

Why Companies Are Embracing Diversity

Why are companies working to improve the diversity and inclusiveness of their workforces and leadership teams? Is it only because it is the right thing to do? Or are they seeking the tangible benefits and competitive advantages of embracing diversity?

INCLUSIVENESS AT ALL LEVELS

Many firms today are prioritizing the development of a culture of inclusiveness and diversity at all levels of their organizations, and are publicizing their efforts to do so. For example:

- Autodesk (ADSK) has established formal programs such as employee working groups to cultivate diverse leadership teams, recruit from universities and support professional development for employees from underrepresented groups.
- Bristol-Myers Squibb (BMY) has a Global Diversity and Inclusion Council, chaired by its CEO, that is charged with the task of recruiting women and minorities to leadership roles.

Both companies provide their rationales for prioritizing diversity programs on their websites. These explanations include fueling “new ideas, creativity, and business growth” (ADSK) and creating “an agile and responsive work environment where the diverse experiences and perspectives of all our employees help to drive innovation and transformative business results” (BMY).

BETTER CONNECTIONS WITH CUSTOMERS AND MORE INNOVATION

While some research has identified positive correlations between the proportions of women and minorities in leadership positions and firms’ financial outcomes, companies are leaping ahead of the research based on the practical results they see.

Hiring people from a wide range of backgrounds results in teams with a natural understanding of varied types of consumers. When companies bring together people with multiple vantagepoints and differing life experiences, they are able to better align products and services with the needs and desires of their increasingly global customers.

Teams with diverse representation encompassing characteristics such as race, ethnicity, gender, socioeconomic status, national origin, age, disability and sexual orientation make more thoughtful and innovative decisions. Whether at the top echelons of companies or in product development and marketing groups, diverse teams frequently exhibit better mixes of leadership skills, higher levels of engagement and greater employee satisfaction. Companies that seek diversity can also tap into wider pools of talent.

As of 09/30/2018, Autodesk (ADSK) represented 2.0% of the Parnassus Endeavor Fund's TNA and 1.8% of the Parnassus Fixed Income's TNA. Bristol-Myers Squibb represented 1.6% of the Parnassus Fixed Income Fund's TNA and 4.2% of the Parnassus Endeavor Fund's TNA.

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