



CECP Insights on Diversity, Equity and Inclusion (DEI) + Measurement & Evaluation Company Examples

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MEASURING DEI

*“It’s **easy to measure diversity**: It’s a simple matter of headcount. But **quantifying feelings of inclusion can be dicey**. Understanding that **narrative along with the numbers** is what really draws the picture for companies.”*
– Harvard Business Review¹

EXTERNAL D&I: LIVES TOUCHED

Term/Action



Recipients

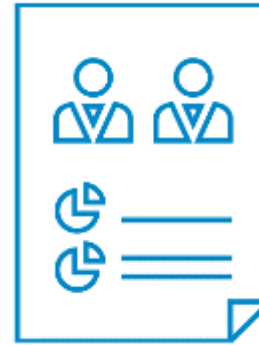


1 OF 3 COMPANIES RELEASE ANNUAL D&I REPORTS ON THEIR WEBSITES

1 of 3
companies
don't have
a
D&I
Report



1 of 3 companies
have a
D&I Report



1 of 3 companies include D&I as a section of
the **Company's Annual Report**



Source: CSR Report Review from
DiversityInc Top 50 companies

CECP'S CURRENT FOCUS

EQUITY

Putting the “E” in DEI

- Defining equity within the corporate context
- Identifying strategies to get leadership buy-in on incorporating equity into company strategies
- Identifying the metrics that measure and assess equity
- CECP's 2018 report found evidence that while Diversity and Inclusion (D&I) is well understood, the concept of equity among participating companies is unclear.
- While 80% of companies surveyed say they consider equity when addressing D&I in their CSE efforts, it was most often defined as something other than the accepted definition

MEASURING DEI

- 56% of companies have short-term D&I Goals (2020)
- 47% of companies report proving unconscious bias training for leadership
- GRI: most common framework (93% of companies)



58% noted their CEI Score in their public Communications

59% signed "CEO Action for Diversity and Inclusion" pledge

CEO **ACT!ON FOR DIVERSITY & INCLUSION**

MEASUREMENT EXAMPLES: GENDER

TOYOTA

"Raise the number of female employees in managerial positions threefold by 2020, and fivefold by 2030, compared to 2014 levels" - Toyota

2017 Women's Empowerment Milestones



50%

of our CEO's direct reports are women (achieving gender representation parity at the executive level)

55%

of managers and executives are women in the United States

49%

of our company's top 20% of earners are women in the United States

WOMEN EXECUTIVES ON THE RISE TAKE PART IN:

—
Leadership Development
Networking/Mentoring
Work/Life Effectiveness



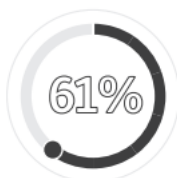
Serve 360 Goal

Achieve gender representation parity for global company leadership by 2025

GENDER



Humana.



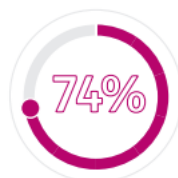
of management/
supervisor roles are
held by women



of senior leadership roles
are held by women



of new hires in
2016 were women



of associates
are women

Gender



- 76% of Aetna's employees are women
- Women hold 64% of management/supervisory positions
- Women hold 32% of executive positions

MEASUREMENT EXAMPLES: RACE

Workforce Breakdown by Race, 2017



Caucasian **75.4%**
Two or more races **0.8%**
Black or African **11%**
Hispanic Latino **8%**
Asian **4%**
American Indian **0.2%**
Hawaiian or Pacific Islander **0.1%**

Diversity

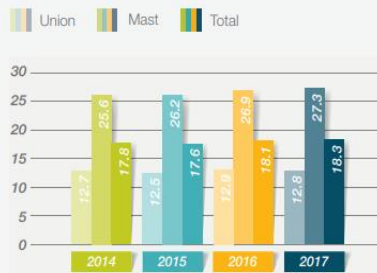
PSEG's commitment to diversity and inclusion is embedded in our talent acquisition, talent mobility, and learning and development processes to support our efforts to attract, develop and retain a diverse workforce.

A diverse company is a strong company. We believe in a culture that values and promotes equal opportunity. Our diversity strategy focuses on our workplace, workforce and marketplace.

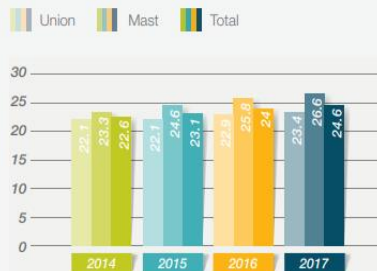
A workplace that respects team members is the first step in our diversity strategy. We strive to build a culture that is inclusive through awareness, team member support and decision making, and engagement of underrepresented employees.

PSEG increased the overall percentage of women and people of color in our workforce over the past three years. This is attributed to deep focus on diversity as part of our Talent Acquisition strategy.

% Women in Workforce



% People of Color in Workforce



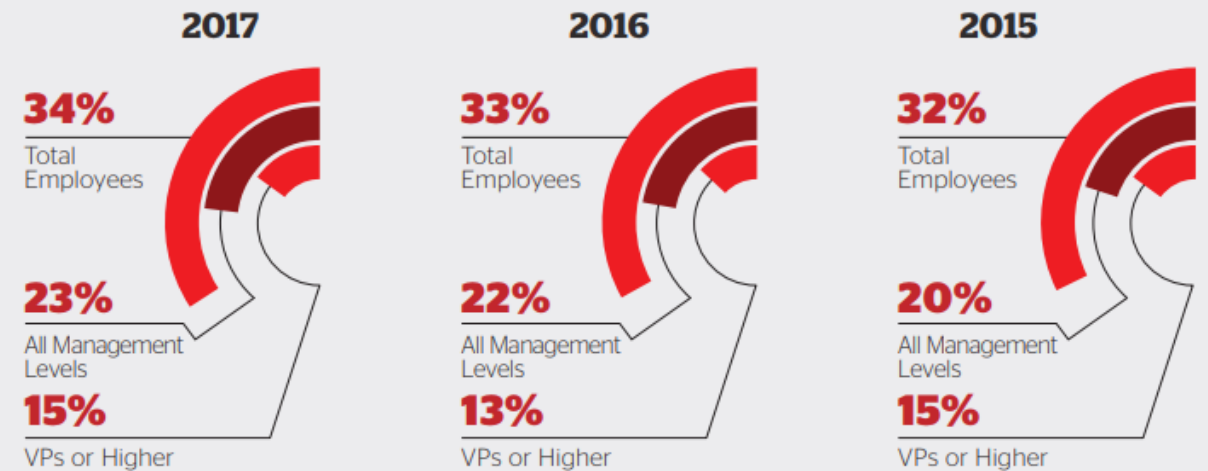
PSEG

We make things work for you.



PSEG
We make things work for you.

Representation of People of Color



Note: The term "people of color" generally includes anyone identifying as Black/African American, Latino/a, or of Native American, Middle Eastern, or Asian/Pacific-Island descent, regardless of literal skin color. It is intended as an inclusive and respectful term, useful in broadly describing racial dynamics within groups.



Altria

MEASUREMENT EXAMPLES: PAY EQUITY

The Tata Consultancy Services UK Gender Pay Gap Report

This is the first year we have published a Gender Pay Gap report, based on data captured on 5th April, 2017, for our UK businesses.

The table below sets out the gender pay gap data for salary and bonus payments at TCS UK. In January, a [report](#) from the Office of National Statistics indicated that the overall UK gender pay gap is 18.4%.

The figures show that the average ('mean') pay of our female employees in the UK is 26.09% lower than our male employees.

	Male	Female	Gap %
Mean hourly pay			26.09%
Median hourly pay			20.6%
Mean bonus			40.07%
Median bonus			44.71%
% in receipt of bonus	89.0%	77.0%	

Why is there a Gender Pay Gap?

The chronic shortage of women engineers is a significant concern for us and one of the main drivers of our gender pay gap. The Tech Partnership, in its report My Tech Future 2016, estimated that female engineers accounted for just 17% in our industry and that numbers were in decline.

As our business has grown, so we have increased the number of entry level jobs. This has given us an opportunity to focus on attracting more women. We have made great progress – increasing representation of women in our junior UK workforce by 14.6% since 2014 (women now make up 30.19% of our junior UK workforce). One effect of this is that it has weighted the pay data for the bottom quartile of employees – exaggerating our overall pay gap data.

As well as wanting to continue with this recent success, we are also turning our attention to retention and progression. We hope that our various initiatives to nurture and support our recently recruited women will, over time, help them progress into leadership positions.

TATA CONSULTANCY SERVICES

The Tata Consultancy Services UK Gender Pay Gap Report (continued)

The Gender Bonus Gap

The table below sets out the gender pay gap data for salary and bonus payments at TCS UK.

The figures show that the average ('mean') bonus for female employees in the UK is 40.07% lower than our male employees.

	% Male	% Female
Employees paid between UQ max pay rate	93%	7%
Employees paid between med and UQ pay rate	89%	11%
Employees paid between LQ and med pay rate	85%	15%
Employees paid between min and LQ pay rate	68%	32%

MEASUREMENT EXAMPLES: RECRUITMENT

TOYOTA

*"Maintain a **hiring rate** for female graduates (Administrative positions 40 percent; Engineering positions 10 percent)" - **Toyota***

*"We also launched a pilot program with Thurgood Marshall College Fund to recruit summer interns from across the Historically Black College and University/Minority-Serving Institution network as part of a scholarship partnership. **A total of 13 scholars, exceeding the goal of 10**" - **Altria***



Total number of new hires	7,079	5,258	7,473	7,953
By Gender				
Female	70.3%	71.8%	65.8%	64.9%
Male	29.5%	28.1%	34.2%	34.9%
By Age Group				
Under 30 years of age	35.5%	35.4%	36.8%	36.3%
Age 30-50	52.3%	52.1%	52.0%	51.5%
Age 50 or older	12.2%	12.5%	11.2%	12.1%

EXTERNAL D&I: EXAMPLES OF OBJECTIVES/GOALS



"Marketplace: We partner with diverse suppliers and community organizations so we can deliver culturally relevant products and services."



"Provide capacity building to organizations serving minority segments, especially targeted at low-income populations. Provide for leadership development of underrepresented groups through organizations serving minority segments, especially targeted at low-income populations. Promote tolerance and understanding among mainstream and minority populations."



"Ensure significant reach and presence in a strategic core group of diverse, community-based organizations (CBOs)."



"Raising awareness of D&I issues Externally, an essential element of our diversity and inclusiveness agenda concerns the advancement of women. Our Women. Fast Forward platform is EY's response to the findings of the World Economic Forum Global Gender Parity Report 2016, that it will take 170 years to achieve global gender parity in the workplace..."

EXTERNAL D&I: EXAMPLES OF FROM THE TOP

Time Warner



— Jeff Bewkes, Chairman and CEO, Time Warner Inc.
— Lisa Garcia Quiroz, Senior Vice President, Chief Diversity Officer, Time Warner Inc. Also, President, Time Warner Foundation Inc.

***“Engaging with Impact** is about the many rich and varied ways we engage with our communities, including helping to develop the next generation of storytellers from diverse backgrounds. It is also about how our employees give back, which is a key part of our culture.”*

— Jeff Bewkes, Chairman and CEO, Time Warner Inc.

MONSANTO



“The company’s mission to create an inclusive culture starts at the top. For example, its Management Advisory Committee Inclusion and Diversity Council of top global leaders provides strategic direction around inclusion to promote innovation, build trust and impact the bottom line. It’s not uncommon to see Hugh Grant, Monsanto’s CEO, in the room during diversity discussions, which says to me that at Monsanto, there’s no such thing as trickle-up diversity.”



46%

of KeyCorp’s executive
leadership team is diverse
(minorities & women)

41%

of KeyCorp’s board
composition is diverse
(minorities & women)

DEI: STEPS TO SUCCESS

- Phase 1: Build a Stable Foundation
 - Build D&I knowledge & understanding
 - Link CSE & D&I
 - Link CSE, D&I & HR/Talent Management
 - Link CSE, D&I & key internal stakeholders
 - Develop and engage with Employee Resource Groups (ERGs)
- Phase 2: Listen, Learn, Engage, Plan
 - Establish & build a cross-functional working group
 - Identify priority areas for focused development & progress
 - Build working relationships with expert, external D&I stakeholder groups

CECP ACCELERATE RESEARCH PROJECT

Diversity and Inclusion in Corporate Social Engagement



- **Key Learnings**
- **Build D&I understanding within the company**
- **Link D&I with key internal stakeholders, such as HR, CSE, and Employee Resource Groups (ERGs)**
- **Assess current grant-making practices to assess current integration with D&I**
- **Identifying priority areas for focused development and progress**

SIX KEY TRENDS

Diversity and Inclusion in Corporate Social Engagement

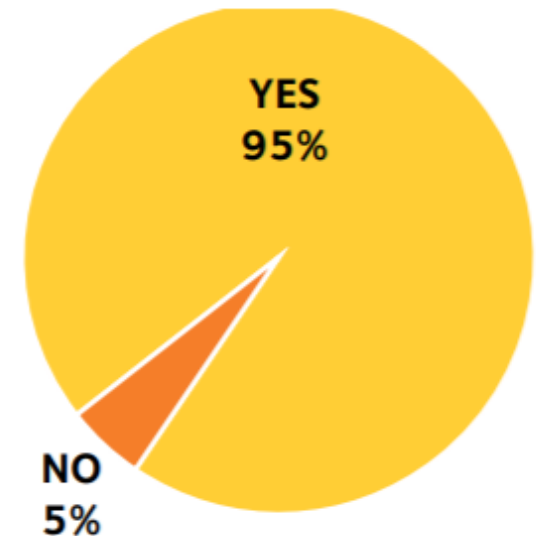
1. D&I is being addressed through CSE and companies expect this trend to continue
2. Primary motivations for advancing D&I through CSE are two-fold:
 - a) Achieve social impact
 - b) Develop a more diverse talent pipeline
3. A strategic, integrated approach across all business functions to CSE D&I is the biggest challenge — and opportunity.
4. Employees — at all levels — have a critical role in advancing D&I efforts in CSE
5. Developing a clear and strategic approach to addressing equity in CSE is challenging on multiple fronts
6. There is a need to improve the measurement of D&I in CSE

COMPANIES ARE ADDRESSING D&I THROUGH CSE

D&I Through CSE Research – Trend #1

- The vast majority of companies are already making this connection, and most are achieving it through taking a comprehensive approach to CSE.
- **Company Example:** PwC U.S. Chairman and senior partner Tim Ryan was inspired to address the issue of race within the firm

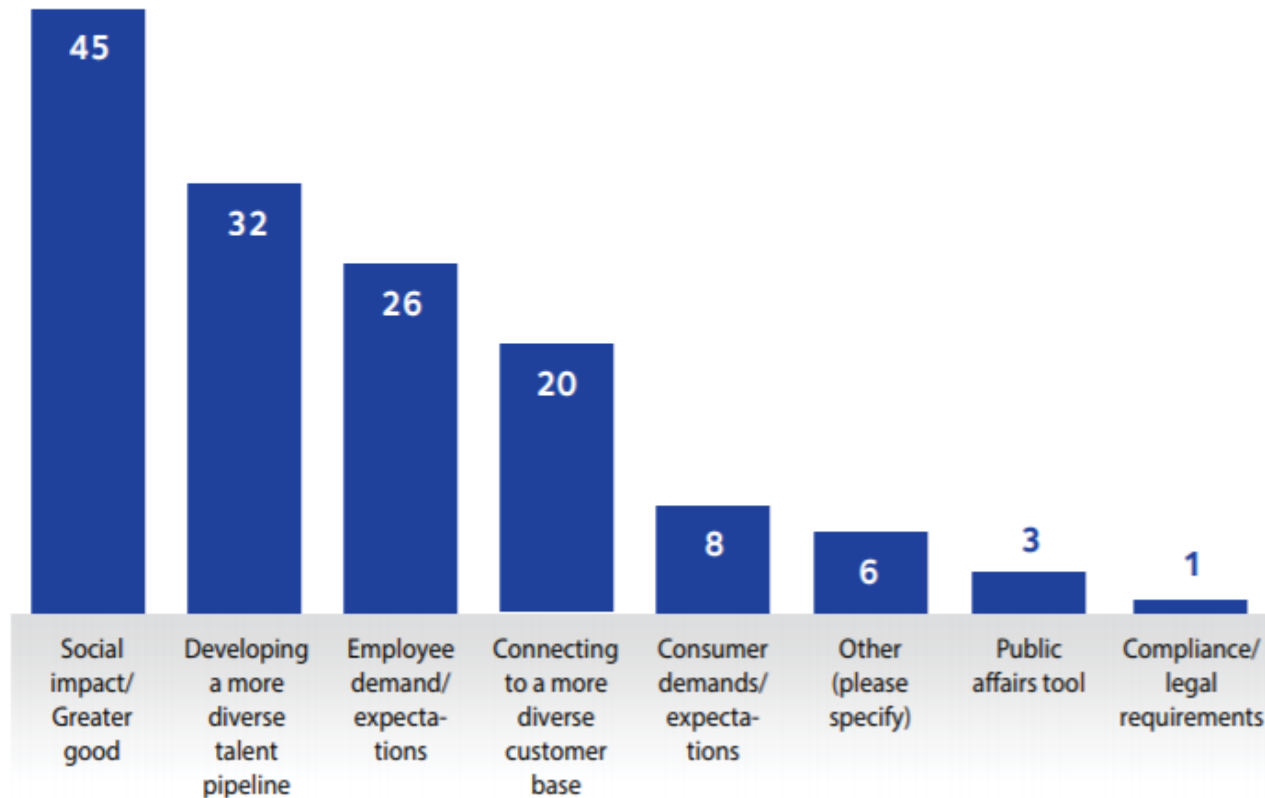
FIGURE 2 DOES YOUR COMPANY CONSIDER DIVERSITY AND INCLUSION WITHIN ITS CORPORATE SOCIETAL ENGAGEMENT (CSE)? N=58



TWO MOTIVATIONS FOR ADVANCING D&I THROUGH CSE

D&I Through CSE Research – Trend #2

**FIGURE 4 FREQUENCY OF CHOICES WITHIN THE TOP THREE
MOTIVATIONS TO INTEGRATE D&I IN CSE EFFORTS N=58**



- **Two-fold:**

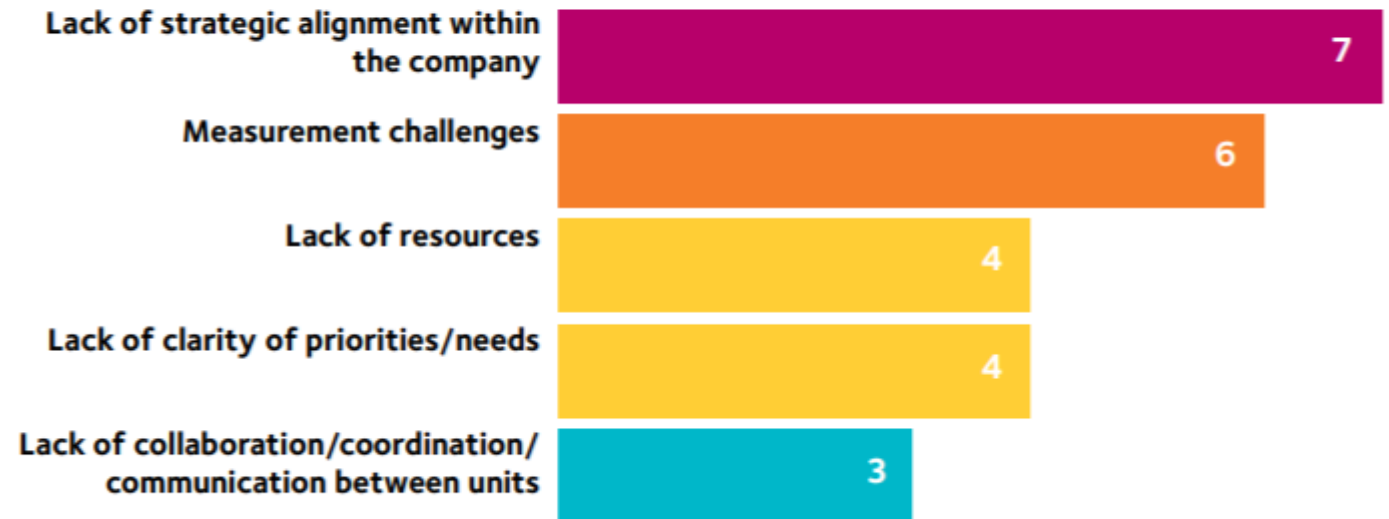
1. Achieve social impact
2. Develop a more diverse talent pipeline

STRATEGIC, INTEGRATED APPROACH

D&I Through CSE Research – Trend #3

- **Biggest challenge — and opportunity**
- **Company Examples:** Blended senior level roles
 - **UPS**
 - **Prudential**
 - **PSEG**

FIGURE 5 WHAT ARE THE MAIN CHALLENGES YOUR COMPANY IS FACING IN TERMS OF INTEGRATING DIVERSITY AND INCLUSION INTO YOUR CSE EFFORTS? N=37

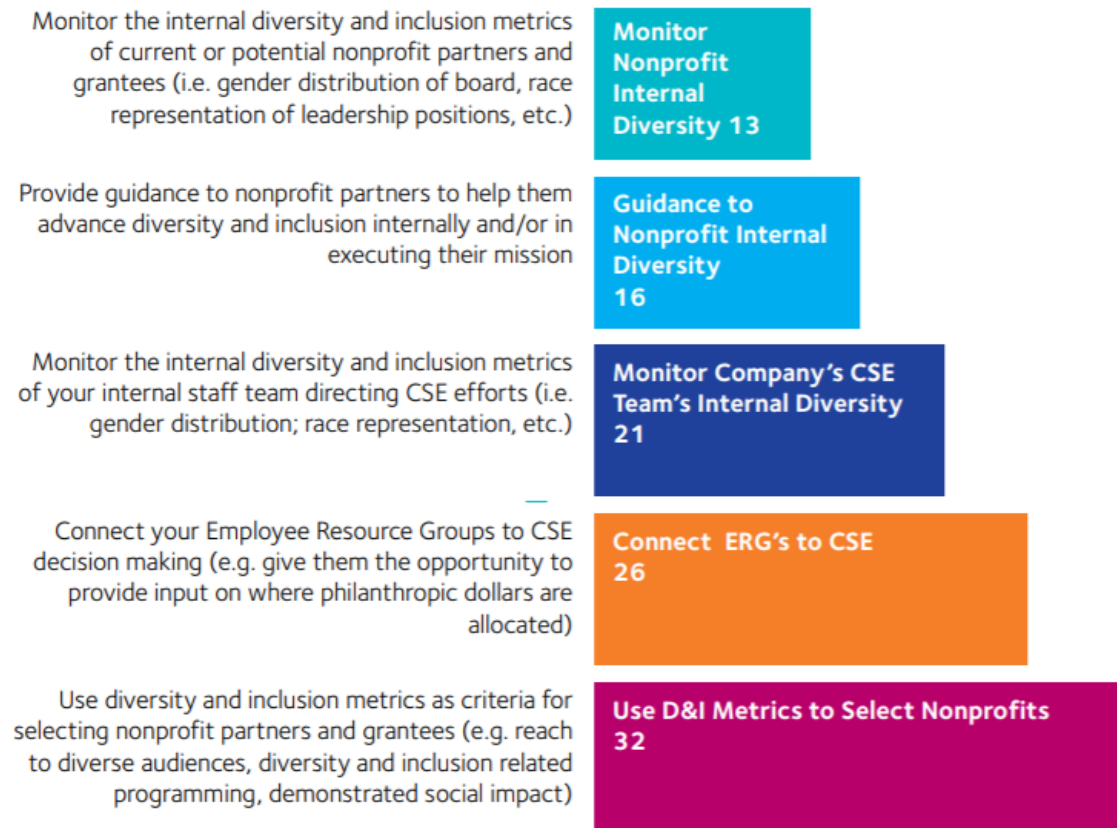


Full answer choices displayed in Figure 8

EMPLOYEES HAVE A CRITICAL ROLE IN ADVANCING D&I EFFORTS

D&I Through CSE Research – Trend #4

FIGURE 7 WHAT TACTICS DO YOU USE TO SUPPORT DIVERSITY AND INCLUSION WITHIN YOUR CSE EFFORTS? N=43



“Neither a top down or a bottom up approach– alone– will work, D&I needs a mixed approach.” —Katie Falk, Program Specialist, American Honda Motor Company, Inc

A CLEAR, STRATEGIC APPROACH IS CHALLENGING

D&I Through CSE Research – Trend #5

- **Developing a clear and strategic approach to addressing equity is challenging on multiple fronts**

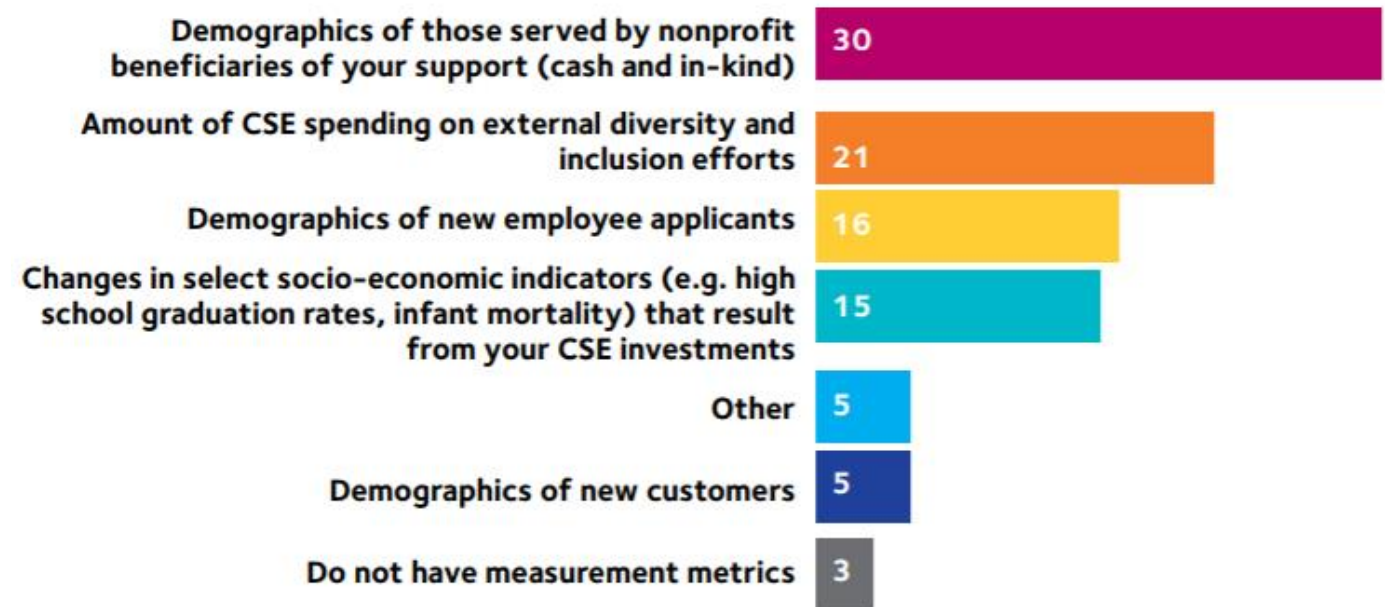
“We shifted our focus to Health Equity– to concentrate on health outcome advances. Now, when certain groups are left out, we ask–‘What are the barriers?’” — Mary Tullis Engvall, Executive Director, Cigna Foundation, Cigna

NEED TO IMPROVE MEASUREMENT

D&I Through CSE Research – Trend #6

- **Measurement** was one of the most **often cited** challenges to integrating D&I into CSE

FIGURE 9 WHAT METRICS DO YOU CAPTURE TO MEASURE THE SUCCESS OF YOUR EXTERNAL DIVERSITY AND INCLUSION EFFORTS? N=41



CECP PULSE SURVEY RESULTS

Topic: DEI in Grantmaking
July 2020

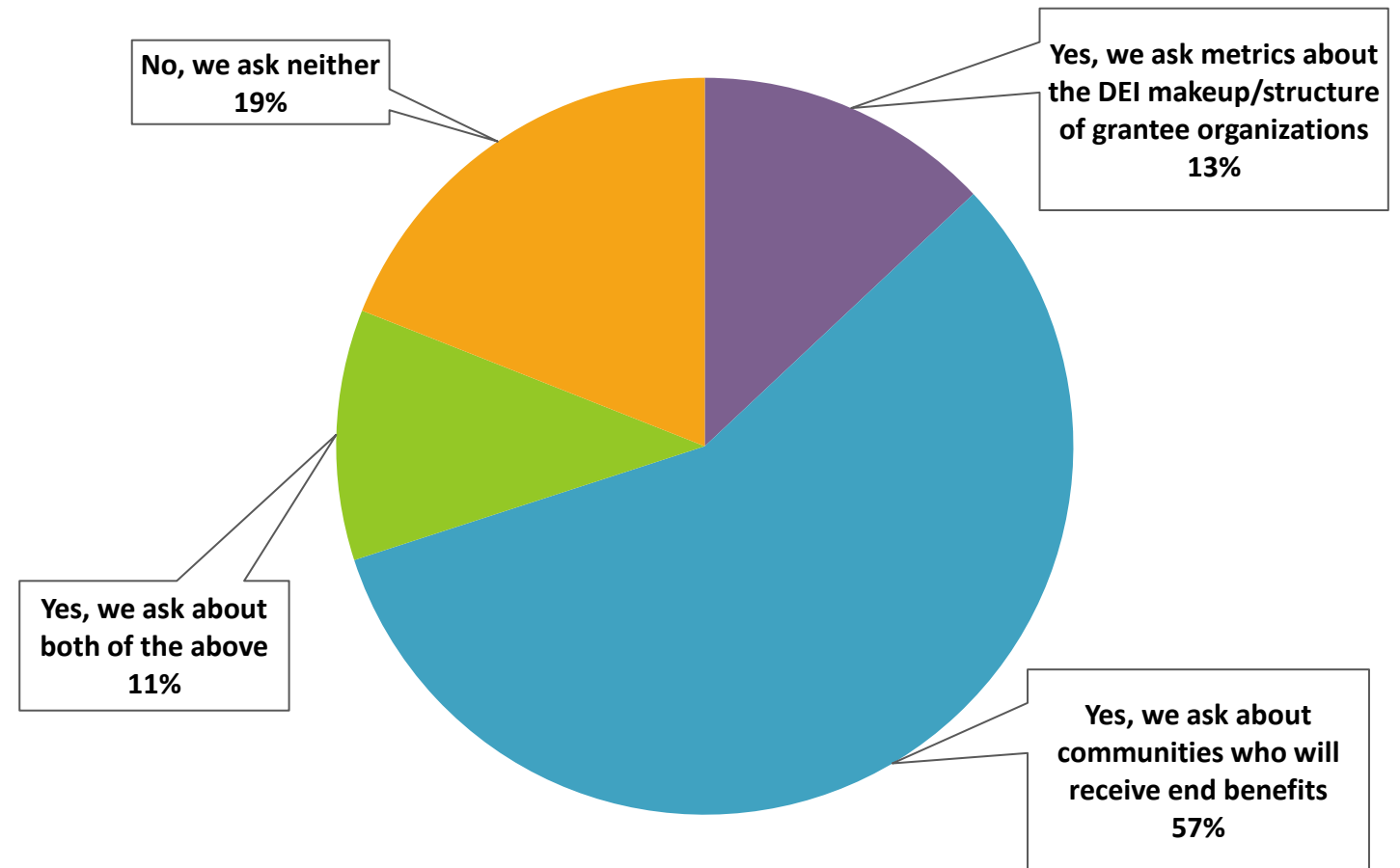
CECP Pulse Survey Results

Topic: DEI in Grantmaking

CECP's Pulse Question focused on understanding how the of grantees' Diversity, Equity and Inclusion structure is integrated with companies' Grantmaking process.

35 respondents participated in the Pulse question below, the results are as follows:

As part of your grant application process, do you ask metrics about your grantees' DEI makeup/structure or only about the communities they are impacting?



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"Results reflect data pulled on August 4, 2020. These results are drawn from a representative sample of our affiliated companies. When referencing this finding, please list the source as: Chief Executives for Corporate Purpose, Pulse Survey, July 2020. Topic: Actions taken by companies against racism, field dates: July 28 – August 4, 2020."

CECP Pulse Survey Results

Topic: DEI in Grantmaking

A few detailed examples of the actions companies have taken:

- We ask for ethnicity info of nonprofit highest ranking employee, ethnicity % makeup of nonprofit board, employees and population served.
- While we have always embedded questions about the demographics of communities benefitting, we have begun to give consideration to DEI of the grantee organizations more recently.
- We don't currently have these metrics with our nonprofit partners, but I believe that we will in the foreseeable future.
- We specifically ask about the diverse make-up of their board and the demographics of the communities they serve.
- We are planning to change our application form and process to get this information and help inform our decisions going forward.

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FOR MORE INFORMATION

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