



*At IPG, we aim to create value for our clients, our talent, our communities and our shareholders by harnessing the power of diversity and inclusion. The value creators include fielding the best and most diverse talent, ensuring a climate for inclusion, and proactively leveraging diversity and inclusion to affect business results at our agencies and clients.*

## **Diversity and Inclusion Is a Competitive Advantage**

For many years now, diversity, equity and inclusion (DEI) have been important strategic differentiators for Interpublic Group (IPG) and our advertising, marketing services, digital and public relations subsidiaries. Like most companies, despite the milestones we have achieved, we still have far to go. Over the years, we have learned that pursuit of DEI truly is a journey across an ever-changing landscape and that it is important to ensure that a business-driven and systematic roadmap is in place. Our framework for progress is consistent with our business strategy and involves deep change.

## **A Vision and Mission Grounded in Business Goals**

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results at our agencies and clients.

In every corner of the world, many dimensions of diversity are at play — these include race/ethnicity, nationality, religion, family caregiver status, disability, age and sexual orientation. All of these can affect employment and advancement opportunities as well as team interactions and work product. Identity-based nuances in this age of technology-driven personalization affect consumer perceptions, so the work we do for our clients must be sensitive to these realities. At the same time, these differences, when they are valued and managed effectively, can lead to increased creativity, better financial performance, more effective problem solving, innovation and a richer experience at work.

The talent issue alone is enough to warrant focus. Globally, according to the Center for Talent Innovation, 83 percent of the professional and educated talent base are women and nonwhite multicultural talent. Our need at IPG to attract, retain and develop the best talent — talent that benefits from sharp cultural insights and creativity — means we must look at DEI as critical business issues.

## A Methodical Approach to Progress

In order to make progress against our DEI objectives, we work within a three-part continuous cycle to inform our overall strategy and to tackle specific opportunities:

- **Assessment:** Where are we? What are our results from specific actions?
- **Aspirations:** Where do we want to be? What do we want to achieve?
- **Action:** What do we need to continue to do or do differently?

To drive results out of our continuous cycle, we have designed holistic systems to facilitate long-run institutionalized change. Our approach is based on four pillars:

1. **Leadership commitment and accountability** — Establish formal Board governance responsibility and corporate CEO and senior executive goals and compensation linkages, with similar goals and linkages for our agencies' CEOs.
2. **Infrastructure** — Create organizational, technological and talent resources for progress, such as our CEO Diversity Council, employee Business Resource Groups, HRIS and analytics technology, with a corporate DEI Group that is well staffed and resourced to support.
3. **Policies and practices** — Apply a "diversity" lens to our policies and business operations to ensure consideration of potential effects on our talent and the work we produce for clients. Through our CEOs' high-priority objectives and programs from the

center, we guide our corporate group and agencies to implement targeted activities. These include fair and effective people processes; promoting safe and inclusive workplaces through education, communications and accountability; building "diversity IQ" for teamwork and leadership through training; and ensuring awareness of opportunities and sensitivities related to diversity among consumers.

4. **Dashboard** — Measure outcomes of specific activities and trends over time. We use a range of measures that are aligned with our strategy, including workforce diversity, relative mobility of various groups and the perceptions of employees. Measures for specific activities are tailored to the activities' specific goals.

## Our Strategy in Action

### IDEAL DEVELOPMENT PROGRAM FOR WOMEN AND PEOPLE OF COLOR

Like many companies, we know there is more work to be done in terms of retaining and advancing women and people of color into senior and executive management in the United States. Our Global Diversity and Inclusion Group conducted research and identified several opportunities for possible improvements.

We piloted the Interpublic Diverse Emerging and Aspiring Leaders (IDEAL) program in 2014 to improve promotion rates and to support talent who were on the cusp of higher leadership. The approach has specific actions in mind:

- Fill in feedback and development gaps that occur due to managers' potential unconscious preferences for certain

archetypes and the organic mentoring and sponsorship of people of similar backgrounds.

- Change the dynamics of emerging and aspiring leaders, rather than simply developing them and sending them back into the same environment.
- Build awareness of and enable strategies to address forces of diversity that can affect careers.

In addition to providing diverse talent with more insights into business, financial and strategy concepts through workshops, the program also trained managers in skills such as objective performance-related feedback. Together, IDEAL participants and their managers worked on growth plans, learned about their respective thinking-style preferences, discussed experiences with diversity forces and gave thought to how to overcome them. The program pilot

included a mentoring component aimed at becoming a pathway to sponsorship, calls with outside coaches and sessions with IPG's top executive leadership.

The pilot group achieved a phenomenal promotion rate of 62 percent within 18 months, and we committed additional resources to the program. Thus far, approximately 100 participants and 100 managers have benefited from the program.

DEI is an important differentiating strategy for IPG. It's what we need to do in order to serve our clients in an ever-evolving marketplace. We are proud of the inroads we have made with programs like IDEAL, as well as our Business Resource Groups and executive accountability initiatives, but understand there remains much work to be done and are committed to doing just that.

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