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DIVERSITY & INCLUSION SESSION

DIVERSITY & INCLUSION: KEY TO BUSINESS
SUCCESS BETWEEN NOW AND 2040

"LAST YEAR'S SURVEY SHOWED THAT THE BUSINESS CASE FOR DIVERSITY WAS NOT FORMALIZED IN MOST COMPANIES, AND WHILE SOME HAD TARGETS, THERE WAS LITTLE FOCUS ON PRACTICES"

NATHALIE BRUNELLE

CHAIRPERSON OF THE EPCA TALENT & DIVERSITY INCLUSION COUNCIL & SENIOR VICE PRESIDENT CORPORATE AFFAIRS OF TOTAL REFINING & CHEMICALS



Opening this session, Nathalie Brunelle, chairperson of EPCA's Talent and Diversity Inclusion Council (TDIC) said she attended her first EPCA Annual Meeting in 2006, and since then has noticed that diversity is on the move! Brunelle has noticed how international EPCA has become, with delegates coming from across the globe, but also how 20% of those attending the morning business session were women, compared to 10% a decade ago. If the trend continues, she suggested, parity might be reached by 2050...

EPCA's TDIC chair also paid a warm tribute to the association's retiring chief executive, Cathy Demeestere, who has made a huge contribution to the organization as a whole and is responsible both for inviting students to come to the conference and for the new and now ongoing focus on talent, diversity and inclusion.

Following EPCA's first diversity session two years ago, the TDIC set out to draw a baseline and surveyed a number of member companies. The results, which were revealed at last year's EPCA, showed that women accounted for 24% of the total workforce and that 34% of women were in white collar roles, but only 15% in the top 100 positions. They also showed the chemical industry was rating above oil and gas but below healthcare and life sciences in terms of gender diversity. But Brunelle stressed gender is just one window into

diversity, which encompasses age, origin, ethnicity and culture. She also recognized that the industry faces challenges in terms of employee mobility and attractiveness of operational and high-skilled technical jobs.

She noted that last year's survey showed that the business case for diversity was not formalized in most companies, and while some had targets, there was little focus on practices. "It was like we were expecting something to happen, rather than making it happen," Brunelle noted. For this reason, over the last year the TDIC has set about promoting and sharing best practices. This has not only generated new ideas, but also enabled us to delve deep and look at root causes, and identify issues to address. One example is international mobility for career development, which can be tackled through a collaborative effort to find jobs for the partners of mobile employees; initiatives such as those of the IDCN can be extended to our industry.

Before handing over to session speakers, the Total executive said she was pleased that in the morning session Arkema chairman Thierry Le Hénaff had emphasized the value of soft skills and the need for workforce diversity to enable the industry to understand and operate effectively in the markets and societies in which it engages. In Brunelle's view, his intervention had underlined the business case for diversity.

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DIANA BAREA
 Managing Director, Strategy's
 Talent & Organization Practice
 ACCENTURE

KEYNOTE SPEAKER

Diana Barea, who is managing director of Strategy's Talent and Organization Practice, Accenture, said her job is client focused, working with companies who want to change the way they do business, through transforming their culture and their people's behaviors. In her experience, diversity has significant implications for attracting and keeping talented people, effective decision-making, and creating a balanced workplace for employees and for contractors. Barea also emphasized that diversity is not just about gender, but also ethnicity, culture, age, nationality, sexual orientation and levels of both physical and mental enablement. The Accenture managing director also underlined the importance of inclusion, which means creating a workplace environment where all individuals participate and feel a sense of belonging. This is important for employee engagement and productivity, and,

ultimately, business results. "Diverse and inclusive organizations are talent magnets, and represent an important competitive advantage," she stressed.

Barea said the reason the petrochemical industry is still talking about diversity and inclusion (D&I) is because earlier initiatives have not worked. For example, 20 years ago efforts were made to attract more women into STEM (science, technology, engineering and mathematics) based jobs and then keep them in the workforce. Success has been limited. However, the Accenture executive said that some companies – both in and beyond the chemical sector – have transformed structures and established networks that are making a difference. Initiatives such as mentoring and sensitivity training are also bringing about change, in part because they act as "bias checks" within organizations. Barea urged companies to look at what their peers are doing and borrow the best ideas.

The reason why D&I are so important to the petrochemical sector is that its collective culture – the sum of behaviors and ways of doing business – poses challenges

for future recruitment and retention of people with essential talents and skills. For many would-be recruits, international roles, which may mean extensive travel or even relocation, or the rotational nature of jobs, can make life difficult for both women and men and their families. For example, Barea said the "Millennial" generation – those who reached adulthood around 2000 – are more family-focused than previous generations and tend to be dual-career families.

The global nature of the industry also poses challenges, because petrochemical companies are operating in many different countries with multiple cultures. Furthermore, the industry remains male dominated – 70% of employees are male, with only 15% of women in top management jobs – and is also faced with an ageing workforce, with 30% of workers over 50. The industry is also viewed as conservative, which in part is due to recruitment policies long-dominated by the view that "success looks like ourselves" – older, male, and dressed in traditional business attire. Barea said these factors combine to make succession planning and the recruitment and development of

highly skilled and talented people difficult. Similar challenges are encountered in local and regional recruitment and retention. However, she says the answer lies in developing an inclusive leadership culture that enables diversity of thought which is so essential to effective decision making in a complex and rapidly changing business environment. Customers and society at large also expect diversity and cultural sensitivity in the companies which they do business with and buy from, the Accenture managing director added. Her advice? "Dial-up diversity and inclusion!"

Barea said the industry's ageing workforce poses a particular problem when experienced employees are an essential component of effective operations. How can retiring employees be replaced, or will other workers want or need to postpone retirement? What are the implications for corporate knowledge retention and knowledge management?

In the face of all these challenges, Barea believes that pursuing D&I provides solutions because of the contribution they can make to innovation. D&I can expand problem-solving

capabilities and increase creativity. They also encourage debate and discussion, lessen the potential for companies to get stuck in 'group think', and engender better, more effective decision making, she said. In her view, and as research demonstrates, D&I must be viewed as a key enabler, and Barea noted that at the World Economic Forum in 2016 the oil and gas industry had issued a "call to action" to close the gender gap among its employees, to which some EPCA members are signed up.

So how can D&I be transformed from a "coffee club" activity into a business imperative that becomes embedded in corporate culture? Barea listed four pillars of success that can make D&I part of a company's DNA. First, master a business-led

approach. Second, engage the company's leadership to champion and drive D&I across the organization. Third, embed D&I in the organizational structure, policies, and life-cycle. Fourth, target sustained cultural change. Barea then offered some examples of what EPCA member companies are doing that illustrate these four pillars.

Offering an example of the first pillar, Barea said BASF has been working to boost diversity within its business divisions, which have very different maturities and cultures vis-a-vis D&I. So what works in one division, may

not work in another. So BASF created an executive diversity initiative to address both the gender balance in leadership levels and specific challenges. This enabled D&I managers to provide targeted, concrete solutions that fit specific situations rather than a 'one-size-fits-all' approach. BASF analyzed business areas along employee life-cycles to identify areas for improvement, then gave business managers a D&I toolbox with a suite of options to choose from, which could pinpoint problems – such as culture, attraction, selection, promotion, retention – and offer ways to tackle them. While a D&I manager provided support for tool selection, the businesses themselves had to choose which ones to use. So, for example, they could develop women in the talent pipeline by providing mentoring and training support, or they could use a simulation tool to target specific actions and assess outcomes. Having piloted this initiative, BASF is now rolling it out across the organization.

Turning to leadership engagement and support, Barea said that leaders need to listen carefully to understand why D&I are so meaningful. Total, she said, has created a

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council – with a chair appointed by the chief executive and drawing members from across the organization – that debates, promotes and tracks diversity against implementation targets. This means the company has a dashboard of 10 major performance indicators to measure both progress against targets and benefits achieved in areas such as cultural and gender diversity. Total's two key global targets are 25% of women and 40% non-French citizens in executive management roles. There is an additional goal to have 20% of women in all management councils in all areas. Total also encourages middle managers to propose new initiatives to increase their engagement.

Dow has a “sponsor to success program” that has created ‘reverse mentoring,’ which is open to all female employees in every career track and level. Women are paired with a male mentor from the business leadership, which gives the mentees access to the leader’s advice and network, and the mentor can gain insight into the challenges facing the women. Barea believes this insight is particularly valuable because it gives male leaders a better understanding of how they can help women by making behavioral or organizational changes. Dow also has a women’s innovation network, which creates structured and well planned events where colleagues – women and men – can discuss issues, and is helping to enhance men’s understanding of the challenges their female colleagues face.

Shell, meanwhile, has really focused on embedding D&I by implementing discussions along the whole career journey to provide employee touchstones. These begin with recruitment, and progress through induction and career transition, understanding stated values, capability building and learning, everyday experiences, leadership influence and behaviors, performance management, rewards and recognition, promotion, and consequences management to retirement or company exit. Taking everyday experiences as an

example, Barea explained that Shell uses a tool called “D&I dilemmas” as an icebreaker for prompting small group discussions about how managers could address issues and challenges in promoting D&I.

“AN IMPORTANT ROUTE TO DIVERSITY & INCLUSION IS THROUGH HUMAN UNDERSTANDING”

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ESSEC BUSINESS SCHOOL**

Concluding, the Accenture manager emphasized the strategic importance of D&I as a means to enhance competitive advantage and urged EPCA delegates to start implementing and sharing initiatives and developing ideas to make a difference in their own organizations.

PROFESSOR STEFAN GRÖSCHL – FROM MANAGING TO LIVING DIVERSITY

Responding to Diana Barea’s presentation, Professor Stefan Gröschl from the management department of ESSEC Business School, France-Singapore discussed how to move from managing diversity to living diversity. An expert in business management, the professor has authored several books on diversity, responsible leadership, and sustainability.

Quoting Unilever’s Paul Polman, Stefan Gröschl began by saying that today’s complex challenges mean we need different types of leaders, and that certain skills – such as the ability to focus long-term, be purpose driven, and think systematically – are increasingly important. This is no time to think about

doing ‘business as usual’ because what’s required is a “business as unusual approach!” It’s time to think differently, the professor continued, because without changing mindsets organizations can’t be changed. However, to change mindsets, organizations need to be changed. And making change is difficult, which is why organizations struggle.

He praised Diana Barea’s presentation for its breadth and the suggestions and examples it contained. Taking up some of her points, he said it is imperative that top management agrees with, engages with and energizes drives to understand, implement and embed D&I. But Gröschl implored delegates: “Don’t just wait for D&I leadership from top management. Get going on D&I. Engage early in your careers, or at an operational level. Don’t worry about changing the world by tomorrow. Give yourself a little bit of time!”

For example, at SAP in Germany it wasn’t the chief executive who said the company should recruit people with autistic characteristics, the professor said. “It was a guy in India, who gave a laptop to a community, which fell into the hands of a child with autistic characteristics, and whose use of the computer to communicate and be creative was mind-blowing!” Now SAP has a Europe-wide initiative to recruit people with autistic characteristics. The lesson here is that starting small can have a snowball effect and create great initiatives with widespread relevance and impact.

One thing usually found in all companies engaged in fostering D&I is the ‘silo’ or ‘employee working group,’ the professor continued. “Here are the groups for women, the disabled, the Germans, the Italians, and so on. The problem is that these silos can be good or bad.” They may generate some positive results, but they may reinforce stereotypes, or alienate other groups or individuals, or create opposition among those left out.” So when creating working groups, try to make sure they are not used



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simply to promote members on a career ladder but instead ensure they have defined business goals based on their expertise, he suggested. For example, over the years IBM has created a number of specific groups to help it address specific issues. It set up a group of Caucasian male employees, which often got left out of activities, which caused resentment. It also created a group for people with disabilities, because it could help IBM keep up to speed with changes in the American Disability Act or related legislation. The professor said that leveraging this group knowledge or expertise engages employees and highlights the value of their contributions: "They can help develop anything from products to policies."

In an effort to illustrate the scale of the challenge for attaining D&I in any organization, Gröschl reminded the audience that bias begins at an early age. He showed a slide with 'girls' toys' – a kitchen – and 'boys' toys' – a workbench/fuel station. "We need to start early. Before work, college and high school. We need to start in kindergartens, and in the home before school starts." The problem, he said, is that stereotypes are encouraged and reinforced

early on, so that bias and perceptions are deep rooted before people reach the employment stage. "But just as society shapes us, we can shape society."

For example, he said that children who go to integrated kindergartens – where children with and without disabilities mix, play, work and fool around together – don't recognize their differences unless they are pointed out or defined for them. "If you label someone 'disabled' and tell them repeatedly that they are not 'able,' then people will eventually believe it, and, worse still, they and others will act on it," he said.

The professor noted that there are many companies now embarked on D&I initiatives, which they are formalizing with D&I officers, policies and programs. But he urged smaller companies not to be put off by this formalization, noting that promoting D&I does not have to involve specific officers or significant investment. For example, creating cross-functional teams of existing employees brings together people with different skill sets and backgrounds to work together to achieve specific business objectives.

He also urged people and companies to fight against unconscious bias by getting individuals to think about their backgrounds, their own prejudices, and then thinking about how other people think, and how they are affected by their backgrounds and experiences. For example, how many of us think about what others think about us? Gröschl asked: "What would you like people to say about you? What are your values?" In response, he suggested: "Try writing your own obituary. Try writing your own life mission statement."

In concluding, the professor said that an important route to D&I is through human understanding. "This goes beyond intellectual understanding and explanation, beyond objective knowledge. Human understanding implies subject-to-subject knowledge. Measuring the salt content of tears won't help to understand why someone is crying. That is knowledge which comes from identifying with their distress," Gröschl said. "Human understanding is about empathy, identification, projection. It demands an open heart, sympathy and generosity."



PANEL DEBATE

Before the question and answer session began, the speakers and moderator Nadine Dereza were joined on the panel by Eelco Hoekstra, chairman and chief executive officer, Royal Vopak, who talked briefly about the experiences his company has with developing and embedding D&I.

Hoekstra said, "First of all, I have to say that Royal Vopak is not known for inclusiveness and diversity. Most of the time we are seen as male dominated, with women accounting for 16% of employees, and of our top 150 managers at least half are Dutch. So that's been the image of our company for at least a decade. When I joined the executive board six years ago, I would say we were more focused on running the company than on the culture of the company as a whole. But something changed, at least for me, a couple of years back. We started talking more seriously about what kind of organization we wanted

to be, about leadership issues, and we talked about our cultural mindset. We came to the conclusion, and I certainly felt, that our leadership culture wasn't sustainable in the long term and that I'd like to see the society in which we operate better reflected in Vopak, and that is not the case today.

"However, at first I was thinking rationally about it, and I'd seen some presentations, but then I realized it was about moving D&I from the mind to heart. So that changed everything enormously for me, and we started to discuss and debate the issue among quite a wide audience, in the executive board, and strategy committees, and decided that we needed to change things, to change part of our culture. I also had some discussions with people from minority groups to understand what they thought, and it was quite an emotional experience hearing how they felt they were treated. That was a call to action.

"It takes courage and leadership to change part of the culture, and it also means you have to look at the company structures. As we are

just getting started, I feel quite humbled to be here and to hear what others are doing. But I can say that we believe wholeheartedly in what we are doing because it's a good thing." Hoekstra added that when he raised the issue of D&I and the need to embark upon cultural change, he was encouraged by how positive the all-male committee's reaction was to his suggestions, and at how ready they were to offer their full support. He said they all agreed that Vopak needed to better reflect the customers and the wider society that it was serving.

Nadine Dereza asked him: "Although it's early days, are you seeing an impact – in attraction, retention, etc.?" The Vopak chairman replied: "Yes, and we're seeing it around the globe. Already this year, of all vacancies, we've hired 46% female head office staff, one third of our global directors' staff are now women, and we've hired more different nationalities. So we're already implementing things that we believe in. But if you asked me if the culture of Vopak has changed, I'd have to say 'no,' because we have only started this journey."



NADINE DEREZA, PROF. STEFAN GRÖSCHL, DIANA BAREA, NATHALIE BRUNELLE AND EELCO HOEKSTRA

“IT TAKES COURAGE AND LEADERSHIP TO CHANGE PART OF THE CULTURE, AND IT ALSO MEANS YOU HAVE TO LOOK AT THE COMPANY STRUCTURES”

EELCO HOEKSTRA
Chairman and CEO
ROYAL VOPAK

The session moderator then asked Nathalie Brunelle to sum up what progress had been made in the past year in her company. Speaking about Total, Brunelle said: “Well, we have changed the name of the company’s council from just ‘diversity’ to D&I, and it is now chaired by an executive committee member of African origin. We also asked ourselves, what are the 10-12 key characteristics that define and demonstrate inclusion.” She said that Total had also appointed another member of its executive committee who besides her demonstrated merit, is a woman, a lawyer, and from India. Brunelle said that was a visible sign of the Group’s transformation.

Nadine Dereza then asked Diana Barea to explain the difference between diversity and inclusion, and whether it is possible to have one without the other. Barea said: “They are equally important, they’re like ‘ying and yang’. You need diversity

if you want to value people’s individual differences, and you need inclusion to keep people engaged in a diverse workforce, otherwise they may not stay.” For her part, Barea said that at work she surrounds herself with people from different backgrounds and who tend to disagree with what she thinks. “Decisions take longer, and we have a lot of debate. But I think it improves the quality of our decision-making. I ask people what we’re missing, and what will go wrong, what will work. That lets people express what they’re thinking.”

Stefan Gröschl was asked whether he feels more optimistic about the adoption of D&I and the acceptance of its importance than he did several years ago. “It used to be about ‘show me the numbers’ if you wanted to make a business case for D&I. But I think now company leaders are realizing that there is no collective or single solution to the challenges businesses are facing and that they need to look beyond their traditional recruitment patterns if they want to find the diversity of solutions.”

Both Eelco Hoekstra and Nathalie Brunelle agreed that the petrochemical industry needs to work harder on D&I as part of its efforts to compete with other industries in attracting talented recruits. Brunelle said that while it is relatively easy for the food and pharmaceutical sectors to explain their purpose and societal contributions, the chemical sector needed to promote and project its own purpose and communicate the contribution it makes to all other industries and societal well-being. Hoekstra concurred, saying the industry operates worldwide and with great precision, but has failed to get this message across.

Asked for some final practical D&I takeaways, Diana Barea said: “Pilot one thing!” Stefan Gröschl said: “Have the courage to change, and create a work environment where people can be confident and express their views and ideas!” Eelco Hoekstra suggested: “Ask people for their experiences, then look harder and listen better.” Nathalie Brunelle urged delegates: “Be aware, Talk about it, Act on it! Even in your local work community, you can make a difference!”



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