



2020 ANNUAL REPORT

Inspiring Change:

# Diversity and Inclusion at KSM



# A Note on Behalf of INSPIRE

## Hello again from the INSPIRE committee!

I am so honored and excited to be leading this important initiative as we publish our second annual report. As with everything, it is critically important to keep KSM's diversity and inclusion statement in mind:

**Diversity** at KSM means tapping into the power of our differences to enable our very best work for our clients and support for our communities. Bringing people of different ethnicities, genders, ages, personal beliefs, life experiences, professional backgrounds, and sexual orientations together helps us relate better to our clients and communities as their needs and profiles change. It is about sustaining a culture of many who work as one, with the goal of maximizing firm performance and mutual benefit.

**Inclusion** at KSM means providing all employees the opportunity to share their voice, work to their greatest potential, and make an impact. It is about building trust among our employees, clients, and communities that comes from respecting and valuing our differences. To do this we foster an environment in which awareness is pervasive, learning is continuous, and meaningful conversations are both inspired and inspiring.

As we navigate through the COVID-19 crisis and upheaval related to racial injustice and inequality, these statements have never held more importance. I am honored to be a part of a firm that is so invested in its employees and communities. Initiatives like KSM Cares have a strong link to our inclusion goal, helping to connect us to our fellow employees, clients, and communities. And, most importantly, it is just the right thing to do!

I know that INSPIRE can be a hard initiative to grasp, especially as we look around the room and don't see people who look different than us. While race is an important component of measuring diversity, it is not the only component. Diversity can be measured in many ways outside of skin color or gender. For example, diversity encompasses sexual orientation, location or where you grew up, workgroup, alma mater, degree obtained (not everyone at KSM has an accounting degree!), etc. All these differences need to be embraced - they have shaped who each individual is and provide critical diversity of thought when serving clients, making decisions, and even developing creative solutions to problems. Race and gender ARE important topics and will continue to be focused on, but it is important to note that they aren't the only metrics to analyze.

I am so happy about the progress we have made and am excited for this upcoming year and the amazing events in store (many of which will be virtual). My wish for everyone for this year is: Take care of each other, make sure to include other people when you can, stay connected, and continue learning and growing.

Thank you for taking the time to read this report and this letter. Please reach out to anyone on the committee if you're interested in learning more or getting involved. You won't be able to effect change unless you have a seat at the table - get involved and make a difference.

***Thank you!***

**KATHERINE MALARSKY**

# Diversity, Inclusion, Belonging, and the Future of KSM

## TIM COOK, PARTNER

As a member of KSM's Executive Committee, I was asked if I wanted to say a few words in our INSPIRE annual report about the KSM leadership team's commitment to diversity and inclusion. When thinking about what to say, my thoughts immediately went to an experience I had at the start of the COVID-19 crisis.

KSM's Managing Partner David Resnick and I had a Zoom call with our New York employees back in April. Our only agenda item was to check in and see how people were holding up. Our New York folks went around one by one that day and talked about what they were experiencing - not just with work but how they were making it through each day. As I heard every person on the call share their stories, I was struck by the resilience of our incredible people.

But as my thoughts went deeper, and I looked at the faces on my computer screen, the diversity of our New York workforce hit me profoundly. It wasn't just the diversity that I could see. It was the individuality I could hear in their voices and experiences and perspectives. It was their resilience, both in how they continued to serve our clients, but more importantly how they were being forced to redefine what it means to be human during these unsettling, uncertain times.

That realization has continued to stay with me as I have witnessed the recent upheaval that's been reignited in this country around race. It has cast the topic of diversity in a whole new light and instilled a sense of urgency in so many of us to rid our communities and our country of the scourge of racial oppression.

As I write these words, I fear sounding trite - as if KSM's desire to make some positive contribution to this heartbreaking experience can be significant enough to have any relevance at all. But, if we're going to make a difference, it has to happen everywhere, both out in society and inside the walls of businesses like ours.

I am committed to doing my part. Likewise, I hope all those of like mind will join in this endeavor. As it relates to our firm, I challenge my KSM colleagues to embrace the differences and unique life experiences of all the people we come across as a member of the KSM team. My hope is for this commitment to diversity to become as intrinsic to our culture as providing great value to our clients and being there for each other. We'll all be the better for it.



If we're going to make a difference, it has to happen everywhere, both out in society and inside the walls of businesses like ours.

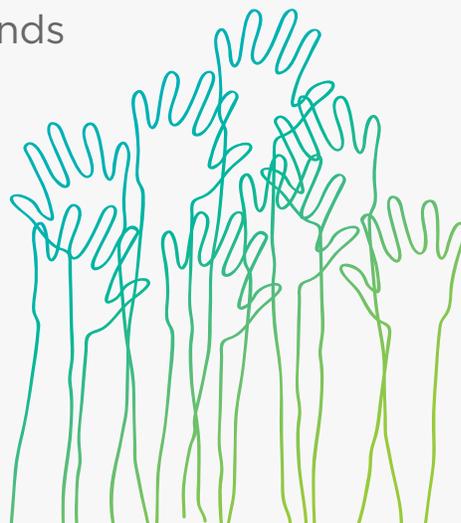


## Our Mission

*INSPIRE's mission is to improve KSM's success in attracting, retaining, and developing talented individuals of all backgrounds, and to ensure that everyone has the opportunity to achieve their full potential.*

## KSM's Statement on Racial Injustice

KSM's first core value is unity, which means we stand together in our commitment to do the right thing – for our clients, our communities, and each other. In honoring this value, KSM stands in unison with the Black community in confronting and ridding racial oppression and will use our voice to amplify the call for social justice.



# The Business Case: 10 Reasons to Focus on Diversity & Inclusion

Embracing the differences in others to form a well-rounded team isn't just the right thing to do. Study after study show that striving for a diverse workforce and practicing inclusion make good business sense in today's rapidly changing world. Here are 10 reasons diversity and inclusion deserve focus in today's business world:

## 1 ADVANCE PERFORMANCE

In a study performed by McKinsey and Company, companies in the top-quartile for ethnic/cultural diversity on executive teams were 33% more likely to have industry-leading profitability.

## 2 FOSTER INNOVATION & CREATIVITY

Companies that employ a workforce that exhibits two-dimensional diversity (with both inherent traits, like race and gender, and acquired traits, those gained through experience) out-innovate others. Leaders who give diverse voices equal attention unleash value-driving insights, and employees in a "speak up" culture are 3.5 times as likely to contribute their full innovative potential.

## 3 EVOLVE PRODUCTIVITY

A [McKinsey report](#) that covered 366 public companies in a variety of countries and industries found that those that were more ethnically and gender diverse performed significantly better than others.

## 4 COMPETITIVE ADVANTAGE

Companies with a diverse leadership team are 45% more likely to report a growth in market share over the previous year. Companies with a diverse leadership team are 70% more likely to capture a new market.

## 5 GROW INTELLECTUALLY

Diverse groups are 58% more accurate in problem solving as compared to homogenous groups. Collective and individual intelligence increases in diverse groups.

## 6 DEMOGRAPHIC SHIFTS

Generation Z is on track to be the nation's most diverse and best-educated generation yet. Today, nearly half (48%) are non-white. A CNBC article states that, "the

traditional 9-to-5 office job doesn't adequately support the lives Millennials and Gen Zs want to live. They are flexible-work natives..."

## 7 SOCIAL RESPONSIBILITY

An increasing number of Millennials believe that organizations have a moral obligation to give back to society in ways that create an inclusive environment for everyone to participate and thrive.

## 8 MARKET DEMAND

A study of more than 1,300 full-time employees found that an inclusive culture is key to both hiring and retaining talent. 80% of respondents said that inclusion is an important factor in choosing an employer. Nearly a quarter of all respondents left jobs due to lack of diversity and inclusion. An inclusion strategy is key to retaining a diverse workforce.

## 9 TALENT ACQUISITION

While 74% of executives view D&I as crucial to the success of their organization, most companies do not take advantage of D&I to attract top talent. By failing to embed D&I into talent strategies, companies not only miss out on exceptional talent, but also on the benefits realized by diverse talent and an inclusive culture.

## 10 CULTIVATES ENGAGEMENT

40% of people say that they feel isolated at work, and the result has been lower commitment and engagement. Belonging is linked to a 56% increase in job performance, a 50% drop in turnover risk, and a 75% reduction in sick days.

Source: <https://www.aicpa.org/career/diversityinitiatives/dibusinesscase.html>

# KSM's Response to Racial Injustice and Inequality

After the tragic death of George Floyd in May 2020 and the subsequent global outcry for racial equality, the KSM Cares team and INSPIRE committee began exploring ways for our firm to play a meaningful role to addressing the issues of racial injustice and inequality. This group is taking a thoughtful approach to developing an impactful long-term strategy with a concrete action plan. Among other things, this strategy will include:

- Providing open and engaging education for our employees
- Identifying and providing mentoring opportunities for minorities in our communities
- Engaging with and investing in minority-run and minority mission-focused businesses and not-for-profits
- Exploring partnering with other organizations for educational and service-related opportunities and more

## FINANCIAL SUPPORT FOR ORGANIZATIONS ADVOCATING FOR JUSTICE AND EQUALITY

Many KSM employees also shared their personal desire to financially support an organization that advocates for racial justice and equality. KSM will fully match employee donations of \$10 or more (maximum \$500) made to designated organizations. This match is in addition to the match provided through KSM's matching gift program.



If you feel passionately about advocating for justice and equality in our society, we invite you to join us in furthering KSM's efforts!



# Goals and Accomplishments: **Communication**

The primary purpose of the Communication subcommittee connects to our primary goal: Cultivating an environment that inspires open and honest dialogue while being transparent about sharing best practices, successes, and failures. This subcommittee has the important job of helping to communicate to the firm exactly what KSM is doing around the INSPIRE initiative.

Over the past year, we have published numerous blog posts, tips of the month, and D&I month recognitions, garnering nearly 1,900 page views on KSMgo!, KSM's intranet. Last July, we published INSPIRE's first annual report, an important vehicle for us as a committee and a firm for sharing our successes (and failures!) and demonstrating KSM's commitment to diversity and inclusion.

## **LOOKING FORWARD**

This coming year, we will expand the INSPIRE presence even more via an INSPIRE page on KSMgo!. This page will have resources for you, including podcasts, books and articles to read, pages to follow, etc. It will also be a repository for our annual reports, blog posts, and monthly tips.

The COVID-19 crisis has made us re-evaluate how we communicate and when we communicate. As more events become virtual, the way we communicate with people has to shift, too.

We are making strides in this area but would appreciate any suggestions that you may have!

We appreciate your ideas and suggestions! Please reach out to anyone on the Communications subcommittee to share your thoughts.



## **SUBCOMMITTEE MEMBERS**

**Alicia Anderson**

**Kiki Malarsky**

**Kaylene Riemen**

**Jake Sciaudone**

**Megan Slager**

**Pat Sullivan**

**Jeremy Williams**



# Goals and Accomplishments: **Recruiting & Retention**

With the goal of recruiting college students and experienced hires who share KSM's values of embracing and cultivating a culture of diversity and inclusion, the Recruiting and Retention subcommittee plays a critical role within the INSPIRE initiative. Focusing on this goal has included expanding KSM's presence on campus (both in-person when possible and virtually) to create connections and make an impact through various clubs and other opportunities. This includes meeting with diversity leaders on campus and in the marketplace to participate in a variety of programs, including INCPAS' mentoring programs and IUPUI's Upward Bound program to engage minority and low-income high school students.

## **LOOKING FORWARD**

When thinking of diversity and inclusion specifically with recruiting, it's important to understand that accounting as a profession is not racially diverse. As a result, INSPIRE is searching for ways to expand KSM's reach and connections to continue to seek out people who are diverse of thought, ideas, and backgrounds. We will continue to focus on this important component of INSPIRE as we seek to expand, grow, and learn from and with each other.

### **Actions we're taking:**

- Sponsoring and attending Women in Business events on campus
- Sponsoring National Association of Black Accountants (NABA) and attending its national conference
- Partnering with IUPUI and its Upward Bound program, which serves high school students from low-income families and high school students from families in which neither parent holds a bachelor's degree
- Participating in INCPAS' mentorship program for diverse candidates
- Attending diversity career fairs at various colleges and universities

## **SUBCOMMITTEE MEMBERS**

**Jacqueline Foster**

**Andie Friedman**

**Karen Hill**

**Natasha Houston**

**Tom Lowery**

**Laura Russelburg**

**Asmire Sabriu**

**Megan Slager**





# Goals and Accomplishments: **Education**

The Education subcommittee provides educational opportunities that encourage and support ways to celebrate and embrace our differences. Participating in these opportunities enables us to do our best work and provides us with the tools to foster an environment that respects and values our differences. It's crucial to continue to challenge ourselves and each other to grow in our knowledge of diversity and inclusion as individuals and as a firm. People learn and enrich their abilities to think critically and creatively as they engage in conversations across differences, especially when all learners' abilities and attributes are embraced.

This past year, we continued to raise awareness around diversity and inclusion by expanding unconscious bias training for managers, directors, and partners. We also facilitated learning and development opportunities for KSM's up-and-coming leaders, and even hosted a movie series to help spark conversation regarding issues of race, gender, and belonging.

## **LOOKING FORWARD**

While we are faced with a new challenge of how we educate in a remote environment due to COVID-19, we still plan to attend and sponsor several external virtual diversity and inclusion seminars, host internal virtual networking sessions and chats with experts, as well as roll out the monthly INSPIRED Conversations discussion group. These monthly discussions will focus on a specific article, podcast, book, TED Talk, etc., that centers on a topic related to diversity, inclusion, and belonging. All of these opportunities have the same goal in mind—expansion of your knowledge surrounding diversity and inclusion.

KSM's leadership, along with 900 other companies' leaders, took the CEO Action for Diversity & Inclusion pledge last year. Likewise, individuals can now make the "I Act On" pledge, which is a personal pledge meant to help drive inclusive behavior in everyday life.

Whether you are already involved with KSM's INSPIRE group, another diversity and inclusion initiative, or you haven't decided where to start, we encourage you to continue and/or begin your education by reaching out to any of our committee members, or visit [www.ceoaction.com](http://www.ceoaction.com) to take the individual pledge yourself.

## **SUBCOMMITTEE MEMBERS**

**Allison Allen**

**Lacey Armstrong**

**John Estridge**

**Julie Kimbley**

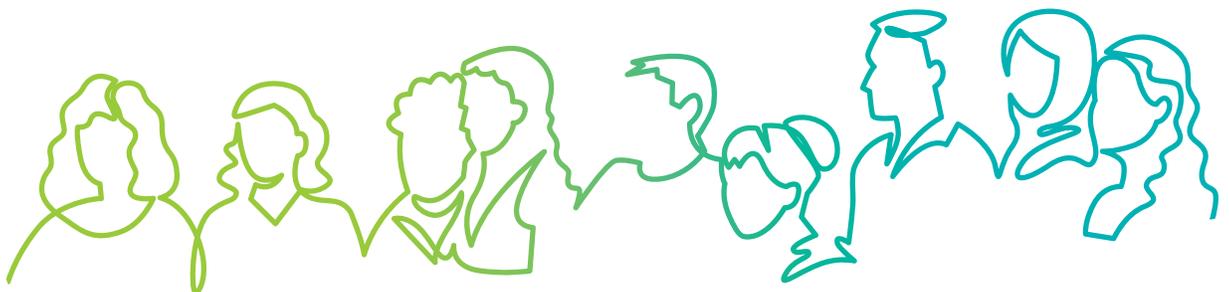
**April Meade**

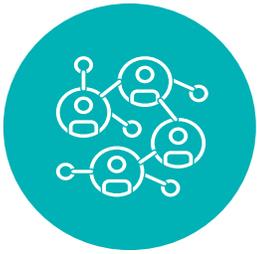
**Andrea Peterson**

**Stephania Pfeiffer**

**Lisa Yost**

We look forward to continuing to help us all learn along the way.





# Goals and Accomplishments: **Events & Networking**

The Events and Networking subcommittee focuses on planning a large annual event that connects KSM’s current and future female leaders with our female friends, clients, and community leaders.

We also work to facilitate relationships among our people internally that may not have otherwise formed. Finally, we also look for ways to connect with other firms to learn and share best practices.

In 2019 we planned and brought people together at Bankers Life Fieldhouse for “Nothing but NETWORKING.” Our group of KSM employees and invited guests heard from the Indiana Fever’s Tamika Catchings, toured the Fieldhouse’s locker rooms, and even had a chance to give back to the community by donating shoes to Dress for Success Indianapolis.

## **SUBCOMMITTEE MEMBERS**

**Ashley Attar**

**Ashley Christie**

**Stephanie Dunn**

**Danelle Nance**

**Alexis Sowder**

**Angela Stephenson**

## **LOOKING FORWARD**

This year, our third annual women’s networking event is going virtual! We’re all physically distancing these days, but that doesn’t mean Indy’s brightest female leaders can’t stay connected socially.

Scheduled for July 29, 2020, “The Road Rules of Confidence” will feature [Alex Perry, CEO of Practically Speaking, LLC](#) and self-proclaimed “minivan mogul.” Alex will discuss her confidence “road rules,” an internal GPS she developed as she struggled with her own confidence. She will share the lessons she has learned to help us be our truest self with a little less frustration and confusion. Alex is an accomplished entrepreneur, speech language pathologist, TEDx speaker, and most recently, the author of the new book “Minivan Mogul: A Crash Course in Confidence for Women.”

The event will also feature breakout rooms for virtual networking as well as a panel discussion featuring some of KSM’s influential women.





## Goals and Accomplishments:

# Leadership & Administration

The INSPIRE committee was reorganized this past year. There were two main goals for this:

- 1** We wanted to get more involvement from the firm so we could have more diversity of thought and participation.
- 2** We wanted to ensure that the appropriate amount of time can be spent on each of the subcommittees' areas of focus, as each area is critically important to the success of INSPIRE.

As part of this reorganization, a Partner Advisory Board was formed. The primary purpose of this board is to demonstrate commitment to embracing diversity and inclusion through accountability. Inclusivity and diverse voices and thoughts are critical to INSPIRE's success moving forward, and leadership's demonstration of these concepts is key. The partners on this board are not "yes" people – they push back, have different opinions and thoughts, and overall make KSM a better place because of their involvement. They were involved with setting the goals for each subcommittee, held important discussions around INSPIRE and the interplay with business development and other firm initiatives, and play a crucial role in making sure that the strategy for INSPIRE is on-point and in line with the view of leadership.

### LOOKING FORWARD

INSPIRE has support as an initiative from many partners with diverse experiences and backgrounds. The Partner Advisory Board will play a critical role in the continued development and transformation of KSM as we move into the future. This includes coordinating with other accounting firms, sharing our outcomes publicly through CEO Action for Diversity & Inclusion, making connections with law firms and other like-minded firms from which we can learn, and so on. Stay tuned – this board will help to drive some great opportunity and change in the future.

The primary purpose of the Partner Advisory Board is to demonstrate commitment to embracing diversity and inclusion through accountability.

### SUBCOMMITTEE MEMBERS

Lisa Curry

Erin Eberly

Jamie Ellis

Andie Friedman

Randy Hooper

Kiki Malarsky

Jason Miller

Jim Nestor

Fady Qaddoura

Jeff Warner

# Building Awareness and Inspiring Conversation

This list encompasses events and training we've held, sponsored, or implemented July 2019 through June 2020.

## NETWORKING

### Event: Nothing But NETworking

"Nothing But NETworking" at Bankers Life Fieldhouse offered opportunities to rub elbows with Indy's best and brightest women. KSM employees and invited guests also heard from former WNBA superstar and current Vice President of Indiana Fever Basketball Operations Tamika Catchings. (June 2019)

### Event: Nails and Networking

"Nails and Networking" featured pampering and plenty of mingling for Fort Wayne's women and influential businesswomen in the community. (July 2019)

### Event: Bridging the Confidence Gap

KSM, Greater Fort Wayne Inc., and the Women's Network presented this half-day seminar designed to equip women with tools needed to boost their confidence and achieve success in all areas of life. (Jan. 2020)



## DEVELOPING LEADERS

### 2019 International Women's Day Breakfast

Attendees: Allison Allen, Ashley Christie, Andie Friedman, Kiki Malarsky, and Grace McNulty

### 2019 Indy Chamber Women in Business Retreat

Attendee: Heather Judy

### 2019 AICPA Global Leadership Summit

Attendee: Ashley Christie

### 2019 Integrating Women's Leadership Conference

Attendees: Erin Eberly, Jamie Ellis, Sarah Lubben, Jim Nestor, Laura Russelburg, Seth Sailors, Victoria Snyder, Alex Szarsenski, Michael Wipper, and Alix Zervas

### 2019 Prime Global Women's Leadership Conference

Attendees: Lisa Curry and Sarah Hammond

### Women & Men Leadership Academy

(Eight-week virtual program facilitated by Julie Kratz.) Participants: Alicia Anderson, Jacob Biby, Will Claywell, Mohit Desai, Sean Dulworth, Matt Fanning, Tyler Hardcastle, Katie Hookstra, Sarah Kelly, Derek Lamle, Blaire Langolis, Caroline Paulus, Eudine Santo, Angie Vitale, Jenny Wagner, Hannah Wipper, and Jeanne Yang





## **BUILDING AWARENESS**

### **GRIT Workshops**

“How to Find GRIT and Resilience and Accomplish Your Goals” and “Executive Presence: How GRIT Meets Confidence” focused on GRIT—the power to persevere in the face of adversity. This can mean different things to different people, and therefore can be influenced by individuals’ perceptions and biases. Facilitated by M. Kim Saxton, MBA, PhD and Charlotte Westerhaus-Renfrow, MEd, JD of Indiana University’s Kelley School of Business. (June and July 2019)

### **Unconscious Bias Training**

Instructor-led unconscious bias training for managers and directors. (Dec. 2019)

### **Unconscious Bias Discussion**

Facilitator-led discussion for partners to discuss unconscious bias at both the organizational and individual levels. (Dec. 2019)

### **Empowering the Next Generation of Women: An Evening with Dr. Tererai Trent**

An inspiring discussion on the significance of building a strong and supportive network of leaders who can activate the next generation of empowered women and girls. (Feb. 2020)

### **“Nevertheless” Screening**

KSM sponsored the Indianapolis screening of “Nevertheless,” hosted by the Indy Chamber and Central Indiana Women’s Business Center. The documentary tells the stories of seven individuals who have experienced sexual harassment in the workplace or at school and shines a light on the ways in which we can shift our culture and rebuild. (Feb. 2020)

## **SHARING EXPERIENCES**

### **INSPIRE/SURGE Summer Movie Series**

INSPIRE and SURGE, KSM’s young professionals group, co-sponsored a movie series that encouraged networking, learning, and conversation. Movies included “On the Basis of Sex,” “Hidden Figures,” and “Wonder.” (Summer 2019)

### **INSPIRED Conversations**

In keeping with the goal of inspiring open and honest dialog, INSPIRE launched a group discussion called INSPIRED Conversations to share thoughts and ideas in a casual, informative, and open setting. The first two group discussions were held in June: “Women at Work” and “Color Blind or Color Brave?” (June 2020)



# Resources

Diversity and inclusion is a big topic. Here's a sampling of resources to check out to learn more.

## BOOKS

["Women, Minorities, and Other Extraordinary People: The New Path for Workforce Diversity"](#)

by Barbara B. Adams PsyD

["Better Allies: Everyday Actions to Create Inclusive, Engaging Workplaces"](#)

by Karen Catlin

["Money on the Table"](#)

by Melissa Greenwell

["How to Be an Antiracist"](#)

by Ibram X. Kendi

["One: How Male Allies Support Women for Gender Equality"](#)

by Julie Kratz

["So You Want to Talk About Race"](#)

by Ijeoma Oluo

["Belonging at Work: Everyday Actions You Can Take to Cultivate an Inclusive Organization"](#)

by Rhodes Perry, MPA

["One Size Never Fits All"](#)

by Dr. Arin N. Reeves

["Me and White Supremacy"](#)

by Layla F. Saad

["Whistling Vivaldi: And Other Clues to How Stereotypes Affect Us"](#)

by Claude Steele

["The Diversity Advantage: Fixing Gender Inequality In The Workplace"](#)

by Ruchika Tulshyan

*If you'd like to borrow one of the books listed, contact a member of the INSPIRE committee.*

## REPORTS

[2020 Accounting MOVE Project Report](#)

[AICPA's 2019 CPA Firm Gender Survey](#)

[AICPA's 2019 Trends in the Supply of Accounting Graduates and Demand for Public Accounting Recruits Report](#)

[Delivering Through Diversity - McKinsey & Company](#)

## WEBSITES & NEWSLETTERS

[AICPA Diversity and Inclusion Initiatives](#)

[AICPA - Women in the Profession](#)

[CEO Action for Diversity & Inclusion](#)

[Integrating Women Leaders](#)

[Project Implicit](#)

[AICPA's Inclusion Solutions newsletter](#)

[Integrating Women Leaders newsletter](#)

## PODCASTS

[1619 Project](#)

[Code Switch](#)

[Seeing White](#)

[The Diversity Gap](#)

[The Mix](#)

[Women at Work](#)



