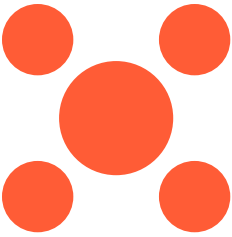




Pulse of the Profession® In-Depth Report

A Case for Diversity

The ROI of inclusion on project teams



A New POV on Diversity

Inclusion in The Project Economy

Projects drive change. They are primary to how work gets done and how problems get solved.

And it's the teams behind those projects that will determine how well organizations perform. To deliver, teams must have a mix of mindsets that's only possible when companies commit to inclusion. Today's future-focused teams are comprised of people with a variety of titles and backgrounds, tapping into a variety of approaches to create financial and societal value. In The Project Economy, diversity isn't a nice-to-have, it's what gives companies a competitive edge.

There's nothing like a crisis to force organizations to reevaluate what matters most. In the wake of the COVID-19 pandemic—and the ensuing recession—companies across every sector are shifting strategies to put the focus squarely on efficiency. Some may be tempted to let diversity and inclusion initiatives fall to the wayside. More than a quarter (27 percent) of organizations have put all or most diversity and inclusion initiatives on hold because of the pandemic, according to a study by Institute for Corporate Productivity.¹ That's a mistake. According to *Pulse of the Profession*[®] research conducted for this report, 88 percent of project professionals say having diverse project teams increases value.

In The Project Economy, organizations recognize they need a full breadth of perspectives and skills on their teams. And that requires true diversity—be it of gender, age, race, experience, sexual orientation, thought, nationality or culture. The ROI? Truly innovative, collaborative and future-ready teams that deliver powerful outcomes.



With a future focus on the post-pandemic world, investing in diversity and inclusion will give organizations a much-needed competitive edge as they explore new work ecosystems and chart their path forward.

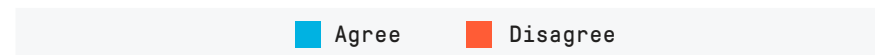
The Value of Diversity

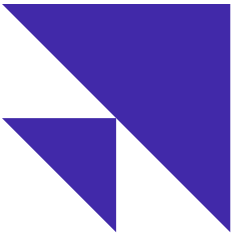
Project leaders feel that team diversity increases project value.

Culturally diverse and gender diverse teams increase project value



International team members increase project value





Attitudes Versus Action

7 in 10 project professionals say their organization has a recruiting process in place to develop diversity.

Source: PMI

There's no doubt that companies increasingly recognize the need for diversity in the business world. [The CEO Action for Diversity & Inclusion](#) initiative now has more than 900 leaders of top companies around the world pledging their commitment to building more diverse workplaces. And nearly 7 in 10 project professionals say their organization has a recruiting process in place to develop diversity, according to PMI research. When it comes specifically to gender diversity, a 2019 McKinsey survey reveals 87 percent of HR leaders rank it as a top priority at their company, versus 56 percent in 2012.ⁱⁱ No diversity strategy can be considered complete without the next generation of workers, either—and companies know it. PMI research shows 40 percent of respondents say attracting and hiring the young generation of project professionals is an organizational priority.

Diversity “enables teams to get to better answers and better solutions,” says Blair Taylor, diversity and inclusion consulting co-leader at PwC,

Seattle, Washington, USA, and former global chief HR officer at Starbucks. Being able to draw from a spectrum of backgrounds and experiences fuels innovation—unleashing perspectives that might otherwise go unconsidered.

Taylor recalls a leadership training exercise from earlier in his career: Participants were told to imagine they were on a plane that crashed in the Arctic. Given a list of available supplies from the plane, each person selected a handful that would allow them to survive. At the end of the exercise, participants were scored individually and as a group. “Two really interesting things came out of

“ *[Diversity] enables teams to get to better answers and better solutions.* ”

~ BLAIR TAYLOR, PwC,
SEATTLE, WASHINGTON, USA



that,” he says. “The first was that the collective IQ of the group is always smarter than the smartest person in the room. And the second thing is the more diverse the group is, the better the score.”

Yet large gaps remain between organizations’ stated interest in advancing diversity and the extent to which they’re actually achieving it. PMI research shows 23 percent of project professionals do not feel their voice is represented at their organization.

“A lot of companies are saying, ‘we’re committed to diversity,’ but then you take a walk with their HR and recruiting departments and there are no people of color on their team,” Taylor says.

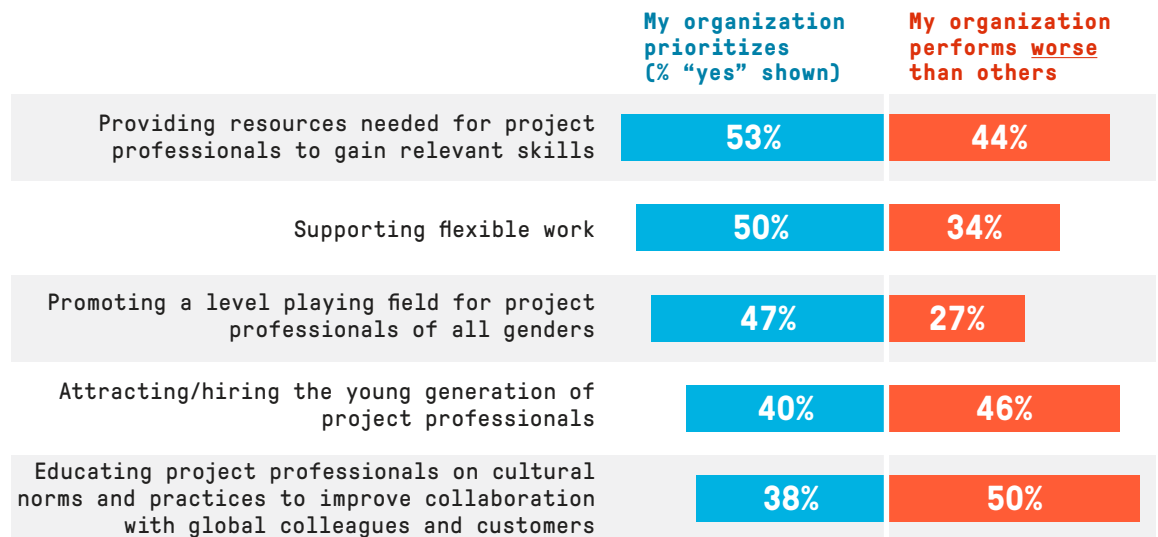
PMI research shows just 33 percent of respondents say their organization has a culturally diverse senior leadership team, for example. And nearly 60 percent are in organizations without a single female in the C-suite.

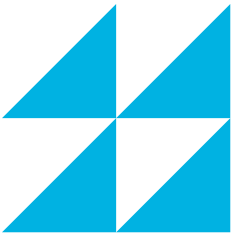
Another missed opportunity: cross-cultural awareness and communication. Half of respondents in PMI research say their organization is below average at educating teams on cultural norms and practices to improve collaboration with global stakeholders.

Building diverse, future-ready project teams requires more than talk. To turn attitudes into action, organizations must rethink some strategies.

Diversity Attitudes vs. Action

While 38 percent of organizations prioritize cross-cultural awareness and communication, half of them are below average on educating teams on cultural norms and practices to improve collaboration.





A Blueprint for Inclusion

Inclusion in Action

Diversity and inclusion demand meaningful change in an organization's infrastructure. But that's not to say individual project professionals can't make a difference. Case in point: Sevi Rich, study portfolio manager at BHP, Perth, Australia. Less than one-fifth of workers in the Australian mining industry are female, according to 2018–2019 government stats. But Rich is out to change that, leading the charge to increase diversity, including more female participation in project management roles. Inclusion can boost the bottom line along with employee engagement, innovation and agility, she says.

To deliver those benefits, Rich cultivates internal talent pipelines and enables succession through targeted development opportunities. She also enables her team, male or female, to use BHP's flexible working options to achieve balance they might need at different life stages. She also works with BHP in their efforts to improve diversity and inclusion through global and regional councils and by training employees on unconscious bias and how to be more inclusive.

Diversity can't just be a section in the organization's annual report or a page on its website. It takes a bold action plan. And gains in this area don't truly take root without executive sponsors (like chief diversity officers) leading the charge and making sure the message of inclusion is heard at every layer of the org chart. That often means a nothing's-off-the-table reimagining of existing policies, but organizational leaders may be overlooking some basic strategies to boost inclusion. One prime example: Just 18 percent of *Pulse* respondents say their organization has a formal mentorship program to develop female project leaders. "Every company should have a structured mentoring program in their workplace," says Varsha Advani, PMP, senior technical program manager, Akamai Technologies, Bengaluru, India. "A good mentoring program promotes a collaborative learning environment... and can be very cost-effective."

Companies can also boost diversity with distributed teams, drawing in talent from different locations—with different voices and different ways of working. But to make the most of that diversity, project leaders must ensure the team operates as a cohesive and collaborative unit, no matter where individuals are located. Even before the pandemic, project leaders were tapping into technology to foster greater inclusion and connectivity. In PMI research, 73 percent of respondents indicate increased use of mobile texting apps to communicate with colleagues and clients compared to five years ago. Nearly 60 percent of respondents cite increased engagement with those in other time zones and indicate increased use of webcams during virtual meetings, compared to five years ago.



Of course, those numbers presumably skyrocketed as much of the world went into lockdown and began working from home. And it's not as if things will snap back to "normal"—which is forcing a fundamental rethink of some of the core assumptions about how people work.

Pre-pandemic, many project professionals were looking for flexible working hours: 45 percent of respondents in PMI research ranked it first within a list of six perks and 72 percent placed it within the top two. Only half of organizations offered flexible hours, however.

Then along came the COVID-19 pandemic, serving as a massive wake-up call on the need for companies to align policies and perks with the needs of the talent they seek.

“If you’re willing to relax some of those constraints and say that not everyone needs to work 40 hours a week, or exactly the same schedule, and not everybody needs to be based [in the same city]—suddenly you realize you have access to a much broader talent pool,” says Stephane Kasriel, former CEO of Upwork, San Francisco, California, USA. “One of the positive outcomes of the current crisis would be that companies embrace, even faster, this idea of a future of work that is more distributed, more independent, more inclusive and more diverse. And that we come out of it with a stronger economy.”

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~ STEPHANE KASRIEL,
FORMER CEO OF UPWORK,
SAN FRANCISCO, CALIFORNIA, USA



Bridging the Gender Gap

Only 45 percent of organizations offer at least one of these types of formal programs to promote gender diversity:

29%

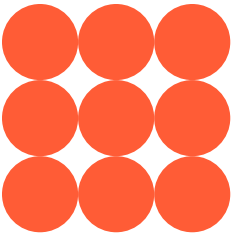
Women’s networking group

22%

A program or event designed to develop business, technical or leadership skills among school-age girls

18%

A formal mentorship program to develop female project leaders



The Diversity Dividend

Diversity isn't just the right thing to do. It's the smart thing to do. A company's commitment to inclusion (or lack thereof) is a powerful indicator of how it's seen by the world, including employees, business partners and job candidates.

“Clients want to see themselves reflected in their project teams.”

~ **GABRIELLE BULLOCK,
PERKINS AND WILL,
LOS ANGELES, CALIFORNIA, USA**

Companies with a deep focus on diversity and inclusion see better outcomes. According to PMI research, organizations that offer or sponsor gender-based programming are more often associated with high performance (63 percent versus 36 percent).ⁱⁱⁱ

And culturally diverse leadership is also associated with higher organizational performance (85 percent versus 61 percent).

Perkins and Will's Gabrielle Bullock sees the ROI first-hand, with diverse project teams winning trust—and contracts—from prospective clients.

“Clients want to see themselves reflected in their project teams,” says Bullock, principal and director of global diversity at the architecture and design giant, Los Angeles, California, USA.

In a recent PMI report, project professionals ranked “empathy for the voice of the customer” as the second-most essential team skill^{iv}. Building a diverse team ensures that empathy by assembling the right mix of perspectives to truly understand—and deliver on—what end-users really want out of a project.

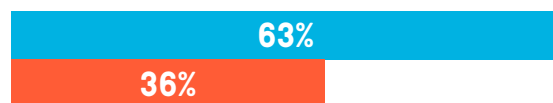
“We've seen in several projects that the cultural connection, the language, whatever it might be, is a real value,” she says. “Our clients' values are not only focused on fee, schedule and budget. It really is about the human connection, the cultural connection and shared values.”

In one instance, Bullock says Perkins and Will almost lost an opportunity because its commitment to the lesbian, gay, bisexual and transgender community was not clearly demonstrated. “We hadn't really promoted it like

The ROI of Inclusion

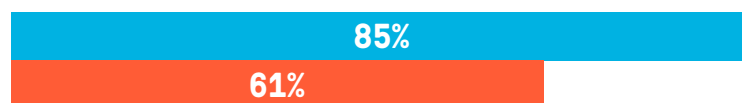
Offering gender-based programming and having a culturally diverse leadership team are associated with high organizational performance.

Offer any type of gender-based programming



■ High Performers
■ Low Performers

Have a culturally diverse leadership team



Attracting Talent— Especially Gen Z— with Diversity

Diversity and inclusion measures can be a powerful recruiting and retention tool, particularly when it comes to bringing the next generation of project talent on board.

PwC's Blair Taylor points to research from his own company that found 62 percent of all job-seekers care about an organization's commitment to diversity.^v "What matters to the majority of the workforce is, 'What is your company doing around diversity, equity and inclusion?'" Taylor says. And it's especially effective in winning over younger workers—a key cohort of any diverse team: Among Gen Zers surveyed in a 2019 Deloitte report, "diversity/discrimination based on personal characteristics/equality of opportunity" ranked as one of their top five concerns.^{vi}

GSK's Kamil Mroz is one of those young project professionals who sees inclusion as a must-have not just as an appeal to his generation—but to deliver business value.

"Success in this globalized world truly depends upon [a project leader's] ability to embrace diversity and harness the benefits of intergenerational and global project teams," says Mroz, senior program/project manager and project management capabilities lead, manufacturing, science and technology department at the healthcare company in Brussels, Belgium.

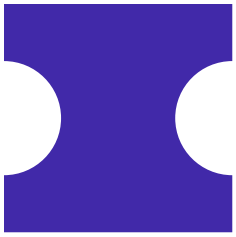
we should," she says. But once the firm showed its team's understanding and commitment to the community, it won the project.

In some cases, clients may not specifically call for diversity upfront, but still see the benefits in the end. On a recent project at Ericsson, both the lead and deputy project managers were women—a scenario the customer wasn't accustomed to, says Maria Fiona Charonnat, PMP, customer project management process manager, Ericsson, Paris, France. By the project's conclusion, the client had "huge

accolades" for the lead project manager, applauding her ability to use her network connections to get the right people moving together in the right direction.

The project manager's leadership and execution on a critical, high-profile project made her "a real role model for other women in the project organization," Charonnat says. And the visibility of having women in key project leadership positions continues to benefit Ericsson as it seeks to recruit more women to the organization and promote them within it.





Making Diversity a Reality Now

Understanding and addressing the places where organizations are falling short of their stated diversity and inclusion goals is the only way to build future-ready teams. And that, in turn, is the only way that organizations can ensure they have the array of perspectives, skillsets and backgrounds to respond quickly to change in creative, thoughtful and strategic ways.

In the *Pulse* survey, 73 percent of respondents say they believe their organization will make diversity more of a priority over the next 10 years. The result will be project teams prepared to seize emerging opportunities—precisely the teams that organizations will need as they stand up the post-pandemic world.



Those organizations will succeed by focusing on three principles:

Walk the Walk:

The desire for diversity and inclusion is clear—but ambitions must be backed by actions. To achieve real outcomes, organizations need a strategic plan.

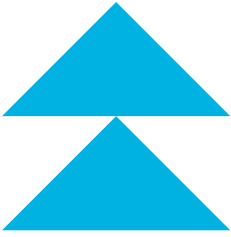
Reexamine Assumptions:

The post-COVID-19 reality is revealing new ways of looking at inclusion. By tapping into technology and rethinking the old office requirements to allow for more distributed teams, companies can reach valuable new talent pools and ensure diversity.

Reflect Your Audience:

There's value in visibility. To attract and retain employees, clients and business partners, organizations must assemble teams that truly reflect their diverse audiences. With the right mix of perspectives, companies can better understand—and deliver on—what end-users really want out of a project.





About PMI

Project Management Institute (PMI) is the world's leading association for those who consider project, program or portfolio management their profession.

Through global advocacy, collaboration, education and research, we work to prepare more than three million professionals around the world for The Project Economy: the coming economy in which work, and individuals, are organized around projects.

Celebrating our 50th anniversary in 2019, we work in nearly every country around the world to advance careers, improve organizational success and further mature the project management profession through globally-recognized standards, certifications, communities, resources, tools, academic research, publications, professional development courses and networking opportunities.

As part of the PMI family, ProjectManagement.com creates online global communities that deliver more resources, better tools, larger networks and broader perspectives.

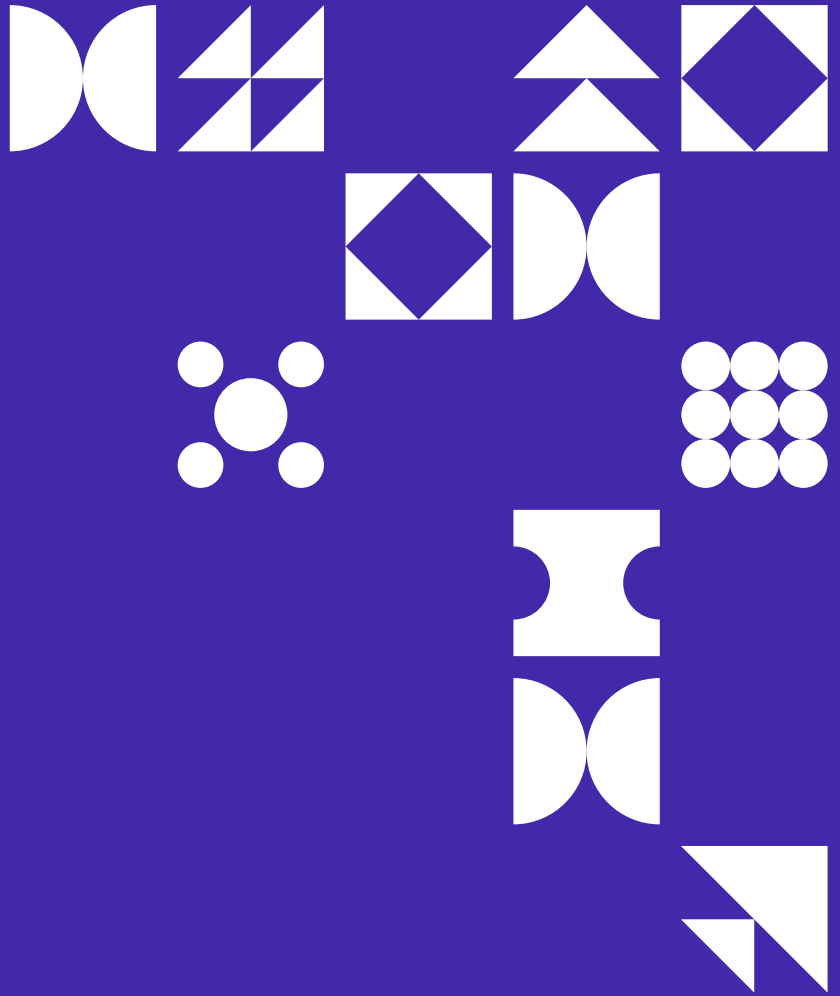
About This Report

Research was conducted online in March 2020 among a global cross-industry sample of 439 project professionals from the PMI Thought Leadership Panel.

Endnotes

- ⁱ *COVID-19 Response: Diversity & Inclusion*, Institute for Corporate Productivity, 2020
- ⁱⁱ *Women in the Workplace*, McKinsey & Co., 2019
- ⁱⁱⁱ A "high performer" is defined in the *Pulse* survey as an organization in which 80 percent or more of projects are completed on time and on budget, meet business goals and have high business relationship management maturity.
- ^{iv} *The Deloitte Global Millennial Survey*, Deloitte, 2019
- ^v *Future of Recruiting*, PwC, 2019
- ^{vi} *Pulse of the Profession® In-Depth Report: Tomorrow's Teams Today, The Future of Teaming: Creative, Collaborative and Agile*, PMI, 2020





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