This month, we are giving you the latest trends, data and best practices on CEO and senior-leadership commitment to diversity and inclusion. How do you define it? How can top leaders visibly show how much they value diversity as a business driver? How do they hold people accountable for results? What best practices are increasingly common? We have identified three key areas to focus on: Visible Support, Chairing the Executive Diversity Council, and Building a Pipeline. We also recommend that you view our recent Web Seminar on Senior Leadership Commitment featuring Linda Verba, Executive Vice President, Head of Service Strategy, and Chair of Diversity Leadership Bank, TD Bank, No. 39 on The DiversityInc Top 50 Companies for Diversity list; and David Casey, Vice President Workforce Strategies and Chief Diversity Officer, CVS Health, one of DiversityInc’s 25 Noteworthy Companies.

Note: For purposes of the DiversityInc Top 50 survey and this Meeting in a Box, we define senior leaders as those in the top three levels of the organization.
Senior Leadership Commitment

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

Visible Support

Top leadership’s consistently making a very personal and visible statement of support for diversity and inclusion is paramount in the success of diversity-management initiatives in an organization. Without clear and consistent messaging from the CEO and senior leadership, staff at all levels will consider diversity and inclusion a nice, soft addition instead of an imperative for future success.

For example, Christi Shaw, U.S. Country Head and President of Novartis Pharmaceuticals Corporation, No. 1 on the Top 50, stated this in a DiversityInc interview:

“Good or bad, I have a reputation as being someone who is always willing to challenge the status quo and I expect others to do so too … From the first day I joined Novartis, when recruiting for open positions, I would say to hiring managers, ‘Show me your diverse slate.’ And I would ask, ‘Who else have you considered?’”

That messaging starts with the corporate website. A clear and prominent quote from the CEO, directly linking diversity and inclusion to business goals, is very important. It’s also necessary for both the CEO and senior leaders to frequently integrate diversity messaging into regular business communications, including the relevance of employee resource groups and of mentoring and sponsorship. Other best practices for CEO/leadership commitment used by almost all of the DiversityInc Top 50 companies include:

- **Meeting frequently with employee resource groups**: The best practice for this is small-group meetings with employee-resource-group leaders so that frank discussions of impediments to retention and talent development can occur, as well as giving employee-resource-group leaders the opportunity to offer innovative solutions for marketplace and workplace growth. The exposure of employee-resource-group leaders to senior management has bidirectional impact: The employee-resource-group leaders gain practice in dealing with top executives and the senior leaders often recognize talent they can nurture. Ninety-two percent of the CEOs and senior leaders at DiversityInc Top 50 companies have regular meetings with resource-group leaders, more than double the percentage in 2005. And all of the CEOs in the Top 10 meet regularly with resource-group leaders.

- **Joining the board of a multicultural nonprofit**: We see an increasing percentage of both CEOs and senior executives taking on leadership roles at multicultural nonprofits, especially those in which they are not personally a member of the targeted demographic. The learning experience for the corporate executive is dramatic and the relationship-building with the nonprofit and the community often leads to increased recruitment, retention and customer relations.

Guided Questions for Staff

**How diversity-supportive is your website?**
Is your CEO’s message on the homepage? Are there images/videos of different people, including people with disabilities and LGBT (lesbian, gay, bisexual and transgender) people? Is the diversity section easy to find and regularly updated?

**If your employee resource groups meet with the CEO and senior leadership, what kind of preparation do group leaders receive from diversity-and-inclusion staff?**
Do you present the group’s strategic goals and milestones for success? Who funds your groups and how involved are the senior leaders?

**How do the rank-and-file employees perceive your CEO’s and senior leadership’s commitment to diversity and inclusion?**
What could be done to bolster the sense that diversity helps the business?
Senior Leadership Commitment

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

Chairing the Executive Diversity Council/Accountability

How do CEOs ensure that their direct reports and others in the company, all the way down, make diversity and inclusion a business priority? Here are the best practices:

- **Chairing the Executive Diversity Council:** Why do CEOs of such Top 50 companies as AT&T, EY, Kellogg Company, Wyndham Worldwide and KeyCorp personally chair their councils? They see it as integral to their business success. As Stephen R. Howe Jr., EY Americas Managing Partner, says: “I tell my partners that it is not at all uncommon for me in a meeting with a client CEO to turn to this topic. That wasn’t true five years ago.” EY is No. 4 on the Top 50.

When the CEO chairs the council, there is enhanced visibility throughout the organization and accountability for actual goals. Sixty-two percent of DiversityInc Top 50 CEOs now chair their executive diversity councils, up from 32 percent in 2005 and 55 percent last year. In the top 10, 80 percent of CEOs chair their diversity councils.

- **Accountability:** The most common way to do this is through bonuses and/or performance evaluations. At Sodexo, No. 5 on the Top 50, bonuses for D&I goals are the only ones paid regardless of the company’s financial performance.

Some organizations are not comfortable directly linking compensation specifically to non-direct-revenue areas, so they instead include diversity competencies in performance reviews. These can include performance as an executive sponsor of an employee resource group and/or a multicultural mentor, being on the board of a multicultural nonprofit, increases in diversity in the staff under the executive, and supplier-diversity goals.

Guided Questions for Staff

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

- **At your company, how are executives generally rewarded for making their goals?**
  How well can diversity goals fit in with your existing compensation structure?

- **In evaluating executive sponsors of resource groups, what factors should be considered?**
  Should you assess recruitment, engagement and promotion rates of the targeted demographic? Should the groups’ contribution to marketplace growth be factored in? Should a 360-degree assessment of the sponsor by the group leaders be included?
Senior Leadership Commitment

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

Building a Pipeline

In order to successfully recruit, retain and engage a talented workforce—and understand an increasingly diverse marketplace—the top of the organization (and the board of directors) needs to be diverse in every way. Getting more diversity at the top is a challenge for many organizations because there are few openings and because women, Blacks, Latinos, Asians and others from underrepresented groups often leave before they get near the top. For more information, see Diversity’s Growing Value to Succession Planning.

What’s increasingly important is the identification and nurturing of high potentials, especially from underrepresented groups. DiversityInc plans a fall event on this important topic and will feature content on it every month.

An effective pipeline to the top begins with recruiting a diverse group of people, including mandatory diverse slates for management positions. On-boarding people successfully, often with the support of employee resource groups, increases engagement and retention. Carefully monitoring which factors inhibit retention and promotion (again through the use of employee resource groups) helps promote a healthy pipeline.

The use of cross-cultural mentoring is the most effective way to increase retention and promotion of people from underrepresented groups, according to DiversityInc data and academic research. Increasingly, having a sponsor or several sponsors is also crucial to an employee’s long-term success.

It’s also very important to review the assignments given to people from underrepresented groups and ensure that they are stretch assignments and ones directly related to the revenue stream.

Guided Questions for Staff

Do you have mandatory diverse slates?
If so, at what level? And how is “diversity” defined for these slates? Is this requirement for internal and external recruiters? What type of cultural-competency training do recruiters have?

Are your resource groups used to find and develop high-potentials who are otherwise going unnoticed?
How much exposure to senior leaders do these high-potentials get and what other training would most benefit them?

How are you factoring diversity into finding and promoting high potentials?
It is just a loose “we think about it” or are real metrics associated with the decisions and evaluations on your pipeline to senior management?

Supplier diversity for D&I staff, procurement staff, purchasing staff, communications staff, and Hispanic Heritage Month for all employees.