

DIVERSITY & INCLUSION

Jump-Start Kit



The Association of
Accountants and
Financial Professionals
in Business





IMA® (Institute of Management Accountants) is dedicated to inclusivity within the organization and continues to develop a pipeline of diverse finance and accounting professionals and students to support that vital goal.

With more than 125,000 members around the world as well as employees based in the United States, Asia/Pacific, Europe, the Middle East, and India, IMA believes in the value of embracing diversity and inclusion (D&I) strategies. As research has shown, an inclusive organizational culture not only benefits employees but also creates a competitive advantage and strengthens a company's brand.

To further support our members and D&I initiatives within the management accounting community, IMA has gathered its best internal practices and created this Diversity & Inclusion Jump-Start Kit to educate and guide organizations through D&I implementation. If your agenda includes improving your organization's D&I focus, this kit will help you recognize and enhance strengths and opportunities as well as assess and mitigate threats and weaknesses pertaining to D&I.

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IMA's D&I Jump-Start Kit isn't intended as a regulatory document, and compliance with or adherence to any local, regional, or national regulations or laws is the responsibility of the organization.

D&I Best Practices

IMA's Diversity and Inclusion Committee has taken a pivotal role in developing webinars, research, and other thought leadership to support IMA members and nonmembers interested in creating a bias-free environment and managing diverse teams.

We acknowledge first: Words are powerful. With that in mind, D&I leaders must commit to everyday self-awareness. That necessarily requires that D&I is exemplified throughout the company, starting with upper-level management. And it requires a culture that rewards a willingness to course-correct.

Many common issues can arise in response to D&I efforts. These could include a failure to prioritize it or a poorly defined and measured business case. Some team members may start out unable to see D&I as "their problem," while even those prepared to engage might be uncomfortable speaking about D&I topics. Finally, diversity fatigue could take over in the event expectations and outcomes aren't met or don't align with the amount of effort put into D&I.

The following are some of the commitments and practices that have brought IMA measurable progress and success in elevating D&I and meeting these challenges head-on.*

Top-Level Engagement

- D&I received commitment from CEO and senior leadership.
- D&I company policy is documented; see IMA's D&I commitment at www.imanet.org/about-ima/diversity-and-inclusion.
- D&I is linked to the overall business strategy and stakeholder expectations. Creating a comprehensive stakeholders' map can be a great initial step. IMA's D&I Committee created a global stakeholders' map of its five most significant stakeholder categories. The purpose of the map is to serve as a reference to evaluate the inclusiveness of future business strategies.*

Establishing Accountability

- A senior-level executive was identified to lead D&I (D&I initiatives shouldn't be delegated to a committee or entry-level employee); most companies place the chief human resources executive in charge of D&I or create the position of vice president or director of diversity and inclusion. On July 1, 2018, IMA appointed its first director of diversity and inclusion. This role assists IMA with its mission to develop new resources to help employees

and members implement D&I strategies and to monitor performance in this area.

Detailed Tracking Measurements (This is where management accountants can help the most.)

- IMA maintains a database that enables detailed disclosures of management and employee D&I statistics.
- D&I programs, events, and investments were identified and continue to roll out.
- External third-party D&I recognitions were published.
- A number of formal strategic partnerships with organizations such as the National Association of Black Accountants (NABA), the Association of Latino Professionals for America (ALPFA), and The PhD Project were established and continue to be supported.
- A goal for the shared number of diversity events per year was set, tracked, and shared.
- The annual dollar spend was set.
- A list of diversity suppliers was created and continues to be maintained.

Communications

- D&I features prominently in IMA's annual reports.
- Employees at IMA are interviewed and profiled in company-wide emails to encourage engagement, highlight their cultural backgrounds, and share what D&I means to them.
- Because D&I is recognized as an investment and long-term commitment, not a one-off program, IMA built D&I into the company culture by converting its D&I statement into a commitment as of September 2019.
- IMA highlights the importance of D&I education programs. For example, to address unconscious bias (a prejudice or unsupported judgment in favor of or against one thing, person, or group), IMA offers the Leadership Academy course "Cultivating a Bias-Free Workplace." IMA has also partnered with outside vendors to conduct cultural awareness training for global leaders and U.S. staff.
- Companies that disclose more quantitative data and represent employees in their marketing of D&I have more credibility.

*Source: IMA Measurement Group analysis of several companies that are leaders in D&I.

Human Resources, Teams, and Recruitment

- Create a diverse leadership pipeline within the industry or organization. The original purpose of the tool kit was to describe IMA’s journey with its D&I efforts, not just with staff but with members serving as volunteers. With staff, we’re creating a diverse leadership pipeline through succession planning and job postings on sites that attract diverse candidates. All IMA members are eligible and will be considered for IMA volunteer opportunities across the organization.
- IMA’s D&I Committee is composed of members to assure the voices of our volunteers are heard. IMA also has an internal D&I steering committee made up of senior leaders in human resources, governance, volunteer relations, and international operations that serves in an advisory capacity.
- D&I is incorporated at all operational levels across the global organization.

D&I Continuum

Use a D&I continuum to determine where the organization is as it relates to D&I and what initiatives can be implemented to move from one level to the next.

INITIATIVE	REQUIREMENTS	EXAMPLES
Compliant	Meet all legal requirements pertaining to D&I.	Common regulatory considerations include the Equal Employment Opportunity Commission (EEOC), affirmative action, and procurement policies or requirements. Senior business leaders in charge of development of D&I initiatives outside of the U.S. should identify resources that provide guidance equivalent to the EEOC (e.g., the National Employment Pact in Egypt, nep-egypt.com).
Conventional	Begin to implement concepts of D&I into its mission and understand that D&I is a return on investment.	Common activities include development of a D&I plan, D&I basic training, beginning employee engagement initiatives, and development of a strategic D&I communication strategy.
Purposeful	Be responsive to concepts of D&I and realize its impact on the mission.	Common initiatives include leadership buy-in and training, increased D&I skills-based employee training, policy examination, increased strategic communication, increased engagement opportunity for staff, and beginning steps to effectively include diversity in business processes.
Competent	Integrate D&I concepts into business operations to increase the return on investment.	Common initiatives include increased D&I planning, human resources management and evaluation, examination of informal work processes and policies, identification and removal of barriers to D&I, information technology integration, formalized engagement for staff, and formalizing prioritization of diversity into business processes.
Advanced	Fully incorporate D&I concepts into business practices and mission.	Common initiatives include demonstration of measurable success for return on investment in both products and human capital, incorporation of D&I in communication and informal policy, and continued development and measurement of strategic D&I initiatives for future growth and improvement.

Source: Ohio Department of Administrative Services

Who Can Use This?

This kit can be used by management accountants; professionals in human resources, finance, or accounting; or any person who is responsible for or has an interest in D&I within an organization.

The D&I lead will likely need to tailor this document to the organization's strategic plan, needs, and desired outcomes, and assistance from other departments may be required. It's useful to be prepared to handle the most common responses to D&I initiatives:

- **Indifferent/opposed:** Doesn't care or understand why D&I is important and why the organization is concerned about D&I.
- **Unconcerned:** Respects the importance of D&I but doesn't directly see its impact. Questions its importance.
- **Empathetic:** Understands the concept of D&I but isn't moved to participate or initiate any changes.
- **Champion:** Supports and advocates for D&I even when no one is looking.



Key Questions

Before your organization sets out on its D&I journey, establish a baseline of answered questions to ensure the finished program is complete and useful.

Mission and Definition

- What do we want "diversity" to mean in our organization?
- What do we want "inclusion" to mean in our organization?
- What do our employees and other stakeholders (e.g., members) think "diversity" and "inclusion" mean?

Culture and Needs

- What is our current culture?
- What do we want in our culture?
- What is our strategic mission?
- How does D&I assist in accomplishing the mission?
- What are our current D&I programs?
- Why do we have these programs?
- Are the programs successful?
- How do the programs link to our mission and vision?
- Where can D&I be "found" in our organization?

- Who is responsible for D&I?
- What are our barriers?
- How do we overcome these barriers?
- What skills and resources do we need?
- Do we have the necessary skills and resources?
- Do we have the will?
- How do we create more will?

Plans and Development

- What is our D&I vision?
- What are our goals?
- What are our priorities?
- Why are these our priorities?
- Who is involved in planning?
- What does the plan cover?
- What is the method of planning?
- What are our timelines?
- How long is a planning period?
- What is our output?
- Who is our audience?
- Where does the plan "live" in the organization?
- Does our plan amplify our strategic mission?
- Does the plan reflect our organizational values?
- Is our plan practical?

Implementation and Engagement

- What is our implementation plan?
- At what "level" do we start?
- What is our communication plan?
- Who is our audience?
- How do we brand D&I?
- How do we obtain buy-in?
- What programs are in the plan?
- Why are we using these programs?
- What is the goal of these programs?

Measurement and Adjustment

- What are we measuring?
- What is our measurement tool?
- How often are we measuring?
- How do we communicate the measurement?
- What are our accountability metrics?
- How do we celebrate a success?
- How do we talk about a setback?
- What is our process for adjustment?
- How do we communicate adjustments?

Source: Ohio Department of Administrative Services

Top 10 Rules of Engagement

Trust is the foundation for employee engagement. Employees need to feel trusted and to trust in their organization before they feel connected as a whole. When diversity practices and trust coexist within an organization, employee engagement increases. The same concept applies for IMA members who serve as volunteers.



1. Of course leaders are expected to do what's right, but they must show this buy-in by providing both financial and nonfinancial resources for D&I initiatives.
2. It isn't enough just to jump on the bandwagon. Decide why D&I is important to your organization.
3. Accept that no one person or organization has all the right answers, and it's okay to admit that.
4. Getting better requires a lot of practice. Making mistakes is part of the learning process.
5. The aim isn't to win arguments. The aim is to create a safe environment for contributors to express perspectives and gain understanding. Don't assume D&I means the same

thing to every employee and stakeholder. Ask employees and stakeholders what D&I means to them and incorporate the answers into the program.

6. Don't let the numbers be the whole story.
7. Treat employees and stakeholders with respect.
8. Value employees and stakeholders for their strengths and differences.
9. Engage the organization's stakeholders regarding D&I on a regular basis, modifying the D&I strategy as needed to ensure that the voices of the stakeholder groups are being heard.
10. Focus on removing barriers and becoming more aware of implicit biases.

Sample D&I Definitions

As social justice facilitator and Same Team founder Meg Bolger writes, "If we aren't clear on the words and ideas, how will we be clear on the solutions?" Here are a few examples of concise D&I definitions.

- Diversity refers to a broad representation of the many traits and characteristics that make people unique, while

inclusion refers to the behaviors and social norms that ensure people feel welcome.

- Diversity gets people into the room, but inclusion keeps them there.
- Diversity is being asked to the dance, and inclusion is being asked to dance.

Sample D&I Commitment

There are a few stylistic elements of a good D&I commitment. The statement should be short, concise, and to the point, preferably between 20 and 75 words. Make it accessible; write in clear, simple language free of jargon or hyperbole. Use action-packed, positive words.

IMA's D&I Commitment

Fundamental to our core values, IMA is committed to

creating and nurturing a diverse and inclusive community, accounting and finance profession, organizational workplace, and partner network and to fostering mutual respect between individuals. IMA embraces a culture of open-mindedness and encourages multiple perspectives to enhance our collaborative solutions, drive innovation, and create and deliver value in all that we do.

Sample D&I KPIs and Metrics

In order to quantify D&I's return on investment, metrics need to be aligned with key organizational values and goals. This can be accomplished by asking the following questions when deciding on D&I metrics to implement:

- **What do you want D&I to help you achieve?**
- **What do you need to implement?**
- **How can you measure it?**

Measurement can be quantitative, meaning it takes a variety of forms, such as head count, percentages, rates, proportions, volume, etc. It can also be qualitative, used to evaluate the quality of efforts and business results. Whatever its form, an organization's D&I metrics should diagnose risk areas and opportunities, track the progress of initiatives and commitment, and calculate the return on investment.

Metrics can be useful in the analysis of employee recruitment, placement, and retention. First, you can compare representation of the candidate pool to an identified benchmark:

- Are the recruiting practices inclusive and free from bias?
- Has bias training been provided to hiring managers?
- Are job postings advertised in a wide array of sources to target a diverse set of candidates?

Similarly, the representation of hired/placed candidates can be compared to an identified benchmark:

- Are diverse candidates being hired or placed at all levels?
- Is the rate of advancement equivalent across diverse demographics?
- Is a diverse set of candidates exposed to higher levels of the organization?
- Is the retention rate equitably meeting expectations across diverse demographics?
- Are all eligible candidates given access to growth opportunities and/or high-level projects?
- Does the organization review the performance results of diversified teams compared to teams that lack diversity?

And finally, trends for workplace climate and culture can be analyzed:

- Are surveys conducted to assess the climate and culture of the organization as it relates to D&I?
- Is the organization proactive in addressing any D&I issues and concerns?
- Does the organization make modifications for employees at varying stages of life (i.e., new parents, caregivers, etc.)?
- Is a D&I emphasis also extended to external clients and customers? Is the clientele diverse?

Organizations can also benefit from the application of metrics for training purposes. Compare training opportunities within various D&I metrics to an identified benchmark:

- Are training opportunities given to a diverse set of candidates?
- Is mentoring or coaching made available to all interested parties?
- Is diverse representation in candidates part of succession planning and/or the talent pipeline?



Sample Reporting Plan

While this reporting plan will capture statistical data and provide a D&I baseline for the organization, demographic data is only one way to measure D&I.

Employee attitude surveys, cultural audits, focus groups, and customer surveys may also be used to measure D&I. Increasingly, the idea of “belonging”—where employees can be their authentic selves and, as such, are optimally engaged within the organization—is becoming an essential component of a strong D&I strategy.

Workforce D&I

1. Break down the population of your area (i.e., city, county, region, and state) using census data, statistical bureau data, or another reliable source.

- a. Gender
- b. Ethnicity
- c. Age
- d. Languages spoken
- e. Educational level
- f. Marital/head of household status
- g. Disabilities
- h. Sexual orientation
- i. Religion/faith
- j. Industry-specific data

2. Do the same for your organization. The goal is to determine whether your organization’s workforce reflects the communities you’re in as well as the D&I characteristics from the government data sets.

3. Analyze senior levels and professional roles of the organization (front line, managers, and C-suite) as well as local demographic trends as a basis for forecasting future D&I planning for the organization.

4. Do the same breakdown of your governing body, if applicable (e.g., board of directors).

5. Look at turnover (employees leaving the company, whether voluntarily or not) by the same categories as shown in step one.

6. Look at salaries, promotions, and years of service by the same categories as step one. Use this data to determine if diverse groups are being paid equitably and moving through the ranks of the organization at a fair pace. Do their

salaries line up with the years of service they have and their rank in the organization?

7. Calculate productivity/revenue by business unit and see if any trends for more diverse and inclusive business units exist.

Supplier D&I

1. Calculate dollars spent with a diversified set of suppliers by the organization and by department/functional area.

- a. A diversified set of suppliers may include but isn’t limited to small, minority-owned, and women-owned businesses.
- b. Each organization will have to define what a diversified set of suppliers is to them based on the goals of that organization. For example, some organizations include veterans and/or the LGBTQ community as diversity designations.

2. Based on the results for step one, create targets to increase the diversity spend as appropriate.

- a. Diversity spend is the dollars spent with a diversified set of suppliers as calculated in step one in comparison to total spend with all suppliers.

3. If possible, break out the diversity spend by ethnicity and gender, and evaluate any trends.

4. Review the procurement process to see if changes need to be made to help increase the diversity spend. If the diversity spend needs to be increased, the following measures may be implemented:

- a. Meet with the new supplier candidates prior to making a purchase to provide ample time for the supplier to prepare for the upcoming purchase. This could be ensuring inventory is on hand, staff is available, etc.
- b. Educate internal staff on how to best utilize a diversified set of suppliers based on the individual department needs.
- c. Assign goals and targets for diverse spend to each internal department.
- d. Host meetings or events to connect suppliers with internal staff to help form relationships and build knowledge on their goods/services.
- e. Educate suppliers on the best ways to do business with your organization, i.e., the registration process, whether they have to be local vendors, any insurance/bonding requirements, etc.



NEXT STEPS

An organization's journey with D&I is a continuum that must be monitored and assessed periodically. IMA recently used a D&I assessment tool offered by the American Society of Association Executives (ASAE) to monitor progress with its D&I initiative. The tool has helped IMA identify areas of improvement on how D&I practices can be incorporated within various areas of operation. The tool can be found at www.asaecenter.org/publications/107422-association-inclusion-index.

Any transformation or commitment your organization makes with diversity and inclusion is a great investment to ensure that its workforce meets the needs of a diverse population of employees and other stakeholders exists.



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