The Impact of Senior Leadership Commitment on Diversity and Inclusion

A Study Conducted by ORC Worldwide
Global Equality, Diversity and Inclusion Practice

Funded by Industrial Relations Counselors, Inc.

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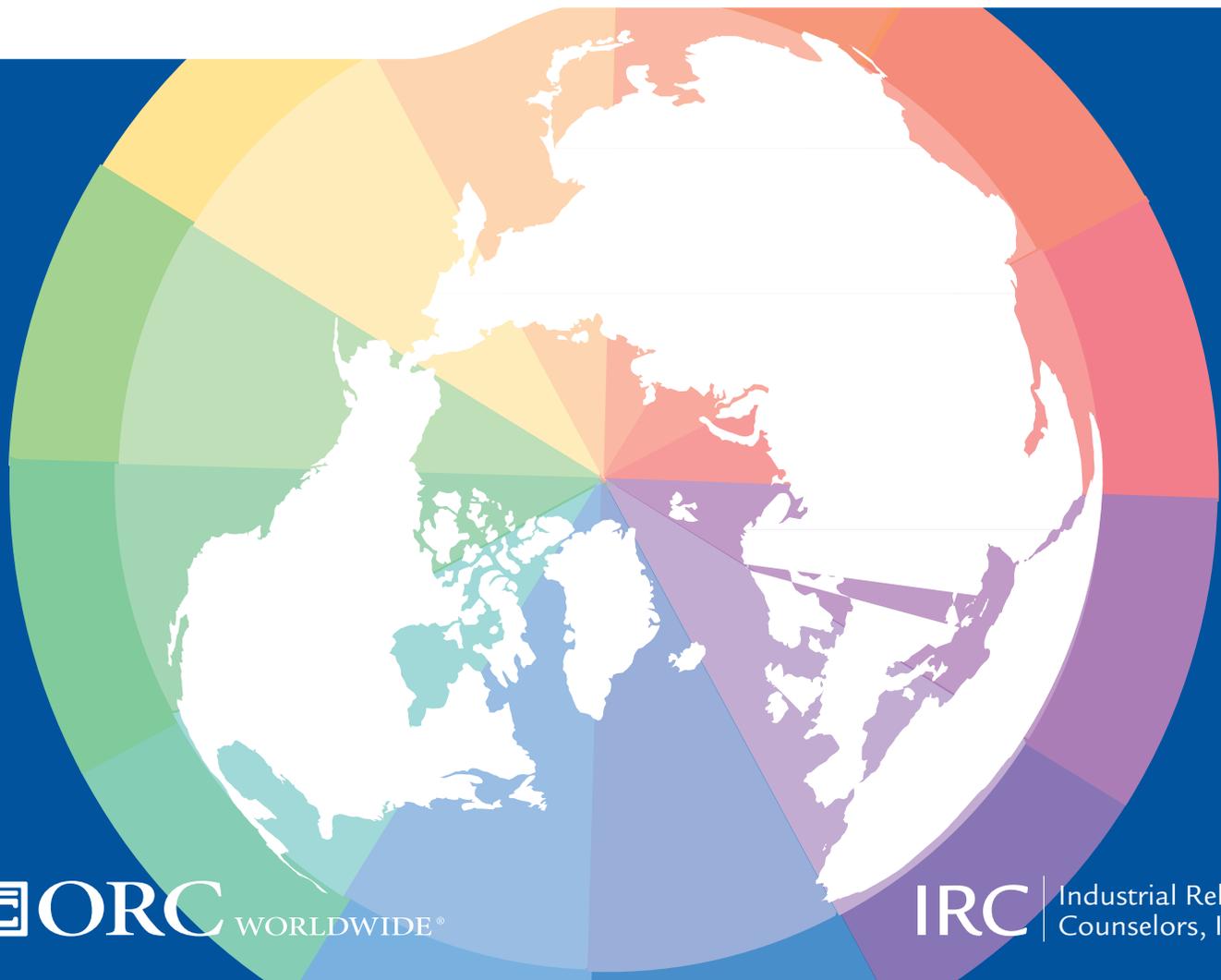
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I. Introduction

Ask any practitioner what is the sine qua non for successful diversity and inclusion programs—and, indeed, for almost any human resources-related intervention—and almost invariably the answer will be "commitment from top leadership". This assumption has become enshrined in best practices studies and "best place to work" lists[1] and is often echoed in discussions in meetings of ORC Worldwide's diversity networks. However, we have really known very little about the actual benefits and mechanics of leadership commitment. Until now, diversity and HR practitioners have had no objective data to present to executives for whose support they are petitioning, nor have they had the benefit of any evidence beyond intuition when they have had to advise their leaders on how best to spend their precious time.

The diversity community has been essentially working in the dark: we don't know which leaders' support is most important or exactly what kinds of support are most effective. We don't even know with confidence whether there are other factors that might be equally or more critical than support from the top. As a result, diversity strategists in some organizations have assumed from the outset that their diversity performance will be limited because they do not have highly visible and involved leaders. Other companies have watched premier diversity programs wither in the face of regime change, reorganization, or business downturn, because the engine driving the initiative—the CEO's personal commitment—has evaporated. Could there have been other, more enduring ways to institutionalize diversity efforts?

ORC Worldwide's Global Equality, Diversity, and Inclusion practice area proposed to answer these questions by conducting a study that would:

1. Test the hypothesis, "Successfully achieving and managing a diverse, inclusive workforce requires the active involvement of the CEO and top leaders."

2. Identify the activities in which top leaders can engage that will have the most impact on diversity performance.

3. Determine whether there are some key organizational practices that might so embed diversity into the way the organization does business that top leaders no longer need to be the sole sustainers of the initiative.

The study was funded by Industrial Relations Counselors, Inc., a research and educational organization specializing in human relations in management, and conducted in May and June of 2008.

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[1] Examples include the National Urban League's study, *Diversity Practices that Work: The American Worker Speaks*; DiversityInc's *Top 50 Companies for Diversity*, and the *Fortune* list of *Top Companies for Minorities.*

II. Key Findings

Companies with the most successful records on diversity and inclusion tend to share the following characteristics:

- The organization's statement of values explicitly includes diversity and inclusion (as opposed to "respect for individuals" or other more general statements).

- The CEO is held responsible by the non-executive Board of Directors (the Board) for the company's diversity initiative and his/her compensation is linked to diversity performance.

- The Board itself is ethnically and nationally diverse.

- The Board reviews the diversity of high potential pools and succession slates.

- The CEO talks frequently to his/her direct reports (the Executive Committee) about diversity, demands regular reports from them on the progress of diversity initiatives, and holds them accountable for both their personal behavior and for meeting objectives such as developing and mentoring diverse people.

- Managers are trained to recognize and avoid "microinequities".

Most companies that have created special marketing strategies for diverse market segments (e.g., women, racial/ethnic minorities, specific regions or countries), and that track the performance of those market segments report sales increases.

Respondents report that employees generally have positive views of their companies' diversity and inclusion posture. However, a significant number say that employees who are members of racial/ethnic minority groups or come from countries outside the headquarters country are less satisfied/engaged with the company overall than other employees.

Among companies that reported them, median promotion rates are slightly higher for women and racial/ethnic minorities than for men and non-minorities, while median turnover rates are virtually the same.

III. Methodology

Survey Design

Thirty-two North American and European companies responded to an online survey. (The text of the survey, along with aggregate responses for the full participant group, are available in Appendix B.) The survey included questions about the behavior of CEOs and senior leaders in the organization and about programs and processes associated with diversity management. In addition, companies were asked to provide information that could be used to measure the success of their diversity and inclusion efforts. These measures included:

- Diversity of the Executive Committee (the CEO's direct reports) – in terms of women, people of racial or ethnic minorities, and people from countries outside the headquarters country

- Diversity of the senior leadership team (defined as direct reports to the Executive Committee)

- Diversity of high potential and succession slates

- Turnover and promotions for women and people of color compared to men and whites

- Employee perceptions of the company's diversity and inclusion posture, as indicated by employee opinion surveys

- Satisfaction of women and people of color compared to that of men and whites, as indicated by employee opinion surveys

- Amount of purchasing budget spent with diverse suppliers

- Increase in sales from diverse market segments (i.e., markets demarcated by region or country, religion, race/ethnicity, gender, disability, or sexual orientation)

Not all participating companies were able to provide data on all measures. Our discussion below relies on only those measures where there was sufficient data to permit analysis.

Approach to Analysis

We approached the data in two ways. First, we looked at which practices seemed to be linked to higher scores on each of the measures. Practices that were associated with a large difference in average score (20 percentage points or more) on several different measures were flagged as potentially significant. Appendix A summarizes these findings.

Second, we identified eight companies (one-fourth of the survey population) that consistently demonstrated high performance on the measures[2] and compared the practices in those eight companies (hereinafter referred to as "high performers") to practices in the other 24 to find the differences that might explain the gap in diversity performance. These findings are detailed in the next section of this report.

[2] Each of these eight companies was among the "high performers" on at least half of the possible measures. On representation, revenue, and budget measures, "high performers" were those companies that had above-median scores. On employee survey measures, "high performers" reported "very positive" responses on employee survey questions or said that racial/ethnic minorities were as satisfied or more satisfied than whites.

IV. Survey Sample

Thirty-two organizations responded to the survey. Most are large, multinational, for-profit corporations; one is a not-for-profit. The 32 organizations have a median worldwide employee population of 66,000.

The sample represents entities serving customers in government, business, and consumer markets. Most have significant operations in North America and Western Europe; some also operate in Eastern Europe, Asia, South America, Africa, Oceania, and/or the Middle East.

Types of Customers Served by Participating Companies

% Companies Serving Each Type

Type	%
Consumers	59%
Businesses	69%
Government	47%
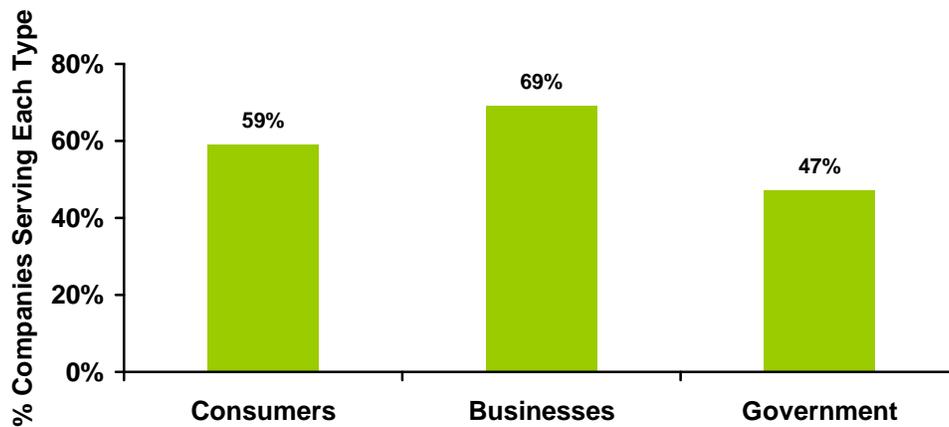
Regions Where Participants Have Significant Operations

% Companies Having Operations in the Region

Region	%
Africa	28%
Asia	56%
Central/South America	41%
Eastern Europe	44%
Middle East	34%
North America	91%
Oceania	34%
Western Europe	66%
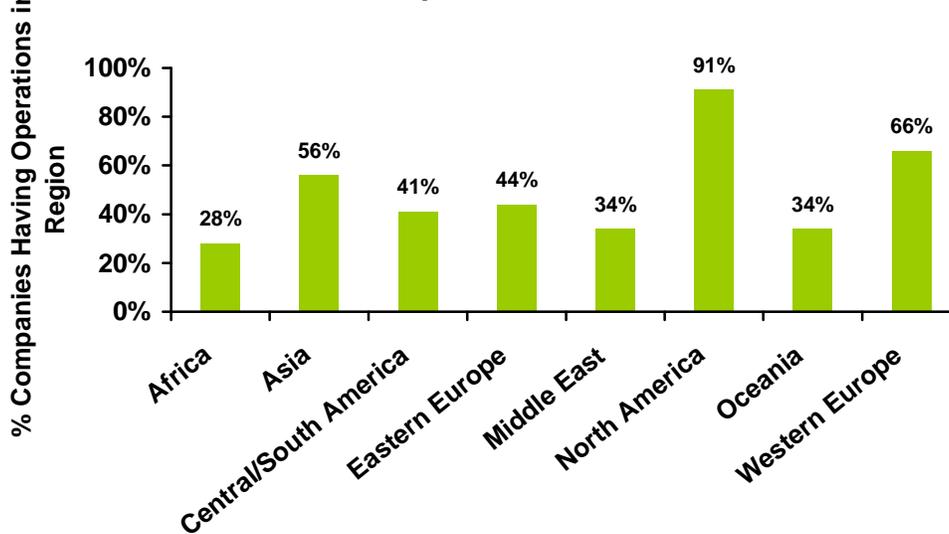
CEOs of companies in the survey sample are overwhelmingly male, white, and of the same nationality as the company's headquarters country.

CEO Gender

Male Female

3%

97%

CEO Ethnicity

Non-minority Racial/ethnic minority

12%

88%

CEO Nationality

Same as HQ Other than HQ

25%

75%
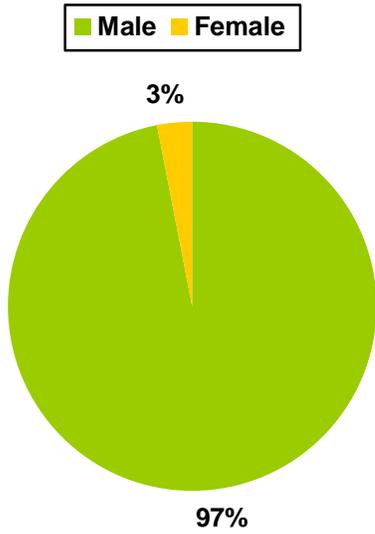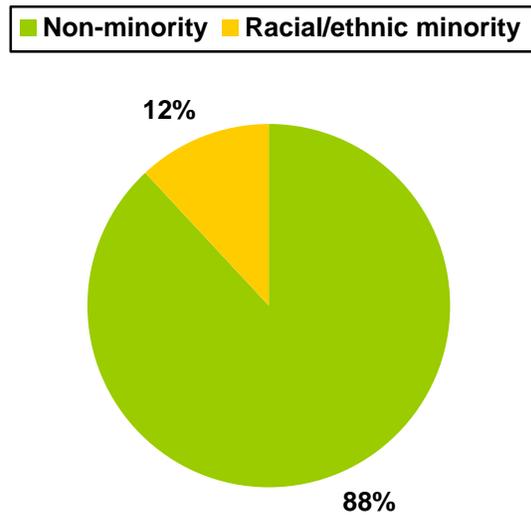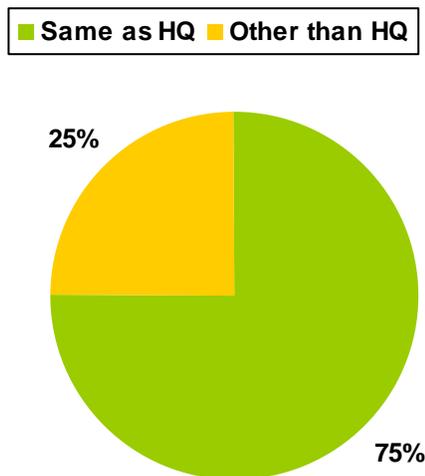
V. Performance on Key Measures

Survey participants were asked to report their companies' performance on key indicators of diversity and inclusion performance. As described above, those measures were used to identify high performing organizations so we could analyze which leadership activities and organizational practices appear to be connected with their success. We also used the measures to help us understand which activities and practices seem most likely to contribute to specific results (for example, what can the CEO do to improve the organization's openness to new ideas or to increase the number of minorities in senior management). This analysis is discussed in Section VI and in Appendix A.

The survey sample's aggregate scores on each of the measures are of interest in and of themselves, as context for the rest of this report and as benchmarks for other organizations.

Diversity of Executive Committee (CEO's Direct Reports)

One indicator of the success of a company's efforts to value diversity and create an inclusive work environment is the diversity of key talent pools such as:

- The Executive Committee (positions reporting directly to the CEO)
- Senior leaders (positions reporting to members of the Executive Committee)
- High potentials
- Individuals designated as successors on the executive succession plan

We asked survey participants to report the percentage of positions in each of those pools that were occupied in 2007 by:

- Women
- Members of racial/ethnic minority groups[3]
- Nationals of countries other than that where the company's headquarters is located

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[3] Because it is not customary or even lawful in many countries to track ethnicity of employees, we asked for this information only for U.S. and U.K. employees, where such records generally are kept.

Median Representation of W/M/NHQs 2007
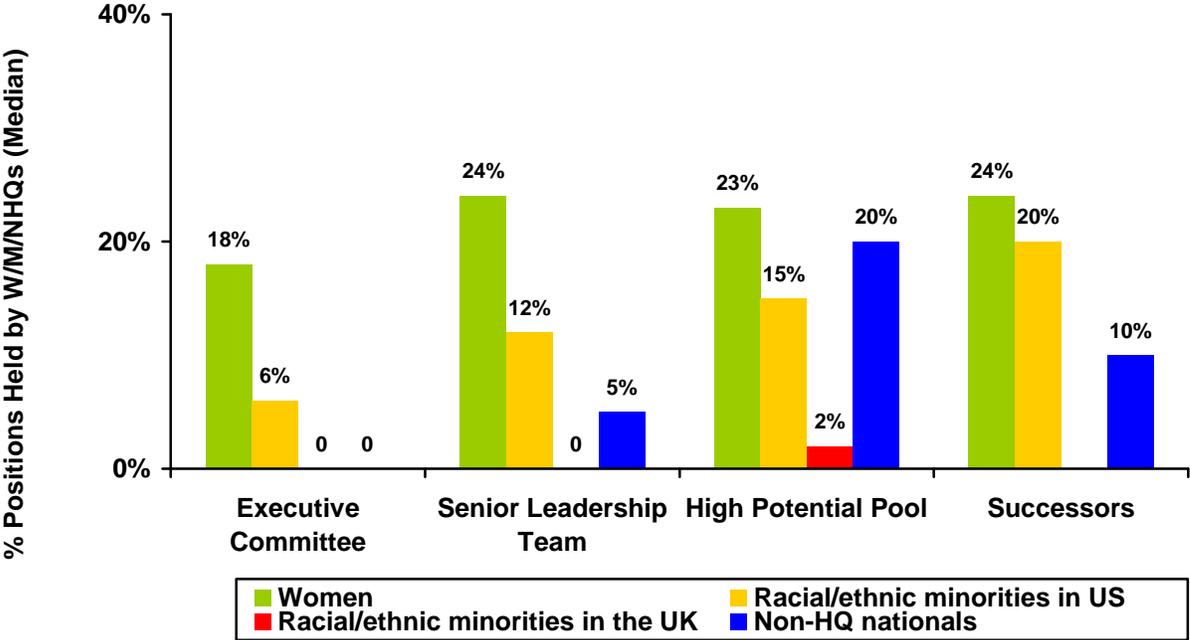
Note: Data reported for racial/ethnic minorities in the U.K. among successors was insufficient for this analysis.

Promotion Rates

In a company where all employees truly have equal opportunities, we would expect to see women, minorities, and non-HQ nationals (W/M/NHQs) advancing at the same rate as men, non-minorities, and those from the country where the headquarters is located. We might even expect to see advancement for W/M/NHQs at rates somewhat higher than for others if the company is making special efforts to hire and develop these groups where they have been underrepresented in the past.

We asked participants to report promotion rates for each population segment, using the following calculation:

> Total number that received promotions in each population segment, divided by the total number of employees in that population segment

Promotion Rates 2007
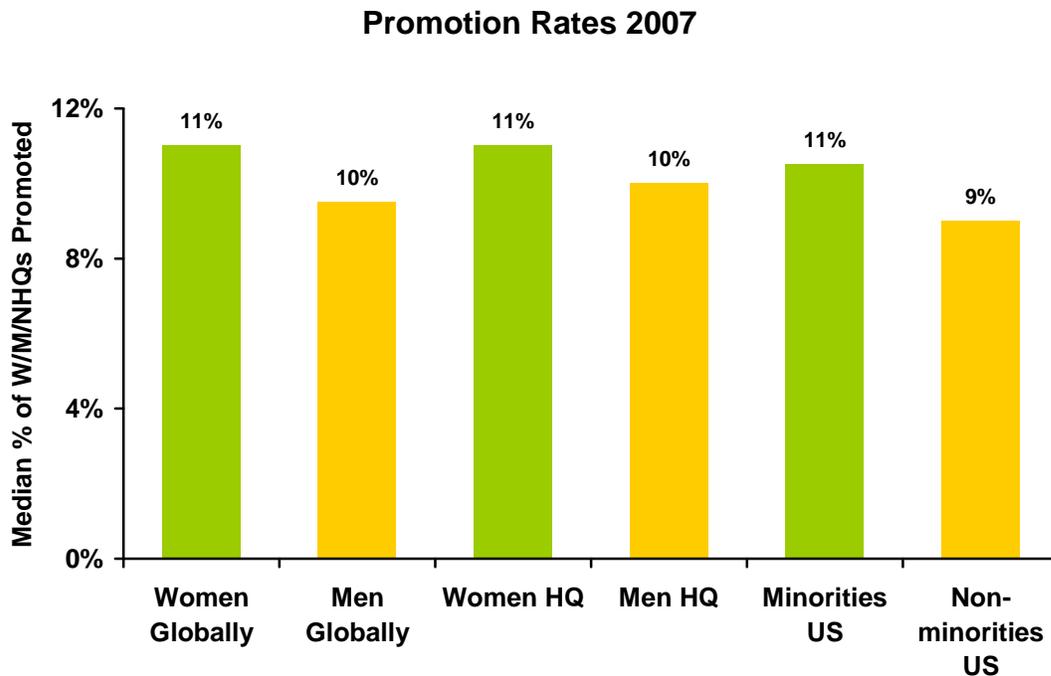
Note: Data reported for racial/ethnic minorities in the U.K. was insufficient for this analysis.

Turnover Rates

In organizations where employees perceive that they will be treated equitably regardless of gender, race/ethnicity, or nationality, we would expect to see in each population segment roughly the same proportion of individuals voluntarily leaving the organization. We asked participants to report the rate of turnover for these population segments.

Turnover Rates 2007
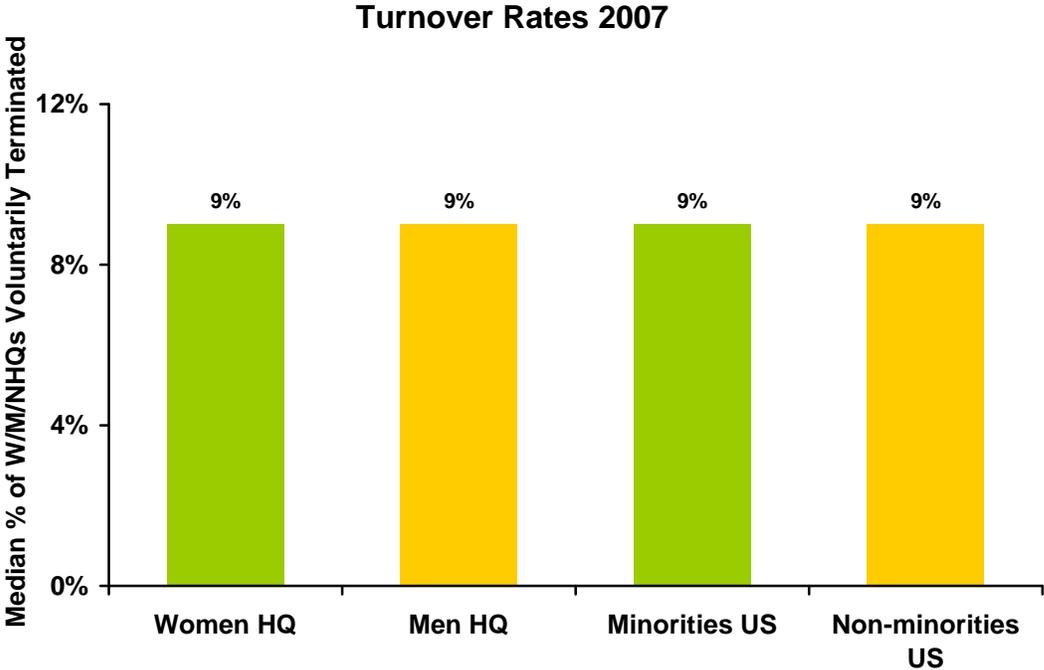
Note: Data reported for women and men globally and for racial/ethnic minorities in the U.K. were insufficient for this analysis.

Employee Survey Scores

Opinion surveys are important indicators of how employees view the organization and the work environment. Unfortunately, since all companies do not use the same survey questions, it's not possible to compare survey scores completely quantitatively. Instead, we asked participants to characterize in a general way how the employees in their companies responded in the latest survey to two categories of questions: those related directly to diversity and inclusion and those related to the firm's openness to new ideas, which is an indicator of how much it values different viewpoints and is equipped to leverage them.

Participants overwhelmingly reported positive attitudes towards both types of questions. Ninety-three percent said their employees were very or somewhat positive in their responses to diversity-related questions, and 84 percent said employees were very or somewhat positive about the company's openness to new ideas.

Employee Attitudes Towards Diversity & Openness

General View of Employees in Participating Company

- ■ Very positive ■ Somewhat positive ■ Neutral
- ■ Somewhat negative ■ Very negative
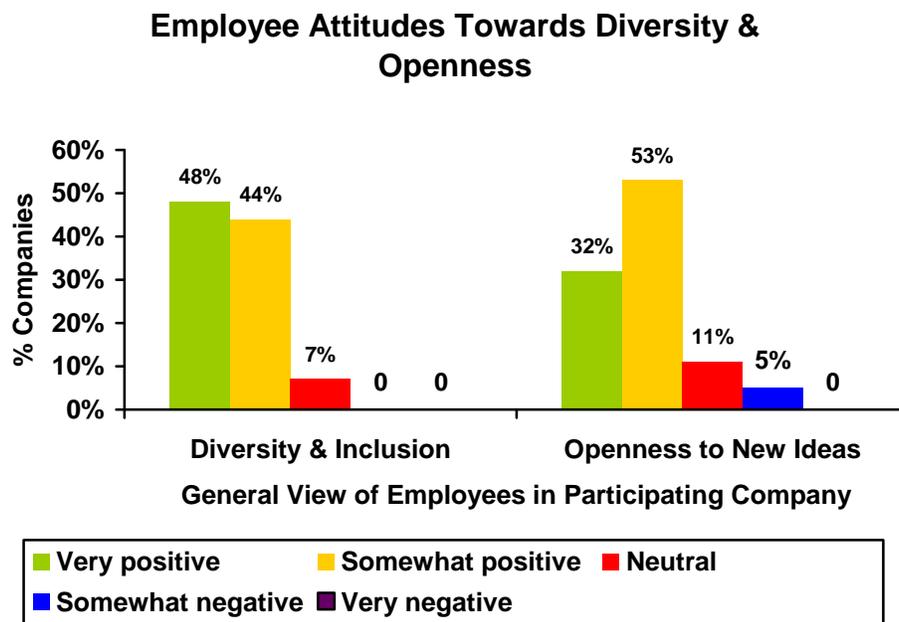
Even more telling than employee perceptions about diversity management in the company is the *difference* in how various populations experience the organization. We asked survey participants whether women, members of racial/ethnic minority groups, and nationals from outside the headquarters country (W/M/NHQs) were more, less, or equally satisfied, overall, as men, non-minorities, and HQ nationals.

Almost all participants reported that women in their organizations are at least as satisfied as men; however, a substantial number—over a third—say minority employees are less satisfied than others. Eighteen percent said that non-HQ nationals are less satisfied than employees from the headquarters country. (However, this may be an understatement of non-HQ nationals' attitudes, since 36 percent of companies do not break out employee survey responses based on nationality. Of those that do, over 28 percent say non-HQ employees are less satisfied than others.)

Comparison of Attitudes Among Diverse Employees
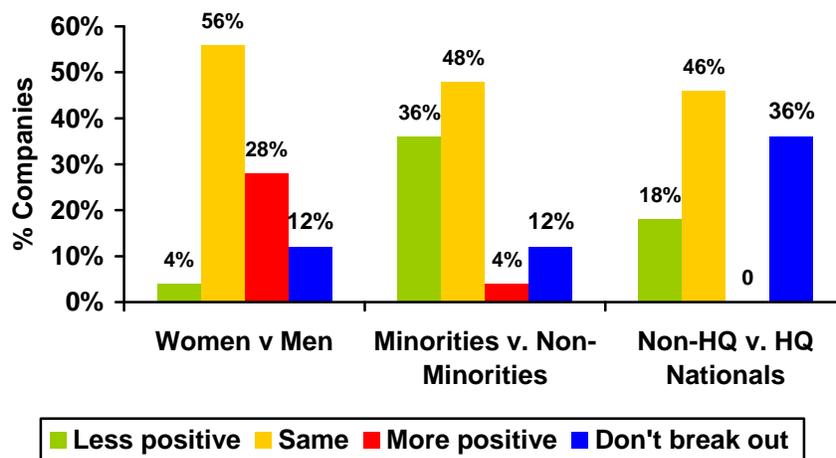
Supplier Diversity

Many companies demonstrate commitment to diversity by earmarking a portion of their procurement budget for purchases from companies owned and operated by women or members of racial/ethnic minority groups. Twenty-one of the companies participating in the survey do so; the median amount targeted for diverse suppliers was 7.2 percent of the budget.

Success in Diverse Markets

Sixty-one percent of respondents have recognized the diversity of the marketplace and have developed special marketing strategies for diverse populations or regions of the world.

Companies with Special Strategies for Diverse Market Segments

Segment	% Companies
Women	39%
GLBT	31%
Disabled	19%
Racial/ethnic Minorities	39%
Religious Groups	12%
Regions/Countries	42%
No Special Strategies	39%
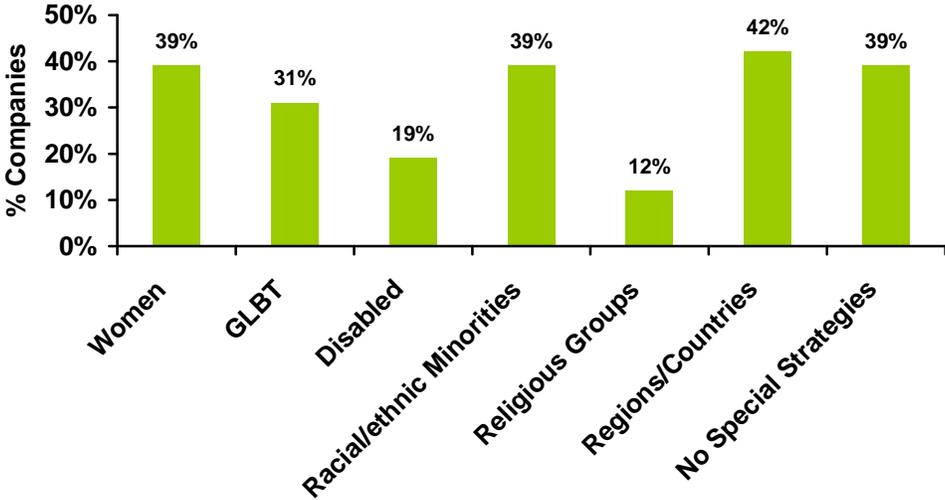
Most of those who track segments where they have special strategies have seen sales increase.

Sales Change in Diverse Market Segments
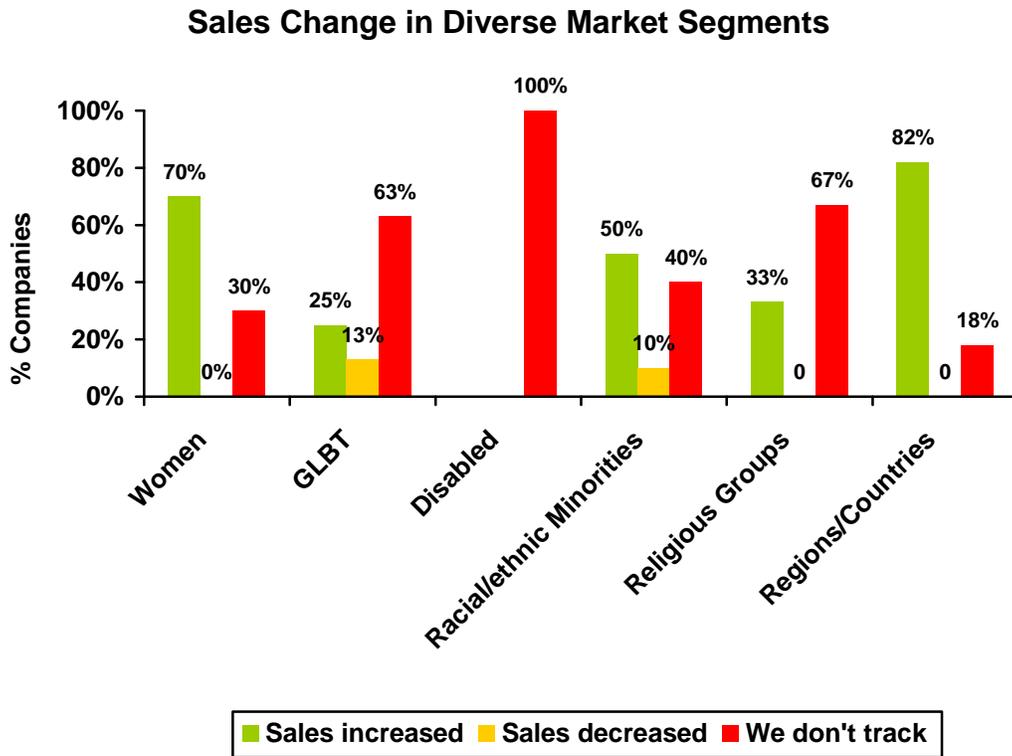
Revenue Growth

Of the 22 companies that reported revenue growth over the past five years, all but one have seen increases. Median amount of revenue growth over this period was 34 percent.

VI. Analysis of Findings

The Importance of the CEO, Board, and Executive Committee to Diversity and Inclusion

The CEO

Our findings support the notion that CEO commitment can make a big difference in the success of a company's diversity initiative, as evidenced by the fact that participants from the high performing companies more often said that:

- The company diversity strategy specifically defined the CEO's role, especially in terms of being a role model through his/her personal behavior.
- CEOs were directly involved in diversity-related activities. (See below for the specific activities of CEOs that are most linked with diversity success.)
- The non-executive Board of Directors holds the CEO responsible for the company's diversity.
- The CEO's compensation is linked to diversity performance.

Overall CEO Involvement in Diversity and Inclusion
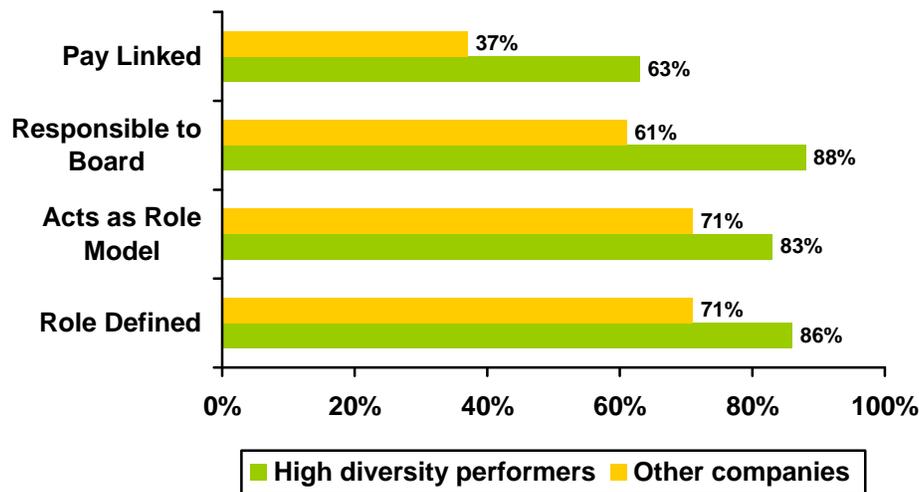
The Non-Executive Board of Directors

As noted above, in high performing companies, the non-executive Board of Directors (hereinafter called "the Board") is more likely to hold the CEO accountable for the organization's diversity performance. It is also more common in high performing companies for the Board to get involved in its own right by discussing the diversity of succession slates and/or high potential pools. Companies that involve the Board in this way tend to have a higher percentage of minorities among senior leaders than the median for the survey group. These companies also show more positive employee views of the company's inclusiveness and openness to new ideas.

Percent of Companies Whose Boards Review Diversity of High Potentials and Successors

Board reviews high potentials
- Other companies: 14%
- High diversity performers: 37%

Board reviews succession
- Other companies: 17%
- High diversity performers: 57%

Legend: ■ High diversity performers ■ Other companies
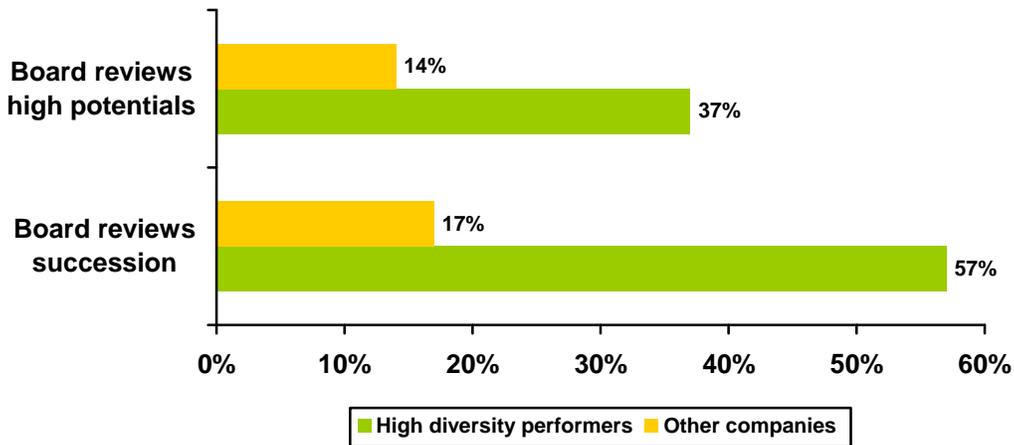
In addition, the diversity of the Board itself seems to be connected to diversity performance. High performing companies in the survey tended to have more diverse non-executive Boards of Directors, especially in terms of racial/ethnic minorities.

Percent of Board Seats Held by Diverse Groups

Non-HQ Nationals
- Other companies: 12%
- High diversity performers: 18%

Minorities
- Other companies: 10%
- High diversity performers: 22%

Women
- Other companies: 17%
- High diversity performers: 17%

Legend: ■ High diversity performers ■ Other companies
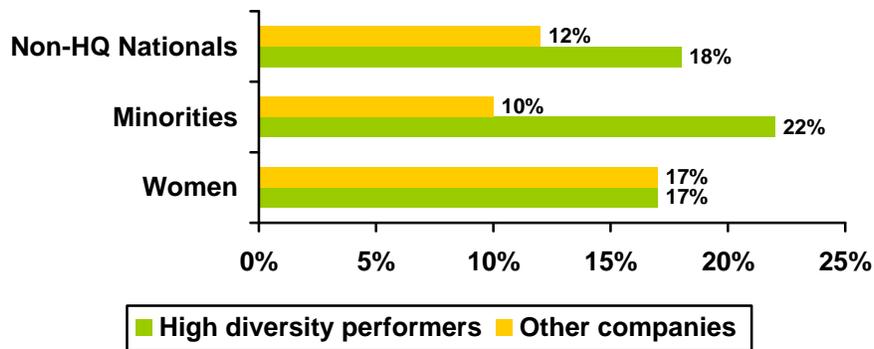
The above shows the link between Board diversity and overall diversity performance as indicated by a variety of measures. When we look simply at the relationship between Board diversity and representation of W/M/NHQs on the management team, we find the link is even closer. For example, companies with above-median female representation on the Executive Committee have a median female representation on the Board of 30 percent, compared to 17 percent for companies with below median female representation on the Executive Committee.

Link Between Representation on Board and Executive Committee

Representation of W/M/NHQs on Executive Committee

- **Non-HQ Nationals**: 0 ; 17%
- **Minorities (US)***: 13% ; 23%
- **Women**: 17% ; 30%

% W/M/NHQs on Board

■ Above median ■ At/below median
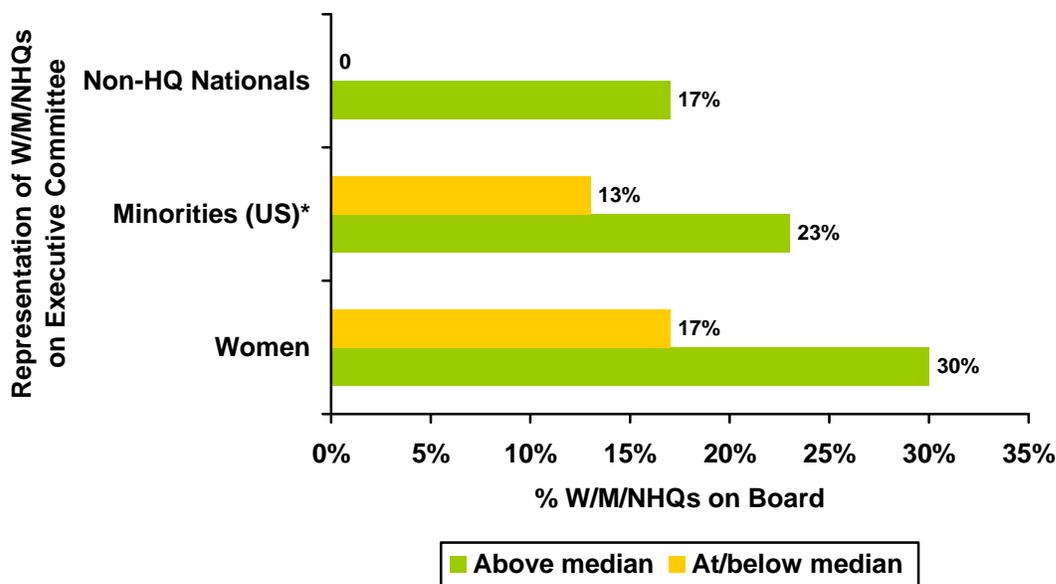
*Too few companies reported U.K. data to permit analysis of link between representation between racial/ethnic minorities in the U.K. and on the non-executive Board of Directors.

Executive Committee

Although respondents of most of the participating companies said that the executives reporting directly to the CEO in their organizations are committed to achieving a company culture and business strategy that values and leverages diversity, higher performers were even more likely to believe so. More importantly, the survey indicates that when members of the Executive Committee formally commit to and are held accountable against certain objectives, companies tend to score higher on diversity performance measures. In particular, the Executive Committees in high performing companies tend to have objectives calling for:

- Improving employee survey scores from women, minorities, and non-HQ nationals
- Developing the women, minorities, and non-HQ nationals who report to them
- Mentoring women, minorities, and non-HQ nationals
- Identifying women, minorities, and non-HQ nationals for highly visible assignments
- Improving promotion rates of women, minorities, and non-HQ nationals
- Increasing supplier diversity
- Improving effectiveness of teams working in a global or multicultural environment

Objectives of Executive Committee

Objective	High diversity performers	Other companies
Improve global team effectiveness	50%	31%
Increase supplier diversity	63%	44%
Visible assignments for W/M/NHQs	78%	44%
Mentor W/M/NHQs	88%	56%
Develop W/M/NHQs	88%	63%
Improve survey scores for W/M/NHQs	63%	31%

■ High diversity performers   ■ Other companies
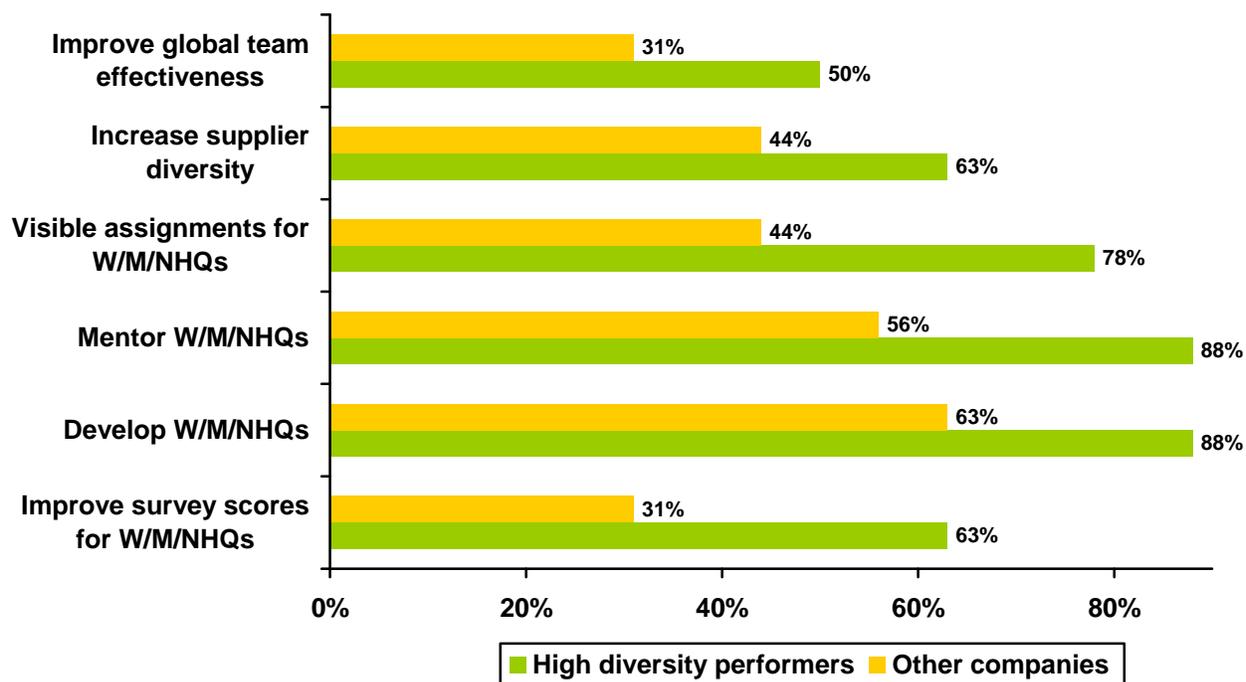
Leader Behaviors

Having established that commitment from the company's highest level leaders—the CEO, the Board of Directors, and members of the Executive Committee—all appear to contribute to successful management of a diverse workforce, we can look more closely at what that commitment entails. Leaders have many demands on their time. What are the actions they can take that will have the most payoff for their organizations' diversity success?

The survey results suggest three areas through which leaders seem to have greatest impact:

- Two-way communications
- Accountability
- Recognition

Two-Way Communications

The CEOs of our eight higher performing companies not only *delivered* diversity messages more often, but were also more likely to participate in forums through which they could *receive* information and perceptions from diverse segments of the workforce.

The chart below shows that CEOs of high performing companies were more likely to deliver frequent (at least three/year) diversity messages to each of the stakeholder groups listed. Sixty-four percent of the CEOs in high performing companies—nearly twice as many as in the other companies—speak about diversity frequently to senior managers. Fifty-one percent of CEOs in

high performing companies deliver frequent diversity messages to the Board, compared to 31 percent in other companies.

CEOs Deliver Frequent Diversity Messages to Stakeholders
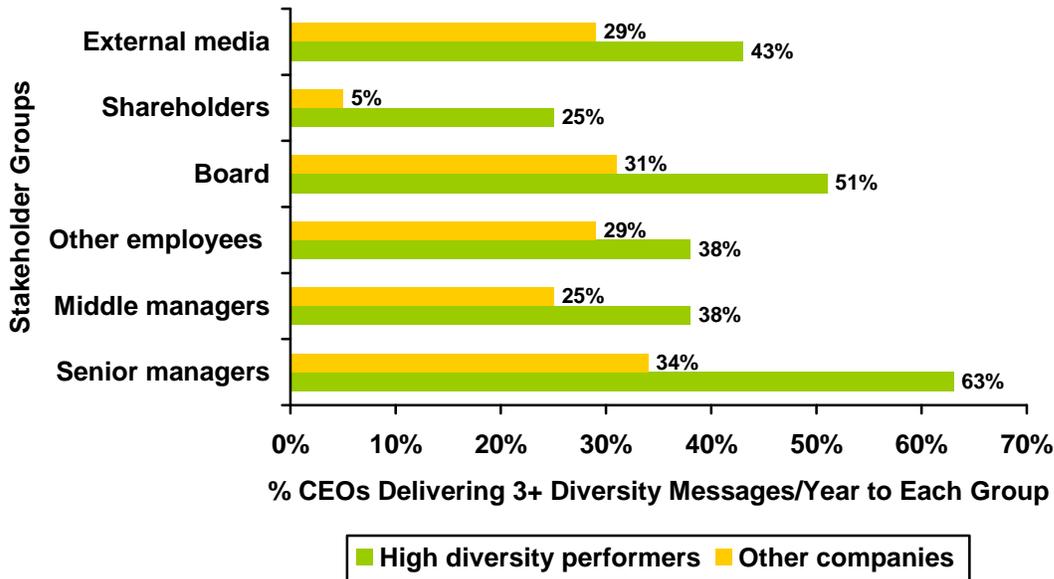
Although the chart above shows that even in high performing companies the majority of CEOs do not address diversity issues as frequently with lower levels, the data also suggests that doing so may be associated with more positive employee perceptions. Below we see that those companies whose CEO does deliver frequent diversity messages to middle managers, other employees, and, also, external media, are more likely to report that their employees have very positive views of diversity and inclusion in the company.

CEO Messages and Employee Perceptions
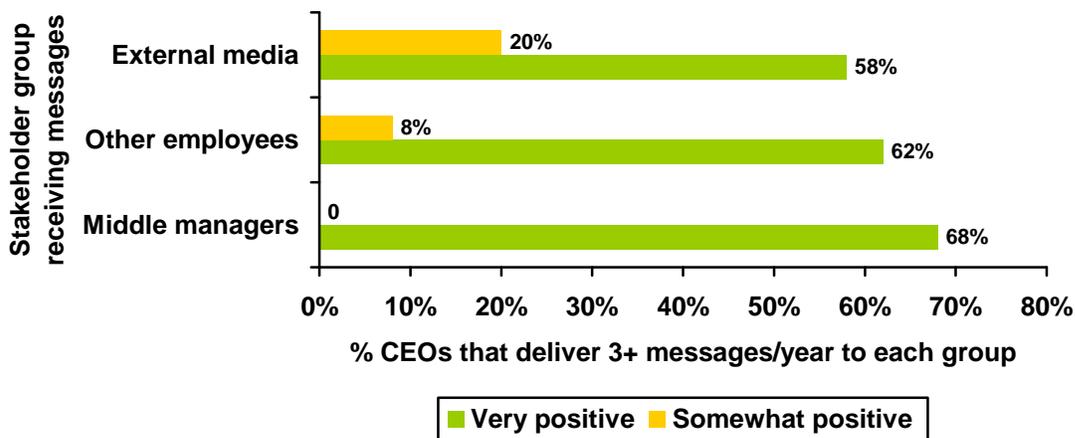
CEOs of high performing companies are more likely to chair, advise, or champion forums for two-way communication, such as diversity councils and, especially, affinity groups.

CEO Chairs, Advises, or Champions Two-Way Forums
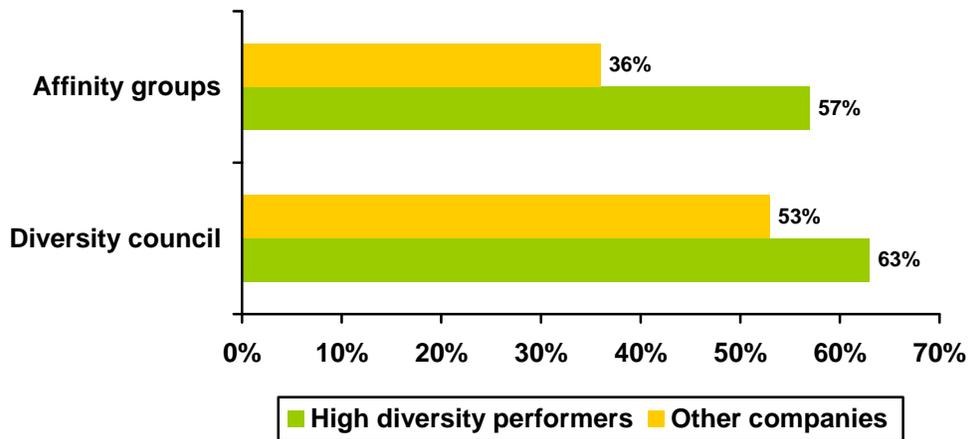
The participation of CEOs with these forums appears to be linked both to representation of senior women and minorities and to scores on diversity-related questions in employee surveys. The reason may be two-fold: working with those entities gives the CEO the opportunity to learn firsthand about the experiences of diverse employees, and it also manifests to the organization his/her personal commitment to diversity and inclusion.

Accountability

The CEO has two principal tools for holding the organization accountable for diversity performance: He/she can:

- Evaluate the performance of executives through performance review and/or assessment of achievement against objectives.
- Require reporting on diversity metrics.

We found both of these practices to be more common in high performing companies. The study also sheds some light on how these practices can be made most effective.

For example, most companies in the survey (75%) and all of those in the higher performing group say the CEO holds direct reports personally accountable for the organization's diversity success. However, all but one of the higher performing companies uses *both* management by objectives and performance reviews as accountability mechanisms, compared to half of the rest of the survey group.

CEO Holds Direct Reports Personally Responsible

Chart data:

Category	High diversity performers	Other companies
Hold Direct Reports Accountable	100%	75%
Rate personal behavior in performance reviews	88%	50%
Required to have diversity-related objectives	100%	83%

Legend: ■ High diversity performers ■ Other companies
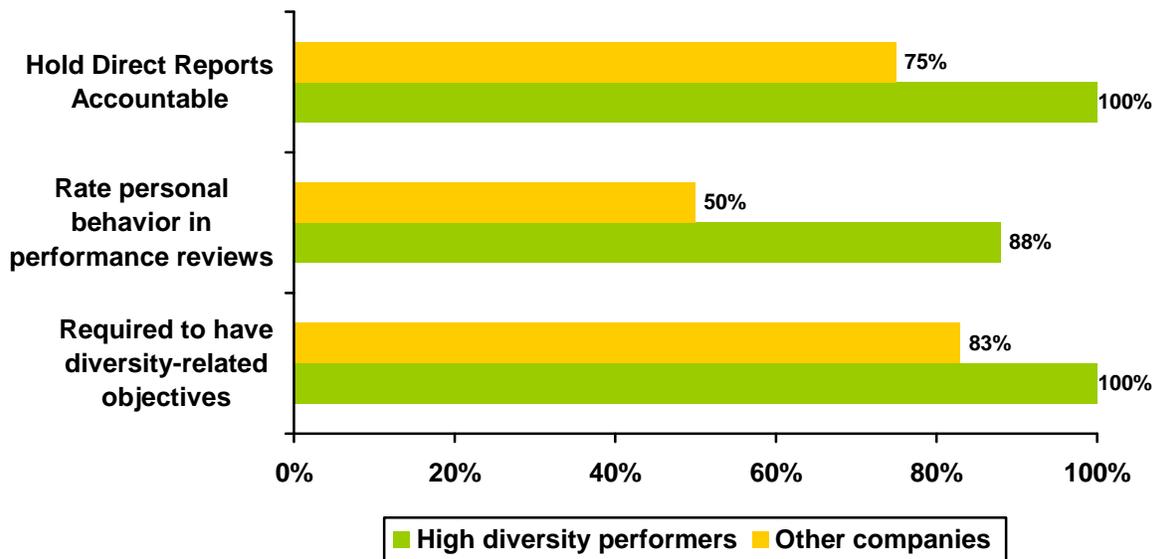
Regular Reporting

CEOs in companies with higher diversity performance are more likely to require regular reports of diversity progress, especially from the Executive Committee rather than just from the HR or diversity function. Furthermore, it appears that when and where the CEO reviews those reports may be important. Most of the companies reported that diversity reports are a part of talent reviews, but, in addition, nearly all of the better performing companies include diversity progress reports in both regular strategy/business planning sessions and in separate meetings dedicated to review of the diversity initiative. Many CEOs also expect written reports. The implication is that providing information in a variety of ways and venues and treating such information on a par with other business reporting may help to keep attention focused on diversity-related objectives.

CEO Requires Regular Reporting

Category	High diversity performers	Other companies
From HR/Diversity	100%	83%
From Executive Committee	100%	75%
In strategy/business planning meetings	88%	49%
In separate diversity reviews	100%	57%
In writing	63%	35%

■ High diversity performers ■ Other companies
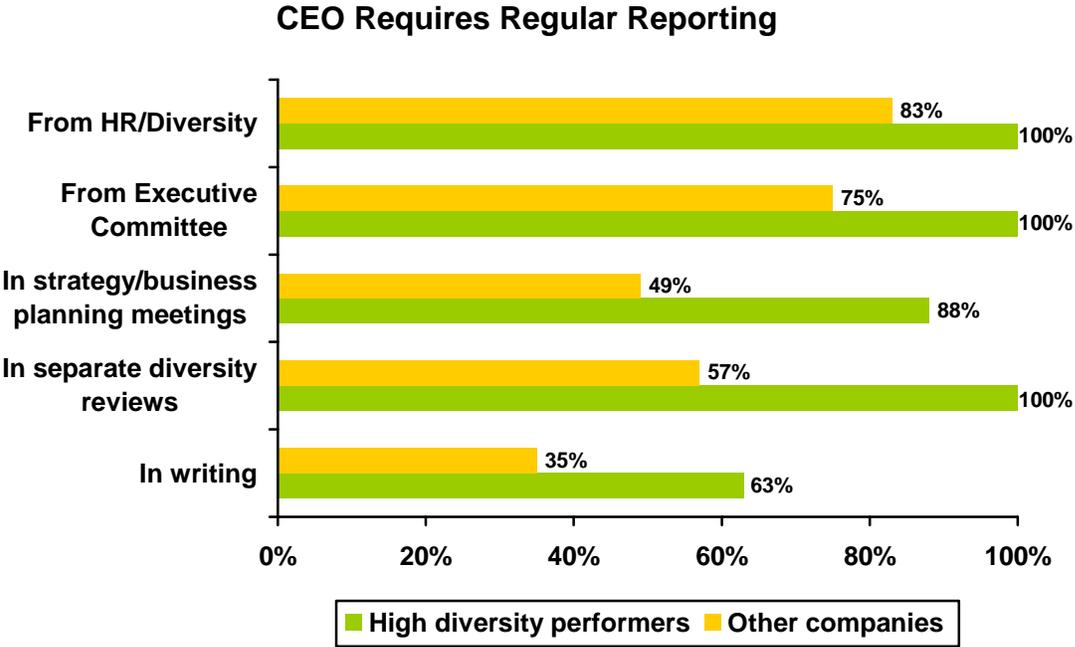
Recognition

It would appear from the survey that non-monetary recognition by the CEO of diversity achievement can be a powerful motivator. The CEOs of higher performing companies are more likely to use a variety of different recognition mechanisms. Interestingly, the type of recognition that is used most by high performing companies is the least public—recognition in management meetings. It may be that managers value recognition in front of their peers more highly than visibility to the entire company.

At least 42 percent of surveyed companies also use bonuses to recognize the diversity achievements of the Executive Committee. (Twenty-nine percent of respondents say there is no link between diversity objectives and bonuses; 29 percent don't know.) Those in the higher performing group are twice as likely as other companies to tie a larger amount—at least 6 percent of bonus pay to diversity.

Recognition Mechanisms Linked to Higher Diversity Performance

Category	High diversity performers	Other companies
Recognition in management meetings	100%	60%
Diversity Awards	75%	45%
E-mails/publications to employees	88%	65%
Linking >5% of Bonus to Diversity	38%	19%
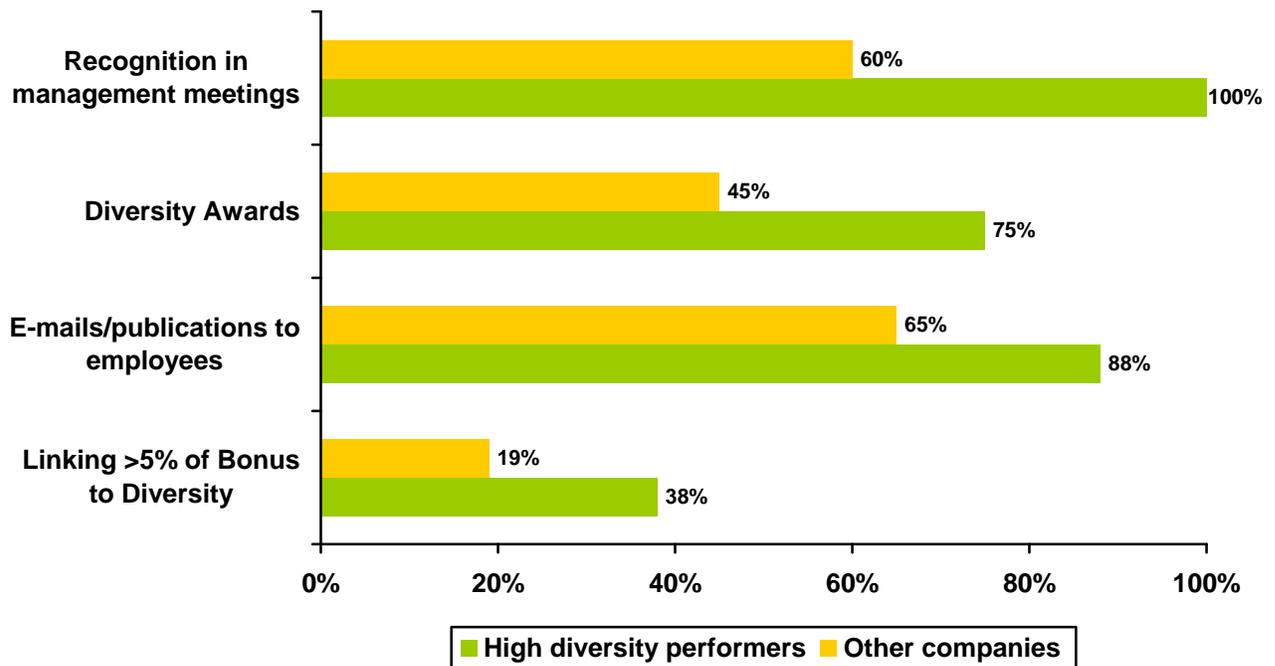
Key Organizational Processes

The study showed that, in addition to actions taken by the CEO and other senior leaders, certain organizational processes are common among the companies with high diversity performance. First, higher performing companies state their commitment to diversity, inclusion, or respect for differences *explicitly* in their statement of values, rather than relying solely on more general declarations of respect for individuals (although many do have these in their values statements as well). Companies that do include diversity and inclusion in their value statements tend to have higher representation of women, minorities, and non-HQ nationals among their senior leadership team and to have employees with a more positive view of the organization's diversity management and its openness to new ideas.

There are also a set of talent management policies and practices that differentiate high performers from others. The companies with higher diversity performance tend to:

- Have recruitment policies that ensure candidate slates presented to hiring managers will include women and racial/ethnic minorities.
- Ensure inclusion of women, racial/ethnic minorities, and other diverse employees on succession slates.
- Provide certain kinds of diversity training, and do so in particular ways.

Talent Management Policies and Practices Linked to Higher Diversity Performance

Category	High diversity performers	Other companies
Diversity explicit in values statement	75%	54%
Ensure diverse candidate slates	100%	74%
Ensure diverse succession slates	100%	74%
Microinequities training*	75%	38%
Cross-cultural training	100%	79%
Required, stand-alone awareness training	75%	54%
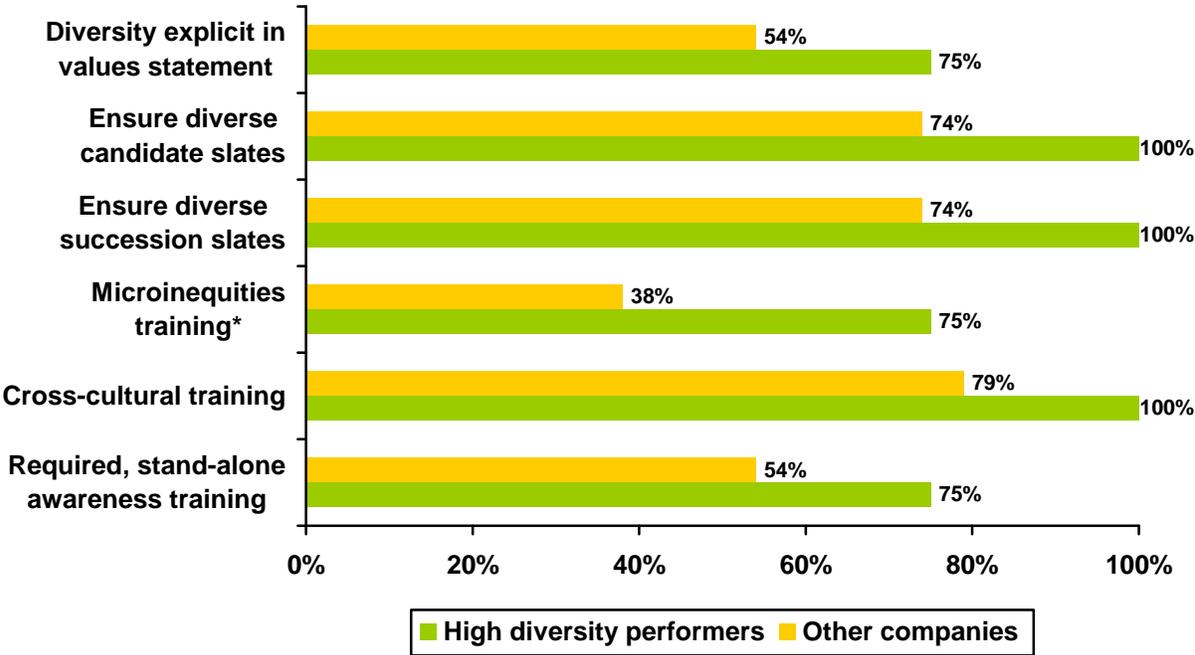
*Microinequities training seeks to make participants aware of the often unrecognized, unintentional ways that lingering stereotypes contribute to continued unequal treatment of women, racial/ethnic minorities, GLBT and disabled individuals and other diverse groups and teaches them ways to avoid subtle behaviors that contribute to exclusion.

In general, it is common in higher performing companies to embed diversity training of various sorts in other leadership training offered managers. One important exception is diversity awareness training which these companies are more likely to require and to present as stand-alone training or to present both ways, as stand-alone training and also embedded in other programs.

In addition, the higher performing companies use their relationships with external groups to promote diversity and inclusion. In particular, they are more likely than other companies to:
- Target corporate or foundation donations to support diverse communities or causes of interest to them.
- Require suppliers or partners to have significant diversity in their workforces.
- Require suppliers or partners to track representation and have written plans to improve representation where appropriate.

Processes Related to External Relationships

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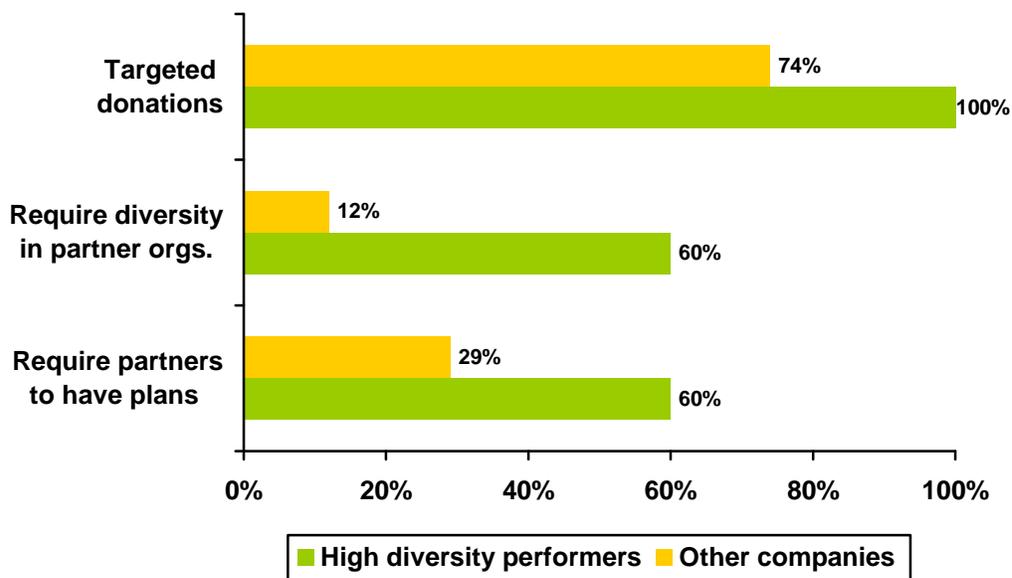
VII. Observations

We have learned a great deal from this study about the ways in which senior leaders can drive the diversity and inclusion initiatives in their companies. It is clear that in companies with high levels of diversity performance on a number of measures, the CEOs tend to hold management accountable for diversity and recognize and reward their diversity achievements, deliver frequent messages about diversity to key stakeholder groups, and participate in two-way communications forums. Senior managers commit to developing, mentoring, and providing visibility to women, racial/ethnic minorities, and nationals of non-HQ countries. The non-executive Board of Directors, too, plays an important role by holding the CEO accountable and by actively participating in processes to diversify succession slates and high potential pools.

We cannot, from this data, declare that one group or level in the organization is more important than the others. On the one hand, CEO tenure is linked to higher performance (i.e., higher performing companies tend to have CEOs who have been in their position and with the company longer), while tenure of Executive Committee members does not seem related to diversity performance. One might infer, therefore, that the CEO is the most important actor in diversity and inclusion. On the other hand, the fact that the CEO's participation in forums such as affinity groups is tied to better diversity performance suggests that the grassroots has an important part to play as well. More research is required to better understand the contribution of each group to diversity success.

The data also suggests that support from the top is not, in and of itself, sufficient to produce the best outcomes. The highest performing companies have institutionalized diversity and inclusion. They have enshrined their commitment in value statements that explicitly refer to diversity or respect for differences, and they have integrated diversity and inclusion protections in key organizational processes such as training, succession planning, and identification of high potentials.

This finding is not surprising when we understand that diversity and inclusion is essentially a culture change initiative. To make a lasting difference that can withstand leadership changes and the vicissitudes of the business cycle, diversity must be "baked in" to how the organization goes about its business on a day-to-day basis. Support from the leadership is an important ingredient, but the recipe also requires support from other partners, a well-thought-out strategy that derives its goals directly from the company's business strategy, and integration with the complete suite of people management systems and processes. In this metaphor, the diversity leader is the cook, and he/she must have the skills and competencies to bring all the ingredients together in the right proportions and at the right times. Leave out any of the ingredients, and the recipe will not turn out as planned, but include them all and the result is significant, sustained change in the company's ability to create and leverage a diverse workforce.

The Recipe for Change

Goals & Outcomes	Partnerships	Systems & Processes	Competencies	
◆	●	◎	▲	**Sustainable Change**
	●	◎	▲	**Confusion: lack of Focus**
◆		◎	▲	**No buy-in; sole ownership by HR/EDI function; backlash**
◆	●		▲	**Scattershot programs; slow change that doesn't "stick"**
◆	●	◎		**Difficult progress; frustration; "wrong turns"**
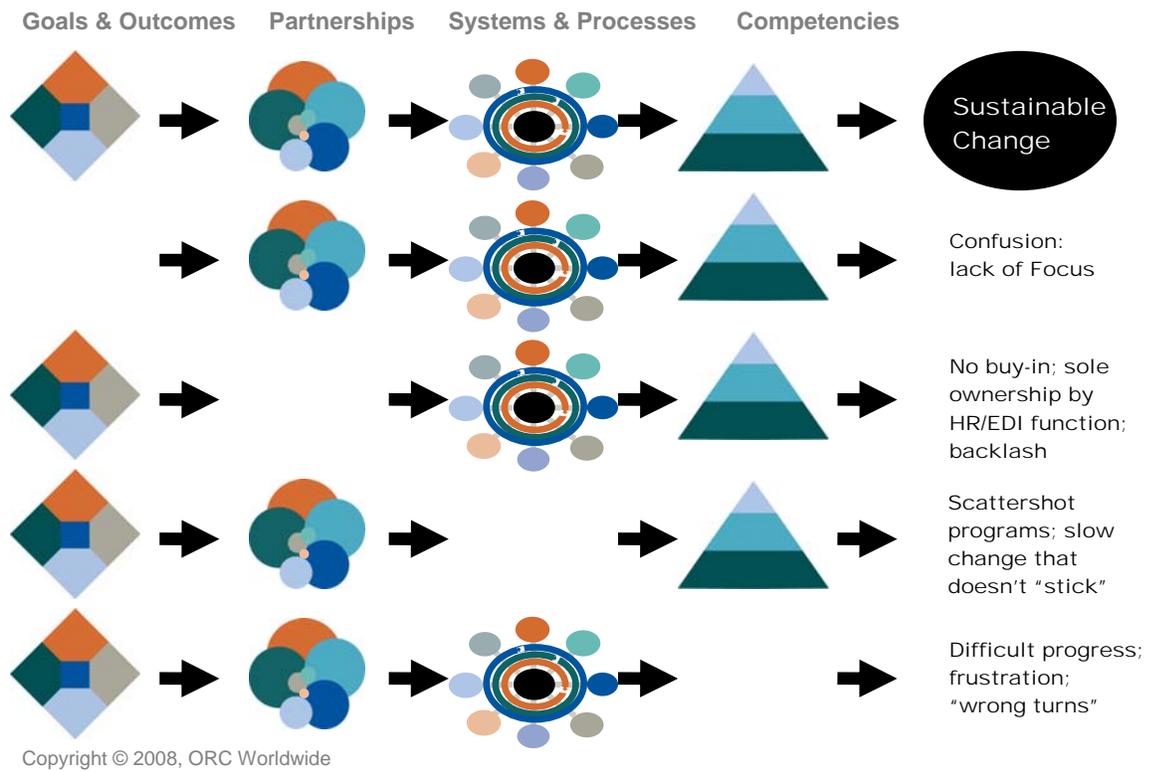
Appendix A:

Practices Most Closely Associated with Better Performance on Selected Diversity Measures[4]

Survey Responses on Diversity and Inclusion Questions (Very positive v. others)
Explicit mention of D&I is in value statement.
CEO's role is defined in diversity strategy.
Diversity strategy includes CEO's personal behavior
CEO delivers 3+ diversity messages per year to: • Senior managers • Middle managers • Other employees • Board • External media
Board holds CEO responsible.
CEO's incentive compensation is tied to diversity.
CEO holds his/her direct reports accountable for diversity.
Executive committee members' objectives include: • Developing women, minorities, and non-HQ nationals (W/M/NHQ) reporting to them • Identifying highly visible assignments for W/M/NHQ
CEO is on diversity council/committee.
CEO often publicly recognizes diversity achievements.
CEO requires regular reports from his/her direct reports on diversity progress.
Board discusses diversity of succession slates and high potential pools.

Survey Responses on "openness to new ideas" (Very positive v. others)
Explicit mention of D&I is in value statement.
CEO's role is defined in diversity strategy.
CEO delivers 3+ diversity messages per year to senior managers.
Board holds CEO responsible.
CEO is on diversity council/committee.
Representation of non-HQ nationals among CEO's direct reports and direct reports to direct reports

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[4] ($\geq$20 point spread in use of the practice between companies performing higher on that measure and other companies)

Representation of Racial/Ethnic Minorities on Executive Committee
Primary customers include consumers.
Explicit mention of diversity and inclusion is in value statement.
Diversity strategy includes CEO's personal behavior.
CEO delivers 3+ diversity messages/year to middle managers, other employees.
CEO meets with affinity groups 2+ times/year.
CEO's incentive is tied to diversity.
CEO takes visible action against direct reports that fail to support diversity.
CEO advises or champions affinity groups.
Board discusses diversity of high potentials.
High potentials are identified entry/early in career.
Ensuring diversity of succession slates
Require every slate to include diverse candidates.
Executive-level review of diversity of slates
Extra scrutiny of readiness designations of diverse candidates

Representation of Racial/Ethnic Minorities Among Senior Leaders
Primary customers include government.
CEO meets with affinity groups 3+ times/year.
Executive committee members' objectives include: - Improvement of survey scores from diverse populations   - Mentoring women and minorities   - Increasing promotion rates
CEO advises/champions affinity groups.

Female Representation on Executive Committee
Diversity strategy includes CEO's personal behavior.
CEO delivers 3+ diversity messages per year to: - Senior managers   - Middle managers   - Board   - Shareholders   - Media
CEO holds direct reports accountable.
CEO takes visible action when DR fails to support.
CEO sits on diversity council/committee.
CEO advises/champions affinity groups regularly.
Microinequities training

Female Representation Among Senior Leaders
Diversity strategy includes CEO's personal behavior.
CEO delivers 3+ diversity messages per year to senior managers.
CEO advises/champions affinity groups.
Microinequities training

Appendix B:

Survey Text and Aggregate Responses

I. Background

Question 1

Please respond to the following questions relating to your company's demographic information:

a. Please indicate the organization for which you are responding:

87.5%	Entire company
12.5%	Subsidiary or business unit
32	**= N (Total respondents)**

b. Does the CEO of this organization (regardless of his/her title) report to a non-executive Board of Directors?

83.9%	Yes
16.1%	No
31	**= N (Total respondents)**

c. How many employees does your company employ worldwide?

102,541.1	Average employees
65,930.0	Median employees
31	**= N (Total respondents)**

d. How many employees does your company employ in the United States?

52,290.4	Average employees
20,235.0	Median employees
31	**= N (Total respondents)**

e. In which of the following regions does your company have significant operations? *(More than one answer could be selected.)*

28.1%	Africa
56.3%	Asia
40.6%	Central or South America
43.8%	Eastern Europe
34.4%	Middle East
90.6%	North America
34.4%	Oceania
65.6%	Western Europe
32	**= N (Total respondents)**

f. Please indicate your primary customers: *(More than one answer could be selected.)*

59.4%	Consumers
68.8%	Businesses
46.9%	Government Agencies
32	**= N (Total respondents)**

Question 2

Please respond to the following questions relating to demographics of your CEO and executive team:

a. What is your CEO's gender?

96.9%	Male
3.1%	Female
32	**= N (Total respondents)**

b. What is your CEO's nationality?

75.0%	Same as company's HQ country
25.0%	Different than company's HQ country
32	**= N (Total respondents)**

c. Is your CEO considered to be from a racial/ethnic minority group?

12.5%	Yes
87.5%	No
32	**= N (Total respondents)**

d. For how many years has your CEO been in his/her position?

5.7	Average years
3.0	Median years
29	**= N (Total respondents)**

e. For how many years has your CEO been with the company?

18.4	Average years
15.0	Median years
30	**= N (Total respondents)**

f. What percentage of direct reports to the CEO have reported to the CEO position for at least 3 years?

64.0	Average percent
70.0	Median percent
27	**= N (Total respondents)**

g. Has your CEO spent one or more years working outside of his/her home country?

43.3%	Yes
56.7%	No
30	**= N (Total respondents)**

h. What percentage of your CEO's direct reports have spent one or more years working outside of their home countries?

29.2	Average percent
23.0	Median percent
20	**= N (Total respondents)**

i. What percent of the CEO's direct reports are…

Women?

22.5	Average percent
22.0	Median percent
30	**= N (Total respondents)**

Racial/ethnic minorities?

8.5	Average percent
9.0	Median percent
28	**= N (Total respondents)**

Of a nationality different than the company's headquarters country?

11.1	Average percent
0.0	Median percent
23	**= N (Total respondents)**

j. What percent of the company's non-executive board of directors are…

Women?

17.0	Average percent
17.0	Median percent
26	**= N (Total respondents)**

Racial/ethnic minorities?

16.4	Average percent
15.0	Median percent
25	**= N (Total respondents)**

Of a nationality different than the company's headquarters country?

14.1	Average percent
17.0	Median percent
18	**= N (Total respondents)**

Question 3

Which of the following does your company's Statement of Values include specific mention of? *(More than one answer could be selected.)*

59.4%	Diversity, inclusion, or respect for differences
81.3%	Respect for others, in general
25.0%	Other diversity or inclusion related language
3.1%	None of the above
3.1%	Not applicable (we have no formal statement of values)
32	**= N (Total respondents)**

Question 4

Based on the observable behavior of your CEO, would you describe him/her as committed to achieving a company culture and business strategy that values and leverages diversity, in its broadest sense?

93.8%	Yes
3.1%	No
3.1%	Don't know
32	**= N (Total respondents)**

Question 5

Based on the observable behavior of your CEO's direct reports, would you describe this group, as a whole, as committed to achieving a company culture and business strategy that values and leverages diversity, in its broadest sense?

87.5%	Yes
6.3%	No
6.3%	Don't know
32	**= N (Total respondents)**

II. Measures of Success
Question 6

For 2007, what was the percentage of women, racial/ethic minorities, and nationals from countries other than the company's headquarters country in each of the following categories?

	Median
CEO's Direct Reports	
Women	18.0%
Racial/Ethnic minorities (U.S.)	6.0%
Racial/Ethnic minorities (U.K.)	0.0%
Non-HQ country nationals	0.0%
Direct Reports of CEO's Direct Reports	
Women	24.0%
Racial/Ethnic minorities (U.S.)	12.0%
Racial/Ethnic minorities (U.K.)	0.0%
Non-HQ country nationals	5.0%
High Potentials	
Women	22.5%
Racial/Ethnic minorities (U.S.)	15.0%
Racial/Ethnic minorities (U.K.)	2.0%
Non-HQ country nationals	19.5%
Successors on Senior Leadership Succession Plan	
Women	24.0%
Racial/Ethnic minorities (U.S.)	20.0%
Racial/Ethnic minorities (U.K.)	N/A
Non-HQ country nationals	10.0%

N/A is used for categories where data was insufficient to analyze.

Question 7

Please indicate the promotion rate for 2007 for each population listed below. (Promotion rate is calculated as total number of employees in each population that received promotions, divided by the total number of employees in that population).

	Median
Women (headquarters country only)	11.0%
Women (globally)	11.0%
Racial/ethnic minorities (U.S.)	10.5%
Racial/ethnic minorities (U.K.)	N/A
Men (headquarters country only)	10.0%
Men (globally)	9.5%
Whites (U.S.)	9.0%
Whites (U.K.)	N/A

N/A is used for categories where data was insufficient to analyze.

Question 8

For 2007, what percent voluntary turnover was experienced by each of these populations?

	Median
Women (headquarters country only)	8.5%
Women (globally)	N/A
Racial/ethnic minorities (U.S.)	9.0%
Racial/ethnic minorities (U.K.)	N/A
Men (headquarters country only)	9.0%
Men (globally)	N/A
Whites (U.S.)	9.0%
Whites (U.K.)	N/A

N/A is used for categories where data was insufficient to analyze.

Question 9

a. Does your company conduct an employee satisfaction or engagement survey?

87.5%	Yes
12.5%	No
32	= N (Total respondents)

Recognizing that survey questions vary from company to company, and from year to year within a company, it is usually possible to discern an overall trend in satisfaction of various populations. If your survey demographics enable this kind of analysis, please respond to the following questions:

b. On the whole, how did the responses of women compare to those of men in the last survey?

4.0%	Women were less satisfied/engaged than men
28.0%	Women were more satisfied/engaged than men
56.0%	Satisfaction/engagement of women and men were more or less the same
12.0%	We do not break responses out by gender
25	= N (Total respondents)

c. On the whole, how did the responses of racial/ethnic minorities compare to those of whites in the last survey?

36.0%	Minorities were less satisfied/engaged than whites
4.0%	Minorities were more satisfied/engaged than whites
48.0%	Satisfaction/engagement of minorities and whites were more or less the same
12.0%	We do not break responses out by race/ethnicity
25	**= N (Total respondents)**

d. On the whole, how did the responses of employees in non-headquarters countries or regions compare to those of HQ employees on key questions in the last survey?

18.2%	Non-HQ employees were less satisfied/engaged than HQ employees
0.0%	Non-HQ employees were more satisfied/engaged than HQ employees
45.5%	Satisfaction/engagement of Non-HQ and HQ employees were more or less the same
36.4%	We do not break responses out by country or region
22	**= N (Total respondents)**

e. Does your employee survey include questions related specifically to diversity and inclusion?

96.4%	Yes
3.6%	No
28	**= N (Total respondents)**

f. If yes, recognizing that each company's questions and response scales are different, how would you characterize the response of employees overall to the diversity and inclusion related questions in the last survey?

48.1%	Very positive
44.4%	Somewhat positive
7.4%	Neutral
0.0%	Somewhat negative
0.0%	Very negative
27	**= N (Total respondents)**

g. Does your employee survey include questions about the company's openness to new ideas or unconventional thinking?

74.1%	Yes
25.9%	No
27	**= N (Total respondents)**

h. If so, how would you characterize the overall response of employees to these questions?

31.6%	Very positive
52.6%	Somewhat positive
10.5%	Neutral
5.3%	Somewhat negative
0.0%	Very negative
19	**= N (Total respondents)**

Question 10

Over the past 5 years, has the company's gross revenue/total sales grown or declined and by how much?

95.5%	Grown by _____ percent
4.5%	Declined by _____ percent
0.0%	Remained the same
22	**= N (Total respondents)**

Grown by:

38.9	Average percent
33.6	Median percent
21	**= N (Total respondents)**

Declined by:

INSUFFICIENT DATA: Cannot Display if N <3 (1 total respondents)

Question 11

What percent of your company's purchasing budget was spent last year with diverse suppliers?

8.0	Average percent
7.2	Median percent
21	**= N (Total respondents)**

100.0%	We do not track supplier diversity.
4	**= N (Total respondents)**

Question 12

For which of the following populations or geographical locations has the company developed special marketing strategies? For each market segment checked, please note whether market share or sales have increased in this segment since it was targeted. *(More than one answer could be selected.)*

38.5%	Women
30.8%	GLBT individuals
19.2%	Disabled individuals
38.5%	Racial/ethnic minorities
11.5%	Specific religious groups
42.3%	Specific regions or countries
15.4%	Other
38.5%	We do not have marketing strategies targeted at specific populations or geographic locations
26	**= N (Total respondents)**

Women

70.0%	Share/sales have increased
0.0%	Share/sales have decreased
0.0%	Stayed the same
30.0%	Not tracked
10	**= N (Total respondents)**

GLBT individuals

25.0%	Share/sales have increased
12.5%	Share/sales have decreased
0.0%	Stayed the same
62.5%	Not tracked
8	**= N (Total respondents)**

Disabled individuals

0.0%	Share/sales have increased
0.0%	Share/sales have decreased
0.0%	Stayed the same
100.0%	Not tracked
5	**= N (Total respondents)**

Racial/ethnic minorities

50.0%	Share/sales have increased
10.0%	Share/sales have decreased
0.0%	Stayed the same
40.0%	Not tracked
10	**= N (Total respondents)**

Specific religious groups

33.3%	Share/sales have increased
0.0%	Share/sales have decreased
0.0%	Stayed the same
66.7%	Not tracked
3	**= N (Total respondents)**

Specific regions or countries

81.8%	Share/sales have increased
0.0%	Share/sales have decreased
0.0%	Stayed the same
18.2%	Not tracked
11	**= N (Total respondents)**

Other

50.0%	Share/sales have increased
0.0%	Share/sales have decreased
25.0%	Stayed the same
25.0%	Not tracked
4	**= N (Total respondents)**

III. Senior Leader Behaviors

Question 13

a. Does your company's diversity strategy define the CEO's role?

74.2%	Yes
25.8%	No
31	**= N (Total respondents)**

b. If "Yes", which of these aspects of the CEO's roles are included? *(More than one answer could be selected.)*

87.0%	Communications
87.0%	Personal accountability of the CEO
82.6%	Holding others accountable
73.9%	CEO's personal behavior (acting as a role model)
23	**= N (Total respondents)**

Question 14

In the past 12 months, how often has your CEO delivered specific diversity/inclusion messages to each of the following audiences:

Senior managers

9.4%	0 times
40.6%	1-2 times
18.8%	3-4 times
21.9%	5 or more times
9.4%	Don't know
32	**= N (Total respondents)**

Middle managers

12.5%	0 times
46.9%	1-2 times
3.1%	3-4 times
25.0%	5 or more times
12.5%	Don't know
32	**= N (Total respondents)**

Other employees

12.5%	0 times
43.8%	1-2 times
6.3%	3-4 times
25.0%	5 or more times
12.5%	Don't know
32	**= N (Total respondents)**

Non-executive Board of Directors

9.7%	0 times
38.7%	1-2 times
16.1%	3-4 times
19.4%	5 or more times
16.1%	Don't know
31	**= N (Total respondents)**

Shareholders

20.0%	0 times
40.0%	1-2 times
6.7%	3-4 times
3.3%	5 or more times
30.0%	Don't know
30	**= N (Total respondents)**

External media

21.4%	0 times
14.3%	1-2 times
10.7%	3-4 times
21.4%	5 or more times
32.1%	Don't know
28	**= N (Total respondents)**

Other

10.0%	0 times
10.0%	1-2 times
0.0%	3-4 times
50.0%	5 or more times
30.0%	Don't know
10	**= N (Total respondents)**

Question 15

a. In the past 12 months, how often has the CEO met with leaders or members of the company's employee networks/affinity groups?

9.4%	0 times
15.6%	1-2 times
15.6%	3-4 times
28.1%	5 or more times
3.1%	Don't know
28.1%	Not applicable, we do not have employee networks/affinity groups
32	**= N (Total respondents)**

b. When diversity issues are brought to the CEO's attention through these meetings or other channels, does the CEO usually take visible action in response?

96.6%	Yes
3.4%	No
29	**= N (Total respondents)**

Question 16

a. Is the company's diversity performance reported publicly? *(More than one answer could be selected.)*

50.0%	Yes, on a Web site
50.0%	Yes, in annual reports
56.3%	Yes, in Corporate Social Responsibility or Human Rights reports
15.6%	Yes, to employees only
21.9%	Yes, in other media
21.9%	No
32	**= N (Total respondents)**

b. If yes, which of these best describes the scope of the report?

48.0%	Company's HQ country only
52.0%	Corporate-wide, throughout the world
25	**= N (Total respondents)**

c. What is included in the reporting? *(More than one answer could be selected.)*

76.0%	Representation of women and racial/ethnic minorities
68.0%	Support for supplier diversity
92.0%	Sponsorship of community programs
32.0%	Advertising to diverse communities
40.0%	Other
25	**= N (Total respondents)**

Question 17

a. Does the non-executive Board of Directors hold the CEO responsible for the organization's diversity performance?

67.7%	Yes
32.3%	No
31	**= N (Total respondents)**

b. Is the CEO's incentive compensation tied to the organization's diversity performance?

44.4%	Yes
40.7%	No
14.8%	Don't know
27	**= N (Total respondents)**

c. Does the CEO hold his/her direct reports personally accountable for the organization's diversity success?

82.1%	Yes
17.9%	No
0.0%	Don't know
28	**= N (Total respondents)**

d. If yes, how does the CEO hold his/her direct reports accountable for diversity? *(More than one answer could be selected.)*

61.5%	In rating their performance, the CEO takes into account his/her direct reports' personal behavior related to diversity and inclusion
88.5%	The CEO's direct reports are required to have diversity-related objectives/business plans
7.7%	Other
7.7%	Don't know
26	**= N (Total respondents)**

e. If the CEO's direct reports are required to have diversity-related objectives/business plans, which of the following types of actions are included? *(More than one answer could be selected.)*

95.8%	Increasing representation of women, racial/ethnic minorities, and/or non-HQ nationalities
45.8%	Improvement of employee survey scores on diversity-related questions
41.7%	Improvement of employee survey scores from women, racial/ethnic minorities, and/or non-HQ nationals
70.8%	Developing women, racial/ethnic minorities, non-HQ nationals that report to them
66.7%	Mentoring women, racial/ethnic minorities, or non-HQ nationals
54.2%	Identifying women, racial/ethnic minorities, or non-HQ nationals for highly visible assignments in the organization
45.8%	Increasing promotion rates for women, minorities, or non-HQ nationals
50.0%	Increasing supplier diversity
20.8%	Increasing market share or product development targeted at a specific population (e.g., women, age group, ethnic/racial group)
37.5%	Improving effectiveness of teams working in a global/multicultural environment
54.2%	Undertaking other specific diversity-related actions
4.2%	Other
8.3%	Don't know
24	**= N (Total respondents)**

f. How much of direct reports' bonuses are tied to diversity objectives?

29.2%	0 percent
16.7%	1-5 percent
20.8%	6-10 percent
0.0%	11-15 percent
4.2%	More than 15 percent
29.2%	Don't know
24	**= N (Total respondents)**

g. Does the CEO hold his/her direct reports responsible for evaluating diversity behavior of their staff?

80.8%	Yes
15.4%	No
3.8%	Don't know
26	**= N (Total respondents)**

h. Has the CEO undergone a 360 assessment in the past three years?

22.2%	No
7.4%	Yes, but the assessment did not include diversity or inclusion-related factors
22.2%	Yes, and the assessment did include diversity or inclusion-related factors
48.1%	Don't know
27	**= N (Total respondents)**

Did the CEO take visible action in response to the diversity-related feedback he received through the 360 assessment?

100.0%	Yes
0.0%	No
3	**= N (Total respondents)**

i. Do most of the CEO's direct reports regularly undergo 360 assessments (every 1-3 years)?

22.2%	Yes, and the assessments do include diversity-related factors
7.4%	Yes, but the assessments do not include diversity-related factors
29.6%	No
40.7%	Don't know
27	**= N (Total respondents)**

j. If "Yes", what is the purpose of the 360 assessments undertaken by the CEO's direct reports? *(More than one answer could be selected.)*

80.0%	Development
40.0%	Performance review
10.0%	Other
20.0%	Don't know
10	**= N (Total respondents)**

k. When a direct report of the CEO fails to demonstrate behavior supportive of diversity (e.g., in interactions with others on the leadership team or with subordinates), does the CEO take visible action (e.g., coaching, demoting, or dismissing the individual)?

35.7%	Yes
0.0%	No
14.3%	Don't know
50.0%	N/A (Situation has not arisen.)
28	**= N (Total respondents)**

Question 18

a. How often does the CEO publicly recognize diversity achievements by managers and/or other employees?

34.4%	Often
43.8%	Sometimes
15.6%	Rarely
0.0%	Never
6.3%	Don't know
32	**= N (Total respondents)**

b. If the CEO does publicly recognize diversity achievements, which of these methods does he/she use? *(More than one answer could be selected.)*

71.4%	Draws attention to the achievements in management meetings
53.6%	Presents awards
71.4%	Through e-mails or publications to the entire employee population
21.4%	Other
28	**= N (Total respondents)**

Question 19

a. Does the CEO sit on a diversity council or committee within the company?

35.5%	Yes, as chair
0.0%	Yes, as member
19.4%	Yes, as champion or advisor
45.2%	No
31	**= N (Total respondents)**

b. Does the CEO advise or champion any of the firm's affinity groups on a regular basis?

42.9%	Yes
57.1%	No
28	**= N (Total respondents)**

c. As a rule, does the CEO participate in developing the company's diversity strategy?

71.9%	Yes
15.6%	No
12.5%	Not applicable
32	**= N (Total respondents)**

d. Does the CEO require reports from the HR or diversity function on diversity progress?

22.6%	Yes, annually
51.6%	Yes, quarterly
12.9%	Yes, monthly
3.2%	Once in awhile, but not at regular intervals
9.7%	Never or rarely
31	**= N (Total respondents)**

e. Does the CEO require reports from his/her direct reports on diversity progress?

31.3%	Yes, annually
37.5%	Yes, quarterly
12.5%	Yes, monthly
3.1%	Once in awhile, but not at regular intervals
15.6%	Never or rarely
32	**= N (Total respondents)**

f. How are reports on diversity progress usually reviewed by the CEO? *(More than one answer could be selected.)*

41.9%	In writing
58.1%	In regular business operation reviews
58.1%	In business strategy/planning meetings
67.7%	In separate meetings devoted to diversity alone or to HR matters
67.7%	In talent reviews
9.7%	Not applicable
31	**= N (Total respondents)**

IV. Supporting Organizational Processes

Question 20

Recruiting:

a. Do the company's recruitment policies ensure that candidate slates presented to hiring managers include women and racial/ethnic minorities?

80.6%	Yes
19.4%	No
31	= N (Total respondents)

b. Are search firms required to provide diverse pools of candidates?

87.1%	Yes
12.9%	No
31	= N (Total respondents)

c. Does your company's internal job posting system operate globally and permit employees from other locations to apply?

90.3%	Yes
6.5%	No
3.2%	N/A (We do not post jobs internally.)
31	= N (Total respondents)

d. Has the company cultivated relationships with diverse sources of candidates (e.g., professional societies such as the Association for Women in Science, universities serving diverse populations)?

96.9%	We have a number of ongoing relationships with such sources
0.0%	We usually turn to such sources from time to time when we have job openings
3.1%	We have made few efforts in this regard
32	= N (Total respondents)

Question 21

How many clicks does it take to get from the homepage to the diversity section of your company's Web site?

2.0	Average clicks
2.0	Median clicks
27	**= N (Total respondents)**

100.0%	We do not have a diversity section on our website.
5	**= N (Total respondents)**

Question 22

Does the company offer diversity training to managers? *(More than one answer could be selected.)*

100.0%	Diversity awareness training
46.9%	Microinequities training
84.4%	Cross-cultural training
87.5%	Diversity hiring training (e.g., How to assess candidates without bias.)
84.4%	"Difficult conversations" training (e.g., how to talk to employees about performance, potential, etc.)
0.0%	None of the above
32	**= N (Total respondents)**

Diversity awareness training

59.4%	Required stand-alone training
37.5%	Voluntary stand-alone training
68.8%	Training embedded in other leadership development or management courses
0.0%	None
32	**= N (Total respondents)**

Microinequities training

20.0%	Required stand-alone training
60.0%	Voluntary stand-alone training
80.0%	Embedded in other diversity, leadership development or management courses
0.0%	None
15	**= N (Total respondents)**

Cross-cultural training

25.9%	Required stand-alone training
63.0%	Voluntary stand-alone training
74.1%	Embedded in other diversity, leadership development or management courses
0.0%	None
27	**= N (Total respondents)**

Diversity hiring training (e.g., how to assess candidates without bias.)

21.4%	Required stand-alone training
39.3%	Voluntary stand-alone training
78.6%	Embedded in other diversity, leadership development or management courses
3.6%	None
28	**= N (Total respondents)**

"Difficult conversations" training (e.g., how to talk to employees about performance, potential, etc.)

18.5%	Required stand-alone training
63.0%	Voluntary stand-alone training
63.0%	Embedded in other diversity, leadership development or management courses
0.0%	None
27	**= N (Total respondents)**

Question 23

a. Does the company's branding strategy incorporate consideration of the employee value proposition (i.e., the reasons employees would want to work for and contribute fully to the company)?

90.6%	Yes
9.4%	No
32	**= N (Total respondents)**

b. Does the company tailor its messages about the employee value proposition for different populations?

34.4%	Yes
65.6%	No
32	**= N (Total respondents)**

Question 24

a. Does your organization have a formal process for designating "high potential" employees?

93.8%	Yes
6.3%	No
32	**= N (Total respondents)**

b. If "Yes", how does your high potential program ensure inclusion of women, racial/ethnic minorities, and other diverse populations? *(More than one answer could be selected.)*

20.0%	No special practices ensure inclusion of diverse populations
6.7%	Requirement that a certain percentage of high potentials represent diverse populations
80.0%	In talent review meetings, executives pay particular attention to discussion of diverse nominees for high potential status
20.0%	Board of directors discusses diversity of high potential nominees
13.3%	Other
30	**= N (Total respondents)**

c. What is the earliest career stage at which high potentials are usually identified?

30.0%	Entry level professionals
30.0%	Early in career professionals
30.0%	Managers and seasoned individual contributors
10.0%	Senior Management
0.0%	Executives
0.0%	Other
30	**= N (Total respondents)**

Question 25

a. Does your organization have a formal succession planning process?

93.8%	Yes
6.3%	No
32	**= N (Total respondents)**

b. If "Yes", how does your succession planning process ensure inclusion of women, racial/ethnic minorities, and other diverse populations? *(More than one answer could be selected.)*

20.0%	No special practices ensure inclusion of diverse populations
33.3%	Requirement that every succession slate or pool include diverse candidates
70.0%	Diversity of slates or pools is discussed in executive-level succession review meetings
26.7%	Board of Directors discusses diversity of slates or pools
23.3%	Readiness designations for diverse candidates receive extra scrutiny
10.0%	Other
30	**= N (Total respondents)**

Question 26

a. Does your organization require development plans for employees?

51.6%	Yes, for all employees
25.8%	Yes, for all professional (exempt) employees
6.5%	Yes, for all high potentials
0.0%	No, we do not require any employees to have development plans
16.1%	Other
31	**= N (Total respondents)**

b. Does your organization track the percentage of key developmental opportunities (e.g., key client accounts, important presentations, assignments to highly visible teams and task forces) that are received by women, racial/ethnic minorities, or other diverse populations?

16.7%	Yes
83.3%	No
30	**= N (Total respondents)**

c. Does your company take any specific actions to ensure diversity among employees given international assignments?

13.8%	Yes
86.2%	No
29	**= N (Total respondents)**

d. Does your company take any specific actions to ensure diversity in positions that are considered stepping stones for advancement into leadership roles?

48.3%	Yes
51.7%	No
29	**= N (Total respondents)**

Question 27

Does your company target corporate or foundation donations to support communities or causes that reflect women's, racial/ethnic, disability, or GLBT needs or issues?

80.6%	Yes
19.4%	No
31	**= N (Total respondents)**

Question 28

Does your company require that suppliers or business partners:

22.7%	Have significant diversity in their workforces
36.4%	Track representation and have written plans to improve representation where appropriate
72.7%	Have other initiatives to foster diversity and inclusion in the organization
22	**= N (Total respondents)**

About Industrial Relations Counselors, Inc.

Industrial Relations Counselors, Inc. (IRC) is a not-for-profit research and educational organization specializing in human resources in management. Incorporated in 1926 through the efforts of John D. Rockefeller, Jr., IRC was the first research organization in its field. IRC continues to be dedicated to its original objective: "To advance the knowledge and practice of human relationships in industry, commerce, education, and government." IRC's work has been guided over these 80-plus years by a board of trustees comprising distinguished leaders of American industry.

IRC became an exemplar of the progressive management view that labor and management, while adversaries, had common interests and that it was the task of the industrial relations function to seek ways to establish this unity of interests. From its inception, IRC has conducted innovative research and produced publications that have broken new ground in the employee relations field. In the 1930s, legislators drew on IRC expertise concerning pension systems and European experience with unemployment insurance in the establishment of the federal social security system and the design of unemployment insurance in the United States. IRC was also deeply involved in advancing the interests of progressive employers in the formation of national labor policy.

Between 1927 and 1932 IRC was the official representative of American business to the International Labour Office in Geneva, and conducted research there on employment issues in several European countries. IRC research has also dealt with all aspects of collective bargaining policy, remedies in emergency disputes, executive retirement, and job evaluation. For many years IRC's own management development and education courses broadened the expertise of human resources professionals and increased line managers' understanding of employee relations issues. Periodic IRC symposia bring together business leaders and academic researchers to review HR topics of mutual importance.

About ORC Worldwide

ORC Worldwide (ORC) is an international management consulting firm offering professional assistance in the areas of global equality, diversity and inclusion; talent management; global and domestic compensation; labor and employee relations; and occupational safety and health. ORC delivers practical insight to clients through expert, customized consulting; accurate and timely data and information; and unique opportunities to network with professional peers.

ORC's clients span geography and industry, and consist of many of the *Fortune* 500, the International 500, a significant number of smaller companies, and not-for-profit, non-governmental, and governmental organizations.

ORC's Global EDI Practice

Since 1962, ORC's global equality, diversity, and inclusion practice has been helping clients enhance the value of diverse workforces by:

- Creating and implementing powerful global diversity strategies

- Engaging senior leaders in creating cultures of inclusion that leverage the value of diversity in their organizations

- Benchmarking talent management practices that create a diverse workforce

- Advising on effective management of diversity and equal opportunity programs in North America and Europe that comply with applicable employment law

- Facilitating cross-industry networks of professionals who share best practices and strategies in a confidential forum

- Updating clients on key developments in global diversity and equality that affect organizational practices

ORC's global equality, diversity, and inclusion practice is based in New York and London, with close ties to government and regulatory agencies in the European Union and Washington, D.C.

ORC Worldwide is headquartered in New York, with offices in Chicago, Dallas, Dubai, Los Angeles, London, Melbourne, Munich, Paris, Sacramento, San Francisco, Singapore, Tokyo, Washington, D.C., and Wellington, NZ.