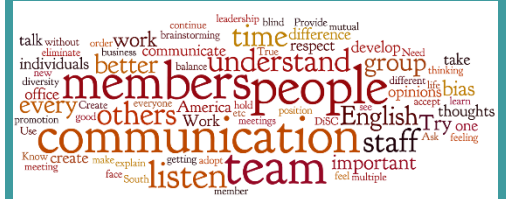




# Diversity & Inclusion at SC Americas

December 17, 2019



## GM Inclusive Leadership Experience

### OUR LEADERSHIP COMMITMENT TO DIVERSITY & INCLUSION

#### Our D&I Journey

We recognize that diversity and inclusion are core to the success of our business and people strategy.

On November 12, 2019 our Executives, GMs, and other members of our leadership team gathered for our first-ever *SC Americas GM Inclusive Leadership Experience*, a full day devoted to learning and exploring what it means to be inclusive and the importance and impact inclusion has on our business and people and strategy.

In order to fully realize our D&I mission statement, **"to harness the diverse strengths of our people to stimulate our company's innovation and sustainable growth,"** we need to create an inclusive work environment that enables greater engagement, collaboration towards common goals, and results in improved business.

We know that there is much progress to be made, but we are committed to this journey. Here we'll share some of the learnings and conversations around diversity and inclusion that we started at this meeting in November and are committed to advancing in 2020 and beyond.



#### Summary of Session Learnings & Conversations

- Discussed the importance of investing in diversity and inclusion for our business – from the top down and bottom up
- Learned about unconscious biases (or blind spots) and how they can hinder inclusive behaviors
- Explored individual working styles and learned how to build more effective relationships with those with differing profiles
- Began to identify the *Critical Few* inclusive leadership behaviors and D&I KPIs to keep us accountable
- Explored how to individually and organizationally build a culture of trust and empower our teams to be successful (e.g., policy & day-to-day behaviors)
- Made individual leadership commitments to advance diversity and inclusion

### WHAT'S NEXT?

#### Next Steps

- Evolve commitments from the *SC Americas GM Inclusive Leadership Experience* into daily behaviors and have regular follow up on progress
- Develop and execute a diversity and inclusion communications plan that includes transparency
- Reinvest in our *Diversity and Inclusion Council* to help drive effective change moving forward



#### DIVERSITY & INCLUSION MISSION STATEMENT

*To harness the diverse strengths of our people to stimulate our company's innovation and sustainable growth*

# Learning Goal:

*To understand what it means to be inclusive at SC Americas*

## Phases of the Creative Process

Explore

Design

Act

	8:30-9:00	Breakfast Available	
1	9:00-9:20	Welcome from the CEO (Mr. Nakajima)	
2	9:20-9:35	Our D&I Roadmap (Ann Lim-Brand)	
3	9:35-10:15	Walkabout Exercise & Debrief: Blind spots (PwC: Jennifer Allyn)	
4	10:15-10:45	State of Diversity & Inclusion (PwC: Pam Jeffords)	
	10:45-11:00	Break	
5	11:00-11:45	Chatrooms	
		Introduction to the <i>Critical Few Behaviors</i> (PwC Katzenbach Center, Reid Carpenter)	D&I Accountability & KPIs (PwC: Pam Jeffords)
	11:45-12:45	Lunch	
6	12:45-1:30	DiSC: Working with other behavioral/personality styles (Ann Lim-Brand)	
7	1:30-2:00	Feedback from Our Staff (Jewelle Yamada)	
8	2:00-3:00	The Critical Few and Behavioral Change Activity (PwC: Reid Carpenter/Pam Jeffords)	
	3:00-3:15	Break	
9	3:15-4:00	Active Management of Inclusive Policies Workshop (Tim Sander)	
10	4:00-4:45	Developing Inclusive Leaders (Bill Cannon)	
11	4:45-5:15	Wrap-Up and Next Steps (Mr. Takeda)	
	6:00-8:00	Reception (Bookmarks Lounge, 299 Madison Avenue)	



## SC Americas GM Inclusive Leadership Experience Notes

**Date:** November 12, 2019

**Prepared by:** PwC

1. **Introduction** - Ann Lim-Brand
2. **CEO Opening Remarks** - Nakajimasan
  - a. Understanding the changing business landscape
  - b. Approach to a changing business landscape – focus on utilizing all of our people and creating an inclusive culture
  - c. We are losing people due to lack of inclusion
  - d. Ask for full commitment from GMs
3. **D&I Roadmap** – Ann Lim-Brand
  - a. Overview of D&I strategy: top down & bottom up
  - b. Can have great programs, but need GM support to implement
  - c. Introduction of the D&I vine: need to weave inclusion through everything that we do
  - d. Need for a business *and* people strategy (i.e., you need the right people for your business strategy)
  - e. Tim Sander: D&I cannot be a side project run by Ann and Jewelle in NY
  - f. Commitments: ask for actions that will promote diversity and inclusion
  - g. Ask GMs to keep an open mind
  - h. Introductions of everyone in the room
4. **Walkabout Exercises & Blind Spots Exercise** - PwC, Jennifer Allyn
  - a. Walkabout exercise: discuss in small groups the statements posted around the room
  - b. Introduction of research around unconscious bias
  - c. Stroop Test (color/word association)
  - d. Types of bias: halo/horns bias, prototype bias, similarity bias (familiarity, comfort and trust)
  - e. Closer dive on gender bias
  - f. What to do about our blind spots?
  - g. Who do you help?
    - i. Malcolm Gladwell's *Blink*: who can trust their gut – only experts
  - h. Nakajimasan: Conversation about the purpose or use of categorizing people and the danger of doing so.
  - i. Gut: Conversation around the value of your gut and the danger of relying on your gut
5. **State of Diversity & Inclusion** - PwC, Pam Jeffords
  - a. Definitions of identity, intersectionality, diversity, and inclusion
  - b. Diversity is local, inclusion is global
  - c. D&I statistics around the world
  - d. Case studies
    - i. Google (bullets in job descriptions, sharing promotion research – number of women who applied, etc.)
    - ii. Crocs: “bring your whole self to work” share price went from \$5 to \$35 (high engagement scores across the board)



- e. D&I headlines around the world: Europe (Brexit & race/ethnicity); US (Compliance; politics; religion); Latin America (sexual orientation, gender identity); Japan (#kutoo);
- 6. D&I KPIs - PwC, Pam Jeffords**
  - a. Chatroom 1:
    - i. Intro: What will we measure to stay accountable for D&I?
      1. Sales/revenue/profit analogy
      2. Tying D&I to pay for leaders does not work
      3. Importance of understanding the business case for D&I
      4. Importance of narrative – engage leaders however they are motivated (head, heart, wallet)
    - ii. Sustained Progress: Examples of levers to measure D&I progress
    - iii. What should we be tracking at SC Americas?
      1. First 5-years turnover (hypothesis)
      2. Turnover continuous
      3. Leadership positions for non-rotating staff
        - a. Leadership: GMs (leading business units); unit leaders and above (admin or other)
      4. Engagement scores
      5. Career development plans
      6. Climate survey – how to improve the culture for the future
    - iv. Feedback
      1. Canada (has no devoted HR department, rely on New York)
      2. Gender; nationality (don't want to set numbers; rather than competence; not comfortable with percentage target rate for promotions)
      3. Need for not just a vision, but a high level vision: leaders have to create accountability and it's not a matter of percentages
      4. Low turnover in Brazil, but losing young people: need a survey to better understand what motivates the younger generation (not just percentages)
      5. Mexico City: exit surveys – high turnovers
  - b. Chatroom II
    - i. Lots of questions and discussions around what an engagement score is
      1. Started with Nakajima-san asking the question. He's very interested in engagement scores/surveys
      2. Can include anything from satisfaction/NPS to belonging to etc.
      3. Most individual groups/teams at SC Americas are too small to track so may want to consider tracking by region instead
      4. Skepticism from the group around constantly surveying. GMs were worried about making wrong decisions based on surveys/acting to quickly
      5. 2-3 metrics to consider: engagement, representation, retention. Need additional working session to crystalize KPIs
- 7. Critical Few Introduction - PwC, Gretchen Anderson**
  - a. Chatroom I -
    - i. Example behaviors that the room came up with:
      1. Speaking Japanese only when everyone can understand
      2. Intentionally use English in larger groups



3. Bill Cannon raised a good point are maximizing the ROI on the open floor plan that SC Americas invested in -- i.e., if we are not more inclusive and interact with each other, what was the point of all the money invested in the open floor plans? This can serve as a good business case of D&I
  - b. Chatroom II
    - i. "Act your way into a new way of thinking"
    - ii. Respect and value of other's opinions
    - iii. Group vote of an example of a critical behavior: 1) not using RS vs. NRS or 2) thinking about adding to our culture rather than fitting into our culture
      1. Discussion: There are no women in managerial roles in Canadian business units. Need for open minds
8. **DiSC** - Ann Lim-Brand
  - a. Review of leadership styles – none are better than any other style
  - b. Need for inclusive teams – with diverse team members
  - c. Need a people strategy to execute the business strategy
  - d. How do we deal with difference?
  - e. Interactive activities: how you view yourself and your actual DiSC profile
  - f. Discussion of the need for all types of DiSC profiles to create the best, most effective team
  - g. Acknowledgement that there is a mix of DiSC profiles among the GMs (and participants in the room)
9. **Feedback from our staff** - Jewelle Yamada
  - a. Review of some demographic information
  - b. Fishbowl Exercise: Quotes from the D&I Survey - Themes from the discussion
    - i. Lack of promotional opportunities
    - ii. "Direct reports should do what they're told and follow their leaders"
    - iii. Language: not just language, but also communication.
10. **Behavioral Change Activity** - PwC, Gretchen Anderson
  - a. Started with a more global perspective, now think about the individual perspective - what *you* do?
  - b. Activity: Writing down inclusive behaviors
    - i. Be specific: write in such a way that you could implement the change tomorrow
    - ii. Looking for the *inclusive behavior*
  - c. Group Share Out - *Inclusive behaviors* (**bolded** if shared with the group)
    - i. Group 1
      1. Provide opportunities for **candid conversation**
        - a. 1:1 career dialogues
        - b. Team retreats (goal setting, socializing, discussion, identity)
        - c. Happy hours
        - d. Daily casual conversation in public
      2. **Speak a common language** to eliminate exclusion
    - ii. Group 2
      1. **Get to know someone better** (e.g., go outside of your network to get to know people)
      2. **Acknowledge and recognize the contributions and value of others** (e.g., "thank you for saying xyz"; attribution of ideas to a person or if someone is not in the room)





3. Use language in meetings so everyone understands
  4. (\*Foundational) Create an environment where everyone has a voice (ask for opinions)
  5. Offer to be a "buddy" (especially during onboarding)
  6. Listen to the end (i.e., do not interrupt) - reinforce the positive/value of each opinion
  7. Include locals in key company-wide decision making
- iii. Group 3
1. **Ask for clarity in communication**
    - a. "Am I understood?"
    - b. "Do I understand you?"
  2. **Listen carefully** (a state of mind; this may look differently in different cultures)
    - a. E.g., Eye contact, facial engagement, asking follow up questions, etc.
  3. Frequent praise & feedback (*\*not actionable enough to be a behavior*)
  4. What does mutual respect look and feel like? (*\*aspiration, not a behavior*)
  5. Life communication /relationship building (*\*aspiration, not a behavior*)
- iv. Group 4
1. **Leader of the group should ask opinions of the team members from all (not interrupting)**
  2. **If someone is not in the meeting, follow up to ask their opinion**
  3. Ask the questions that result in getting to know someone better (think about frequency and networking outside)
  4. Acknowledge and recognize (value) contributions and values (i.e., "Thank you," attributing thoughts and ideas to the person who came up with them)
- d. The inclusive behaviors must be grounded & understood.

## 11. Inclusive Policy Workshop - Tim Sander

- a. Need to bring on people who will promote Sumitomo's values rather than Japanese values
- b. Need inclusive implementation of policies
- c. People-oriented company
- d. \*N.B. Policies are for consideration in the US to move the needle to create a more diverse and inclusive company
- e. 1) Currently no paid parental/family leave (just what's required). Family leave signals that we are a welcoming culture for working mothers and fathers
  - i. US: required by law, but not paid (women can use disability insurance – dependent on years of service with the company)
  - ii. Mexico: no caregiver policy for sick family members other than a law for employees with children 16 years or younger with cancer in a terminal stage (can be absent up to 28 days, paid)
    1. Maternity leave: up to 45 days
  - iii. Brazil: Family or parents are sick, then doctor confirms.
    1. Parental leave: father has 4 days and mother 4 months



- iv. Chile: mother before birth 6 weeks and after 12 weeks – paid leave. After birth, leave can be shared with the father
  - v. UK: maternity (6 months – 1 year); half paid, half unpaid. Parents/partners can share the parental leave. Currently couple of guys helping to look after their newborns while their wives go back to work
  - vi. Germany: woman can take up to 3 years
  - vii. Pam: Separate policy from underlying method of pay – government is paying rather than company
    - 1. Every month of leave a father takes, the mother's salary increases 7%
    - 2. Brazil: subsidies for child care
  - viii. Jennifer: PwC – extending the number of weeks to transition (4)
    - 1. 8 weeks paid + 8 weeks for disability (all paid)
  - ix. Canada: women get 1 year paid by the government (and \$8/day daycare)
  - x. Pam: implementation matters – regardless of what the law is.
  - xi. Concern when someone comes back from leave, how do you support them?
- f. 2) AMIGO program – how we train our people
- i. Help to eliminate the divide between RS/NRS
  - ii. Suggested a mentoring program to help more junior employees understand the Sumitomo way and our values (Sumitomo rather than Japanese way)
  - iii. Great idea - there exists a “glass ceiling and rice paper ceiling.” Have to also support the mentor - train mentors well and align with career path discussions
  - iv. UK: “Buddy” who is outside of your business or corporate unit, helps you informally understand the culture - for anyone new to the organization, especially for Japanese staff who have just arrived (e.g., how to open a bank account, explaining British culture, “no bad question”, etc.)
- g. 3) Language: respectful use of language communication
- i. Feedback from the survey was that language is a big problem.
    - 1. We need some guidelines. Respectful communication is the goal.
    - 2. “We have to try something different. Not perfect, but need to try it.”
  - ii. Need for recommended guidelines and a communication effort.
  - iii. Nakajimasan: SC headquarters has started to prepare language guidelines. Americas guidelines are beginning to be reflected.
    - 1. Primary language will be English to maximize the understanding (not just an issue of language, but still many cases in which business documents are still written in Japanese)
      - a. May have simultaneous translation
    - 2. Guidelines will be available before next March 2020
    - 3. Still have time to provide our opinion (SC Americas)
- h. 4) Work from Home
- i. Brazil: flexible journey & work from home. Brazilian legislation.
  - ii. Mexico: new regulation which measures the stress of all employees, balancing working hours with life. “We have to consider their needs – working from home (tool to minimize the stress). First have to check the surveys, and then think through activities to tackle the problems”
  - iii. Pam: This is being called “flexible work.” Early in career and late in career workers want the option to work from home



## 12. Developing Inclusive Leaders - Bill Cannon

- a. Actions that you can take as a leader (e.g., communication, etc.)
  - i. 1:1 conversations
  - ii. Team meetings & social events
  - iii. Career Development Investment - can be difficult because you're not in full control of your teams
- b. Examples of Inclusive Leadership
  - i. Encouraging people to pursue a team goal/dream
  - ii. Face to face meetings
  - iii. Meeting to discuss best practices – share those practices with other business units
  - iv. Hosting summer barbeques – with the families of team members
    1. “Japanese are wonderful hosts to me when I visit Japan. I think the Americans could also be better hosts.”
- c. Think thoughtfully about who you invest in (consider blind spots)
  - i. Power of 3s rather than choosing just 1 individual
  - ii. Understand where someone needs sponsorship, mentorship, coaching, etc.
- d. Need for training program for more junior members (rotations) and to provide opportunities to train junior employees
  - i. Hiring more junior employees – not an easy transition to make
  - ii. Also need training program for other staff (not just junior staff)
  - iii. “We need a mentoring program similar to the one in Sumitomo Japan”
  - iv. Culture of hiring more junior employees (who need training)

## 13. Close out - Takedasan

- a. Shared learnings from the day, some GMs shared their individual commitments, all provided their commitments to be shared on the D&I commitment board
- b. D&I Accountability (See appendix for photo of accountability next steps)
  - i. Continue this conversation with this group
  - ii. Share our learning with our staff
  - iii. Have public accountability
  - iv. Revisit D&I Commitments at next GM meeting
- c. See excel document for GM D&I commitments





Keep having ideas for diversity	D&I Effort	
Bring in people with different diversities into the team	D&I Effort	
Diversity is as taste of the world. An important action toward it is to create an eclectic mix of various opinions and thoughts for the better organization.	D&I Effort	
Learn to recognized own DiSC character (i) to better leadership for my team	D&I Effort	
I will see team members from multiple angles with respect	D&I Effort	
I will make sure we are not excluding anyone before meetings start	D&I Effort	
I will ask my GM to include all staff in strategic discussion	D&I Effort	
To remove "bias" which I have unconsciously	D&I Effort	
Accommodate "blind spot" and understand "bias"	D&I Effort	
Create inclusive teams (gender, position, etc.) to work on office and business tasks	D&I Effort	Women
Change starts with the first step ... what is stopping you from taking the step?	D&I Effort	
To be aware about my unconscious bias to better understand how to deal with others	D&I Effort	
Use English as official office for the meeting; mail, etc.	Language	
Work to adopt language/communication guidelines and explain to others	Language	Communication
To enhance using English	Language	
I will learn English more (still doing) in order to communicate more (1)	Language	Communication
Next is to learn extra other language (2)	Language	
Ask all members to use easy English	Language	
Use English in public space to eliminate exclusion	Language	
Work to adopt parental leave in the U.S.	Policy	
How to facilitate better work and life balance	Policy	Culture
Create a buddy system for new hires	Policy	Staff Advancement
I will continue to hold one-on-one communication	Staff Advancement	Communication
I will accept individuals from other groups to work as a "trainee" for a period of time	Staff Advancement	
Need to develop people to develop our business	Staff Advancement	
True leadership is to create the next generation of leaders who do the same to further with the firm mutual respect & feelings. Respects would always be the key	Staff Advancement	
Need to increase people's exposure	Staff Advancement	
Empower people	Staff Advancement	Culture
Nominate multiple successors to my position	Staff Advancement	
I will be a coach, mentor and sponsor for all the members	Staff Advancement	
Continue to hold career planning discussions with the team	Staff Advancement	
I will sponsor a woman for promotion	Women	Staff Advancement
I will hire/promote a female team leader	Women	Staff Advancement
Work with our women to support the belief that they have a _____ and how to achieve it	Women	
To be a good listener than a talker		
Play hard and stay humble		
Do to others what you want others to do to you		