

# Senior Leadership Commitment

- ▶▶ For diversity staff, diversity council members, employee-resource-group leaders and HR/communications staff

## III Chairing the Executive Diversity Council/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:** Why do [CEOs of such Top 50 companies](#) as [AT&T](#), [EY](#), [Kellogg Company](#), [Wyndham Worldwide](#) and [KeyCorp](#) (Nos. 10, 3, 31, 39 and 47) personally chair their councils? They see it as integral to their business success. As [Stephen R. Howe Jr.](#), EY Americas Managing Partner, says: “I tell my partners that it is not at all uncommon for me in a meeting with a client CEO to turn to this topic. That wasn’t true five years ago.”

When the CEO chairs the council, there is enhanced visibility throughout the organization and accountability for actual goals. Fifty-four percent of DiversityInc Top 50 CEOs now chair their executive diversity councils, up from 32 percent in 2005.

- **Accountability:** The most common way to do this is through bonuses and/or performance evaluations. At Kellogg, for example, diversity goals include hiring, promotions, retention and engagement, and they account for 5 percent of the executive-compensation bonus program.

At Wyndham Worldwide, all senior vice presidents and executive vice presidents have D&I goals—including hiring, talent development, promotions, teaching, presenting diversity initiatives, supplier diversity, mentoring franchisors from underrepresented groups, and community leadership.

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 an employee 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.

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#### Guided Questions for Staff

#### »» Does your CEO personally chair the executive diversity council?

If not, is it feasible for him or her to do that, or to become a co-chair, or to be more involved? Is your council comprised of senior executives who have influence in various business units and areas of the company, including profit centers? Evaluate the role of your council and whether it is part of strategic business planning.

#### »» 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 by the group leaders be included?