

THE INCLUSIVE REPORT



Why Diversity And Inclusion Will Be A Top Priority For 2016

Josh Bersin • December 6, 2015

With all the press we read about diversity, inclusion, women in leadership, and the need to be open minded about religious and cultural differences, one might ask “*is 2016 going to be the year of diversity in business?*”

I believe the answer is yes: this topic has been raised in the public eye and research now proves that companies with great diversity outperform their peers by a significant margin. If you aren’t taking this topic seriously, you should be. Here’s evidence:

McKinsey’s research shows that gender-diverse companies are 15% more likely to outperform their peers and ethnically-diverse companies are 35% more likely to do the same. Catalyst research shows that companies with more women on the board statistically outperform their peers over a long period of time.

Deloitte Australia research shows that inclusive teams outperform their peers by 80% in team-based assessments.

We just completed a *two-year research study* (Bersin by Deloitte 2015 High-

Impact Talent Management research) and the results are amazing: among more than 128 different practices we studied, the talent practices which predict the highest performing companies are all focused on building an Inclusive Talent System.

The Research

Let me summarize our new research. Over a two year period we surveyed and interviewed more than 450 global companies (including a significant number in Asia, Europe, as well as the US) to identify their level of maturity in a wide variety of talent practices. (These are companies with more than \$750MM in revenues.)

We looked at a total of 128 different aspects of talent management, things like how well companies assess candidates for job and culture fit, how fair their performance management practices are, their culture of learning, their level of maturity in leaders development, and more. (*More details on the methodology here.*)

We then looked at business performance of these 450+ companies (financial and

talent outcomes, including cash flow, profitability, innovation, and growth), and correlated the talent practices against performance. We performed a causal analysis to see which practices had the greatest statistical impact. Our analysis found 31 *distinct talent practices* which are highly correlated with strong business performance. We grouped these into 9 categories and rank ordered them based on impact.

As part of this work we also used the data to group companies into four levels of maturity, and labelled the four levels based on the key practices which emerge at each level. The maturity model is shown below.

Business Impact Of The High Performers

Let’s look at the business impact. The companies at levels 3 and 4, who we label “inclusive” and “managed” talent companies, are quite exceptional businesses. Specifically, over the period we studied, these companies are:

- **2.3 times higher cash flow** per employee over a three-year period

- The smaller companies had **13 times higher mean cash flow** from operations

- 1.8 times more likely to be **change-ready** and 1.7 times more likely to be **innovation leaders** in their market

- 3.8 times more likely to be able to **coach people for improved performance**, 3.6 times more able to deal with personnel performance problems, and **2.9 times more likely to identify and build leaders**.

In short, these level 3 and level 4 companies are not just “better at HR,” – they are **higher performing companies** measured by business, financial, and talent outcomes.

The Factors And Dimensions Of High-Impact Talent Management

So what are these 31 “magic practices?” How do these high performing companies differentiate themselves?

Read the full article at: <http://www.forbes.com/sites/joshbersin/2015/12/06/why-diversity-and-inclusion-will-be-a-top-priority-for-2016/>



Vogue Declares A Strong Stance On Diversity For 2016

by Clutch

Vogue magazine has always been known as the ultimate fashion and style guide. And now it wants to be known as the destination for diversity. Starting with the January 2016 issue, the high fashion publication, under the direction of Conde Nast's artistic director and Vogue editor-in-chief Anna Wintour, will begin efforts to expand its reach to be more inclusive. It's one of the first times the fashion bible has outright declared a stance on diversity. "All of the many progressive societal changes that we have experienced recently are pointing us to a place of far greater inclusiveness, tolerance and diversity..." writes Wintour in January's issue. "So instead of our typical January portfolio defining the new season's direction, we decided to do something completely different this year, something that reflects not only

the spring 2016 runways but the shifting times we live in." The January cover, which features [Swedish actress Alicia Vikander](#), includes a spread entitled "Be Yourself," containing a few dozen musicians, athletes, artists, writers, dancers and models from various backgrounds. The subjects include a diverse array of ethnicities, from Beasts of No Nation's Abraham Attah to French tennis player Alize Lim. Readers can also expect to see a wider range of body shapes and sizes. "It's January, the start of a new year and start of 2016, an election year," Mark Holgate, Vogue fashion news director, told [Mashable](#). "It's also coming off of seeing the spring 2016 collections. The strong message that came from them was that designers were embracing individuality and diversity with a strong point of view."

"Beyond that, Vogue fashion is not divorced to the reality of life," he says. "We're in a moment of real change, and it's real progressive change. We all want to have a progressive idea to shape our lives. Whoever we photograph in the first story of the spring 2016 season, it has to reflect that."

2015 was probably one of the most inclusive years in fashion in a long time but the major publications like VOGUE still have a very long way to go before they're known as the destination for all things fashionably diverse.

What are your thoughts on the mag's declaration?

View this article at:
<http://www.clutchmagonline.com/2015/12/vogue-declares-a-strong-stance-on-diversity-for-2016/>

Quote

"You can't categorize diversity on what a person looks like. It's what that person can do for the organization."

—Charles K. Poole

Quote

*"We all smile in the same language."
—A global group of teachers that ♥ teaching bilinguals*