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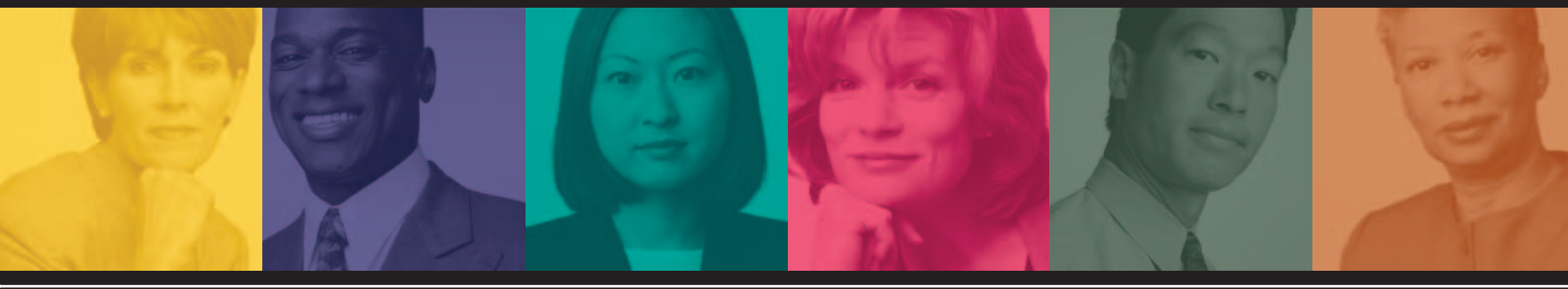

Diversity Practices That Work:

The American Worker Speaks

National
Urban League

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For more than 40 years, corporations across the nation have invested a great deal of energy and resources in the area of diversity. Today diversity is not only part of the culture of many corporations but a core business strategy as well. Yet the business community has struggled to develop a meaningful measure of the effectiveness of diversity and inclusion programs.

We believe this report is the most comprehensive study to date of employees' attitudes regarding programs and policies designed to foster diversity and inclusion. By determining what employees value and appreciate, the National Urban League hopes to provide some frequently requested guidance to American businesses that are looking not only to do the right thing but to do it the right way.

Enterprise Rent-A-Car funded this study.

Enterprise rent-a-car

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Preface

Dear Reader:

Diversity. Both the word and its meaning have become integral to the social and business landscape of America, redefining work force development, employee expectations, and corporate practices. Now more than ever, as our country becomes more culturally and ethnically diverse, we must determine the effectiveness of corporate programs intended to improve diversity, inclusion and, ultimately productivity in the American workplace. The generous support of Enterprise Rent-A-Car has made possible the new National Urban League study, *Diversity Practices That Work: The American Worker Speaks*, which examines the current environment while featuring programs that really work.

This groundbreaking study of more than 5,500 American workers provides new and helpful data on the effectiveness of corporate diversity programs from the perspective of the frontline *employee*, as well as the business leader. Why are both important? Because, when asked what *they* think, most workers in our study say they believe diversity is good for business … but that their employers do not have an effective diversity initiative. Further, in those companies that have diversity programs, there often is a notable difference between the diversity practices that managers believe are effective and those that employees value.

It's important to note that the companies participating in this study who had diversity practices that employees deemed more effective also boasted a productivity rate that exceeds that of the overall American economy by 18 percent. This indicates that diversity is not only good for people, but also good for business. This study provides vital information for companies seeking to forge good diversity programs that impact the bottom line.

As the country's largest and oldest community-based organization devoted to ensuring opportunity and equality for African-Americans and all people of color, the National Urban League can assist American businesses in developing the skills necessary to manage and cultivate diversity and inclusion programs that are highly regarded by the employees they are intended to impress. The best business leaders will listen closely to their employees and redirect, reinvigorate, and redeploy diversity programs that workers find most meaningful. We believe that *Diversity Practices That Work: The American Worker Speaks* will help American businesses of all sizes create and support the effective recruitment, retention, and career-development activities that will enable all people to truly feel valued and included. Such steps will result in a workplace that is not only more diverse, but also more successful.

Regards,

Marc H. Morial
President and CEO
National Urban League

Key Concepts and Definitions

At the outset of this report, it is important to define a few key terms or concepts that are used throughout.

American Workers: The nationally representative and statistically projective panel of employees working across the full spectrum of the American work force.

Effective Diversity Practices (EDPs): The diversity strategies, initiatives, and actions that employees of participating companies perceive most favorably.

Effective Diversity Practices Companies: The companies participating in this study that enjoy favorable employee responses to the company's diversity strategies, initiatives, and actions.

Effective Diversity Practices Company Employees: Employees who work for the Effective Diversity Practices Companies participating in this study.

Diversity: While there are infinite ways in which individuals and groups of people can differ from one another, for the purposes of this study, our emphasis will be differences in race and ethnicity, gender, job type, and age.

Diversity Practices: The company's strategies, initiatives, and actions that are intended to enhance its productivity and business outcomes by fostering diversity and inclusion.

Executive Summary

Why This Study?

Over the past 40 years, many corporations have invested a great deal of energy and resources in the area of diversity. The efforts mainly have come under several strategic initiatives, including affirmative action, appreciating and valuing differences, and the current managing inclusion. In fact, many companies have established diversity as a core business strategy, designed to generate success with consumers or customers, employees, and the broader community. As a result of their efforts, many companies have obtained external recognition of their efforts, including being listed among the best companies for diversity — overall, for minorities, for women, and for other groups. While some companies receive ongoing recognition for their efforts, we find that many employees at these companies wonder how and why their employers win these honors.

> *"I know that my company is considered one of the best places to work. I sure wish this were reflected in my experience as an employee."*
>
> **— An American Worker**

In fact, our research suggests that despite significant efforts among companies in total, only 32 percent of American Workers believe that their company has an effective diversity initiative. Given the significant efforts — and the passage of 40 years since the start of this journey — this low approval rating should serve as a wake-up call to everyone associated with a contemporary corporation.

We implemented this study on Effective Diversity Practices knowing that diversity is a high priority of today's corporations and that there is a general interest in making diversity strategic initiatives more effective. By leveraging the experience and learning from the practices of others, we intend for this report to serve as a basis for improving current diversity practices within companies and for encouraging additional companies to pursue diversity as a core business strategy. To that end, we seek to answer the following four fundamental questions:

1. What do American Workers think about diversity?
2. How do perceptions of employees in Effective Diversity Practices Companies compare with American Workers overall?
3. What diversity practices drive favorable employee perceptions?
4. How can other companies put to work these Effective Diversity Practices?

For Whom?

This report has been written for a wide range of readers including:

- Corporate executives.
- Diversity or human resources practitioners.
- American Workers.

In fact, all people associated with a company or organization — large or small, in any industry — can find value in this report as long as they share our interest in increasing the effectiveness of diversity programs within their organizations.

Executives can find a framework for comparing the status and effectiveness of diversity initiatives at their companies with those in other businesses, including an understanding that their perceptions as senior managers tend to be different and more favorable than those of employees overall.

Human Resources and diversity practitioners can find a framework for measuring effectiveness, as well as ideas and potential initiatives that can be applied in their own organizations for accelerated progress in diversity.

Individual American Workers also can find ideas for making the work environment more inclusive for themselves and others. They can share these ideas with their direct managers or with their company resources charged with the responsibility of leading diversity.

While we designed this report for a broad audience, we believe that it will be most valuable to the executive, practitioner, or individual in an organization that is motivated to make progress on its diversity journey, but an organization that has yet to establish itself in the leading edge. That's because the research and the identified diversity practices contained in this report have demonstrated their ability to enhance employee perceptions and can be easily applied to accelerate progress elsewhere.

How Was the Study Done?

The methodology used to identify effective diversity practices included four phases:

1. We established a diversity framework, including 13 themes, to evaluate diversity practices.
2. We surveyed the voices of American Workers regarding diversity.
3. We surveyed the voices of employees and audited the diversity practices of eight participating companies.
4. We analyzed the data to identify Effective Diversity Practices — those that generated favorable employee perceptions — highlighting key steps on how to make these practices work in other companies and organizations.

Key Findings

Based on our research, we have reached the following conclusions:

- **Unfavorable Views at Many Companies.** Although they consider the subject of diversity important, American Workers often view diversity initiatives at their own companies unfavorably. In fact, fewer than one-third of American Workers believe their company has an effective diversity initiative.
- **No Sources of Strength.** Across the 13 diversity practice themes, American Workers perceive that their companies have no strengths but have many opportunities for improvement.
- **Executives Are More Favorable.** Perceptions of executives are more favorable than those of other employees. This is an important reminder that executives tend to view their companies through different, perhaps rose-colored glasses. However, even among executives, perceptions are rather low. In particular, few executives perceived Leadership Commitment and Involvement as an area of strength.
- **Sound Diversity Investments Lead to Enhanced Perceptions.** Employees of participating Effective Diversity Practices Companies view diversity far more favorably than American Workers overall — likely the result of the significant resources that EDP Companies have invested in diversity.
- **Effective Diversity Programs Are Associated With Higher Productivity.** Over the past four years, the EDP Companies participating in this study have collectively generated 18 percent greater productivity than the American economy overall. In addition, three-fourths of them have generated productivity results that are in line with or better than select competitors. This suggests, at a minimum, that diversity progress has no cost in productivity, but instead may enhance it, as effective diversity practices are simply good leadership and management practices.

Keys to Successful Practices

It is clear that Effective Diversity Practices Companies have the following characteristics in common:

Leadership. Leaders demonstrate a personal commitment to diversity and hold themselves and others accountable.

- Leadership's involvement goes far beyond the programmatic efforts. There is a personal commitment to diversity that starts at the top — with leaders setting goals and driving the direction of the efforts over time — in the same way that leaders drive other performance of their business units.
- Leaders develop goals (not quotas) and business plans to enhance the representation at all levels of the organization.
- Management review and succession plans are forward-looking and diversity-sensitive and undergo review by company leadership quarterly or semiannually.
- Leaders sponsor diversity councils and affinity groups, promoting broad employee involvement in diversity programs.

Training and Reinforcement. Effective diversity training increases diversity awareness and provides skills that can be used to improve business results.

- A curriculum of diversity training and education (as opposed to a single awareness course) begins with new-hire orientation and continues to focus on skill development throughout the employees' career progression, up to and including the appointment of corporate officers.
- Employees earn rewards and recognition for their contributions in diversity.

Recruiting. There is an established track record for recruiting people of diverse backgrounds.

- Many successful companies establish and maintain long-term partnerships with universities and other recruiting sources and highlight the success of employees who are alumni or active members.

External Outreach. Companies succeed by extending diversity efforts and input to outside communities.

- Efforts encourage diversity among suppliers by expanding the pool of vendors considered for purchasing, including mandatory inclusion of diverse suppliers, directly or indirectly, in the procurement process.
- Marketing targets diverse customers. Dedicated departments and financial resources focus on developing business among targeted diverse consumers.
- External advisory councils provide perspective to companies in the areas of marketing and product development, human resources, and community relationships.

Big Picture. Successful EDP Companies are committed to diversity as a long-term business strategy.

- In fact, the EDP Companies have engaged in diversity-related efforts for more than 20 years, on average. Their efforts are broad, strategic, and holistic in nature.
- There is a realization that there is no simple, single answer to achieve progress in diversity. Instead diversity and inclusion are long-term business strategies that, like other core strategies leading to business success, require comprehensive and integrated management.

Of all the keys to success mentioned, none is more important than commitment and involvement of leadership. In the words of one executive of an EDP Company:

> *"Leadership commitment has to be real, not ceremonial. It's not about face time or programs. It's about seeing people as individuals and providing active sponsorship of people who have demonstrated ability. It means being an advocate, interceding where appropriate, and ensuring that the company's processes work for and are inclusive of all people. Most important, we as leaders must do this work ourselves. Diversity can't be delegated."*
>
> **— Executive at an Effective Diversity Practices Company**

We hope this report will lead to:

- Increased ownership and commitment to diversity and inclusion by corporate executives.
- Establishment of common practices and a methodology for measuring effectiveness of diversity initiatives among human resources and diversity practitioners.
- Development of new ideas and greater involvement of individual employees to create more diverse and inclusive cultures within their companies.
- Evaluation by job seekers of a company's diversity efforts, making diversity progress a criterion for qualified applicants to join (or not join) a company.

Introduction

What Sets This Study Apart?

Several characteristics make this study unique, including the following:

Number of Persons Surveyed. This study leverages the broad and inclusive perspectives of the American Worker. The study compiled more than 5,500 surveys among American Workers, including those who are representative of the American Worker nationally, as well as those representing employees at eight Effective Diversity Practices Companies. We believe that this is a far more comprehensive sample than other surveys in this field.

Nationally Representative Subsegments. This study has nationally and statistically representative samples of the several segments of the American Worker population, including race and ethnicity, gender, and job level. In particular, we have collected a nationally representative database of the Native American Worker — a first in the area of diversity research.

Employee Opinion as Measure of Effectiveness. This study focused on the perceptions of employees, as opposed to practitioners, to measure the effectiveness of diversity initiatives.

Emphasis on Practices vs. the Practicing Company. This study focuses on the company practices that have generated favorable employee responses, as opposed to the practicing company. This allows us to place a greater emphasis on identifying and sharing the Effective Diversity Practices that can be put to work in other organizations.

Extensive Diversity Survey. This study uses a comprehensive 95-item survey (six times as many items as the average survey) across 13 theme areas, all focused on the subject of diversity. This provides for a deeper understanding of what's working and why.

The American Worker

The American Worker Defined

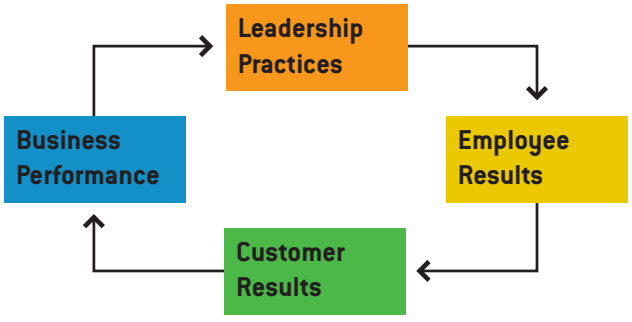
The American Worker profile comes from a randomly selected panel of employees who are statistically representative of the American work force. The panel includes representative sub-segments of a variety of diversity dimensions including:

- Gender: men and women.
- Race and Ethnicity: African-Americans, Asians, Caucasians, Hispanics/Latinos, and Native Americans.
- Job Level: executives, managers, salaried employees, and hourly employees.
- Age: 18 – 34, 35 – 54, and 55-plus.
- Company Size: <20 employees, 20 – 99 employees, 100 – 499 employees, 500 – 4,999 employees, 5,000-plus employees.
- Region: Northeast, South, Midwest, and West.

The voice of the American Worker includes persons from a wide variety of companies, ranging in size from large Fortune 500s to small businesses.

The Voice of the American Worker — A Measure of Effectiveness

Central to this study is the importance of the American Worker's voice in evaluating the effectiveness of diversity initiatives and efforts. We believe that the voice of the American Worker is critical in the evaluation of diversity initiatives because the employee is one of the most important stakeholders. This is supported by a body of research that links leadership practices, employee results, customer results, and ultimately business performance. This High Performance Model, as published by Jack Wiley, Ph.D., in 1996, grew out of experience and extensive research with more than 7,500 business units over the course of more than a decade. It demonstrates the link between employee perceptions and business performance.



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Building on the work of Wiley and others, we presuppose that a company's diversity practices directly impact the perceptions of employees. This makes the American Worker's voice critical not only in evaluating the effectiveness of diversity initiatives but also in reinforcing the business case for adopting diversity leadership and business practices that positively enhance the perceptions of employees' and, ultimately, the organization's performance outcomes. Our focus in this study is on the link between diversity practices and employee perceptions.

What Does the American Worker Think About Diversity?

American Workers recognize the value of diversity for themselves and for the companies in which they work. American Workers also indicate that they are aware of the expectations their companies have of them relating to diversity and are comfortable in meeting the expressed expectations. Each of the following questions received high favorable comments and low unfavorable comments.

	Base Size	Favorable Responses	Unfavorable Responses
I am comfortable working in diverse teams.	2,019	80%	4%
I am expected to positively interact with people who are different from me.	2,030	77%	5%
I have a good and positive relationship with my direct supervisor.	2,025	72%	12%
A diverse work force improves creativity and innovation in the workplace.	1,998	65%	10%

While American Workers provide quite favorable responses when referring to themselves and their ability to work effectively in diverse teams and with others, the perceived impact of company-led diversity initiatives is far less favorable, as demonstrated by the lack of favorable responses and the increased unfavorable responses. This reflects the American Workers' lack of confidence in the effectiveness and potential benefit of any diversity initiatives within their organizations today. This suggests that despite a great deal of effort by corporations in America, a significant gap exists in making diversity a core part of the overall culture of corporations.

The fact that only 32 percent of employees believe that their company has an effective diversity initiative should serve as a wake-up call to every board-level director, corporate executive, and human resources or diversity practitioner. What's more, American Workers share this unfavorable perception of diversity effectiveness across demographic subsegments. The most favorable responses come from executives, American Workers aged 55-plus, and people in companies with 5,000-plus employees.

	Base Size	Favorable Responses	Unfavorable Responses
I believe that I will personally benefit from my company's effort to improve diversity.	1,988	49%	18%
Diversity is very much a part of my company's culture.	1,970	45%	23%
My company has an effective diversity initiative.	1,927	32%	26%
My company has an effective diversity council or team.	1,790	22%	40%

My company has an effective diversity initiative.
% Favorable (% Unfavorable)

American Worker	Men	Women	White	African American	Hispanic American	Asian American	Native American
32 (26)	31 (26)	32 (27)	29 (29)	34 (26)	34 (25)	34 (23)	34 (30)
American Worker	**Executives**	**Managers**	**Salaried**	**Hourly**	**18 – 34**	**35 – 54**	**55-plus**
32 (26)	47 (23)	34 (27)	32 (28)	28 (26)	29 (24)	31 (28)	38 (21)
American Worker	**< 20 Employees**	**20 – 99 Employees**	**100 – 499 Employees**	**500 – 4,999 Employees**	**5,000-plus Employees**		
32 (26)	28 (24)	28 (30)	24 (33)	31 (26)	43 (23)		

What's Important?

As shown in the chart below, the surveyed employees consider each of the 13 Effective Diversity Practices themes important. At least 47 percent of American Workers view each of the EDP themes as very or extremely important. The perceived importance among employees of EDP Companies is significantly higher, demonstrating that employees have increased expectations when their companies have active and effective diversity initiatives.

Effective Diversity Practices Theme	% Extremely or Very Important			
	American Worker	Rank	EDP Company Employees	Rank
1. Marketing to Diverse Customers and Consumers	63%	1	88%	1
2. Retaining Diverse Talent	59%	2	84%	3
3. Recruiting Diverse Talent	57%	3	85%	2
4. Leadership Commitment and Involvement	57%	4	84%	4
5. Inclusive Culture and Values	57%	5	79%	9
6. Diversity Education and Training	56%	6	81%	5
7. Community Involvement	55%	7	77%	11
8. Advancing Diverse Talent	55%	8	80%	6
9. Career Development for Diverse Talent	54%	9	80%	7
10. Diversity Employee Communications	52%	10	80%	8
11. Employee Involvement	52%	11	78%	10
12. Supplier Diversity	49%	12	70%	13
13. Performance Accountability and Measurement	47%	13	72%	12

No Sources of Strength — Tremendous Room for Improvement

Aggregate views of the American Worker suggest that there's much room for improvement across the 13 themes. To facilitate evaluations across key diversity themes, we have classified the opinions of the American Worker in three categories.

- **Strength (S) —** Themes with 65 percent or more favorable responses and fewer than 20 percent unfavorable comments.
- **Opportunities for Improvement (O) —** Themes with fewer than 50 percent favorable comments and more than 20 percent unfavorable comments.
- **Mixed (M) —** Themes with 50 percent to 65 percent favorable comments and 35 percent to 50 percent neutral or unfavorable comments.

As illustrated below, the American Worker's voice suggests that none of the 13 themes is a perceived strength. Four themes have mixed perceptions, and nine rank as opportunities for improvement. This is an especially unfavorable view of diversity in the American work force, particularly considering that efforts in this area have been under way for nearly 40 years. Not only are the favorable scores low, but unfavorable comments reach high levels across the diversity practice themes. In some cases, unfavorable reactions outweigh the favorable reactions.

This is a sobering report card, particularly for organizations that dedicate a significant amount of time, energy, and resources every day to the advancement of diversity and inclusion. It is important to keep in mind the breadth of the American Worker surveys, which included companies of all sizes (everything from mom-and-pop grocers to Fortune 500 companies), as well as varying approaches to and investments in diversity initiatives.

Effective Diversity Practices Theme American Workers' View	Strength (S) Mixed (M) Opportunity (O)	% Favorable	% Unfavorable
1. Inclusive Culture and Values	M	56	18
2. Retaining Diverse Talent	M	55	27
3. Marketing to Diverse Customers and Consumers	M	50	15
4. Supplier Diversity	M	45	17
5. Recruiting Diverse Talent	O	49	21
6. Advancing Diverse Talent	O	45	33
7. Diversity Education and Training	O	44	28
8. Leadership Commitment and Involvement	O	41	23
9. Community Involvement	O	41	24
10. Career Development for Diverse Talent	O	40	31
11. Diversity Employee Communications	O	38	28
12. Employee Involvement	O	28	33
13. Performance Accountability and Measurement	O	27	35
Average Diversity Theme	O	43	26

Themes with 65% or more favorable responses and fewer than 20% unfavorable comments are considered strengths (S). Themes with fewer than 50% favorable comments and more than 20% unfavorable comments are considered opportunities for improvement (O). Themes with 50% to 65% favorable comments and/or 35% to 50% neutral or negative comments are considered Mixed (M).

What's Up With the Boss?

Nationally, executives' perceptions are 28 percent more favorable than perceptions of the American work force overall. In fact, executives perceive strengths in three of the 13 areas: Inclusive Culture and Values, Supplier Diversity, and Retaining Diverse Talent. One of several factors may be driving the differences in perception here.

First, it is common that executives tend to have more favorable perspectives of their companies than other employees do. Second, company leaders are likely to have a greater awareness of diversity initiatives and their progress. In either case, this points to a mandate to ensure that the awareness and involvement of senior executives trickle down to all levels of the organization to help make diversity an integral part of a company's culture.

However, the overall perceptions of executives are also relatively poor, particularly when weighed against what executives say they are doing in this area. What's disturbing about this information is that even executives give themselves a failing grade, with only 59 percent of executives offering favorable comments in the area of Leadership Commitment and Involvement — a glaring opportunity.

Effective Diversity Practices Theme View by Employee Position	Strength (S); Mixed (M); Opportunity (O) (% Favorable/Unfavorable Comments)				
	Overall	Executive	Manager	Salaried	Hourly
Base Size	2,082	170	588	499	805
1. Inclusive Culture and Values	M (56/18)	S (65/15)	M (59/16)	M (56/19)	M (52/19)
2. Retaining Diverse Talent	M (55/27)	S (67/18)	M (59/25)	M (53/29)	M (51/29)
3. Marketing to Diverse Customers and Consumers	M (50/15)	M (63/12)	M (52/14)	M (49/15)	M (46/15)
4. Supplier Diversity	M (45/17)	S (68/12)	M (51/15)	M (44/19)	M (37/19)
5. Recruiting Diverse Talent	O (49/21)	M (56/18)	M (51/20)	O (50/23)	O (47/20)
6. Advancing Diverse Talent	O (45/33)	M (64/20)	O (50/29)	O (40/36)	O (40/36)
7. Diversity Education and Training	O (44/28)	M (51/24)	O (46/27)	O (42/31)	O (42/29)
8. Leadership Commitment and Involvement	O (41/23)	M (59/16)	O (46/22)	O (40/25)	O (36/24)
9. Community Involvement	O (41/24)	M (52/19)	O (41/25)	O (40/24)	O (39/25)
10. Career Development for Diverse Talent	O (40/31)	M (52/22)	O (43/30)	O (38/34)	O (36/33)
11. Corporate Communications Reflective of Diversity	O (38/28)	O (46/23)	O (41/27)	O (40/28)	O (33/29)
12. Employee Involvement	O (28/33)	O (37/29)	O (32/32)	O (30/33)	O (24/33)
13. Performance Accountability and Measurement	O (27/35)	O (35/31)	O (28/36)	O (25/39)	O (27/32)
Average Diversity Theme	O (43/26)	M (55/20)	O (46/24)	O (42/27)	O (39/26)
Index vs. Overall	100	128	107	98	91

Unfavorable Responses From Men and Women

The 13 theme scores are unfavorable among both men and women, with average theme scores of only 42 percent favorable for men and only 44 percent favorable for women. Neither men nor women perceived strengths in any of the areas, and they agree that nine of the 13 diversity themes are opportunities for improvement. Four themes ranked as mixed perceptions by both men and women. One exception is the area of Recruiting Diverse Talent, where women have slightly more favorable perceptions than men; however, neither gender views this as an area of strength.

Effective Diversity Practices Theme Men vs. Women	Strength (S); Mixed (M); Opportunity (O) (% Favorable/Unfavorable Comments)		
	Overall	Men	Women
Base Size	2,082	832	1,195
1. Inclusive Culture and Values	M (56/18)	M (54/18)	M (57/18)
2. Retaining Diverse Talent	M (55/27)	M (54/27)	M (56/28)
3. Marketing to Diverse Customers and Consumers	M (50/15)	M (48/13)	M (51/16)
4. Supplier Diversity	M (45/17)	M (47/16)	M (44/18)
5. Recruiting Diverse Talent	O (49/21)	O (47/20)	M (51/21)
6. Advancing Diverse Talent	O (45/33)	O (45/32)	O (45/34)
7. Diversity Education and Training	O (44/28)	O (41/30)	O (45/28)
8. Leadership Commitment and Involvement	O (41/23)	O (40/22)	O (43/24)
9. Community Involvement	O (41/24)	O (38/26)	O (43/23)
10. Career Development for Diverse Talent	O (40/31)	O (38/31)	O (41/31)
11. Diversity Employee Communications	O (38/28)	O (36/29)	O (40/27)
12. Employee Involvement	O (28/33)	O (26/34)	O (30/32)
13. Performance Accountability and Measurement	O (27/35)	O (26/35)	O (28/34)
Average Diversity Theme	O (43/26)	O (42/26)	O (44/26)
Index vs. Overall	100	98	102

The largest gaps in the level of favorable comments between men and women came in the areas of perceived personal benefit, effectiveness of diversity training, career development, and recruiting, as shown below:

- I believe that I will personally benefit from my company's efforts to improve diversity (52 percent for women vs. 46 percent for men).
- Diversity training and education teach how to effectively interact with people who are different (42 percent for women vs. 33 percent for men).
- My company is committed to developing people who are diverse (39 percent for women vs. 34 percent for men).
- My company actively recruits people from diverse backgrounds (52 percent for women vs. 48 percent for men).

The more favorable responses among women may reflect more direct involvement and understanding of their respective company's diversity efforts. While these responses show more favorable responses among women vs. men, the lion's share of the responses is consistently unfavorable among both male and female American Workers.

Low Marks Across Races and Ethnicities

The 13 theme scores are also similar and consistently low across race and ethnic lines, with no perceived strengths and a number of areas of opportunities. In a couple of themes — Recruiting Diverse Talent, and Retaining Diverse Talent — perceptions vary slightly by ethnicity. With respect to recruiting, the perceptions of Hispanic, African-American and Asian respondents are slightly more favorable than other ethnic or racial subsegments. With respect to retaining, the perceptions of Native American respondents are slightly less favorable than other subsegments. Similarly, in the area of Supplier Diversity, the perceptions of African-Americans are slightly less favorable than other groups. While there are slight variations, it is important to note the low level of favorable comments across the board.

Effective Diversity Practices Theme View by Race, Ethnicity	Strength (S); Mixed (M); Opportunity (O) (% Favorable/Unfavorable Comments)					
	Overall	White	Hispanic American	African American	Asian American	Native American
Base Size	2,082	680	210	387	346	289
1. Inclusive Culture and Values	M (56/18)	M (56//18)	M (59/18)	M (58/17)	M (58/16)	M (54/21)
2. Retaining Diverse Talent	M (55/27)	M (59//25)	M (56/27)	M (56/27)	M (53/26)	O (48/32)
3. Marketing to Diverse Customers and Consumers	M (50/15)	M (50/14)	M (54/17)	M (47/17)	M (52/10)	M (50/15)
4. Supplier Diversity	M (45/17)	M (44//16)	M (50/17)	O (44/20)	M (45/16)	M (47/16)
5. Recruiting Diverse Talent	O (49/21)	O (48/20)	M (53/19)	M (51/22)	M (50/17)	O (47/25)
6. Advancing Diverse Talent	O (45/33)	O (45/33)	O (48/31)	O (44/34)	O (46/30)	O (44/34)
7. Diversity Education and Training	O (44/28)	O (40/31)	O (50/28)	O (46/29)	O (44/25)	O (45/30)
8. Leadership Commitment and Involvement	O (41/23)	O (40/22)	O (48/22)	O (41/25)	O (44/21)	O (40/27)
9. Community Involvement	O (41/24)	O (37/27)	O (47/24)	O (44/25)	O (42/22)	O (41/22)
10. Career Development for Diverse Talent	O (40/31)	O (38/32)	O (43/31)	O (40/31)	O (41/28)	O (39/33)
11. Diversity Employee Communications	O (38/28)	O (35/30)	O (42/25)	O (42/26)	O (42/25)	O (36/28)
12. Employee Involvement	O (28/33)	O (24/34)	O (30/31)	O (31/33)	O (32/30)	O (30/32)
13. Performance Accountability and Measurement	O (27/35)	O (23/36)	O (31/33)	O (28/36)	O (28/32)	O (31/33)
Average Diversity Theme	O (43/26)	O (41/26)	O (47/24)	O (44/26)	O (44/22)	O (42/26)
Index vs. Overall	100	95	109	102	102	98

While American Worker responses are similar across ethnic groups, there are a couple of areas where the differences in perception are pronounced. They are: (1) belief in personal benefits to be derived from my company's diversity efforts, and (2) level of trust of co-workers. Specifically, white employees' perceptions are 18 percent less favorable than those of the overall work force in the question of perceived personal benefit as a result of company diversity efforts. In addition, African-Americans are 23 percent less likely than others to trust their co-workers. Both the perceived benefit and level of trust of co-workers are important, under the surface considerations. They certainly play a key role in determining an individual's level of commitment to both diversity and their respective company.

% Favorable/Unfavorable Responses	Overall	White	Hispanic American	African American	Asian American	Native American
I believe I will personally benefit from my company's efforts to improve diversity.	49/18	40/23	58/13	57/15	55/15	48/22
I trust my co-workers.	57/16	65/15	59/13	44/24	63/11	53/16

Unfavorable Perceptions Across Generations — Older Workers Slightly More Favorable

Like other demographic breakouts, perceptions regarding diversity are unfavorable across generations or age groups, with no perceived areas of strength and at least seven areas of opportunity across each age group. Among the groups, the perceptions of older workers, aged 55-plus, are the most favorable (19 percent higher than average). The perceptions of the workers aged 35 – 54 are the least favorable (2 percent below average). While the results across age are more similar than dissimilar, the greatest variations come in Retaining Diverse Talent, perhaps suggesting that those who have been in the work force longest may have the greatest database for comparison.

Effective Diversity Practices Theme View by Age	Strength (S); Mixed (M); Opportunity (O) (% Favorable/Unfavorable Comments)			
	Overall	18 – 34	35 – 54	55-plus
Base Size	2,082	541	1,167	320
1. Inclusive Culture and Values	M (56/18)	M (56/17)	M (56/18)	M (57/17)
2. Retaining Diverse Talent	M (55/27)	O (50/31)	M (56/34)	M (62/20)
3. Marketing to Diverse Customers and Consumers	M (50/15)	M (49/14)	M (49/16)	M (54/11)
4. Supplier Diversity	M (45/17)	M (40/17)	M (46/18)	M (52/14)
5. Recruiting Diverse Talent	O (49/21)	M (53/18)	O (47/22)	M (53/18)
6. Advancing Diverse Talent	O (45/33)	M (51/28)	O (44/34)	O (41/33)
7. Diversity Education and Training	O (44/28)	M (45/27)	O (43/29)	O (48/26)
8. Leadership Commitment and Involvement	O (41/23)	O (43/21)	O (41/24)	M (46/19)
9. Community Involvement	O (41/24)	O (41/21)	O (40/26)	O (46/22)
10. Career Development for Diverse Talent	O (40/31)	O (43/29)	O (38/33)	O (41/31)
11. Diversity Employee Communications	O (38/28)	O (36/27)	O (37/29)	O (44/24)
12. Employee Involvement	O (28/33)	O (27/32)	O (28/34)	O (34/29)
13. Performance Accountability and Measurement	O (27/35)	O (27/32)	O (26/37)	O (34/31)
Average Diversity Theme	O (43/26)	O (43/24)	O (42/27)	O (47/23)
Index vs. Overall	100	100	98	109

Poor Marks From Coast to Coast — North Central Trailing the Pack

When comparing across four regions of the country — Northeast, North Central, South, and West — we see that the overall perceptions of diversity effectiveness is low in each region. However, some variations are worth noting. Perceptions are the most favorable in the West and least favorable in the North Central region. The greatest variations exist in the area of Recruiting Diverse Talent, which likely reflects the differences in talent availability by region. Many of the other diversity themes follow this trend.

Effective Diversity Practices Theme View by Region	Strength (S); Mixed (M); Opportunity (O) (% Favorable/Unfavorable Comments)				
	Overall	Northeast	North Central	South	West
Base Size	2,082	290	355	730	674
1. Inclusive Culture and Values	M (56/18)	M (57/17)	M (54/18)	M (55/18)	M (58/17)
2. Retaining Diverse Talent	M (55/27)	M (54/28)	M (56/26)	M (52/28)	M (56/27)
3. Marketing to Diverse Customers and Consumers	M (50/15)	M (49/14)	M (49/16)	M (47/16)	M (54/13)
4. Supplier Diversity	M (45/17)	M (46/17)	M (42/17)	M (45/18)	M (45/17)
5. Recruiting Diverse Talent	O (49/21)	M (48/19)	O (44/23)	O (48/22)	M (54/18)
6. Advancing Diverse Talent	O (45/33)	O (43/33)	O (42/37)	O (45/33)	O (47/31)
7. Diversity Education and Training	O (44/28)	O (45/28)	O (42/29)	O (44/29)	O (44/28)
8. Leadership Commitment and Involvement	O (41/23)	O (42/21)	O (36/26)	O (42/24)	O (44/22)
9. Community Involvement	O (41/24)	O (40/24)	O (39/25)	O (41/24)	O (43/24)
10. Career Development for Diverse Talent	O (40/31)	O (39/32)	O (37/33)	O (40/31)	O (42/31)
11. Diversity Employee Communications	O (38/28)	O (44/26)	O (35/30)	O (36/29)	O (39/26)
12. Employee Involvement	O (28/33)	O (33/29)	O (25/33)	O (28/33)	O (28/33)
13. Performance Accountability and Measurement	O (27/35)	O (27/35)	O (23/37)	O (30/33)	O (27/35)
Average Diversity Theme	O (43/26)	O (44/25)	O (37/26)	O (43/26)	O (45/25)
Index vs. Overall	100	102	86	100	105

Size Does Matter

Regardless of the company size, the American Workers' perceptions of diversity are unfavorable, with no strengths and several opportunities for improvement.

Employees of larger companies tend to have slightly more favorable responses than in smaller-sized companies. Least favorable responses are among companies with 100 – 499 employees.

Effective Diversity Practices Theme View by Company Size	Strength (S); Mixed (M); Opportunity (O) (% Favorable/Unfavorable Comments)					
	Overall	< 20 Employees	20 – 99 Employees	100 – 499 Employees	500 – 4,999 Employees	5,000-plus Employees
Base Size	2,082	230	237	245	288	256
1. Inclusive Culture and Values	M (56/18)	M (56/15)	M (57/19)	M (53/21)	M (58/18)	M (61/16)
2. Retaining Diverse Talent	M (55/27)	M (58/23)	M (52/30)	M (56/26)	M (56/28)	O (59/25)
3. Marketing to Diverse Customers and Consumers	M (50/15)	M (51/13)	M (55/17)	M (45/16)	M (51/17)	M (55/12)
4. Supplier Diversity	M (45/17)	M (50/16)	O (44/21)	O (41/20)	M (45/18)	M (53/14)
5. Recruiting Diverse Talent	O (49/21)	O (44/21)	O (43/26)	O (44/25)	O (47/21)	M (59/16)
6. Advancing Diverse Talent	O (45/33)	O (49/23)	O (46/32)	O (43/36)	O (44/35)	O (50/31)
7. Diversity Education and Training	O (44/28)	O (39/25)	O (41/33)	O (41/34)	O (46/28)	O (49/26)
8. Leadership Commitment and Involvement	O (41/23)	M (45/18)	O (42/26)	O (36/27)	O (40/26)	O (46/21)
9. Community Involvement	O (41/24)	M (41/19)	O (42/25)	O (38/29)	O (42/26)	O (45/24)
10. Career Development for Diverse Talent	O (40/31)	O (39/23)	O (40/32)	O (37/34)	O (43/34)	O (40/31)
11. Diversity Employee Communications	O (38/28)	O (31/23)	O (33/34)	O (33/32)	O (41/31)	O (48/22)
12. Employee Involvement	O (28/33)	O (21/29)	O (27/37)	O (22/38)	O (30/37)	O (38/28)
13. Performance Accountability and Measurement	O (27/35)	O (30/27)	O (27/37)	O (23/38)	O (27/40)	O (30/33)
Average Theme Score	O (43/26)	O (43/21)	O (42/28)	O (39/24)	O (44/28)	O (49/23)
Index vs. Overall	100	100	98	91	102	114

What's at Risk?

The unfavorable perceptions among American Workers are important in the absolute. They are also key indicators of risk among companies. In particular, there is the serious and ongoing consideration of talented workers pursuing other employment, as well as the perceived risk of diversity-related lawsuits. Both of these factors carry significant costs to organizational productivity and effectiveness.

	Base Size	% Unfavorable Responses	% Neutral/Negative Responses
I have seriously considered leaving my company in the past 12 months ...	1,956	44%	57%
... because of not feeling valued or appreciated.	1,954	34%	50%
... because of lack of opportunity for advancement.	1,938	28%	45%
... because of compensation.	1,947	27%	45%
... because of work/life balance.	1,936	23%	41%
... because of a problematic relationship with my supervisor.	1,935	20%	35%
My company is at risk for a diversity-related lawsuit.	1,794	12%	42%

With nearly half of employees seriously considering leaving their company, the cost to organizational productivity can be substantial. Management experts estimate the average cost of turnover is 150 percent of the employee's annual salary. This includes assumptions for the costs of terminating the current employee; identifying, hiring, and on-boarding a new employee and the administrative costs and productivity losses of the transition. Needless to say, it's more efficient and typically more effective to retain current productive employees.

Similarly, the fact that 12 percent of employees believe that their company is at risk for a diversity-related lawsuit should be cause for concern. Also notable is that 42 percent of respondents were neutral/negative to this particular question. Increased perceptions of being at risk of a diversity-related lawsuit primarily rise from unfavorable perceptions regarding the attrition of people who are different.

Conversely, decreased perceptions of being at risk of a diversity-related lawsuit rise from favorable perceptions in the following areas:

- Recruiting people from diverse backgrounds.
- Valuing and appreciating the ideas and input of all employees.
- Focusing diversity efforts on improving business results.

Each of these speaks to the earlier discussion regarding the link between an organization's leadership practices and the perceptions of employees. Perceptions regarding the effectiveness of diversity efforts ultimately may impact the organization's business performance.

Keys to Success

Because most organizations have limited resources to apply in the area of diversity, we identified the factors that had the greatest impact on overall perceived effectiveness of diversity initiatives. They include:

1. Establishing a track record for recruiting diverse people.
2. Leaders holding themselves and others accountable for diversity progress.
3. Leaders demonstrating a commitment to diversity.
4. Rewarding people for their contributions in the area of diversity.
5. Conducting training and education that increases awareness and helps employees understand how diversity impacts business results.

These five focus areas grew out of a regression analysis to determine which of the survey items were most predictive of higher perceived overall effectiveness in company diversity initiatives. Interestingly, in each of the five focus areas, less than half of American Workers rated their own companies favorably. In addition, more than 20 percent of respondents rated these items unfavorably.

Factors with Impact	Importance Rank	% Favorable Responses	% Unfavorable Responses
My company has a strong track record for recruiting diverse people.	1,976	48%	21%
Leadership at my company is committed to diversity.	1,992	45%	20%
Leaders hold themselves and others accountable for progress on diversity.	1,966	42%	22%
Training and education from my employer helps me to understand the impact of diversity and improve business results.	1,902	39%	28%
People are rewarded for what they do in the area of diversity.	1,885	23%	36%

Effective Diversity Practices Companies

The next phase of the research focused on understanding perceptions of employees working in Effective Diversity Practices Companies. This section focuses specifically on the EDP Companies and the voices of their employees. Where appropriate, the perceptions of the EDP Company Employees will be compared with those of the American Worker overall.

The Effective Diversity Practices Companies include eight organizations that enjoy strong reputations in the area of diversity. All have received external recognition for their efforts in the area of diversity, and several lead the published lists that rank the best places to work overall, best places for women, and best places for minorities. These companies in aggregate employ more than 950,000 people. Their combined annual revenues exceed $180 billion. They report a combined annual net income of $24 billion. Thus, these eight companies comprise a large and important part of our economy.

Highly Productive Organizations

In addition to their reputations in the area of diversity, the identified companies have demonstrated improvements in employment and productivity over the past four years. In fact, as a group they are 18 percent more productive than the United States economy overall. In addition, three-fourths of them are more productive than their key competitors. While it is not our intent to demonstrate the productivity of the participating companies, this certainly suggests that their investments in the area of diversity are by no means being made at the expense of productivity. In fact, it is likely that the effective diversity practices — exemplary leadership and management practices — also result in productivity gains.

Productivity Analysis

EDP Companies in Total	2003	1999	Average Annual Increase	Index vs. United States
Number of Employees	955,630	753,085	6.8%	(850)
Annual Revenue (Millions)	$181,195	$121,500	12.3%	(267)
Productivity (Annual Revenues/Employee)	$189,605	$161,340	4.5%	(118)
Net Income (Millions)	$ 23,510	$ 13,500	18.5%	NA
U.S. Gross Domestic Product (Billions)	$ 10,985	$ 9,270	4.6%	
U.S. Work Force (Millions)	138,480	134,420	.8%	
U.S. Gross Domestic Product/Employee	$ 79,330	$ 68,950	3.8%	

Greater Diversity Commitment

Compared with the overall American Worker, the EDP Company Employees exhibit strong beliefs in diversity's intended impact and an even greater level of expectation and comfort in operating in a diverse work environment. Even relative to American Workers at large companies with 5,000-plus people, the perceptions of the EDP Company Employees are more favorable.

	% Favorable Responses (% Unfavorable Responses)		
	American Worker		EDP Company Employees
	Total	5,000-Plus-Person Companies	
I am comfortable working in diverse teams.	80 (4)	86 (2)	97 (2)
I am expected to positively interact with people who are different from me.	77 (5)	77 (3)	93 (2)
A diverse work force improves creativity and innovation in the workplace.	65 (10)	70 (6)	87 (3)
I have a good and positive relationship with my direct supervisor.	72 (12)	77 (10)	84 (6)

EDP Company Employees also have more favorable responses regarding the effectiveness of their respective company's diversity initiatives.

- 60 percent of EDP Company Employees believe their company has an effective diversity initiative (vs. 32 percent of American Workers).
- 73 percent of EDP Company Employees (vs. 49 percent American Workers) believe they will personally benefit from the company's effort to improve diversity.

The responses of EDP company employees are also more favorable than those of American Workers from large companies.

	% Favorable Responses (% Unfavorable Responses)		
	American Worker		EDP Company Employees
	Total	5,000-Plus-Person Companies	
I believe that I will personally benefit from my company's effort to improve diversity.	49 (18)	53 (18)	73 (9)
Diversity is very much a part of my company's culture.	45 (23)	55 (19)	70 (9)
My company has an effective diversity initiative.	32 (26)	43 (23)	60 (11)
My company has an effective diversity council or team.	22 (40)	32 (34)	53 (13)

A Different World of Work

Perceptions of EDP Company Employees are significantly more favorable (+ 51 percent) than those of the American Worker, providing validation of their employers' external diversity reputations. Specifically, the EDP Company Employees perceive their companies as having more strengths among the 13 diversity themes (nine, as opposed to zero for the American Worker); fewer mixed perceptions (four, compared with eight for the American Worker); and fewer opportunities for improvement (zero versus nine for the American Worker). This suggests that the efforts of EDP companies are translating into more favorable perceptions among their employees and are likely to be driving more favorable organizational dynamics and business outcomes.

In addition, the perceptions of the EDP Company employees are also significantly more favorable than the perceptions of the American Worker in large companies. This reinforces the fact that the more favorable perceptions result more from the company's efforts in the area of diversity than from the company's size.

Also, while the overall diversity report card is far more favorable in the eyes of EDP Company Employees than with the American Worker, it also illustrates the need for ongoing effort and continuous improvement. In particular, three themes — Performance Accountability and Measurement, Career Development for Diverse Talent, and Employee Involvement — show the least favorable responses among the 13. This aligns with intuitive judgment as well as the collective wisdom of the EDP Companies: That while significant progress has been made over the past three decades, this work is far from complete — even among those organizations making the most significant advancements in diversity today.

Retaining and Advancing Diverse Talent rank as important opportunities, even for the EDP Companies, as they also have high unfavorable comments (20 percent and 19 percent, respectively).

	EDP Company Employee		American Worker		American Worker 5,000-Plus-Person Company	
	Strength (S) Mixed (M)	% Favorable	Strength (S) Mixed (M)	% Favorable	Strength (S) Mixed (M)	% Favorable
Diversity Focus Area	**Opportunity (O)**	**(% Unfavorable)**	**Opportunity (O)**	**(% Unfavorable)**	**Opportunity (O)**	**(% Unfavorable)**
1. Marketing to Diverse Customers and Consumers	S	76 (5)	M	50 (15)	M	55 (12)
2. Inclusive Culture and Values	S	75 (10)	M	56 (18)	M	61 (16)
3. Diversity Employee Communications	S	73 (12)	O	38 (28)	O	48 (22)
4. Recruiting Diverse Talent	S	71 (8)	O	49 (21)	M	59 (16)
5. Supplier Diversity	S	68 (5)	M	45 (17)	M	53 (14)
6. Community Involvement	S	68 (10)	O	41 (24)	O	45 (24)
7. Leadership Commitment and Involvement	S	67 (9)	O	41 (23)	O	46 (21)
8. Retaining Diverse Talent	S	66 (20)	M	55 (27)	M	59 (25)
9. Advancing Diverse Talent	S	65 (19)	O	45 (33)	O	50 (31)
10. Diversity Education and Training	M	63 (13)	O	44 (28)	O	49 (26)
11. Employee Involvement	M	60 (12)	O	28 (33)	O	38 (28)
12. Career Development for Diverse Talent	M	59 (22)	O	40 (31)	O	40 (31)
13. Performance Accountability and Measurement	M	48 (19)	O	27 (35)	O	30 (33)
Average Diversity Theme	S	65 (13)	O	43 (26)	O	49 (23)
Index vs. EDP Companies		100		66		75
Index vs. Overall American Worker		151		100		114

Perception Gap Among Employees

While perceptions among EDP Company Employees are significantly more favorable than those of the overall American Worker, there are large variations in perceptions by ethnicity and job level. Specifically, the perceptions of employees of color are less favorable than those of their white counterparts. In addition, there is a significant gap between the perceptions of executive and hourly employees. This reflects greater expectations among some demographic groups, as well as lower perceived effectiveness across theme areas.

	Average Diversity Theme (% Favorable/ % Unfavorable)	Index vs. American Work Force Overall	Index vs. EDP Companies Total	Average Theme Perceived Importance (% Favorable)	Average Theme Perceived Effectiveness (% Favorable)	Average Importance vs. Effectiveness Gap (% Points)	Index vs. American Worker Overall	Index vs. EDP Companies Total
American Worker Overall	43/26	(100)	(66)	55%	38%	17	(100)	(81)
EDP Companies Total	65/13	(151)	(100)	79%	58%	21	(124)	(100)
Men	68/12	(158)	(105)	78%	60%	18	(106)	(86)
Women	63/14	(147)	(97)	80%	56%	24	(141)	(114)
Whites	70/10	(163)	(108)	79%	66%	13	(76)	(62)
African Americans	58/19	(135)	(89)	82%	47%	35	(205)	(167)
Asians	63/13	(147)	(90)	81%	51%	30	(176)	(143)
Hispanics	64/14	(149)	(91)	80%	54%	26	(153)	(124)
Total People of Color	61/16	(142)	(94)	81%	50%	29	(171)	(138)
Executives	70/11	(163)	(108)	85%	59%	26	(153)	(124)
Managers	69/12	(160)	(106)	83%	61%	22	(129)	(105)
Salaried Employees	59/15	(137)	(91)	72%	55%	17	(100)	(81)
Hourly Employees	58/14	(135)	(89)	74%	55%	19	(112)	(90)
18 – 34	62/15	(144)	(95)	78%	55%	23	(135)	(110)
35 – 54	67/12	(156)	(103)	80%	58%	22	(129)	(105)
55-Plus	69/9	(160)	(106)	83%	67%	16	(94)	(76)

Company Comparisons

Comparisons among performances of individual EDP Companies also establish the fact that perceptions of employees differ from one company to the next, reflecting variations in diversity strategies and tactics employed by individual organizations. For example, organizations that have invested in broad-scale diversity education and training have stronger employee perceptions than those that have focused on training for only managers and above. We will identify effective diversity practices by studying the companies with the most favorable employee responses in individual theme areas.

Our intention is for the effective diversity practices we identify to be put to work in other organizations. However, it is important to emphasize that the reapplying organization must review each practice and translate it for cultural appropriateness.

Theme scores by EDP Company are shown below:

	Strength (S); Mixed (M); Opportunity (O) (% Favorable Responses)									
	Effective Diversity Practices Company Employee									American Worker
Effective Diversity Practices Theme	Total	1	2	3	4	5	6	7	8	
1. Inclusive Culture and Values	S (75)	S (74)	S (78)	S (76)	S (75)	S (78)	S (74)	S (71)	S (68)	M (56)
2. Diversity Employee Communications	S (73)	S (83)	S (69)	S (72)	S (78)	S (79)	S (72)	S (74)	M (57)	O (38)
3. Marketing to Diverse Customers and Consumers	S (76)	S (77)	S (82)	S (76)	S (76)	S (79)	S (74)	M (62)	S (65)	M (50)
4. Recruiting Diverse Talent	S (71)	S (85)	S (80)	S (75)	S (73)	S (68)	S (71)	M (63)	M (47)	O (49)
5. Supplier Diversity	S (68)	S (83)	S (77)	S (70)	S (77)	M (60)	S (65)	M (61)	M (43)	M (45)
6. Community Involvement	S (68)	S (73)	S (82)	S (65)	M (63)	S (69)	S (66)	S (68)	M (55)	O (41)
7. Leadership Commitment and Involvement	S (67)	S (75)	S (73)	S (70)	S (72)	S (67)	M (64)	M (57)	M (48)	O (41)
8. Retaining Diverse Talent	S (66)	M (67)	S (76)	S (68)	M (61)	S (71)	M (62)	M (59)	M (57)	M (55)
9. Advancing Diverse Talent	S (65)	M (63)	S (71)	S (78)	M (51)	S (73)	M (59)	O (49)	M (57)	O (45)
10. Diversity Education and Training	M (63)	S (73)	M (60)	M (63)	S (65)	M (61)	M (59)	O (44)	M (63)	O (44)
11. Employee Involvement	M (60)	S (72)	M (52)	M (63)	S (67)	M (64)	M (64)	M (55)	M (47)	O (28)
12. Career Development for Diverse Talent	M (59)	S (70)	S (66)	S (65)	M (51)	M (58)	M (58)	O (43)	O (50)	O (40)
13. Performance Accountability and Measurement	M (48)	M (60)	M (51)	O (43)	M (57)	M (45)	O (44)	O (44)	O (35)	O (27)
Average Diversity Theme	S (65)	S (73)	S (71)	S (68)	S (67)	S (67)	M (64)	M (58)	M (53)	O (43)
Index vs. EDP Companies	100	112	109	105	105	105	98	89	82	66
Index vs. Overall American Worker	151	170	165	158	156	156	149	135	123	100

Effective Diversity Practices Shared

The following snapshots represent actual experiences of the EDP Companies that participated in this study. We selected the practices based on favorable responses in the identified diversity theme area among employees working in the specific company. For a company's practice to be considered an Effective Diversity Practice, the company's employees must perceive the corresponding theme area as a strength, with 65 percent or more favorable responses and fewer than 20 percent unfavorable responses.

In some cases, individual practices have yet to impact the broad employee perception but are worthy of consideration and review. We refer to these practices as potential or emerging effective practices. In keeping with the study's intent, we have chosen to emphasize the actual practice as opposed to the practicing company.

Below are the 13 diversity themes as ranked in importance by the survey of American Workers. The following section showcases each theme as practiced by qualifying EDP Companies. For each theme, we identified a couple of practices that were supported by the feedback of the EDP company employees.

Effective Diversity Practices Theme	Importance Rank
Marketing to Diverse Customers and Consumers	1
Retaining Diverse Talent	2
Recruiting Diverse Talent	3
Leadership Commitment and Involvement	4
Inclusive Culture and Values	5
Diversity Education and Training	6
Community Involvement	7
Advancing Diverse Talent	8
Career Development for Diverse Talent	9
Diversity Employee Communications	10
Employee Involvement	11
Supplier Diversity	12
Performance Accountability and Measurement	13

1 Marketing to Diverse Customers and Consumers
Extremely or Very Important to 63 Percent of American Workers

More Than Just Talk (Company A)

In the highly competitive business-to-business market, this global distribution company takes an inclusive approach to marketing. Both in the case of marketing materials and the people who interface with customers, a focus on diversity and inclusion is ever present. For example:

- Television advertising features both employees and actors in multiple languages for airing in the United States and throughout the world.
- Instructional materials come in a variety of languages including Mandarin Chinese, Korean, Spanish, and Russian, based on the apparent customer needs in cities like San Francisco, New York, Los Angeles, and Miami.
- A dedicated annual budget supports marketing activity to ensure its effectiveness.
- Hiring and promotion of account executives depends on their demonstration of a variety of skills, including their ability to communicate in the preferred language of the customer.

All of this stems from this EDP Company's recognition that success depends on the company's ability to effectively meet the needs of customers, who represent every walk of life and hail from every part of the United States, as well as from more than 200 countries around the world.

EDP Theme Area:	Marketing to Diverse Customers and Consumers
Effort:	Targeted marketing efforts
Results:	• Increased customer satisfaction • Increased customer diversity
How to Make It Work:	• Understand shifts in overall and specific market demographics for emerging groups • Test the effectiveness of existing marketing materials among emerging groups • Develop marketing materials targeted to the emerging groups • Recruit associates to mirror the demographics of consumers

A Tailored Approach (Company B)

A national financial services company recognizes the importance of taking a comprehensive and tailored approach to ensure that it meets the needs of its diverse customers and consumers, including:

- Tailored store design.
- Direct-to-customer marketing.
- Tailored educational and resource information.
- Supplemental customer research.
- Dedicated human and financial resources.

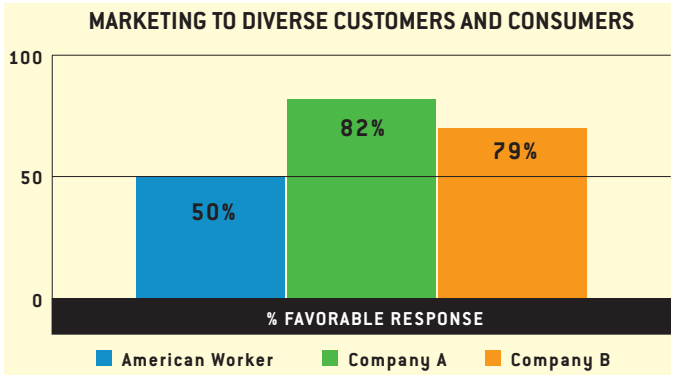
With a strong national presence, the company realizes that each retail location provides an optimal environment for articulating the company's commitment to diverse customers. The company tailors store designs to be more welcoming, depending on the location, to African-American, Latino, or Asian communities. In addition, this company produces tailored advertising to reach specific targeted audiences.

Conducting research to understand unique attitudes and habits of diverse customers has resulted in the creation of several partnerships with third-party media and community-based organizations (local nonprofits and churches) to enhance the understanding and the benefits of the company's products and services, as well as other general information that potential customers would deem valuable. Research has also led to changes in policy — such as accepting Consulate Identification Cards as a primary form of identification — to be more inclusive of customers from Mexico, Guatemala, and Argentina. In addition, the company bundles products based on the increased understanding of diverse customer desires.

A newly developed department called Diverse Growth Segments manages many of these efforts. The company assigns the department to conduct specialized multicultural marketing research and implement strategies that result in improved marketing and services to its diverse customers and communities. The company also allocates 20 percent of its annual marketing budget to its diverse growth segments, and as a result, enjoys a customer base that similarly comprises African-Americans, Latinos, and Asians.

EDP Theme Area:	Marketing to Diverse Customers and Consumers
Effort:	Retail store design and targeted marketing
Results:	• Increased customer satisfaction • Increased customer diversity
How to Make It Work:	• Understand differences in customer needs by market or segment • Estimate the resulting business opportunity • Tailor product bundles and/or retail location to reflect customer needs • Develop tailored educational and resource information • Establish dedicated human and financial resources to develop the target market opportunity

The Voice of the Employee:



Employees Say:

"We want everyone to be a customer, regardless of their background. We will do whatever it takes to make it easy to do business with us."

"My company understands that customers have different needs. We work to understand and meet the needs of our customers every day."

"Now that we have a department dedicated to diversity marketing, our commitment is a lot clearer. This is a business opportunity just like when we decide to enter a new market or line of service."

2 Retaining Diverse Talent
Extremely or Very Important to 59 Percent of American Workers

Take a Team Approach (Company A)

According to this international automotive company, retaining all talent is a function of understanding the drivers of attrition and empowering employees to do something about them. That's the specific role of the diversity teams in each of the company's local divisions. The diversity team, made up of a diverse group of employees, has the charge of keeping its fingers on the pulse of the organization to understand the issues and challenges facing employees overall, but especially at the local level. Once the team identifies the issues, it discusses them, identifies potential solutions, and makes specific recommendations to the company to resolve this issue.

Local diversity teams are responsible for a variety of positive changes including:

- Developing formal and informal mentoring programs.
- Establishing and increasing the use of flexible or alternative working arrangements.
- Establishing a benefit of "choice days," which eliminates the need to take vacation or sick time when children are sick or when there are challenges with child care.

A corporate diversity team also exists and focuses on opportunities that impact the entire company.

Recruiters, human resources generalists, and leadership work closely with the diversity teams to create solutions that lead to increased retention of employees. The company then evaluates market leaders on their relative performance in retaining people within their divisions.

EDP Theme Area:	Retaining Diverse Talent
Effort:	National and local diversity teams
Results:	• Increased employee satisfaction • Reduced attrition
How to Make It Work:	• Establish national and local diversity teams • Conduct corporate and local research to identify the causes of attrition • Empower employee teams to develop potential solutions • Engage leadership and human resources to implement solutions • Apply successful solutions to broader organization • Evaluate leaders on their performance to retain people within their business units

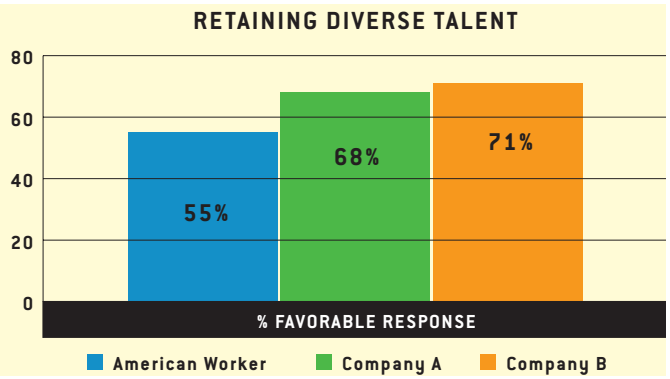
Relationships, Relationships, Relationships (Company B)

At this national financial services company, several factors work together to drive the retention of employees. Many of them focus on establishing strong relationships between managers and their direct reports, based on an assumption that relationships with managers are a key driver of retention. Key components include:

- **Setting the Expectation.** Managers' development plans, performance ratings, and bonuses include an emphasis on retention of employees.
- **Manager Feedback.** Managers get feedback on their effectiveness in establishing and maintaining effective relationships with the employees that they manage.
- **Formal Recognition.** Programs formally recognize people for management excellence as well as championing diversity.
- **Formal and Informal Mentoring.** The company works to encourage meaningful one-on-one mentor-protégé relationships beyond the direct reporting line.
- **Employee Resource Groups.** The company establishes internal communities designed to foster professional development and networking across the organization.

EDP Theme Area:	Retaining Diverse Talent
Effort:	Establishing effective relationships with managers and across the organization
Results:	• Increased employee satisfaction • Reduced attrition
How to Make It Work:	• Establish national and local diversity teams • Conduct corporate and local research to identify the causes of attrition • Empower employee teams to develop potential solutions • Engage leadership and human resources to implement solutions • Apply successful solutions to broader organization • Evaluate leaders on their performance to retain people within their business units

The Voice of the Employee:



Employees Say:

"We started to see a real difference when we involved employees in the process."

"I know that my boss is evaluated in some part on his ability to retain people. That makes it easier to talk about how we can make things better. I know that he's listening."

"I've worked for several companies. The difference here is that managers actually care about the people. The company provides resources to build stronger relationships."

"If it weren't for the resource group, I would have left a long time ago. The group helps make a large company seem a lot smaller."

Cast a Wide Net (Company A)

Successful recruiting is of the utmost importance, particularly for organizations that source candidates for promotion primarily from within the company's existing talent pool. When a company hires more than 100,000 people every year, it is important to cast a wide net. Consistent and ongoing outreach is a critical principle for success. As this global distribution company seeks to fill thousands of open positions each year, its outreach efforts are remarkably broad and inclusive. Outreach includes ongoing participation in a wide range of national and local conferences and job fairs such as:

- The National Urban League.
- The National Association for the Advancement of Colored People (NAACP).
- National Council of La Raza.
- The Organization for Chinese-Americans.
- The National Society of Black Engineers.
- The Society for Hispanic Engineers.
- The Society of Women Engineers.
- The United Negro College Fund.

The company also participates in internship and career development programs such as:

- The United Negro College Fund (UNCF).
- INROADS.
- The National Urban League's Black Executive Exchange Program (BEEP).

In addition, the company maintains relationships with more than 20 historically black colleges and universities as another source of talent.

Effective and inclusive outreach enables this organization to successfully recruit a very diverse set of new hires — which are inclusive of women and people of color. Even in the rare cases when executive positions are filled externally, the company sources a diverse group of candidates, likely because it charges a diverse team with the responsibility of recruiting and is successful in delivering the results.

EDP Theme Area:	Recruiting Diverse Talent
Effort:	Broad scale and inclusive outreach
Results:	• Successful placement of tens of thousands of new employees each year • New employee demographics that are inclusive of people of all backgrounds
How to Make It Work:	• Cast a wide net by establishing relationships with a variety of organizations (national and local) • Participate in activities that allow for the early identification and screening of potential candidates • Use a recruiting team that reflects the current and desired diversity of the organization

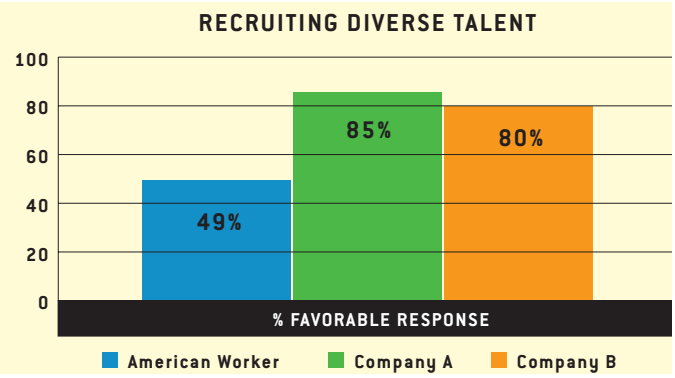
Relationships Rule (Company B)

Even when a company seeks to hire a smaller number of people each year, similar principles and approaches are used. At this global consumer products company, annual recruiting needs are fewer than 500 people. However, establishing and maintaining relationships with effective recruiting sources has proved to be effective. Key strategies include:

- Establish goals that reflect the organizational need and work force availability, overall and by demographic group.
- Develop long-term partnerships with proven sources of talent — including universities and the military.
- Enroll partners as advocates for the company in generating interest among a diverse pool of candidates.
- Create multiple exposures to potential candidates — internships, co-ops, classroom presentations, and company receptions to begin the relationship process early.
- Connect potential candidates with a variety of company resources across levels.
- Involve successful employees from the targeted schools or community groups.
- Pay personal attention to targeted candidates, constantly reminding them of the company's interest and the long-term opportunities available to them.
- Promote ongoing participation in student and professional networks — such as National Black MBA Association (NBMBAA), National Society of Hispanic MBAs (NSHMBA), National Society of Black Engineers (NSBE), National Organization of Black Chemists and Engineers (NOBChE). Beyond attending events, get immersed in them.
- Stay in touch with candidates throughout the process, from initial contact through new-employee orientation.
- Maintain recruiting relationships in places where you have been successful.

EDP Theme Area:	Recruiting Diverse Talent
Effort:	Establish and maintain long-term partnerships
Results:	• Track record of success with diverse candidates • Highly productive relationships with recruiting sources • Ongoing pipeline of diverse talent that meets talent requirements
How to Make It Work:	• Increased attention to and more aggressive diversity recruiting goals based on company need and work force availability • Establish partnerships with recruiting sources that have a strong likelihood of successfully delivering desired results • Use partners as company recruiters • Create a diverse pool of qualified candidates for final consideration • Highlight previous success stories in recruiting process • Get in touch and stay in contact with the candidates that have the greatest potential until they are on-board as new employees • Continue to recruit in places that yield the greatest results • Maintain presence and relationship (active and financial) regardless of fluctuations in annual recruiting needs

The Voice of the Employee:



Employees Say:

"We have the recruiting thing down to a science, and we recruit 365 days a year."

"The company goes out of its way to attract women to jobs that they typically don't apply for."

"We are constantly reaching out to people of all communities helping them understand the benefits of a career with us."

"The company is aggressive in closing the deal. It seemed like someone called me every week until I said yes. The gift basket they sent to my family let me know that I had made the right decision."

"We have identified a series of recruiting sources where we have been successful and built long-term relationships with them. They know that diversity is a core strategy for us, and it shows up on our interview schedule."

"It was helpful to know that people who look like me have been successful here."

"Knowing the company is active in organizations that are important to me, like the National Society for Black Engineers, helped make an immediate connection."

4 Leadership Commitment and Involvement
Extremely or Very Important to 57 Percent of American Workers

Diversity Champion Inside and Out

Leadership Commitment and Involvement was a perceived strength area for many of the participating companies. In every case, the chief executive has the image, both internally and externally, as a diversity champion. But it requires more than the CEO. A number of leaders throughout the organization share responsibility for promoting diversity. Diversity champions take a variety of forms, but they have a number of characteristics in common.

- They make diversity a core company value.
- Leaders actively develop diversity strategies and action plans for the corporation and individual business units.
- Leaders actively sponsor diversity councils and employee affinity groups.
- Leaders hold themselves and others accountable for achieving diversity results.
- Leaders set aggressive goals and make them a component of incentive compensation.

People both inside and outside the company recognize effective diversity leaders, as demonstrated in the following examples shared by EDP Employees.

Employees Say:

"I know that my CEO is committed to diversity because he talks about it in every possible situation. In one interview, he included diversity as part of his response to every question. It couldn't have been planned."

"It is clear that leaders in my company are committed to diversity because they get involved. They make it a point to reach out and mentor people who are different. And it's natural, not forced."

"Our CEO doesn't send representatives to corporate events. He makes it a point to go himself. He makes his commitment to diversity visible both inside and outside of the company."

"Glide Paths" to Success — Big Carrot, No Stick (Company A)

When leaders at this global consumer-products company talk about their business plans, they typically refer to the OGSM — Objectives, Goals, Strategies, and Measures. Introduced in the early 1990s, the OGSM guides the development and implementation of the company and business-unit strategic plans. In the words of one employee, "If it's in the OGSM, it gets done." As part of the OGSM process, leaders often talk about the "glide path" to success. This refers to the year-over-year progress that will ultimately lead to the desired result of marketplace leadership and increased shareholder return.

After decades of a program's approach to diversity, the company finally succeeded in making diversity a core component of every business unit and functional OGSM. As a result, "glide paths" for achieving diversity goals and objectives are a fundamental part of how the company conducts business.

To that end, the top 35 officers have developed, along with the Global Diversity Office and Human Resources, forward-looking "glide paths" that will achieve full representation at all levels within the organization. As part of the "glide paths," leaders are required to:

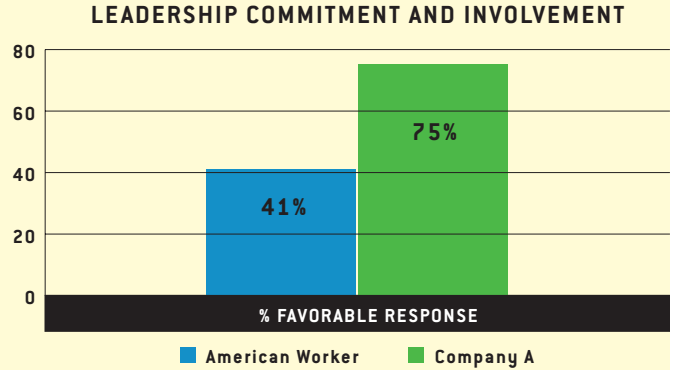
- Set long-term (five-year) goals to attract, develop, advance, and retain talent so that the division is representative of the available work force at all levels.
- Identify the annual milestones that keep the organization on track for achieving its long-term goals.
- Develop the detailed business plan that demonstrates likelihood of success.
- Develop the detailed people-development plan to achieve the long-term goals.

Success in achieving progress against the established plan is a source of pride as well as financial rewards. Exemplary performance can result in a 10 percent increase in stock options for the individual leaders and their business units. Business unit leaders compete aggressively to establish their units as the destination place for an inclusive and diverse culture.

More than any individual program, the company believes that the commitment to diversity generated by engaging leaders using their own language and methodology is stronger today than ever before.

EDP Theme Area:	Leadership Commitment and Involvement
Effort:	Establishing "Glide Paths" for success
Results:	• Increased leadership commitment and involvement • Accelerated progress in diversity representation at all levels, especially higher levels
How to Make It Work:	• Identify the business methods that leaders currently use to generate business results • Translate the business methods to the desired results in diversity • Set long-term goals • Establish annual milestones to measure progress • Empower leaders to develop their own business and operational plans • Hold leaders accountable for progress • Reward the leaders that make the most progress

The Voice of the Employee:



Employees Say:

"Leaders take great pride in their diversity results. This is driven, not so much for the financial reward, but because they want to help address a key company opportunity."

"We approach diversity like any other business strategy. We set goals and develop plans to achieve them."

"I have noticed a dramatic shift in attitudes and approaches."

More Than Just a Book (Company A)

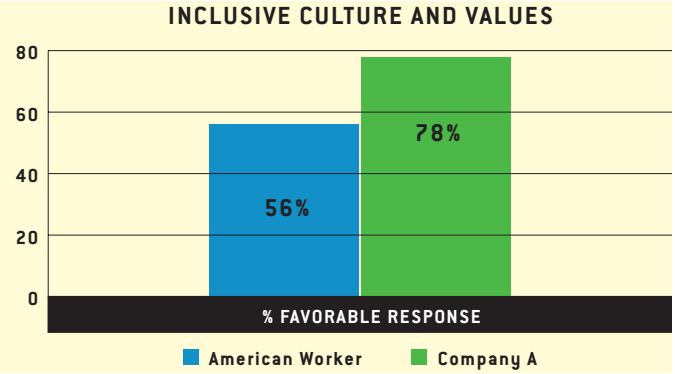
In a national financial services company, establishing clarity and understanding of the company vision and values was so important, it published and distributed to every employee a vision and values book. With the book, necessitated by the company's rapid growth, leadership defined the core values that have made the company successful to date and will make the company successful in the future. Among them:

- Ethics.
- Customer satisfaction.
- Leadership and personal accountability.
- Diversity.
- Voice of the team.

However, documenting the core values was not enough. The company works hard at reinforcing them in both formal and informal communication so that they are alive in the daily behaviors of employees. It is the company's intention that even if all of the policy manuals were thrown out, these core values will continue to guide the behaviors and decision-making of employees at every level.

EDP Theme Area:	Inclusive Culture and Values
Effort:	Development and distribution of vision and values book
Results:	• Employee understanding of company values • Values establish the importance of an inclusive environment
How to Make It Work:	• Define the elements that establish the current and/or desired company culture • Describe the importance of the values in meeting the company's business objectives, today and in the future • Promote the company's core values in a variety of mediums (vision and values book, Web site, executive speeches, signs on the walls) • Reinforce the core values in day-to-day interaction • Link the core values to criteria for selection and performance management

The Voice of the Employee:



Employees Say:

"It's one thing to put the company's values in a book. But I sense that the values are part of how we operate every day."

"You know the values are real when people who don't live by them don't stay around."

"We talk about our values and how they will help us win against competition all of the time."

Reach Every Employee (Company A)

One of the keys to favorable employee perceptions regarding diversity education and training is to deliver the training broadly throughout the organization. A global packaged goods company sought not only to reach a wide spectrum of its employee population but also to deliver 1.5 days of inclusion training to more than 10,000 exempt employees in less than two years, beginning with the company's leadership. A cross-functional divisional team developed this training with the intention of:

- Building greater awareness of the business case for diversity and inclusion.
- Making diversity and inclusion a central part of the company's culture and core values.
- Identifying and practicing tools for diversity and inclusion that the company could apply in the workplace.

Beyond the training of exempt employees, the company designed a three-hour alternative training format called a "learning map," to extend the education process to all frontline employees. Employee surveys indicate that the broad-scale implementation has resulted in positive impacts to participants and to the organization overall. Success measures include:

- Increased awareness of the company's diversity and inclusion efforts.
- Enhanced perceptions of managers' ability to work with people from different backgrounds.
- More inclusive perceptions of the company's culture.

Offer Targeted Efforts (Company A)

Beyond the broadly applicable training and education, this global packaged-goods company also offers leadership forums geared toward African-American, Latino, and Asian employees. This weeklong and powerful learning experience, delivered in partnership with a major university, has high involvement of senior management and assists leaders of all backgrounds in identifying and creating strategies to address the personal and organizational barriers to success — both real and imagined. Many participants of the leadership forums say their participation has had a profound and lasting impact on their careers.

EDP Theme Area:	Diversity Education and Training
Effort:	Broad deployment of diversity-awareness training
Results:	• Increased awareness of diversity and inclusion efforts • Enhanced perceptions of manager capability • Culture perceived to be more inclusive
How to Make It Work:	• Develop training content that reflects organization philosophy on diversity and inclusion • Commit to broad-scale deployment of training in specific time frame in order to establish critical mass • Create alternative methods for deployment to all levels of the organization • Measure employee perceptions before and after training to quantify the impact of the initiative

More Than Just a Course (Company B)

A global consumer-products company has developed the expectation that diversity training and education will be an ongoing part of skill development. It begins with an awareness course that establishes a common foundation and understanding of core concepts. Once the foundation is set, diversity skill development becomes an ongoing theme of management and leadership development. The company's diversity and inclusion curriculum includes the following classroom or Web-based learning opportunities:

- Diversity I — An introduction.
- New-Hire On-Boarding.
- Diversity in the Workplace.
- Managing Inclusion.
- Leadership and the Business of Thinking.
- Global Cultural Differences.
- People Supporting People.

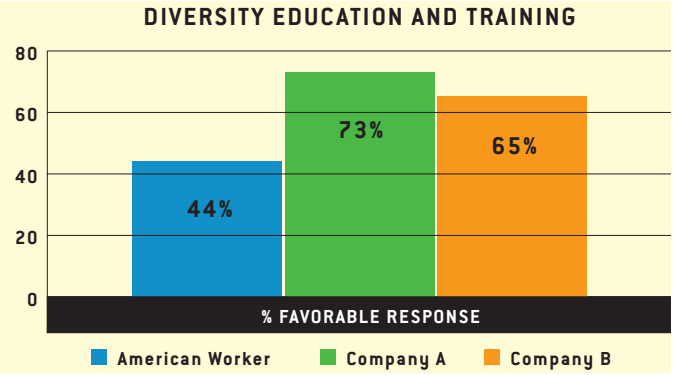
In addition to the diversity-specific curriculum, both formal and informal methods reinforce the diversity concepts. The intention is to consistently increase the expectations of employees over time across the following stages:

- Awareness.
- Understanding and Skill Development.
- Skill Integration.
- Accountability.

In this final accountability stage, diversity becomes a leading factor in the ratings and rankings of leaders. People are rewarded for successful application of effective practices.

EDP Theme Area:	Diversity Education and Training
Effort:	Diversity and inclusion curriculum
Results:	• Increased awareness and skills among employees • Integration of diversity and inclusion skills in ongoing management and leadership capabilities • Increased accountability of leaders in implementing skills into day-to-day activities
How to Make It Work:	• Create an expectation that diversity skills are a fundamental expectation of all employees • Develop ongoing opportunities for development of diversity awareness and skills • Hold employees, especially leaders, responsible for applying skills in the workplace

The Voice of the Employee:



Employees Say:

"I know we are serious about inclusion because our training was rolled out to everyone across the corporation."

"I wondered if the company was serious about my success until I attended the Leadership Forum. The company's commitment to me was clear."

"Every training course that I have attended has touched on the subject of diversity in some way."

"The company provides so many opportunities to develop new skills, diversity skills included. It goes well beyond just awareness of the issues."

"We've finally gotten to the point where after lots of training, if people don't demonstrate diversity skills, we stop promoting them."

7 Community Involvement
Extremely or Very Important to 55 Percent of American Workers

A Legacy in the Community (Company A)

This global distribution company established a foundation in 1951 to champion innovative solutions to social problems. One result was the birth of a multidecade commitment to being directly involved with diverse communities. A hallmark program of the foundation, the Community Internship Program, began in 1968 with two primary purposes:

- To enhance the skills of senior managers and make them more well-rounded individuals.
- To bridge the gap between the company and the diverse communities that it serves.

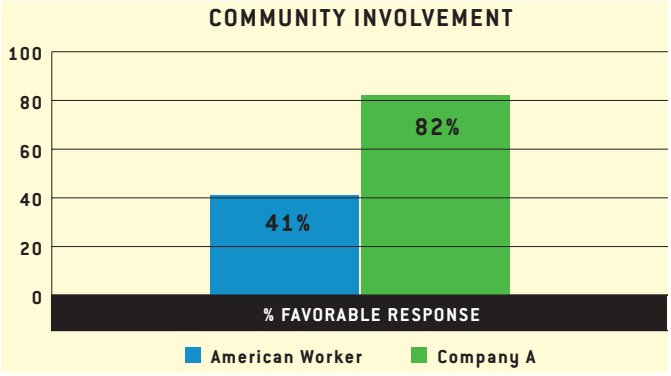
After 35 years, the internship program continues to operate in three locations across the United States in a manner that encourages ongoing involvement in the community. It provides awareness, understanding, and sensitivity for the 1,200 employees the foundation selects in a competition to participate. The internship program was the first of the company's many diversity initiatives, demonstrating the company's overall commitment to diversity and inclusion.

The foundation continues to build on this legacy by:

- Contributing more than $38 million annually to deserving charitable organizations.
- Allocating $9 million to organizations that primarily benefit women and people of color.
- Involving employee teams to allocate the foundation's resources.
- Allocating most resources to organizations where employees are actively involved.

EDP Theme Area:	Community Involvement
Effort:	Community internship program
Results:	• Enhanced skills among participating senior managers • Increased connection between company and surrounding diverse communities • Alignment around a core company value of actively supporting the surrounding communities
How to Make It Work:	• Clarify the company's mission as a supporter of the surrounding community • Develop breakthrough and sustainable programs that define the company's commitment • Immerse company leaders in programs and activities that create a greater connection to the community and enhance their diversity skills • Reinforce the company's commitment with other programs and methods of support • Sustain efforts over time to establish the practice as part of the company's culture

The Voice of the Employee:



Employees Say:

"Active support of the community is not done for recognition; it is simply a part of who we are as a company."

"Supporting the community is what our company is all about. My manager talks about it like it's a requirement of the job."

"The support we provide to the community makes me proud to be part of the company family."

8 Advancing Diverse Talent
Extremely or Very Important 55 Percent of American Workers

Look Inside for Undiscovered Talent (Company A)

The annual talent review enables this national financial-services company to identify diverse talent early in the company's pipeline. Once identified, the company creates specific action plans to ensure that each identified person can grow to reach his or her maximum potential. Action plans include a variety of development activities that will take place in the current assignment and prepare the individual for his or her next position. Supervisors formally check action plans semiannually to ensure adherence.

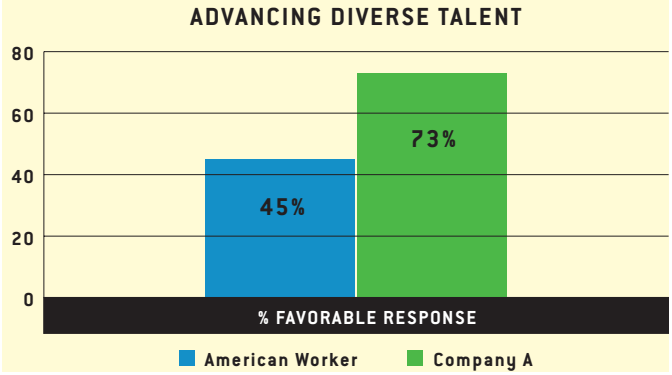
The annual talent review is an extension of the company's formal succession planning work, designed to review talent that is deeper in the organization. Information from the annual talent review process is used to:

- Develop diverse candidate slates for key openings across the company.
- Identify participants for corporate training programs that are designed to prepare employees for greater responsibility. This ensures that developmental programs consistently include the wide spectrum of talent available within the company.
- Assign participants with potential mentors throughout the organization to ensure that each has a formal connection with an executive.

Through these efforts, supporting the business contributions of individual associates, the company has made significant progress in the advancement of people of all backgrounds.

EDP Theme Area:	Advancing Diverse Talent
Effort:	Annual talent review
Results:	• Identification of high-potential talent early in their careers • Development opportunities that enable high-potential individuals • Increased representation at higher levels of responsibility
How to Make It Work:	• Conduct annual review to identify people with high growth potential at all levels and stages in talent pipeline • Develop individual action plans designed to maximize the development of each identified high-potential person • Offer identified people career-development opportunities that will prepare them for increased opportunities • Link identified people with mentors and sponsors at higher or executive levels

The Voice of the Employee:



Employees Say:

"My manager told me that I have a lot of potential and that she is committed to my career and to my getting promoted. I can't tell you how much of a difference that made."

"It is critical that we identify people early in their careers who have great potential so that we can put them in the pipeline for future opportunities."

9 Career Development for Diverse Talent
Extremely or Very Important to 54 Percent of Employees

Working the Systems (Company A)

Rapid expansion — 45 percent growth in revenues and 34 percent in employees over the past four years — makes a strong business case for a career-development program, especially when the company has a policy of promoting from within. This automotive company reinforces its commitment to career development through the day-to-day behavior of its managers, who evaluate performance objectively and based on merit. Employees of this company have very positive perceptions regarding career development. Specifically:

- 72 percent believe that their managers are good at managing people of all backgrounds.
- 74 percent believe that the company is committed to developing people who are diverse.
- 79 percent believe they know about openings for which they are qualified.
- 68 percent have a career plan.

Each of these widely held perceptions is a direct result of the transparent career-development and performance-evaluation processes throughout the organization. These processes include:

- Development of specific and measurable performance expectations for each employee. These expectations emphasize impact on sales and customer service.
- Individual performance score cards that report sales and customer-service results as frequently as daily.
- Performance score cards that evolve with increased responsibility to include employee retention for managers.
- Formal posting of all job openings, distributed to all employees.
- Formal annual performance reviews for all employees, and more frequent reviews for new employees.
- Linking career goals and expectations in the annual review to objective daily, monthly, and annual measures of performance.

The rigor and discipline established through the performance evaluation processes — and high compliance rates — lead to favorable perceptions across the employee population.

EDP Theme Area:	Career Development
Effort:	Performance management process including career planning
Results:	• More employees receiving annual performance and career plans • Enhanced employee perceptions
How to Make It Work:	• Develop objective performance measures for every employee • Track progress against performance measures • Formally post job openings • Conduct formal annual or semiannual performance reviews • Define career goals and expectations for each employee and position

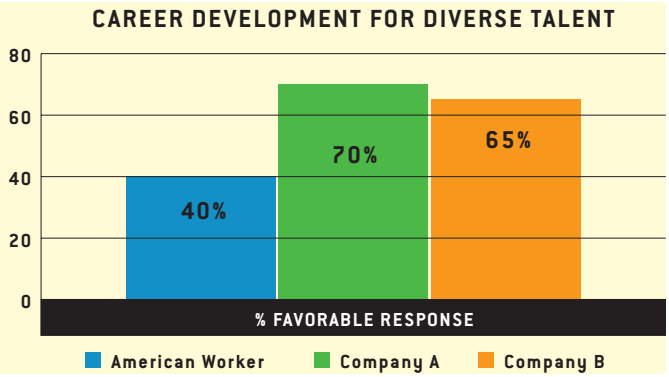
Focusing Where It Counts (Company B)

This global consumer-products company focuses its career-development efforts on employees in the five- to 10-year service level, after determining that this a critical time for career development and preparation of future leaders. This company pays special attention to the assignment planning for all employees with high potential, particularly women and minorities. During this time, the company places special emphasis on:

- Partnering with individual managers to identify their destination jobs.
- Assigning executive-level sponsors who personally commit themselves to the long-term success of individual employees.
- Placing high-potential candidates in high-profile assignments that are deemed critical both to the company and to the individual's growth and development in preparation for his/her long-term or destination assignment.
- Giving great consideration to succession planning for cross-functional and international broadening assignments that expand an individual's experience and growth.

EDP Theme Area:	Career Development
Effort:	Career development and assignment plans for high-potential candidates
Results:	• Increased advancement of talented employees • Career development and assignment plans that lead to broader experience and responsibility
How to Make It Work:	• Identify critical assignments for success • Develop individual career plans that include assignments that lead to accelerated growth and development • Assign executive-level sponsors who are fully committed to the long-term success of the individual candidates

The Voice of the Employee:



Employees Say:

"The company sponsors interviewing workshops to make sure that I will represent myself well when applying for a promotion."

"The career path is very clear. I believe that if I deliver results, my career will advance."

"Whenever a job opening is available, everyone knows. If I think I am qualified, then I can apply for it."

"We have certain jobs that we know are critical for testing an individual's skills for preparing them for future responsibilities. We make sure that diverse talent has access to these jobs."

"I like the fact that I have an executive sponsor that I connect with regularly. I feel like she is looking out for my best interests in career discussions when I am not present.

"I appreciate having a corporate mentor that tells it like it is, even when the message is about where I need to do better. Having someone to help navigate the system has made a difference in my desire to stay."

10 Diversity Employee Communications
Extremely or Very Important to 52 Percent of American Workers

Can You Hear Me Now? (Company A)

Communicating to a large, complex, and geographically dispersed organization can be a challenge. But when you apply proven marketing and communications techniques to diversity and inclusion efforts, the messages come through loud and clear.

A catchy "Got Diversity" campaign has enabled this national financial-services company to get the attention of virtually every employee with its branded diversity message. Created in 2002, the campaign includes a six-step program that has resulted in broad-scale understanding and adoption of the company's diversity business case and strategy. The six steps provide a clear picture of what the organization is striving toward and what success looks and feels like. The six steps are:

1. Our CEO and executive management team take responsibility for diversity and hold themselves and others accountable.
2. People from diverse backgrounds are in all levels of management.
3. We establish long-term relationships with diverse communities.
4. We contribute to the communities in which we work, live, and do business.
5. Diversity is present in all of our company communications (even if the word diversity is absent).
6. We are known as a diverse company.

Got it? Apparently the employees do, as they perceive strength in their company's diversity communications. Diversity is present in every medium by which the company communicates, including:

- Corporate newsletter.
- Annual report.
- Shareholder communications.
- Board communications.
- Letters to employees.
- Company policy manuals.
- Broadcast messages.
- Company Web site.

EDP Theme Area:	Diversity Employee Communications
Effort:	Establish diversity brand and marketing campaign
Results:	• Increased awareness and understanding of the diversity business case and strategy among employees
How to Make It Work:	• Develop or confirm a diversity strategic plan • Translate diversity strategy into key global communications messages • Develop the diversity communications brand or campaign that will make messages both meaningful and memorable • Deliver the campaign and key messages across a variety of media

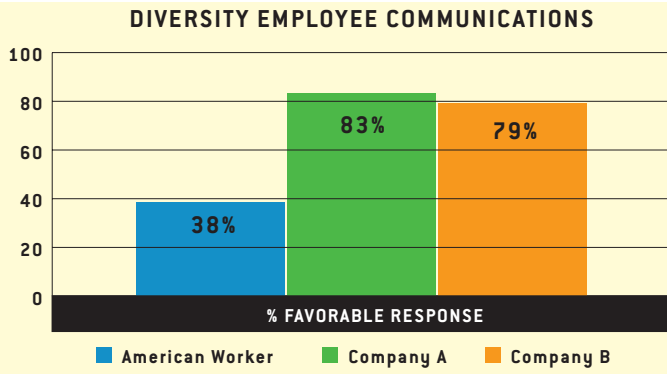
Lead With Company Equities (Company B)

A global consumer-products company makes diversity an important element in all of its corporate communications efforts. In fact, this communications expert has invested in research to determine the themes that are most relevant for employee communications overall and has effectively linked diversity to them. This sets the stage for an annual diversity communications program that emphasizes the business case and keeps employees engaged in the company's diversity initiative. Among the ongoing publications are:

- An annual letter on diversity from the CEO, discussing the business case and role of diversity in the company's long-term success.
- A diversity section of the company's intranet, including information for building diversity leadership skills among the company's employees who are charged with diversity responsibility.
- Periodic updates of diversity accomplishments, including celebration of external recognition.
- A recently developed tool that provides a framework of corporate guidelines and summary of key concepts that are critical for building and maintaining a diverse work force.

EDP Theme Area:	Diversity Employee Communications
Effort:	Diversity positioning and ongoing communications
Results:	• Increased alignment across company stakeholders • Increased ownership and buy-in among employees
How to Make It Work:	• Establish framework and key diversity messages • Identify existing communications vehicles or develop new ones for delivering key messages • Implement ongoing and multilevel communications plan

The Voice of the Employee:



Employees Say:

"We now talk about diversity in a consistent manner, across all of our businesses. It's on the front page, so it's top of mind."

"The company has created a language and context for diversity. It has helped include more people in the conversation."

"Diversity is integrated into all of our company communications. It's part of our DNA."

"We've spelled out our vision for diversity and what is expected of every leader. No one can plead ignorance anymore."

Connect People With Common Interests (Company A)

Companies typically use the strategies of affinity groups and diversity councils to encourage ongoing involvement of employees in diversity and inclusion efforts. In fact, each of the eight companies surveyed has diversity councils or employee affinity or network groups. However, the most favorable responses came from an organization that sets the bar high in this area.

At last count, this global consumer-products company identified a total of 73 employee network groups in various parts of the organization. The network groups' missions are similar. They focus on enriching the employment experience of the network members as well as making meaningful contributions that benefit the company overall. Activities include:

- Serving as a voice to upper management on key issues and concerns.
- Training and education.
- Mentoring.
- Networking.
- Supporting the company's recruiting efforts.
- Sponsoring culturally relevant programs.
- Providing feedback to the company's policies and procedures.
- Serving as consumer panels for new-product development and marketing efforts.

The company sponsors all of the networks in part and assigns many an executive sponsor. The return on investment comes in the form of enhanced satisfaction of the participating members, marketplace wins with contributions from feedback or insights from network groups, and measurable improvements in employee retention.

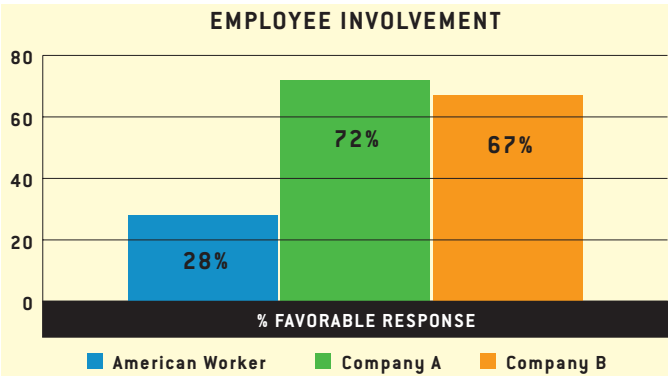
EDP Theme Area:	Employee Involvement
Effort:	Diversity councils/affinity groups
Results:	• Enhanced retention • Enhanced employee satisfaction • Identification of new-product and service ideas for marketplace qualification
How to Make It Work:	• Identify the segments of the employee population that would benefit from an affinity group or council • Establish guidelines for chartering affinity groups or councils • Determine the resources that the company will allocate to support the affinity group • Assign a company sponsor • Interact frequently to ensure that activities are consistent with the company and members expectations

Realizing Efficiencies (Company B)

A global foods company is exploring enhancements in its networks by generating efficiencies in how the groups operate and use company resources collectively. The concept of shared vs. sacred space has enabled this company's network groups to achieve efficiencies by working closer together in addressing the challenges and opportunities they have in common. This also results in a greater opportunity to invest more time and energy into the "sacred" areas, which are unique to specific segments of the employee population. The concept of shared vs. sacred space increases efficiency and effectiveness for the company as well as for individual network groups.

EDP Theme Area:	Employee Involvement
Effort:	Establishing synergies across employee affinity groups or councils
Results:	• Increased efficiency in utilization of corporate resources (time and money) • Increased effectiveness of affinity group efforts
How to Make It Work:	• Establish strategic priorities for individual affinity groups • Compare and contrast priorities across affinity groups to identify potential areas of synergy • Define principles for deployment of initiatives that impact multiple affinity groups

The Voice of the Employee:



Employees Say:

"The affinity groups offer needed support, especially early in your career."

"I couldn't imagine what this company would be like without affinity groups, which provide an opportunity for everyone to get involved and make a difference."

"Affinity groups play a key role in shaping leadership's thinking around diversity."

Creating Wealth in Our Communities (Company A)

Twenty years of effort, aggressive plans, dedicated resources, and a supportive infrastructure have generated superior results in supplier diversity for this global packaged-goods company. The winning formula includes the following factors identified by company resources:

- Obtain senior leadership's commitment, sponsorship, and advocacy.
- Establish the business case — enhancing the company image by creating wealth in diverse communities.
- Set aggressive goals, both long term (10 percent of total spending) and short term (year-over-year increase).
- Establish company-specific advisory boards, made up of external resources, for strategic input and networking.
- Make supplier diversity a critical procurement strategy and priority.
- Dedicate high-level resources to the effort.
- Create synergies across divisions.
- Offer incentives throughout the company, especially for leaders who influence spending.
- Include supplier diversity in every bid (either as first or second tier).
- Develop or sponsor new diverse suppliers in categories where they don't exist.
- Partner with certification organizations (Women's Business Enterprise National Council — WBENC, National Minority Supplier and Development Council — NMSDC) and encourage company representatives to seek leadership positions at the national and local levels of those organizations.
- Seek to be world-class; establish a reputation as the preferred corporate partner.

EDP Theme Area:	Supplier Diversity
Effort:	Comprehensive and integrated plan
Results:	• Annual increases in spending with minority and female businesses (despite decreases in spending overall) • Ongoing progress against long-term goal
How to Make It Work:	• Enroll senior leadership • Establish aggressive long-term and short-term goals • Establish supplier diversity as a strategic priority • Create infrastructure • Create internal incentives • Partner with external resources, including establishing company-specific advisory boards • Focus on continual improvement

Later Start; Strong Finish (Company B)

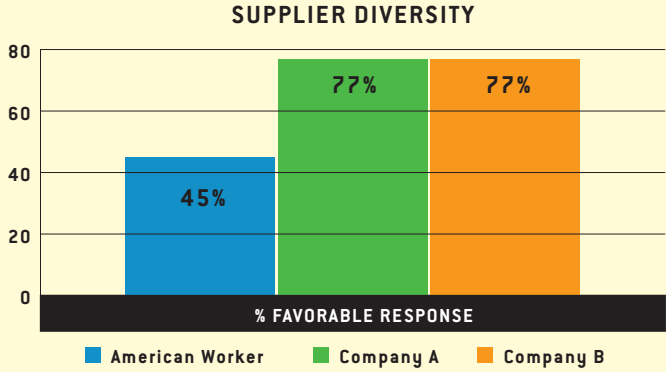
Entering the game later, a global distribution company has created a supplier diversity game plan that is getting lots of attention just a few years after its inception. Keys to success include:

- Set a corporate goal.
- Require a formal supplier diversity plan for all significant corporate purchases.
- Emphasize accountability, measuring supplier diversity spending at the individual buyer level.
- Encourage broad employee participation. The company requires that more than 200 managers across the country support the successful execution of its supplier development process, serving as coordinators and advocates for potential diverse suppliers at the local level.
- Vary contract sizes, often unbundling large contracts and agreements to provide the opportunity for smaller companies to participate and, ultimately, win contracts based on their own merit.
- Actively mentor diverse suppliers through programs designed to enhance the supplier's business acumen and growth.

As a result, goods and services are currently purchased from more than 2,000 certified minority- and women-owned suppliers.

EDP Theme Area:	Supplier Diversity
Effort:	Increase spending among women and minority vendors
Results:	• Established relationships with more than 2,000 certified vendors • Year-to-year increase in spending with diverse suppliers
How to Make It Work:	• Establish a corporate goal that is stretching • Establish policies that drive consideration of diverse source of vendors • Assign responsibility for meeting goals • Enroll buyers and other resources that can influence purchasing decisions • Build relationships with potential suppliers, mentoring them where appropriate • Track progress

The Voice of the Employee:



Employees Say:

"Supplier diversity is a definite priority for the CEO, which helps when working with individual business leaders."

"We don't just join external organizations; we take on leadership roles within them. This helps enhance the company's profile, and it makes the subject more personal for the leader."

"When we do it right we get a great deal of recognition from the surrounding community."

"We make supplier diversity part of the job responsibilities of each of our district managers and vice presidents. They are responsible for identifying minority and female vendors and are very proud of it."

"This hasn't always been a priority, but it is now. The head of procurement has set aggressive goals and is focused on measuring our progress."

13 Performance Accountability and Measurement
Extremely or Very Important to 47 Percent of American Workers

No EDP Company's employees perceived Performance Accountability and Measurement as an area of strength. However, several EDP Companies had specific accountability actions that they considered central to driving success in other theme areas and for their diversity initiatives overall. This perception gap suggests that this is an area for ongoing exploration and testing, as well as broader communication of efforts.

Establish Goals and Hold Leaders Accountable (Company A)

A global packaged-goods company has a diversity and inclusion score card, which establishes very specific metrics in the areas of hiring, promotions, and turnover. The score card measures comparative rates in each of these areas across business units and demographic groups to quickly identify areas of strength and areas in need of attention. The expectation is that establishing metrics, particularly in this very results-oriented culture, will help make the organization reflective of its consumer marketplace at all levels, a defined business imperative.

In practice, the score card promotes hiring at or ahead of current representation and assumes that turnover and promotions should ultimately be at parity across demographic groups. This global packaged-goods company is convinced that the use of the scorecard alone promotes the desired behaviors and therefore makes it a significant and controlling criterion for incentive compensation for functional and business unit leaders. The CEO indicates that the company approaches diversity as any other business imperative, with:

- Multiyear strategic plans.
- Specific goals.
- Senior executives focusing on moving the company toward success.

EDP Theme Area:	Performance Accountability and Measurement
Effort:	Executive incentive compensation
Results:	• Increased representation at all levels • Executive engagement in diversity and inclusion efforts
How to Make It Work:	• Establish long-term goals for diversity and inclusion • Track progress against goals by major lines of business • Create an incentive compensation formula that includes progress in the area of diversity and inclusion

Management by Objective (Company B)

In a national financial-services company, all managers have performance objectives related to diversity and inclusion. There is a great deal of flexibility in defining the objective in a manner that is consistent with the needs and dynamics of the business and the individual. Typically, the diversity objective links to the corporation's emphasis on people development. Specific objectives often include:

- Effort in mentoring employees within a specific work group.
- Sponsoring or participation in a diversity council or affinity group.
- Implementation of corporatewide diversity initiatives within an individual's department or function.
- Generating incremental business among a market segment that is currently underdeveloped relative to its potential.

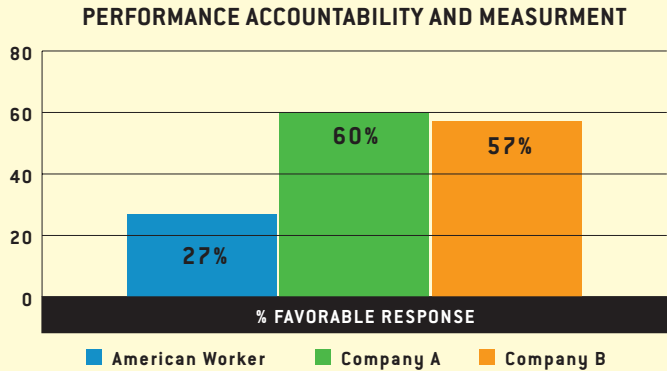
EDP Theme Area:	Performance Accountability and Measurement
Effort:	Diversity and inclusion performance objectives
Results:	• Increased ownership of diversity and inclusion at all levels
How to Make It Work:	• Establish a corporate framework for diversity • Link diversity to or establish diversity as a core competency • Establish guidelines for setting individual diversity objectives for employees • Measure progress against the objectives in the context of regularly scheduled performance reviews

Get a Fresh Perspective (Company A)

At a global packaged-goods company, another potential effective practice in the area of performance measurement and accountability is the establishment of external advisory boards, serving as an objective reality check for diversity and inclusion strategies and efforts. The sound advice and experience of the company's African-American, Latino/Hispanic, and the newly developed health and wellness advisory boards have resulted in wins for the company in the areas of marketing, supplier diversity, community partnerships, and human resources.

EDP Theme Area:	Performance Accountability and Measurement
Effort:	External diversity advisory boards
Results:	• Objective counsel on important business subjects
How to Make It Work:	• Determine the strategic areas that warrant objective external counsel • Identify external resources that offer valuable experiences or perspectives • Establish principles for engagement of external resources • Review structure periodically to identify and implement opportunities for improvement

The Voice of the Employee:



Employees Say:

"I know that some people pay attention to diversity because of its impact on compensation. That's a good thing."

"I'm not sure if employees realize how much of our incentive compensation is driven by diversity results. It's significant."

"It helps that diversity is included in every performance plan. It helps build greater ownership and involvement."

"We don't have a single head of diversity. It's everyone's job, and it's therefore in everyone's performance plan."

"Our external advisers helped us remember to focus on all levels of the work force. They reminded us that challenges exist on the front line in addition to the management ranks."

"Our external advisers help keep us honest. They bring unique experiences and perspectives that we might otherwise overlook."

Recap: Research Revealed
Specific Tactics Associated with Themes or Practice Areas

1. Marketing to Diverse Customers and Consumers
- Dedicated resources/business unit
- Emerging markets conferences
- Tailored products
- Location of retail sites
- Link to customer diversity initiatives
- Bilingual and/or targeted marketing materials
- Retaining Diverse Talent

2. Retaining Diverse Talent
- Pay for performance and competitive compensation strategies
- On-boarding programs
- Training to enhance manager and subordinate relationships
- Manager effectiveness feedback tool
- Assignment quality review
- Formal employee recognition program
- Individual retention plans for high-potential employees
- Work/life balance initiatives

3. Recruiting Diverse Talent
- Deep and inclusive penetration on college campuses
- Inclusive internship and tuition-reimbursement programs
- Recruiting at HBCUs and schools with large Hispanic enrollment
- Employee incentives for successful referrals
- External recruiting partnerships, outreach, and networking
- Student leadership conference
- Diversity recruiting goals and objectives based on work force availability
- Diverse pools and/or slates
- Scholarship programs that build future pipeline

4. Leadership Commitment and Involvement
- Diversity business plans by division and functional unit
- Link to business strategies
- Quarterly results and accountability reviews
- Sponsorship of diversity councils
- Include diversity as a required leadership competency
- Engaged CEO and leadership team

5. Inclusive Culture and Values
- Vision and values written and distributed to all employees
- Broad and inclusive definition of diversity
- Recruit people who exemplify the corporate values
- Employee surveys
- Training and education
- Accommodation policy for people with disabilities
- Zero-tolerance policy
- Distinguished speakers series

6. Diversity Education and Training
- Awareness training
- Diversity "champions" in business units
- Online learning modules on company intranet
- Diversity training for managers
- Global training module
- Comprehensive diversity curriculum

7. Community Involvement
- Company foundation focused on philanthropic activities in communities where it operates
- Community internship program
- Active employee participation surrounding diverse communities
- Education/outreach programs

8. Advancing Diverse Talent
- Executive-level sponsorship
- Diverse slates for open positions
- Posting of open jobs
- Promotion from within
- Inclusive high-potential development pools
- Focused development plans for advancement of high-potential talent
- Inclusive talent (succession planning)

9. Career Development for Diverse Talent
- Formal mentoring programs (including efforts for women and minorities)
- Professional-development programs
- Performance-management systems
- Career-development planning tools
- Talent-management reviews

10. Diversity Employee Communications
- Diversity branded message
- Annual diversity letter from the CEO
- CEO/executive power talks making executive leaders more accessible to employees
- Periodic report of diversity accomplishments
- Diversity intranet site
- Diversity update in annual report
- External diversity communications initiative
- Diversity in all corporate communications

11. Employee Involvement
- Corporate and business line diversity councils (total number)
- Distinguished speakers series
- Diversity festivals/activities
- Team member resource groups/affinity groups (total number)

12. Supplier Diversity
- Spending goals established and tracked
- Joint ventures, alliances, and partnerships
- Dedicated resources (in every business unit)
- External Web site with online vendor registration
- Participation with national and local networks
- Supplier mentoring program
- Required minority/women supplier inclusion in RFP process
- External reporting system

13. Performance Accountability and Measurement
- Diversity goals as part of performance management
- Internal diversity awards
- Manager feedback and profiles and tools
- Diversity score card
- Diversity business plan/strategy with built-in accountabilities
- Confronting inappropriate behaviors
- Link to incentive compensation (% of total)
- External advisory councils

Appendix

Making Diversity Work in Your Company

For individuals and organizations to make best use of the data discussed in this report, a few key steps are necessary:

1. Understand how current diversity practices impact the perceptions of employees in your organization across each of the 13 Effective Diversity Practices theme areas. (See Methodology and Approach.)
2. Identify your sources of strength and opportunities for improvement, using employee perception data.
3. Review the Effective Diversity Practices summarized in this report as input to your diversity strategic plan.
4. Implement Effective Diversity Practices in a manner consistent with and relevant for your company and its culture.
5. Establish benchmarks at the outset and measure changes in employee perceptions and other business outcomes at intervals following the implementation of Effective Diversity Practices.

What's Next?

It is our intent and hope that this report will motivate and inspire readers to make a difference in whatever area of the work force they impact. In particular, we anticipate that many companies and organizations will apply the Effective Diversity Practices highlighted here, stimulating positive and dramatic changes in employee perceptions and business outcomes.

In addition, we believe that an opportunity exists to extend this research across a variety of strategic vectors, as highlighted below:

- Establish this Effective Diversity Practices study as a longitudinal study, tracking employee perceptions nationally and among participating companies over time, isolating the diversity practices that generate sustained improvements in employee perceptions.
- Conduct this research — employee surveys and audits — among additional companies that have strong diversity reputations but opted to not participate in the first Effective Diversity Practices effort.
- Expand the breadth of the study to emphasize additional dimensions of diversity that are critical to understand better in our evolving work force, such as physical ability, sexual orientation, religion, age, and nationality.
- Expand the breadth of the study to include Effective Diversity Practices beyond the United States, including employees and companies from all over the world.
- Collect ongoing feedback from companies who have implemented Effective Diversity Practices in their companies, generating enhancements in employee perceptions and business outcomes.

Methodology and Approach

Our research included four phases designed to identify and highlight Effective Diversity Practices of leading-edge organizations. The phases are as follows:

Phase I — Establishing the Framework. Based on decades of practical and applied diversity experience, we established a framework for assessing the effectiveness of diversity within corporations and other organizations. This framework includes 13 key themes or practice areas to provide a context for employee perceptions as well as company-specific diversity initiatives. Key themes:

1. Marketing to Diverse Customers and Consumers
2. Retaining Diverse Talent
3. Recruiting Diverse Talent
4. Leadership Commitment and Involvement
5. Inclusive Culture and Values
6. Diversity Education and Training
7. Community Involvement
8. Advancing Diverse Talent
9. Career Development for Diverse Talent
10. Diversity Employee Communications
11. Employee Involvement
12. Supplier Diversity
13. Performance Accountability and Measurement

Phase II — Establishing the Voice of the American Worker. We used both qualitative and quantitative survey methods to establish the voice of the American Worker as it relates to diversity and inclusion. In total, we aggregated the perceptions and points of view from a stratified random sample of more than 2,100 American Workers. This sample provides employee opinions that are nationally predictive at 95 percent confidence intervals (+/- 5 percent) overall, as well as among key demographic segments including: Gender, Ethnicity/Race, Job Type, and Level of Education. Participants completed surveys in November 2002.

Phase III — Conducting Company Employee Surveys and Audits. After analyzing the voice of the American Worker, we compiled surveys from eight companies that shared the following characteristics:

- Favorable reputations in the area of diversity.
- Large and dynamic organizations that make a significant contribution to the United States and global economies.
- Willingness to share their internal diversity practices and initiatives.
- Willingness to have their employees surveyed to document the perceived effectiveness of their diversity practices.

Each of the eight companies participated in a survey of approximately 375 employees, for a total of 3,400 surveys. In addition, each underwent an audit or interview designed to better understand their diversity practices and their impact. Company surveys and interviews took place over a nine-month period from June 2003 through March 2004. Researchers granted companies anonymity in the report of their results, in accordance with the emphasis on the practices, as opposed to the practicing organizations.

The aggregate surveys of the 3,400 employees of participating companies comprise a benchmark for comparisons across EDP Companies and for comparisons to the national survey of American Workers.

One additional company was surveyed, but their results were not included in the Effective Diversity Practices panel based on less than favorable employee responses.

Phase IV — Analysis and Reporting. Throughout the project, Global Lead Management Consulting, in cooperation with Gantz Wiley Research, conducted detailed data analyses and identified key findings. In addition, key findings underwent review by the multidisciplinary project team and, ultimately, with the Effective Diversity Practices Advisory Council. This report is the culmination of the research project.

About the National Urban League

The National Urban League is the nation's oldest and largest community-based movement empowering African-Americans to enter the economic and social mainstream.

The Urban League movement was founded in 1910. The National Urban League, with headquarters in New York City, spearheads nonprofit, nonpartisan, community-based movement. The heart of the Urban League movement is the professionally staffed Urban League affiliates in more than 100 cities in 34 states and the District of Columbia.

The mission of the Urban League movement is to enable African-Americans to secure economic self-reliance, parity and power, and civil rights.

The National Urban League's three-pronged strategy for pursuing the mission is:

- Ensuring that our children are well-educated and equipped for economic self-reliance in the 21st century.
- Helping adults attain economic self-sufficiency through good jobs, homeownership, entrepreneurship, and wealth accumulation.
- Ensuring our civil rights by eradicating all barriers to equal participation in the economic and social mainstream of America.

As part of its mission, the National Urban League has dedicated itself to advancing the subject of diversity in the work force. To that end, the National Urban League has commissioned this study on Effective Diversity Practices as a service to its affiliates, members, corporate partners, and others who are also dedicated to the mission of economic self-reliance, parity and power, and civil rights.

For additional information regarding the National Urban League's Effective Diversity Practices Study, contact Wanda Jackson, vice president, Human Resources, at 212-558-5400 or wjackson@nul.org.

About the Author

John C. Peoples is a managing partner with Global Lead Management Consulting, a full-service management consulting firm specializing in the areas of diversity and organizational transformation.

After a successful career in marketing with Procter & Gamble, Mr. Peoples has committed himself to aiding companies across a variety of industries and geographies in enhancing their productivity by establishing and leveraging diversity as a source of competitive advantage.

In partnership with the National Urban League, Mr. Peoples led a multidisciplined and very talented team in the design, development, and implementation of this Effective Diversity Practices Study.

For additional information on how you can measure employee perceptions of your company's diversity practices, contact John Peoples, managing partner at Global Lead Management Consulting, at 410-332-4562 or jpeoples@globallead.com.

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- Our Effective Diversity Practices Sponsors team, including representatives from the National Urban League and Enterprise Rent-A-Car.
- The Effective Diversity Practices Advisory Council:
  - Ms. Paula A. Banks, senior vice president Global Diversity/Inclusion and Organization Partnerships, PepsiCo.
  - Mr. Carl Brooks, president, Executive Leadership Council and Foundation.
  - Mr. Martin Davidson, associate professor of business administration, University of Virginia Darden School of Business.
  - Mr. Thomas Kochan, George Maverick Bunker professor of work and employee relations, MIT Sloan School of Management.
  - Ms. Marcia Kropf, chief operating officer, Girls Incorporated.
  - Ms. Cheryl Mills, senior vice president Operations and Administration, New York University Office of Public Affairs.
  - Ms. Toni Riccardi, principal and chief diversity officer, PricewaterhouseCoopers.
  - Dr. William E. Spriggs, executive director, National Urban League Institute for Opportunity and Equality.
  - Mr. Luke Visconti, founder and publisher, DiversityInc.

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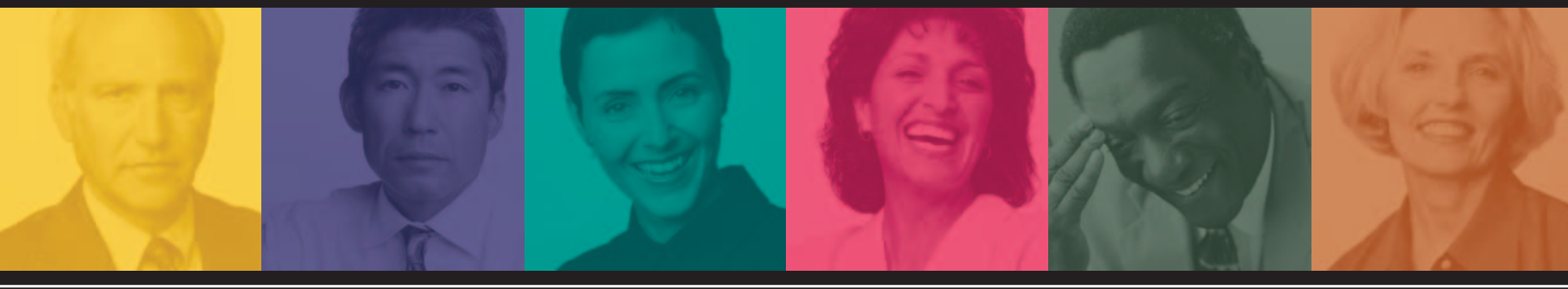

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