# Workplace Pride

**May 26th International**
**2023 Conference**
Spoorwegmuseum, Utrecht

# TRACKS OF CHANGE

## Advancing LGBTIQ+ Inclusion in the Workplace

# About the World Business Council for Sustainable Development (WBCSD)

**WBCSD is a global CEO-led network of 200+ leading sustainable businesses, working together to accelerate the systems transformation needed, for a net zero, nature positive and equitable future**

WBCSD supports CEOs in setting high-level strategic sustainability visions and provides functional-level transformation guidance across a large set of industries

### GLOBAL PRESENCE
Our **200+ members** span across regions and all economic sectors, with support from **70+ global network partners**

### CEO-LED
Led by CEOs of our member companies representing **USD $8.5 trillion** in combined revenues, and oriented towards **collective action**

### UNIQUE BUSINESS-ONLY PLATFORM
Access to a **diverse business community** across sectors and a pre-competitive to exchange ideas and share best practices with peers
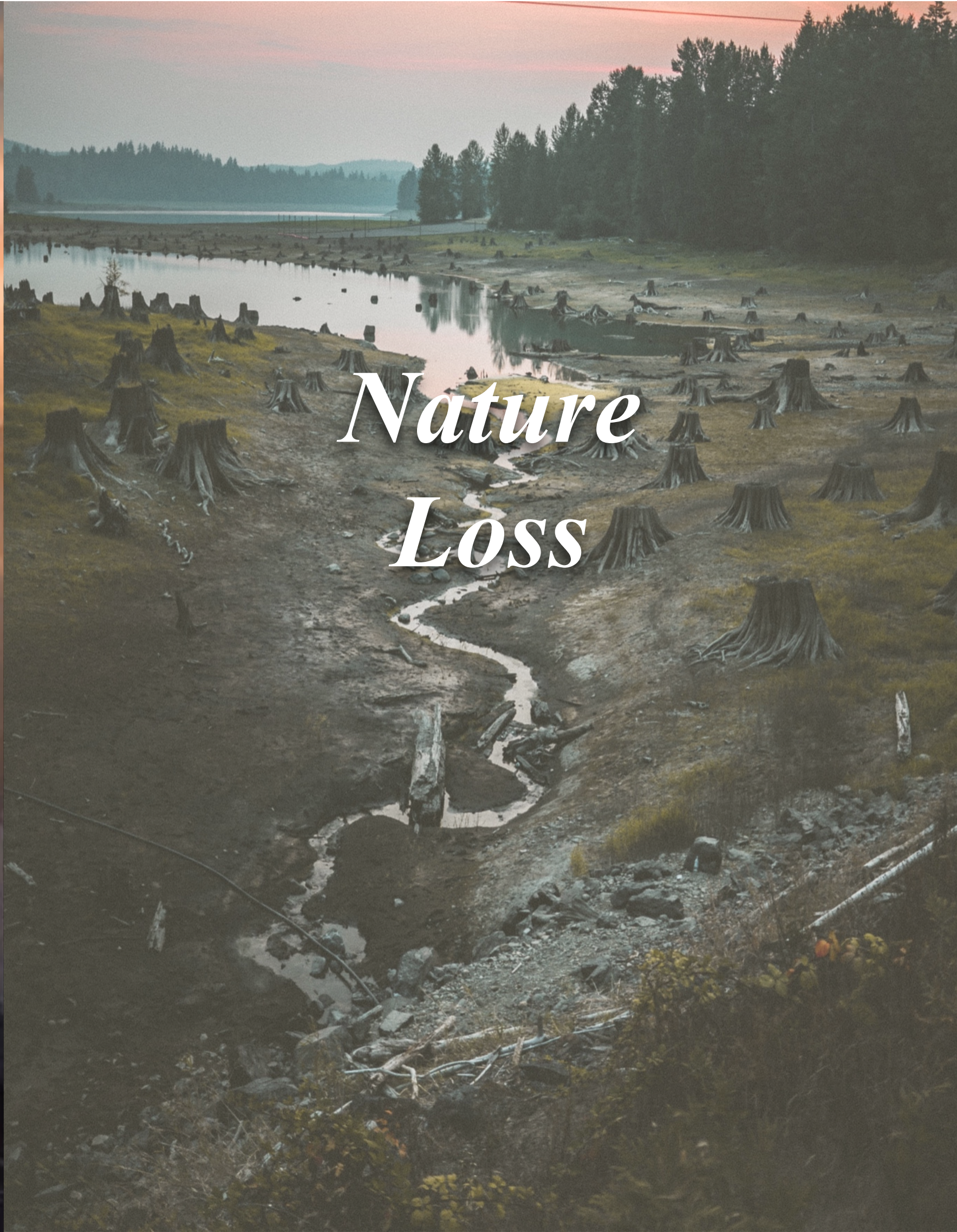
### MARKET DRIVEN
Reinforce the **business of voice** to policy and government decisions and strive to make member companies more competitive

# Three Global Challenges



Climate emergency

Nature Loss

Mounting inequality

# About the BCTI

The BCTI is a cross-sector, multi-stakeholder coalition of more than 60 organizations and their leaders with the mission of mobilizing the private sector to tackle inequality and generate shared prosperity for all.

## WBCSD MEMBER COMPANIES



## PARTNER ORGANIZATIONS

# BCTI Flagship Report

**Tackling inequality:**
**An agenda**
**for business**
**action**

**BCTI** The Business
Commission to
Tackle Inequality

Powered by
**wbcsd**

## PART ONE: WHY?

**PART ONE**

### TACKLING INEQUALITY – THE NEED FOR BUSINESS ACTION

Tackling inequality is critical to building a world of opportunity in which business can thrive for generations to come.

## PART TWO: WHAT?

**PART TWO**

### AN AGENDA FOR BUSINESS ACTION

With powerful tools at its disposal for creating – and distributing – value and opportunity, business has an essential role to play in tackling inequality.

## PART THREE: HOW?

**PART THREE**

### GETTING STARTED

Every company has its own unique business model, activities, value chain relationships and operating environments, and therefore its own unique capacity to make practical contributions to tackling inequality. Companies must work to identify, assess and strategically integrate steps to address inequality-related risks and opportunities, while also leveraging key enablers for business action.

# A world of mounting inequality



Income

Wealth

Wellbeing

Opportunity

# Global trends exacerbating and underlining inequality

COVID-19

The climate emergency

Technology

Conflict

# Inequality as a Systemic Risk



**1.** Eroding trust in our political and economic systems



**2.** Unravelling the social fabric



**3.** Fueling civil and political unrest



**4.** Increasing the damage that crises cause



**5.** Constraining economic growth



**6.** Undermining our capacity to tackle complex challenges

# Inequality as a Business Risk



**1.**

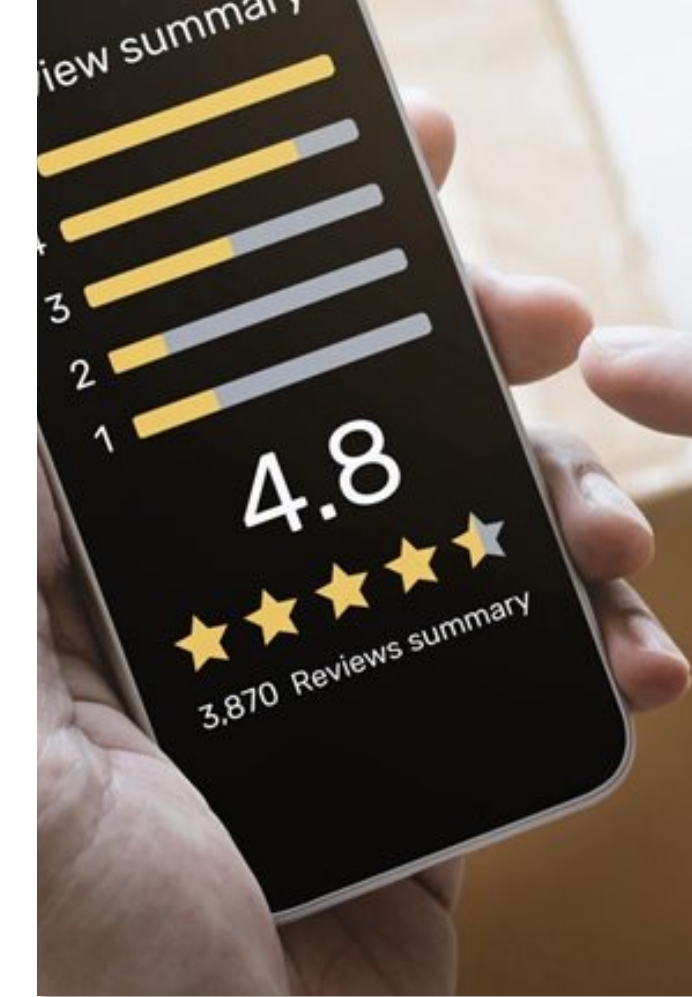A volatile operating environment

**2.**

Supply chain insecurity

**3.**

Erosion of productivity

**4.**

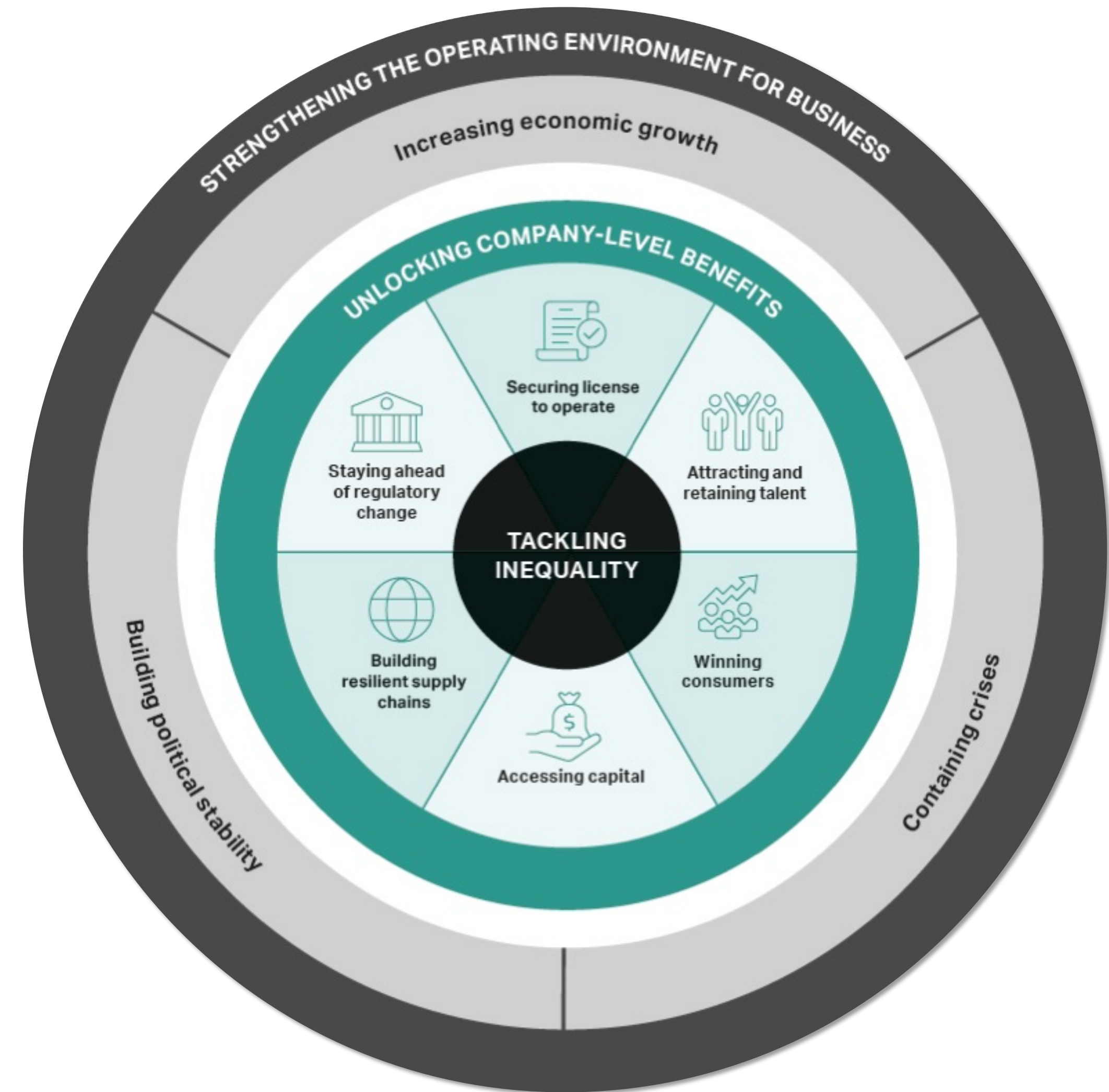Regulatory and compliance risks

**5.**

Reputation risk

**6.**

Access to capital

# Business Opportunities

While the rationale for business action to tackle inequality is about mitigating risk, it is also about building a world of opportunity in which business can thrive in the long term.
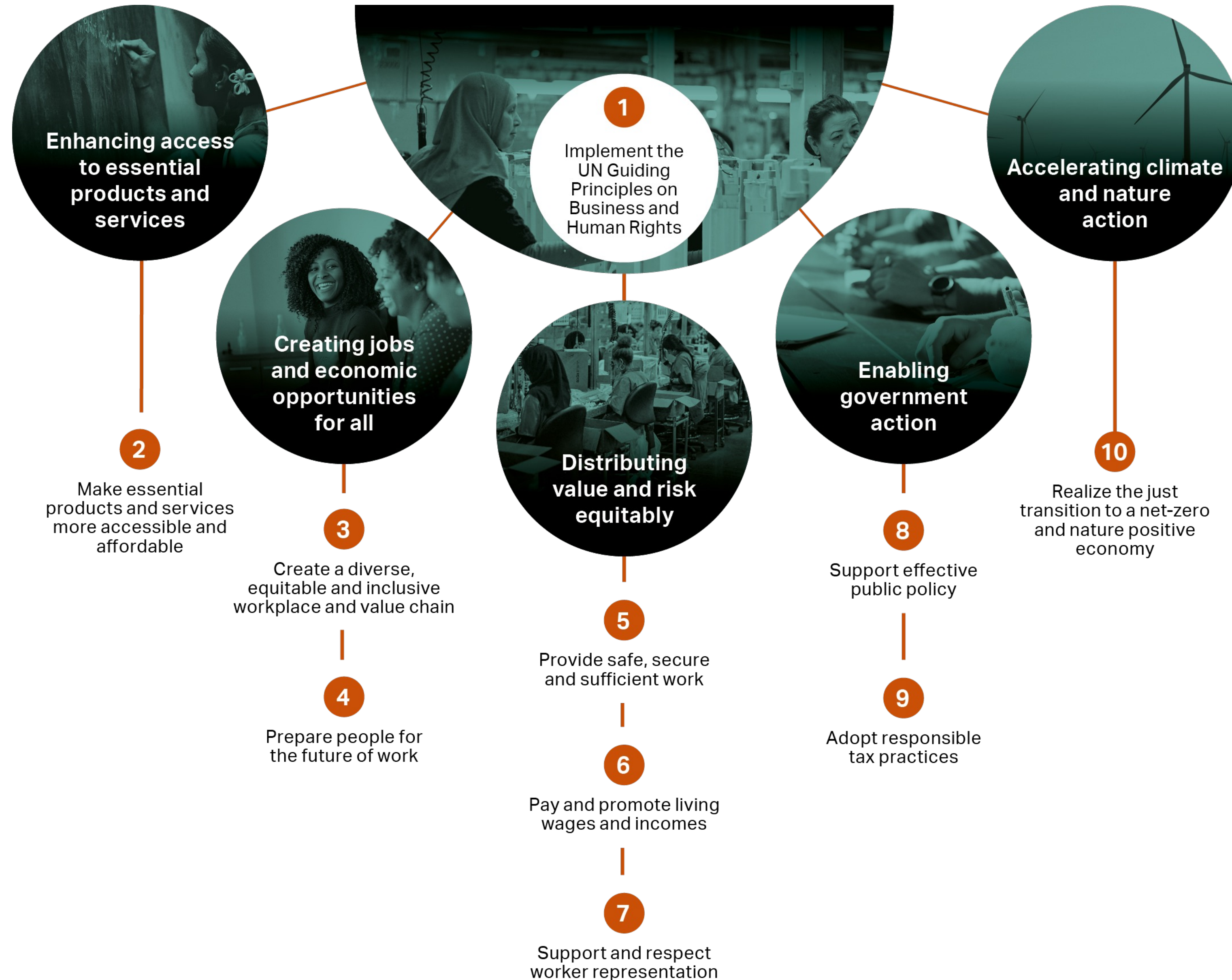
# BCTI's Action Agenda

At a high level, the agenda for business action to tackle inequality incorporates six broad categories of intervention

# 10 Catalytic Actions for Business to Tackle Inequality

**Enhancing access to essential products and services**

**1** Implement the UN Guiding Principles on Business and Human Rights

**Accelerating climate and nature action**

**Creating jobs and economic opportunities for all**

**Enabling government action**

**Distributing value and risk equitably**

**2** Make essential products and services more accessible and affordable

**3** Create a diverse, equitable and inclusive workplace and value chain

**4** Prepare people for the future of work

**5** Provide safe, secure and sufficient work

**6** Pay and promote living wages and incomes

**7** Support and respect worker representation

**8** Support effective public policy

**9** Adopt responsible tax practices

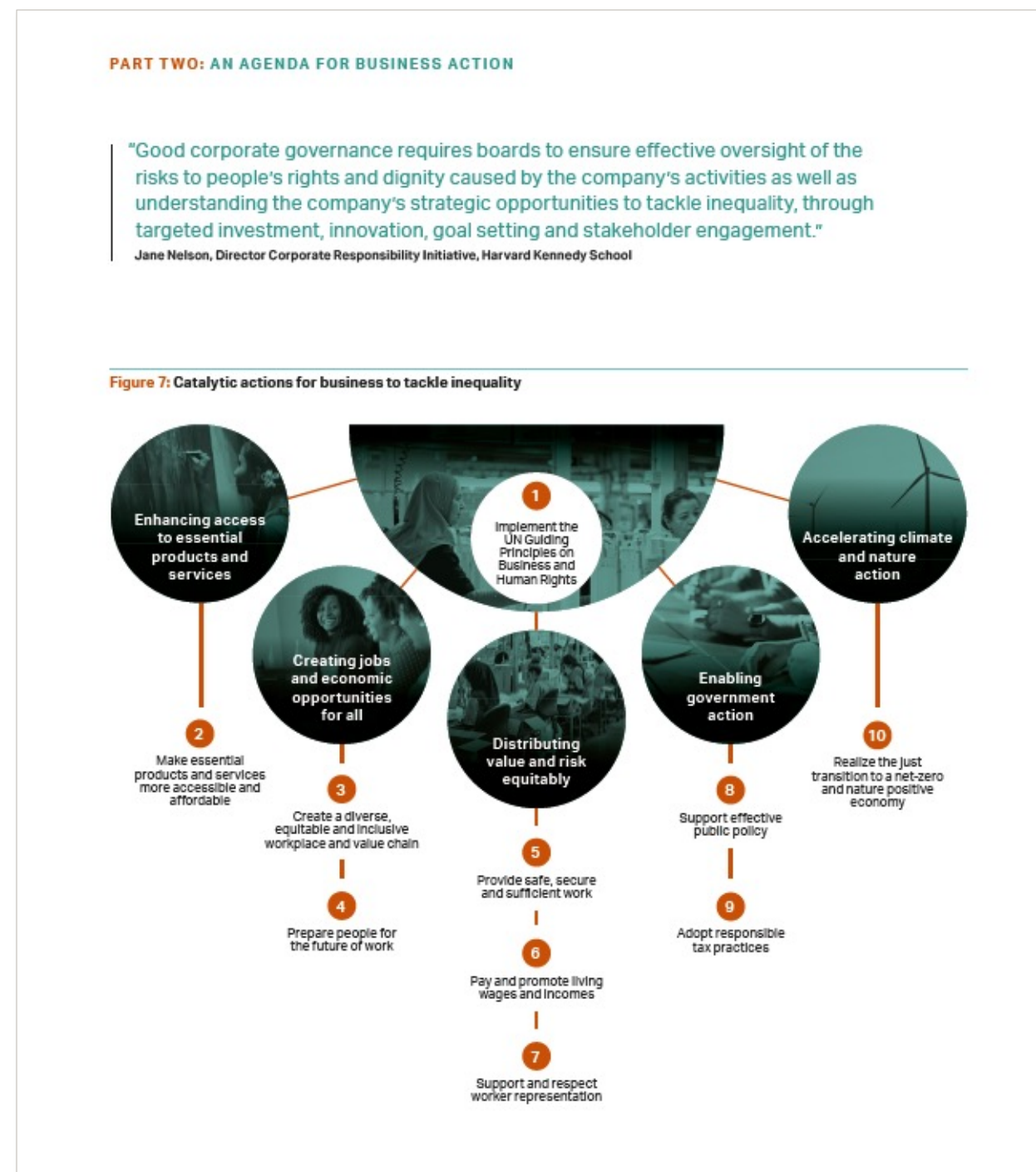**10** Realize the just transition to a net-zero and nature positive economy

# Next Steps: Accountability

Supporting efforts
to enhance
accountability

# Find out more
## & *help us spread the word*



**Tackling inequality: An agenda for business action**
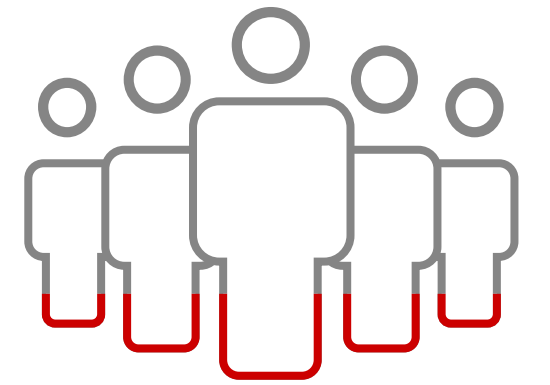


**www.tacklinginequality.org/**



SCAN ME

# Questions?
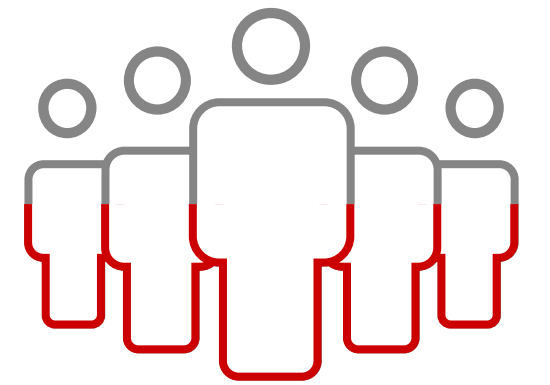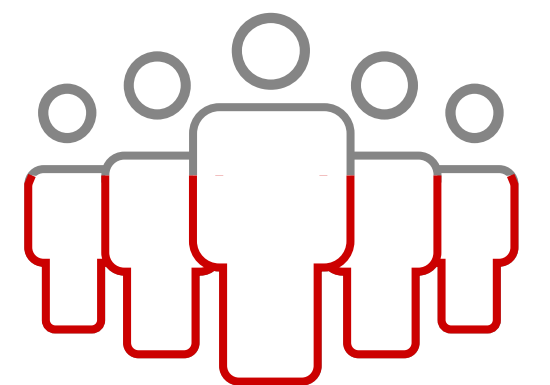
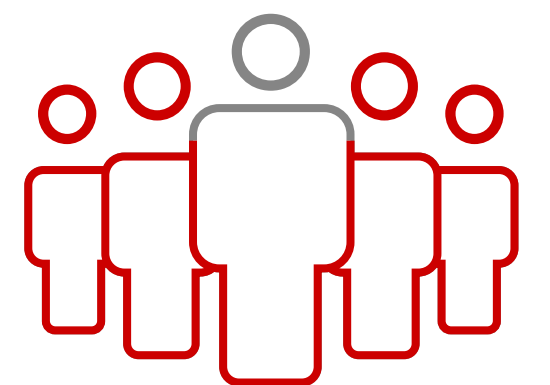# Poll: What % of employees do you think feel fully included?
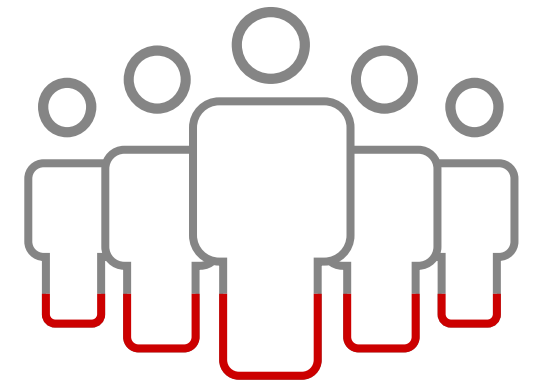
Less than 30%

30% - 50%

50% - 70%

More than 70%

# Poll: What % of employees do you think feel fully included?



Less than **30%**

… and this is consistent across all industries, geographies, and demographic groups

# Similar ways of describing inclusion: diverse workforces where people are heard, valued, and supported



**LGBTQ+**

**Straight white men**

**Racial minorities**

**Women**

Common perception of what drives inclusion

- **Opinions** being heard
- **Diverse** organization
- Being **valued**
- Being **supported**

*"I feel I **belong** in my organization and team, that I am **treated with dignity** as an individual, and also encouraged to **fully participate** and bring my uniqueness to work every day."*

# Among global employers, organization-level LGBT+ inclusion priorities are also having an impact at a local level

**93%** believe that employer's LGBT+ inclusion priorities result in meaningful support for LGBT+ employees in their home country.
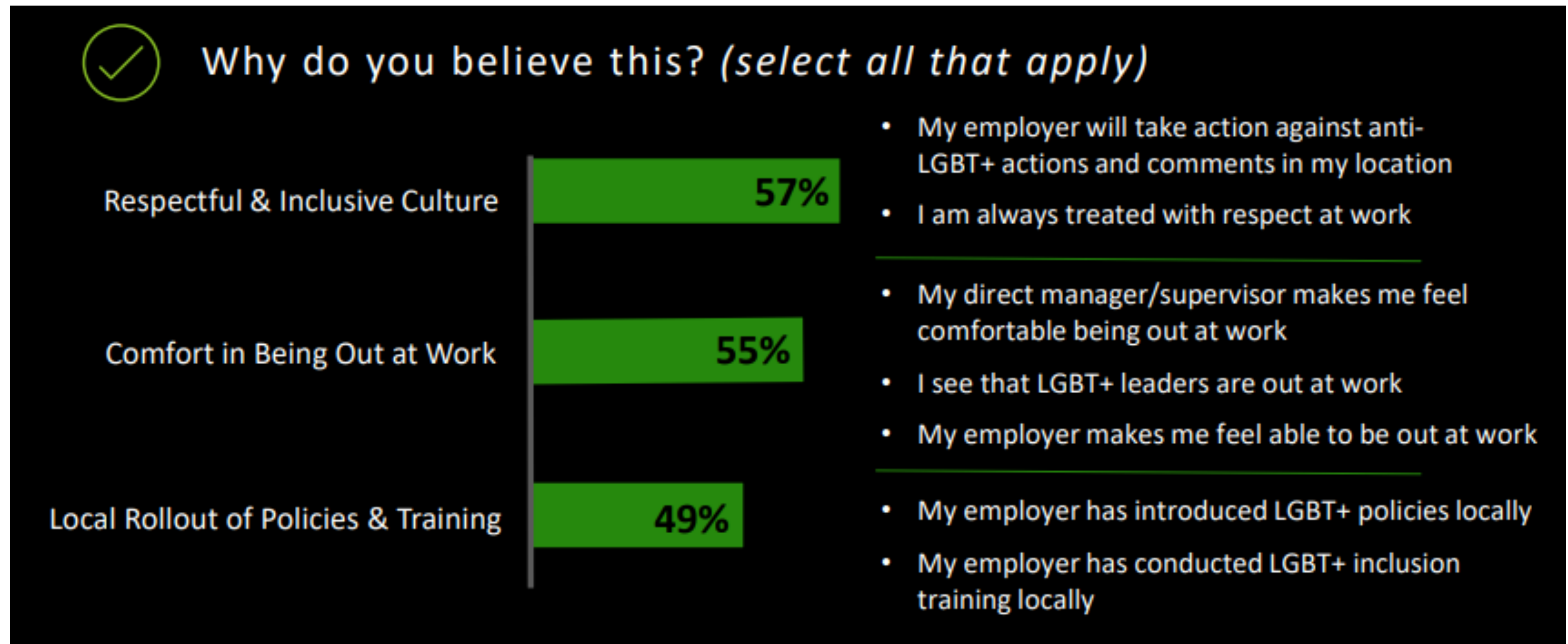
# What drives inclusion varies for different populations

## Entry-level employees

## Senior executive under-represented groups

**Behavioral enablers**

**Structural enablers**

*Examples*

*Creating growth opportunities and giving feedback*

*Equitable promotion opportunities*

*Open and honest communication*

*Systemic coaching & professional development conversations*

*Fostering sustainability*

*Alignment with company purpose*

Source: Bain Inclusive Organization Survey; N = 9,494
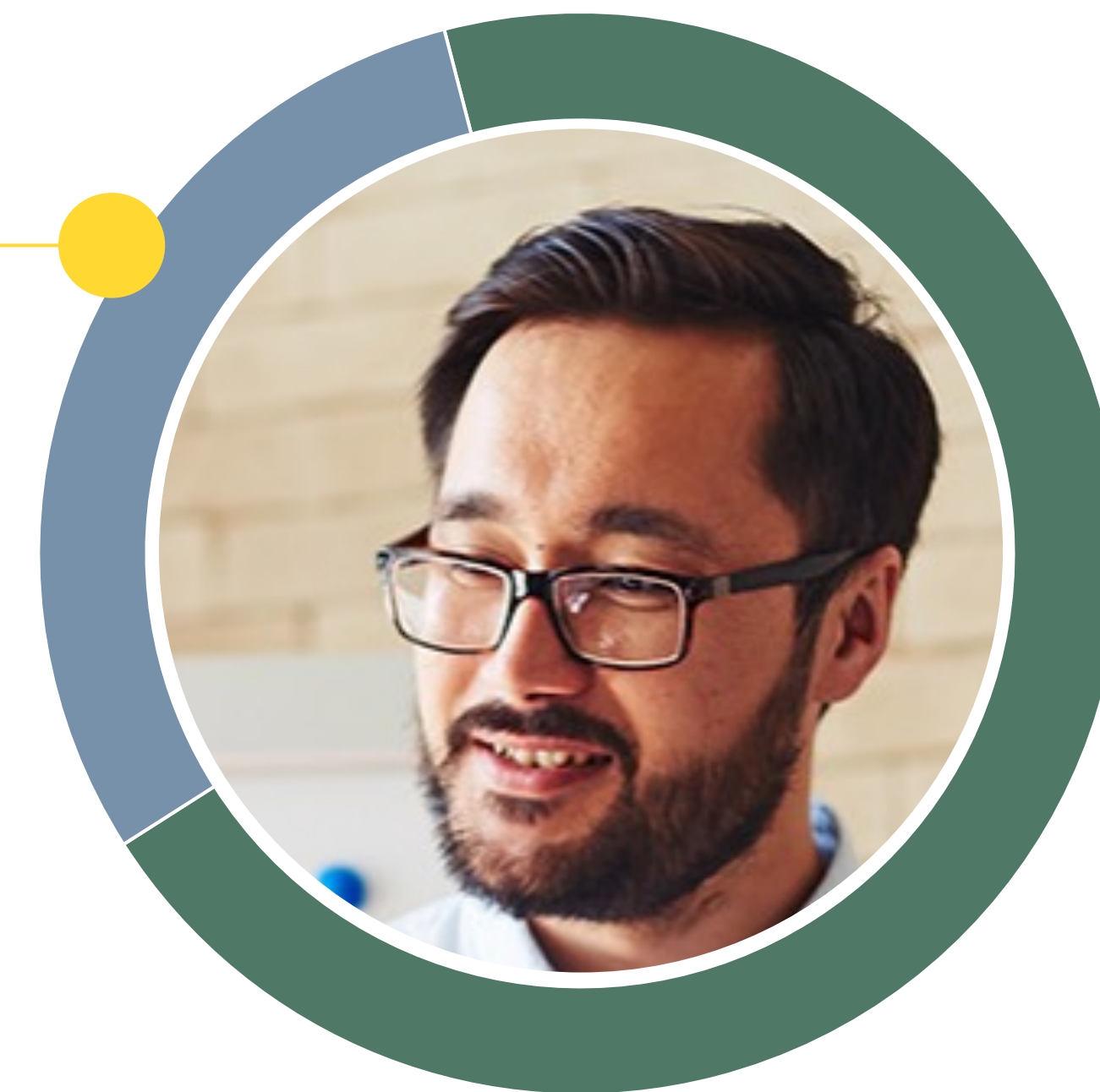
# Key Definitions

## 01 | Diversity

**Dimensions that differentiate or make alike**, including but not limited to race, gender, sexual orientation, skills, disability, personality traits, and other characteristics that shape our identities

## 02 | Equity

**Structures, systems, processes and initiatives** designed to **promote fair treatment, access, opportunities, and outcomes** for all people
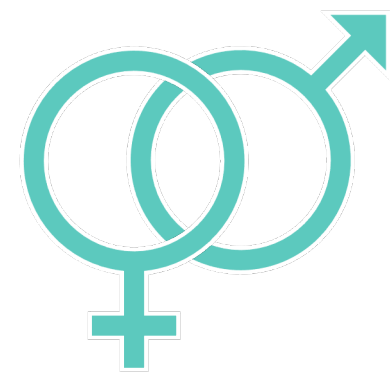
## 03 | Inclusion

Set of practices and behavior to address inequities and build a **feeling of belonging** to an organization, of being **treated with dignity** as an individual, encouraged to fully participate and able to bring one's uniqueness to work every day

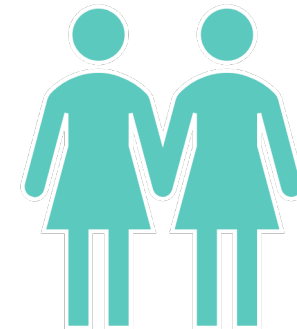# Several diversity vectors should be looked into

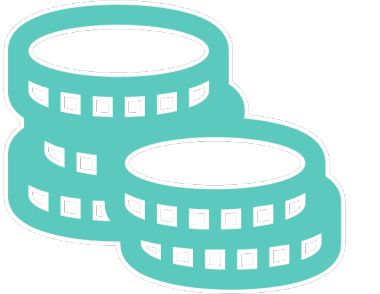/ NOT EXHAUSTIVE

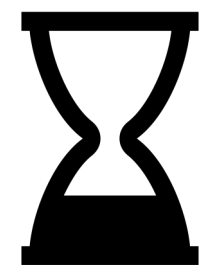*Most commonly prioritized:*

| Sex | Race/Ethnicity | Sexual orientation | Disabilities | Socio-economic status |

*Others, less commonly prioritized:*
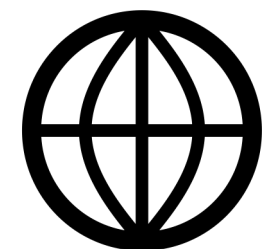
| Age | Nationality / immigration status | Military veteran status | Education level | Parental Status |

The concept of diversity should not be limited to one factor but should consider the **intersectionality**: the interconnection between the personal characteristics defining the uniqueness of each person. An individual can face compounded prejudice or discrimination based on overlapping identities and experiences.

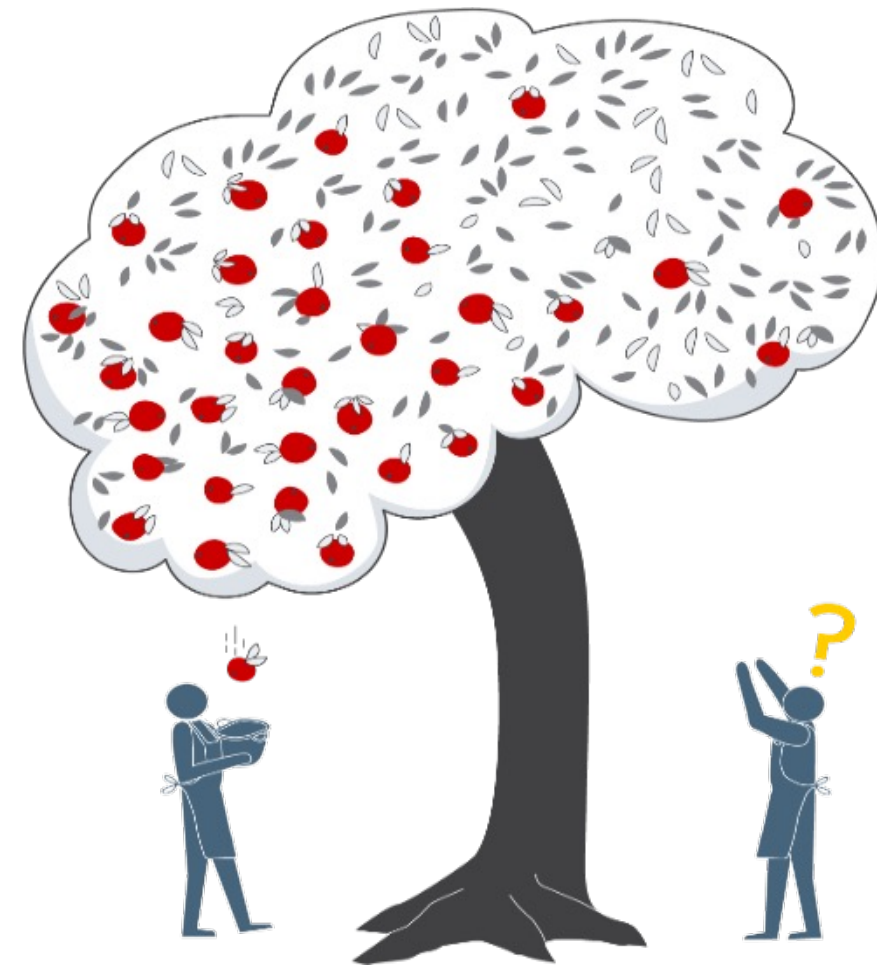# Equity requires a fundamentally different approach than equality

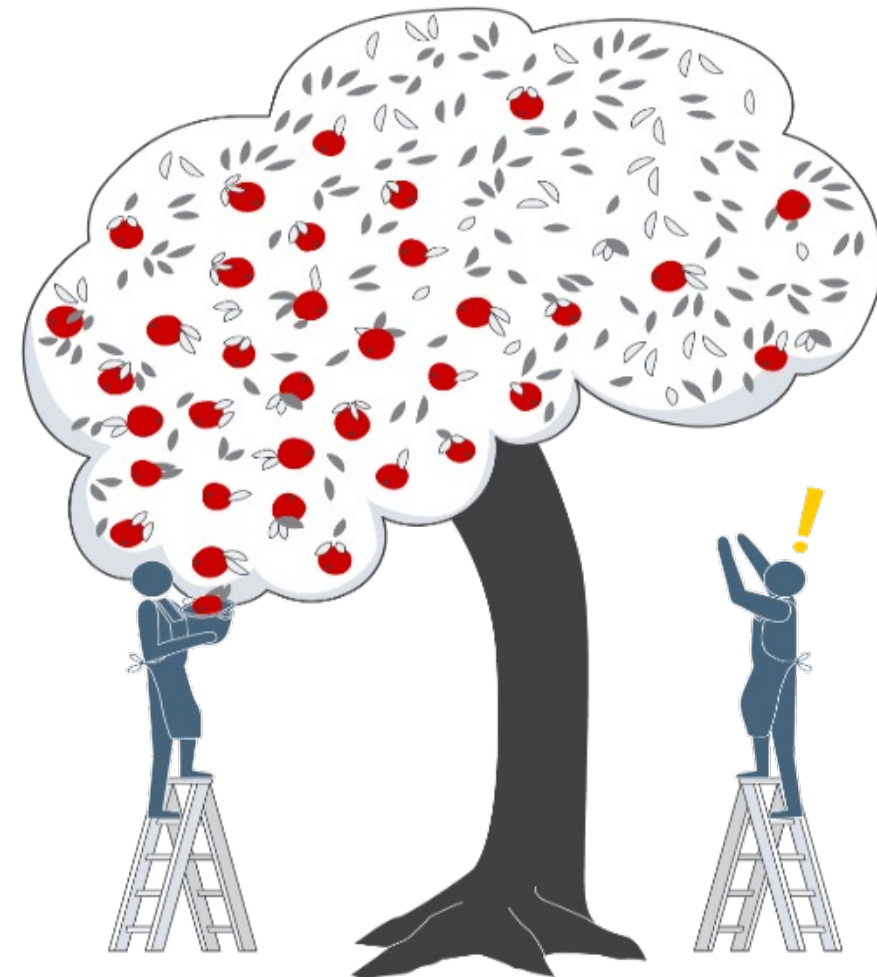**Inequality**

Unequal access to opportunities

**Equality**

Evenly distributed tools and assistance

**Equity**

Custom tools that identify and address inequality
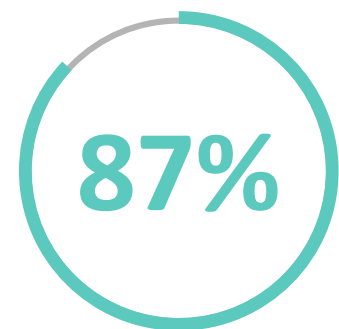
**Justice**

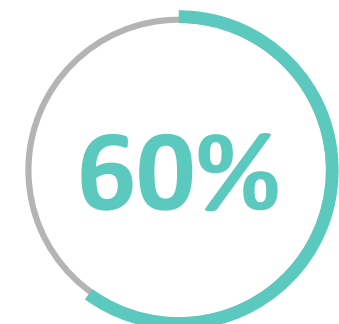Fixing the system to offer equal access to both tools and opportunities
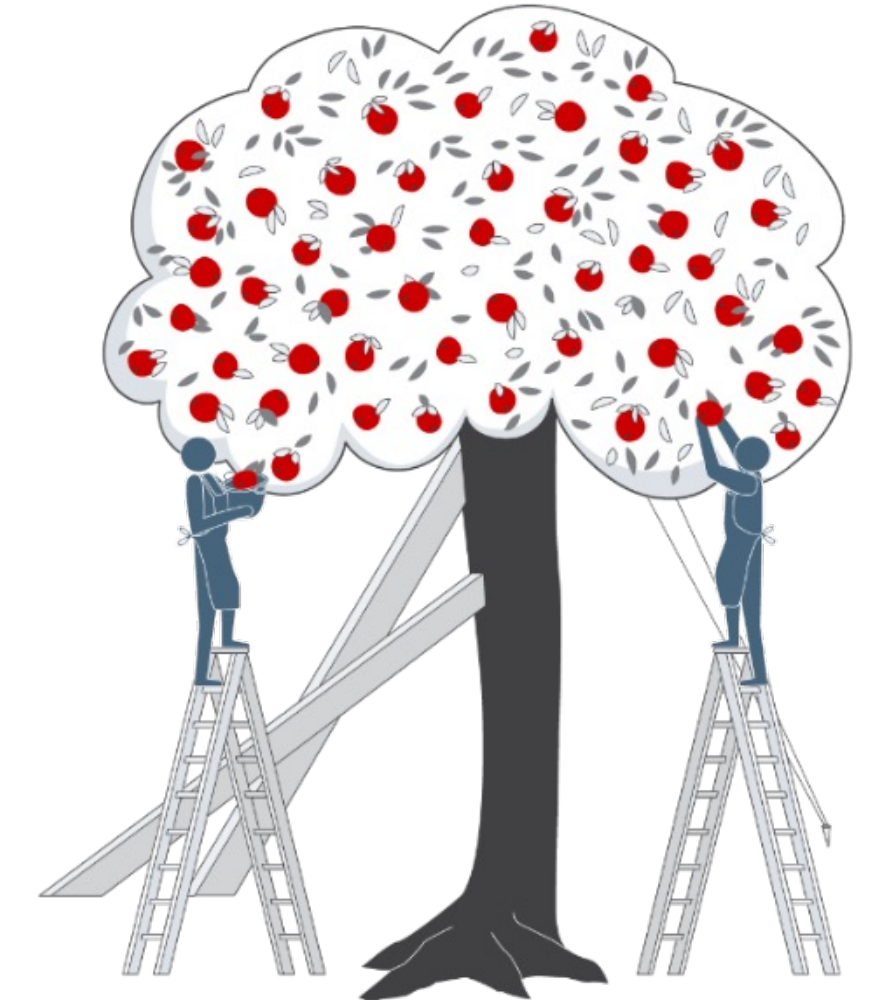
# THE CASE FOR ACTION: DEI as a driver of business success (1/2)

## Enhanced Innovation and business performance

**87%** Diverse teams managed inclusively are **better at solving complex challenges and make better decisions**[1]

**60%** Enterprises with inclusive business cultures are more likely **to achieve enhance creativity and innovation**[2]

**19%** Studies have demonstrated that companies with **above average diversity performance report higher innovation revenue**[3]

## Capacity to capture new markets and win over consumers
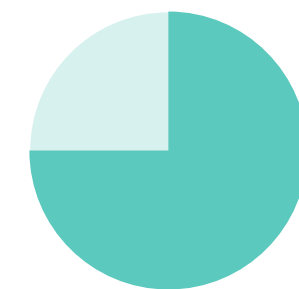
**Over three-quarters of consumers** say that they expect companies to **provide a work environment that is more diverse, inclusive and equitable**[4]

**70%** **of Millennial and Gen Z** US consumers are **more trusting of brands that represent diversity in advertising**[5]

Companies with more **diversity in senior management** are **1.7X** **more likely to capture new markets**[6]

## Talent attraction and retention
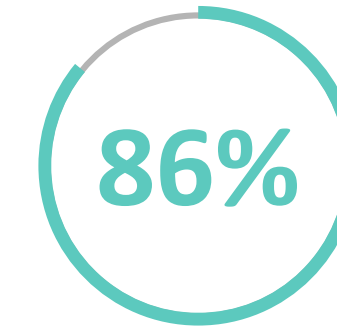
**86%** **Of job seekers** across various countries say that they want to work for a company that **values diversity, equity and inclusion in the workplace**[7].

Source: (1) Cloverpop, "Hacking diversity with inclusive decision making", 2017; (2) ILO, The Business Case for change, 2019; (3) BCG diversity and innovation survey, 2017; (4) Fleishman Hillard, "The Power of Authenticity", 2021; (5) Microsoft advertising and Accenture, Inclusive marketing research, March 2019; (6) Josh Bersin, study conducted on more than 450 global companies, 2015; (7) PR Newswire, survey conducted on 6200 job seekers in the U.S., Canada, the U.K. and Israel, 2022

# THE CASE FOR ACTION: DEI as a driver of business success (2/2)

## Access to capital

**$10**
trn.

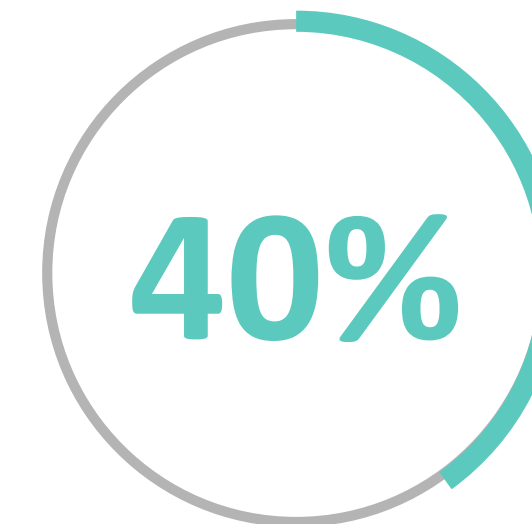**DEI performance** is now a key area of focus for **ShareAction's Workforce Disclosure Initiative**, which represents a coalition of **68 institutions** with **USD $10 trillion in assets** under management.

## Staying ahead of policy and regulatory changes

**40%**

**Of women are required in publicly listed companies**
(Spain/France/Ireland)
(1)

# STATE OF PLAY: Diversity, Equity and Inclusion gaps in the workplace

In the face of mounting stakeholders' expectation, and as the business case for DEI becomes increasingly undeniable, **many global organizations are now moving swiftly to advance their DEI efforts.** However, challenges remain when it comes to translating DEI commitments into performance.

## 01 WAGE GAP ACROSS DEMOGRAPHIC GROUPS
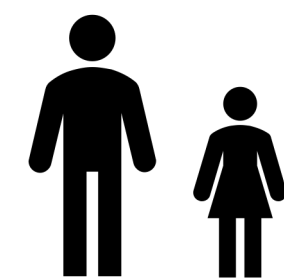
Globally, men are paid in average **16.1% more than women** [1]

**Black women** in America wins **63 cents** for **every dollar earned by white men** [2]
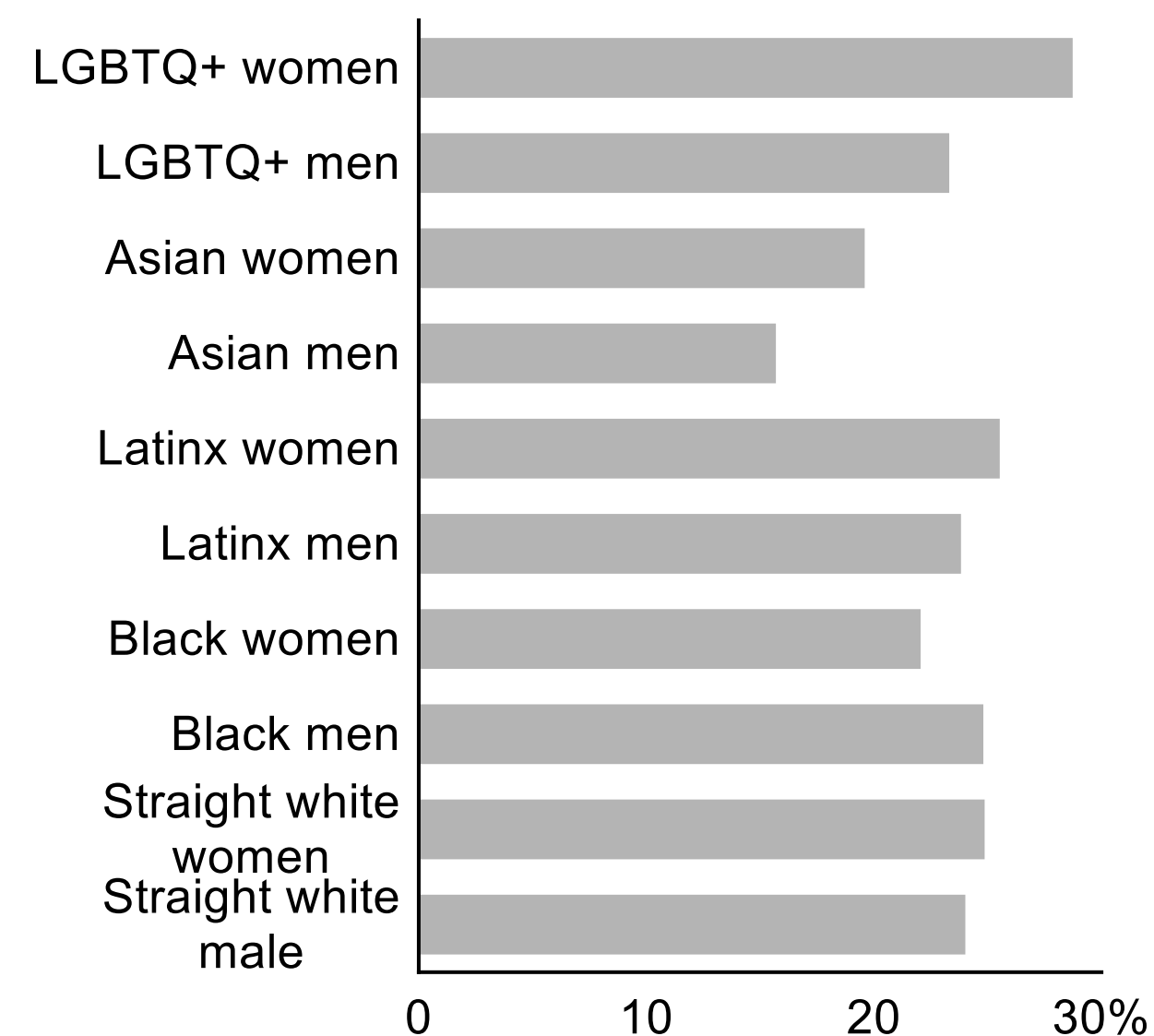
Members of the LGBTQI+ community in the US earn an average of **90 cents for every dollar earned by their heterosexual counterparts** [3]
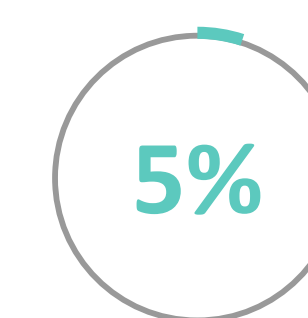
In Latin America, the mean income of **white individuals is at least twice higher** than that of individuals **with the darkest skin shades.** [4]

## 02 LOW LEVELS OF INCLUSION ACROSS ALL GROUPS

% respondents who feel fully included by demographic[5]

LGBTQ+ women
LGBTQ+ men
Asian women
Asian men
Latinx women
Latinx men
Black women
Black men
Straight white women
Straight white male

0   10   20   30%

## 03 UNEQUAL PROMOTION AND ADVANCEMENT OPPORTUNITIES

**5%** Only **5%** of CEOs globally are women [6]
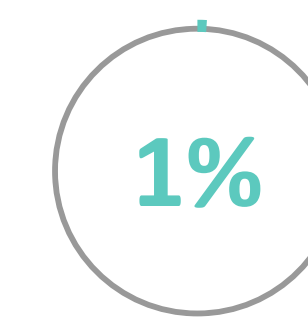
**1%** As of 2020, **13%** of the US labor force was black [7], but only **4 of the Fortune 500 companies had a black CEO** - equating to **less than 1%** [8]
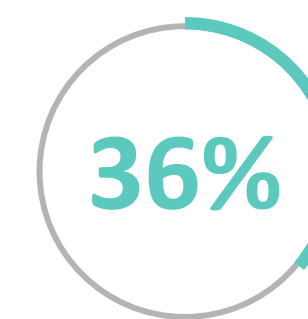
**36%** of **people with disabilities** of working age are **in employment**, compared to **60% for people without disabilities** [9]

Source: (1) Korn Ferry Gender Pay Index, 2018; (2) The Investment Integration Project (TIIP), 2021 ; (3) Human Rights Campaign, survey on more than 15000 American LGBTQ+ workers, 2022; (4) World Inequality Lab, 2022; (5) The Fabric of Belonging: How to Weave an Inclusive Culture. Bain & Co.  January 2022; (6) Heidrick and Struggles, report on 906 CEOs in 16 countries across the five continents, 2019; (7) U.S. Bureau of Labor Statistics, 2020; (8) Fortune, report on U.S. 500 companies, 2021; (9) UN report, global report, 2020

# STATE OF PLAY: Significant gaps on corporate transparency and disclosure on DEI metrics

Recent analysis of the disclosures of **1,000 global leading companies** by the World Benchmarking Alliance found that:
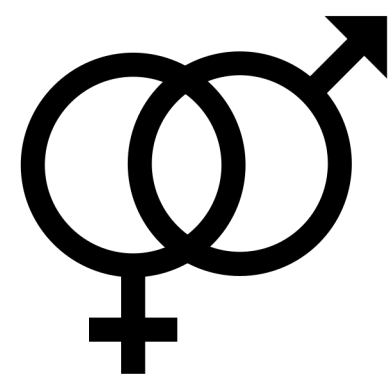
**59%**
Companies report on **gender** composition

**18%**
Companies report on **age**

**17%**
Companies report on **race or ethnicity**
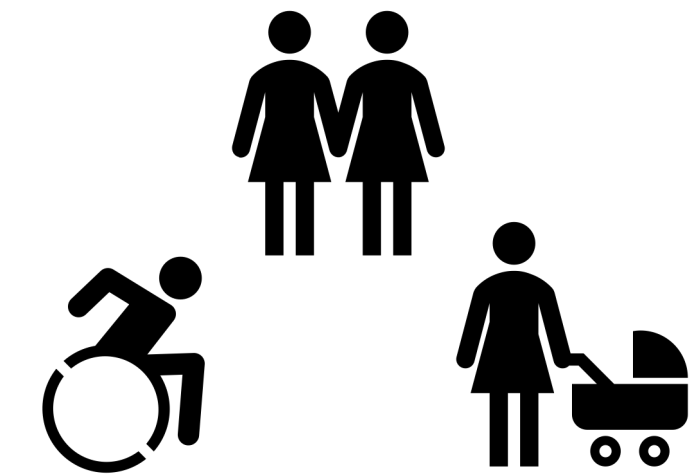
**6%**
Companies report on additional markers, such as **disability, sexual identity,** geography or marital and **family status**

**1%** Companies report on **all of these diversity fundamentals**

This disclosure gap partly reflects the **legal restrictions on personal data collection in several countries**, even though many businesses address this challenging by **implementing self-disclosure programs.**

# CATALYZING ACTION: Key action areas for business to advance DEI

**1** Express **C-Suite commitment** with formal accountability in line leadership

### INSIDE THE 'FOUR WALLS'

**2** Build an **equitable Talent Journey**

**3** Ensure **pay & benefits equity**

**4** Ensure an **inclusive culture** throughout the organization

### OUTSIDE THE 'FOUR WALLS'

**5** Embed DEI throughout the **supply chain**

**6** Deliver an **inclusive marketplace** experience (brand, product, customer experience)

**7** Engage actively in **community partnerships and advocacy**

*Governance and resourcing*

*Feedback loop and communication*

*Technology and data*

# Breakout Discussion

- You will be divided into groups (each group will cover all action areas) to discuss the following questions:

  - **Do you agree with the proposed initiatives? Which ones you would add / remove?**

  - **Select the top 2 that you think are the most critical for your organization?**

  - **What are the different types of enablers and / or blockers that could be both internal (e.g., technology, resourcing, incentive..) and external (e.g. ,regulation and policies, industry standards...)**
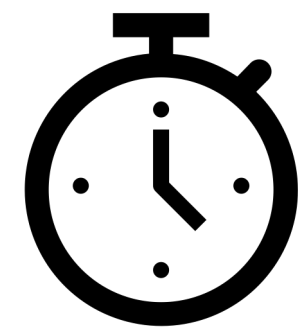
*25 min*
*Breakout brainstorm*
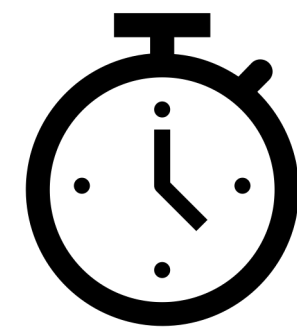
*15 min*
*Plenary debrief*

# 1| *Express leadership commitment and formalize accountability*

**AMBITION**

**DEI becoming top of mind topic for leadership, fully embedded in the business strategy**

**INITIATIVES**

- ✓ Identify a **C-suite member, accountable for DEI initiatives**

- ✓ Appoint a **DEI Officer**, with a **dedicated budget and team**, and reporting directly (or dotted line) to the CEO

- ✓ Define **DEI ambition** *&* multi year measurable goals

- ✓ Integrate **DEI goals into overall business strategy**

- ✓ Enable real-time **data-measurement to track progress on defined KPIs**, to be shared during exec and board meetings (and LT only)

- ✓ **Performance against DEI targets deeply embedded into KPIs** for all senior mgmt., discussed at annual review and promotion committee

- ✓ **Tie senior leader compensation** to progress on DEI outcomes

- ✓ Measure **impact of DEI investment on business outcomes**

- ✓ DEI initiatives & progress regularly **communicated externally and internally** (e.g., townhalls, DEI public report etc.)

**BCTI** The Business Commission to Tackle Inequality          wbcsd

# 2| *Equitable talent journey: recruitment and onboarding*

**Fair representation of diverse groups in new hires**

INITIATIVES

- ✓ **Use DEI-friendly communication**, free of bias, for all recruiting materials (e.g., job postings, website..)
- ✓ **Implement skill-based hiring** (emphasizing on skills rather than degrees): in job desc, audit language used, remove time-based experience, add inviting language
- ✓ **Deliver 'unconscious bias' training to all recruiters**
- ✓ **Proactively reach out to different talent pools**
- ✓ **Remove criminal background check, remove name and photo from application**
- ✓ Ensure **diverse interviewer** slates
- ✓ Work **sample interviews** to ensure standardized process
- ✓ **Develop work-based experiences**, in order to create opportunities at entry-level (e.g., apprenticeship, internship)
- ✓ Design **recruitment process to appeal to for all** under-represented groups
- ✓ **Develop standard training & integration period**
- ✓ Provide new-joiners with opportunity to connect with **affinity groups**
- ✓ **One-on-one training**, for senior new hires

# **3|** *Equitable talent journey: retention and promotion*

**Talents from all backgrounds have equal opportunities to succeed and grow their career**

INITIATIVES

- ✓ **Standardized performance assessment** framework (skills matrix)
- ✓ **Articulate career pathways**: clearly define skills and competencies needed for advancement within the organization
- ✓ Post all opportunities within a **centralized database** to ensure transparency to all (vs relying on networking)
- ✓ Invest in **regular upskilling programs** for employees from under-represented groups
- ✓ Partner with external networks to provide **coaching and support to senior talent** from under-represented groups
- ✓ Provide **targeted opportunities for growth** for employees from under-represented groups (sponsorship programs)
- ✓ Ensure **standardized promotion process**
- ✓ **Audit performance reviews** for bias

# 4| *Ensure pay & benefits equity*

**No pay gap across diversity vectors at all levels of the organization**

- ✓ Ensure **transparent, standardized base salaries** for all roles

- ✓ Engage in **annual external pay equity audit** (incl. base and variable + non-compensation reward), be transparent about findings and **correct discrepancies**

- ✓ **Publish bonus payments** for senior members of organisation

- ✓ **Audit benefit usage** across all diversity group and **compensate any gap**

# 5| *Build an inclusive culture throughout the organization*

**AMBITION**

**All employees feel included in the organization, and are comfortable being their full self at work**

**INITIATIVES**

- ✓ **Internal DEI training** for all employees
- ✓ Embed **'inclusion' and/or 'diversity' in company purpose**, mission or value
- ✓ Regular **public statement from C-suite** about inclusion
- ✓ **Zero-tolerance** policy for **harassment**
- ✓ **Inclusive** office **facilities**
- ✓ Create **ERGs** when appropriate, with strong exec sponsorship
- ✓ **ERGs have resourcing** (budget, admin support) and sponsorship from C-suite
- ✓ Broadcast **role models from under-represented groups** internally & externally
- ✓ Consistently **listen and learn from diverse talent** (e.g., sentiment survey) to understand root causes and deltas on inclusion
- ✓ **Inclusive** meeting **protocol**

# CATALYZING ACTION: What challenges to scaling up actions are companies facing?

## Path forward is not quick nor easy

- Making progress on DEI often **requires going slow to go fast.** Driving a robust DEI strategy is not about quick wins or easy fixes.

- Progress on DEI is a **multi-year journey without a finite destination** that requires continual learning and evolution at every levels of the organization.

- DEI is different from other transformations: **it is deeply personal**, **it's inherently subjective,** and it's **difficult to know the end state.**

- Too often, DEI is perceived as an HR initiative, while it should be seen **as an organizational shift in operations, culture, and mindset,** with clear **accountability** deeply embedded in the business.

## Variety of local contexts and regulations

- When it comes to the global implementation of a DEI strategy, **local contexts and regulations can bring additional layers of complexity.**

- Certain cultural norms or legal restraints in some countries, can conflict with **company's culture and compromise the efficiency of their DEI initiatives.**

- Variability in **disclosure regulations across countries** can also make it challenging for companies to comparably measure data and track progress across geographies.

- While DEI strategies should be defined globally, in order to be successful, **they also need to be tailored to the local context**, and goals should be set with these differences in mind.

## Lack of appropriate data and infrastructure

- Finally, a common barrier lies in the lack of standardized **data collection** and **reporting methodology** as well as internal infrastructure to measure and track DEI actions consistently.

- Data on workforce diversity is difficult to gather, not to mention the **legal limitations in some countries**.

- Moreover, financial investments are needed to build tracking systems and processes, but **these investments can be challenging to justify,** as **the return on investment is difficult to measure.**

# Solutions to scaling actions

Set aside time to build **shared leadership awareness and accountability** on DEI, at senior leadership and line manager levels

**Invest heavily in DEI data infrastructure** – numbers *and* stories – to understand current state and track progress against goals

**Embrace transparency** by sharing frequent updates on DEI efforts and outcomes with stakeholders (incl. public disclosure)

Ensure **sufficient resourcing and incentive for the DEI team and for local line leaders** to generate real results

Ensure **marginalized voices are at the center** of understanding issues and designing solutions

Install **high velocity feedback loops** to accelerate **learning, progress, and transparency**

# Thank You

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