Driving Change in Automotive with Diversity, Equity and Inclusion

OESA DEI Forum

September 10, 2020

Meeting Objective

Explore the ways that the supplier community can take action to make meaningful strides in diversity, equity and inclusion.......
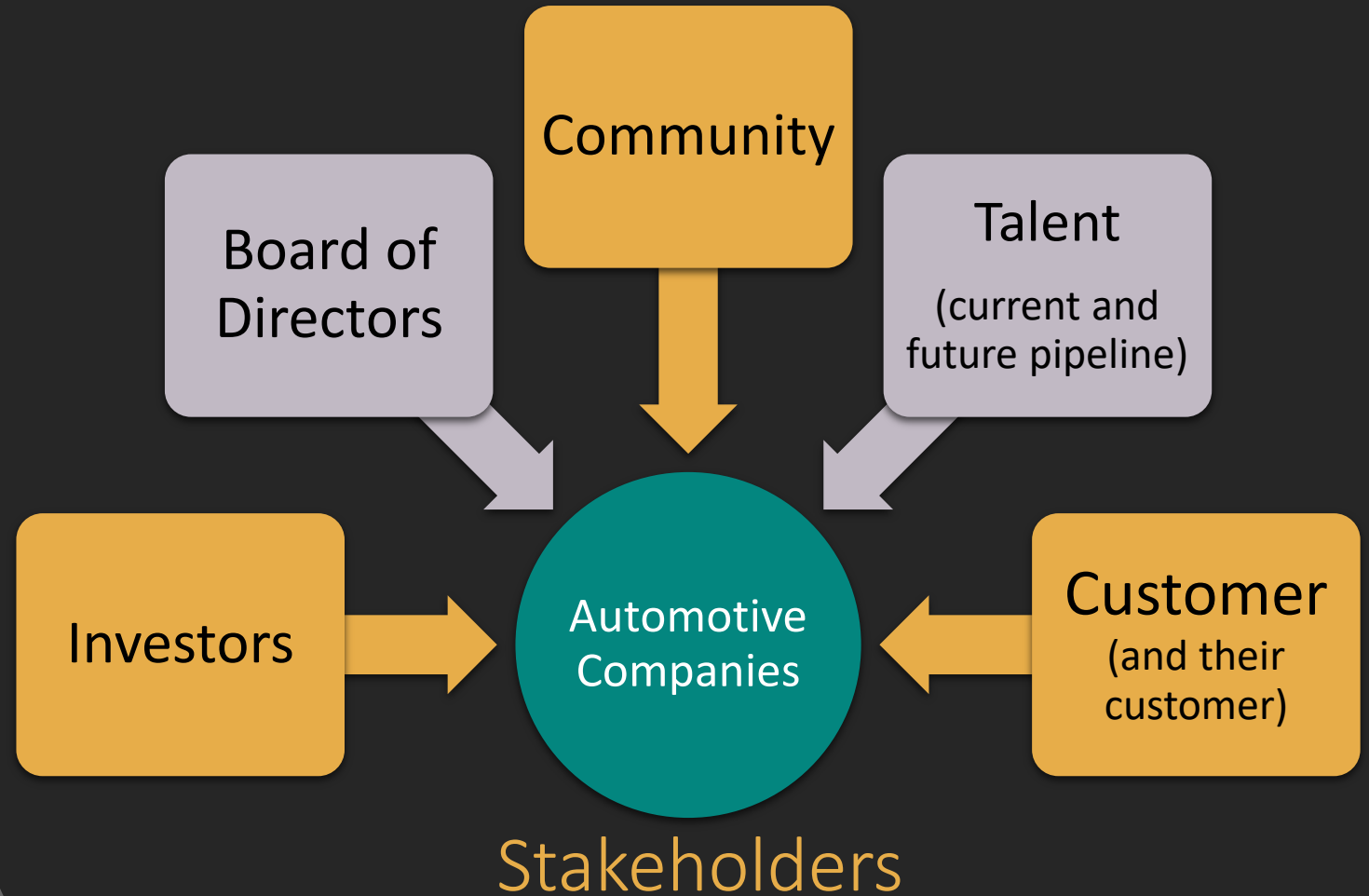
Objective

.......in order to
become a more inclusive industry,
leverage diverse talent,
support social change,
combat racism, better engage our
workforce, increase innovation,
improve the bottom line.....

CADIA
CENTER FOR AUTOMOTIVE DIVERSITY,
INCLUSION & ADVANCEMENT,

The Case for Change

External Pressure

Community

Board of Directors

Talent (current and future pipeline)

Investors

Automotive Companies

Customer (and their customer)

Stakeholders

The Future
- Volatile
- Uncertain
- Chaotic
- Ambiguous

Emerging Factors
- Increased Transparency
- Globalization
- Speed of Technology
- Shifting Demographics
  - Race, Ethnicity, Values

CASE
CONNECTED   AUTONOMOUS   SHARED/SERVICE   ELECTRIC

Today
- Global Pandemic
- Economic Uncertainty
- Systemic Racism
- Election Politics

About CADIA

Cheryl Thompson Founder and CEO of CADIA

Industry Experience

- 31 Years Ford
  - Food Service
  - Tool and Diemaker
  - Manufacturing Engineering
  - Operations
  - Powertrain Prototype

- 1.5 Years – AAM
  - Global Prototype Director

Professional Development

- Co-chair of Personnel Development Committee – Ford

- Co-chair of Diversity Council – Ford

- 12-month Experienced Leader Program – Ford

- Certified Career Coach – CCI (Career Coach Institute)

- 12-month Leadership Program – CTI (Coaches Training Institute)

- Diversity Certified Professional – NDC (National Diversity Council)

CADIA Organization at-a-Glance

Our Organization: A non-profit (501c3) focused on diversity, equity and inclusion in the automotive industry.

Our Mission: Double The Number of Diverse Leaders in Automotive by 2030.

The CADIA 4C Framework

Support Leadership **Commitment**

Champion Diverse Talent

Drive Systemic **Change**

Create Inclusive Cultures

Unique Solutions for the Automotive Industry:

- Annual Rev Up 2030 Event
- CADIA DEI Roundtable Series
- DEI Workshops
- CADIA Certification
- CADIA DEI Barometer™
- Corporate DEI Assessment and Roadmap Development
- Professional Development via CADIA Academy™
- Weekly CADIA Connects™
- Speakers Bureau
- Thought Leadership

Offered a la carte or via annual membership

CADIA provides:

- An Extension of your DEI Team
- A Peer Learning Community
- A Consistent Priority and Focus on DEI for the Auto-Mobility Industry

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Our Partners

- As a small organization we work with many other partners to help us carry out our mission
- We aim to work in a niche space, and not to reinvent any wheels
- There are many great organizations already doing good work
- Through formal and informal partnerships we can help one another

Level Set

Diversity

Welcome to
Diversity Training!
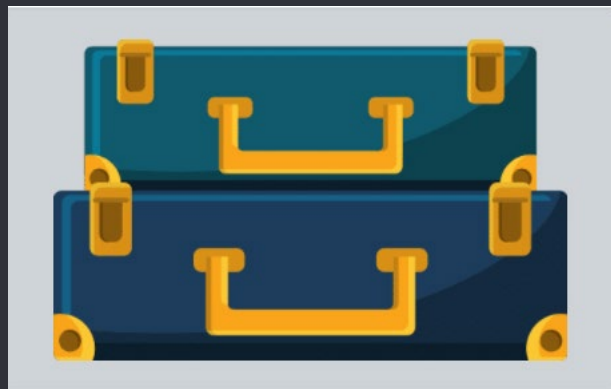
- Compliance
- Legal
- Polarizing
- Quotas
- Diversity Hire
- Diversity Promotion
- Not Qualified
- I am not a racist
- I support women

- I don't see color
- EEOC
- I'm keeping my mouth shut
- I can't find diverse talent
- Difficult
- Exhausting
- I hire the best person for the job
- Zero sum game
- I am not going to hire/promote someone who isn't qualified

ANXIETY

Compliance – EEO & AA	Diversity
Prevents and/or corrects discrimination and historical patterns that adversely impact workforce representation of certain groups.	Values differences and is based on the idea that leveraging these differences improves organizational performance.
Compliance - legally driven mandates imposed by the government with systematic steps that result in quantifiable outcomes.	Voluntary, proactive process of change guided by the free market that creates a culture of respect where all differences are leveraged to improve performance and competitive advantage.
Benefits protected classes.	Includes and positively affects everyone – anyone that is human.
Focus is demographic characteristics – age, sex, race, ethnicity, disability.	Includes and positively affects everyone – anyone that is human.
Not related to an organization's business goals or strategic plans.	Includes a wider range of dimensions – education, personality types, thinking styles, backgrounds, perspectives, socio-economic status, functional and organizational experience, etc.
Reactive and Transactional	Proactive and Transformational

Diversity

Everything that makes you who you are and what makes you different from someone else, to include race, gender, religion, ability, age, sexual orientation, background, education, experiences, talents, skills, and much more
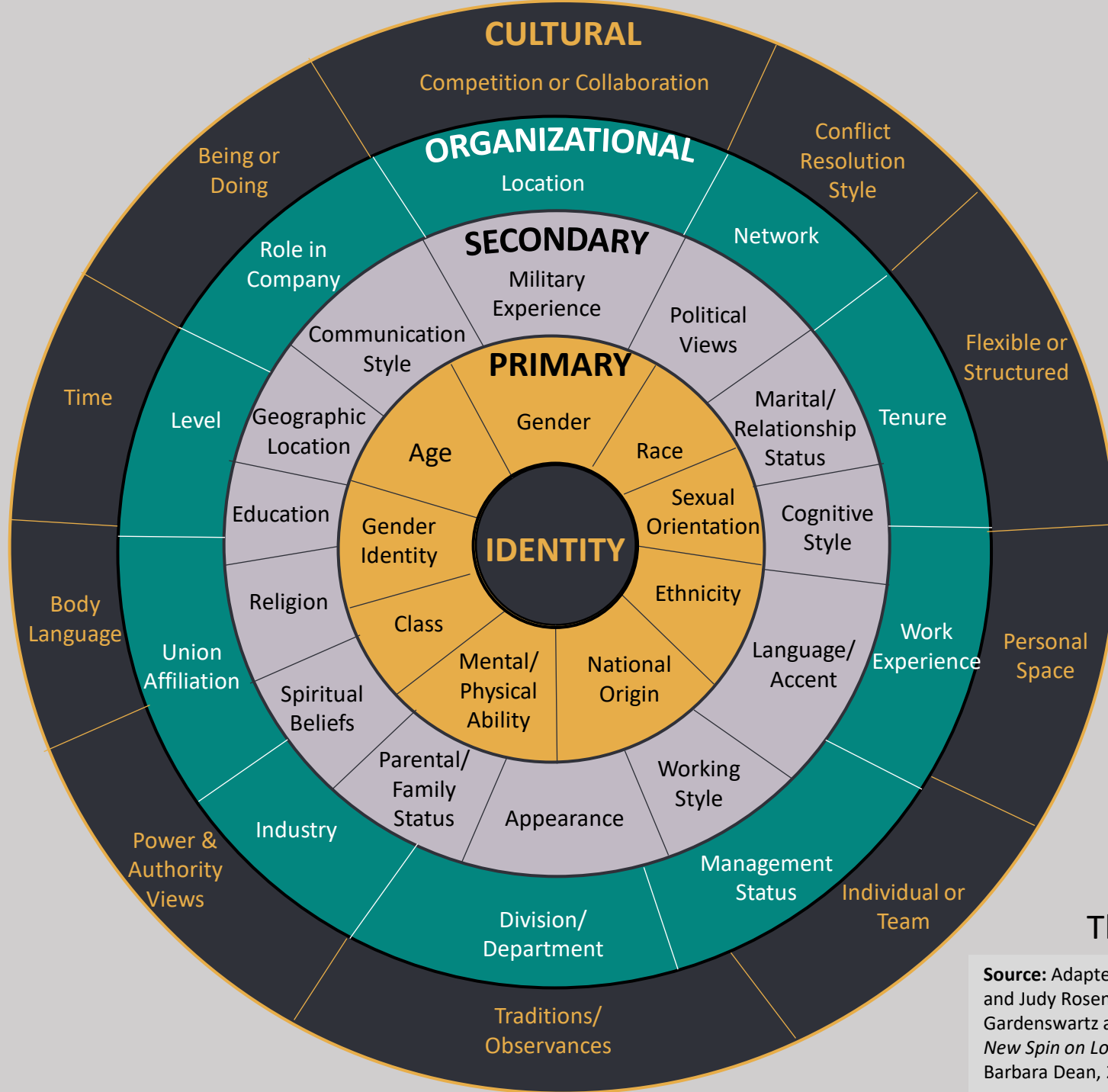
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IDENTITY: Sense of self, how you see yourself, characteristics that define you, including personality. Shapes our self image and world view.

PRIMARY: Most powerful characteristics, inborn, inherent, have a significant impact on early socialization and future life.

SECONDARY: Acquired, can be modified or discarded.

ORGANIZATIONAL: Attributes that contribute to workplace experience.

CULTURAL: Traits, behaviors, preferences or values shaped by culture. Key elements in how we define ourselves as individuals or as a group identity.
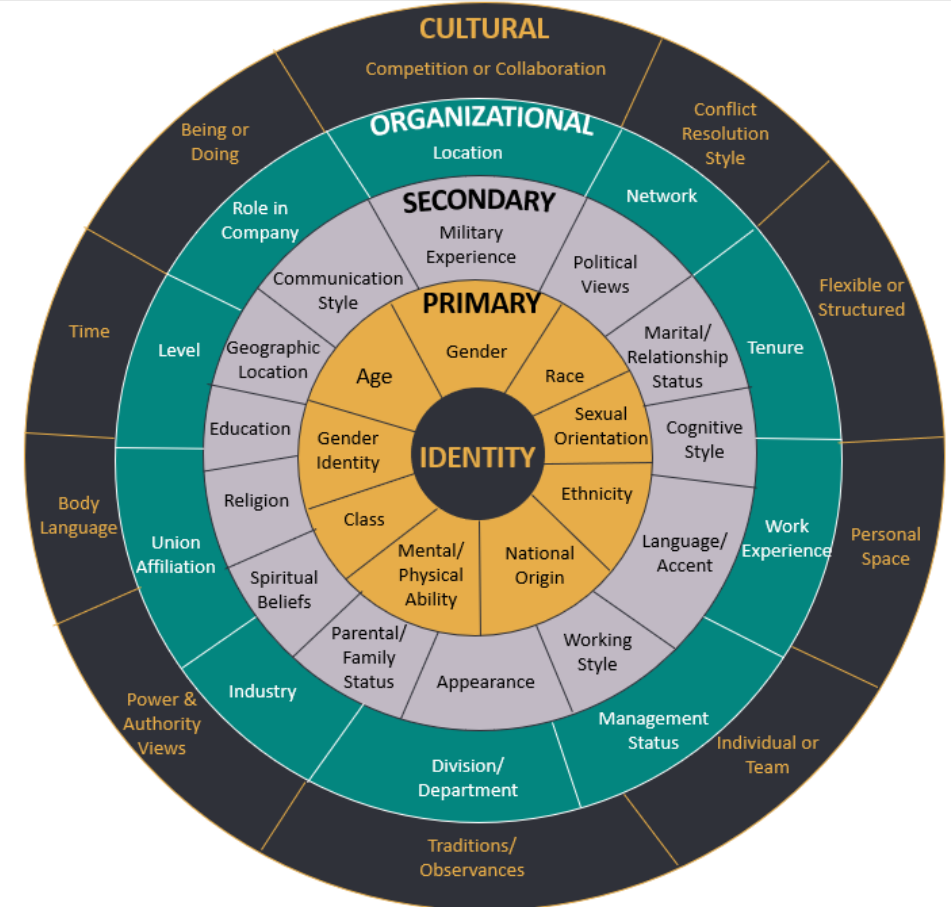
CULTURAL
Competition or Collaboration
Being or Doing
Conflict Resolution Style
Flexible or Structured
Time
Body Language
Power & Authority Views
Traditions/ Observances
Personal Space
Individual or Team

ORGANIZATIONAL
Location
Network
Role in Company
Level
Union Affiliation
Industry
Division/ Department
Management Status
Work Experience
Tenure

SECONDARY
Military Experience
Political Views
Communication Style
Geographic Location
Education
Religion
Marital/ Relationship Status
Cognitive Style
Language/ Accent
Working Style
Appearance
Parental/ Family Status
Spiritual Beliefs

PRIMARY
Gender
Race
Age
Sexual Orientation
Gender Identity
Ethnicity
Class
National Origin
Mental/ Physical Ability

IDENTITY

The Diversity Wheel

Source: Adapted from *Workforce America* by Marilyn Loden and Judy Rosener, 1991; *Diverse Teams at Work* by Lee Gardenswartz and Anita Rowe, 2003; and *Global Diversity Puts New Spin on Loden's Diversity Wheel* by Kimberley Lou and Barbara Dean, 2010.
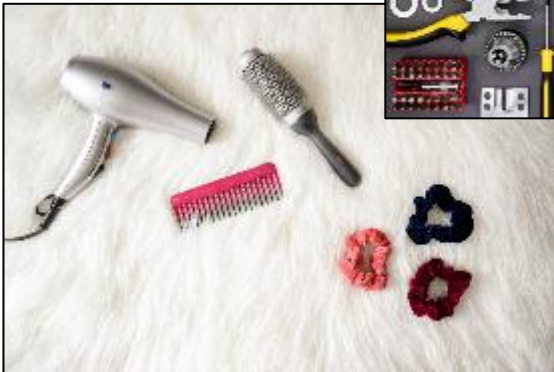
Diversity

- Compliance

- Representation
  - Decision Making:
    - Perspectives, experiences, values, needs (psychological, emotional and physical)
  - Role Models:
    - Permission to bring best self to work
    - Example of what is possible for progression and performance
  - Leveraging differences for:
    - Better Solutions
    - Innovation and Creativity
    - Problem Solving
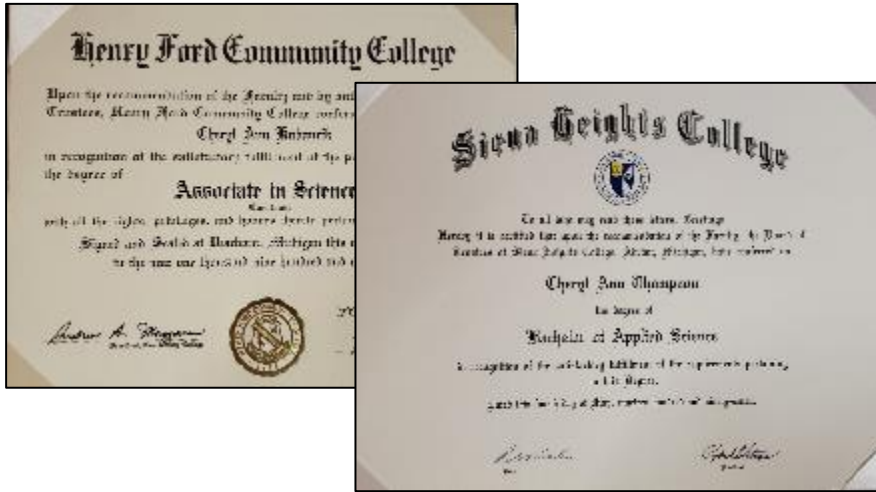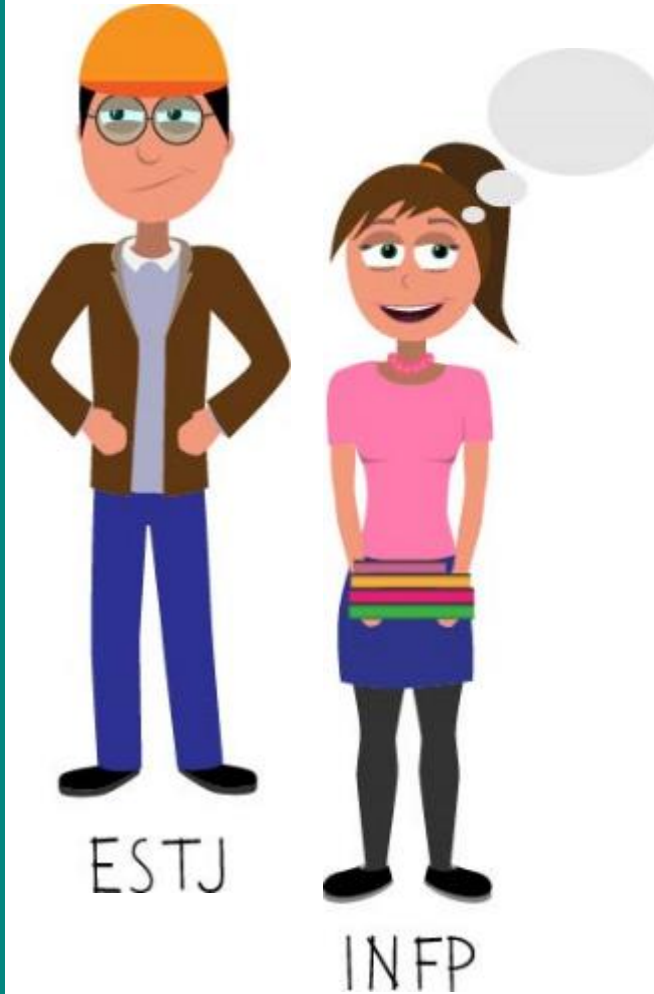
Reflection

- Primary_____
_____

- Secondary_____
_____

- Organizational_____
_____

- Cultural_____
_____

1. Which aspects of your diversity dimensions have made you feel excluded or included?
_____

2. What's missing within your team?
_____

3. What is the impact?
_____
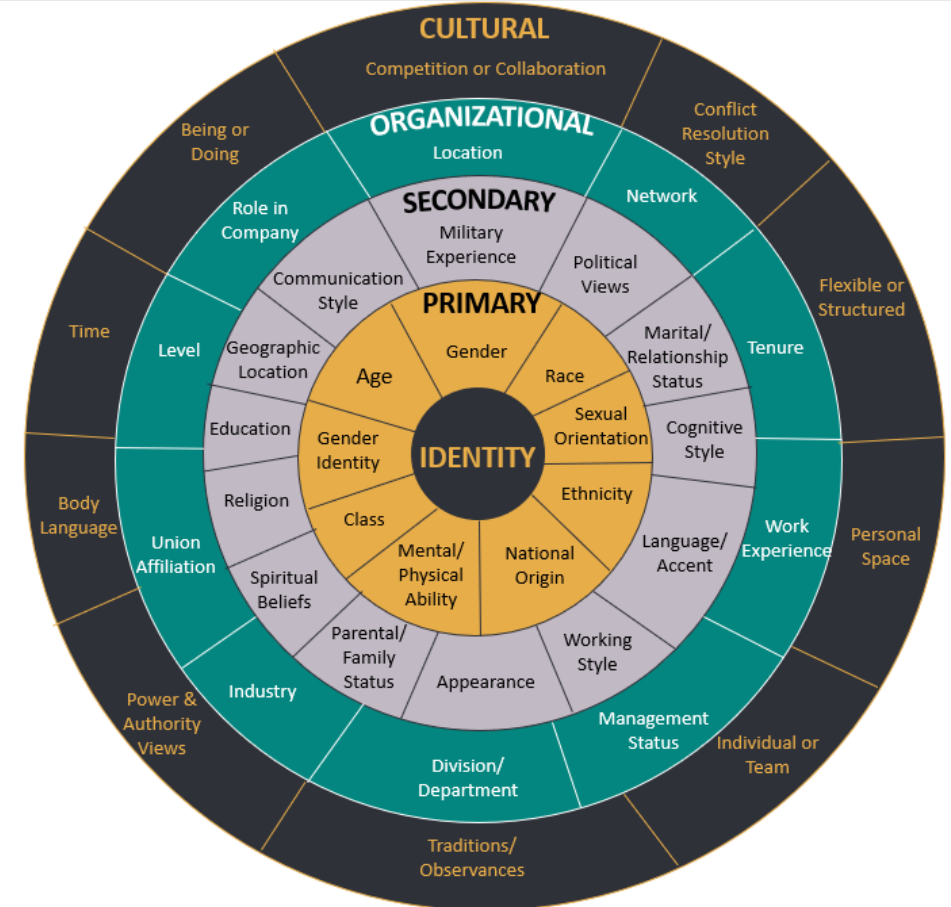
Inclusion & Belonging

Inclusion

The practice of leveraging diverse perspectives, backgrounds, skills, and talents to allow each employee to feel valued and able to contribute to his or her full potential in achieving the mission of the organization

Belonging

The act of being an accepted member of a group

Maslow's Hierarchy of Needs

Self Actualization
- **Full Potential**

Esteem
- **Respect from Others:** Status & Public Recognition
- **Respect for Self:** Sense of competence & confidence

Belongingness and Love
- **Belongingness:** Membership of families, school communities, community groups, gangs, etc.
- **Love:** From family, friends and a significant other

Safety, Protection & Security
- **Feeling and being safe** from harm from family members, strangers or occupational hazards

Physiological
- **Basic needs** for physical survival including food, water, a livable environment, clothing and shelter

Culture - Psychological Safety

Safe to Challenge the Status Quo

Safe to Contribute

Safe to Learn

People Feel Included
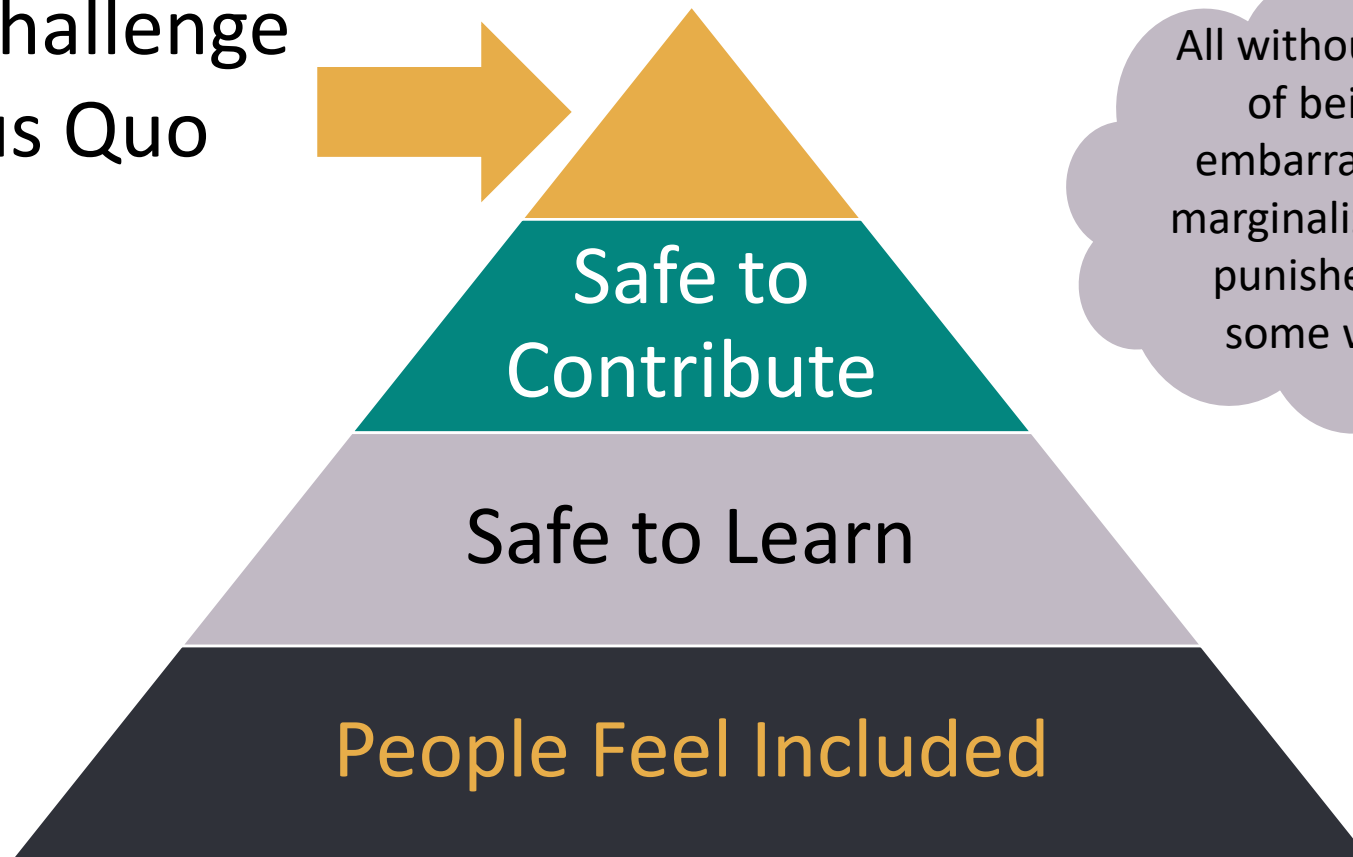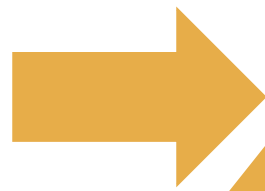
All without fear of being embarrassed, marginalized, or punished in some way.

Timothy Clark's *The Four Stages of Psychological Safety*

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Equality vs. Equity

Equality: A state of affairs in which all people within a specific society or isolated group have the same status in certain respects, including civil rights, freedom of speech, property rights and equal access to certain social goods and services.

Equity:

- Considers that social identifiers (*race, gender, socioeconomic status, etc.*) do affect equality.
- In an equitable environment, an individual or a group would be given what was needed to give them equal advantage. This would not necessarily be equal to what others were receiving. It could be more or different.
- Equity is an ideal and a goal, not a process. It ensures that everyone has the resources they need to succeed.

Systemic Change

Examples of Systemic Change

- Recruitment, Retention, Development and Advancement

- Job Design, Classification and Compensation

- Benefits, Work-Life Integration, and Flexibility

- DEI Learning and Education

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Diversity, Equity and Inclusion (DEI) as a System

- A **strategic business imperative** that is part of an organization and how it does business, allowing it to **leverage the diversity of staff** to **achieve the organization's mission**

- Included in an **organization's vision, mission, values, strategies, and tactics** to **create and sustain workplaces** that are **inclusive, diverse and equitable**, and that leverage the culture to **achieve better business outcomes.**
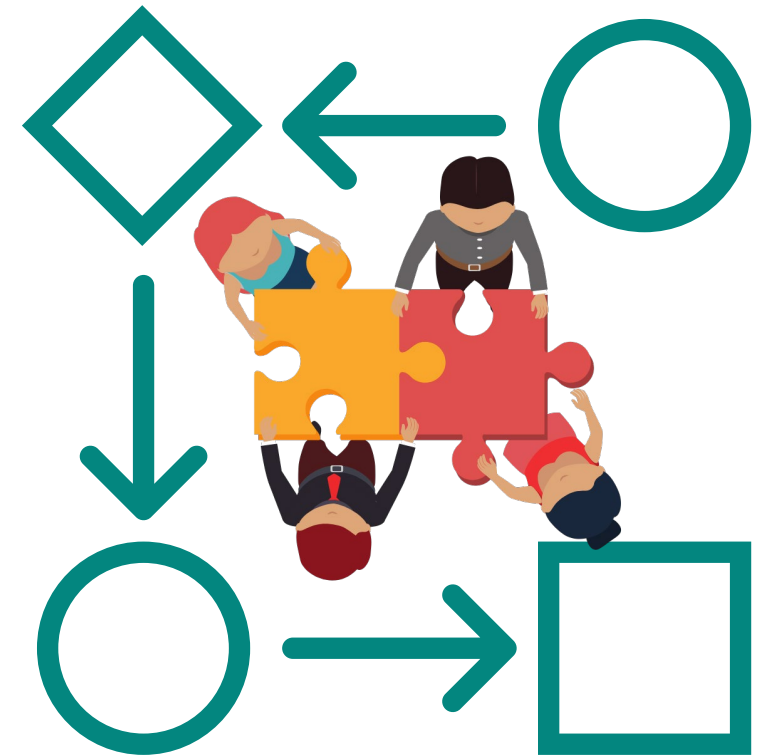
Helps a company deliver on their mission and business objectives through people

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The Business Case

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Why Diversity & Inclusion Matters

Talent

- Talent retention
- Maximizes talent and productivity
- Trust and increased engagement
- Increased job satisfaction and knowledge sharing

Innovation and Performance

- Increased revenues from innovative products and services
- Diversity reduces groupthink and enhances decision-making
- Inclusion is key to team performance

Reputation and Responsibility

- Mixed-gender boards have fewer instances of fraud
- Diverse teams are more likely to recognize risk factors
- Boardroom diversity strengthens corporate social responsibility performance

Financial Performance

- Associated with improved financial performance
- Organizations in the top 25% for ethnic/cultural diversity were more likely to achieve above-average profitability
- Companies pay a penalty for a lack of diversity

Source: Catalyst - 2018

Benefits of Diversity, Inclusion and Belonging

8x return on every dollar spent on Diversity and Inclusion[1]

8x more likely to achieve better business outcomes[2]

6x more likely to be innovative and agile[2]

25% more likely to outperform on profitability when in top quartile for gender diversity[4] (15% '14, 21% '17)

7% market capitalization decline for companies with public incidents of racist and sexist behavior [5]

3x more likely to retain millennials for more than 5 years[3]

29% less likely to achieve above-average profitability when in bottom quartile for gender and ethnic diversity[4]

35% more likely to have industry-leading profitability when in top quartile with ethnic/cultural diversity[4] (36% '14, 33% '17)

Companies with women in P&L roles were even more successful[4]

1% Revenue increase for every **10%** increase toward 50/50 Gender Parity[6]

1. Rhodes Perry 2. Deloitte Insights 3. Deloitte Millennial Study 4. McKinsey 5. Russell Reynolds Associates 6 Pipeline Equity
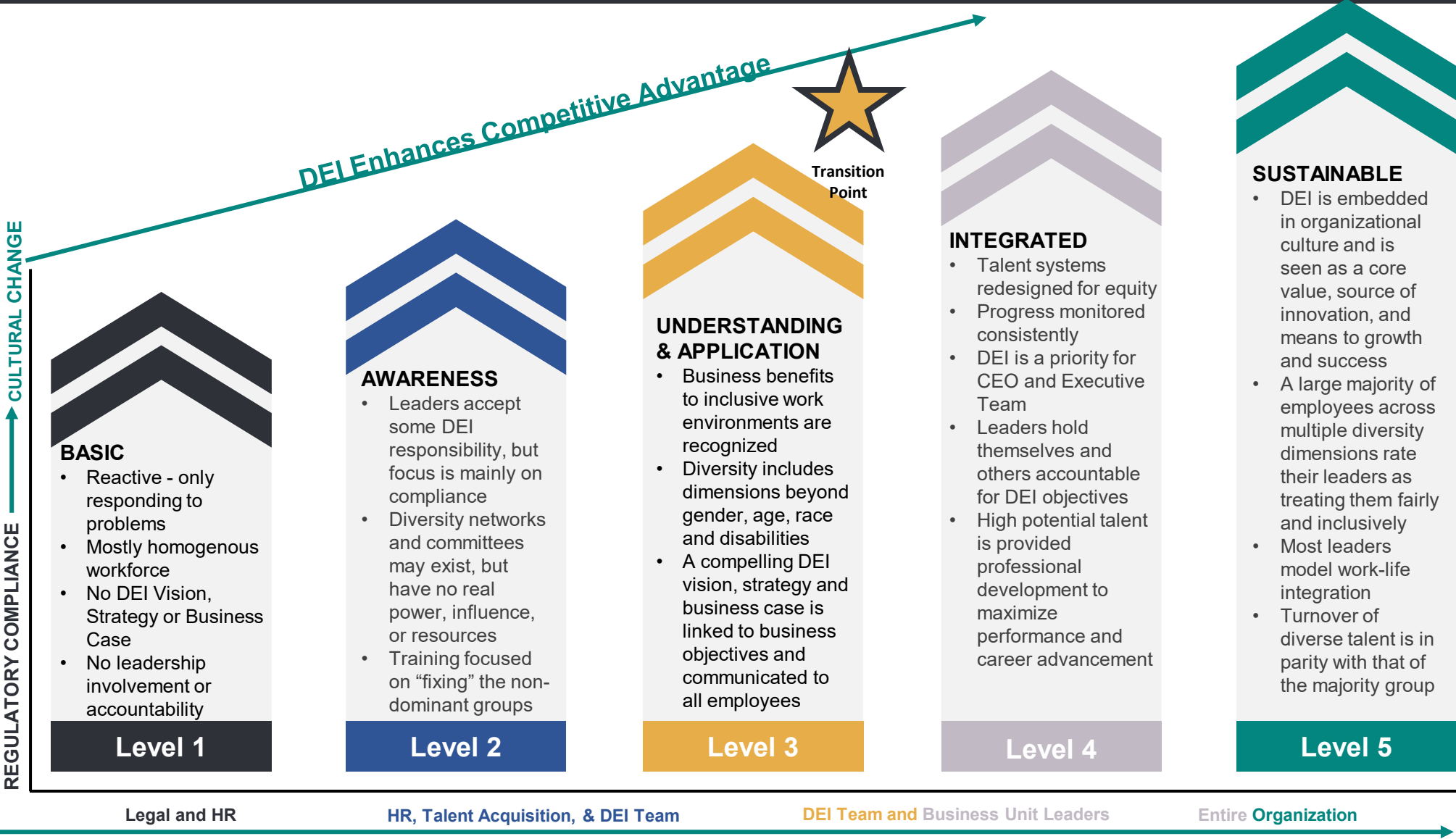
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DEI Organizational Evolution

DEI Maturity Model

Where are you?

Where is your organization?

CULTURAL CHANGE

REGULATORY COMPLIANCE

DEI Enhances Competitive Advantage

Transition Point

BASIC
- Reactive - only responding to problems
- Mostly homogenous workforce
- No DEI Vision, Strategy or Business Case
- No leadership involvement or accountability

Level 1

AWARENESS
- Leaders accept some DEI responsibility, but focus is mainly on compliance
- Diversity networks and committees may exist, but have no real power, influence, or resources
- Training focused on "fixing" the non-dominant groups

Level 2

UNDERSTANDING & APPLICATION
- Business benefits to inclusive work environments are recognized
- Diversity includes dimensions beyond gender, age, race and disabilities
- A compelling DEI vision, strategy and business case is linked to business objectives and communicated to all employees

Level 3

INTEGRATED
- Talent systems redesigned for equity
- Progress monitored consistently
- DEI is a priority for CEO and Executive Team
- Leaders hold themselves and others accountable for DEI objectives
- High potential talent is provided professional development to maximize performance and career advancement

Level 4

SUSTAINABLE
- DEI is embedded in organizational culture and is seen as a core value, source of innovation, and means to growth and success
- A large majority of employees across multiple diversity dimensions rate their leaders as treating them fairly and inclusively
- Most leaders model work-life integration
- Turnover of diverse talent is in parity with that of the majority group

Level 5

Legal and HR

HR, Talent Acquisition, & DEI Team

DEI Team and Business Unit Leaders

Entire Organization

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Barriers to Progress

- Past Quotas that put people in positions they weren't ready or right for
- Zero Sum Game Paradigm – if you win, I lose
- Lack of follow-through
- Lack of Accountability
  - No metrics
  - Objectives not on par with other business objectives
  - Not tied to performance
    - $y = f(x)$ – or focused on the y, not the x
- Business Case not communicated and understood at all levels
- Expected Behaviors not communicated, modeled or tied to performance
- One size fits all approach
- "Information Dump" vs. Dialogue

Not an all-inclusive list

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1 2 3

Getting Started – 3 Cs

Senior Leadership Commitment

1. **Clarity** – Define what DEI means to your company and why it is a critical imperative in achieving the company's mission and business objectives.

2. **Connection** – Connect DEI Goals to Company mission, values and existing business objectives.

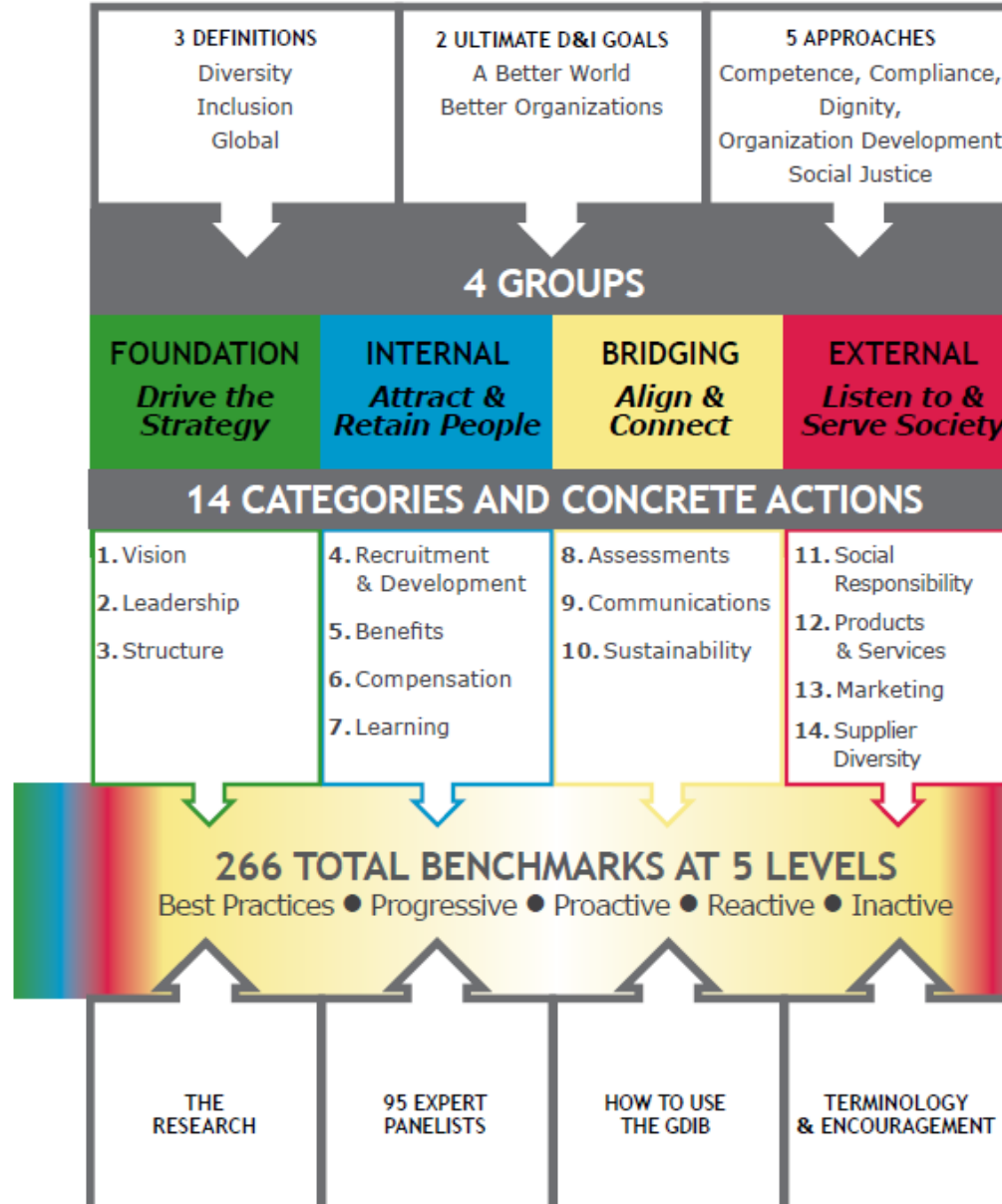3. **Content** – Define and communicate what will be included in your strategy.

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Resource Share

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GDIB Assessment

- Free to use
- Requires permission to conduct assessment

THE GDIB: AT-A-GLANCE AND BY-THE-NUMBERS

For all sectors, sizes, & types of organizations around the world

3 DEFINITIONS
Diversity
Inclusion
Global

2 ULTIMATE D&I GOALS
A Better World
Better Organizations

5 APPROACHES
Competence, Compliance, Dignity, Organization Development
Social Justice

4 GROUPS

FOUNDATION *Drive the Strategy*	INTERNAL *Attract & Retain People*	BRIDGING *Align & Connect*	EXTERNAL *Listen to & Serve Society*

14 CATEGORIES AND CONCRETE ACTIONS

1. Vision
2. Leadership
3. Structure

4. Recruitment & Development
5. Benefits
6. Compensation
7. Learning

8. Assessments
9. Communications
10. Sustainability

11. Social Responsibility
12. Products & Services
13. Marketing
14. Supplier Diversity

266 TOTAL BENCHMARKS AT 5 LEVELS
Best Practices ● Progressive ● Proactive ● Reactive ● Inactive

THE RESEARCH | 95 EXPERT PANELISTS | HOW TO USE THE GDIB | TERMINOLOGY & ENCOURAGEMENT

Global Diversity & Inclusion Benchmarks — Standards for Organizations Around the World

CATEGORY 3: D&I STRUCTURE AND IMPLEMENTATION

LEVEL 5: BEST PRACTICE

☐ 3.1 The most senior D&I professional is an equal and influential partner on the senior leadership team.

☐ 3.2 Leaders at all levels lead the organization's D&I initiatives and are regarded as D&I champions.

☐ 3.3 Diversity networks serve as partners and advise on recruitment, communications, risk management, product and service development, community engagement, and other organizational issues.

☐ 3.4 D&I is well integrated into core organizational systems and practices.

LEVEL 4: PROGRESSIVE

☐ 3.5 The organization provides adequate resources, staffing, and support to help ensure implementation of its D&I strategy.

☐ 3.6 The D&I function is headed by an influential leader who is knowledgeable about D&I.

☐ 3.7 D&I councils/committees are composed of line and staff leaders representing the diversity of the organization.

☐ 3.8 Diversity networks are recognized as credible, valued resources to the organization.

☐ 3.9 Departments or divisions have D&I councils/committees in alignment with the organization's strategy.

LEVEL 3: PROACTIVE

☐ 3.10 There is a D&I champion/leader and staff with responsibility for D&I.

☐ 3.11 A few diversity networks with budget and resources exist.

☐ 3.12 An organization-wide D&I council/committee is given visible support by leaders, represents internal stakeholders, and impacts D&I efforts.

☐ 3.13 Some budget has been allocated to cover D&I implementation.

☐ 3.14 The D&I staff are hired for their competence and their ability to bring diverse perspectives to the work and not just because they represent an identity group traditionally labeled as underrepresented.

☐ 3.15 If the organization has labor unions or similar groups, they are engaged in D&I efforts.

☐ 3.16 D&I staff are called upon for advice, counsel, and content expertise.

LEVEL 2: REACTIVE

☐ 3.17 D&I is simply an additional duty of the human resources, legal, or other department.

☐ 3.18 Diversity networks and D&I committees may exist, but they have no real power, influence, or resources.

LEVEL 1: INACTIVE

☐ 3.19 There is no organizational structure or budget for D&I.

☐ 3.20 No one in the organization has formal responsibility for addressing D&I issues.
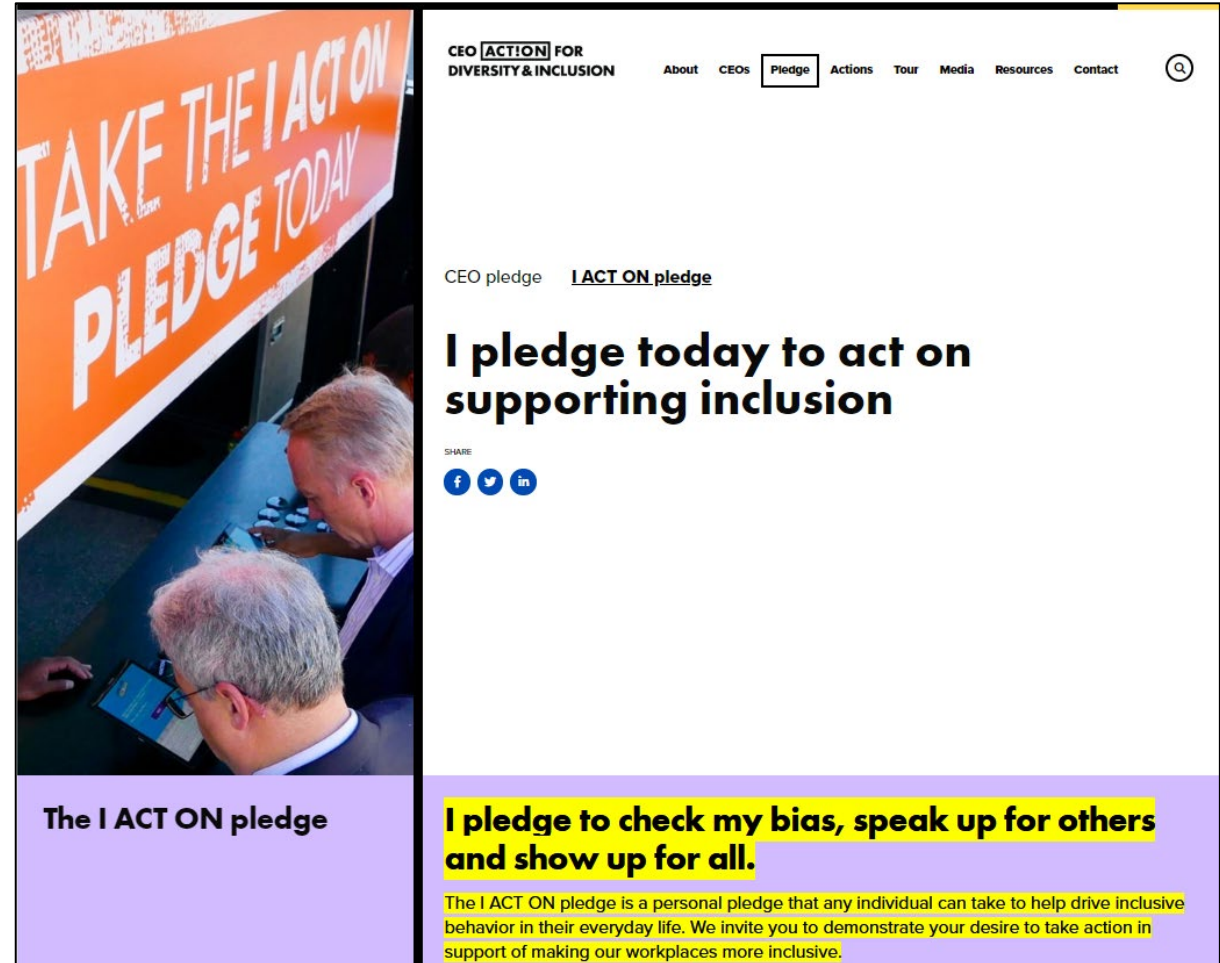
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PwC CEO ACT!ON Pledge

Click Here to Take

CEO ACT!ON FOR DIVERSITY & INCLUSION

21 Automotive

+1,000 CEOs

Adient plc
R. Bruce McDonald

Lear Corporation
Raymond E. Scott

Center for Automotive Diversity, Inclusion & Advancement
Cheryl Thompson §

Vitesco Technologies
Sandy Stojkovski

CEO ACT!ON FOR DIVERSITY & INCLUSION

About   CEOs   Pledge   Actions   Tour   Media   Resources   Contact

CEO pledge   **I ACT ON pledge**

I pledge today to act on supporting inclusion

SHARE

The I ACT ON pledge

I pledge to check my bias, speak up for others and show up for all.

The I ACT ON pledge is a personal pledge that any individual can take to help drive inclusive behavior in their everyday life. We invite you to demonstrate your desire to take action in support of making our workplaces more inclusive.

CADIA
CENTER FOR AUTOMOTIVE DIVERSITY, INCLUSION & ADVANCEMENT

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