

Collaborative Programs for Immigrant Employment

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[Back to News Listing](#)

Think globally, recruit locally

A diverse workplace can give companies a competitive advantage, experts say. One accounting firm in particular is making strides.

Globe and Mail
May 21, 2009

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Special to The Globe and Mail

Gurdev Narula knows he's one of the lucky ones.

When he left KPMG's Mumbai office five years ago to become senior manager in the accounting firm's audit group in Toronto, things couldn't have gone more smoothly. "I was lucky in many ways," he said. "I didn't have to struggle to find a job in Canada when I landed here. My skills were recognized."

But he knows that many immigrants don't fare nearly as well.

Canada is one of the most ethnically diverse countries in the world. According to the 2006 census, more than five million people belong to a visible minority, accounting for 16.2 per cent of the population. In Toronto and Vancouver, they make up more than 40 per cent.

Yet walk into any large corporate office and you're likely to see a vastly different picture. Visible minorities make up only 5.2 per cent of senior management in large Canadian companies, and 1.6 per cent of executive management in the public sector.

By some measures, the situation has deteriorated. In 2005, recent-immigrant men earned 63 cents for each dollar earned by Canadian-born men, down from 85 cents in 1980, according to Statistics Canada. And the proportion of highly educated immigrants who have lived in Canada for more than 10 years and work in jobs with low educational requirements is increasing.

Some companies, however, are discovering that promoting diversity can give them a competitive advantage.

KPMG, for example, has launched a number of initiatives to diversify its work force in recent years. Among other things, it has introduced programs to recruit and retain employees from diverse backgrounds. It offers a mandatory online-training program for employees on diversity issues. It has diversity councils at many of its 32 offices across Canada. And it has a number of social clubs including an international club, founded by Mr. Narula, which meets regularly to offer support to KPMG employees who are new to the country.

The firm's attrition rates for women and visible minorities began to decline after the programs were adopted, said Michael Bach, KPMG's national director of diversity.

Women account for 54 per cent of KPMG's national employees, and visible minorities make up 24 per cent (that figure is higher in Toronto and Vancouver).

Still, there's more work to be done, Mr. Bach said.

The company plans to introduce initiatives that will increase the number of aboriginal employees, who account for less than 1 per cent of its work force. KPMG has appointed an aboriginal task force to examine its recruiting efforts, and has started a mentoring program pairing employees in its Hamilton, Ont., office with native students in a nearby community.

KPMG's motives aren't purely altruistic, however; they make good business sense, said chief human resources officer Mario Paron. Promoting diversity makes it easier to recruit good workers by giving the company a larger pool from which to select them, he said. And it also helps attract new clients.

"Our client base is very diverse and we feel it's important to be able to mirror that client base with people internally," Mr. Paron said.

A report by the Conference Board of Canada found that companies with diverse leadership have competitive advantages. Among them is the ability to tap into new global and domestic markets, expand access to new talent pools, and enhance creativity and innovation.

The report cited a study by the American Management Association which found that diversity in ethnic backgrounds, gender and age among senior managers at 1,000 U.S. companies was linked to better financial performance.

(Also mentioned in the Conference Board report was research by Scott E. Page, a professor at the University of Michigan, Ann Arbor, which suggests that diverse groups outperform those comprised of like-minded individuals. The best, most creative solutions are achieved by diverse people working together rather than lone thinkers, even if those individuals have very high IQs, Prof. Page found.)

"There is a lot of evidence that organizations with diverse leadership both in their management and their boards outperform those organizations [without it]," said David Pecaut, a senior partner in the Toronto office of the Boston Consulting Group and co-chair of DiverseCity, an initiative that promotes diversity in leadership in Toronto's public and private organizations.

Despite this, Canadian organizations have been slow to diversify their upper echelons. The reason, according to Mr. Pecaut, is that research in this area is comparatively new and neither well-known nor understood

"The result will be more prosperity, more GDP, more jobs," he said. "It's not a socially responsible, charitable action; it's a self-interested action."

It's important to track the makeup of a company's work force and identify gaps, KPMG's Mr. Bach said. The company set targets for the number of women and visible minorities appointed to its partnerships about a year ago, because these two groups weren't progressing at the same rate as their white, male counterparts, he noted. Of the new partners appointed in 2009, 40 per cent were women or visible minorities.

"I think quotas are a mistake," he said. "But, at the same time I would say that if we are not counting, it's not going to happen."

Diversity Tips

When it comes to achieving diversity in the workplace, there's no magic bullet, says Michael Bach, KPMG's national director of diversity. Here are a few general tips:

Set the tone from the top

Create a diversity council or advisory board led by the firm's CEO to develop a strategy. Make it clear, concise and, most importantly, give it a high priority.

Make it diverse

The council must be diverse and include employees from all levels within the organization. It should be geographically diverse and include workers from different cultures and backgrounds including "straight, white, able-bodied men," Mr. Bach said.

Research best practices

Look at the diversity initiatives of other organizations to see what works best. "Don't reinvent the wheel," he said.

Measure what you treasure

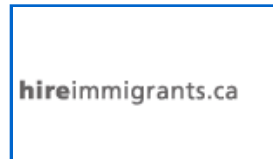
Don't be afraid to set targets for improvements. Set realistic goals for change, and lay out a plan to reach those goals. It's not about quotas, Mr. Bach said; promotion and hiring should always be about finding the best candidate. But make sure your recruiting department is actively seeking a diverse slate of candidates.

It's a marathon, not a sprint

Achieving diversity takes time. Start with small steps that can be easily achieved and then set longer-term goals.

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[Back to News Listing](#)



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