while efforts to include ethnic and religious minorities, people with disabilities and LGBT people are just beginning to surface.

We studied all global regions and found the most successful diversity-and-inclusion efforts in Europe, Asia and Central/South America. Virtually all start with initiatives aimed at women that emphasize local cultural values. We found direct correlations between companies that have initiatives for recruitment and talent-development programs for women and increased representation of women in the workplace, management and the senior-executive ranks. We also note correlations between D&I initiatives such as resource groups and mentoring, and increased female representation in management ranks.

Support from corporate and local leadership is especially critical when addressing other dimensions of diversity. Companies in every region with global diversity councils have made far more significant inroads in LGBT inclusion. And companies with regional diversity councils led by local business leaders are far more likely to implement supplier-diversity initiatives.

In this report, we will document which best practices are working through analytical data and case studies demonstrating results. All of the companies we have analyzed tell us these efforts are just beginning and they expect to see rapid advancement in their global diversity efforts and enhanced competition for talent.
II. Methodology

This report relies on two years’ worth of data submissions, totaling 203 entries from 46 countries. The submissions represent nine industries—professional services, technology, consumer-packaged goods, pharmaceutical, chemical, manufacturing, auto, hospitality and medical devices. The questionnaire was designed to be culturally competent, capturing and codifying demographics (gender, age and locally underrepresented groups where reportable) as well as best practices (talent and leadership development, resource groups, diversity councils, supplier diversity).

Our thirteen 2012 sponsors helped us determine what best practices to examine locally and globally to implement initiatives with sustainable results. Our interviews, with an emphasis on talent development, leadership pipeline and resource groups for underrepresented groups, gave us perspective on what has worked for different companies in different countries/regions, and how they overcame challenges. The sponsors are: Accenture, BASF, Cigna, Dell, Deloitte Touche Tohmatsu Limited, Ernst & Young, General Motors, Merck & Co., Medtronic, Pfizer, PricewaterhouseCoopers, Sodexo and Wells Fargo.

Companies filled out the survey for each country they chose; most also provided information for headquarters. The survey continues to stay open. We add companies, countries and regions to our database with each new submission. The survey has approximately 100 questions and is divided into the following seven sections:

- **GENERAL INFORMATION** Ascertains how long the diversity-and-inclusion initiative has existed, and how it is organized and staffed (full-time, part-time and volunteer).

- **HEADQUARTERS** Assesses global diversity councils and global support and control of local diversity-and-inclusion initiatives.

- **LEADERSHIP AND VALUES** Examines what diversity and/or inclusion means locally, what the three biggest challenges/barriers facing successful D&I efforts in each country are, what type of internal diversity council has been established, the support of local business leaders, how D&I is integrated into the local business goals, what metrics are used to assess D&I success locally (i.e., what is the business case?), and how employee engagement is measured.

- **HUMAN CAPITAL** Measures workforce, management and senior-management representation by gender, looks at the age of the workforce in each country, and probes whether the local organization has specific recruitment and leadership-development efforts for women and other underrepresented groups.

- **BEST PRACTICES** Looks at local efforts to implement diversity strategies and initiatives that include resource groups, mentoring, training, outreach to LGBT people (where legally permissible), outreach to people with disabilities, work/life benefits (especially flexible workplaces), and website communications about D&I.

- **SUPPLIER DIVERSITY** Studies whether local supplier diversity exists and, if so, what groups are targeted and what best practices are in place to support growth and impact.
III. Major Findings

Our findings are presented in order of which initiatives have the most immediate impact, according to our data correlations and interviews with sponsors and participants. They specifically address company approaches to recruitment, leadership development, flexible workplaces, formal mentoring, resource groups, generational issues and global executive diversity councils.

Formalized processes aimed at underrepresented groups are having an impact. In measuring gender diversity, the one constant variable across countries and cultures, we find the following:

A. Recruitment

Companies with formal recruitment policies aimed at women reported dramatic increases in female representation in the workforce. For example:

- In India, companies with formal recruitment policies had one-third more women in the workforce.
- In Italy, they had 250 percent more women in the workforce.
- In Belgium, they had twice as many women in the workforce.

1. BEST PRACTICES

- Create flexible workplaces (a very new concept in most Mideast countries and many others) and publicize this internally and externally.
- In countries where women have not had significant roles in the workplace, educate male leaders and workforce (in a culturally competent way) about the business benefits of inclusion—i.e., make the business case.
- Mentor women and eventually recruit at high schools and universities. Use female role models if at all possible.
- If you have a women’s resource group, use its members to talk to students and community members about the benefits of working for your organization. Use the members to coach and assist women entering the workforce.

For more in-depth best practices on Recruitment, see Developing Female Talent in Australia, Flexible Workplaces in India and 2 Case Studies: People With Disabilities and Ethnic Minorities.
2. Case Study No. 1
A pharmaceutical company hired its first woman in its South Korean salesforce 15 years ago and has subsequently made a concerted effort not only to recruit women, but also to put them into frontline roles. The biggest obstacle has been in changing the male-dominated culture. “The pharma-industry sales here was about drinking with clients and was very male-oriented. We wanted to go in a different way and we specifically targeted young, highly educated females,” the local head of diversity told us.

The organization’s selling points to recruits are the flexible work/life schedule (especially for working mothers), the female role models now in senior-leadership positions and the inclusive culture, including awards for gender equity. A resource group for “Mums & Dads” has been successful in retaining talent. A newly created women’s council helps senior sales and marketing managers “address an environment where female members of the salesforce have encountered sexual harassment by male customers.” The company’s metrics show significant progress: Women now comprise almost half of the management staff and 40 percent of the sales staff.

3. Case Study No. 2
Recruitment efforts aren’t only focused on women. At food-services provider Sodexo’s Sweden office, a joint program with state-owned Samhall that started in 2007 has resulted in 30 of 37 employees of a restaurant being people with disabilities. Within the next three years, the joint venture expects to find jobs for 1,000 people with disabilities.

B. Leadership Development
We note a significant increase in management opportunities and promotions for women in companies that have locally based leadership-development programs aimed specifically at women. In contrast, leadership programs targeted at underrepresented groups are scarce globally. Examples of the benefits of programs aimed at women:

- In Brazil, companies with leadership programs for women had almost four times as many women in management as companies without these programs.
- In Japan, the difference was even more significant: Companies with leadership programs for women had more than six times as many women in management.
- In Malaysia, Poland and Vietnam, companies with leadership programs for women had double the amount of women in management as those without these programs.

<table>
<thead>
<tr>
<th>Best Practice</th>
<th>Leadership Programs for Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian Companies WITH Leadership Programs for Women</td>
<td>54.7%</td>
</tr>
<tr>
<td>Asian Companies WITHOUT Leadership Programs for Women</td>
<td>25.1%</td>
</tr>
<tr>
<td>Percentage of Women Executives</td>
<td>45.3%</td>
</tr>
<tr>
<td>Asian Companies WITH Leadership Programs for Women</td>
<td>17.1%</td>
</tr>
</tbody>
</table>
Sponsorship as well as mentoring is becoming increasingly valued, especially at professional-services firms.

- Formal exposure to senior leadership benefits both high-potential women and the leadership, which gains greater awareness of the value of women in essential roles.

- Regional conferences and seminars aimed at career development have become increasingly effective.

- Resource groups increasingly are used to identify and train potential women leaders. Cross-functional leadership roles within the resource group also offer valuable experience.

For more in-depth best practices on Leadership Development, see Developing Female Talent in Australia and Flexible Workplaces in India.

2. Case Study No. 3
A professional-services firm in India allows its managers and high-potentials to choose the city in India in which they wish to work and will customize their workloads for extended periods, “recognizing their need to attend to personal priorities at a given point in time.” This company also has programs designed for high-potential female employees to meet with senior leaders and ask for advice on career growth and advancement. “Our mentoring program provides support to women professionals by encouraging them to achieve their goals, by serving as a sounding board, and by helping them enhance their networking opportunities,” a local HR leader told us.

3. Case Study No. 4
Deloitte Australia has a program called Getting Our Unfair Share of Female Talent (GOUSOFT), which is about creating a female-partner pipeline. Last year, 43 percent of new women partners were GOUSOFT participants.

4. Case Study No. 5
A B-to-B company in India employing mostly lower-skilled employees started lunch-box sessions on skills, health and wellness. The goal was to help women cope with the demands of work and home as well as to identify potential management talent. A one-year pilot program for six women on accelerated leadership development, which included one-on-one mentoring with senior leaders, led to increased engagement and promotions.
C. Flexible Workplaces

Almost all companies surveyed felt that flexibility in terms of hours and location is key to increasing retention, engagement and promotions of women and younger people in general. The degree of flexibility often depends on the local cultural role of women and how strong their home/family duties are.

- In France, companies with flexible workplaces have almost double the percentage of women senior executives and a third more women in management. They also have double the amount of women in the workforce.

- In Europe in general, companies with flexible workplaces have double the amount of women in senior management and 50 percent more women in management.

- In Singapore, companies with flexible workplaces have 50 percent more women in management and more than 20 percent more women in the workforce.

1. Best Practices

- Educate senior management and the workforce on the value of flexible-work policies.

- Use women’s resource groups as a means of identifying flexible-workplace ideas and employees who would most benefit.

- Have senior executives serve as flexible-workplace role models.

- Outreach to family members on the value of women working outside the home is critical, especially in countries where this is unusual, such as India and China.

- Reimburse employees (or negotiate group discounts) for childcare.

- Provide counseling/benefits for health and wellness, physical fitness and learning sessions on life skills such as paying bills, booking tickets, multitasking.

For more in-depth best practices on Flexible Workplaces, see Developing Female Talent in Australia and Flexible Workplaces in India.
2. Case Study No. 6
At a technology company in Asia, a women's resource group identified female abuse in the home as a leading issue preventing women from being engaged at work. A confidential employee-assistance program was created and women were encouraged, through the resource group, to develop skills to address these situations.

3. Case Study No. 7
A professional-services firm in Australia started a program to identify workaholics and to understand the negative impact on the workplace in terms of retention and productivity. Executives, including the CEO, were interviewed. The firm initiated a training program on how to “turn it off.” As a result of the program, compressed work weeks (40 hours in four days) were offered.

4. Case Study No. 8
A hospitality company in India, which employs many women who have only basic educations, has held a series of programs and one-on-one sessions on how the women can make their home lives more efficient, such as preparing the night before, asking husbands and children for help, and using yoga to relax. The company also invites extended families (including mothers-in-law) into its offices so they can see the value of the work the women are doing.

5. Case Study No. 9
A pharmaceutical company in the United Kingdom had a policy on flexibility in the workplace that hadn’t been fully embraced by the staff. “People didn’t really feel like they could ask for it. They thought it would have a detrimental effect on their career,” the local head of diversity told us. The women's resource group surveyed managers and employees and found the gap was caused by a huge miscommunication—managers were happy to support flexible workplaces but no one ever asked about it. The company now has almost 40 percent of its staff working on flex time, including senior managers.
D. Formal Mentoring

While formal mentoring and sponsorship programs are just beginning to catch on in most of the world, their impact in areas where they have been in place is dramatic. For example:

- Companies in Australia with formal mentoring had one-third more women executives than companies without.
- Companies in India with formal mentoring had five times the percentage of women managers and double the percentage of women executives.
- Companies in Germany with formal mentoring had 10 percent more women in management.

**BEST PRACTICE**

Mentoring Improves Gender Representation at All Levels in Central and South America

<table>
<thead>
<tr>
<th>Women Workforce</th>
<th>Women Management</th>
<th>Women Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>38.9%</td>
<td>37.0%</td>
<td>23.7%</td>
</tr>
<tr>
<td>34.7%</td>
<td>30.9%</td>
<td>23.0%</td>
</tr>
</tbody>
</table>

**For more in-depth best practices on Mentoring, see Flexible Workplaces in India.**

2. Case Study No. 10

IBM has piloted a global cultural-mentoring program. The initiative started in May and, so far, 150 people have signed up from a variety of countries, especially emerging markets such as China and India. The program pairs mentors and mentees across country borders. Virtual communications are used, along with social-media collaboration tools. IBM provides a web-based tool to give participants insights into cultural competence across global borders.
Global resource groups traditionally are aimed at women and focus almost exclusively on talent development, but we are beginning to see groups based on age, sexual orientation and, in a few cases, race/ethnicity. There are definite correlations between having groups and increased diversity in the workplace. For example:

- In Belgium, companies with resource groups had one-third more women in the workplace than companies without them.
- In Spain and Australia, companies with resource groups had one-quarter more women in the workplace.
- In the United Kingdom, companies with resource groups had 10 percent more women in management.

Resource-group programs should be part of corporate global diversity efforts to ensure that they are communicating effectively with each other and adhering to corporate business goals.

- Most companies start with women's groups but increasingly are adding groups based on age, disabilities and other underrepresented groups, including LGBT in countries where people can be out about orientation.
- Having local executive sponsors is critical to local success of the groups.
- Groups should have charters that emphasize both corporate goals and local goals, including recruitment and talent development.

For more in-depth best practices on Resource Groups, see Flexible Workplaces in India and IBM's Global LGBT Support.

Three years ago, Dell made a decision to fully integrate its global and U.S. diversity initiatives, including its resource groups. The company has nine resource groups, of which four are global: groups for women, people with disabilities, young professionals and a new group for a sustainable planet. Governance documents approved by the corporate diversity office establish a framework for the groups, but their particular efforts are local.

“Our ERGs’ efforts are grassroots so instead of us pushing down, it’s really got to come from our members,” says Rubiena Duarte, Senior Manager of D&I, who works directly with the groups. Some
groups have 40–50 members, others have several hundred. All have executive sponsors. All report in on their activities monthly. Reporting highlights efforts to incorporate corporate strategies with local best practices. Success is measured in membership, attendance and impact on recruitment and talent development. A recent cross-ERG virtual summit allowed groups to talk across borders and affinities.

3. Case Study No. 12

IBM has been the most visible supporter of LGBT inclusiveness globally, spearheaded by strong corporate values emanating from corporate leadership. The company’s LGBT business-resource group, EAGLE (Employee Alliance for Gay Lesbian Bisexual and Transgender Empowerment), launched in 1995, now has 55 chapters worldwide, more than half outside the U.S., including chapters in mainland China and Taiwan.

Tony Tenicela, Global Business Development Executive, Workforce Diversity and LGBT Markets, says EAGLE groups have held business-leader forums for LGBT decision-makers and influencers who are clients in countries including Singapore, Thailand, China and the Czech Republic. In 2012, IBM partnered with GLSEN (the Gay, Lesbian & Straight Education Network) to invite IBM employees globally to select a school of their choice and visit it to promote anti-LGBT bullying. The program generated interest in more than 15 countries and now is an ongoing employee initiative, Tenicela says.

IBM’s message globally is to treat its more than 450,000 employees in 170 countries inclusively, which can be a challenge in countries where LGBT people legally cannot be open in public about orientation. However, technology, such as social media and collaborative forums, enables IBM to create more welcoming avenues, Tenicela notes. “If we are able to demonstrate cultural leadership in those countries, it’s not just good business for us in terms of trust and credibility with clients, but it also has social impact,” he says.

Our research shows a vast difference in the age of workers in various countries, with many Asian countries having very young workforces and some European countries having older workforces. The issues facing them are very different and, therefore, require a variety of solutions. For example:

- More than half of the workforce of the countries in Asia are younger than 34.
- More than three-quarters of Vietnam's workforce and 70 percent of India's workforce is younger than 34.
- Twenty percent of Sweden's workforce and 12 percent of the Netherlands' workforce is older than 55.

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F. Generational Issues

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- Twenty percent of Sweden's workforce and 12 percent of the Netherlands' workforce is older than 55.
1. BEST PRACTICES

- Survey representative sample of local workforce for engagement, with age factored into results.
- Create a resource group aimed at younger workers to specifically address what motivates them.
- Evaluate benefits to ascertain which are most likely to attract younger workers and retain/engage older workers.
- Particularly assess flexible-workforce options as these are most relevant to both younger and older workers.
- Provide cultural-competence training specifically aimed at generational communications.

For more in-depth best practices on Generational Issues, see Flexible Workplaces in India.
Global executive diversity councils are increasingly used to set D&I strategies for the organization, which then are filtered to local diversity councils for implementation. They show organizational consistency in values and subsequent messaging, which produces results in the global workplace. For example:

- In Europe, companies with global diversity councils are twice as likely to offer domestic-partner benefits in countries where they are legal and three times more likely to include sexual orientation in training.
- In the United Kingdom, companies with global diversity councils are twice as likely to mention orientation in their anti-discrimination statements, and they have three times more external partnerships with LGBT organizations.
- Companies with global diversity councils are also three times more likely to have regional councils to implement strategies. Supplier diversity is a good example of that, with companies with regional councils in Europe twice as likely to have formal supplier-diversity outreach. (There is virtually no supplier diversity in Asia yet.)

### Best Practice: Global Diversity Council and LGBT Inclusion

<table>
<thead>
<tr>
<th>Region</th>
<th>Domestic-Partner Benefits</th>
<th>Cultural-Awareness Training That Includes Sexual Orientation</th>
<th>Orientation Is Part of D&amp;I Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central and South America</td>
<td>50%</td>
<td>26%</td>
<td>25%</td>
</tr>
<tr>
<td>Asia</td>
<td>29%</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Europe</td>
<td>36%</td>
<td>22%</td>
<td>21%</td>
</tr>
</tbody>
</table>

### Best Practice: Regional Diversity Council vs. Supplier Diversity

<table>
<thead>
<tr>
<th>Region</th>
<th>Reach Out to Diverse Suppliers</th>
<th>Tier II Supplier Diversity</th>
<th>Training/Mentoring</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>17%</td>
<td>13%</td>
<td>17%</td>
<td>2%</td>
</tr>
<tr>
<td>Europe</td>
<td>21%</td>
<td>14%</td>
<td>7%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Light Colored Bar = Company Does Not Have Global Council
Dark Colored Bar = Company Has Global Council
1. BEST PRACTICES

- Have global CEO chair council and have direct reports plus regional heads of businesses as members.

- Council should meet quarterly (virtually is fine, but one in-person meeting should be held annually).

- Council should set global strategic goals but leave implementation to in-country personnel.

- Local/regional councils should be chaired by local/regional heads of business units and should report in to global council.

For more in-depth best practices on Global Executive Diversity Councils, see IBM’s Global LGBT Support.

2. Case Study No. 13

A large professional-services firm decided to focus on formal sponsorship to complement its already strong cross-cultural mentoring program. The strategy came from the global CEO and was pushed down to regional and local councils globally. The firm reports successful sponsorship efforts of senior partners and high-potentials from underrepresented groups, measured in increased engagement, retention and promotions.
IV. Conclusion

The direct link between diversity-management best practices and sustainable human-capital results is clear from this research as well as from the interviews with executives around the globe.

To highlight the key correlations:

- Companies with recruitment programs for women recruited 20 percent more women in Europe and Central/South America.
- Companies with leadership programs for women had 44 percent more women executives in Asia.
- Companies with flexible-work arrangements had 34 percent more women executives in all areas studied.
- Companies with formal mentoring programs had 12 percent more women in Central/South America.
- Companies with global diversity councils were twice as likely to have global LGBT efforts in all regions.
- Companies with regional diversity councils led by local country executives were four times more likely to have supplier-diversity programs in Europe and Asia.

The best practices the companies have detailed for us, and which still are evolving, increase representation, engagement, productivity and marketplace connections. However, the research shows they work most effectively when specifically tailored to local cultural norms and when there is support from both global headquarters and local leadership.

There are demographic differences between regions, which we note in this research, such as the much younger workforce in Asia and older workforce in Europe. There are also varying standards on women’s roles in and out of the home, inclusion of LGBT people, the need for proactive efforts to include people with disabilities, and the importance of supplier diversity.

Global diversity is evolving at different paces in various regions and countries, but all participating companies agree on its increasing importance in having an engaged workforce that relates to the local population.

What’s Next?

Our consulting practice can help build your global diversity initiative and successfully implement it on a local level. This service includes: Making the business case to local leadership; in-depth assessment of organization/current initiatives; roadmaps and specific plans of action; situational analysis; written and verbal debriefs.

Our next round of global research will start in the spring of 2013 and will focus on increasing our knowledge database, especially in emerging-market countries where there is significant business-growth potential. Sponsors will be able to shape the best practices we study and will receive data analysis of their submissions compared against the competitive set.

For more information on consulting and research sponsorship, click here or contact consulting@diversityinc.com.

(DiversityInc Data Analysis Director Amber Aboshihata assisted with this research.)