



# DIVERSITY & INCLUSION COUNCIL **CASE STUDY**

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Two Sigma





# Background

Diversity & Inclusion (D&I) Councils have been in place for more than 30 years and exist in 90% of Fortune 500 companies. In U.S. companies, 8.5% of our nation's workforce are members of a diversity and inclusion council and attend meetings regularly.

Diversity & Inclusion Councils are used frequently to help facilitate organizational change and provide a focus for D&I initiatives. They often influence organizational culture. D&I Councils also are typically made up of leaders who are influential, well respected and have the connections and ability to get things done. D&I Councils help ensure the D&I strategy is aligned with the organization's mission, goal, and objectives.



## Best Practices

According to the American Institute for Managing Diversity, the elements that ensure a successful and sustainable D&I Council include:

- D&I Council is chaired by the company's CDO.
- D&I Council has a charter, metrics, and goals.
- D&I Council has rotational positions for leaders.
- D&I Council members mentor others in the organization.
- D&I Council membership is viewed as a leadership development opportunity.

## Measurements Success

The proof of the ROI and the benefits of D&I is an ongoing challenge. Diversity and Inclusion Councils are tasked with supporting the company's D&I Strategy so that it will have measurable outcomes.

The D&I Council needs to monitor and provide feedback on success. This means the D&I Council must understand the actions the company needs to take to progress. Many organizations measure progress by including D&I questions into the company's employee engagement survey. However, to truly measure the organization's D&I progress, it is crucial to have an assessment that focuses specifically on D&I. A D&I Assessment can provide the D&I Council with a snapshot of what the organization and D&I Council may need to focus on to advance the company's D&I strategy





# Company Engagement

Two Sigma engaged Icarus Consulting to conduct a company-wide D&I assessment, analyze the results, and report back to senior leadership with their findings.

Senior company leaders wanted to make sure they were asking the right questions about the company's D&I performance, commitment, and involvement. The D&I assessment help the company's leaders and the D&I Council gain a better understanding of how employees felt about the company's culture and work environment. Senior leaders and the D&I Council were informed of what the company was doing well, and what areas the company needed to improve to advance Two Sigma's diversity and inclusion efforts.

The company organization had a strong focus on D&I. The company has a D&I Executive Steering Committee comprised of senior leaders, and a D&I Council was in place. D&I training was offered to all employees. Unfortunately, due to other competing priorities, D&I became less of a strategic priority, and the D&I Executive Steering Committee disbanded. Although the D&I Council remained intact, the Council lost support, had little influence, and offered no real D&I programs or initiatives.

With the hiring of a new VP of Human Resources (HR), there was a renewed commitment to D&I. Based on previous experience, the VP of HR realized the importance of not only having a diverse workforce but the necessity of having an inclusive culture. Given the organization was going through a culture change, it was a perfect time to position the D&I Council as part of the change efforts.



## Two Sigma Investments

Two Sigma Investments LP is a New York City-based international hedge fund that uses a variety of technological methods, including artificial intelligence, machine learning, and distributed computing, for its trading strategies.

**John Overdeck and David Siegel** run the firm.

**Assets under management:** 51 billion USD (2017)

**Founded:** 2001 Headquarters: New York, NY

**Founders:** David Siegel, John Overdeck, Mark Pickard

**Subsidiaries:** Two Sigma Ventures, LP, Two Sigma Securities LLC  
Two Sigma Investments is the fifth-largest hedge fund by assets under management (\$38.0 billion of USD).

**600 employees**





# Moving from Awareness to Action

Two Sigma Investments selected four areas to focus on building a diverse, highly-skilled, and qualified workforce. One of those focus areas was enhancing the capacity and capability of the company's Diversity and Inclusion Council. The goal was to enhance the Council so that it was a high-performing team. With the help of Icarus Consulting, the Two Sigma Investment D&I Council:

- Achieved a more significant impact by leading meaningful D&I initiatives and engaging more team members.
- Analyzed the mission and goals of the D&I Council to ensure alignment with the company's D&I strategy and business goals.
- Assessed activities and initiatives for impact and explored ways to move them from events to sustainable programs and initiatives.

## Methodology

With the support of the new VP of HR, Icarus Consulting helped expand D&I Council membership and recruited a senior leader to serve as a Council Executive Sponsor. A formal charter was created, and D&I Council Committees were formed, each focusing on a critical D&I initiative. The D&I Council members took the Icarus Diversity and Inclusion Leadership Assessment™ to gain insight into individual perceptions regarding diversity, equity, and inclusion.





## Results

- 100% of D&I Council members completed a D&I Council self-assessment.
- A snapshot of D&I Council Members' perceptions of the organization was presented and discussed.
- The analysis showed differences in perceptions based on individual D&I Council Member's experiences within the existing culture, which led to meaningful discussion.
- The assessment helped to develop the leadership competency of individual Council members and the capability of the overall D&I Council.
- Data from the D&I Council assessment was used to direct and guide the D&I Council strategy.
- The assessment helped reinvigorated the D&I Council and focus Council efforts.
- 100% of D&I Council members attended the D&I Council Bootcamp™ which enhance the Council's ability to support the D&I Strategy



## Lessons Learned

An organization that recognizes how D&I directly impacts employee engagement and innovation shows that it is a forward-thinking and inclusive organization. It is always best to “begin with the end in mind.” Gaining a clear picture of the D&I climate provides the D&I Council with a snapshot and baseline, which can be used to measure future progress.

Conducting a comprehensive D&I assessment offers a clear picture of the organization's D&I strengths and challenges. Assessing the company's D&I culture, and the D&I Council capability provides developmental opportunities for both the organization and the D&I Council to become more inclusive and culturally competent.



# Some Final Thoughts

Today there is much more focus on measuring the impact of D&I to demonstrate the value of the D&I Council. While more companies are measuring the impact of the D&I Council, it is important to remember that it's not a "one size fits all" approach. Organizations should approach the measurement of the D&I Council in different ways and at their own pace. It may begin with something as simple as measuring the impact of D&I Council training. Ultimately, it is up to the D&I Council to provide evidence that it can help advance and accelerate the company's D&I strategy.

As a result of partnering with Icarus Consulting, Two Sigma Investments was able to achieve the following results:

- Linked Diversity and Inclusion Council Metrics to Business Outcomes
  - Aligned the diversity and inclusion council strategy and metrics with the organization's business goals and outcome.
  - Aligned Diversity and Inclusion Council metrics with the most critical organizational goals.
- Leveraged the Power of Employee Engagement Survey
  - Leveraged the company's Employee Engagement Survey results as a crucial metric.
  - Focused on improving survey results.
- Conducted Research
  - Conducted benchmarking and best practice research to establish a baseline and use external benchmark data before launching a diversity and inclusion council initiative.
  - Linked diversity and inclusion council measurement with the current management dashboard.



- Based Decisions on Data
  - Conducted analysis to define successful solutions.
  - Ensured D&I Council members understand senior leaders' expectations and continue to monitor and support.
- Moved Beyond Awareness to Action
  - Continued to monitor goals and look for sources of measuring Council success.
  - Developed a scorecard to monitor Council initiatives and report progress to both employees and senior leaders.





## WE LOOK FORWARD TO HEARING FROM YOU.

MORE INFORMATION CAN BE FOUND ON OUR WEB SITE:  
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