This month, we are giving you the latest trends, data and best practices on CEO and senior-leadership commitment to diversity and inclusion. How do you define it? How can top leaders visibly show how much they value diversity as a business driver? How do they hold people accountable for results? What best practices are increasingly common? We have identified three key areas to focus on: Visible Support, Accountability and Building a Pipeline. We also recommend that you view our recent Web Seminar on CEO Commitment, featuring Deloitte and Ameren.

CEOs Who Are Diversity Champions

For D&I Staff, Executive Leadership Council, HR Leaders, Communications Staff, Resource-Group Leaders
The CEO's making a very personal and visible statement of support for diversity and inclusion is paramount in the success of diversity-management initiatives in an organization. Without clear and consistent messaging from the CEO and senior leadership, staff at all levels will consider diversity and inclusion a nice, soft addition instead of an imperative for future success.

That messaging starts with the corporate website. A clear and prominent quote from the CEO, directly linking diversity and inclusion to business goals, is very important. Note that 92 percent of CEOs of The 2013 DiversityInc Top 50 Companies for Diversity have personal diversity messages on their corporate websites versus just 16 percent in 2005. It's also necessary for both the CEO and senior leaders to frequently integrate diversity messaging into regular business communications, including the relevance of resource groups.

Here are a few examples of CEO statements that demonstrate the business connection to diversity and inclusion:

Bernard Tyson  
Incoming Chairman and CEO, Kaiser Permanente

“Our mission is to continue to become better educated and increase our competency in understanding the nuances of how we care for a diverse population. The Institute for Culturally Competent Care is a training ground. ... It’s a metaphor for where the brain trust is to help the rest of the organization better understand how to care for diverse populations. We are a diverse organization, taking care of diverse people.”

Ajay Banga  
President and CEO, MasterCard Worldwide

“As a company, we believe diversity sits at the root of innovation. Diversity of culture, experience and thought all drive innovative thinking. That’s why we encourage employees to express their diverse opinions and ideas. We want them to feel empowered and to recognize that their contributions make a difference.”

André Wyss  
U.S. Country Head, Novartis and President, Novartis Pharmaceuticals Corporation

“Now more than ever, customers and patients are counting on us for breakthrough medications that address increasingly complex, unmet needs. I believe that the collective wisdom of our diverse workforce, combined with our inclusive, high-performing team culture can spark innovation and help take our business—and our ability to make a difference in the lives of patients—to the next level.”

John R. Strangfeld  
Chairman and CEO, Prudential Financial

“We are fully committed to embracing diversity and inclusion in every aspect of our operations. We recognize that diversity and inclusion are inextricably linked to our ability to achieve our goals, both our aspirations to be an employer of choice and to lead in the markets in which we operate.”
VISIBLE SUPPORT

Arne Sorenson
President and CEO, Marriott International

“Putting people first and embracing differences has always been the cornerstone to our success. It ensures that our associates, customers, suppliers and other stakeholders feel truly appreciated and valued. We are passionate in our efforts to remove barriers and create an inclusive environment that leads to opportunities for others to contribute and grow.”

Patrick J. Esser
President, Cox Communications

“Diversity is a critical component of today’s successful companies. A commitment to diversity and inclusion that includes our employees, our surrounding communities, product development and supplier relations provides a broad perspective of viewpoints—without them, creativity and innovation suffers. At Cox, diversity is a fundamental business value.”

Bharat Masrani
President and CEO, TD Bank

“I was born in Africa, of East Indian heritage. My community—we were a minority group—we became refugees, and the only reason we became refugees was because of the color of our skin. So from a societal perspective, I have experienced that, as to what this means, what it creates, the discord it creates in people. ... I happen to be in a business where it also is a business imperative.”

Roger Ferguson
President and CEO, TIAA-CREF

“We understand that in order to sustain long-term success and offer our clients the very best level of service, we must continue to make diversity and inclusion a business imperative.”

Carlos Rodriguez
President and CEO, ADP

“Achieving ADP’s aspiration of becoming the global leader in human capital management requires a diverse and inclusive environment, where the best talent can thrive and deliver market-leading results. Diversity and inclusion enable the culture of openness needed to foster innovation and differentiation.”

Stephen P. Holmes
Chairman and CEO, Wyndham Worldwide

“The people behind our company are as diverse as the broad suite of products and services we offer to leisure and business travelers. Diversity enriches our performance and services, the communities where we live and work, and the lives of our employees and customers.”

Beth Mooney
CEO, KeyCorp

“I am by nature an inclusive thinker. I look at diversity as much as anything around thought, approach, experience, and I’m never one of these people who is going to sit at the head of the table and make it clear I got the answer. ... A leader’s job is to synthesize [opinions] and then kind of say, ‘I’ve heard you all and here’s what we’re going to do,’ but acknowledging the fact that people gave you their time, their best thoughts and their energy. To me, that’s a form of diversity and inclusion.”
VISIBLE SUPPORT

Other best practices for CEO/leadership commitment used by almost all of the DiversityInc Top 50 companies include:

➤ Meeting frequently with resource groups
The best practice for this is small-group meetings with resource-group leaders so that frank discussions of impediments to retention and talent development can occur, as well as giving resource-group leaders the opportunity to offer innovative solutions for marketplace and workplace growth. The exposure of resource-group leaders to senior management has bidirectional impact—the resource-group leaders gain practice in dealing with top executives and the senior leaders often recognize talent they can nurture. Ninety percent of CEOs of DiversityInc Top 50 companies have regular meetings with resource-group leaders, more than double the percentage in 2005.

➤ Joining the board of a multicultural nonprofit
We see an increasing percentage of both CEOs and senior executives taking on leadership roles at multicultural nonprofits, especially those in which they are not personally a member of the targeted demographic. The learning experience for the corporate executive is dramatic and the relationship building with the nonprofit and the community often leads to increased recruitment, retention and customer relations. CEOs and senior leaders at 72 percent of DiversityInc Top 50 companies now serve on multicultural boards, almost a 50 percent increase from 2005.

Guided Questions for Employees

➤ How diversity-supportive is your website?
Is your CEO’s message on the homepage? Are there images/videos of different people, including people with disabilities and LGBT (lesbian, gay, bisexual and transgender) people? Is the diversity section easy to find and regularly updated?

➤ If your resource groups meet with the CEO and senior leadership, what kind of preparation do group leaders receive from diversity-and-inclusion staff?
Do you present the group’s strategic goals and milestones for success? Who funds your groups and how involved are the senior leaders?

➤ How do the rank-and-file employees perceive your CEO’s and senior leadership’s commitment to diversity and inclusion?
What could be done to bolster the sense that diversity helps the business?
ACCOUNTABILITY

How do CEOs ensure that their direct reports and others in the company, all the way down, make diversity and inclusion a business priority? Here are the best practices:

👉 Chairing the executive diversity council
Fifty-six percent of DiversityInc Top 50 CEOs now chair their executive diversity council, almost double the percentage from 2005. The reason for the change is a correlation between CEOs’ chairing the councils and real results, measured in human-capital data. The councils are now focused on goal-setting, milestones and measurable improvements, directly related to business goals.

👉 Linking executive compensation to diversity goals
The most common way to do this is through bonuses and/or performance evaluations. Fifty-six percent of DiversityInc Top 50 CEOs now personally sign off on compensation tied to diversity goals, almost double the percentage that did this in 2005. The average amount of compensation is now 18.2 percent and has risen every year since the survey started in 2001. Some organizations are not comfortable directly linking compensation specifically to non-direct-revenue areas, so they instead include diversity competencies in performance reviews. These can include performance as an executive sponsor of a resource group and/or a multicultural mentor, being on the board of a multicultural nonprofit, increases in diversity in the staff under the executive, and supplier-diversity goals.

Guided Questions for Employees

» At your company, how are executives generally rewarded for making their goals? How well can diversity goals fit in with your existing compensation structure?

» In evaluating executive sponsors of resource groups, what factors should be considered? Should you assess recruitment, engagement and promotion rates of the targeted demographic? Should the groups’ contribution to marketplace growth be factored in? Should a 360-degree assessment of the sponsor from the group leaders be included?

» Should members of the executive diversity council also have compensation linked to corporate goals? If so, should those goals strictly be about human-capital demographics or are there other goals to be considered?
BUILDING A PIPELINE

In order to successfully recruit, retain and engage a talented workforce—and understand an increasingly diverse marketplace—the top of the organization (and the board of directors) needs to be diverse in every way. Getting more diversity at the top is a challenge for many organizations because there are few openings and because women, Blacks, Latinos, Asians and others from underrepresented groups often leave before they get near the top. For more information, see our Web Seminar on Succession Planning, featuring IBM, Kaiser Permanente and CVS Caremark.

An effective pipeline to the top begins with recruiting a diverse group of people, including mandatory diverse slates for management positions. On-boarding people successfully, often with the support of resource groups, increases engagement and retention. Carefully monitoring which factors inhibit retention and promotion (again through the use of resource groups) helps promote a healthy pipeline.

The use of cross-cultural mentoring is the most effective way to increase retention and promotion of people from underrepresented groups, according to DiversityInc data and academic research. Increasingly, having a sponsor or several sponsors is also crucial to an employee’s long-term success.

It’s also very important to review the assignments given to people from underrepresented groups and ensure they are stretch assignments and ones directly related to the revenue stream.

Guided Questions for Employees

» Do you have mandatory diverse slates?  
If so, at what level? And how is “diversity” defined for these slates? Is this requirement for internal and external recruiters? What type of cultural-competency training do recruiters have?

» Are your resource groups used to find and develop high-potentials who are otherwise going unnoticed?  
How much exposure to senior leaders do these high-potentials get and what other training would most benefit them?

» How important is it to members of your staff to see role models in senior positions who look like them?

» How does a lack of role models impact engagement and retention?

NEXT MONTH

Hispanic Heritage Month (for all employees)

DiversityInc Top 50 Best Practices (for diversity-department staff, resource groups, executive diversity councils, HR and communications staff)
WEB SEMINAR
CEO Commitment: How Deloitte, Ameren Leaders Drive Inclusive Cultures

In our CEO Commitment Web Seminar, Kelvin Womack, Managing Principal of Diversity at Deloitte (No. 11 in the DiversityInc Top 50), and Sharon Harvey Davis, Vice President and Chief Diversity Officer at Ameren, talk about their relationships with their CEOs and how their leaders drive inclusive cultures.

BestPractices.DiversityInc.com/ceo-commitment-web-seminar/

‘Diversity Is a Leadership Expectation’: Case Studies of CEOs of Ameren, Rockwell Collins

Joy Fitzgerald, director of Diversity and Workforce Effectiveness at Rockwell Collins, and Sharon Harvey Davis, vice president and chief diversity officer at Ameren tell us about their relationships with their CEOs: Clay Jones, CEO of Rockwell Collins (No. 34 in the DiversityInc Top 50), and Thomas Voss, CEO of Ameren (one of DiversityInc’s Top 7 Regional Utilities).

BestPractices.DiversityInc.com/rockwell-collins-ameren/

What Not to Say to Your CEO About Diversity

Having observed what gets CEOs fired up about diversity—and how they hold their executives accountable for sustainable results—we’ve put together a primer for you on what NOT to say to your CEO about diversity and inclusion.

www.DiversityInc.com/things-not-to-say-ceo

Eli Lilly CEO John Lechleiter: ‘Engage People Like Never Before’

Having made a nontraditional climb to the top job at Eli Lilly and Company (No. 35 in the DiversityInc Top 50), John Lechleiter brings uncommon perspective on how diversity impacts employee engagement, innovation and business goals. In a recent interview with DiversityInc CEO Luke Visconti, Lechleiter discussed how D&I initiatives will help the company grow in challenging times.

BestPractices.DiversityInc.com/john-lechleiter-interview/

Interview With Bernard Tyson, New CEO of Kaiser Permanente

Bernard J. Tyson is the new CEO and Incoming Chairman of Kaiser Permanente (No. 3 in the DiversityInc Top 50). Tyson was interviewed by DiversityInc CEO Luke Visconti the day he was named to his new position.

www.DiversityInc.com/bernard-tyson-interview

Wells Fargo CEO John Stumpf on Leadership, Corporate Citizenship, Sustainable Business & Accountability

John Stumpf, Chairman, President and CEO of Wells Fargo (No. 25 in the DiversityInc Top 50), met one-on-one with DiversityInc CEO Luke Visconti in the bank’s San Francisco headquarters to discuss his personal reasons for valuing diversity.

BestPractices.DiversityInc.com/john-stumpf-interview/

Q&A With KeyCorp CEO Beth Mooney

What does it take for a woman to become the CEO of a top 20 U.S. bank? For Beth Mooney, Chairman and CEO of KeyCorp (one of DiversityInc’s 25 Noteworthy Companies), the journey has involved overcoming naysayers, getting help from mentors and sponsors, and, most importantly, her own perseverance, hard work and vision for herself, her employees and their role in the communities where they do business.

BestPractices.DiversityInc.com/beth-mooney-interview/