

3RD ANNUAL INSURANCE DIVERSITY SUMMIT:

Diversity is a Source of Competitive Advantage.



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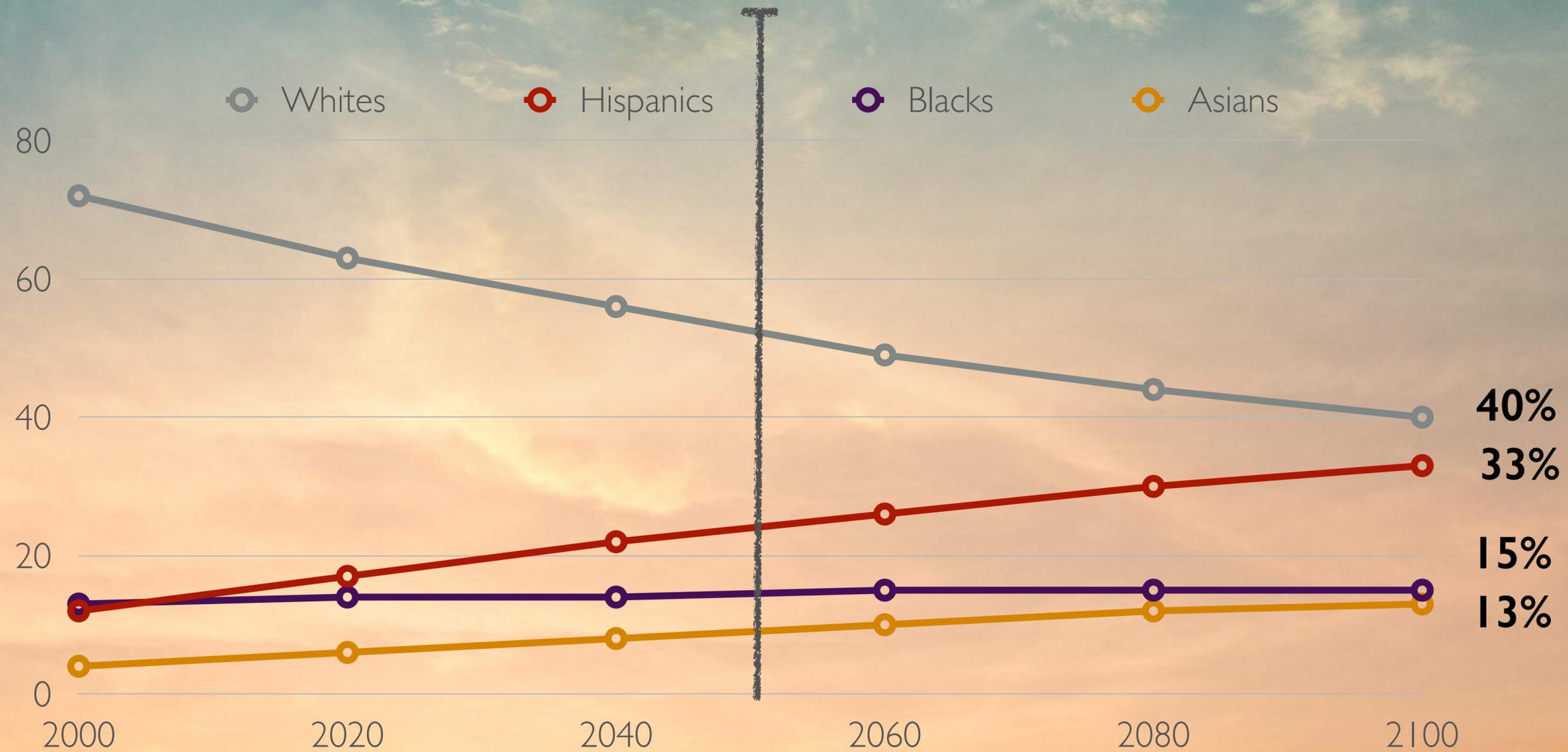
WHY IS DIVERSITY IMPORTANT

- 1 - The business world has become more global.
- 2 - Homogeneous hierarchy has given away to diverse teams.*
- 3 - Businesses spend billions in managing diversity.

* E. Mannix and M. Neale (2006), What Differences Make a Difference? *Psychology in the Public Interest*

U.S. IS A MULTICULTURAL NATION

Point at which the “Minority” Becomes Majority - Nationally



63% OF CALIFORNIA IS MULTICULTURAL

2013 Pop % Across Cultural Groups - U.S. vs California

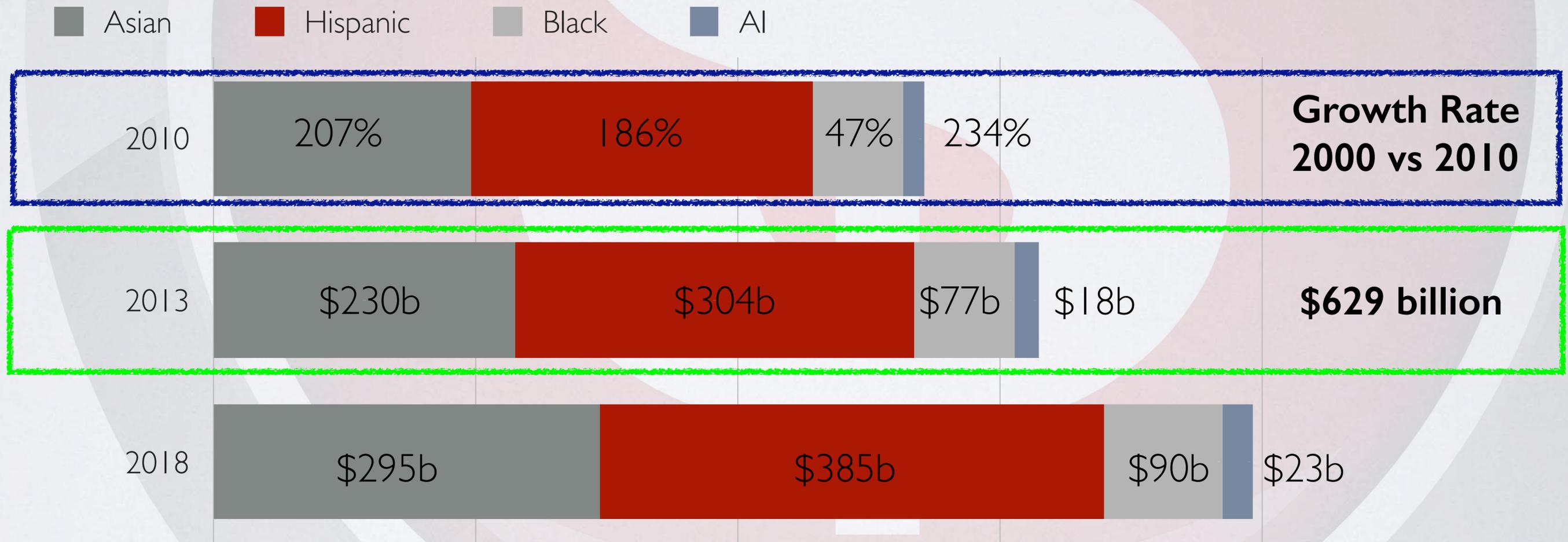
	U.S.	CA
White (Non-Hispanic)	63%	39%
Hispanic	17%	38%
Asian	5%	14%
Black	13%	7%
Two or More Races	2%	4%
Am Indian	1%	2%
Pac Islander	0%	1%

<http://quickfacts.census.gov/qfd/states/06000.html>

DEMOGRAPHIC “TIPPING POINT” HAS ARRIVED IN MANY CALIFORNIA CITIES

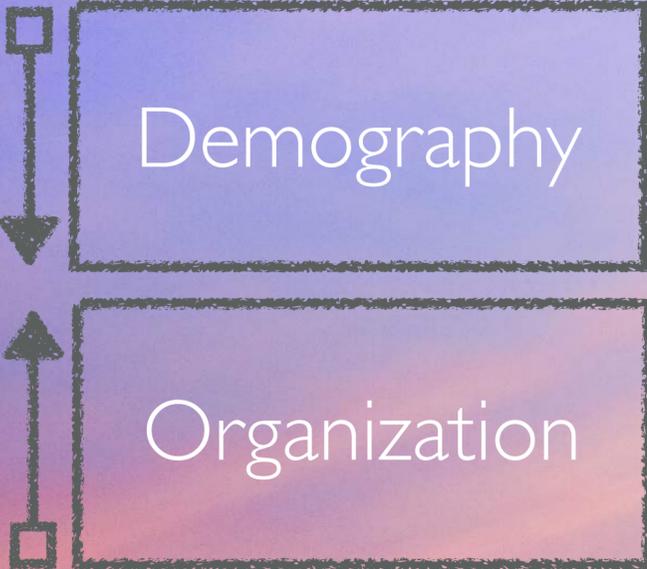
2010	Total	Multicultural	Hispanic	Black	Asian	AI	Pac Isl
Los Angeles	12,829	67%	44%	7%	15%	1%	0%
San Francisco	4,335	60%	22%	8%	23%	1%	6%
Riverside	4,225	62%	47%	8%	6%	1%	0%
San Diego	3,095	49%	32%	5%	11%	1%	0%
Sacramento	2,149	40%	20%	7%	12%	1%	1%
San Jose	1,837	53%	17%	3%	31%	1%	0%
Fresno	930	67%	50%	5%	10%	2%	0%
Bakersfield	840	61%	49%	6%	4%	2%	0%
Oxnard-Ventura	823	50%	40%	2%	7%	1%	0%

MULTICULTURAL POPULATION RESPONSIBLE FOR \$600B+ IN PURCHASING POWER IN CA



DIVERSITY FRAMEWORK

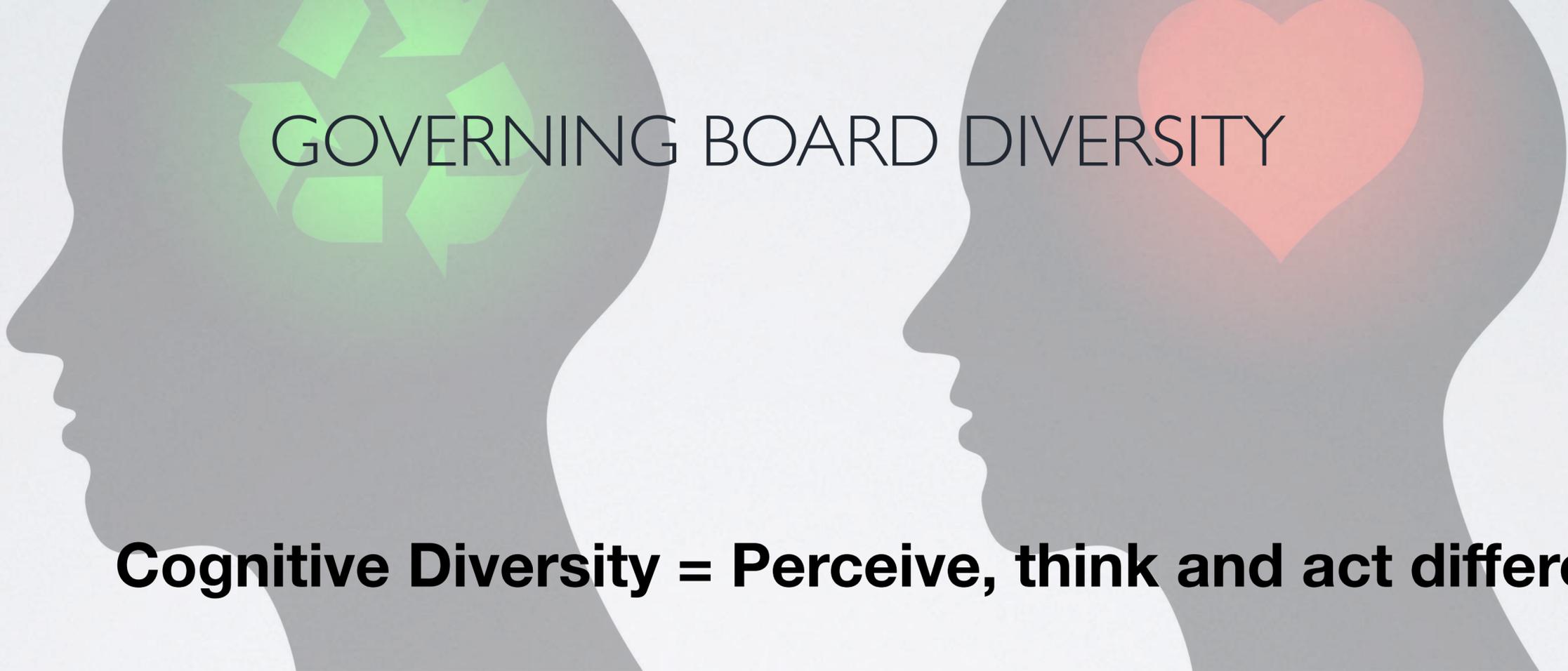
Alignment (#1)



SUPPLIER DIVERSITY

"We are strengthened by working with a diverse supplier base, which can help us **better understand and address our consumers' needs**. And we know when our suppliers succeed, **we succeed**."

John Bryant, President & CEO
The Kellogg Company



GOVERNING BOARD DIVERSITY

Cognitive Diversity = Perceive, think and act differently

Problem solving ability is improved



Identity diversity must be linked to cognitive diversity

Source: "Page, Scott E., "The Difference"

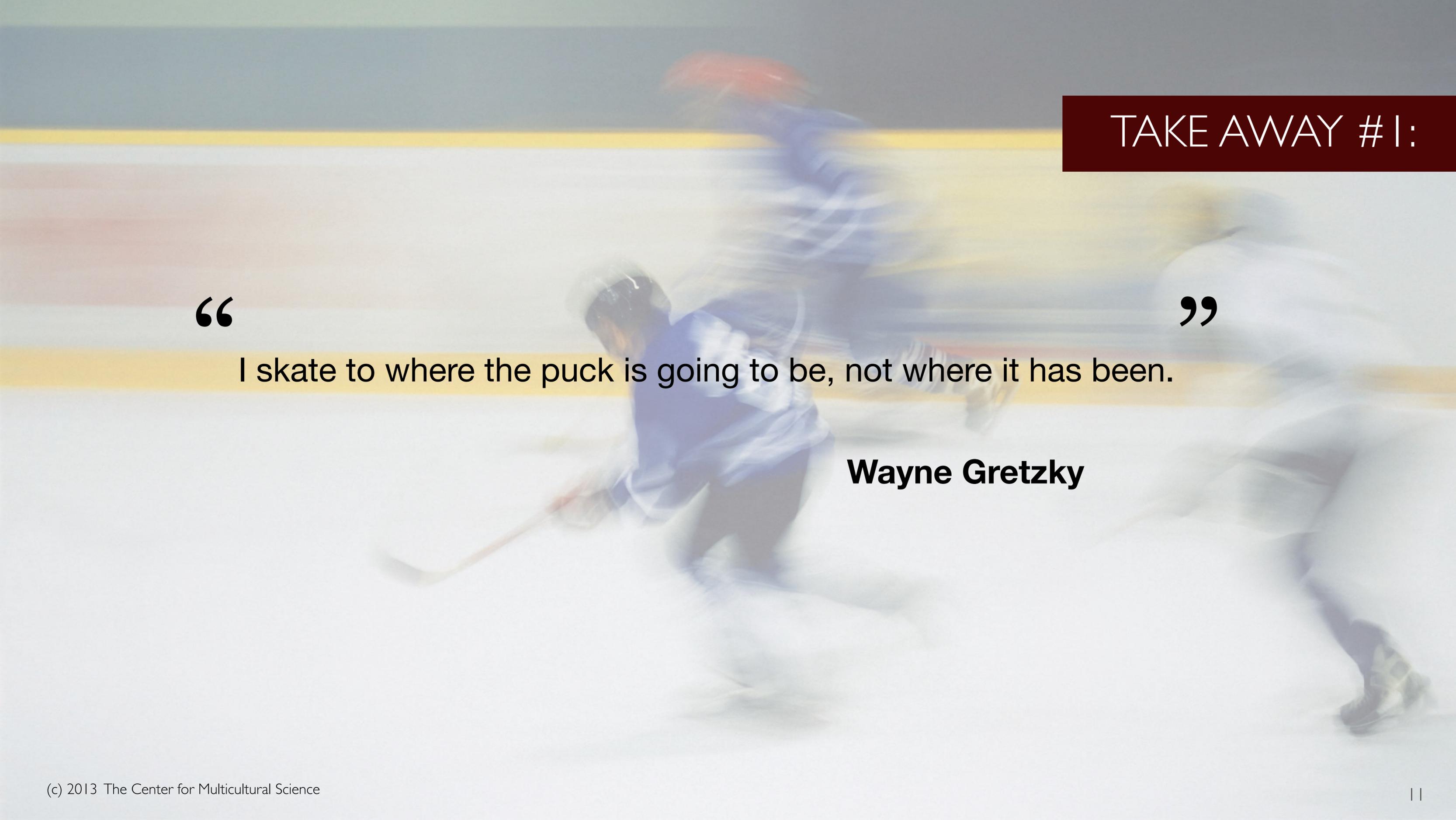
ADAPTIVE ORGANIZATIONS

Organizations that are successful in leveraging the diversity of their people are better able to adapt to changes in the external environment.



Success Indicators	Adaptive Culture		Non-Adaptive Culture
Increase in revenues	682%	→	166%
Expanded workforce (growth)	282%	→	36%
Increased stock price/market valuation	90%	→	74%
Improved net-incomes	756%	→	1%

Kotter, John. (1995) "Leading Change: Why Transformations Fail"



TAKE AWAY #1:

“

I skate to where the puck is going to be, not where it has been.

”

Wayne Gretzky

TAKE AWAY #2:

Think Differently.

Embrace intra-organizational diversity to drive performance at every level.



TAKE AWAY #3:

Courage is Leadership

A woman with long brown hair, wearing a black business suit jacket over a white collared shirt, is leaning over a white horizontal line. She is smiling broadly and pointing her right index finger towards the text below. Her left hand is resting on the white line.

TAKE AWAY #4:

**Leverage Organizational Diversity.
It's a Business Imperative in the 21st century.**

THANK YOU



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