

Leveraging the value of diversity

Agile

**WHAT DOES DIVERSITY MEAN
IN THE WORKPLACE, AND HOW
CAN WE ACHIEVE IT?**

THERE IS A CLEAR, UNIVERSAL CALL FOR MORE DIVERSITY. BOTH 'GENDER EQUALITY' AND 'REDUCED INEQUALITIES' FEATURE IN THE 17 SUSTAINABLE DEVELOPMENT GOALS WHICH CAME INTO EFFECT ON JANUARY 1ST 2016 AS PART OF THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT OF THE UNITED NATIONS' GLOBAL COMPACT⁽¹⁾.



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1. Amanda H. Haynes-Dale • 2. Anna Simioni • 3. Barbara Taube • 4. Cheryl Lawrence McDaniel • 5. Gina Omolon
6. Gwynn Berney • 7. Jacqueline Franjou • 8. Katelyn Kogan • 9. Maria Cabodevilla • 10. Meg Mosley
11. Randi Shubin Dresner • 12. Rebecca Philbert

Defining diversity

Some will associate the term 'diversity' with equality in numbers and demographics; simple facts such as the low rate of women making it to managerial positions⁽²⁾ in the business community are both well-known and quite easy to grasp. Others will stress cultural aspects such as openness to different points of view.

Yet, when asked⁽³⁾, female business leaders unanimously prefer a combination of both definitions, underlining the polysemic nature of the term. Randi Shubin Dresner, President and CEO of Island Harvest Food Bank captures this impeccably: **'Diversity encompasses acceptance and respect and an understanding that each individual is unique.** This can be along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, nationality, religious belief, experience, interests, and other ideologies.'⁽³⁾

It seems indeed that we cannot define diversity anymore with a set of nicely delineated boxes, as an individual alone can embody a multitude of the different dimensions highlighted above. Jacqueline Franjou, CEO of the Women's Forum for the Economy and Society, goes even further, stating 'I don't like the word 'diversity'. We should use inclusion, respect. We should live in a world where we can change all together, men and women alike.

Do we say that men represent diversity? We should extend that notion. 'Diversity' is quite a vast concept, it can encompass men, women, geographic origins... Diversity is a difficult word for me to understand.'⁽⁴⁾

This wide definition makes the topic all the more interesting but also more

[1] Sustainable Development Goals: <https://sustainabledevelopment.un.org/?menu=1300>

[2] McKinsey & Company (2013), 'Gender diversity in top management: Moving corporate culture, moving boundaries', Women Matter 2013, p.8.

[3] Series of interviews conducted with female executive clients of Mazars in the United States, August-September 2016.

[4] Jacqueline Franjou, Women Leaders @Mazars Seminar, Milan, Italy, 20-22 September 2016.

complex, especially when we are talking about **diversity in the workplace**, where it 'means **having different perspectives reflected and considered in the decision-making process**' (Meg Mosley, North American Group Controller, Technicolor^[3]).

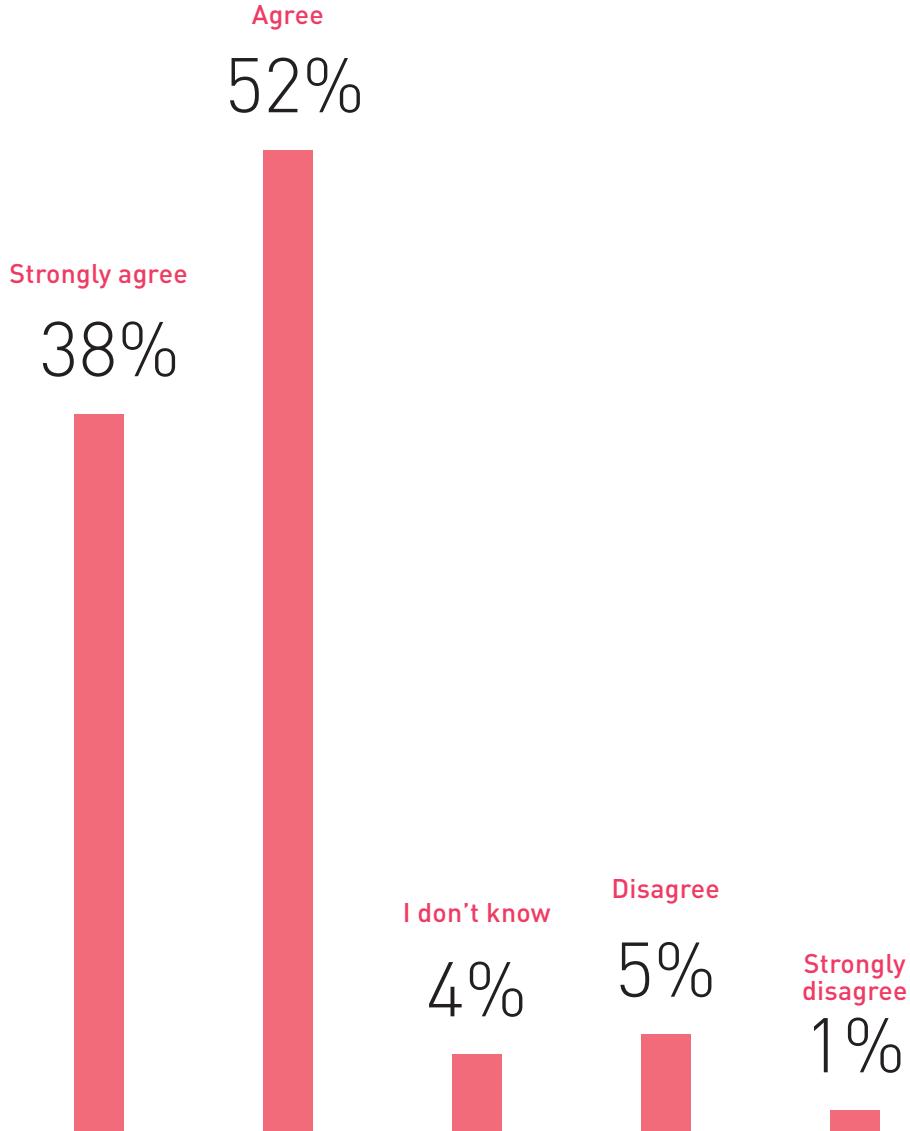
Why is diversity that important anyway?

Beyond the obvious benefits for women, there is a case to be made that gender **diversity also serves the interests of the entire organisation**. 'It's not just morally and ethically right to give everyone a seat at the table, but it's good for business too' states Rebecca Philbert, President and CEO at Best Yet Market Inc. 'When a group of individuals showing generational, social, educational and professional diversity come together to work towards a shared goal' continues Philbert, 'they benefit from their collective experiences. Just as importantly, the organisation benefits from these experiences as well.'^[3]

Echoing this point of view, the results of Mazars' first **gender diversity survey**^[5] not only overwhelmingly show that the topic interests the firm's staff and partners – 90% of them answering that it does matter for them –, but also that gender diversity initiatives are seen as favourable for the whole company.

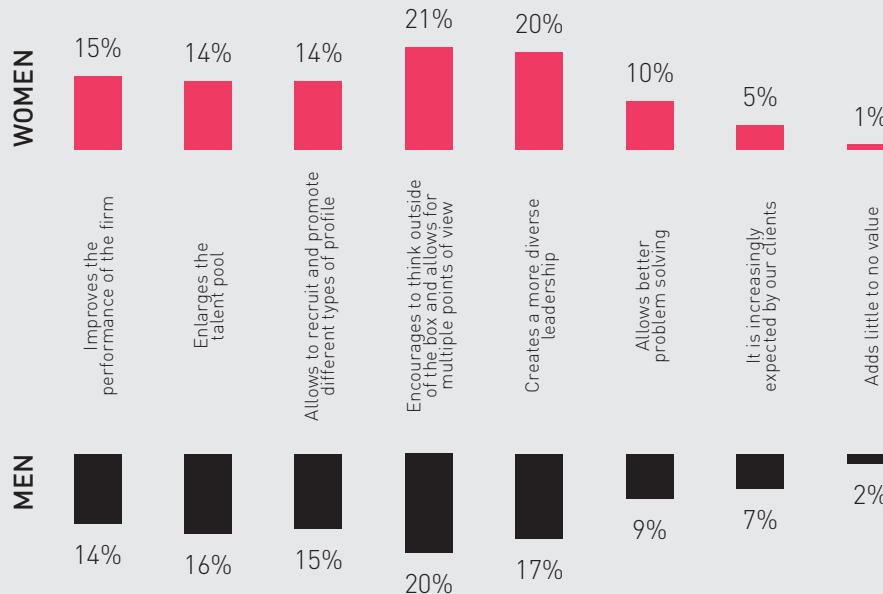
(5) Internal gender diversity survey conducted between August and September 2016, encouraging all staff, men and women alike, from 66 out of 77 countries in which Mazars is present, to give their views on this topic. 4,100 answers were received and analysed (cf. infra).

Do you agree with the idea that developing gender diversity initiatives in the organisation (work environment, work-life integration, career development, collaboration...) brings benefits to all staff members, beyond women?



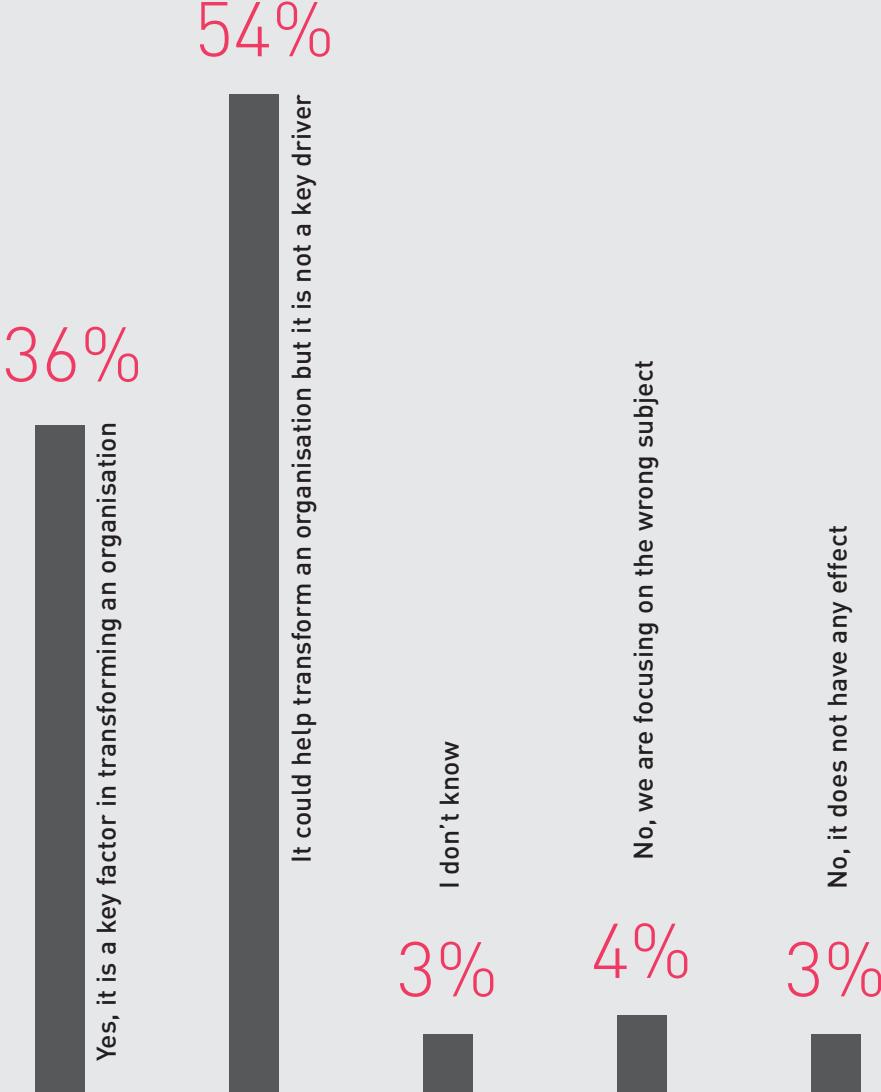
Going into further detail, the answers allow us to understand how gender diversity initiatives are viewed as a source of benefits for the whole organisation. Interestingly enough, the results shed light on three major aspects: first, these initiatives encourage a **more creative mindset** (thinking outside the box, expressing diverging ideas, better problem-solving capabilities); second, they allow an increase **in the quality of recruitment** (enlarging the talent pool, being able to recruit different types of profiles, creating a more diverse leadership); and finally, they **make room for improved performance** (answering clients' requests, but also improving the overall success of the firm).

In what ways do you think gender diversity would add value to Mazars?



From a more strategic point of view, it is even possible to argue that these programmes can, in fact, help a business become more agile. When Mazars' professionals were asked whether gender diversity could be a lever for change in the organisation, 90% answered positively.

Do you believe that gender balance is a driver in transforming organisations?



It is by no means a surprise, then, that 88% of Mazars partners believe that accelerating gender diversity is of strategic importance for the Group^[6]. But how can a business make tangible progress in this field?

A rocky road ahead

Even though things are progressing, achieving gender equality still seems a long way off. For instance, women saw bigger gains in terms of career progression between 1985 and 2000 than they have seen since^[7]. This seems to be confirmed by first-hand evidence gathered by business women with international experience: 'most of the countries I have visited remain fairly homogeneous and lacking in diversity,' says Gwynn Berney, CEO of Don Jagoda Associates, Inc.^[3]

The general consensus maintains that the tone must be set at the top: if management and business leaders do not embrace diversity and walk the talk, then little tangible progress is to be made. The problem with the diversity issue is that it pushes people 'out of their comfort zone,' explains Cheryl Lawrence McDaniel, President and Owner at Direct Success^[3].

'Undoubtedly, there is no lack of talent, but the real challenge is about allowing those candidates who do have qualified skill sets to thrive in a culture in which they may not necessarily be familiar,' concludes Amanda H. Haynes-Dale, Managing Director at Pan Reliance Capital Advisors^[3].

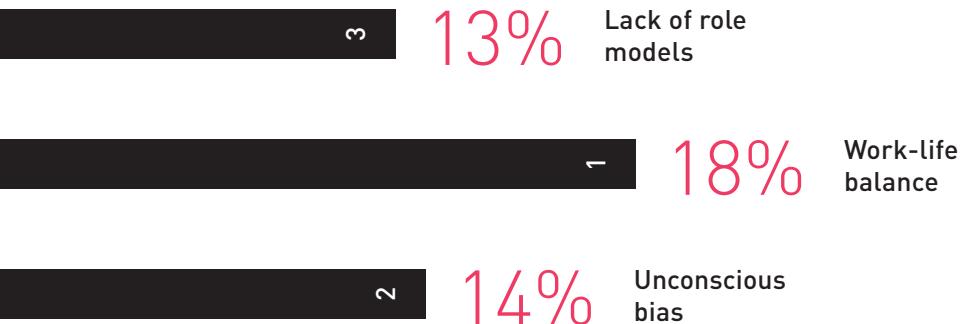
Therefore, 'as business leaders, I think this starts with you. If you respect, honour and embrace the differences in those you work with, others will follow,' reiterates Barbara Taube, Senior Vice President at Guarantee Trust Life^[3].

When it comes to identifying the most difficult obstacles, at Mazars, **both men and women** placed work-life balance as the number one hurdle on the road towards a more diverse workforce and ecosystem.

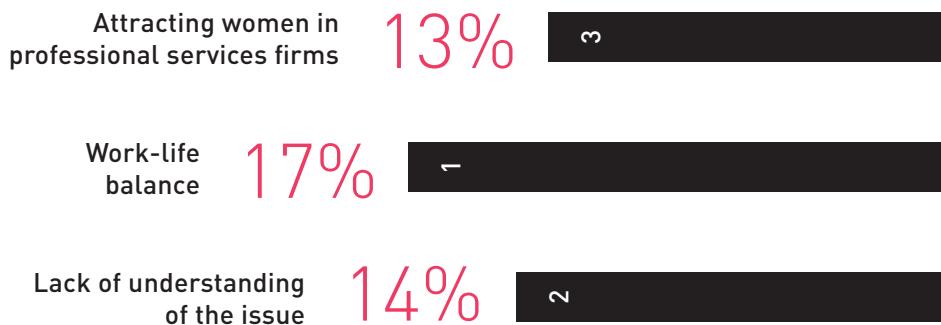
[6] Survey conducted in September 2016 among all Mazars partners worldwide.

[7] The figure applies to white women working at all US companies with 100 or more employees. Dobbin F. and Kalev A. (2016), 'Why Diversity Programs Fail', Harvard Business Review, July-August 2016, p.54.

WOMEN



What are the most serious obstacles to developing gender diversity at Mazars?



MEN

Today, **any female executive will mention work-life balance in one way or another**. Some, like Meg Mosley, bravely point out that they were unsuccessful in this matter. Most female business women maintain it is difficult, but it is something they must work on because it ultimately helps them be more well-rounded people. For instance, Gina Omolon⁽⁸⁾, Senior Audit Manager at Mazars, gives financial literacy courses outside of work because it was always her 'desire to be part of something bigger'; or Katelyn Kogan⁽⁹⁾, Audit Manager at Mazars, who makes sure to catch her gym class because 'it helps me get through busy season,' she explains.

So far, the main obstacle thwarting women in the business community is that **'the system has not adapted,'** as Berney contends, and that an outdated model prevails whereby 'it is only up to the woman to find that balance' as Philbert indicates.

'Diversity *per se* means nothing' explains Anna Simioni, Leadership and Change Topic Leader at The Boston Consulting Group. **'What interests me is to go beyond diversity.** By itself, diversity is not a value. The important part is to create the conditions to leverage diversity. On its own, it's just a statistic'⁽¹⁰⁾.

Professionals want organisational changes that enable them to work in more agile and innovative ways; they want to feel supported. Yesterday's regimented diversity programmes do not work because force-feeding fails⁽¹¹⁾ and because **'challenging stereotypes must be a way of life, not just a statement'** states McDaniel. 'In fact, forcing people will not have the desired outcome, and sometimes could actually encourage the contrary. Counterintuitively, this negative sentiment might not only be felt among the 'constrained' population, but it can also be felt by the token woman if placed in a role for diversity sake, instead of her abilities' explains Mosley.

(8) The Be Visible Campaign of Women of WeiserMazars features women leaders at WeiserMazars LLP that embody the core values and principles the Firm seeks to promote: <http://weisermazars.com/bevisible/>
(9) *ibid*.

(10) Anna Simioni, Women Leaders @Mazars Seminar, Milan, Italy, 20-22 September 2016.

(11) Dobbin F. and Kalev A. (2016), 'Why Diversity Programs Fail', Harvard Business Review, July-August 2016, p.54.

Concrete solutions that benefit all

From this point of view, it is up to organisations to create the right kind of ecosystems where the real value of diversity can flourish. Steering away from punitive stances and formal approaches, the sensible way to address the issue may, in fact, involve providing incentives to encourage diversity, but first and foremost, giving women the right support and tools to prevail in their business environment.

When Mazars' professionals were asked how diversity could be further advanced, they clearly showed a preference for organisational changes in line with the way they conduct their daily work.

What initiatives would best foster gender diversity at Mazars?

- 42%** Encourage flexible working
- 22%** Design training or mentoring programmes for female team members to build confidence, visibility and influence
- 18%** Review our internal processes linked to evaluation to remove unconscious bias
- 17%** Educate all team members on unconscious bias
- 16%** Set gender diversity KPIs and objectives at all levels (recruitment, career advancement, promotion to partner)

The results are quite clear: for business leaders and executives to concretely fulfill their commitments to diversity, addressing the issue of work-life balance has become crucial.

Not only do women call for this, but the younger generations expect to be able to work in smart and agile ways.

The analysis of more than 400 qualitative comments in Mazars' gender diversity survey speaks for itself: the size of the words below reflect their frequency.



In addition to balancing personal and professional spheres for all, it is crucial to provide women with positive role models. This observation was one of many that inspired the WOW programme at Mazars in the United States.

This fully-fledged programme is based on the belief that it is more by developing, mentoring, and retaining talented women that diversity in the workplace can be achieved, and outlines specific actions towards that goal.

**‘What interests me is to go beyond diversity.
By itself, diversity is not a value;
the important part is to create the conditions
to leverage diversity.’**

Anna Simioni

In the same vein, the first ‘Women Leaders @Mazars Seminar’ gathered 44 women from more than 20 countries in Milan, Italy, in October 2016, around three main pillars: leadership, business development and innovation.

As stated by Maria Cabodevilla, partner at Mazars in Spain, ‘women from different parts of the world are facing the same challenges’ and therefore, as an international organisation, how to achieve a diverse workforce is a common priority for the whole of Mazars’ global partnership.’

SURFING ON A ROCKET: MANAGING PERMANENT CHANGE

**Could diversity be the best lever
to help businesses and societies face
increasing challenges?
A Nordic case study**

Globalisation, urbanisation, digitalisation, but also terrorism, the refugee crisis, and climate change: our modern societies face a kind of existential crisis, where individuals and businesses can either jump on the bandwagon or be left behind in the face of an ever-increasing list of game-changing trends. What if more diversity was the answer to these challenges?

Digitalisation is the first and maybe the most impactful trend affecting businesses in all sectors, regardless of size or structure. A paper by Carl Benedikt Frey and Michael Osborne, of the University of Oxford, argued that jobs are at high risk of being automated in 47 percent of the occupational categories into which work is customarily sorted. As a striking example, the probability that computerisation will lead to job losses within the next two decades was estimated at 0.99 (1 being equal to certain) in the audit and accounting industry⁽¹⁾, which certainly gives us pause for thought. Moving faster than business, technology is today the biggest driver of change, and the mother of all battles. This unescapable trend entails a growing need for new competencies, which in turn generates new types of jobs. This technologically driven disruption goes hand-in-hand with the transformation of organisational structures. Whether it is radical new forms, like holacracies⁽²⁾, or simply flatter management hierarchies, these new forms of business organisation bring to the fore the vital importance of diversity.

‘Entrepreneurs need to act as policymakers for diversity’

Elaine Eksvärd

In this fast-changing environment, and seeking a range of skills and diversity, companies need to contend with the war for talent. In her work as Client Service Director for Kantar TNS Business Employee Research &



Katarina Önell

Consulting and as chairman of Diversity Charter Sweden⁽³⁾, Katarina Önell has noticed that it becomes increasingly difficult to find the right skills in the recruitment of new employees for their clients. ‘This is a reality in every modern economy around the world and it is partly due to demographic changes. The greater need for competencies makes it important that more people get a chance to enter the labour market’, she argues.

Moreover, **millennials have changed the rules of the hiring game.** For instance, today's young people ask that companies make a substantial contribution to society. This is clearly shown in the research conducted by the Swedish consulting firm Kairos Future: **young people want to work in companies whose values are based on responsible entrepreneurship^[4].** During paid working time, they want to be able to contribute to, and volunteer in, community foundations or organisations – it is so key that they consider this as being more important than a higher wage.

Therefore, in a world where generations Y and Z are increasingly asking businesses to go beyond traditional corporate social responsibility and engage in creating shared value^[5], and where technological disruptions are creating new business needs, **it becomes necessary for entrepreneurs to work together with political institutions,** researchers and individuals. The goal is to find new solutions and seek stable partnerships to help build a society that is both sustainable and diverse; when policymakers' take on diversity is not enough, there is an argument to be made about whether companies and other organisations can offer another, more efficient approach.

Diversity in itself is a complex matter – it encompasses differences in terms of, ethnicity, age, sexual orientation, gender identity or expression, disability, religion or other beliefs. To manage diversity issues and create a society that is truly inclusive and counters discrimination is often seen as a utopian dream; nonetheless, a diverse and inclusive workplace is able to better understand clients, which in turn can increase **profitability.** A well-developed diversity programme can be linked to both business value and goals, opening the door to the genuine creation of shared value. McKinsey's research clearly demonstrates that companies that address diversity in recruitment are more likely to outperform^[6] their competitors.

The report analysed data from 366 large companies in a variety of industries in North America, Latin America and the United Kingdom; in the United States, the results confirm a clear link between diversity and greater economic profitability. For every 10 percent increase in diversity in senior positions, the revenue before interest and tax (known as EBIT) increased

by 0.8 percent. **Gender-diverse companies are 15 percent more likely to outperform**; ethnically diverse companies do even better, being 35 percent more likely to outperform competitors.

Diversity in Sweden: a case study

Sweden is one of the most dynamic economies in the Eurozone, with a growth rate of around 3.5 percent in 2016, after an even higher 4.2 percent in 2015, and its unemployment rate has fallen below 7 percent. Generally perceived as a successful, neutral, and stable country, Sweden is however facing the exact same challenges as other developed countries. The refugee crisis is a striking example of this, with 163,000 people seeking asylum in Sweden in 2015. SCB, the nation's statistics agency, forecasts Sweden's population will have passed 10 million in 2017, and 12 million by 2040^[7].

Approximately 70 percent of this population growth is occurring in the three largest cities, Stockholm, Gothenburg and Malmö. **Integrating newcomers into the Swedish society** through education, jobs and housing is a major challenge for policymakers, the Swedish business community, and individuals alike.

However, prejudices and discriminatory attitudes are major hurdles for immigrants and newcomers to entering the labour market. 'A lot of research and studies confirm the positive effects of diversity on businesses, especially the link with increased profitability. But there is still too little research in this area. Just looking at turnover and profit is not enough. One of the most important criteria to consider is inclusive leadership', says Katarina Önell. In her role as chairman of Diversity Charter Sweden, she works to inspire and provide tools to businesses that feature diversity in their agendas.

The NGO also highlights the **significance of diversity for the competitiveness of Swedish companies**. 'It is therefore very positive that more and more clients integrate diversity and inclusion into their strategy and that they live up

to their values' continues Önell. She hopes that the European Union directive that requires large and medium-sized enterprises to report their actions on diversity will help accelerate the movement.



Azita Shariati

'Without inclusion, diversity means nothing!' states Azita Shariati, who, in 2015, was distinguished as the most powerful Swedish businesswoman^[8]. As the CEO of Sodexo in Sweden since 2015, her leadership is anchored in the company values, and features an **inclusive approach to business development**. For the Teheran-born woman who came to Sweden at the age of 20, diversity involves accepting that we, as humans, are different.

When Sodexo embarked on its global change process in 2010, the objective was actually to increase customer satisfaction, create growth and achieve better profitability. 'We started to look at the leadership because it is the management that should drive the change process. It was found that 70 percent of the managers in Sodexo were men. The target we set in our own management group was that, within five years, we should have 50 percent of women in senior positions', explains Shariati. Today, half of the senior management team are women and at other management levels, the part of women reaches 40 percent. All managers have also been trained in diversity and inclusion in order to understand how their own prejudices influence decisions and treatment.

**'Without inclusion,
diversity means nothing'**

Azita Shariati

From a broader perspective, Shariati believes it is a worthy challenge to be involved in, contributing to make it easier to employ newcomers in the country. 'The most important thing is to get a job. It is more important than housing and knowing the language. If you have a job, you learn the language,

and if you have a job, you can also get housing. To achieve concrete change, we need better synergy between policymakers, the business community, and trade unions; only together can we find solutions that give newcomers a better introduction to society' exhorts Shariati.



Elaine Eksvärd

As a young, talented and successful consultant, writer and speaker Elaine Eksvärd has never related to herself as a child of immigrants. 'To create diversity, a completely new norm is needed' she says. 'We need entrepreneurs to act as policymakers and find new, working solutions that lead to a better understanding and improved communication between people'. This high expectation applies to all industries, including audit, accountancy and consulting. Mazars in

Sweden has come a long way in its work on diversity and has, for the sixth year in a row, been ranked as the most gender-equal audit firm in Sweden^[9]. Among the seven largest audit firms, it is the second firm with a female CEO and a high proportion of female managers and partners. 'As a modern firm, we must follow evolutions and be at the forefront when it comes to mega-trends such as digitalisation and skills training. I still wish that more women would choose to become partners at Mazars. We have to find the key to how we can get talented women to take the step and become partners', says Åsa Andersson Eneberg, an audit partner at Mazars in Sweden.



Åsa Andersson Eneberg

A change in perspective

Maria Hansen and Viktoria Wessman, two young female auditors working at Mazars in Sweden, have their own approach to the topic, that comes from being part of a larger community.

They belong to a generation where gender equality is natural and diversity is a given.



Viktoria Wessman

Even for them, the upcoming challenge is to accelerate on diversity issues and achieve a more diverse workplace. 'We want to contribute to creating an open and tolerant firm that accepts and values differences' says Hansen and Wessman. As a firm, we benefit from hiring both men and women with different backgrounds and cultures, but who also have the required skills that we need'. As the CEO of Mazars in Sweden since

2011, Marianne Sandén Ljungberg has made change management the focus of her leadership. Being the leader of one of Sweden's most gender-equal audit firms, one that uses modern technology, actively works on sustainability issues and which develops its own products and services could be, of course, a source of pride. 'We have a tolerant corporate culture that makes it possible to combine family and career. But for me, diversity is much more than men and women of different ages with different backgrounds and sexual orientations. We are all different, and it involves capitalising on each other's differences – that is what creates diversity'.



Maria Hansen



Pia Lillebaek

Pia Lillebaek, managing partner of Mazars in Denmark, concurs: 'There is a strong tendency to put people in 'boxes'. I tend to be annoyed when only women are asked about gender issues, or only older people are talking about 'managing' GenY recruits. We need to think of ourselves more like a melting pot.' The challenge may well be about combining this approach with more traditional recruitment goals: 'In the end,

we always recruit people based on skills and by seeking the potential for development in each person’, says Sandén Ljungberg.



Marianne Sandén Ljungberg

As the role of the auditor is gradually changing to become more consultative, she sees a great potential in giving customers advice on both sustainability and diversity issues. ‘Many companies have not yet come far on these issues. As trusted advisers, we can offer relevant role models’. As we look to the exemplary approach of these Nordic case studies, we learn that we can never simply rest on our achievements. As technology and business continue to change,

we can only create shared value for businesses and society if our diversity strategies adapt and grow to keep pace.

‘Diversity involves capitalising on each other’s differences’

Marianne Sandén Ljungberg

[1] ‘The future of Employment: How Susceptible are Jobs to Computerisation?’ by C. Frey and M. Osborne (2013).

[2] <https://blog.holacracy.org/holacracy-vs-hierarchy-vs-flat-orgs-d1545d5dffa7#87yh84fe3>

[3] <http://www.diversitycharter.se/>

[4] <http://www.kairosfuture.com/research/>

[5] ‘Creating Shared Value’. Mazars Group Yearbook 2015. <http://annualreport.mazars.com>

[6] ‘Why Diversity Matters’. <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>

[7] http://www.scb.se/en_/About-us/News-and-press-releases/Container-for-news-and-press-releases/Statistics-Swedens-population-clock-is-ticking-away-toward-ten-million/

[8] ‘Sveriges mäktigaste affärskvinna vänder upp och ner på strukturerna’. Veckans Affärer, March 3rd 2015. <http://www.va.se/nyheter/2015/03/06/naringslivets-maktigaste-kvinna-azita-shariati>

[9] ‘Vi får inte slå oss till ro’. Balans, March 16th 2016. <http://www.tidningenbalans.se/nyheter/vi-far-inte-sla-oss-till-ro/>