Time to change gear

EY Ireland 2018 Diversity & Inclusion Report
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TIME TO CHANGE GEAR
Scope and methodology

A Diversity & Inclusion survey of organisations in Ireland

EY’s second in-depth survey of Diversity & Inclusion in organisations in Ireland captures the inputs of more than 150 C-suite leaders, Human Resource Directors and Diversity & Inclusion Leads. Conducted between November 2017 and January 2018, survey respondents are drawn from indigenous Irish organisations and global companies of every size and sector, resulting in a sample range that is highly reflective of the market in Ireland. For a breakdown of respondents by specific sector and industry, see Appendix. Clients of EY’s Diversity & Inclusion Advisory service also contributed their experiences through documented case studies.

EY is extremely grateful to more than 150 organisations who participated in our Diversity & Inclusion Survey. We are particularly grateful to the clients who shared their insights and experiences of progress made through our Diversity & Inclusion Advisory Transformation Programme. These include:

**Department of Public Expenditure and Reform**

**Minister Paschal Donohue**
Minister for Finance and Public Expenditure and Reform.

**Robert Watt**
Secretary General of the Department of Public Expenditure and Reform.

**Shirley Comerford**
Head of Strategic Human Resources.

**Dublin Bus**

**Vivienne Kavanagh**
Employee Development and Equality Executive.

**Permanent TSB**

**Jeremy Masding**
CEO

**Ger Mitchell,**
Group HR Director.

**Dympna Challoner**
Senior Manager, Internal Communications and Employee Engagement.
If we are to successfully navigate the disruptive trends transforming the way we do business and run organisations, diversity is a critical part of the equation. We need to harness the power of diverse thinking by enabling people with different experiences and knowledge to come together in an inclusive culture.

It is clear from the results of our new survey that organisations in Ireland emphatically acknowledge Diversity & Inclusion as a business imperative. However, despite this declared understanding, actual progress and work practices do not entirely reflect that view. This is due, in part, to a failure to make the connection between Diversity & Inclusion and ‘the bottom line.’

Organisations freely acknowledge that Diversity & Inclusion has a positive impact on multiple facets of business, but do not make the connection with the impact on the bottom line. Culture and corporate reputation heavily impact brand equity. Talent acquisition and retention is a huge challenge and comes at a significant cost to any business. Improved engagement and productivity increases revenue. Better decision-making, innovation and creativity are key to gaining competitive advantage. They all add value.

Despite the clear connection to profitability, there is still limited investment in Diversity & Inclusion and lack of resources is cited in this report as a major challenge. Like all other elements of business, we cannot expect change to happen without investment and the creation of strategic impetus. We invest in that which we want to be successful, even if it requires making a business bet at the outset.

The expectation that change will simply happen, that diversity will naturally come to pass and inclusion will follow, may well be the crux of the issue. The survey provides ample evidence that established work practices in areas such as recruitment and leadership development are largely continuing unchanged.

Until we adopt a more transformative approach that embeds Diversity & Inclusion as part of our systems and structures and ultimately our culture, we will simply ‘expect’ rather than realise change.

EY is committed to playing a leading role in advancing Diversity & Inclusion in Ireland and globally. We are delighted to publish this Diversity & Inclusion Survey Report and provide an annual stock take that benchmarks our progress as a nation. Through our InMotion annual summit, we bring our community of organisations together to inspire collective action to accelerate change through evidence-based insights.

Based on the remarkable response to the survey and our conversations with clients, I am confident there is both a will and a way to build more diverse and inclusive organisations where people feel they belong, can contribute and achieve their full potential. It will mean accelerating change at a pace we can all adapt to.

Very soon we will travel to work in driverless cars, let our fridges order groceries and have robots in the classroom. Yet, according to the World Economic Forum’s Global Gender Gap Report 2017 it will take a staggering 217 years to close the gender gap in the workplace – just one item on the Diversity & Inclusion agenda.

As a business community that clearly wants to reap the benefits and gain the competitive advantage that diverse and inclusive workplaces bring to Ireland, we cannot afford to wait that long.

It is time to change gear. Let’s drive!

Olivia McEvoy
Director
Diversity & Inclusion
Advisory Services
EY Ireland

Olivia leads a dedicated consultancy team in EY to help clients achieve their Diversity & Inclusion ambitions as a key driver of talent acquisition, employee engagement and ultimately, success and growth in the marketplace. Marrying D&I with data analytics, the team helps clients understand their D&I activity through diagnostics, sustainable strategies and roadmaps and an informed and enabled leadership.
Innovation and the ‘war for talent’ are possibly the most prominent buzzwords in Irish business today. The Irish economy is growing at an astounding rate, and businesses and entire industries are being disrupted by emerging technologies, but also by innovative thinkers and creativity.

Since the launch of our Diversity & Inclusion Advisory service almost two years ago, there has been huge energy around diversity, inclusion and equality both in business terms, and more broadly in the world. I think we all need to embrace this energy, go beyond paying lip service around Diversity & Inclusion, and rather move forward towards creating workplaces that are truly diverse, where everyone feels like they belong. While gender is a huge part of this, Diversity & Inclusion as a whole is much broader.

We need to really examine the diversity of our people – where they’re from, how they think, what they celebrate, their identities, what supports they need – and a whole range of other factors.

It’s widely acknowledged that diverse and inclusive workplaces ignite innovation and creativity, they help attract and retain talent and they deliver solid business results. I don’t think there’s a business in Ireland who would say that those aren’t priorities in our current environment.

When I took on the role of Managing Partner nine years ago, Diversity & Inclusion was an issue we had to tackle. I put it to the partner team very much as a business issue; if we wanted differential growth, if we wanted our clients telling us how engaged our teams were, if we wanted our people to go the extra mile, we needed to create a culture where people feel really connected and that our values are in line with their own.

The crucial point here is that Diversity & Inclusion must be treated as a business issue. It needs to go beyond badges and banners; it must become a regular item on the board agenda.

Thank you to everyone who kindly participated in this important research.
**Executive summary**

This second annual Diversity & Inclusion Survey from EY was conducted to gain a holistic view, examining organisations’ understanding, investment and prioritisation of Diversity & Inclusion and how progress translates into business impacts.

While one might have hoped for a drastically different ‘state of the nation’ when compared with last year, there is little to suggest that businesses in Ireland have changed gear. 98% agree an inclusive environment is vital for business performance. 98% say Diversity & Inclusion enhances team performance and collaboration. 95% acknowledge having a diverse and inclusive workplace contributes to talent acquisition and retention. This level of acknowledgement is both astounding and encouraging. Furthermore, the majority of organisations think they are doing what it takes to improve Diversity & Inclusion.

However, when we look ‘under the hood,’ the reality is somewhat different. A gap is evident between what organisations say and believe about Diversity & Inclusion and what is being actioned. This is particularly true when we compare groups that have already invested in Diversity & Inclusion, versus those that have not.

**Investment**

Investment in Diversity & Inclusion is increasing, with significant changes versus last year. While in 2017, 36% invested €1,000 per year or less, this year the figure has dropped to 20%. In addition, those investing €50,000 has increased from 9% in 2017 to 15% in 2018. Furthermore, higher levels of investment are delivering solid impacts, particularly in areas where progress has been noted, including cultural change, corporate reputation, employee engagement and productivity.

However, investment is most frequently made in events (77%) and sponsorships (42%) which alone will simply not drive business performance.

The survey shows more limited investment in strategy development (19%), strategy implementation (19%), data collection and analysis (31%) and diagnostics and benchmarking (17%), although 52% are investing in training. These are the most critical areas that businesses should be investing in to deliver tangible change.

**Talent and culture**

Organisations that are investing in Diversity & Inclusion report noteworthy impacts. 84% of those investing €25,000 or more say their organisation is diverse and inclusive enough to attract and engage millennial and young talent, versus 65% of those investing less than €25,000.

59% of organisations investing in Diversity & Inclusion have seen strengthened cultural values. An organisation’s culture is one of the most difficult things to change. With younger employees, particularly millennials, increasingly looking to workplaces that stand for more than profit, the potential impact in this regard is remarkable.

95% say having a diverse and inclusive workplace contributes to talent acquisition and retention, yet 62% of organisations don’t have Diversity & Inclusion programmes in their recruitment processes. Without investment in attracting diverse talent, across age, gender, ability and background, little is likely to change and issues that prevail today will remain in years to come.

**Leadership**

The diversity profile of senior management and the Board of Directors is a critical benchmark of Diversity & Inclusion success. Thus, issues around strategic prioritisation and drive at board level are unsurprising when we examine the composition of Irish Boards.

While there has been some progress on last year, it still remains that the boards of Irish organisations are predominantly white (92%), male (74%) and lacking in both LGBT representation (20%) and persons with disabilities (14%). The gender composition of both boards and senior management has not notably changed since last year and remains at 26% women on boards and 32% representation in senior management.

**Regulation**

Interestingly, of those surveyed, almost half favour regulation as a driver for creating more diverse and inclusive organisations. Particularly interesting in light of lack of progress on gender diversity of boards, is that 91% of this group say they favour regulation to address the gender pay gap and 79% say they favour regulation to address gender diversity on boards.
We asked our respondents if they agreed with the following:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusive environment is vital for business performance</td>
<td>98%</td>
</tr>
<tr>
<td>Diverse and inclusive workplace contributes to employee engagement</td>
<td>97%</td>
</tr>
<tr>
<td>Organisation is diverse and inclusive enough to attract and engage millennial and young talent</td>
<td>68%</td>
</tr>
<tr>
<td>Diversity &amp; Inclusion programme adequately accommodates ageing population</td>
<td>48%</td>
</tr>
<tr>
<td>Organisation leverages diversity in workforce to deal with disruption as driver of innovation and new opportunities</td>
<td>40%</td>
</tr>
</tbody>
</table>

**BUSINESS STRATEGY, GOVERNANCE & REGULATION**

- **47%** Have a Diversity & Inclusion strategy
- **49%** Favour regulation as driver for creating more diverse and inclusive organisations
- **33%** Diversity & Inclusion is a regular or fixed board agenda item
- **47%** of which Favour regulation to address gender pay gap

**DATA & METRICS**

- **84%** Have mechanisms in place to achieve compliance with data legislation
- **39%** Set Diversity & Inclusion goals and targets
- **21%** Collect data pertaining to supplier diversity

**ACTIONS SPEAK LOUDER THAN WORDS**

- **59%** Strengthened cultural values as result of progress in Diversity & Inclusion
- **40%** Allocation of resources main challenge to progressing Diversity & Inclusion
- **20%** Spend <€1,000 on Diversity & Inclusion
- **24%** Have a programme in place to recruit diverse candidates
- **41%** Have a programme in place to develop women leadership
Client success story

Permanent TSB

Client need

As part of their ‘Our People, Our Bank’ strategy, Permanent TSB wanted to understand the employee experience of inclusion so they could identify the key opportunities to leverage and issues to address.

The organisation was keen to create a work environment where employees felt included and could be themselves. They also wanted to demonstrate their commitment to prioritising Diversity & Inclusion across the group.

The main objective was to conduct a Diversity & Inclusion diagnostic to provide an evidence base for a bespoke and sustainable strategy.

The benefits

- Gathered data insights and information to create a fact-based Diversity & Inclusion strategy
- Provided benchmarking information used to track progress
- Provided key recommendations, including quick wins
- Enabled deep understanding of current state and how to achieve desired future state
- Drove buy-in and unleashed an appetite for Diversity & Inclusion across the organisation
- Demonstrated commitment to creating a diverse and inclusive organisation

The solution

The EY Diversity & Inclusion diagnostic tool gathered information using quantitative and qualitative methods as well as using benchmarking tools to pinpoint the main factors that impact employee experience and engagement. A five stage diagnostic approach began with scoping to make sure needs and expectations were aligned. A full document and data review assessed the current state of Diversity & Inclusion across the employee lifecycle. This included on-site interviews and workshops with a broad range of agreed stakeholders.

A Diversity & Inclusion employee survey sought the views and experiences of all staff, allowing them to contribute their opinions. Over 550 responses to the survey provided comprehensive insight. The confidential nature of communication elicited honest and authentic feedback.

A detailed and comprehensive report, presented to both the Board and Executive Committee, then highlighted a wide range of findings and recommendations.
"Permanent TSB is a public limited company whose governing objective is to make sustainable returns for its owners by delivering the right customer outcomes. We will deliver on that objective (and the associated vision to be the ‘Bank Of Choice’) only by including and harnessing the diverse talents of each and every Permanent TSB employee. Leadership is about creating the conditions that make this happen by encouraging every colleague to be the best they can be."

Jeremy Masding // CEO

"Completing a Diversity & Inclusion diagnostic is a ‘must do’ for any organisation that is focused on building a winning business strategy and unleashing the talents of its people. The EY approach in terms of positioning, engagement, design, collaboration and the presentation of findings was excellent. The importance of having a credible evidence-based diagnostic cannot be underestimated and leads to a much more objective, informed and impactful deployment of resources to identify key processes, build new capabilities and recognise the right behaviours."

Ger Mitchell // Group HR Director

"A diverse and inclusive organisation fosters a culture where the voice, diversity of thought and contribution of all employees is valued. It enables the delivery of the best outcomes for customers, employees and our business."

Dympna Challoner // Senior Manager, Internal Communications and Employee Engagement

Permanent TSB ranked the quality of the following services provided:

<table>
<thead>
<tr>
<th>Service</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>D&amp;I diagnostic report</td>
<td>5</td>
</tr>
<tr>
<td>Project governance</td>
<td>5</td>
</tr>
<tr>
<td>Interviews/workshops</td>
<td>5</td>
</tr>
<tr>
<td>D&amp;I survey process</td>
<td>5</td>
</tr>
</tbody>
</table>

What the client said:

Partnering with EY was extremely beneficial as they had the expertise to design and deliver a project which engaged employees throughout the process and delivered an absolutely excellent diagnostic report. The report surpassed our expectations as it clearly identified the key opportunities and issues to be addressed and provided an authentic reflection of the employee voice.

The manner in which the report was presented to the Board and Executive Committee also drove buy-in and enabled us to secure commitment to proceed on the next stage of our Diversity & Inclusion journey.

Throughout the process the team were very professional and always available to answer queries. Employees provided excellent feedback on the workshops and the manner in which they were conducted unleashed an appetite for Diversity & Inclusion across the organisation which was infectious.

It was a brilliant experience working with EY.
State of the nation:

PART 1 Diversity & Inclusion in Ireland

This section of the report outlines how Diversity & Inclusion is viewed and positioned within organisations on the island of Ireland.

Commentary

In keeping with the 2017 survey results, there is almost universal acceptance that Diversity & Inclusion is ‘vital for business performance’ (98.4%) and ‘enhances team performance and collaboration’ (97.6%) although a lesser majority (76.4%) consider it a ‘business priority in the organisation.’

From a talent perspective, it is also generally agreed that ‘having a diverse and inclusive workplace contributes to talent acquisition and retention’ (95.1%) and ‘employee engagement’ (96.7%). Just over two-thirds (68.3%) believe their organisation is ‘diverse and inclusive enough to attract and engage millennial and young talent’ with the availability of agile working, regular feedback, dedicated time for outside projects and CSR values. Less than half (47.7%) believe their Diversity & Inclusion programme ‘adequately accommodates the aging population’ with the appropriate levels of agile working conditions, healthcare provisions and required changes to retirement policies. Very few organisations think ‘people leave our organisation due to a lack of Diversity & Inclusion’ although women, millennials and minority groups will typically actively seek out a diverse and inclusive environment.

Key findings

The survey asked: ‘To what extent do you agree with the following statements?’

<table>
<thead>
<tr>
<th>BUSINESS PERFORMANCE</th>
<th>TALENT</th>
<th>WAYS OF WORKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>An inclusive environment is vital for business performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>98.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversity &amp; Inclusion is considered a business priority in our organisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>76.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversity &amp; Inclusion enhances team performance and collaboration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>97.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organisation attributes higher sales revenue and profit margins to our Diversity &amp; Inclusion strategy implementation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having a diverse and inclusive workplace contributes to talent acquisition and retention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>95.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Having a diverse and inclusive workplace contributes to employee engagement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>96.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organisation is diverse and inclusive enough to attract and engage millennial and young talent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>68.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our Diversity &amp; Inclusion programme adequately accommodates the aging population</td>
<td></td>
<td></td>
</tr>
<tr>
<td>47.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People leave our organisation due to a lack of Diversity &amp; Inclusion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organisation rewards employees based on output and productivity rather than hours worked</td>
<td></td>
<td></td>
</tr>
<tr>
<td>65.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organisation leverages the diversity in our workforce to deal with disruption as a driver of innovation and new opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>39.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our organisation considers supplier diversity when selecting third party suppliers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Diverse suppliers include businesses that are owned by minorities, women, people with disabilities and members of the LGBT community.
Diversity Disconnect

The universal recognition of the importance of Diversity & Inclusion does not entirely translate into ‘ways of working’ although 65% of organisations ‘reward employees based on output and productivity rather than hours worked’. However, well under a half (39.8%) are ‘leveraging the diversity in our workforce to deal with disruption as a driver of innovation and new opportunities’ and a significantly low 22.7% ‘consider supplier diversity’ when selecting third party suppliers.

In addition, despite the declared understanding of the business benefits of Diversity & Inclusion outlined above, organisations are not making the connection between this positive impact on business performance and profitability; only 26.8% attribute ‘higher sales revenue and profit margins to Diversity & Inclusion strategy implementation’ despite the significant cost of talent acquisition to business alone (although 62% ‘neither agree nor disagree’).

In spite of the above, some two thirds (66.7%) believe they are ‘doing what it takes to improve Diversity & Inclusion’. Given the World Economic Forum’s 2017 report that it will take another 217 years to achieve gender parity globally, to mention but one area where we need to focus our efforts, this may be somewhat disconnected from reality. Women are also 14.7% more likely to be ‘doing what it takes’ and championing Diversity & Inclusion efforts than men (73.2% vs. 58.5%). In view of the fact that men constitute 73.8% of boards and 67.5% of senior management, this is a significant factor.

### WHO CHAMPIONS DIVERSITY & INCLUSION?

| Men in our organisation champion D&I efforts | 58.5% |
| Women in our organisation champion D&I efforts | 73.2% |

### OUR ORGANISATION IS DOING WHAT IT TAKES TO IMPROVE DIVERSITY & INCLUSION.

66.7%
A Diversity & Inclusion diagnostic identifies the specific factors across the business and employee lifecycle that impact the employee experience of inclusion, identifying the opportunities to leverage and key issues to address.

Applying a Diversity & Inclusion lens across business systems and structures provides the evidence base for a strategy that is bespoke to, and realistic for, an organisation.

A Diversity & Inclusion strategy sets out the business case and roadmap for the organisation and should be integrated into the broader talent and business strategies. It is focused on delivering sustainable business growth through inclusion.

It is a critical role of the board to provide effective risk oversight. Having an inclusive culture where different perspectives are celebrated and where ‘speaking up’ is encouraged is vital to any risk excellence agenda. Boards of Directors must take responsibility and be key drivers of corporate commitment to the Diversity & Inclusion agenda, which also leads to better governance and board oversight.

Until recently, boards have been bound by few Diversity & Inclusion related obligations and regulations. In 2014, the Irish Government introduced measures to achieve its long-held target of a minimum of 40 per cent representation of women and men on all State boards, requiring each Government Department to demonstrate a plan to achieve this target.

The Central Bank has also introduced a Corporate Governance code for all Irish credit institutions recommending a written policy on diversity pertaining to board appointments. In 2017, European Union Regulations were introduced to govern the ‘Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups.’

**Key findings**

- **Have you completed a Diversity & Inclusion diagnostic in your organisation?**
  - Yes: 25.4%
  - No: 67.8%
  - Don't know: 6.8%

- **Do you have a Diversity & Inclusion strategy in your firm?**
  - Yes: 46.6%
  - No: 49.2%
  - Don't know: 4.2%

- **Is Diversity & Inclusion a regular or fixed item on your board agenda?**
  - Yes: 33.0%
  - No: 56.8%
  - Don't know: 10.2%

- **Do you refer to Diversity & Inclusion in your financial statement?**
  - Yes: 16.1%
  - No: 61.9%
  - Don't know: 22.0%
A Diversity & Inclusion survey of organisations in Ireland

Impact of not having a Diversity & Inclusion strategy in place

<table>
<thead>
<tr>
<th>Impact</th>
<th>D&amp;I Strategy in place</th>
<th>No D&amp;I Strategy in place</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organisation attributes higher sales revenue &amp; profit margins to Diversity &amp; Inclusion</td>
<td>40.0% Agree 47.3% Neutral 12.7% Disagree</td>
<td>81.0% Agree 8.6% Neutral 10.4% Disagree</td>
</tr>
<tr>
<td>Our organisation is diverse and inclusive enough to attract and engage millennial and young talent</td>
<td>18.2% Agree 25.9% Neutral 1.8% Disagree</td>
<td>29.3% Agree 34.5% Neutral 12.1% Disagree</td>
</tr>
<tr>
<td>People leave our organisation due to a lack of Diversity &amp; Inclusion.</td>
<td>69.1% Agree 35.5% Neutral 5.5% Neutral</td>
<td>55.2% Agree 27.6% Neutral 17.2% Disagree</td>
</tr>
<tr>
<td>Executive leadership in our organisation champion Diversity &amp; Inclusion efforts in our organisation</td>
<td>23.6% Agree 90.9% Neutral 7.3% Neutral</td>
<td>27.6% Agree 41.4% Neutral 31.0% Neutral</td>
</tr>
<tr>
<td>Our Diversity &amp; Inclusion programme adequately accommodates the aging population</td>
<td>18.2% Agree 25.4% Neutral 56.4% Neutral</td>
<td>25.9% Agree 43.1% Neutral 31.0% Neutral</td>
</tr>
<tr>
<td>Our organisation leverages the diversity in our workforce to deal with disruption as a driver of innovation and new opportunities</td>
<td>16.4% Agree 34.5% Neutral 49.1% Neutral</td>
<td>27.6% Agree 41.4% Neutral 31.0% Neutral</td>
</tr>
</tbody>
</table>

Number of organisations with a Diversity & Inclusion strategy is marginally lower in 2018 vs. 2017

Organisations with Diversity & Inclusion as a regular of fixed board agenda item is up to 33% since last year
Impact of completing Diversity & Inclusion diagnostic

**D&I diagnostic completed**

- **Our organisation attributes higher sales revenue & profit margins to D&I**
  - Disagree: 13.3%
  - Neutral: 63.4%
  - Agree: 23.3%

- **Our organisation is diverse and inclusive enough to attract and engage millennial and young talent**
  - Disagree: 20.0%
  - Neutral: 80.0%

- **People leave our organisation due to a lack of Diversity & Inclusion**
  - Disagree: 10.0%
  - Neutral: 83.3%

- **Executive leadership in our organisation champion Diversity & Inclusion efforts in our organisation**
  - Disagree: 6.7%
  - Neutral: 63.3%

- **Our Diversity & Inclusion programme adequately accommodates the aging population**
  - Disagree: 20.0%
  - Neutral: 60.0%

- **Our organisation leverages the diversity in our workforce to deal with disruption as a driver of innovation and new opportunities**
  - Disagree: 6.7%
  - Neutral: 93.3%

- **Do you have a Diversity & Inclusion strategy in your organisation?**
  - Disagree: 13.3%
  - Neutral: 72.5%
  - Agree: 17.5%

- **Is Diversity & Inclusion a regular/fixed item on your board agenda?**
  - Disagree: 0.0%
  - Neutral: 72.5%
  - Agree: 27.5%

- **Do you refer to Diversity & Inclusion in your financial statements?**
  - Disagree: 10.0%
  - Neutral: 71.3%
  - Agree: 18.7%

- **As a Public Interest Entity are you aware of your obligations to provide a diversity report describing your diversity policy with regard to your Board of Directors?**
  - Disagree: 13.4%
  - Neutral: 71.3%
  - Agree: 15.4%

- **Does your organisation have specific Diversity & Inclusion goals and targets?**
  - Disagree: 26.2%
  - Neutral: 24.0%
  - Agree: 50.0%

- **Does your organisation measure Diversity & Inclusion progress and success?**
  - Disagree: 13.3%
  - Neutral: 70.3%
  - Agree: 16.7%

- **Our organisation has a specific programme/initiative in place to recruit diverse candidates as part of our hiring practices**
  - Disagree: 11.6%
  - Neutral: 74.6%
  - Agree: 14.1%

- **Our organisation has a specific programme/initiative in place to develop diverse leadership for the future**
  - Disagree: 10.5%
  - Neutral: 59.1%
  - Agree: 30.4%

- **Our organisation has a specific programme/initiative in place to develop women leadership for the future**
  - Disagree: 5.3%
  - Neutral: 63.4%
  - Agree: 31.3%

- **Our organisation publicly communicates information about D&I goals**
  - Disagree: 5.6%
  - Neutral: 28.5%
  - Agree: 65.9%
If you see challenges from different perspectives, how much better will the solutions be?

[ey.com/ie/diversityandinclusion]

The better the question. The better the answer. The better the world works.
49.1% of respondents favour regulation as a driver for creating more diverse and inclusive organisations.

Regulation

Do you favour regulation as a driver for creating more diverse and inclusive organisations?

- Yes: 49.1%
- No: 35.3%
- Don’t know: 15.6%

Gender diversity on boards

- Yes: 79.0%
- No: 12.2%
- Don’t know: 8.8%

The gender pay gap

- Yes: 91.2%
- No: 3.5%
- Don’t know: 5.3%

Number of persons with disabilities on boards

- Yes: 57.9%
- No: 17.5%
- Don’t know: 24.6%

Number of persons who are black/minority/ethnic (BME) on boards

- Yes: 56.1%
- No: 19.3%
- Don’t know: 24.6%
Gender pay gap

The Irish Government has committed to introducing gender pay reporting in the Programme for Government, stating it will ‘seek to promote wage transparency by requiring companies of 50 and more employees to complete a wage survey’.

Employers with more than 50 employees will be required to publish information relating to the pay of employees for the purpose of showing whether there are differences in the pay of male and female employees and, if so, the nature and scale of such differences. While aspects of the related Bill are yet to be finalised, it is likely that Government-led measures will be enacted in late 2018/early 2019.

An OECD survey reported a gender pay gap of 16% in 2015, ranking Ireland 25th out of 33 countries in their Women in Work Index. The gender pay gap has increased in recent years, now 6.5% greater than in 2012.

Commentary

Despite Ireland’s poor OECD ranking, 27% of organisations are confident they ‘do not have any gender pay gap’ while a further 21.6% have taken appropriate measures to address any existing gap. The remaining half of respondents (51.4%) who have not yet taken appropriate measures or don’t know if they have, will need to do so before legislation is enacted in the near future.
Commentary
The number of organisations with a Diversity & Inclusion strategy (46.6%) and who refer to it in their financial statements (16.1%) is marginally lower (-3%) than in the 2017 survey. The number of organisations with Diversity & Inclusion as a regular of fixed board agenda item is up by 11% to 33%. Just a quarter (25.4%) have completed a diagnostic assessment.

Impact of completing Diversity & Inclusion diagnostic
The impact of completing a diagnostic is emphatic. Given that many still need convincing that Diversity & Inclusion has an impact on the bottom line, it is interesting to note that 56.7% of organisations who have completed a diagnostic attribute higher sales revenue and profit margins to Diversity & Inclusion compared to just 17.5% to those who have not. Unsurprisingly, 93.3% of organisations who have completed a diagnostic also have a Diversity & Inclusion strategy and 80% have specific goals and targets, compared to 26.2% and 24% respectively who have not. Having completed a Diversity & Inclusion diagnostic is also positively correlated to adequately accommodating the ageing population and leveraging diversity to deal with disruption as a driver of innovation and new opportunities.

Impact of having a Diversity & Inclusion strategy
Similarly, the positive impact of having a Diversity & Inclusion strategy is unequivocal, again with a compelling correlation with bottom line as 47.3% of organisations with a Diversity & Inclusion strategy attribute higher sales revenue and profit margins compared to 8.6% without one. Again, having a strategy has a positive impact on accommodating the ageing, attracting and engaging millennial talent as well as attrition. Some 91% of leaders in organisations with a strategy in place champion Diversity & Inclusion efforts compared to 63.8% who do not.

Diversity & Inclusion and Regulation
Almost one half (49.1%) of respondents favour regulation as a driver for creating more diverse and inclusive organisations. Of that 49.1%, there is vast support for regulation on the gender pay gap (91.2%) and gender diversity on boards (79%). While there is still good support to regulate the number of persons with disabilities (57.9%) and persons who are black/minority/ethnic (56.1%) on boards, it is markedly less than the drive for gender equality.

ALTERNATIVE SOLUTIONS
The half (50.9%) that did not favour regulation as a driver of Diversity & Inclusion suggested alternative solutions that fell into the below categories:

- Clear, measurable targets, particularly for executive leadership
- Communication & promotion of business benefits
- Education & training
- Positive action and leading by example
- Targeted recruitment and retention
- Tax incentives
Public Interest Entities

A Public Interest Entity (PIE) is obliged to provide a diversity report describing a diversity policy with regard to the Board of Directors.

Commentary

Some 28% of respondents are PIES, over half (58.8%) of which are aware of their obligations to provide a diversity report with regard to the Board of Directors.

Given the relatively non-onerous regulatory obligation on PIES, it is interesting to note PIES are ahead of the rest of the market in a number of areas. PIES are 14.5% more likely to set goals and targets and 30.7% more likely to measure progress and success. PIES are also 12.4% more likely to have Diversity & Inclusion as a fixed/regular board agenda item. In addition, PIES are 13.2% more likely to have a specific programme/initiative in place to develop diverse leadership for the future.

1 A Public Interest Entity is defined as listed companies, credit institutions and insurance undertakings. In addition, Member States can designate as PIES other undertakings that are of significant public relevance, because of the nature of their business, their size or the number of their employees.
Client need

Through their People@PER strategy, the Department of Public Expenditure and Reform (DPER) had identified Diversity & Inclusion as a key driver of a high performing organisation with an engaged workforce. DPER decided to assess their progress by completing a Diversity & Inclusion diagnostic. The organisation also wanted to create a reporting framework to measure progress and provide an evidence base to inform further decisions and investment.

A key objective was to support the recruitment of a more diverse workforce as the organisation wanted to reflect the society it served. This was a pivotal moment in DPER’s Diversity & Inclusion journey, underlining their commitment to invest in people to drive organisational potential.

The solution

A full review of DPERs Diversity & Inclusion strategy provided a detailed set of recommendations to enhance existing efforts. Within agreed parameters, analysis of employee experience and data relating to Diversity & Inclusion provided an in-depth understanding of current state. This coincided with a full diagnostic of existing documentation and processes.

The findings were mapped and a reporting framework created which was validated by a series of stakeholder workshops. From the findings a preliminary list of improvements were identified. A final report provided extensive recommendations on the activities to undertake and key resources needed to progress Diversity & Inclusion.

The benefits

- Provided an evidence base to drive the Diversity & Inclusion agenda
- Identified quick wins which were tangible and easy to implement
- Challenged leaders to take action
- Provided a detailed roadmap for future progress

- Provided key insights and recommendations that will:
- Provide a common understanding and vision of Diversity & Inclusion across the organisation
- Reduce bias during the recruitment process
- Promote flexible working practices
- Develop inclusive capabilities of leaders
“Leadership sets the tone for creating a diverse and inclusive organisation. Every organisation is unique but through open communication and feedback we can gain insights into employee perspectives and create a truly inclusive culture. As leaders we must address the reality of unconscious bias in order to challenge negative behaviours and enhance our diversity in the workplace. Our leaders operate at all levels and must embrace the diversity of ideas, perspectives and experiences that exist across the Department to unlock employee potential and drive innovation”

Minister Paschal Donohoe // Minister for Finance and Public Expenditure and Reform

“Having a D&I strategy has enabled us to send out a signal to our employees that DPER values diversity and is committed to becoming a truly inclusive organisation. We know that when people from different backgrounds with different points of view work together it can lead to more innovation and better decision-making, thus driving a high-performance culture”

Robert Watt // Secretary General of the Department of Public Expenditure and Reform

“It is important that we can measure our progress in D&I effectively against the targets identified in the People@PER strategy 2017 - 2020. The reporting framework will also enable us to benchmark our success and provide an evidence base to inform decision-making into the future. With 69% of our staff indicating that they would be happy to provide their D&I data to help foster a more diverse and inclusive workforce, we have a real opportunity to utilise diversity data to increase awareness, communicate success and drive organisational change”

Shirley Comerford // Head of Strategic Human Resources

DPER ranked the quality of the following services provided:

<table>
<thead>
<tr>
<th>Service</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>D&amp;I diagnostic report</td>
<td>5</td>
</tr>
<tr>
<td>Project governance</td>
<td>4 5</td>
</tr>
<tr>
<td>Interviews/workshops</td>
<td>5</td>
</tr>
<tr>
<td>D&amp;I survey process</td>
<td>4 5</td>
</tr>
</tbody>
</table>

What the client said:
The final report helped us frame the Diversity & Inclusion conversations and will help us develop programmes to respond to employee needs. By completing the diagnostic we gained an understanding of the necessary actions to move towards a truly inclusive organisation. Partnering with EY allowed us to tap into a wealth of expertise and knowledge, we were able to access valuable insights into Diversity & Inclusion in Ireland and internationally.
PART 3 Data and metrics

With the advent of The General Data Protection Regulation (GDPR), organisations are more reluctant to gather and store sensitive data. However, analysing data allows us to establish facts, trends and patterns. It allows us to set goals and targets and, critically, provides the evidence base that allows us to monitor progress. Data availability and analysis is fundamental to the sustainable success of any Diversity & Inclusion programme.

Commentary

In keeping with outcomes in the 2017 survey, the majority of organisations collect data on age (61.6%) and gender (54.5%), while 42.9% gather data on race and ethnicity combined. Just over one quarter collect data on (dis)ability (26.9%) down 3% from 2017. Other Diversity & Inclusion data is not being collected in great numbers. There is an increase from 30.9% in 2017 to 39.3% in the numbers of organisations setting goals and targets in the area, with some 77.3% setting gender-based targets. Well over a third (38.6%) have (dis)ability-based targets as well as in race (18.2%) and ethnicity (15.9%) combined.

Similarly, 35.1% measure Diversity & Inclusion progress and success. The most significant numbers are measuring data to progress diversity in the area of talent acquisition and retention, including the diversity profile of job applicants, interviewees, recruitment outcomes as well as performance ratings and promotions. In contrast, it would seem supplier diversity has yet to register as an issue or concern, with only 20.5% collecting data in this area.

Key findings

In which of the following areas do you collect and measure data to help progress diversity?

- Recruitment outcomes (at all levels) 66.7%
- Employees by function/team 66.7%
- Employees by rank 66.7%
- Job applicants 53.9%
- Those called to interview 43.6%
- Employees by attrition 43.6%
- Employee engagements by gender/race/other diversity dimensions 43.6%
- Performance ratings 41.0%
- Those availing of flexible working options 28.2%
- Participation in training and development 20.5%
- Supplier diversity 20.5%
- Grievances and disciplinary action by gender/race/other diversity dimensions 20.5%
- None of the above 5.1%
- Don’t know 5.1%
Key findings

Does your organisation have specific Diversity & Inclusion goals and targets?
- 39.3% Yes
- 51.8% No
- 8.9% Don't know

Does your organisation measure Diversity & Inclusion progress and success?
- 35.1% Yes
- 53.2% No
- 11.7% Don't know

Are you collecting data on any of the following from your employees?

- Age: 61.6%
- Gender/Gender identity: 54.5%
- Disability: 26.8%
- Ethnicity: 26.8%
- None of the above: 17.9%
- Race: 16.1%
- Religion/Belief: 15.2%
- Sexual orientation: 15.2%
- Don't know: 15.2%

Are you setting goals and targets in the following areas?

- Gender/Gender identity: 77.3%
- Disability: 38.6%
- Age: 25.0%
- Race: 18.2%
- Ethnicity: 15.9%
- None of the above: 15.9%
- Religion/Belief: 6.8%
- Sexual orientation: 4.6%
- Don't know: 2.3%
- Other: 6.8%

A Diversity & Inclusion survey of organisations in Ireland

+8.4%
39.3% of organisations are setting goals and targets compared to 30.9% last year

-3.8%
The number of organisations collecting no Diversity & Inclusion data has fallen to 17.9%, from 23.7% in 2017
Diversity & Inclusion can blow open innovation, ideas and endless possibilities for organisations in Ireland, but only when we make it a strategic business imperative, hold ourselves and leadership accountable and invest accordingly.
Diversity & Inclusion Data and GDPR

The vast majority (83.8%) of organisations are confident they are compliant with data laws and regulation. Just 4.5% do not have an appropriate mechanism in place while 11.7% are unsure.

Commentary

As GDPR significantly changes data protection law in Europe and increases obligations on organisations, the onus is on the Irish market to ensure any diversity related data is appropriately dealt with. Conversely, GDPR must not be used as an excuse not to collect or analyse Diversity & Inclusion data.

GDPR and sensitive data

GDPR introduces important changes for the capture, storage and processing of personal data. New regulations, which will be enforced from 25 May 2018, aim to provide a standard set of protections for EU citizens in support of a single European Digital Market.

At its heart, the GDPR applies to the processing of personal data - that of an identified or identifiable natural person. If it's possible to identify a data subject, directly or indirectly from the data, then it is likely to be personal data. Examples include names, identification numbers, location data and online identifiers such as email address.

Additionally, factors specific to the physical, genetic, mental, economic, cultural or social identity of the natural person and items like photographs, fingerprints, bank details, ethnicity, sexual orientation and religious beliefs can also be considered to be personal data.

The GDPR provides for new principles in relation to the rights of the data subject, including obtaining consent to process personal data. The use of onerous terms and conditions or legal jargon that is difficult to understand is no longer acceptable.

Consent requests must now be provided using clear and plain language, in an easily accessible form. In addition, the purpose for the data processing must be attached to the request for consent and it must be as easy for the data subject to withdraw their consent as it was to give it.

These rights include:

- **The Right of Access** - The right to timely confirmation of how your personal data is being processed, where the processing is taking place and the purpose. Personal data must be provided, free of charge, within a maximum of 30 days, with an electronic copy.

- **The Right to be Forgotten** - The right to have all your personal data erased by an organisation that guarantees any further use or dissemination of your data by the organisation and any 3rd parties they use.

- **The Right of Portability** - The right to receive your personal data, previously provided to the controller, in a commonly used machine readable format and have it easily transferred to another controller if technically feasible.

The GDPR provides supervisory authorities with significant new powers to enforce compliance. Regulatory fines to the tune of €20 Million, or up to 4% of an organisation's total global annual turnover for the previous year can be applied in certain cases. Data subjects also have an enhanced ability to seek compensation for damages incurred for breaches of their data protection rights.
Part 4: Leadership

The diversity profile of our leadership teams including senior management and the Board of Directors is a critical benchmark of a successful Diversity & Inclusion programme. Clichéd as it might seem, ‘you can’t be what you can’t see.’ If people do not see themselves represented on the leadership team, they are more likely to conclude the door is not open to them and move to an organisation where it is.

The support and sponsorship of executive leadership, and indeed mid-management who are key to ensuring Diversity & Inclusion becomes embedded in how we do business and our everyday ways of working, is also fundamental to the success of any Diversity & Inclusion programme. Indeed, it is not an exaggeration to suggest that it is unviable to achieve Diversity & Inclusion success without executive sponsorship and buy-in from leadership.

An enabled, informed and educated leadership must seek diversity and champion inclusion. They must sponsor diversity groups, signal acceptance and drive accountability. This requires inclusive leadership and conscious thinking training to instill the skills to recognise, address and manage bias and enable better decision-making, communication and leadership.

---

1 Transgender and gender minority groups
What is the current gender % composition of your organisation’s senior management?

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>68.0%</td>
<td>66.8%</td>
</tr>
<tr>
<td>Female</td>
<td>31.6%</td>
<td>33.2%</td>
</tr>
<tr>
<td>Other</td>
<td>0.4%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

What is the current race/ethnicity and composition of your organisation’s senior management?

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>90.0%</td>
<td>96.7%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Asian</td>
<td>3.3%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Black</td>
<td>1.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>1.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Irish Traveller</td>
<td>0.6%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

What % of your organisation’s senior management are people with disabilities?

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t Know</td>
<td>38.1%</td>
<td>47.4%</td>
</tr>
<tr>
<td>0%</td>
<td>81.1%</td>
<td>52.6%</td>
</tr>
<tr>
<td>1-10%</td>
<td>11.3%</td>
<td>6.8%</td>
</tr>
<tr>
<td>&gt; 10%</td>
<td>6.8%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

What % of your organisation’s senior management is LGBT?

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don’t Know</td>
<td>42.3%</td>
<td>35.1%</td>
</tr>
<tr>
<td>0%</td>
<td>57.7%</td>
<td>64.9%</td>
</tr>
<tr>
<td>1-10%</td>
<td>18.6%</td>
<td>23.2%</td>
</tr>
<tr>
<td>&gt; 10%</td>
<td>11.3%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

**Commentary**

It is worth noting that the 2018 survey is based on a larger sample of 153 organisations compared to 108 in 2017, which accounts for natural divergence. In addition, there has also been an improvement in the numbers of organisations collecting Diversity & Inclusion data. Some 26.8% of organisations are now collecting data on ethnicity and 16.1% on race compared to 19.6% and 13.4% respectively.

However, the change in the race and ethnicity composition of boards and senior management is still striking. Specifically, the cohort of ‘white’ people on boards is down from 95.7% in 2017 to 91.6% with Asian people making up for 5.2% of the remaining 8.4%. There is a similar story in senior management with cohorts other than ‘white’ accounting for 10% of these positions. Some 20% of boards have at least some LGBT representation while 13.7% of boards have members with disabilities. There are similar increases in senior management with 39.5% of organisations indicating they have LGBT people in senior management positions while 19.1% of organisations employ people with disabilities in senior management.

Accounting for sample size, there is no change of note in the gender composition of either boards, with females holding 26.1% of positions in Ireland, or senior management where females hold 31.6% of positions.
Executive leadership in our organisation champion Diversity & Inclusion efforts in our organisation

- 75.5% Agree
- 15.5% Neutral
- 9.0% Disagree

Executive leadership in our organisation understand the business benefits of Diversity & Inclusion

- 74.8% Agree
- 18.7% Disagree
- 6.5% Neutral

Executive leadership in our organisation are vocal about and communicate on Diversity & Inclusion

- 64.2% Agree
- 12.2% Disagree
- 23.6% Neutral

Executive leadership in our organisation are visible role models on Diversity & Inclusion

- 60.2% Agree
- 17.8% Disagree
- 22.0% Neutral

“Dublin Bus, as part of our Diversity & Inclusion Strategy, is committed to promoting equality, accommodating diversity and ensuring the inclusion of our employees and our customers.

We promote these values in the different sectors we do business with, and in the various communities that we serve as a public transport provider.

We are committed to these values because we believe this is the right way to do business. Implementing these values creates a positive environment for our employees and ensures a positive experience for our customers.”

Vivienne Kavanagh
Employee Development and Equality Executive
Dublin Bus

Leadership behaviour

Leadership behaviour in this space is consistent with 2017 results. Some 75.5% of leaders champion Diversity & Inclusion efforts in their organisations and 74.8% say they understand the business benefits. Almost two-thirds (64.2%) are vocal about, and communicate on, Diversity & Inclusion while 60.2% are visible role models.

1 Executive leadership includes all top level management/senior executives who hold positions with the most responsibility in the organisation e.g. C-suite/Vice-Presidents
Could inclusivity be your competitive advantage?

ey.com/ie/diversityandinclusion
Client need

Employee feedback indicated a perception that unconscious bias was influencing key processes along the employee lifecycle, including hiring procedures and performance appraisals. In addition, employee feedback indicated that management lacked inclusive leadership skills, with leaders themselves acknowledging they didn’t have the knowledge or tools to lead inclusively. The organisation wanted to address these issues to ensure it could reach its Diversity & Inclusion ambitions.

The solution

EY created Inclusive Leadership Training specifically tailored for the organisation. The training provided strategic context for and overview of inclusive leadership as well as the skills to recognise, address and manage bias enabling better decision-making, communication and leadership. The training content was tailored to suit the challenge, and included:

- Strategic direction
- Operational elements
- Conscious decision-making

The training was delivered using a blended approach of methodologies to achieve maximum engagement. This included expert facilitation, digitally enabled content and interactive learning with practical exercises to maximise the learner experience. The programme included scenario-based exercises that reflected the everyday leadership decisions that are influenced by unconscious biases. Decisions such as team composition, hiring and promotion were included in the interactive exercises. This scenario-based approach ensured that the training was relevant and applicable to all participants.

The benefits

- Understanding of the business case for Diversity & Inclusion
- Benchmarking of the organisation on Diversity & Inclusion in Ireland’s Financial Services sector
- Better understanding of the principles and impact of inclusive leadership
- Awareness of how leadership style and behaviours can be adapted to lead more inclusively
- Better positioned to practice conscious decision-making at both a strategic and operational level
- Insight into impact that assumptions, bias and mind-set can have across all people and business processes and leadership decisions
- Awareness of insider-outsider dynamics
- Practical skills to recognise and manage unconscious bias in the workplace for greater inclusion
- Accountability by linking action plans to their performance management system
Client ranked the quality of the following services provided:

- Expert Facilitation: 5
- Delivery of engaging content: 5
- Lessons / skills learned: 5
- Application to real life: 5

What the client said:
We endeavour to foster an environment which promotes a sense of belonging and connection in our organisation.

In order to do this, inclusive leadership has to be at the top of our agenda. In order to deliver and engage with our wider Diversity & Inclusion strategy it is essential to equip both current and future leaders with the inherent skills to become custodians of inclusivity.

As with most skills, they need to be learned. We have an obligation to allow our leaders an opportunity to hone in on these skills and improve upon them through training.

This training equipped our leaders with the skills required to ensure that all employees feel a sense of inclusion, belonging and connection in the work place which is all in keeping with our Diversity & Inclusion strategy.

"The training was really informative whilst also being very enjoyable. It was a very interactive experience. I especially enjoyed the videos shown to the group throughout the day which demonstrated the various Diversity & Inclusion topics explored. The facilitator guided us through some interesting activities and exercises which really allowed me the opportunity to learn and hone in on some of the skills I need to develop to be an inclusive leader. Most of the content related specifically to our day to day experiences of being a manager which made me very engaged and motivated to learn throughout the day. Overall a brilliant experience- I’d encourage all managers to attend."

Participant
Part 5

Actions speak louder than words

Commentary

Investment in Diversity & Inclusion

The allocation of resources in the form of time and monetary investment is a significant impediment to progressing Diversity & Inclusion in business in Ireland. 19.5% of organisations spend less than €1,000 per annum, while just 15.3% spend more than €50,000 per year.

Although this is significantly improved since 2017, organisations typically spend their budget on events (77.1%), networks (52.1%) and networking membership fees (33.3%) and sponsorship (41.7%). Over half allocate their budget to training (52.1%) including leadership training (33.3%) serving to upskill people directly. Almost a third also allocate budget to data collection and analysis (31.3%).

By and large, organisations agree they should be investing more than they are; 30.6% agree it would be reasonable to spend more than €50,000 and 10.8% believe that spend should be more than €200,000. 36.9% believe spending under €50,000 constitutes a reasonable investment.

The positive impact of spending more than €25,000 is apparent across a number of areas. These include attracting and engaging millennial talent, being able to accommodate an aging population, having visible role models in leadership and leveraging Diversity & Inclusion to deal with disruption as a driver of innovation and new opportunities. For organisations who spend more than €25,000, 88% agree they are doing what it takes to improve Diversity & Inclusion compared to 52.5% who spend less than that amount.

The measured positive impact of Diversity & Inclusion on business overall is very significant. Some 58.9% attribute strengthened cultural values to progress in the Diversity & Inclusion space. Given culture is one of the hardest things to change for the positive, this is remarkable. Indeed in an era where there is so much focus on culture from a regulatory point of view, especially in financial services, as well as the link with the attraction of talent and millennials, who exercise employer choice based on culture as well as remuneration, this is a very significant finding.

Over a third of organisations have also experienced a positive impact in terms of corporate reputation (38.3%), talent attraction and retention (39.3%) and improved engagement and productivity of existing staff (38.3%). A fifth make the connection with better decision-making and performance (19.6%) and enhanced innovation and creativity (19.6%). Just one fifth had not yet seen any Diversity & Inclusion progress in order to measure the impact.

Need for Support

The allocation of resources (40.2%) and time (30.8%) are cited as the main challenges to progressing Diversity & Inclusion. Limited understanding of how Diversity & Inclusion affects the employee experience (12.2%) or the business case (14%) is considered a challenge. Not having a strategy (19.6%), goals and targets (23.4%) or collecting and analysing data (15.9%) as well as the prevalence of unconscious bias (19.6%) are also getting in the way of progress.

Limited drive from leadership (15.9%) and the lack of accountability (15.9%) combined also proves a stumbling block. Indeed, the need for explicit support from executive leadership is emphasised by some 72% of organisations. 34.6% of organisations also call for further support from their Board of Directors. In a nod to the fact that everyone has a role to play, 42.1% of organisations indicate they need support from their own employees in making engagement and communication on the issue a must.
What do you typically spend your Diversity & Inclusion budget on?

- **Events**: 77.1%
- **Training**: 52.1%
- **Employee networks**: 52.1%
- **Sponsorship**: 41.7%
- **Leadership training**: 39.6%
- **Networking membership fees**: 33.3%
- **Data collection and analysis**: 31.3%
- **Dedicated Diversity & Inclusion employee resource**: 27.1%
- **Strategy development**: 18.8%
- **Strategy implementation**: 18.8%
- **Diagnostic assessment & benchmarking**: 16.7%
- **Research/Thought leadership**: 12.5%
- **Other**: 4.2%

**Positive Impact of Investment in Diversity & Inclusion**

- **€25,000 or less spent on Diversity & Inclusion**
  - Our organisation is diverse and inclusive enough to attract and engage millennial and young talent: 65.0%
  - Having a diverse and inclusive workplace contributes to talent acquisition and retention: 95.0%
  - Our Diversity & Inclusion programme adequately accommodates the aging population: 37.5%
  - Executive leadership in our organisation are visible role models on Diversity & Inclusion: 67.5%
  - Our organisation leverages the diversity in our workforce to deal with disruption as a driver of innovation and new opportunities: 32.5%
  - Our organisation is doing what it takes to improve Diversity & Inclusion: 52.5%

- **€25,001 or more spent on Diversity & Inclusion**
  - Our organisation is diverse and inclusive enough to attract and engage millennial and young talent: 84.0%
  - Having a diverse and inclusive workplace contributes to talent acquisition and retention: 100%
  - Our Diversity & Inclusion programme adequately accommodates the aging population: 56.0%
  - Executive leadership in our organisation are visible role models on Diversity & Inclusion: 92.0%
  - Our organisation leverages the diversity in our workforce to deal with disruption as a driver of innovation and new opportunities: 56.0%
  - Our organisation is doing what it takes to improve Diversity & Inclusion: 88.0%
In what areas have you seen a positive impact due to your progress in Diversity & Inclusion?

- Strengthened cultural values within the organisation: 58.9%
- Increased ability to attract and retain highly talented people: 39.3%
- Enhanced corporate reputation: 38.3%
- Improved engagement and productivity of existing staff: 38.3%
- Have not seen any Diversity & Inclusion progress: 21.5%
- Better decision-making and team performance: 19.6%
- Enhanced innovation and creativity: 19.6%
- Better governance and board oversight: 8.4%
- Ability to meet procurement diversity requirements: 8.4%
- Improved financial performance/cost savings: 7.5%
- Increased customer satisfaction: 6.5%
- Improved access to new market segments: 5.6%
- Lower absenteeism rates: 3.7%
- Other (please specify): 3.7%
- Improved risk excellence: 0.9%

Over 58% attribute strengthened cultural values to progress in the Diversity & Inclusion space. Given culture is one of the hardest things to change for the positive, this is remarkable.

Indeed, in an era where there is so much focus on culture from a regulatory point of view, especially in financial services, as well as the link with the attraction of talent and millennials, who exercise employer choice based on culture as well as remuneration, this is a very significant finding.
What are the main challenges to progressing Diversity & Inclusion in your organisation?

- Allocation of resources: 40.2%
- Allocation of time: 30.8%
- No Diversity & Inclusion goals and targets in place: 23.4%
- No Diversity & Inclusion strategy in place: 19.6%
- Prevalence of unconscious bias: 19.6%
- Lack of accountability: 15.9%
- Limited drive from leadership: 15.9%
- Not collecting and/or effectively analysing Diversity & Inclusion data: 15.9%
- Limited understanding of the business case for Diversity & Inclusion: 14.0%
- Limited understanding of how Diversity & Inclusion affects the employee: 12.2%
- Lack of relevant expertise and experience on D&I: 12.2%
- Not attracting or retaining diverse employees: 9.4%
- No governance in place: 7.5%
- Potential cost to the business (e.g. Physical changes to workplace, investment in external expertise): 6.5%
- Diversity strategy not implemented effectively: 4.7%
- Uncertain where to start: 3.7%
- Lack of progress acts as a disincentive: 1.9%

Who do you need support from?

- Executive leadership: 72.0%
- Employees: 42.1%
- Board of Directors: 34.6%
- HR: 28.0%
- Team/function management: 21.5%
- Government legislation and regulation: 12.2%
- Finance: 3.8%
- External service providers: 3.8%
- Other: 3.7%

A Diversity & Inclusion survey of organisations in Ireland

19.5% of organisations in 2018 are spending >€1000, down from 35.6% last year

15.3% of organisations are spending more than €50,000 per year, a huge jump up from 8.9% in 2017
Ways of working

Despite the universal acceptance that ‘having a diverse and inclusive workplace contributes to talent acquisition and retention’, just 24.3% have a specific programme to recruit diverse candidates as part of hiring practices and under a third (32.7%) have a programme to develop diverse leadership into the future. Some 41.1% do have a programme in place to develop women leadership.

More than half (56.1%) of responding organisations have an agile or mobile working culture that is ‘open to everyone’ with only 9.4% reporting that they do not have a flexible working culture. Fewer organisations have specific arrangements for employees returning from maternity/paternity/adoption/care leave (20.6%), working parents (15.9%) or employees dealing with long-term illness (14%) or caring responsibilities (13.1%). However, some 34.6% of organisations assess requests for agile working conditions on a case-by-case basis.

This section of the report underlines the deficiencies in some of the basic elements of a successful Diversity & Inclusion programme, including lack of investment, understanding of the business imperative and connection to profitability and insufficient leadership drive and accountability. Just 35.5% of organisations publicly communicate information about Diversity & Inclusion goals, highlighting a lack of transparency.

All told, a disconnect remains between what we say is important and what we are doing about it.

**Actions speak louder than words.**
Our organisation has a flexible/mobile working culture that is open to:

- 56.1% Everyone
- 34.6% Applicants on a case by case basis
- 20.6% Employees returning from maternity/paternity/adoption/care leave
- 15.9% Parents
- 14.0% Employees dealing with long-term illness
- 13.1% Employees with caring responsibilities
- 9.4% Our organisation does not have a flexible/mobile working culture

Our organisation publicly communicates information about Diversity & Inclusion goals:

- 35.5% Yes
- 59.8% No
- 4.7% Don't know
EY Diversity & Inclusion thought leadership

Diversity is about differences, seen and unseen. Inclusion is about creating an environment in which people are valued, feel valued and are able to achieve and contribute their full potential. Creating an inclusive environment improves the way we interact with our people, our clients and our communities. Inclusion is also about leveraging our differences to deliver better business results.

Our culture
At EY our people are the centre of our culture. We know that creating a culture of inclusion drives better decision-making, personal development and performance. Integrity, respect and teaming are at the core of our approach.

Our commitment
We are dedicated to providing our clients and teams with an exceptional experience. Inclusion is at the heart of this commitment, giving a voice to the full range of diverse solutions to drive a truly innovative and unique client experience.

Our vision
To contribute to the experiences of our people and clients and have an impact on the communities in which they live and work. Building a better working world stems from the opportunity of working with our clients to realise their vision.

Our model
Our passion for Diversity & Inclusion starts at the top. We have a Global Diversity & Inclusion leader; a role which is replicated down through our areas, regions and countries. A network of connected professionals drive our Diversity & Inclusion strategy which supports both our internal commitment and that to the communities in which we work. We also have a specialist Diversity & Inclusion Advisory service in Ireland.

EY’s accolades and accomplishments

- Sunday Times Best Places to work 2017 - top ranked of the ‘Big 4’ professional services firm
- 2016 - Employer of the Year at the seventh annual GALAS, Ireland’s LGBT Awards
- 2015 - Employer of the Year, GLEN Workplace Equality Index Awards
- GradIreland’s Diversity Recruitment award (2017)
- FORTUNE magazine’s “100 Best Companies to Work For @” (2018)
- Great Place To Work®’s World’s Best Multinational Workplaces list (2017)
- NAFE Top Companies for Executive Women (2018)
- Best Workplaces for Parents (2017)
- Best Workplaces for Diversity (2017)
- Working Mother magazine’s 100 Best Companies for Working Mothers (2017)
- Diversity Best Practice Inclusion Index (2017)
- DiversityInc magazine’s Top 50 Companies for Diversity (2017)
- People magazine’s 50 Companies That Care (2017)
EY Global Diversity & Inclusion Campaigns

EY has a number of global campaigns including the Women Business Athlete’s Network and Women. Fast Forward.

**Women. Fast forward**
Through Women. Fast forward, we are playing a vital role as the #PressForProgress main campaign sponsor of International Women’s Day on Thursday, 8 March and beyond. We are calling on all people to help build a more inclusive, gender equal world - a better working world.

**Women Athletes Business Network**
EY has a long history of driving the global dialogue around the advancement of women. With the Women Athletes Business Network, we use our experience to harness the often untapped leadership potential of elite women athletes.

EY Diversity & Inclusion Thought Leadership

EY is a leading contributor to global thought leadership, a number of resources are available below.

EY Diversity & Inclusion Toolkits

EY has a number of Toolkits available to help our clients reach their Diversity & Inclusion goals

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EY Diversity & Inclusion Advisory Service

Our service offering leverages extensive knowledge and experience of current best practices, garnered from both national and international businesses.

We help you reach your Diversity & Inclusion objectives and leave an enduring legacy that is resilient to disruption in global demographics and technology advances.

With a focus on sustainable and impactful transition we are committed to helping clients accelerate towards a culture of inclusion.

Diversity & Inclusion Transformation Programme

Our transformation approach is designed to deliver systemic change for organisations helping clients develop the processes, capability and behaviours required to achieve lasting change. These services can be delivered as an integrated programme or as individual modules.

D&I Strategy
Setting out the business case for the organisation and the roadmap for their Diversity & inclusion ambitions, we help our clients to develop a strategy that is integrated into the broader talent and business strategy and focused on delivering sustainable business growth through inclusion.

D&I Diagnostic
To diagnose the issues and establish current state we first gather information using quantitative and qualitative methods and benchmarking tools. We then pinpoint the factors that impact employee experience, ensuring future strategy is bespoke, realistic and evidence-based.

Change & Capability development
Our training programmes enhance inclusive leadership, team performance and collaboration and help build highly effective and diverse teams. Inclusive leadership and conscious-thinking training increases the awareness of biased behaviour and helps people inspire, manage and operate in diverse teams.

Analytics
Agreed data sets are gathered and input into our dynamic reporting tool to enable new insights, identify underlying causes and the key drivers of gaps, trends and patterns. This evidence base informs our recommendations and the specific context for agreed actions.
Diversity & Inclusion and Data Analytics

**Optimise pay and reward**
- Conduct pay gap audits by gender and/or other diversity categories

**Recruit diverse talent**
- Analyse diversity demographics at various stages of your recruitment process
- Use social media data insights to understand sentiment and attitudes

**Understand diversity demographics**
- Visualise demographic variations across business units, teams, offices and regions
- Predict and model scenarios for the future demographics of your workforce

**Encourage female leadership**
- Use data to set female leadership targets and track progress
- Use tools and social media to understand how to attract female candidates

**Improve performance**
- Visualise current and future trends in promotions and performance
- Use data to explore what factors drive high performance

**Manage future attrition**
- Visualise attrition across diversity categories
- Forecast your future attrition rate and its effect on diversity initiatives

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**Pay gap audits**

**Why conduct a pay gap audit?**
- Establish if you have a pay gap based on gender or any other diversity demographic
- Identify underlying issues and prioritise disparities to address
- Future proof in advance of any reporting obligations in law on gender and pay compliance
- Identify and mitigate talent attraction and retention issues
- Diffuse any equal pay or discrimination issues

**How will EY conduct the pay gap audit?**

EY’s approach to equal pay audit is flexible, allowing organisations to choose between ‘light touch’ or ‘deep dive’ options. Using leading data analytics methods and incorporating relevant local regulation and enforcement mechanisms, we provide pragmatic solutions to any issues identified.

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**What are the key deliverables of EY’s pay gap audit?**

EY performs the data analysis in a phased approach to provide:
- Pay Gap Audit Report
- General analysis of pay gap and employee characteristic splits for comparison
- Regression analysis to identify the impact of explanatory factors related to overall equal pay analysis
- Deep dive analysis to identify specific areas of the business where concern is apparent
- Interactive tool allowing for easy comparison of data and deeper analysis for areas of heightened concern
- Presentation of the Pay Gap Audit Report to key stakeholders
Why Diversity & Inclusion is a business imperative

Having a work place where people can achieve their full potential is obviously the right thing to do. It is also business smart, helping to add value, address challenges and avert risks, as outlined below:

- **Value derived:**
  - Financial performance
  - Better understanding of customers
  - Higher customer satisfaction
  - Better decision-making
  - Team performance
  - Improved innovation and creativity
  - Better governance and board oversight
  - Improved brand equity

- **Challenges addressed:**
  - Attraction of talent
  - Retention of talent
  - Employee engagement
  - Employee productivity

- **Risks when organisations are not diverse and inclusive:**
  - People do not voice concerns
  - Group think
  - Reputational damage
  - Unethical behaviour
  - Discrimination claims
  - Inability to meet the needs of minority groups in Ireland
  - Inability to meet diversity procurement/supplier requirements

A sample of some of the EY diagnostic and analytical tools
Meet the Diversity & Inclusion Advisory team

Olivia McEvoy
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olivia.mcevoy@ie.ey.com

Olivia is Director of EY’s Diversity & Inclusion Advisory service in Ireland.
Drawing from expert teams on culture, data analytics, people and strategy throughout the business, she leads a dedicated consultancy team helping clients achieve their Diversity & Inclusion ambitions to drive talent acquisition, employee engagement and ultimately, success in the marketplace.
For over ten years, before joining EY, Olivia provided independent consultancy to Government Departments, State Agencies and the Community & Voluntary sector in the area of stakeholder engagement through inclusive participative practice.
Renowned as a leading expert in participation, Olivia helped to establish an acclaimed culture of participation for children and young people in Ireland. She is also a prominent voluntary advocate in the LGBT community, instigating a number of innovative and impactful projects that resulted in significant positive change for the LGBT community.
As Chair of the Board of Directors of the National LGBT Federation, Olivia had long-term involvement in the campaign to secure civil marriage equality in Ireland. She holds a M.Sc. in Interactive Digital Media and B.A. (Hons.) in Sociology and Philosophy from Trinity College Dublin. She is also a United World College scholar.

Sheila Cassidy
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Sheila is an Assistant Manager in EY’s Diversity & Inclusion Service in Ireland.
Before joining EY, Sheila worked with the Coca-Cola Company as a Human Resource Specialist in gender balance, driving the Diversity & Inclusion agenda. There she implemented a global survey assessing the gender balance climate and created a five-year strategic business plan for gender balance.
Sheila has also supported clients during large-scale transformational change projects in Dubai, Brussels and Dublin. She has contributed to the Women’s Executive Networks ‘Opinion’ magazine and holds a Bachelors of Law and a M.Sc. in Management from Queens University Belfast.

About EY’s Advisory Services
In a world of unprecedented complexity and opportunity, organisations are looking to make new connections and find new ways of innovating.
EY Advisory is continually seeking better ways of working as we collaborate with clients to help them solve their complex industry issues and capitalise on opportunities to grow, optimise and protect their businesses.
Our collaborative approach, combined with our global connectivity and understanding of industry issues, inspires us to ask better questions, design better answers and realise long-lasting results.

ey.com/ie/diversityandinclusion
Appendix

Survey respondents by sector

Banking & Capital Markets, Financial Services 38%
Information & Communication Technology 10%
Charity & NGO 5%
Legal Services 5%
Pharmaceuticals & Life Sciences 5%
Education & Training 4%
Recruitment & Outsourcing 4%
Energy & Utilities 3.5%
Engineering & Construction 3.5%
Entertainment & Media 3.5%
Manufacturing 3.5%
Healthcare 3%
Government & Public Services 2%
Hospitality, Tourism & Leisure 2%
Retail & Consumer Goods 2%
Transportation & Logistics 2%
Defense & Security 1%
Food 1%
Insurance 1%
Other 1%

Survey respondents by employee numbers

<100 37%
100 - 300 15%
301 - 500 8%
501 - 1000 11%
>1001 29%

Survey respondents by location of headquarters

66% Ireland (ROI & NI)
16% Americas
15% EMEA
1% Asia
2% Other

Positions held by interviewees

Management 22%
C-Suite 23%
D&I Lead 7%
Board 16%
Other 7%
HR Staff 25%
About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

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