



Catalyst

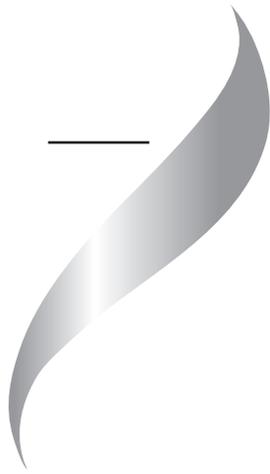
*20th Anniversary
Awards Compendium*

We seek a world that supports and encourages every woman in her career aspirations and places no limits on where her skills and energy can take her.

Catalyst Vision

ABOUT CATALYST

Catalyst is the leading research and advisory organization working with businesses and the professions to build inclusive environments and expand opportunities for women at work. As an independent, nonprofit membership organization, Catalyst conducts research on all aspects of women's career advancement and provides strategic and web-based consulting services globally. With the support and confidence of member corporations and firms, Catalyst remains connected to business and its changing needs. In addition, Catalyst honors exemplary business initiatives that promote women's leadership with the annual Catalyst Award. With offices in New York, San Jose, Toronto, and Zug, Catalyst is consistently ranked No. 1 among U.S. nonprofits focused on women's issues by The American Institute of Philanthropy.



ACKNOWLEDGMENTS

For 20 years, the success of the Catalyst Award process has been a result of extraordinary teamwork and dedication. In particular, Catalyst lauds the following groups, whose commitment, diligence, and support throughout the years have been indispensable.

The Catalyst Award Evaluation Committee has exemplified the benefits of a diverse team staffed across department, level, function, age, gender, sexual orientation, race, nationality, and ethnicity. Its diversity of opinion, thought, and style has embedded innovation and rigor into the process.

The steadfast Catalyst staff has provided encouragement, guidance, and assistance to the Committee. Their skills, including, but certainly not limited to, researching, writing, editing, troubleshooting, event planning, fundraising, accounting, publicizing, designing, coordinating, and outreach, make the process run smoothly and efficiently.

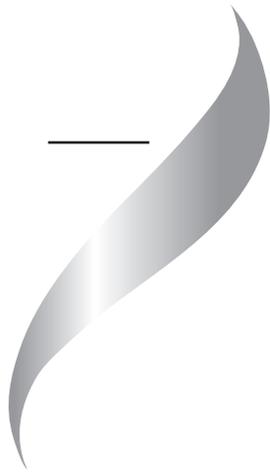
Catalyst leadership, and especially the three extraordinary women who have led Catalyst—the late Felice N. Schwartz, Founder; Sheila W. Wellington; and current President Ilene H. Lang—have imparted their wisdom, vision, and insight to the Catalyst Award process. Their passion for what the Catalyst Award stands for—organizations benefiting from women fully contributing their strengths, talents, and capabilities—is an inspiration to all of us.

Finally, Catalyst honors the organizations whose 64 remarkable initiatives have advanced women in the workplace since 1987. Their work, as described in this collection, is a testament to the Catalyst mission.

The recognition of the annual Catalyst Award is a coveted place for any business that wishes to be a leader in global industry. Innovation and excellence are the natural results when people are engaged and feel valued for the skills and talents they bring to the table.

Charles O. Holliday, Jr.
Chairman and CEO, DuPont
Chair, Catalyst Board of Directors





LETTER FROM THE PRESIDENT

On behalf of Catalyst, it is with great pride that I introduce the *Catalyst 20th Anniversary Awards Compendium*. Since 1987, Catalyst has honored strategic business initiatives that result in the recruitment, development, and advancement of women in the workplace.

The 64 Award-winning initiatives described in this book represent significant milestones in our endeavors to build inclusive environments and expand opportunities for women and business.

As Catalyst and the global workforce have evolved, so too has the Catalyst Award. When the Award began, winning initiatives responded to needs; now they anticipate competitive advantages. No longer an added perquisite, diversity now drives corporate strategy.

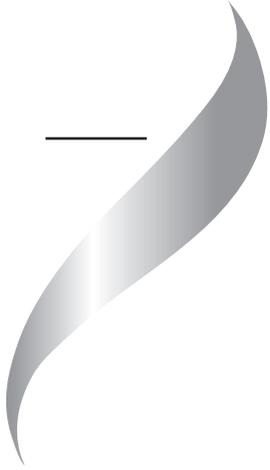
The Catalyst Award began by celebrating forward-thinking ideas and recognizing the potential of innovative practices. But the Award no longer honors promise alone; it honors the process of making change and proven results.

Early on, the Catalyst Award recognized discrete programs focusing on childcare, eldercare, personal safety and well being, communication and networking, and talent management. Over the last decade, initiatives have become integrated into performance management, and accountability systems have grown more stringent.

With each year, the Award process becomes more rigorous, the competition more intense. Initiatives now must result in significant, measurable increases in workforce gender diversity. Although the scope and rigor of the initiatives have increased, the central themes endure. The exemplary initiatives described in this book set the gold standard for diversity and inclusion in the workplace. These Award-winning initiatives are original, and perhaps most importantly, replicable.

It is extraordinary to read through this *Compendium* of winners and realize that what were once revolutionary ideas are now core values. Since 1987, Catalyst Award winners have demonstrated what Catalyst has long advocated and smart organizations have long understood: What's good for women is good for business.

Ilene H. Lang
President
Catalyst



FOREWORD

The *Catalyst 20th Anniversary Awards Compendium* celebrates the 64 remarkable initiatives that have been honored with the Catalyst Award since 1987. This volume, which details each cutting-edge strategic approach to advancing women and furthering diversity-and-inclusion efforts, serves as a benchmark for progressive organizations everywhere, as well as an honor roll of diversity initiatives in the business community.

The organizations whose initiatives have been recognized have created a wide range of programs and policies to make their workplaces better for women—and in so doing, better for all employees. The winning models offer your organization the knowledge and tools to effect meaningful progress in advancing women and embracing diversity and inclusion in all forms. Catalyst hopes that, through this collection of Catalyst Award-winning initiatives, organizations can learn from and build upon the strategies and programs celebrated here, and continue to develop cutting-edge initiatives that advance women in business.

The Catalyst Award Process

The evaluation for the Catalyst Award is a rigorous year-long process. Each year, companies and firms self-nominate for either comprehensive or discrete initiatives, which the Catalyst Award Evaluation Committee assesses through screening and telephone interviews. The Committee determines a select number of finalists, which it studies during intensive two-day on-site visits. Through interviews and focus groups with executive management, high-level women, human resources professionals, and other employees at various levels, the Committee gauges each initiative's effectiveness and the ways in which it permeates the organization. Subsequent to these site visits, Catalyst chooses the winners of the Catalyst Award.

The Catalyst Award Evaluation Committee measures each nominated initiative against the following seven criteria:

- ◆ **Measurable Results:** There must be documented evidence of improvement since the start of the initiative.
- ◆ **Accountability:** Formal monitoring mechanisms must support the initiative and measure its impact.
- ◆ **Business Rationale:** There must be an explicit connection between the initiative and the business strategy.
- ◆ **Senior Leadership Support:** Upper management must demonstrate commitment to the initiative.
- ◆ **Communication:** There must be mechanisms for informing employees of the initiative and its business rationale.
- ◆ **Replicability:** All or parts of the initiative must be replicable so that other companies and firms can use the initiative as a model for change.
- ◆ **Originality:** Initiatives are compared against previous winners and must include elements that are innovative.

The Catalyst Award: Driving Diversity and Inclusion Forward

The chapters in this book describe each initiative at the time it received the Catalyst Award. The standards of Catalyst's evaluation have advanced over the years, and the type and scope of winning initiatives have matured. Given the changing nature of the diversity landscape in business, it is important to note the evolution of Catalyst Award-winning initiatives over time. Early endeavors to recruit, retain, and advance women laid the groundwork for the type of organization-wide initiatives more recently honored with the Catalyst Award. The following chronology outlines key themes in its unique history.

1987–1991

The first five years of the Catalyst Award highlighted discrete programs or efforts that focused on bringing more women into management and supported them through targeted efforts: increased work-life programs such as childcare, eldercare, referral services; workplace environment programs such as sexual harassment training; and the creation of employee networks for women. This period also marked the beginning of developing unique opportunities for all women, including women of color.

1992–1995

Catalyst Award-winning initiatives became more sophisticated during this next phase, building diversity into performance-management systems and processes. Many initiatives focused on explicitly engaging women in succession-planning, high-potential, and leadership-development discussions and decisions so that organizations could retain talented women. In addition, initiatives introduced highly developed diversity task forces, steering committees, and advisory teams that sought to engage business leaders in diversity discussions.

1996–1999

During this period, the Catalyst Award criterion of accountability became central to driving change. Stringent accountability systems with goals tied clearly to pay and performance held senior leadership and middle management responsible for change. Initiatives also began to include increasingly tailored business cases for diversity and inclusion. Monitoring the pipeline for women and understanding emerging trends and markets was a critical element to the business rationale. In this timeframe, an initiative from an organization based outside of the United States or Canada won a Catalyst Award for the first time.

2000–2003

The beginning of the 21st century signaled an important step in the evolution of the Catalyst Award. Winning initiatives showcased strong change whereby diversity became embedded and integrated into cultural behavior and practices. In these organizations, the value of diversity in the work environment, employee satisfaction, and respect for workers as individuals was critical. A more global workforce impacted diversity efforts, and the influence of the external marketplace and Boards of Directors added new layers to accountability.

2004 and Beyond

With greater stress on diversity and inclusion (D&I), the most recent winning initiatives featured impressive frameworks for driving change within organizations. These strategies have now become integrated into the business such that diversity and inclusion is a business strategy itself, rather than merely a business influence. Diversity of thought has also emerged as a significant factor in successful diversity change. Recognizing all dimensions of diversity is significant; this includes regional or local customization for sophisticated global D&I initiatives as a critical element for success. Most notably, Catalyst Award-winning organizations evidence strong links between the representation of women in senior management and business performance.

This progression in complexity and approach for Catalyst Award-winning initiatives mirrors the overall evolution of diversity and inclusion in organizations. Over the past 20 years, companies and professional services firms have become increasingly savvy about leveraging the benefits of diversity, especially in optimizing the talents and contributions of their people and emphasizing the strong links with business success. As their efforts to maximize talent and financial gains develop, so does the Catalyst Award. Each year, the winning initiatives raise the bar for outstanding programs to advance women and business, and each year a few initiatives from organizations at the forefront of the business community exceed those standards. Catalyst is honored to be associated with the innovative and pioneering organizations whose initiatives have proven so powerful in making change. We look forward to many more years of progress and success.

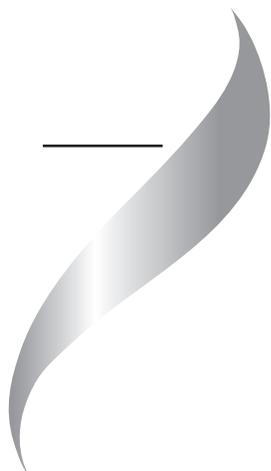


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THE GOLDMAN SACHS GROUP, INC.

*Securing Talent and Excellence in the Pipeline:
The Senior Women's Initiative*

The financial services industry has been slow to demonstrate significant results in attracting, promoting, and retaining women and members of historically underrepresented groups. This is particularly true for institutional firms for which the business case is based less on demanding clients and more on appealing to and keeping top performers. The result has been a lack of a critical mass of women and people of color and an increased war for talent.

Goldman Sachs' Award-winning *Senior Women's Initiative* is a global effort that aims to increase the number of senior women business leaders by supporting women in their career growth through recruitment, advancement, engagement, and retention, while working to eliminate potential barriers to advancement. The Senior Women's Review, a structured process at the initiative's core, is coordinated by the Office of Global Leadership and Diversity (GLD), embedded into Human Capital Management (HCM), and overseen by the CEO and Co-Presidents. Since 2002, this review has assessed and tracked the current and future pipeline of women into executive management. It is complemented by experienced hire efforts and key people and business processes that effectively increase management's familiarity with talented senior women. Goldman Sachs (GS) has also established programmatic elements that address the development, training, and mentoring needs of women, and specifically affirm women's advancement. In addition, global programs such as *ascend* bring together potential women clients and the firm's senior women to discuss topics such as governmental affairs, economics, and business, while a company-wide women's network with regional chapters benefits women across the organization.

The Goldman Sachs culture of excellence and its strong reputation as a market leader are driving forces behind this initiative. Senior leaders support all activities and are active role models across the organization. They are held accountable for the success of the components of this initiative with significant rigor and to a similar degree as they are held accountable for all other business activities.

History and Launch of the Initiative

The Senior Women's Initiative was an outgrowth of GS's organizational effort to take a more strategic approach to diversity after engaging in diversity efforts for nearly two decades. The earliest activities were U.S.-focused and led by women partners who championed issues such as back-up childcare and the establishment of the GS Women's Network. Soon after the firm went public in 1999, the Board of Directors and Executive Office undertook a thorough examination of diversity performance. In 2001, to mobilize and leverage these efforts, GS established the Diversity Task Force, composed of women and men leaders from various divisions, regions, ethnicities, and seniority, and co-chaired by Lloyd Blankfein, who headed the Fixed Income Division at that time.

The Diversity Task Force examined the role of women and other historically underrepresented groups globally, and highlighted different vantage points on issues of advancement and career opportunities. GS learned that, historically, the company had treated diversity as a series of extracurricular programs, and some employees were hesitant about whether a lasting commitment to diversity existed. In response to these findings, GS created the Office of Global Leadership and Diversity (GLD), which reported directly to the CEO. In 2002, GLD merged with Human Capital Management (HCM), in order to synchronize efforts and embed diversity considerations into HCM functions.

GLD's first major effort was the creation of an Annual Diversity Planning Process. As part of this overarching process, in early 2002, former CEO Hank Paulson established the Senior Diversity Leaders Review to assess and monitor the diversity of the existing and future Partner and Managing Director (MD) pools. Now in its sixth year, the Senior Diversity Leaders Review is overseen and driven by CEO Lloyd Blankfein and Co-Presidents Gary Cohn and Jon Winkelried.

GS understood the business case for this initiative: historically, in the investment banking industry, a critical mass of women at the levels of Managing Director and above did not exist. The firm knew that there was an immediate need to increase the number of women at the crucial MD and Partner levels so that there would be more role models for women in the pipeline and additional champions for diversity efforts. To address these concerns about women's advancement, GS created the Senior Women's Review, which focused on the careers of senior women.

Since its inception, the Senior Women's Review has been supplemented with a series of broader, more visible programs (e.g., MD Women's Series, *ascend*, Top 100 Women in the City) that have become the platform for the current *Senior Women's Initiative*. This broad range of programs ensures that benefits reach women across the organization.

Goldman Sachs' Strategy

Two central practices drive the initiative: 1) The Senior Women's Review—a process to *monitor* the pipeline to the most senior positions, MD and Partner; and 2) a series of programs that *affirm* women's advancement.

The first and primary component of the initiative is the Senior Women's Review:

- ◆ GS business leaders complete an annual assessment of promotion opportunities for every woman at the Partner and MD level globally, as well as high-potential women VPs. These assessments are reviewed by each division head and a committee of senior leaders, consisting of one of the Co-Presidents, the Head of HCM, the Head of GLD, and GS's most senior woman. These leaders engage in thoughtful and timely career-development planning ensuring that decisions are not based upon gender stereotyping.
- ◆ Many of the names surfaced in the Senior Women's Review are considered for promotion through a thorough and time-consuming cross-evaluation process that engages senior-level evaluators across the firm to conduct independent reviews on each candidate's commercial and leadership contributions.

- ✧ Each division head nominates business leaders to take on the role of cross-evaluators. These individuals are then specifically trained to ensure that expected MD and Partner competencies are displayed—including those that are diversity-specific. The team of up to 100 cross-evaluators is chosen globally and represents multiple dimensions, including gender, race, ethnicity, function, and nationality. The team is coordinated by captains who keep the cross-evaluators moving steadily through the timeline and present final results to a panel including the Co-Presidents. During the four-month review process, cross-evaluators formulate highly developed assessments based on conducting in-depth interviews with co-workers of the candidates. In 2006, over 9,400 interviews were held, resulting in 377 promotions.
- ◆ The Senior Women’s Review is critically linked through its timing to annual succession planning sessions and semi-annual reviews at various levels.
- ◆ A critical component of the Senior Women’s Review is follow-up. Development plans for women who are not promoted include next steps for development, leadership training, coaching, and mentoring, as well as feedback, increased exposure to key senior individuals, job mobility, and stretch assignments.
- ◆ The Partner selection process happens every two years. The MD selection process occurs annually and follows the same cross-evaluation process. The only difference is that cross-evaluators are chosen from the division itself (not company-wide).
- ◆ At more junior levels, a divisional Career Development Review identifies high-potential women who will eventually be part of the Senior Women’s Review. Career Development Reviews are also a way of training managers at lower levels to recognize the capabilities and needs of junior women in the early stages of their careers.

The second component of the initiative focuses on a series of programs that affirm women’s advancement. These programs provide development, training, and mentoring to both senior women and those below the Partner and MD levels through Focused Experienced Hire Recruiting; Retention and Promotion; and Leadership Development and Increased Engagement. While each of these areas consists of a robust array of programs, some of the most original and effective are:

◆ **Focused Experienced Hire Recruiting**

- ✧ **The Experienced Hire Initiative:** Approvers review the demographics of candidate pools to make sure that women and members of historically underrepresented groups have been included. A division head can veto a new hire approval if the candidate pool does not evidence adequate representation.
- ✧ **Top 100 Women in the City:** This global series of business-oriented discussions is specifically aimed at the top women in the financial services industry. It provides women at GS with access to these professionals and positions the organization as a leader in women’s issues.

◆ **Retention and Promotion**

- ✧ **Women Partner Advocacy:** Women Partners meet annually to discuss the promotion prospects of women MDs and high-potential VPs. Their conversations bring these women in the pipeline to the attention of division heads and advocate for near- and long-term promotions.

- ❖ **Leadership Acceleration Initiative (LAI):** This one-year training program provides high potentials (women and men) with stretch assignments designed to advance their development and expose them to senior leaders.
 - ❖ **Mentoring:** In 2002, a Mentoring Task Force was launched to coordinate all of GS's mentoring programs, ensuring a consistent set of values and principles, while retaining the flexibility necessary to cater to target populations. All women identified in both the Senior Women's Review and divisional Career Development Reviews must be affiliated with a mentor; division heads specifically review the strength and effectiveness of these relationships.
- ◆ **Leadership Development and Increased Engagement**
- ❖ **ascend:** These global events convene external women business leaders and internal senior women to explore commercial opportunities. The events reinforce the business case for advancing women by highlighting the commercial impact of women clients.
 - ❖ **Company-wide Women's Network:** The company-wide Women's Network provides programming that helps to recruit, retain, and develop women and increase their representation at senior levels. The network has chapters in the United States, Europe, Asia, India, and within the divisions.
 - ❖ **Black Women's Forum:** Launched in 2004, this discussion forum seeks to address career management and diversity issues for African-American women professionals at GS. It creates opportunities to network and exchange information and ideas with internal and external speakers.
 - ❖ **Associate Women Career Strategies Initiative (WCSI):** Developed in response to the success of LAI, WCSI is a six-month training program with global presence designed to increase retention and engagement of high-potential women associates.
 - ❖ **MD Women's Series:** This forum connects senior women at the firm with executive leaders on subjects ranging from strategic business concerns to gender-related topics. The series has increased senior women's awareness of key business issues, invited their input on efforts to develop the senior pipeline, and raised the level and quality of dialogue between senior women and men.

Catalyst Award Criteria: Change Drivers

Goldman Sachs' efforts exceed the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. GS aims to be the employer, advisor, and investment banker of choice, and to do this it must attract and retain the best and most diverse talent across backgrounds and gender. Diversity is embedded in the GS culture of meritocracy and linked to the GS business principles explicitly:

For us to be successful, our men and women must reflect the diversity of the communities and cultures in which we operate. That means we must attract, retain, and motivate people, from many backgrounds and perspectives. Being diverse is not optional; it is what we must be.

GS outlines the importance of the initiative to the business case:

- ◆ **Return on Investment:** MD and Partner positions are awarded after a significant investment by both the individual and the company in developing commercial and leadership skills. Thus, every effort must be made to obtain the full return on those investments by maximizing opportunities for talented senior women.
- ◆ **High Cost of Turnover and the War for Talent:** The cost of replacing an employee is generally up to 150 percent of his or her annual salary in addition to the loss of knowledge amassed during that employee's tenure. The visible and successful progression of women strengthens the company's ability to win the war for talent at levels further down in the organization and helps expand the pipeline of diverse leadership.
- ◆ **Reflecting the Workforce and Clients:** Because the labor force is becoming less white and male, GS needs to ensure that its leadership pool represents today's workers and their interests. Moreover, clients are increasingly diverse, and failure to reflect a more diverse workforce jeopardizes the ability to win business and maintain relationships.
- ◆ **Image and Reputation:** Reputation is vital in the financial services industry, and GS needs to be mindful of the risk to its brand if it is portrayed as anything less than a true meritocracy and diversity leader.

2. Demonstrate the Commitment of Senior-Level Leadership. CEO Lloyd Blankfein is a key leader and a visible champion of *The Senior Women's Initiative*. He oversees the initiative along with Co-Presidents Gary Cohn and Jon Winkelried. Blankfein participates in several initiative components, communicating their importance across the organization. Other senior leaders, such as members of the firm's Management Committee, also drive diversity in their lines of business and participate regularly in events through women's networks throughout the firm and *ascend*.

Central to the progress and support of the initiative is the Firmwide Diversity Committee. This decision-making body is composed of a subset of GS's Management Committee (representing divisions and regions) and is complemented by diversity committees in each region that include senior-level diversity champions. These committees meet frequently, and division/region heads meet individually with the Co-Presidents throughout the year to discuss progress on diversity issues. Key priorities include: holding managers accountable for attracting, retaining, and promoting women and men from the widest possible range of backgrounds, cultures, and experiences; ensuring that people are appropriately awarded and compensated for their diversity efforts, as well as other aspects of citizenship; and expanding the vision and execution of leadership and diversity efforts.

The leaders and staff of GLD facilitate the Annual Diversity Planning Process. They are responsible for *The Senior Women's Initiative*, making specific recommendations to the business leaders about their senior diverse talent and following up to ensure actions were taken to address career development needs. In addition, GLD is directly involved in the planning and execution of a series of broader, more visible programs that support the Senior Women's Review, including the MD Women's Series, *ascend*, and Top 100 Women in The City. GS's most senior women leaders also support *The Senior Women's Initiative*.

3. Effectively Communicate the Strategy. Leadership actively communicates its commitment through various vehicles and by attending and sponsoring events and initiatives. For example, at quarterly town hall meetings held for MDs, the CEO sends diversity messages and responds to issues raised in GS's People Survey. In addition, division heads sponsor events and appear at women's conferences to discuss their support and involvement in initiatives.

The Senior Women's Review is a sensitive process that must be discussed carefully to have maximum impact. Emphasis is not on communicating the Senior Women's Review process itself as much as it is on how Goldman equips people to advance their careers, as well as promotion announcements and key leadership changes that are the results of the process.

Networks, mentoring, and other organizational events, however, allow for broader communications, and each program has a customized communication plan. GS produces a quarterly, company-wide diversity newsletter highlighting key achievements that is complemented by regional accomplishment newsletters. It also maintains an extensive website on which each of the divisions and regions has a page describing its programs. In addition, GS ensures diversity is a key component of business leader meetings and communications. For specific gender initiatives, such as *ascend* and WCSI, GS produces communication toolkits that highlight the key messages regarding the business rationale and ensure consistency as the message cascades. These communications vehicles guarantee that employees are attuned to company diversity activities and the strong leadership investment.

4. Create Accountability Systems. All managers are held accountable for diversity and participation in the initiative's components. The accountability system has evolved over time from monetary rewards, which did not have a large impact because it was difficult to create a "bonus pool" significant enough to change behavior, to programs which gave managers public recognition and a monetary award to a nonprofit of their choice.

In 2006, GS again reevaluated how to account for diversity efforts and performance in total compensation. As such, a new Diversity Task Force proposed changes to the annual performance evaluation of the firm's top leaders, which will more specifically reflect their diversity commitment by evaluating factors such as experienced hiring and retention results and support for key programs. Both positive and negative efforts will be factored into overall performance quartiles, which can affect compensation and the possibility of promotion, a significant value proposition factor within this industry.

The cross-evaluation process for MD promotion is a direct example of accountability. A fair and rigorous outcome is ensured by the huge investment of resources, the number of interviews conducted, and the high visibility of cross-evaluators to senior leadership.

The Senior Women's Review itself is also a critical accountability mechanism, which maintains an ongoing record of actions and follow-up items that are tracked by the GLD. Subsequent to the Senior Women's Review, GLD follows up with each business leader to assess action steps and outstanding items to address.

5. Create Tools to Measure Progress. An annual review of the Management Committee (consisting of each division and region head) is submitted to the Executive Office by GLD and is incorporated into key performance discussions and compensation determinations. Specifically, the review focuses on:

- ◆ diversity statistics and performance for key demographics;
- ◆ results for each division on key diversity initiatives; and
- ◆ interviews with network leaders and HCM representatives on key accomplishments and participation in initiative-related programs.

GS maintains a 360° review process and asks specific questions regarding diversity. This process was recently updated to address stereotyping by asking for ratings on the avoidance of stereotypical behaviors.

A biannual employee survey measures perceptions and experiences of working at GS. Results compiled by gender, level, and ethnicity measure perceptions of meritocracy and diversity within each business unit.

The Impact of the Initiative

The Senior Women's Initiative has evidenced strong results by markedly increasing the number of women MDs and Partners. Globally, the percentage of women Partners has grown from 7.0 percent in 2001 to 14.0 percent in 2006. In the United States, the results have been even more pronounced, going from 5.8 percent to 19.0 percent during the same time period.

From 2001 to 2006, the percentage of women MDs has increased from 14.0 percent to 17.0 percent of the global total. In the United States, women MDs increased from 16.4 percent to 18.0 percent.

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of investing, advisory and financing services worldwide to a diversified client base that includes corporations, financial institutions, governments and high net worth individuals. With over 23,000 employees, the firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong, Bangalore, and other major financial centers around the world for a total of 58 offices in 28 countries worldwide. Organized as a partnership until its initial public offering in 1999, today Goldman Sachs is a public company that promotes a distinctive corporate culture, placing our clients' interests first and emphasizing integrity, commitment to excellence, innovation and teamwork.

PEPSICO, INC.

Women of Color (WoC) Multicultural Alliance

As the demographics of both the talent pool and consumers shift, it is critical for organizations to fully capitalize on diverse talent. At the same time, smart organizations need to recognize the unique skills and experiences embodied by women of color who are advancing in the workplace. While many corporations have efforts in place for either women or people of color, the vast majority do not focus on the needs and concerns of women of color in particular as a strategic business priority. PepsiCo recognized that to fully capitalize on all top talent, it needed to implement a strategic initiative focused on women of color.

PepsiCo's Award-winning initiative, *Women of Color (WoC) Multicultural Alliance* (the "Alliance") is a strategic support and resource group closely aligned with the business. The Alliance is a business imperative that focuses on the attraction, retention, and development of women of color within PepsiCo and specifically targets women of color in middle and senior management ranks.

Major Alliance activities and components have included: Power Pairs[®], a program developed in partnership with Global Lead Management Consulting that builds authentic relationships and advancement opportunities for women of color through facilitated dialogues with immediate and skip-level managers; a national leadership development conference; regional networking events; and robust career development tools and resources.

The Alliance's impact has been far-reaching and demonstrates that improving diversity and inclusion through alliances benefits the entire corporation. It has created a culture of authenticity and honesty that permeates relationships among women of color and peers and managers, calls attention to the unique experiences and needs of working women of color, and showcases workplace dynamics and solutions related to the intersection of gender and race.

History and Launch of the Initiative

In 2002, PepsiCo's Global Diversity and Inclusion (D&I) team explored internal workforce data and conducted comprehensive exit interviews to examine attrition of women of color at PepsiCo. This research revealed that women of color felt less satisfied, committed, and connected than all other groups.

To further understand the unique challenges facing women of color, a 25-person steering committee was formed, composed of women of color and white women champions across function, location, and level. The steering committee found that in 2002, only 70 out of approximately 2,000 executives (senior manager-level and above) were women of color; turnover data was also significantly higher for women of color than it was for other groups. At the same time, the committee heard recurring themes of lack of career development opportunities and a lack of "authentic relationships" between women of color and their managers.

PepsiCo wanted to make change immediately, but recognized that understanding the perceptions and experiences of women of color across the company was an essential first step before starting such a major initiative. After collecting the additional data it needed, the steering committee worked with the Global D&I Office to present the findings of its internal research to all executive women of color at PepsiCo in order to ensure “buy-in” prior to rolling out the initiative. Reactions from women of color to the data led to the development of a 12-member advisory team, a three-year strategic plan and, shortly thereafter, a team of executive sponsors.

PepsiCo’s Strategy

PepsiCo’s diversity initiative is achieved through: 1) implementation of four organizational priorities around women of color; 2) sophisticated alliance structures and leadership; and 3) programmatic elements that have led to the retention, development, and satisfaction of women of color at PepsiCo.

1. Implementation of Four Organizational Priorities Around Women of Color.

PepsiCo’s *WoC Multicultural Alliance* priorities are aimed at helping the company attract, develop, and retain women of color. The establishment of these priorities was based on the research and buy-in that PepsiCo executives engaged in before developing the initiative. Following is a brief overview of each of the four priorities:

- ◆ **Creating Support and Awareness:** At first, the initiative focused on achieving buy-in from women of color and ensuring that critical issues were targeted. Later, this plank focused on building support and awareness more broadly in the organization, with an emphasis on the managers of women of color. These efforts resulted in increased awareness of and support for the initiative from key constituencies.
- ◆ **Educating/Developing:** Early on, the Alliance wanted to address the feedback it had received about the challenges women of color faced in developing authentic relationships with their managers, and it recognized the importance of providing women of color with meaningful development experiences. One of the first elements put into place was a program called Power Pairs[®], described in more detail below. Additionally, the Alliance seized opportunities at national and regional meetings to provide workshops targeted at development needs identified by the group.
- ◆ **Building a Sense of Community:** PepsiCo’s D&I team and the initiative champions realized that they would need to share findings across groups and engage champions at multiple levels. They also wanted women of color to feel connected through differences and similarities. A sense of community was built through programs and activities designed to assist employees in developing authentic and honest relationships with each other and with their managers.
- ◆ **Increasing Representation:** Increasing the advancement of women of color to senior management always has been a focus of this initiative. PepsiCo senior leaders are accountable through their performance reviews and bonuses for increasing the number of women-of-color senior managers and tracking their attrition, representation, and promotion. Data on women-of-color employees is compared to that of other demographic groups of employees and competitors on a regular basis.

2. Sophisticated Alliance Structures and Leadership.

The overarching PepsiCo women-of-color Advisory Team, led by executive sponsor Dawn Hudson, President, PepsiCo North America, has at least one representative from each PepsiCo division. The team currently has 11 women-of-color core members, as well as other members from varying management levels and divisions within PepsiCo.

In addition to the women-of-color Advisory Team, there are six divisional advisory teams in North America, which include PepsiCo Corporate, Frito-Lay North America (FLNA), Pepsi-Cola North America (PCNA), Quaker/Tropicana/Gatorade (QTG), Pepsi Business Solutions Group (PBSG), and Business Process Transformation (BPT). Each of these advisory teams has a senior-level executive sponsor who participates in all activities and champions women of color within the division.

Each of PepsiCo's 24 employee resource groups has an executive sponsor who represents the group's interests. The executive sponsors are strategically chosen and are typically demographically different than the resource group they represent. For example, the overall sponsor for the Alliance is a white woman, while the white male population is represented by an African-American man, and the LGBT group is sponsored by a straight woman. This structure has been highly successful in attaining PepsiCo's goal of embracing difference across the company.

3. Programmatic Elements That Have Led to the Retention, Development, and Satisfaction of Women of Color at PepsiCo.

- ◆ **Power Pairs®:** This customized coaching program for women of color, their immediate managers, and their "skip-level" managers (second-level managers) uses facilitated dialogue to build personal and professional relationships, help participants better understand others' work styles, professional interests, and career goals, and foster more authentic and honest relationships. Conversations should convey mutual expectations, identify gaps, and help participants collaboratively develop action plans for working together more effectively. Power Pairs® at PepsiCo has helped bridge many gaps between managers and women of color, including those between gender and race. These rare opportunities to spend quality time with managers have given participants the opportunity to voice their career plans and goals while receiving direct feedback. Power Pairs® has shown solid results: employee turnover among women-of-color Power Pair® participants is one-half that of executive women-of-color employees not participating in Power Pairs®.
- ◆ **National Women-of-Color Conferences:** In July, 2005, more than 175 women of color, from all PepsiCo divisions, joined together in the first Women of Color Multicultural Alliance National Conference. This three-day event, which served as an incubator for executive management levels, focused on team-building, professional and personal development workshops and panels, and networking with other participants and senior executives within and outside of PepsiCo.
- ◆ **Regional Women of Color Meetings:** PepsiCo also holds three large regional meetings for women of color at their headquarters in Dallas, Chicago, and Purchase, N.Y., that focus on engaging all manager-level and above employees. At the regional meetings, which have an experiential learning component, women of

color and their managers come together to learn about the experiences and challenges of women of color at PepsiCo. After the meetings, all Alliance members must share their new knowledge with their divisional groups and develop recommendations for improvement.

- ◆ **On-boarding Women of Color:** The Alliance website, housed on the PepsiCo intranet, is accessible to all employees. This website serves as the main hub for all Alliance information. Divisional women-of-color leaders can upload their own information, which allows for local customization. The website also has personal-development articles, features on senior women-of-color executives, and archives for previous meetings, events, and conference materials.
- ◆ **Women-of-Color Greeting Cards:** These personalized cards are sent out to all newly hired and promoted women of color. They provide women with general information about the Alliance and its mission, as well as a senior contact to use as a resource. While HR provides each division with templates to use, divisions are able to customize their greeting cards.

Catalyst Award Criteria: Change Drivers

PepsiCo's efforts exceed the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. Employees at PepsiCo are aware of how changing workforce demographics, market demands, and education trends impact their lines of business and necessitate increased attention to diverse employees and talent pools. The business case for the Alliance highlights how such trends relate to consumer purchasing power and product needs and to the importance of attracting, retaining, and advancing women of color specifically. The business case for the Alliance is twofold:

- ◆ PepsiCo recognized it had to "cast a wider net" to attract and retain the most talented employees. To achieve this, hiring and retaining more women of color is essential—especially since women of color are earning undergraduate and graduate degrees faster than any other group.
- ◆ Internal data indicated that, in 2002, women of color felt disconnected from their managers. Internal survey data also revealed that women of color were less satisfied and committed than other groups of employees. PepsiCo had always looked at "women" and "people of color" in their survey data, but had not researched women of color as a unique group until 2001, when they discovered the significant dissatisfaction.

2. Demonstrate the Commitment of Senior-Level Leadership. CEO commitment and executive responsibility is a driving force behind the *WoC Multicultural Alliance*. Since the inception of the Alliance, Dawn Hudson has continuously improved opportunities for women of color at PepsiCo by speaking on behalf of the Alliance and linking the importance of maintaining a diverse talent pool to gaining a competitive advantage and advancing PepsiCo. She is the group's voice at the highest level.

Former CEO Steve Reinemund made the advancement of women of color a key business imperative by commissioning research and holding his direct reports accountable for Alliance goals. Current CEO Indra Nooyi

continues this today with a focus on accountability, diversity, and the women-of-color talent pool. She personally reviews the Alliance goals included in the business plans of every division and line of business.

3. Effectively Communicate the Strategy. The *WoC Multicultural Alliance's* existence, focus, and achievements are communicated to employees in a variety of ways:

- ◆ PEpline, PepsiCo's daily employee newsletter, frequently reports on women-of-color initiatives and activities.
- ◆ The Alliance website on the PepsiCo intranet offers links to event calendars and other resources for women of color.
- ◆ Through outreach and on-boarding efforts, leaders across divisions communicate with women of color who join PepsiCo to encourage participation and inform them of the Alliance programs and activities.
- ◆ Monthly meetings of the women-of-color Advisory Team and divisional alliances allow participants to share accomplishments, updates on current initiatives, and best practices.

4. Create Accountability Systems. Accountability is an essential part of this initiative. All leaders and managers at different levels are held accountable for the success of the initiative, including representation and promotion data, success and implementation of Alliance events and activities, and satisfaction data for women of color. Hiring, promotion, and turnover rates are tracked specifically by gender, race/ethnicity, and the intersection of both.

PepsiCo's performance evaluation scorecard and Performance Management Process/Career Development Action Planning (CDAP) process is robust. In 2006, the People Results portion of the executive team's performance appraisals accounted for one-half of their overall rating, sending a clear message to all employees that people development and diversity are strategic priorities at PepsiCo. For all other employees, the People Results component of the performance management system ratings will increase from one-third to one-half in 2007.

The goals and pay of the CEO and senior team, along with Alliance executive sponsor Dawn Hudson, are linked to the Alliance's success in the People Results section of their reviews. Members of the D&I team are also held accountable through performance ratings and links to bonus pay for their support of the initiative, including rigorously tracking hiring, promotion, turnover, and satisfaction data for women of color. All managers of women of color are held accountable for their involvement through Power Pairs[®], as well as their encouragement of Alliance activities.

5. Create Tools to Measure Progress. To measure progress and track Alliance efforts, PepsiCo uses survey data, tools, and other resources. The Organizational Health Survey, conducted every other year, includes questions on diversity and inclusion. PepsiCo examines and tracks data by race and gender, including women of color specifically.

Through Pulse survey data collected quarterly, PepsiCo assesses changes and improvements in perceptions

about D&I. Data from women of color are compared to those of white women, white men, and men of color. Overall trends and disparities are analyzed and form the basis of recommendations to senior management.

Some sample questions include:

- ◆ I am comfortable being who I am in this company, even when I am seen as different in some way.
- ◆ I believe that everyone is equally valued and respected in this company, regardless of their unique characteristics.
- ◆ I see diversity reflected in the management of this company.

Survey data has shown significant positive changes in women-of-color's perceptions at PepsiCo. In 2004, 32.0 percent of women of color saw diversity reflected in the management of the company. In 2006, the percentage has increased to 62.1 percent. In 2002, 50.8 percent of women of color believed that PepsiCo was committed to their long-term growth and development. In 2006, that number has increased to 70.0 percent.

The Impact of the Initiative

The tangible success of PepsiCo's *WoC Multicultural Alliance* is clear: Representation for women of color at the senior manager/director/VP level has increased from 4.0 percent in 2002 to 6.7 percent in 2006. In addition, turnover for women of color who have participated in Power Pairs[®] is at one-half the rate of those who have not participated.

PepsiCo is one of the world's largest food and beverage companies, with 2005 annual revenues of more than \$32 billion. Its principal businesses include: Frito-Lay snacks, Pepsi-Cola beverages, Gatorade sports drinks, Tropicana juices and Quaker foods. Its portfolio includes 17 brands that generate \$1 billion or more each in annual retail sales.

PRICEWATERHOUSECOOPERS LLP

Unique People Experience

The work environment for professional services firms frequently consists of long hours on client matters, at client sites, with clients' needs determining tasks and priorities. These demanding factors may lead to high levels of stress and dissatisfaction among staff. During the past decade, the contraction of the accounting industry has created tremendous competition among firms that must attract and retain both clients and staff. Today, firms have no choice but to distinguish themselves from their competitors to gain business and talent.

PricewaterhouseCoopers (PwC) LLP's Award-winning initiative, *Unique People Experience* (UPE), addresses the costly issues of turnover and retention of top talent. UPE is a series of initiatives intended to decrease turnover, enhance clients' experiences, and optimize staff productivity by recognizing, respecting, and managing differences among people. UPE consists of two intersecting components: a significant shift in the way work gets done, and an emphasis on inclusion.

PwC has made important strides in redesigning work such that both staff and clients benefit. The staff now enjoys an even more inclusive work environment, increased work-life effectiveness, and more career path flexibility. Clients benefit by receiving high-quality service from talented PwC staff performing at peak levels. Significantly, the changes effected by UPE have resulted in reduced turnover of women and notable increases in the representation of women within both PwC's partnership ranks and firm leadership positions.

History and Launch of the Initiative

The vision for UPE was developed under the leadership of Chairman and Senior Partner Dennis Nally. In 2001, he recognized the necessity of reducing PwC's record high turnover of 24 percent overall, with women exiting at a higher rate than men (26 percent). Additionally, he created the tactical imperative to set PwC apart from its competitors as a "distinctive firm" by reversing the order of the firm's strategic priorities—placing "People" and "Quality" *before* "Profitable Growth."

As a first step toward decreasing the high turnover, PwC surveyed its people to get a pulse on their needs and challenges. Results indicated that women and people of color sought career path flexibility, the ability to step on and off the fast track, opportunities to connect with diverse role models, and a new dialogue about bringing their whole selves to work. Thus, PwC set forth to redesign work and to create an even more inclusive work environment—treating each staff member as an individual and delivering a *Unique People Experience* for all.

PwC chose to set itself apart in its quest to attract and retain diverse talent by emphasizing work-life quality, an element missing from the work environment of most professional services firms. PwC also made the strategic decision to focus on teamwork, shifting away from the model of individual contributors. These ideas are the foundation that distinguishes the firm from others.

In 2003, Dennis Nally seized the opportunity to closely align diversity with the firm's business strategy by creating a new leadership role, Chief Diversity Officer (CDO), reporting directly to him. The CDO position has evolved into a "tour of duty" role for a line partner. Chris Simmons, the firm's current CDO, came from the firm's mergers and acquisitions practice and is a member of the U.S. Leadership Team. To set into motion the actions necessary to drive down turnover, expand inclusion efforts, and attract talent, CDO Chris Simmons expanded the Office of Diversity to include a team of 12 local diversity leaders in major markets, four partner/leader champions in each line of service, and subject matter experts on gender, race, work-life issues, and sexual orientation. By having both national and local diversity staff, PwC created a robust structure that allows customization while maintaining consistency across the firm.

PwC's Strategy

UPE aims to create a "distinctive firm" by redesigning work and creating an inclusive environment. The following select components are integrated into the firm's business culture to help decrease turnover, further

increase diversity, and enable women and men to feel recognized for their contributions, challenged by their work, connected to the firm, and surrounded by diverse role models.

1. Redesigning Work

Client Portfolio Teams (CPTs)

The shift from a competitive individualistic environment to a team-based collaborative workspace was crucial in redesigning the way work gets done. This step was enabled by the development of Client Portfolio Teams (CPTs) in 2001. In a CPT, six to eight partners jointly manage 70 to 80 staff members and serve a portfolio of clients collaboratively. An important goal of this team-based approach is to distribute the workload evenly among the team so that no individual incurs an excessive number of hours. To facilitate equitable utilization, team members' hours are regularly shared with all individuals on the team. The firm monitors utilization on a quarterly basis and makes adjustments where necessary. CPT members note that the formation of these teams has increased transparency, encouraged collegiality, discouraged excessively long work hours, and created mutual accountability.

PwC also created new project management roles to enhance efficiency and decrease the work load of client service staff by ten percent. The teams hold monthly "temperature check" meetings to discuss work-life issues, review utilization, and to monitor that vacations and personal commitments are being honored. Additionally, PwC evaluates client treatment of CPT members, using surveys and site visits to gauge team satisfaction.

This change initiative was rolled out in phases in PwC's two largest practice areas. Currently, 42 percent of the Assurance practice (approximately 5,000 people) participate in CPT and 80 percent of the Tax practice (approximately 5,600 people) participate in Tax Teaming (their name for CPT). PwC's Assurance and Tax practices will complete the rollout by July, 2008.

Improving Work-Life Quality

Survey data at PwC indicated that dissatisfaction with work-life quality was a major reason people left the firm. To address this, PwC focused on creating a culture that values time off for vacation and weekends, and enables people to take advantage of both formal and informal flexibility options without stigma.

- ◆ **Flexible Work Arrangements (FWA):** PwC offers several formal policies or programs for flexibility: reduced hours, flextime, PwC@home, PwC offsite, job-sharing, compressed workweek, and seasonal employment. These arrangements can be used without stigma; many staff members have advanced to the partner level while using a FWA. In a survey of staff using reduced hours, 95 percent said that the arrangement contributed to their decision to stay with the firm.
- ◆ **Firm-Wide Paid Shutdowns:** In addition to PwC's generous vacation policy of 22 days per year, the firm has provided additional time off to all staff by shutting down entirely between Christmas Eve and New Year's Day during three of the last five years. During that same period, the firm also shut down once for an extended time around Independence Day. While these shutdowns depend on the business needs that calendar year, they are a way for people to truly disconnect and take a totally "guilt free" break from their work.

- ◆ **Vacation and Holiday Time Off:** To encourage staff to utilize their vacation benefits, PwC closely tracks use of accrued vacation time. This monitoring is a component of the performance review of supervisors whose staff consistently do not utilize vacation benefits. The results of these efforts are visible: people who have lost vacation time decreased by 6.3 percent in 2006.
- ◆ **Email Reduction:** To increase work-life quality, PwC discourages sending work-related emails over the weekend. A pop-up message discouraging email activity appears any time someone attempts to send an email over the weekend. The message reads in part, “It’s the weekend. Help reduce email overload for you and your colleagues by working offline...Firm research has shown if you send a note, the recipient feels compelled to respond...”
- ◆ **Enhanced Parental Leave:** All new parents at PwC receive 15 days of paid leave in addition to short-term disability benefits and vacation. This time can be used by parents at any time during the first year of their child’s life.

2. Creating a Culture of Inclusion

Partner Connectivity

Part of building more inclusion is connecting client service staff personally to an owner of the business. All 2,000 partners are assigned staff coaches who they meet with regularly to discuss work-life demands, client-related concerns, and other issues. This formal relationship is particularly important for women and people of color because a majority of PwC partners are white men. All partners participate, including the Senior Partner.

Managing Director (MD) Role

In the past, the “up or out” mentality—that all career paths lead to partnership or end in an exit from the firm—drove away high performers, especially women. The new MD role provides another advancement path for subject matter experts and practice leaders who have the experience, knowledge, drive, and commitment to deliver quality client service. Candidates go through a rigorous promotion process and are evaluated by a sub-committee of the U.S. Leadership Team.

Full Circle

Full Circle is designed to allow staff to step out of the workforce to parent full-time and eventually come back to the firm. Before leaving, participants select a PwC coach who will be responsible for keeping in touch with the participant during their absence. In addition, participants have access to firm training to keep their skills current, are reimbursed for annual licensing credentials, and are invited to local PwC events and functions.

Connecting Women and Diverse Populations

- ◆ **Women’s Leadership Conferences and Client Events:** PwC has created a series of leadership summits for women at all levels of the firm with the goal of providing role models and leadership development for more junior women. Additionally, the firm has created events for women clients to enhance relationships and promote business development between women.

- ◆ **Minority Transition Plan (MTP):** MTP “on-boards” people of color campus hires, with a focus on connectivity, client engagement, and mentoring and coaching. Because more than one-half of these hires are women of color, this program works to advance women at the firm. The MTP also requires that each new minority hire has at least one premiere client project. Mentoring and coaching provides a peer mentor as well as a partner advocate who sees that the new hire is well connected to those in their business unit and helps guide staff through the critical first year.
- ◆ **Women of Color Council:** In 2004, PwC created a Women of Color Council to guide the CDO Chris Simmons on relevant issues. It meets annually and is composed of more than 20 women of color from across the country.
- ◆ **Networking Circles:** Women’s networking circles at PwC began in 1998. They meet at least monthly and provide women with access to vital networks. In 2001, PwC launched Minority Circles/Diversity Circles/Multicultural Circles as a career development tool that connects minority staff with peers, senior leaders, and role models who understand their experiences. In 2004, the first GLBT Circle was launched in Tampa; soon after, it received the prestigious annual Chairman’s Award, which recognizes groups and individuals who go above and beyond in pursuit of the firm’s three strategic priorities (People, Quality, Profitable Growth), and since then, more than 11 GLBT Circles have formed across the firm.
- ◆ **GLBT Partner Advisory Board:** This group of ten partners advises firm leadership and the Office of Diversity on planning and implementation of GLBT initiatives. PwC is the first and only Big 4 firm to organize a group like this, illustrating its distinctiveness.

Catalyst Award Criteria: Change Drivers

PricewaterhouseCoopers LLP’s efforts exceed the following criteria by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. *Unique People Experience* is integrated into PwC’s business strategy through its strategic business priority: People. A major impetus for developing UPE was the understanding that high turnover is costly (the firm estimates that it is approximately \$80,000 per staff member) and untenable (such a high rate prevents the firm from developing a robust pipeline). In addition, market pressures made it necessary for the firm to compete for top talent. PwC staff recognized the necessity—rather than choice—of focusing on all staff and creating an even more inclusive environment where diverse talent can thrive.

By redesigning the CDO position to be a “tour of duty” for a line partner and for that person to serve on the U.S. Leadership Team, the firm is securing alignment between the overall firm strategy and that of the Office of Diversity. The goals, plans, and activities that cascade from the Office of Diversity are thus coordinated with those of the firm as a whole. Also, since the local diversity leaders report to the CDO, the plans and activities that originate from geographic offices or lines of service are vetted by the Office of Diversity, which helps maintain consistency.

2. Demonstrate the Commitment of Senior-Level Leadership. There is clear top-down enthusiasm for and support of UPE, with consistent messaging from Dennis Nally and Chris Simmons about the importance of putting People first. Both Dennis Nally and Chris Simmons have been vocal advocates for working mothers and strong supporters of the firm's GLBT efforts. Dennis Nally attends town hall meetings whenever possible, has five coaches, and outwardly embodies work-life effectiveness, encouraging his subordinates to take advantage of flexible work arrangements and regularly taking time off for himself and adhering to the firm's policy of no email on the weekends.

As owners of the firm, the partnership has ultimate responsibility for the success of the initiative, and they steadfastly reinforce their commitment by acting as role models and advocates for the staff. The partners are expected to and do mentor staff, engage in one-on-one conversations with their direct reports, and participate in succession planning discussions. Diversity and inclusion are integral to all of these activities. In order to advance to, and continue in, leadership roles, partners are required to have excellent people results.

3. Effectively Communicate the Strategy. PwC consistently communicates UPE across the organization, relying on webcasts, booklets, DVDs, brochures, newsletters, firm intranet, and speeches to relay the message. Dennis Nally's "Ask Me Anything" button on his biweekly staff email communication is an opportunity for direct two-way dialogue. The firm believes telling individual stories is the most effective way to communicate about *Unique People Experience*. Some examples include:

- ◆ *Perceptions—"You're Not What I Expected":* This book challenges common assumptions about leadership by highlighting diverse PwC leaders and their unique paths to success at the firm.
- ◆ *Women Partner Books:* These are profiles of women leaders that include biographies, career paths, and the women's responses to questions about aspirations, trade-offs, challenges, and work-life issues.
- ◆ *Rest and Relaxation: The Value of Time Off:* This booklet provided tips and guidelines for planning vacations and was distributed to all staff in 2005. The key message was communicated in the opening lines: "Vacations play a fundamental role in our overall work-life quality. In our demanding environment, you need to be able to take time to completely detach from work—no emails, no conference calls, no voice mail, no worries about what's going on at the office."

4. Create Accountability Systems. Partners and staff are held accountable for the success of the initiative through strong accountability mechanisms, including:

- ◆ **Balanced Scorecard:** PwC uses a balanced scorecard approach to assess staff performance. Three strategic areas are evaluated: People, Quality, and Profitable Growth. For managers and above, in addition to quantitative measures, the People score incorporates anonymous upward feedback from subordinates on management style and interpersonal effectiveness. Participation in upward feedback is a performance goal for all managers and above and, for some teams, it is a requirement in order to be eligible for a bonus. In addition, incentive bonuses emphasize and reward performance, not excessive hours. This is a diametric shift from conventional bonus systems in billable-hour cultures. Partners managing Client Portfolio Teams (CPTs)

are measured against People goals including effective coaching and development, staff turnover, satisfaction scores, and work-life metrics. These People-related evaluations influence compensation decisions and advancement opportunities.

- ◆ **Talent Reviews:** Line of service leaders hold an annual meeting to thoroughly evaluate high-potential partners. The CDO participates in this meeting to ensure a focus on diversity. In preparation for the meeting, each woman and minority partner is reviewed and plans are developed for those with leadership potential. Furthermore, a partner diversity champion within each line of service reviews these development plans.
- ◆ **Annual Review Committee (ARC):** Every staff member at PwC has a performance file that includes self-assessment data, performance feedback from engagements, and, where applicable, upward feedback. This file is reviewed by an Independent File Reviewer and presented at the ARC meeting, which is chaired by a partner, and is the vehicle for staff evaluations and performance ratings. Diversity leaders attend ARC meetings, as non-voting members, to add a diversity viewpoint to the proceedings.

5. Create Tools to Measure Progress. The Office of Diversity monitors the representation and turnover of women and people of color across the firm, including within lines of service, offices, practice areas, and levels. In addition, PwC uses a survey to measure change and progress.

- ◆ **Pulse Survey:** Since 2002, the firm has administered a 34-question survey to one-half of the firm's staff every six months, to quantify engagement and inclusion. It is evaluated by line of service, office, industry, practice area, race, and gender. Results are disclosed to partners and staff and incorporated into each manager's Balanced Scorecard People metric. From 2003 to 2006, there was a ten percent increase in the number of women who agreed with the statement "PwC is an inclusive work environment where individual differences are respected." There have also been marked improvements in items measuring work-life quality and advancement opportunities. Currently, Pulse Survey response rates are at a record high of 73 percent.
- ◆ **Diversity Index:** In addition to the overall survey results, the Office of Diversity tracks five Pulse questions related to inclusion, perception of meritocracy, and work-life quality. Pulse scores indicate that women respondents increasingly perceive that advancement is based on merit (a seven percent increase between 2003 and 2006). There have also been marked improvements in items measuring work-life quality and the belief that differences are respected in the workplace.

The Impact of the Initiative

Unique People Experience has positively impacted the advancement and retention of women since its implementation in 2001. The firm has over 2,000 partners across the United States, and from 2001 to 2006, women's representation within the partnership has increased 30 percent, raising the percentage from 12 to 16. In addition, the number of women in the new partner class has almost doubled and the percentage of women on the U.S. Leadership Team increased from 10 percent to 18 percent.

Turnover has also dropped drastically since the initiative was implemented. Overall, turnover went from 24 percent in 2001 to 16 percent in 2006. Among client service women, it dropped from 26 percent to 17 percent.

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SCOTIABANK

Unlocking Potential, Delivering Results: The Advancement of Women (AoW) Initiative

In the past decade, women have made great strides into the Canadian workforce, particularly in the banking sector. Nevertheless, men still represent the vast majority of executives in Canadian banks. Recognizing that barriers to women's advancement into leadership roles existed, and understanding that organizations with diverse management teams experienced better financial performance results, Scotiabank developed its *Advancement of Women Initiative*.

Scotiabank's Award-winning initiative, *Unlocking Potential, Delivering Results: The Advancement of Women (AoW) Initiative*, is a far-reaching, business-driven initiative focused on seven strategic pursuits that provide a global framework designed to attract, retain, and advance women. This initiative was conceived and launched by women, and continues to be monitored by women at the bank. Based on a sophisticated three-pronged approach—transparency, accountability, and actionable programs—the initiative is backed by rigorous research, including a business case that demonstrates that women have the skills, proven performance levels, and aspirations to contribute at more senior levels. While the initiative's strategies and programs strive to dismantle the recognized barriers to women's advancement, they are implemented in ways that respect and engage all employees, stay true to hiring and promotion practices that recognize excellence, support business strategies and goals, and are consistent with the bank's strategy to being a global employer of choice.

To formulate the strategy and oversee execution and progress, Scotiabank formed the cross-functional, women-led AoW Steering Committee (AoW SC). Supported and championed by President and CEO Rick Waugh, this committee is the driving force for the advancement of women strategies and programs.

The seven strategic pursuits were created by the AoW SC to drive change in the basic functioning of the organization through actionable steps. The pursuits provide a global framework of guidelines and templates that have spawned a multitude of company-wide, local, and business-specific programs. They include senior leadership commitment, accountability, networks, mentoring, talent pool (leadership programs targeted at future leaders), external presence, and career-advancement process. Components of this initiative include a transparent career-management process that highlights what it takes to succeed at the bank; robust communication strategies and platforms; and a series of programs that connect and highlight women, as well as provide key visibility opportunities.

The bank has also successfully engaged all levels of employees to advance women through formal accountability mechanisms and metrics. The accountability framework has been effective because it starts at the top—goals and metrics for the AoW are on the President and CEO’s performance-evaluation scorecard, and these goals cascade down to his direct reports, and on to leaders in business lines.

History and Launch of the Initiative

Before 2002, the advancement of women had been an initiative at the bank, but there were no formal structures, accountability systems, or supports in place, and progress was slow. In 2002, however, a diverse, cross-functional group of the most senior-level women in the organization formed the AoW SC because they realized that, in order to make change, the process for advancing women needed to become institutionalized. Sylvia Chrominska, Executive Vice President, Human Resources and Public, Corporate and Government Affairs, and Alberta Cefis, Executive Vice President and Group Head, Global Transaction Banking, two of the most senior women at the bank, are the committee co-chairs.

As a first step, the HR Employment Relationships team, led by Sylvia Chrominska, began work in Canada on the business case for change so they could communicate in terms that resonated with business leaders. The first priority was to examine the climate for women at the bank. Through internal research, they found that women were less satisfied than men and that women were underrepresented at senior levels. The implications of these findings meant that Scotiabank was not maximizing every employee’s contribution. Moreover, the company was not benefiting from diversity in decision-making—a key element of Scotiabank’s “employer of choice” mandate.

External data collection of employee and customer satisfaction feedback allowed for extensive analysis into quantifying the service/business relationship. An innovative internal research project focused on a “share of wallet” calculation that helped Scotiabank solidify the business case. This metric indicated that the level of employee satisfaction within the branch network was directly related to the level of customer satisfaction and overall customer loyalty. These factors in turn had direct impact on the “share of wallet” and the number of products a customer held with the bank.

All of this research demonstrated that women had the skills, proven performance levels, and aspirations to contribute at more senior levels. Thus, with guidance from the AoW SC, the team developed a business case and an aggressive strategy for change, so that they could maximize women’s talents and contributions. The strategy envisioned launching the initiative in Canada, and phasing it in globally to address different challenges across cultures. This work was presented to Scotiabank President and CEO Rick Waugh, who committed up front to championing *The Advancement of Women (AoW) Initiative* and subsequently funding it for five years—representing a significant commitment to this initiative.

The AoW SC began communicating this innovative business case through AoW Roadshows. During the roadshows, members of the AoW SC, in partnership with HR and other executives, presented the strategy and

business case, and reported on all-bank and business line-specific results. They met with senior business unit heads and laid the groundwork for the change that was about to ensue. Once senior leaders and employees began to understand the business case and the link to the bottom line, the initiative quickly gained momentum.

By leveraging existing business platforms, and embedding the strategies in existing processes, the AoW SC successfully engaged business leaders. This reinforcement of the business value of the AoW initiative has also increased the rate of acceptance and implementation throughout the bank.

Scotiabank's Strategy

The AoW SC designed a holistic, replicable change strategy as a roadmap to advance women. A combination of transparency, rigorous accountability mechanisms, and programmatic elements is woven into the strategy and has shaped the culture at the bank.

Transparency

In response to research suggesting that women often didn't know how to navigate the bank's advancement system, Scotiabank adopted a completely transparent career advancement process, which is visible and accessible on a level playing field. Employees can now self-evaluate, gauge where they are on the career continuum, and determine what steps need to be taken in order to develop the requisite skills and experiences to be promoted to the next level. Additionally, all employees in the bank have access to overall bank numbers and progress to goal. This level of transparency is consistent with the bank's mandate to provide a consistent, high quality employment experience for all employees, wherever they work.

- ◆ **HR Passport**, an online tool, contains multiple metrics, assessments, and tools and provides all employees with access to the bank's leadership strategy and the competencies required to advance to senior-level positions.
 - ◇ ScotiaWomen's Connection, a website dedicated to the AoW initiative, contains rich resources and best practices, such as the mentoring toolkit and a 'how-to' on networking, to help all employees grow and succeed.
 - ◇ People Reports Online communicates to leaders the bank's data on representation, satisfaction, and engagement of employees. Data on representation are shown for four designated groups—women, visible minorities, persons with disabilities, and aboriginal persons.
 - ◇ Leader Profiles outline leadership competencies, the values employees must model, and leadership experiences that would be beneficial for senior-executive roles.
 - ◇ Self-evaluation tools provide employees with a framework for assessing their readiness for leadership positions.
- ◆ **Human Investment Committee (HIC)**: The goal of this committee, composed of the President and CEO and his direct reports, including Sylvia Chrominska, is to lead quarterly discussions on major people policies and programs, including leadership development. The bank's efforts in this area have evolved and align the development of all people in a manner consistent with the AoW initiative. The HIC meets monthly to discuss

senior-level appointments, open or upcoming vacancies in senior-level positions, potential candidates, and other people-planning issues. Transparency, ensuring a broad candidate pool, and conducting objective evaluations of candidates are three fundamental principles aligned with the AoW initiative.

- ✧ The SVP of Top Talent was a role formalized to ensure that the bank identifies—and develops—top talent. This senior woman mentors high-potential women and men, coaches their managers on the development of their employees, and contributes to the management of the career paths of the top 100 employees. She reports to Sylvia Chrominska and provides advice and counsel to the President and CEO and the HIC.

Accountability

Scotiabank has also determined to hold leaders more accountable for the development of their direct reports and their respective teams. The existing business practice of establishing all-bank people targets on Balanced Scorecards was leveraged so that it now includes targets for the representation of women in senior positions. The President and CEO establishes all-bank people targets annually, including specific targets for the representation of women in senior positions, on his Balanced Scorecard. These targets are reviewed by the Board of Directors and used when assessing progress at year-end. In support of the all-bank targets, members of the Executive Management Committee (EMC) establish goals that are aligned with the President and CEO's and then roll these out to their respective business units, where they cascade down to senior leaders and their direct reports. Goals include targets for women in senior positions and in the feeder pool.

Everyone at the VP level and above has accountability for women's advancement through the Balanced Scorecard. Each year, this scorecard is used to measure employee performance in four quadrants: Financial, Customer, Operational, and People. Under the framework "One Team, One Goal," the President and CEO and senior leaders are held accountable for the AoW initiative through their performance goals and review ratings on the People quadrant of the scorecard.

Progress towards the targets in the Balanced Scorecard is tracked through an innovative web tool called People Reports Online. This provides leaders with quarterly and year-to-date all-bank, business-line, and unit-specific data on the representation, promotions, hires, and terminations of designated groups, as well as other measures such as employee satisfaction and turnover. By its very nature, the accountability framework promotes the sustainability of the AoW initiative by linking AoW targets to overall organizational goals and strategies, spreading accountability across the organization, and enabling leaders to monitor progress and identify areas for improvement using tools similar to those they use for managing other aspects of their business.

Actionable Programs

In order to execute the AoW strategy, the AoW Steering Committee developed strategic pursuits which promote cultural change throughout Scotiabank. Each pursuit is championed by members of the AoW Steering Committee who ensure that programs build a level playing field and maintain focus on the business strategy. Through

successful execution, these mechanisms have been far-reaching throughout Canadian regional offices and have strengthened both internal commitment to the bank as well as its external presence throughout the country.

Examples of programmatic elements developed under strategic pursuits include:

- ◆ **AoW ScotiaWomen's Connection:** This bank-wide women's network is open to women at the mid-to-senior manager level and above. Through networking events and activities, women connect with one another and gain visibility and access to senior leaders across the bank.
- ◆ **Executive Speakers Series:** These *Oprah*-style interviews are conducted by women to highlight senior-level women role models across divisions.
- ◆ **ScotiaWomen's Connection Website:** This intranet site is a hub for AoW news, strategy, and communications.
- ◆ **Executive Network:** This networking forum is held with both women and men in the organization after each quarterly business meeting to create and maintain relationships. It creates a level playing field, where women can be involved and gain access to senior leaders and those outside of their business lines.
- ◆ **Networking-in-a-box:** These toolkits, provided by corporate HR, allow different divisions to custom tailor AoW network groups to their area.
- ◆ **Mentoring-in-a-box:** These toolkits focus on aspects of informal and formal mentoring. Each division looks at its own needs and issues, and is able to utilize these HR toolkits to develop initiatives specific to their area.

Catalyst Award Criteria: Change Drivers

Scotiabank's efforts exceed the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. Scotiabank is a customer-driven organization. By recognizing that a diverse workforce is critical to meeting customers' needs, the President and CEO and Executive Management Committee (EMC) drive the AoW initiative throughout the company. In fact, the initiative's strong focus on metrics and business results has facilitated a major shift so that AoW pursuits are embedded into core processes, and the advancement of women is an ongoing and integrated part of doing business. Scotiabank grounded the AoW initiative in data and metrics, and focused on executing the strategy and elements. The Balanced Scorecard performance-evaluation process is an additional mechanism that ensures that the initiative and business rationale are integrated.

2. Demonstrate the Commitment of Senior-Level Leadership. The Scotiabank senior-level leadership commitment is evidenced throughout the organization. For example:

- ◆ The President and CEO has goals in the People quadrant of his Balanced Scorecard that he shares with the entire company on a quarterly basis. He is also held accountable by the Board of Directors, and must show advancement and commitment to AoW goals in several areas. Additionally, all of his direct reports are held accountable for the AoW initiative through performance goals, which ultimately impact compensation.

- ◆ Senior leaders showcase their commitment by participating in AoW Roadshows, attending networking events, and participating in AoW activities around the globe. This “open and honest” culture is one in which individuals feel they can contribute.
- ◆ Senior management is expected to demonstrate their commitment by setting up task forces, providing funding to business-specific women’s issues, and participating in ScotiaWomen’s Connection events.

3. Effectively Communicate the Strategy. Communication is a hallmark of *The Advancement of Women (AoW) Initiative*. Scotiabank executives consistently and constantly communicate the business case for the initiative in a variety of ways. One of the most critical communication vehicles at the bank is the AoW Roadshow, in which members of the AoW SC, in partnership with HR and other executives, present the strategy, business case, and report on all-bank and business line-specific results to wide audiences. Line executives and members of the steering committee sponsor and speak at networking events and participate in mentoring programs. In addition, webcasts of ScotiaWomen’s Connection Network events are broadcast around the world as an inclusive way for all regions to participate. At these events, high-profile executives participate in the Executive Speakers Series interviews and employees at global locations can email questions or discussion items.

4. Create Accountability Systems. The formal accountability mechanisms and metrics are essential to the success of the initiative. The President and CEO sets all-bank people targets, which include diversity targets and a specific target for the number of women in senior management. Scotiabank’s Human Investment Committee (HIC) has primary accountability to focus on the people side of the business. Chaired by the Executive Vice President, Human Resources and Public, Corporate & Government Affairs, the HIC reviews and approves all major people policies and programs that are new or changing, and reviews and approves key leadership appointments. AoW targets and results are included in leaders’ Balanced Scorecards under the People quadrant, along with financial, customer, and operational goals. These results are linked to overall performance, which is tied to compensation. Scotiabank holds its leaders accountable for the success of the AoW initiative through a comprehensive system of goal setting, tracking and evaluation processes, called the accountability framework. Everyone at the VP level and above has accountability for women’s advancement. The intent is to cascade accountability for AoW goals throughout all management levels, with goals that make sense for each level.

5. Create Tools to Measure Progress. Scotiabank regularly conducts research to monitor employee opinions and trends. A diversity index has been embedded into ViewPoint, an anonymous employee opinion survey conducted annually and simultaneously among all employees in the 50 countries in which Scotiabank operates.

- ◆ Survey findings inform current business and people strategies. The two indices being measured in the annual ViewPoint Employee Survey are Employee Satisfaction and Diversity. Targets for these metrics are also included in the People quadrant, further promoting accountability

- ◆ Tracking for target populations is embedded into the Balanced Scorecard People quadrant. Leaders at the vice president level and above see their goals and current representation for women, visible minorities, persons with disabilities, and aboriginal persons here.
- ◆ People Reports Online are easy-to-use reports that provide leaders with quarterly and year-to-date all-bank, business-line, and unit-specific data on the representation, promotions, hires, and terminations of designated groups, as well as other measures such as employee satisfaction and turnover.
- ◆ Human Resources tracks the number of users who log into specific AoW webcasts and monitors the number of individuals who attend ScotiaWomen's Connection events, such as Executive Speakers Series.

The Impact of the Initiative

Through this initiative, Scotiabank has significantly improved the representation of women at the senior-management level from 18.9 percent in 2003 to 31.0 percent in 2006. Representation of women at the most-senior EVP/Corporate Officer level has increased from 26.7 percent to 36.8 percent from 2003 to 2006. Employee satisfaction scores rose nine points and Return on Equity in the same period went from 16.6 percent to 22.1 percent.

Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With close to 57,000 employees, Scotiabank Group and its affiliates serve approximately 12 million customers in some 50 countries around the world. Scotiabank offers a diverse range of products and services including personal, commercial, corporate, and investment banking. With C\$379 billion in assets (as of October 31, 2006), Scotiabank trades on the Toronto (BNS) and New York Exchanges (BNS).



BP P.L.C. *Global Path to Diversity and Inclusion*

The energy industry faces unique challenges as it enters the 21st century. First, as business globalizes, its concerns have shifted from primarily the developed world to include less-developed regions. Concurrent with this shift, leaders within the industry recognize the importance of diversifying their workforce to attract and retain the best talent available—talent that is reflective of all of the areas in which it operates. BP recognizes this

imperative and has developed an initiative to meet its changing business needs.

History and Launch of the Initiative

The BP organization is changing rapidly. While 60 percent of its current business is conducted in Organization for Economic Cooperation and Development (OECD) countries, by 2010 that figure will drop to 30 percent. In less than a decade—by 2015—only about 20 percent of BP’s revenues will come from OECD countries. This, combined with a number of recent acquisitions—including that of Amoco, ARCO, and Burmah Castrol—compels BP to consider the varieties of diversity that will contribute to its success.

With this in mind, BP formally launched its current diversity initiative in 2000 by creating a Diversity & Inclusion (D&I) function that is run by Group Vice President of Executive Development and D&I, Patti Bellinger. The D&I function has been well positioned to influence all parts of the organization, reporting in to the Group Managing Director and Group Chief of Staff, who reports to CEO Lord Browne of Madingley. Its broad purpose is to create plans and policies to enact an inclusive meritocracy across BP.

Upon its creation, the D&I team immediately set to work. It put in place a strategy to leverage its diversity—exemplified by, among other things, gender, race, ethnicity, nationality, language, sexual orientation and identity, religion, tribe, and business function—while working on effective ways to develop diverse talents and eliminate barriers to their advancement.

Currently, the D&I function is decentralized, meaning that accountability for D&I execution is delegated to business segments, functions, and regions. A small central team dispersed around the globe is overseen by the Vice President of Global D&I.

BP’s Strategy

BP’s *Global Path to Diversity and Inclusion* strategy includes three directives: 1) as a large global company, its leaders should reflect the local communities in which it operates; 2) its change effort will proceed in phases, first targeting its 600 most senior leaders, then the next 6,000 “middle managers,” followed by the remaining

90,000 employees; and 3) diversity and inclusion is a business imperative, as well as a social responsibility. This strategy includes tracking demographics based on gender, nationality, and UK/U.S. racial minorities. The term “Most of World” is used to describe non-UK/U.S. nationals, and acts as a formal recognition of global diversity.

In addition, the components that compose the initiative exemplify BP’s dual focus on diversity (bringing different constituencies into the organization) and inclusion (creating a culture in which all staff are welcomed and leveraged). *Global Path to Diversity and Inclusion* features a myriad of components, a selection of which includes:

1. Diversity

Career Advancement Programs (CAPS): This portfolio of programs targets all high-potentials at corporate and in the various business/functional units. Programs include mentoring, both by senior leaders and peers (“buddy” mentoring of others in the program); rotational assignments; targeted development programs; and secondments to organizations outside of BP. Participants are monitored by a team of group vice presidents representing the business segments, functions, and regions across BP.

Participation in CAPS is tracked by business unit/segment and by demographics, including gender, nationality, and race/ethnicity. Between 2000 and 2005, the representation of women in the program at group level has increased from 19 percent to 33 percent; representation of Most of World participants at the same level has increased from 25 percent to 36 percent.

Diverse Selection Panels: Implemented in 2002, these panels determine who fills mid- to senior-level posts. D&I designed this program to enhance the selection process by addressing lack of diversity in selection panels that were historically comprised entirely of white men. Clear guidelines exist as to when a position requires a selection panel, and this method increasingly is used to make hiring decisions. While businesses and functions are given autonomy to determine what that means and how it happens, D&I monitors membership of selection committees. When appointment announcements are published, these often state the selection committee composition and whether there was a diverse candidate on the slate.

Tracking of Diverse Executive-Level Appointments: Various groups, including the central D&I team, are accountable for tracking executive-level diversity. Diversity among the most senior employees (Band A, those who serve on the BOD) is tracked by the Chairman’s Committee of the Board of Directors; the next two levels (Bands B and C) are tracked by the CEO; and the following level (Band D) is tracked by the Group Chief Executive Officer, Strategic Resources.

Furthermore, this tracking is consistently monitored by the D&I/HR Functional Coordinating Group (FCG). The HR FCG meets four times per year, and is comprised of 11 senior BP leaders, including two executive directors

(inside directors) of the BOD (David Allen, Group Chief of Staff, Executive Vice President, and Iain Conn, Group Executive Officer).

Recruiting for Local Hires: BP's recruiting efforts include rigorous attention to addressing local needs by hiring and developing local talent. In order to encourage local leadership, expatriates are limited to three-year stays at a particular site, and training and secondments are integral to the leadership development process for locals.

Another powerful example of efforts to groom local leadership is BP Angola's "Angolanization" program, the goal of which is to bring more Angolans into the business. BP leadership observed that, due to years of civil war, many Angolans went abroad for education and employment. As a result, in 2004, BP Angola staff gave presentations to members of the Angolan community in Brazil and elsewhere encouraging them to consider careers in their country of origin. The result was more than a 50-percent increase in the number of Angolans (33 to 51) working in BP Angola.

2. Inclusion

Race Summits: These discussions, which took place in the United States (Chicago, Houston, Los Angeles), were introduced in 2002, and took place largely in 2003 and 2004. The goal of the Summits was to facilitate open dialogue about race and racial issues. As a result, by the end of 2003, an estimated 10,000 BP employees reported engaging in conversations about race. Employees who are considered "thought leaders" were invited to the Summits—employees from hourly to executive levels, across races, genders, and ethnicities, who are opinion leaders on diversity issues. Thus far, 650 "thought leaders" have participated in three two-day Race Summits. Summit attendees also received toolkits to continue the dialogues in their businesses and functions.

Let's Talk: This program, which grew out of the Race Summits, was designed to stimulate conversation about race and racism using a mutual mentoring model that brings together pairs of employees (pairs are comprised of individuals of different races/ethnicities). Pairs are selected to meet at least once a month for six months, and are provided a detailed program guide to facilitate meaningful conversations around racism. Thus far, there have been two cycles, in Chicago and Houston, with approximately 100 pairs each.

Mentoring Portfolio: BP implements a range of mentoring programs that are utilized by diverse individuals across levels and functional areas. For example, the Mentor Up program, inspired by Proctor & Gamble's Catalyst Award-winning program, pairs junior women and men with senior executives of the opposite gender. The goal of this program is to give executives insight into the experiences of more junior staff. Region-specific mentoring programs also exist, and include Mentoring People of Color and Mentium 100 in the United States, and Peer Mutual Mentoring and Developing Global Leaders in Germany.

BP managers work hard to ensure that representation within the mentoring programs is diverse. For example, the overall representation of women mentees in all the programs is 38 percent.

Global Diversity Network (GDN): BP was a founding member of this network of large corporations established in 2000 (including Shell, Unilever, Deutsche Bank, Nokia, Barclays, Cadbury Schweppes, Phillip Morris, and Tyco), which brings together diversity heads to share best practices. Companies in the GDN must have at least 20,000 employees worldwide, operate in multiple countries, and be seeking to move their corporate culture beyond home-country dominance.

Cultural Connection Workshops: These workshops originated from a BP Asia Leadership Panel request in 2002 to coach leaders to be “culturally bilingual.” BP commissioned the workshop as a way of addressing the challenges of succeeding with a typically Asian “style” in a business world that often rewards typically Western styles, while also providing a mechanism to help Asian employees understand BP culture. The workshops also targeted the education of non-Asians in how to do business in the region. These workshops also provide information on cultural diversity in the region and its impact on business. In addition to a training component, workshops also include education on Asian spiritual and artistic endeavors, including meditation and regional music and dance.

Conferences: BP convenes a variety of conferences that are related to the D&I strategy, as well as specific issues arising in countries and regions (e.g., Global Black Women’s Conference and Work/Life Conference). These conferences often compel further focus and work in particular diversity-related areas. For example, in September 2002, BP’s top 100 U.S. executives attended a one-day conference on race issues in the United States and BP. Outside speakers included former Secretary of Labor Alexis Hermann; former CEO of Avon Products James Preston; and Head of Diversity for Denny’s Restaurants Ray Hood-Phillips. The conference illuminated pressing issues around the topic of race, and set the stage for the 2003/2004 Race Summits. In addition, BP charged local leadership to increasingly attract, retain, and develop people of color in the United States.

Catalyst Award Criteria: Change Drivers

BP’s efforts exceed the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. BP refers to its diversity business rationale as the “strategic logic of diversity.” That logic includes: reflecting the population in the regions in which it operates; gaining a competitive edge through innovative thinking that is born of diverse teams; incorporating diverse thinking into increasingly complex businesses; and hiring employees who can better understand diverse customers’ needs. In short, diversity is integral to BP’s overall success.

The strength and sustainability of BP’s diversity initiative is ensured by the fact that diversity goals are reflective of overall business goals, which include successful expansion into non-OECD countries. For example, D&I goals are set in direct accordance with overall business needs and strategies. Specifically, the development and accountability components of the D&I initiative support this business rationale.

2. Demonstrate the Commitment of Senior-Level Leadership. BP's CEO and senior line managers demonstrate very strong commitment to and responsibility for the organization's diversity-and-inclusion efforts. They see themselves as role models for BP's efforts in this area, and strive to ensure that their words and actions are aligned.

CEO Lord Browne demonstrates his commitment in several ways, including, among other things, giving speeches internally and externally about diversity and its importance to the company. A notable example is his 2002 "strategic logic of diversity" speech in which he outlined a powerful business case for diversity. Citing the business and moral imperative of diversity, Lord Browne outlined reasons that corporations must work harder to attract and develop talent, regardless of gender, ethnicity, race, nationality, or sexual orientation. As further evidence of his commitment to diversity and inclusion, Lord Browne makes regular reports to his BOD on BP's efforts in this area.

In addition to Lord Browne, other senior line managers are instrumental to creating an inclusive culture at BP. Senior leadership understands that change cannot occur without their demonstrated commitment and actions. This is exemplified by: their conversations with direct reports, peers, and employees in their business/functional areas; commitment to diverse selection panels and candidate slates; and holding their direct reports accountable for diversity and inclusion.

3. Effectively Communicate the Strategy. BP employs a sophisticated communication strategy that includes both company-wide D&I messages, as well as those intended for individual business segments and functional areas. Tailored communications are developed and delivered by managers in specific areas. In addition, brochures, speeches, films, DVDs, and videos developed by the D&I and Communications teams are used widely across the organization. Thousands of copies of DVDs and CD-ROMs have been produced and viewed by employees across the globe.

Communication about D&I began with a detailed publication, *D&I in Action*, distributed to BP's 100,000+ employees. It was made available in English, French, German, Spanish, Portuguese, and Mandarin, and later translated into Azeri (the language of Azerbaijan), and Czech. Subsequently, the D&I team developed and released communications tailored to each region, including:

- ◆ *What is D&I?:* This DVD outlines basic D&I definitions and language.
- ◆ *Race Dialogue:* This DVD grew out of the U.S. Race Summits, and highlights nine BP employees discussing issues of race in and out of the workplace. It also provides tools to assist local leadership in facilitating workplace dialogue on these issues.
- ◆ *Gender Dialogue:* This DVD compilation of recent initiatives is designed to help leaders facilitate dialogues about gender. Issues addressed include what BP is doing to advance women, and how to increase the number of women in leadership. It also features clips from a "Women in Leadership" conference and GenderSpeak workshop.

- ◆ *Cultural Perceptions*: This DVD contains clips from BP employees, external consultants, and academics on the importance of understanding cultural nuances for business success. It is focused on the Asia-Pacific region.
- ◆ *Regional Case Studies*: This video series explores diversity issues specific to seven of the regions (Azerbaijan, Angola, South Houston, Spain, Germany, the United Kingdom, China) in which BP operates. The purpose is to help local leadership understand the changes needed to make BP's culture inclusive within each region. Each video presents a case study of the D&I issues affecting a specific region; establishes the business rationale for D&I in that area; and provides information about local demographics and regional culture.

4. Create Accountability Systems. Managers at all levels are expected to drive the success of BP's D&I agenda through strong accountability mechanisms, including:

D&I Functional Plan: A D&I Functional Plan is produced annually, and contains D&I milestones and metrics for the entire company. The D&I Functional Plan is developed jointly by the D&I team and the D&I Functional Coordinating Group, and submitted to the BOD for approval. The FCG ensures that the businesses and functions are adequately resourced to deliver the plan, which is largely a reflection of business needs. Ultimately, this plan also is incorporated into the other 21 Business Segment and Function Plans.

Targets set out in the D&I Functional Plan must be achieved by year-end, but progress is reviewed quarterly. If a business is not on track at the quarterly review, there will be an "intervention" by the D&I Functional Coordinating Group.

The centrality of D&I to BP's business is demonstrated by the fact that the D&I FCG is headed by two group chief executives (David Allen and Iain Conn), who are also on the BOD, and includes representatives from the businesses and functions. In fact, the D&I FCG is the only FCG at BP on which two Board members participate.

Annual Organization Review: The annual organizational review, started in 2002, focuses entirely on people and addresses issues of diversity. It is a three-day process, during which each business and function meets for a few hours with the CEO to discuss whether BP has the strategy, human resources, and diversity to deliver on its business goals five to ten years into the future.

Performance Contracts: Each manager is bound by a performance contract used to assess goals related to managerial performance and business development twice per year. Specifically, the performance contract consists of: 1) a set of behavioral expectations, including seven inclusion-related behaviors, which affect up to 25 percent of variable compensation (bonus); and 2) measurable targets, including financial and business metrics, which impact 75 percent of variable compensation. For the most senior executives of the company—the CEO and the managing directors—these measurable targets also include D&I metrics. These group results are reviewed by the Remuneration Committee of the Board of Directors, and the executives' salary and bonus

allocations are made based on their group's overall performance. This contract establishes the importance of both business and D&I goals to success at BP.

The inclusion-related behaviors upon which managers are rated include: 1) giving context and direction, so employees know exactly what they need to do; 2) establishing priorities; 3) providing support/helping others manage their own careers; 4) assessing external environment/having an external perspective; 5) developing and managing internal and external relationships; 6) integrating values; and 7) role modeling code of conduct.

In addition, beginning in 2005, managers receive a type of 360-degree feedback to help them assess their executives' behaviors. The BP performance review system randomly selects five direct reports and three to seven peers who complete a feedback form; the form is then given to the manager's manager, and incorporated into the annual performance review.

Group Leader Personal Action Plans (PAPs): D&I recognized that while many of its most senior leaders are on board with the D&I effort, middle-level managers sometimes are less engaged. A significant part of the D&I plan for 2006 to 2010, the Group Leader Personal Action Plans help executives engage middle managers on D&I issues.

Specifically, the PAP identifies managers' key D&I challenges, and sets specific D&I goals. D&I managers who report into businesses/functions ensure that these goals are developed, and the Group Vice President of Executive Development and D&I "strategically monitors" them. Some are published on business websites, at the discretion of a business.

Quarterly Business Reviews: In order to maintain momentum, diversity-and-inclusion metrics are reviewed quarterly by senior leaders. The D&I Functional Plan is reviewed by the Group Vice President, while diversity metrics are included as part of business/segment Operating Performance Reviews (OPR) prepared for unit heads. Metrics also are reviewed by David Allen, the Group Executive Officer, and during Functional Coordinating Group meetings.

5. Create Tools to Measure Progress. The sustainability of BP's D&I agenda is enhanced by the following tracking and assessment tools.

People Assurance Survey: BP has been conducting its People Assurance Survey (PAS) annually for the past six years. (Because of the immense scope of the survey, it will now be done every two years.) The PAS measures satisfaction on a variety of issues, including diversity and inclusion. Survey results are examined by race, ethnicity, and gender, among other things, and following receipt of those results, action items are developed within business units. Business unit leaders are accountable for addressing those action items.

The PAS includes nine diversity-and-inclusion questions which, when aggregated, form a D&I Index. The D&I Index captures organization-wide attitudinal changes about diversity. For example, in 2000, 60 percent of respondents agreed that “BP has created an environment where people with diverse backgrounds can succeed.” By 2004, this had increased to 70 percent. Women and men respond similarly on the D&I index.

Progress and Assessment Framework (PAF): The Progress and Assessment Framework is a systematic tool that enables leaders of businesses and functional areas to measure themselves against BP’s 23 D&I aspirations. Developed by a group of engineers in the Australian office, it is based on an analytical approach to business optimization.

The first step in the PAF includes conducting an assessment to gather baseline feedback from a cross-representative group of employees on how inclusive their business is. Information is gathered in four areas highlighting the 23 inclusion aspirations: talent, leadership behaviors, engagement and communication, and cross-cultural relationships. Subsequently, a facilitated group discussion with a cross-representative group of employees explores reactions to the assessment data, identifies gaps, and prioritizes action steps. Using such structured dialogue allows businesses to focus on key inclusion actions that they can commit to pursuing. It further enables them to focus on local priorities while reflecting the organization’s overall D&I aspirations.

The Impact of the Initiative

The result of BP’s focus on diversity and inclusion includes a marked increase in the number and percentage of women and Most of World (non-UK/U.S.) nationals in senior leadership positions throughout the company. Women’s representation among the 600 most senior leaders increased from 9.2 percent to 17.3 percent between 2000 and 2005, while Most of World representation increased from 14.0 percent to 20.3 percent. During the same period, the percentage of women of color in senior leadership globally almost doubled, from 1.3 percent to 2.5 percent.

BP is of one of the world's largest energy companies, providing its customers with fuel for transportation, energy for heat and light, retail services, and petrochemicals products for everyday items. BP employs more than 100,000 people and operates in more than 100 countries worldwide. BP's family of brands includes Amoco, Aral, ARCO, BP, and Castrol.

THE CHUBB CORPORATION

Reach Up, Reach Out, and Reach Down

The insurance industry faces a unique challenge in that it offers intangible products, the value of which are only fully realized in the event of a loss. As a result, building trusting relationships with customers is paramount. As a leading insurance company, Chubb recognizes that trust is built by attracting, developing, and retaining employees who reflect their target markets, maintain high performance standards, and invest heavily in the quality of their business relationships.

Chubb's *Reach Up, Reach Out, and Reach Down* initiative meets broad organizational goals through its comprehensive collection of strategies, programs, and policies that support the advancement and retention of a diverse workforce. These efforts prepare high-potential women and people of color for leadership positions, while charging them with coaching and mentoring their colleagues. The result is a culture in which employees—with a clear, specific set of tools—take charge of their own careers while working to ensure the success of those around them. Senior management influence and accountability has been integral to creating this work environment in which diverse employees feel respected and empowered.

History and Launch of the Initiative

Chubb has a reputation for hiring and training the best talent in the insurance industry. Over its nearly 125-year history, its people's ideas, ethical behavior, and high service standards have enabled the company to succeed, even in the face of adversity. Such was the case during the 1990s, when many insurers struggled as premiums were slashed and terms and conditions were broadened to maintain or gain market share.

Largely because of its historical linkage of good people and good results, Chubb has remained in the enviable position of sustaining its business and reputation amidst shifting economics and markets. As markets and the talent pool increasingly became more diverse, Chubb's management realized that the company would need to "diversify" its recruitment and training programs.

More than 15 years ago, the company's former CEO and current Vice Chair/Chief Administrative Officer laid the groundwork by developing corporate policies fundamental to creating an inclusive workplace and positioning Chubb's diversity efforts as an extension of traditional Chubb values. When the Chief Diversity Officer position was created in 1996, Chubb formalized the diversity business case, and began to communicate it more frequently to employees at all levels.

Today, Chubb's diversity initiative thrives under current CEO John Finnegan. Mr. Finnegan's conviction that Chubb's continued success is tied to a diverse workforce encourages further evolution in an already robust diversity program.

Chubb's Strategy

Chubb's diversity initiative, *Reach Up, Reach Out, and Reach Down*, is a comprehensive effort focused on building an inclusive culture that empowers employees to take charge of their careers while also reaching out to and coaching those around them. This is facilitated by: 1) a rigorous strategic talent management system that includes high-potential identification programs; 2) an array of learning and development offerings; and 3) powerful employee resource groups (Minority Development Council, Women's Development Council, Gay and Lesbian Employee Network, and Asian-American Business Network) that identify external business opportunities, act as a leadership development training ground, and communicate regularly with senior leadership.

1. Strategic Talent Management

The Strategic Talent Management (STM) program, which supplements a broad performance management system, identifies and develops organizational leaders. STM is available to all employees, but ensures that women and people of color are being developed. (This is consistent with Chubb's policy that all hiring pools be diverse; if there are no diverse candidates available for certain positions, management must develop diverse candidates so they may qualify for future opportunities.) Managed by Human Resources in collaboration with the Chief Diversity Officer (CDO) and senior management, the STM program creates a consistent platform for reviewing:

- ◆ Chubb's high-potential candidates and their development;
- ◆ Employees in the 20 most senior positions and suggested strategies for succession planning. Candidates for any of the top 20 positions must undergo review by the relevant business, vice chair and CEO, and Board of Directors to ensure that diverse candidates are given appropriate consideration and being developed to fill these most senior posts. If a diverse candidate is put forward for one of these positions and not selected, their development plan is reviewed and updated;
- ◆ High-potential diversity pipeline candidates and their development needs, which will be fulfilled with specific learning and development offerings.

2. Learning and Development Programs

Chubb's Learning & Development (L&D) program, which is managed by HR, includes traditional training, coaching and mentoring programs, and on-the-job development. The offerings within this dynamic program vary annually and reflect the specific needs of the business, as well as those being developed. Additionally, the diversity office offers targeted leadership development opportunities for women, women of color, Asian-American, Latino, African-American, and Gay, Lesbian, Bisexual, and Transgender leaders at Chubb that address issues specific to these groups.

The development plans for high-potential employees are determined by business unit managers and reviewed by the L&D and Talent Management divisions, as well as the CDO. The CEO is kept informed of development plans for the most senior levels within this group, paying particular attention to diverse candidates.

3. Employee Resource Groups

Chubb supports four highly influential Employee Resource Groups (ERGs): the Women's Development Council (WDC), Minority Development Council (MDC), the Gay and Lesbian Employee Network (GLEN), and the Asian-American Business Network. Each of these groups is a mechanism for developing business in new markets; communicating between their constituents and Chubb's leadership; and providing leadership development experience. Each group develops annual goals pertaining to making change for their specific constituents as well as the entire organization, reflective of the organizational business goals, for advancing diversity at Chubb. The ERGs enjoy strong support from Chubb's leadership and meet quarterly with the CDO to discuss ongoing initiatives and evaluate progress. ERG members annually meet with the CEO and senior management sponsors to share their constituents' recommendations.

For example, Chubb's former CEO encouraged the Women's Development Council and the Gay and Lesbian Employee Network to contribute to internal knowledge of specific markets. ERG members receive tremendous leadership development opportunities through their service and also provide a strong pool of high-potentials. Finally, ERG members enjoy great exposure to senior managers.

Chubb's first formal ERG, the Women's Development Council, was created in 1990 with the support of senior management. Over time, additional corporate-level resource groups for women or for people of color, most notably the Minority Development Council, the Gay and Lesbian Employee Network, and, most recently, the Asian-American Business Network, were developed and implemented. Other ERGs have been established at the local home office or branch level. For example, the Chubb Partnership of Women (CPOW), a home-office-based group, welcomes women at all levels and has developed substantial reach, both via Chubb's intranet and by virtue of the sheer number of quality events it sponsors. Chubb's Black Employee Network (CBEN) and the Information Technology Minority Development Council (ITMDC) have similar reach and impact.

All corporate and local ERGs meet criteria established by the diversity office, have mission statements and executive-level sponsors. Their chairpersons are periodically invited to present overviews of their activities and accomplishments to the executive team and Chubb's Board of Directors.

Chubb's Diversity Office provides explicit templates that guide the creation of ERGs. This includes mission statements linked to Chubb's business case that are modified every three to five years to ensure that the groups' goals continue to reflect overall business goals.

Catalyst Award Criteria: Change Drivers

Chubb's effort exceeds the criteria by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. Chubb's business vision is to be the preeminent specialty global property and casualty insurer by providing coverage and services that exceed its customers' expectations. As such, the company endeavors to provide existing markets with excellent service; develop new markets; and reflect its broad customer base. Chubb's diversity rationale is integrally tied to these overarching business goals. Working within a culture of inclusion, employees interact more positively with each other and with customers; they are more productive and innovative, and Chubb benefits from their varied viewpoints and perspectives. By developing a diverse workforce that reflects new and existing markets, Chubb is communicating the importance of those markets and striving to provide excellent, tailored service.

2. Demonstrate the Commitment of Senior-Level Leadership. Chubb's senior leadership team understands the centrality of diversity to its business success. They are supportive of and accountable to Chubb's diversity initiative, consistently strategizing about how to develop and advance women and people of color within the organization.

CEO Direct Involvement and Support: Since becoming CEO of Chubb in December, 2002, John Finnegan has emphatically conveyed to senior management his commitment to the development and promotion of women and people of color at Chubb. For example, he has made it a priority to mentor and monitor high-potential minorities and women at senior levels of the firm. He is visible at company-wide diversity programs and consistently mentions Chubb's diversity initiative in speeches and at events. In addition to the involvement and support noted earlier, another top priority for Mr. Finnegan has been creating and sustaining a dialogue with the leadership of the Women's Development Council.

Chief Diversity Officer and Worldwide Human Resources Manager: In 1996, Chubb took a crucial step toward establishing diversity as a top priority when it created the Chief Diversity Officer position. The CDO reports to the CEO and is responsible for, among other things, consultation with business leaders across the organization to determine how to drive the diversity initiative, assessment of current diversity initiatives and development of new initiatives, and promoting internal and external communications that support a culture of inclusion. The CDO works closely with the Worldwide Human Resources Manager and business unit heads to develop and drive broad diversity strategies, as well as those that address local or unit-specific diversity needs and goals. These two offices work jointly to gather and interpret information pertaining to the initiative, identify best practices, and develop strategies to tackle existing opportunities in the diversity area.

The Executive Diversity Council: The Executive Diversity Council (EDC), comprised of eight representatives of major business units, was created by the CDO in 2005, and serves as an advisory council to the CDO and CEO. Specifically, the EDC's objectives are to define the current and desired future states of diversity at Chubb; identify obstacles to this vision, as well as strategies for overcoming them; and monitor progress of strategic diversity initiatives. The EDC meets quarterly and those members rotate every 12 to 18 months. Those chosen represent the highest levels of Chubb, from various business departments, both field and in-office employees.

Board of Directors: For more than a decade, Chubb's Board of Directors has taken an active interest in the organization's diversity activities, making its expectations of continuous improvement clear to Chubb CEOs. The CDO and Worldwide HR Manager meet regularly with the BOD to report diversity results and the overall impact the diversity initiative is having on the organization. ERG leaders also report to the BOD on how their work is impacting constituents within Chubb. Results of these meetings are reported to all employees.

3. Effectively Communicate the Strategy. The CDO and Worldwide Human Resources Manager ensure that all employees are aware of the business reasons for valuing and promoting diversity, as well as the policies, processes, and programs that support organizational diversity efforts. Diversity communications are delivered through four primary channels: Executive Communications, Employee Communications, Public Relations, and Chubb's Diversity website.

Chubb's executive communications manager works directly with the CEO, vice chairs, business unit chief operating officers, and other executives to develop communications about the company's diversity initiatives, with an emphasis on conveying its business rationale. The executive communications manager also works with HR, the CDO, and the Strategic Development and Marketing staff to develop strategies to incorporate this rationale into external and internal speeches and presentations.

The diversity initiative lives at Chubb through company-wide emails, the company intranet, and other external and internal announcements. Employee communications on diversity issues are disseminated through three corporate communications outlets: Two of these outlets, *ChubbNews* (published weekly) and *Corporate Notes* (updated daily), are available to all employees worldwide via ChubbNet, Chubb's intranet. The third outlet, *Chubb Times*, a video newsmagazine, is distributed on DVD to branch locations worldwide, which allows for longer features that spotlight diversity initiatives.

4. Create Accountability Systems. As with other business goals, accountability for achieving expected diversity results is accomplished through the annual performance management process. Each Chubb manager is accountable for incorporating People Management, which is one of three core performance categories, into their goals. Diversity metrics are included within this category, which accounts for 30 percent of the total rating. In effect, weak performance in People Management results in a smaller annual salary increase and bonus.

In addition, every manager is expected to work toward increasing the pipeline of qualified women and people of color within their business unit as well as increase representation of these individuals in jobs bearing corporate officer titles. Furthermore, the Diversity Office uses three key measures to track the results of the 12 senior managers who have the largest numbers of employees. The first measure is the representation of women and people of color at the job level bearing corporate officer titles as well as the pipeline for that level in their respective areas. The second is the hiring and promotion of those populations. The third compares

turnover of women and people of color to overall employee turnover. Each of these metrics is ranked and a weighting factor is applied. Each manager also submits to the CDO an annual narrative that describes initiatives personally undertaken to create a more inclusive environment. These initiatives can include activities such as participating in diversity-related events, funding conferences and meetings, offering creative flexible work arrangements, establishing and nurturing diversity councils, and investing in educational programs.

Of these 12 managers, the manager with the strongest results pertaining to the advancement of women and people of color within his or her business unit and the manager with the most improved results are each given a significant monetary award to reinvest in the activities that helped them achieve their results. This includes sponsoring local or national diversity events, collaborating with employee resource groups and diversity councils, providing leadership training, and coaching high-potential talent.

As mentioned previously, senior managers also are expected to actively participate in the talent management process and mentor those around them. While this mentoring can be formal or informal, managers are evaluated on this activity in the annual reviews; this activity is directly tied to one of the three main categories on managers' scorecards.

5. Create Tools to Measure Progress. Chubb conducts a biannual employee survey that measures the strengths and opportunities of existing programs, including those related to diversity and inclusion. For example, the survey measures the respect with which people are treated, the opportunities people feel are available, the comfort level of people working in Chubb's environment, and the measure of inclusion that the employees sense. Ultimately, the survey gives the CDO specific areas in which to continue to focus and conceive of improvements. The diversity scorecard, as described above, also allows the CDO to track opportunities to hire or promote women and people of color at these levels and monitor their turnover compared to the overall employee population turnover.

The Impact of the Initiative

Because of its diversity-and-inclusion efforts, Chubb has seen impressive growth in the representation of women in the senior ranks. The representation of women at the executive vice president level increased from 0 in 2001 to 17 percent in 2004. Women represented 16 percent of senior vice presidents in 2001, and 23 percent in 2004. The representation of women vice presidents increased from 28 percent to 32 percent during this same period, and the percentage of women of color vice presidents increased from 1 percent to 4 percent.

Founded in 1882 as Chubb & Son, The Chubb Corporation has grown into one of the world's leading insurance organizations, with more than \$44 billion in assets and \$13 billion in annual revenues. Members of the Chubb Group of Insurance Companies provide property and casualty and specialty insurance to individuals and businesses around the world. Chubb has approximately 11,800 employees in 120 offices in 29 countries, and serves its customers through 8,000 independent agents and brokers worldwide. In 2005, the company was

honored by Fortune magazine as one of "America's Most Admired Companies." Chubb also attained the highest score possible on the Corporate Equality Index published by the Human Rights Campaign Foundation and was named one of the "Top 50 Companies for Diversity" by DiversityInc magazine.

SAFEWAY INC.

Championing Change for Women: An Integrated Strategy

While the retail grocery industry historically has been characterized by primarily male leadership, the most innovative companies in the industry have recognized that developing diverse talent helps them to sustain a competitive edge. These leading companies have implemented strategic initiatives to focus on the recruitment, retention, and development of diverse employees in an effort to appeal to an increasingly diverse employee and consumer base. Safeway is one of these leaders.

Safeway's Award-winning initiative, *Championing Change for Women: An Integrated Strategy*, features comprehensive career development and mentoring programs combined with rigorous tracking and accountability systems, which have resulted in the substantial advancement of women—including women of color—to management positions. Safeway seeks to promote management talent from within, drawing from all levels, including entry-level store employees, to fill its leadership ranks. The many facets of Safeway's initiative are fundamentally linked to Safeway's efforts to remain a competitive employer of choice in its industry.

Safeway's initiative has innovative elements that have ensured measurable results and cultural change at the company. Its impact can be attributed to the implementation of effective and inventive leadership development programs underpinned by a strong accountability framework and senior management support. Furthermore, the initiative is sustained because of the interrelated management structure of the grocery divisions and corporate headquarters of the company. There are many grocery divisions across North America, which are comprised of various store districts. Divisions report to corporate headquarters, which run Safeway's centralized functions.

History and Launch of the Initiative

Safeway's strategic focus on diversity was solidified in 2000 with the creation of balanced workforce goals and enhanced diversity tracking and accountability mechanisms. The launch of *Championing Change for Women: An Integrated Strategy* was precipitated primarily by the increasingly competitive nature of the retail grocery industry and an explicit desire to have Safeway's employee base reflect its customer base. In response, Safeway designed comprehensive diversity programs and policies to attract, develop, and retain the best talent.

Safeway's Strategy

Safeway's comprehensive diversity initiative is achieved through: 1) effective communication of the business case for diversity; 2) a set of programmatic elements focused on leadership development, mentoring, and work-life balance; and 3) a rigorous accountability system that ensures the measurement and tracking of balanced workforce goals. These mechanisms are used to increase the representation of women and people of color in the pipeline and at senior levels.

1. Effective communication of the business case for diversity.

For Safeway, business success and diversity are inseparable. Within the highly competitive retail grocery industry—which includes increasing numbers of niche-market specialty stores—recruiting, developing, and retaining the best talent means being recognized as an employer of choice. That, in turn, means creating an environment in which all talent can contribute and succeed.

Specifically, Safeway leadership believes that a diverse employee base is key to reducing merchandising and marketing errors (through diversity of thought and approach); increasing sales (through tapping into the benefits of diverse teams); and reducing the high costs associated with turnover. In addition, because approximately 70 percent of its customers are women, Safeway recognizes the need to have a strong representation of women and people of color. In this way, the ability to understand customer needs and provide service is enhanced, and sales increased.

This business case is communicated frequently through a variety of mechanisms. At the store level, employees receive career pamphlets and participate in store meetings about diversity strategy, programs, and policies. Employees also can view diversity videos which, following an introduction by Executive Vice President Larree Renda, highlight successful women and people of color at the company. In addition, CEO Steve Burd frequently communicates about diversity in meetings and holds town-hall conferences where issues, including those related to diversity, are explored.

2. A set of programmatic elements focused on leadership development, mentoring, and work-life balance.

Leadership Development: Various leadership development programs make Safeway's initiative both successful and highly original. The Retail Leadership Development Program (RLD), leadership networks, and open communication of career development opportunities support and empower employees, and actively ensure the development of women and people of color.

◆ The Retail Leadership Development (RLD) Program

The Retail Leadership Development Program is a formal career development program that develops top talent and enhances retention. This approximately 21-week program trains retail employees to be store managers or assistant managers, a path which can lead to corporate management.

In fact, Safeway is unique in that it has historically tapped, and continues to tap, its future leadership

from the retail level. Many senior executives, including 80 percent of the current division presidents, have been promoted from entry-level positions (e.g., courtesy clerks, deli clerks, and cake decorators). Many of these division presidents graduated from the predecessor of the Retail Leadership Development Program, the Store Management Training Program.

The Retail Leadership Development Program has evolved to meet changing business needs, including those related to diversity. For example, in 2000, the program further targeted women and people of color participants. Each district manager has targets for a certain number of women and people of color who apply, are selected for, and graduate from the program. These targets are based on demographic data from each district and are tracked through a variety of scorecards. Managers who do not meet their goals are coached by senior leaders involved in diversity efforts, and their bonus pay is affected.

In addition, the relocation requirement associated with the program was modified when leadership recognized that it put employees, particularly women and those with family commitments, at a disadvantage. To address this, systems have been developed for employees to indicate relocation preferences and five-year/ten-year career and development goals. These systems also are used to match RLD graduates to available retail store management positions.

◆ Leadership Networks

Safeway's four leadership network groups—Women, African-American, Asian, and Hispanic—are open to all employees, and enjoy active senior leadership support. Fulfilling important business needs, these groups offer leadership development, as well as networking and visibility, opportunities.

For example, the Women's Network Group (WNG), with nine division chapters, sponsors the *Women's Road Show*. Hosted in various regions, these events highlight the success of specific Safeway women; provide learning and networking opportunities; and identify individuals for management positions and entry into the RLD Program. In addition, the *Trailblazer Award*, sponsored by some WNG chapters, honors women for their diversity efforts and career accomplishments.

◆ Communication of Career Development Opportunities

The success of Safeway's leadership development programs is ensured by widespread and transparent communication about development opportunities. Formal job postings and career fairs for employees interested in the RLD Program are highly utilized. In addition, in some areas when a store manager position becomes available, a voice message goes out to all stores, inviting interested individuals to speak with their current manager about upcoming opportunities.

Safeway's division HR departments develop high-potentials slates that are distributed to district managers and vice presidents. High-potentials know that they are on this list and can be explicitly tapped for developmental opportunities within stores. In addition, during regular store visits, division senior management will meet with the high-potentials to gauge career interests and discuss potential opportunities.

Furthermore, all qualified employees—and particularly women and people of color—are encouraged to self-apply for "stretch positions" by responding to formal job postings in every store. Those working flexibly, including part-time, also are encouraged to apply for these assignments.

Mentoring Initiatives: The success of Safeway’s intensive mentoring programs is assured because they are formally tied to its business goals of developing and retaining top talent. In fact, many mentees who go through the programs are coached into the RLD Program.

The mentoring programs—which target all employees (including part-time workers), and emphasize developing women and people of color—are embedded with high levels of accountability. Each store manager has at least two to three mentees; store regions have specific targets designed to promote the career advancement of women and people of color through mentoring. This program, among other things, has resulted in such a strong mentoring culture that many store managers have more mentees than required.

Work-Life Programs: Designing effective work-life programs that employees can utilize remains a challenge in an industry that operates 24 hours a day, and conducts peak business during holidays. Nevertheless, Safeway offers alternative work schedules, such as job-sharing, to those working in both support and management positions. By offering alternative work schedules, Safeway is able to better attract and retain diverse employees who may need to work flexibly on an either permanent or temporary basis.

Working a part-time/hourly schedule does not hinder coaching, development, or advancement opportunities. Part-time, or alternative schedule, employees follow the same career paths as full-time employees and have the same opportunities for promotion. These employees participate in the RLD Program, mentoring initiatives, and leadership networks.

3. A rigorous accountability system to ensure the measurement and tracking of balanced workforce goals.

Responsibility for the achievement of balanced workforce goals is ensured through: 1) initiatives designed to link managers to their progress on diversity goals; and 2) a comprehensive performance evaluation process that is linked to diversity for every employee. Providing the foundation for all diversity efforts at Safeway are its numerous Diversity Advisory Boards (DABs).

DABs work with division and corporate leaders to provide strategic direction on issues of diversity and inclusion; observe progress on diversity goals; and play a role in maintaining consistency across locations. The boards are able to tailor certain aspects of the initiative to reflect local needs, while Safeway espouses a consistent approach to diversity across regions. Diversity Advisory Boards coordinate many diversity efforts throughout the company and support the districts and divisions in meeting their diversity objectives. One member of each of the 11 division DABs sits on the company-wide Enterprise Diversity Advisory Board.

Managerial Responsibility: All individuals with managerial responsibility are accountable for Safeway’s diversity efforts. Managers are held accountable for their success on particular diversity goals during their annual internal assessments. Annual internal assessments are meetings held with district managers, district

human resources representatives, and corporate human resources representatives, where balanced workforce goals and additional metrics are presented.

During these meetings, district managers present their efforts in several areas, such as: balanced workforce goals (hires, promotions, and terminations), which are determined based on the geography of the area; district multi-year progress on goals and trends over time; the representation of the Retail Leadership Development applicants and participants; the mentoring and development of women and minority employees (including the representation, structure of mentoring, accountability, and promotions/results); the inclusion of diversity integrated into staff meetings (including frequency and quality of discussion/presentations covered); and issues related to work-life balance (including sharing best practices and vacation accrual rates versus vacation usage).

Scorecards are used to capture progress on these various items, and managers must present their progress to senior HR leaders during the internal assessment process. Based on this presentation of data, including progress towards diversity goals, the district manager will receive a rating that impacts a portion of the bonus. Specifically, the development of people, community involvement, and diversity efforts all contribute to a manager's bonus. Currently, the highest rating affects a manager's bonus pay by up to ten percent. Division presidents are held accountable for the diversity results of their district managers; this also impacts bonus pay. These results are shared annually with the CEO and corporate senior management.

Individual Responsibility: All individuals at Safeway receive performance evaluations that comprise several ratings, including: downward ratings from an individual's manager; upward ratings from those reporting to an individual; and service score ratings evaluated from the customer's perspective. Each of these three areas includes a diversity component. Consistently achieving successful ratings is critical to advancement to the next level, and is monitored by division vice presidents and district managers. High-potential employees are those who consistently achieve high ratings during their performance evaluations.

Catalyst Award Criteria: Change Drivers

Safeway's efforts exceed the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. Safeway's initiative, including its business rationale, is strongly integrated into the company's culture and leadership development practices. Its diversity strategies are explicitly linked to the company's overall business goals.

Specifically, Safeway's diversity business rationale rests on several principles, including its: desire to recruit top talent and be recognized in the marketplace as an employer of choice that values diversity; recognition that leveraging diversity can ultimately reduce high costs associated with turnover; and aim to increase sales

through tapping into the benefits of non-traditional approaches to decision-making. Furthermore, Safeway leadership believes those better decisions lead to reduced merchandising and marketing errors. Finally, Safeway's leaders understand the importance of reflecting the company's customer base, as it enhances the ability to understand customer needs and leads to increased sales.

2. Demonstrate the Commitment of Senior-Level Leadership. From the CEO to senior management in the various grocery divisions, leadership support is a hallmark of Safeway's diversity initiative. Safeway CEO Steve Burd is very active in the company's diversity efforts. For example, he provides stretch assignments to women and people of color who report to him on specialized projects; actively mentors all of his direct reports; provides strategic direction to the Enterprise DAB; and communicates about diversity at meetings and in company communications, such as an introductory message used in new hire orientation and the Managing Diversity Workshop.

Other senior managers—many of whom worked their way up the ranks from entry-level store positions—display a high level of commitment to the development of diverse talent. All managers mentor junior personnel in their stores, and senior-level leadership proactively seeks out high-potentials during regular visits to retail store locations in order to speak with them about their career aspirations and point out developmental opportunities.

3. Effectively Communicate the Strategy. Safeway communicates its diversity strategy through a variety of mechanisms. The CEO, senior leadership, and store management consistently communicate about the diversity strategy through emails and internal meetings. Other examples of communication venues include an extensive company intranet, which provides tools for diversity education and mentoring; roundtables held by senior management within grocery divisions, where store managers meet to discuss issues such as work-life balance, the RLD Program, and retention; and staff meetings, where diversity is consistently on the agenda.

Safeway also has an extensive internal communication system that publicizes job openings, career development opportunities, and messages from the CEO and other senior leaders. In addition, a video series called "Profiles in Diversity" highlights the career development of senior women and people of color at the company. These videos play at the corporate headquarters and within Safeway grocery stores. A discussion guide accompanies some of the videos to encourage active dialogue.

4. Create Accountability Systems. Safeway holds all managers responsible for the success of its diversity initiative through an internal assessment process and tracking of balanced workforce goals. At least annually, district managers must present their efforts to HR and their division vice presidents by means of a verbal presentation and a review of their progress on balanced workforce metrics. Their efforts also are monitored by the division presidents and CEO to ensure that goals are met. Safeway tracks the success of its programs by ensuring that compensation and advancement criteria include employees' abilities to meet diversity goals.

Specifically, the development of people, community involvement, and diversity efforts all contribute to a manager's bonus. Currently, the highest rating affects a manager's bonus pay by up to 10 percent. Similarly, the bonus pay of division presidents also is impacted by diversity results.

All Safeway employees go through performance evaluations that include ratings from their co-workers, managers, and customers on a variety of areas, including diversity. Consistently achieving high ratings is essential to advancement.

5. Create Tools to Measure Progress. In addition to the scorecards used during the internal assessment process, Safeway divisional managers utilize many other scorecards to track diversity progress. For example, each division has goals based on demographic data from the region, which are mapped in a scorecard with the workforce's representation, by race and gender. Progress toward goals is calculated in several categories, including assistant store managers; store managers; individuals in the RLD Program; district managers; and division management positions.

Safeway also examines the feeder group into the RLD Program in order to examine the number and profile of employees coming through the pipeline. Safeway uses these scorecards to assess differences across time, including multi-year comparisons. With multiple scorecards tracking Safeway employees' career advancement, Safeway is able to note trends and identify areas in which improvement is needed, particularly for women and people of color.

The Impact of the Initiative

Safeway's emphasis on development, communication, and accountability ensures strong results. Since 2000, there has been a 40-percent increase in the representation of women in store management ranks, a 34-percent increase in the representation of white women and a 65-percent increase in the representation of women of color. Representation of women at the vice president level rose from 12 percent in 2000 to 25 percent in 2005.

Safeway Inc. is a Fortune 50 company and one of the largest food and drug retailers in North America based on sales. The company operates 1,776 stores in the United States and Canada and had annual sales of \$35.6 billion in 2004.



GEORGIA-PACIFIC CORPORATION

Bridging Cultures, Leveraging Differences



Manufacturing companies historically have faced real challenges in developing and promoting diverse talent within their traditionally male-dominated ranks. The most cutting-edge companies in this industry recognize that their success increasingly relies on recruiting and developing the diverse talent that can adapt, innovate, and appeal to a changing employee and consumer base.

Georgia-Pacific's Award-winning initiative, *Bridging Cultures, Leveraging Differences*, is a comprehensive, systematic effort to recruit, develop, and advance women. This initiative is premised on a strong diversity business case generated by the diversity-of-thought concept, which maintains that different types of thinking stem from different dimensions of diversity. The more demographically, functionally, and culturally diverse an organization is, the more innovative its employees will be. These dimensions of diversity also enable better positioning to attract, develop, and retain top talent, resulting in a competitive edge for the organization.

While Georgia-Pacific's initiative features a set of core elements that must be adopted throughout the organization, leaders of business units and plants (of which there are more than 300) are given the autonomy to create business plans and develop and/or customize high-impact, innovative programs and policies that meet specific, local needs. The initiative's sustainability is further ensured by strong senior leadership support; a network of individuals and teams that provide vision, role modeling, and tactical solutions; a consistent communications strategy; and accountability mechanisms.

History and Launch of the Initiative

Georgia-Pacific was established as a lumber wholesaler in 1927 and soon began manufacturing lumber as well. The company implemented its business-driven diversity strategy in 2001, following the acquisition of consumer products company Fort James. From an internal perspective, the acquisition resulted in marked demographic, functional, and industry differences. From an external perspective, Georgia-Pacific faced the challenge of appealing to an increasingly diverse consumer market. Recognizing its internal diversity as an asset, the company created an initiative that uses diversity as a mechanism to bridge a variety of differences, and it tied that diversity to its overall business goals.

At Georgia-Pacific, diversity is used to address three central business needs, where the key business drivers are the workforce, marketplace, and community. Specifically, its diversity is used as a mechanism to: 1) bridge disparate cultures, 2) take full advantage of the labor market, and 3) increasingly make GP look like its consumer base. Growing and sustaining the Georgia-Pacific business largely rests on its diversity efforts, and its diversity initiative is driven entirely by this business case.

Georgia-Pacific leadership went on to create the Workforce Strategies and Programs team to design and implement strategies, programs, and policies supportive of its diversity business case. The business case itself is communicated frequently and consistently by the CEO and managers to ensure buy-in. All Georgia-Pacific employees are held accountable for adopting diversity behaviors and practices.

Georgia-Pacific's Strategy

Georgia-Pacific's comprehensive diversity initiative is achieved through: 1) a diversity-of-thought concept, which maintains that different types of thinking stem from different dimensions of diversity; 2) a consistently and frequently communicated business case for diversity; 3) a network of individuals and teams that provide vision, role modeling, and tactical solutions for the initiative; and 4) a set of programmatic components and accountability mechanisms that ensure that all employees receive developmental and promotional opportunities. These mechanisms are used to increase the representation of women in the pipeline and at senior levels.

1. Diversity-of-thought concept, which maintains that different types of thinking stem from different dimensions of diversity.

◆ The diversity-of-thought concept allows consideration of the variety of differences that exist at Georgia-Pacific. These include demographic differences—such as race, ethnicity, gender, and class—as well as industry and functional differences—such as those that exist between manufacturing and consumer products. Furthermore, the concept helps employees to understand that rather than create challenges, all of these differences enable a tremendous amount of creative thinking. By framing diversity in this manner, Georgia-Pacific has achieved a remarkable level of buy-in at all levels of the organization.

2. Consistently and frequently communicated business case for diversity.

◆ The key business drivers for diversity are the workforce, marketplace, and community. Specifically, diversity is leveraged to compel innovative thinking, capitalize on the available talent pool, and help the organization to reflect its growing consumer base. Georgia-Pacific employees are well-versed in this business case because it is so compelling, and it is communicated broadly and frequently. Examples of communication venues include the company intranet, emails, speeches, and meetings. Employees also complete an annual survey that assesses their knowledge in this area; appropriate action plans are developed to redress knowledge gaps.

3. Network of individuals and teams that provide vision, role modeling and tactical solutions for the initiative.

An extensive network of senior leaders, teams and councils ensures that Georgia-Pacific's diversity initiative is successful by developing and communicating vision, acting as champions/role models, and devising tactical and implementation strategies.

- ◆ **Vision.** CEO Pete Correll provides high-level vision for Georgia-Pacific’s diversity efforts, including the approach of diversifying both pipeline and senior management ranks. He frequently and consistently communicates the business case for diversity throughout the organization, and holds his leadership team accountable for meeting diversity goals.
- ◆ **Champions/Role Models.** Two of the CEO’s 11-member Executive Management Team serve as internal Diversity Champions. Their role is to communicate—throughout the organization—the importance of diversity to the business.
- ◆ **Tactics/Implementation**
 - ✧ **Workforce Strategies and Programs Team.** The WSP team designs strategies and provides internal consulting and guidance for specific components of Georgia-Pacific’s diversity initiative. For example, team members act as advisors to managers implementing core initiative components, as well as managers developing new components for their particular divisions or field locations.
 - ✧ **Corporate Diversity Council.** This cross-functional senior management team comprised of approximately 13 individuals assists with the business integration and overall maintenance of the diversity initiative and its components. This team, which includes managers from Communications, Marketing, and Supplier Diversity, ensures that each particular program or component is meeting Georgia-Pacific’s overall diversity objectives.
 - ✧ **Diversity Business Plans.** All of the Georgia-Pacific businesses have Diversity Business Plans. These Business Plans—tailored to the specific business unit needs—are diversity objectives that are aligned to business-specific needs. The diversity activities from each business are reported and tracked by the WSP team through the web-based Diversity Web Reporting tool.
 - ✧ **Field Location Diversity Councils.** Georgia-Pacific’s diversity initiative is so successful, in part, because it affords a great deal of autonomy to its approximately 300 business locations. In addition to the core elements of the initiative outlined above, local entities can elect to develop Field Location Diversity Councils. These councils are encouraged to develop their own diversity-related practices—with guidance and support from the WSP team—and the result is tremendous innovation. Examples of programs include supplier diversity initiatives, which encourage outsource collaboration and contracts with minority-run businesses; the “Time in the Jungle” program, which provides cross-divisional training; and creative flexible work arrangements. Numerous opportunities for best practice sharing ensure that other business units and mills can learn about and adopt local programs.

4. Set of programmatic components and accountability mechanisms, which ensure that all employees receive development and advancement opportunities.

Georgia-Pacific has created organization-wide policies and programs designed to diversify both its pipeline and senior management ranks, and help employees manage their careers.

◆ **Training and Development**

- ✧ **Entry Level Engineering (ELE) Program.** The ELE program is designed to fill the Georgia-Pacific leadership pipeline by providing mills with a talent pool of engineers able to fill middle-level

supervisory and technical positions. After being hired, each engineer completes a corporate training program consisting of five sessions. These sessions are hosted at various mill sites and cover an array of technical, business knowledge, and professional development topics to provide ELEs with the skills and perspectives to conduct operations.

- ❖ **Partnerships with Professional Organizations.** Georgia-Pacific has established partnerships with Atlanta chapters and national headquarters of professional organizations. In addition to utilizing these organizations—such as The National Black MBA Association, National Society of Hispanic MBAs, and The National Association of Asian American Professionals—to source top talent, they also allow employees to gain leadership skills and other professional developmental experiences, while pursuing networking opportunities.
- ❖ **Women and Minority Leadership Development Forums.** These forums provide professional development and networking opportunities, as well as role models to management women and people of color. Programs include motivational speakers, panelists of internal and external executives, and development workshops.
- ❖ **Executive Assessment/Succession Planning.** The Executive Assessment program is Georgia-Pacific’s high-potential identification and development program. High-potentials initially are identified through the Total Performance Management (TPM) performance evaluation tool, as well as the review of the management team within each particular group. Among many considerations, high-potentials must demonstrate the ability to manage diversity well. This measurement appears on their TPM plans, and these diversity skills continue to be honed.

Through three assessment stages, employees are evaluated and developed as they move up through the leadership pipeline.

Stage I: Employees who are new to leadership roles

Stage II: Employees prepared to move from manager to director

Stage III: Employees prepared to become (or currently are) VPs

In Stages II and III, employees participate in one-day, behaviorally based simulations, which assess general leadership and knowledge skills. Managing diversity is addressed in one of the simulation modules. Sessions are videotaped, and each employee receives feedback in the form of an individual competency profile. For example, attendees are rated on their effectiveness in demonstrating behaviors associated with valuing diversity.

Georgia-Pacific works hard to ensure the diversity of this high-potential pool. After high-potentials are selected, the ethnic and gender diversity of the pool is assessed. If the pool is not diverse, managers work with the business Vice President of Human Resources to appropriately refine recruitment and development strategies.

- ◆ **Mentoring Portfolio.** Responding to employee survey results requesting increased career development, coaching, and guidance, Georgia-Pacific created an array of mentoring options, including:
 - ❖ **Mentoring Circles** are executive-led mentoring groups of seven to nine members each. As part of this program, executive-level mentors are joined with Atlanta-based, Georgia-Pacific employees.

- ✧ The **Achievers Mentoring Program** is available to company-nominated, high-potential employees. This one-on-one program targets supervisors, mid-managers, and director-level employees, and fosters cross-functional, cross-divisional relationships.
- ✧ Georgia-Pacific's **Informal Mentoring Program** provides employees with tools for finding a mentor or mentee, and guidelines for conducting the relationship. Employees also can self-nominate to be a mentor or a mentee through this program.
- ✧ Georgia-Pacific was one of the founding members of **Georgia 100**, an external, one-on-one executive mentoring program for mid-level professional women in Georgia companies. This program is committed to developing executive talent among mid-level professional women and preparing them for senior management.
- ✧ The **Peer Advocate Program** pairs employee peers across business units.
- ✧ The **Civil Treatment Training (CTT) Program** is mandatory for every manager and supervisor. Providing tools that encourage fair management, it leverages the diversity-of-thought concept, and emphasizes treating others with dignity and respect.

◆ **Work-Life Policies and Programs**

- ✧ The **Alternative Work Schedule (AWS) Program** allows employees to respond to the demands of personal life while continuing to support daily business requirements. Georgia-Pacific offers flexible schedules, summer hours, and part-time work arrangements, where applicable, throughout the organization. Currently, 34 percent of corporate-based employees use some type of AWS.

In addition, while most manufacturing companies have struggled to implement flexible work arrangements, certain Georgia-Pacific plant employees do work flexibly. An example of this is the flexibility offered to employees of the large Muskogee paper mill, where the mill manager commissioned an academic specializing in circadian rhythms to study his employees and their work flow, and propose a variety of efficient work schedules. The result is that these employees can choose to work various hourly schedules (e.g., 8-, 10-, and 12-hour shifts). Because of the emphasis Georgia-Pacific places on best practices sharing, some other mills have adopted this program.

- ✧ Georgia-Pacific supports several childcare facilities, including GP for Kids. A lactation room is also available at the Atlanta facility.
- ◆ **Recognition.** Established in 1988, the Women of Achievement Award honors extraordinary women who have contributed to the success of Georgia-Pacific. Based on the national YMCA model, and originally designed to honor only women working in Atlanta, it now provides company-wide recognition.
- ◆ **Corporate Social Responsibility.** Georgia-Pacific's diversity programs include community outreach. The company works to build beneficial partnerships that enrich the many communities in which the company operates. GP provides time, financial resources, and products through its corporate programs—including ServiceForce, the company's employee volunteer organization—and through the Georgia-Pacific Foundation to support important social causes and to improve the quality of life for people in its communities.

Catalyst Award Criteria: Change Drivers

Georgia-Pacific's efforts exceed the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. Given the changing nature of its business, diversity is seen as integral to Georgia-Pacific's success. Once an entirely manufacturing environment, the company now features a substantial consumer products business. Georgia-Pacific leadership recognizes that it can meet the demands of the marketplace by leveraging internal diversity. This business case includes creating a workforce that looks like its consumers, accessing a diverse talent pool, and using diversity productively to bridge the variety of cultures that exist in the organization. As a result, diversity strategies are tied to overall business goals, and CEO Pete Correll communicates the link between diversity and financial success; he holds that the company's recent increase in Return on Equity is directly related to increased internal diversity.

2. Demonstrate the Commitment of Senior-Level Leadership. CEO Pete Correll is publicly and emphatically committed to diversity. Mr. Correll proposes that his major responsibility for Georgia-Pacific's diversity efforts is to communicate its importance to all employees. He does this both through direct communications about the business case (in forums such as intranet, emails, and speeches), as well as advocating for diversity on his Board of Directors and senior management team. While the entire Board was white and male in 1993, it currently features two women and two people of color among its 13 members. A second example is the way in which he diversified segments of his management team. When Georgia-Pacific acquired Fort James in 2001, its management team was not diverse. Many members of that team declined to move to Atlanta subsequent to the acquisition, and Mr. Correll took the opportunity to fill those positions with the best available candidates, many of whom were diverse candidates. He not only commits these actions, but shares stories about them in his capacity as a role model.

Senior line managers applaud Georgia-Pacific's "metric-based aggressive intervention" as critical to achieving diversity goals. The Diversity Scorecard and TPM (Total Performance Management) each have specific goals that prompt managers to demonstrate their commitment to diversity at Georgia-Pacific. This commitment influences how senior leaders interact with employees, from creating development plans to choosing locations to hold off-site meetings.

An executive engagement program was developed to allow Georgia-Pacific leaders to engage personally with the company's diversity initiatives. The program is focused on the active involvement of the top 50+ company executives. Their participation includes serving as mentors; participating as panelists and recruiters with women and minority organizations; as well as focusing on other diversity engagements.

3. Effectively Communicate the Strategy. The CEO, his leadership team, and division heads and mill managers communicate Georgia-Pacific's diversity strategy frequently and consistently. As a result, there is a high level of

employee understanding regarding the business case, diversity-of-thought concept, and programs. Examples of communication venues include the company intranet, providing employees wide access to up-to-date human resources policies and information on the array of mentoring programs; emails from senior leaders and the Workforce Strategies and Programs team highlighting diversity-related events; and speeches by senior leaders at company-sponsored gatherings, such as the Women and Minority Leadership Forums. In addition, many opportunities for internal best practices sharing exist.

4. Create Accountability Systems. Georgia-Pacific has implemented a rigorous Total Performance Management (TPM) system to review all employees in managerial positions. The TPM outlines work-related objectives and ties them to four core competencies, one of which is Valuing Diversity. The TPM, which also includes developmental objectives, is used to determine merit increases and bonus allocations.

Georgia-Pacific collects 360-Degree Feedback for employees in leadership and management positions. Feedback via electronic surveys is collected from peers, team members, supervisors, as well as from external and internal customers and clients. This information is included in the TPM and is integrated in the individual development plans.

5. Create Tools to Measure Progress. Employees annually complete a Diversity Climate Survey assessing the company's diversity initiative and their understanding of the business case; appropriate action plans are developed to redress knowledge gaps. Findings are reported directly to business heads, the Executive Management Committee, and the CEO. Employee feedback is used to continually design new programs and reformulate existing diversity-related strategies.

The Diversity Scorecard tracks the demographics and job levels of highly compensated employees, the placement rates of women and people of color, as well as the implementation of the Diversity Climate Survey results. Scorecard results are detailed by business unit, manufacturing facility, and division, and the business Vice President of Human Resources discusses them quarterly with the Executive Vice President of each business unit. In addition, scorecard results are discussed annually among the Workforce Strategies and Programs team, each business unit Executive Vice President, and the business Vice President of Human Resources. Numbers across business units are benchmarked, and action plans are developed based on benchmarking and ability to meet goals. The Workforce Strategies and Programs team recommends goals for each business unit based on Scorecard results, and the CEO reviews and approves these goals.

The Impact of the Initiative

There is clear evidence that Georgia-Pacific's diversity efforts are successful. The representation of women at the Executive Vice President level increased from 9 percent in 2001 to 29 percent in 2004. During this same period, representation of women at the President/Vice President level increased from 11 percent to 17 percent, and at the Senior Director/Director/Controller level from 22 percent to 30 percent.

Georgia-Pacific Corporation has been engaged in the manufacture of four principal products: tissue products, including bath tissue, paper towels and napkins, and disposable tabletop products, including cups, plates, cutlery, and containers; containerboard and packaging, including corrugated packaging, linerboard and medium; bleached pulp and paper, including paper, kraft and bleached board, and the manufacture of building products, including plywood, oriented strand board, various industrial wood products and softwood and hardwood lumber, as well as certain non-wood products, including gypsum board, chemicals, and other products.

SIDLEY AUSTIN BROWN & WOOD LLP

Strategies for Success: An Ongoing Commitment to Diversity

Historically, many law firms have faced challenges developing and retaining diverse talent within often male-dominated environments. In addition, law firms typically have few formal, written policies or programs targeted towards specific employee groups. These factors can create challenges to managing diversity. In order to stay competitive and attract top talent, however, the best law firms realize that they must broaden their recruitment and retention strategies and expand their programs and policies to be fully inclusive—ultimately, changing their cultures. Sidley Austin Brown & Wood LLP is one of those firms.

Sidley Austin Brown & Wood's diversity effort, *Strategies for Success: An Ongoing Commitment to Diversity*, is embedded in a strong, inclusive culture founded on a powerful business case for diversity. That business case reflects increasing client demands for diverse teams; a desire for the firm to retain its considerable investment in hiring and training attorneys; and the need to attract and retain top talent. In addition, the innovation afforded by diverse teamwork creates a competitive advantage for Sidley. Lawyers throughout the firm base decisions and actions on this philosophy. In addition, the firm has an ongoing and comprehensive effort to recruit, develop, advance, and retain women and people of color. The goal of Sidley's overall diversity effort is three-fold: to increase the firm's success in retaining women attorneys and attorneys of color; to promote a greater number of women associates and associates of color to partnership; and to promote a greater number of these partners to positions of power within the firm.

In addition to the strong business case for diversity, this initiative's success results from strong senior leadership commitment, role modeling, and communication. In addition, formal accountability mechanisms, which are rare in law firms, ensure the sustainability of this effort.

History and Launch of the Initiative

In 1998, Sidley & Austin's management team—in an effort to ensure that all attorneys were being developed fully—examined firm-wide processes, such as attorney compensation and evaluation. As part of this effort, the firm formed separate Task Forces on Women and Minority Issues which closely assessed these matters. In 2001,

shortly after the merger of Sidley & Austin and Brown & Wood, each Task Force was elevated to permanent committee status. Because firm leadership understood that women and people of color face unique workplace issues, they created two separate committees: the Committee on Retention and Promotion of Women (CRPW or the Women's Committee) and the Committee on Racial and Ethnic Diversity (the Diversity Committee).

The Women's Committee and the Diversity Committee are so effective, in part, because they work in conjunction with each other and with other core committees. By working in conjunction with the Associate Evaluation and Compensation Committee, as well as the Recruiting Committee, the suitability and sustainability of diversity efforts is ensured.

Sidley Austin Brown & Wood's Strategy

Sidley's diversity and business strategies are integrally linked and include three key elements: 1) create and sustain a culture of open communication, inclusion, and respect; 2) formalize tools that allow all lawyers to achieve their full potential; and 3) implement rigorous recruitment and employee review strategies that will ensure hiring of top talent and development of all employees.

1. Create and sustain a culture of open communication, inclusion, and respect.

- ◆ **Develop the business case for diversity.** Revenues, costs, and resources are the tenets that drive Sidley's business case for diversity. First, a diverse workforce is appealing to clients who are increasingly concerned with benefiting from a variety of perspectives. In addition, because considerable resources are required to recruit and develop attorneys, it is essential to create environments in which they want to continue working. Third, remaining competitive and growing a business rests largely upon attracting and utilizing the best and brightest talent. This means ensuring that talent from diverse demographic groups join the firm. Finally, the variety of perspectives that diversity brings is critical to maintaining an edge over competitors.
- ◆ **Communicate the business case for diversity.** At Sidley, communication about the business case for diversity, diversity programs, and development and advancement mechanisms occurs throughout the year in a variety of forums. These include the new associates' conference, mid-level associates' conference, orientation sessions, partner meetings, and firm-wide events. Partners at the firm encourage all attorneys to communicate the business case for diversity both internally and externally.
- ◆ **The link between diversity and the firm's business practices allows for full integration of diversity efforts into the culture and the way work is done.** For example, processes around recruitment, employee evaluation and compensation, and associate development and advancement formally consider diversity. The processes are designed this way because it is theorized that diversity can drive how work gets done and, ultimately, impact the bottom line.

2. Formalize tools that allow all lawyers to achieve their full potential.

- ◆ **The formal, firm-wide reduced hours policy enables attorneys, at both the associate and partner levels, to work a reduced-hours schedule.** Associates who work a reduced hours schedule remain on partnership

track and are given evaluations and client assignments comparable to their full-time counterparts. The Women's Committee highlights that lawyers working reduced hours can also be highly accessible to clients; they simply may need to be assigned to fewer of them. The Compensation Committee continually reviews the evaluation and client assignment processes to ensure that all lawyers are gaining the same type of critical experiences, including exposure to clients. In addition, the Women's Committee regularly and formally communicates the practicality of reduced hours work through presentations that demonstrate management support, explain the policies, and provide tips for successfully working such a schedule.

- ◆ **Firm-wide mentoring** is provided to every associate (both women and men). Upon arrival at the firm, all associates are assigned an associate mentor and a partner mentor. Summer associates also are assigned an associate mentor and a partner (or near-partner) mentor.
- ◆ **Mentoring Circles**, which are coordinated by the Women's Committee, allow women attorneys to share experiences across levels, practice areas, and office locations. In addition to being assigned a firm-wide mentor, each incoming woman associate is assigned to a mentoring circle comprised of three to five women partners and eight to twelve women associates. Each circle includes women from a cross-section of practice areas and levels at the firm.

The mentoring circles allow each woman associate immediate access to several women partners outside her working group, offering a wide variety of personalities and perspectives. Each of the circles (which exist in many of the different office regions) meets from several times per year to monthly, depending on the desires of individual circle members.

- ◆ **The Women and Leadership Series** provides women associates access to clients—which is critical for career advancement—and allows them to network and learn from partners. Programs in the series are tailored to the needs and interests of women in each particular region or office site, and presentations are conducted by one or more prominent women speakers. Examples of previous events include separate presentations on law, business, government, media and the arts.
- ◆ **Cocktail parties and receptions** coordinated by the CRPW are held several times per year. These women-only events, which bring together attorneys from all areas of the firm, provide critical networking opportunities. In addition, before the annual all-partners meeting, the women partners host a cocktail party or special dinner in order to network and build relationships across offices.
- ◆ **Maternity lunches** are coordinated by the CRPW and provide an opportunity to educate attendees about the firm's maternity policy. These lunches began as an informal mechanism to discuss maternity policy and benefits, but also allowed time for individual questions and concerns. They have evolved into a networking group of pregnant associates and partners.

3. Implement rigorous recruitment and employee review strategies that will ensure hiring of top talent and development of all employees.

- ◆ **Recruit strategically.** The Women's Committee and the Diversity Committee participate in recruiting efforts by conducting on-campus interviews and hosting potential recruits for dinner meetings and informal gatherings. For example, in an effort to recruit diverse candidates, the firm instituted an "Outreach

Recruitment Effort.” This program expands recruiting efforts to law schools with a higher representation of people-of-color candidates. Whenever possible, the firm recruits in diverse teams, typically including a woman and a man, and often including a person of color as well.

Additionally, the Recruiting Committee, in conjunction with the Women’s Committee and Compensation Committee, invites recruits to Women and Leadership events, hosts receptions or seminars for recruits, and pairs up experienced women lawyers and recruits for networking and informal meetings to understand more about the firm’s culture.

- ◆ **The firm’s rigorous, twice-yearly compensation and evaluation process** is critical to ensuring that all employees openly discuss developmental needs and any career-related challenges. This process starts with a pre-review interview, during which associates talk to members of the Compensation Committee about their career goals and developmental needs. Subsequently, a review form requires associates to detail their experiences at the firm; developmental opportunities they have taken; desired developmental opportunities; mentoring relationships; and work-related challenges. During the review, associates are asked to name individuals for whom they have worked; the committee then reaches out to those individuals for feedback. Associates are rated on competencies including: technical (analytic, writing, research, negotiating ability); personal (judgment, efficiency, leadership); and management (relationships with peers and junior associates, mentoring activity, and committee work). These reviews impact compensation decisions..

Catalyst Award Criteria: Change Drivers

Sidley’s diversity efforts not only meet but exceed the criteria by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. The initiative and its business rationale are strongly integrated into the culture of the firm and actual business practices. Partners and associates are well-versed in the diversity business case which includes the following: 1) diverse representation in the firm sends a message to clients, as well as prospective and current employees, that diversity is a priority; and 2) the infusion of creative ideas that diversity brings is critical to maintaining a competitive market position. Sidley realizes that in order to maintain its client base, diversity is critical. This rationale is reinforced by clients who require the firm to report gender statistics in their Requests for Proposals. In addition, Sidley takes responsibility for regularly reporting who is working on critical client matters, ensuring that the firm is not only providing the diverse candidates, but also including them in key client interactions and cases. Sidley also understands that, in order to attract and retain top talent internally, the firm must integrate diversity into its internal processes, with targeted recruiting, and specific associate development and evaluation strategies.

2. Demonstrate the Commitment of Senior-Level Leadership. The most senior partners at Sidley display strong, visible, and consistent commitment to the firm’s diversity efforts. Thomas Cole, Chair of the Executive Committee (EC), and Charles Douglas, Chair of the Management Committee (MC), as well as other EC and MC

members and committee co-chairs, frequently communicate the business case for diversity, the value of diverse work teams, and their support for programs such as the reduced-hours policy. In addition, they showcase their support by attending Women's Committee and Diversity Committee events and providing personal guidance to both committees on their agendas and strategies.

Sidley's partners also express a strong commitment to increasing the diversity of the firm. They see the importance of not only increasing women's representation but also of putting women and minorities into positions of power and influence throughout the firm. For example, women are represented on the EC and MC and as practice group heads. The firm also has initiatives focused on making more women committee chairs, a position seen as a grooming post for future firm leadership opportunities. Many senior-level individuals serve as powerful role models and mentors to other partners and associates by showcasing their support.

3. Effectively Communicate the Strategy. Consistent, frequent communication of Sidley's diversity efforts occurs in a variety of venues, from presentations to potential law school recruits to conferences with new associates to the partner and associate evaluation process. These communications are firm-wide and communicated during meetings and events, as well as through emails, memos, and the intranet. Diversity is always on the agenda for large meetings, such as the firm-wide end-of-year review, associates conferences, and all-partner meetings. In addition, committees—including the Women's Committee, Diversity Committee, and Recruiting and Compensation Committees—encourage open communication by continuously sharing best practices.

4. Create Accountability Systems. Sidley holds its attorneys responsible for the success of its diversity initiative in several ways, including through the performance evaluation and recruitment and development processes. Annually, partners are reviewed by the Management Committee using a 30-item assessment that gauges various aspects of performance. In the last three years, a question on diversity requires partners to detail their personal efforts to strengthen the firm's diversity. Several other areas of the assessment are related to diversity efforts, including contributions to the "life of the firm" (e.g., participation in the summer associate program, development of associates and junior partners) and sponsorship of policies or programs. Ultimately, these assessments contribute to partner compensation decisions and, in some cases, impact bonus pay.

In terms of recruitment and development, the co-chairs of the Women's Committee, the Diversity Committee, and the Compensation Committee are responsible for reporting to the MC and EC about the composition of each class of summer associates and starting associates, and monitoring the performance of associates, by gender. They also review and report attrition rates, rates of promotion to partner, and total percentage of women in the partnership, as well as percentage of women in key positions.

5. Create Tools to Measure Progress. Sidley recently implemented enhanced databases to track metrics on reduced-hours associates, transfers, and lateral hires. The databases also allow the firm to ensure that reduced-

hours associates are remaining on partner track. The Compensation Committee continually provides reports to top management on these statistics. In addition, the firm's accounting department generates a diversity report monthly, which contains data about the number of women and total number of partners, associates, and counsel in each office.

The Impact of the Initiative

Sidley's efforts have had a profound impact on the representation of women and people of color within the firm's senior ranks. For example, one-third of the firm's women partners currently hold positions as firm-wide or office committee chairs or co-chairs. While 22 percent of the lawyers promoted to partnership in 2002 were women, 43 percent of those promoted in 2004 were women. The representation of attorneys of color within the partnership increased from 6 percent in 2002 to 8 percent in 2004. In 2004, almost 18 percent of the total partnership was comprised of women.

Sidley Austin Brown & Wood LLP, a significant legal power in the international arena, is the result of the May 2001 merger of the law firms Sidley & Austin and Brown & Wood. The combination of these two legal authorities created a new kind of law firm, melding a 235-year combined legacy of service and legal innovation. The merger created a firm of more than 1,400 attorneys practicing on three continents and combined the highly-rated and inventive capital markets practice of Brown & Wood with Sidley & Austin's full array of corporate, banking, regulatory, intellectual property, and litigation capabilities. Sidley Austin Brown & Wood LLP provides a broad range of services to meet the needs of large businesses, small businesses, governments, and individuals across a multitude of industry groups.



GENERAL ELECTRIC COMPANY

Developing Women Leaders: Synergistic Forces Driving Change



A chief task in running a multi-business, multi-national organization, such as General Electric, is ensuring that top talent is groomed to lead and grow its various businesses. One of the unique challenges for GE is giving talent the breadth and depth of experience appropriate to the range of industries in which its businesses operate.

General Electric's *Developing Women Leaders: Synergistic Forces Driving Change* initiative uniquely addresses the challenge of talent development by providing management women with the information, experience, and visibility needed to become leaders. This initiative aligns the goals of Session C—GE's performance management and succession planning system—with those of the GE Women's Network (GEWN). In this synergistic approach, top female talent identified through the Session C process is tapped to lead GEWN regional and local hubs, giving women hands-on leadership experience. At the same time, ongoing GEWN events provide leadership education opportunities for women interested in learning how to achieve their development and advancement goals. GEWN operates with the same rigor as a GE business unit, and its annual objectives are aligned with overall GE business goals. Chairman and CEO Jeff Immelt regularly visits geographic business unit leaders and GEWN leaders to review business strategy and discuss talent needs. Mega-network events and network leadership activities give his senior executive management team the opportunity to meet with women from the Session C-identified, high-potential female talent pool. The initiative's success is ensured further by strong accountability mechanisms (e.g., all managers at the executive band level and above should have at least one diverse candidate on their succession slates) and pervasive communication efforts promoting GEWN events to women and men throughout GE.

History and Launch of the Initiative

The foundational components of GE's initiative have been in place for several years. Session C has been used to identify and develop top talent at GE since the 1950s; even before the launch of GEWN, GE's African-American affinity network (the African-American Forum) had been in existence and meeting since the early 1990s.

In 1997, GE's then-Chairman Jack Welch attended the annual National Symposium of the African-American Forum, and was so galvanized by this session, that he met with senior-level women from across the organization, and asked them to partner with the corporation to address issues surrounding women's development and advancement. At this time, women comprised 31 percent of the professional and managerial employees at GE, but were only 1 percent of the total executive population.

This group of senior-level women began thinking about a mechanism that focused women on key business issues and, concurrently, connected them to leadership opportunities and experiences. In order to detail a relevant approach, the “Kitchen Cabinet”—a group comprised of 12 senior women—was formed. Ultimately, this became the rotating leadership group of the GEWN.

The launch of GEWN was further supported by two of GE’s board members at the time, Gertrude “Gigi” Michelson and Barbara Scott Preiskel. To align GEWN’s activities with the overall goals of the business, and to ensure that it became an integrated part of the GE culture, two Corporate Executive Council members were designated as GEWN champions.

Having found the mechanism to bring women together and make them more visible to senior leadership, the Kitchen Cabinet then recognized the utility of GE’s extensive succession planning process in actually identifying those women. Specifically, Session C became a tool to identify diverse talent. Leaders of the GEWN were chosen from Session C’s list of high-potentials, enabling women to gain hands-on leadership experience. When Session C was digitalized in 2001, identification, development, and tracking of “diverse best bets” became even more rigorous.

GE’s Strategy

The goals of GE’s diversity development strategy are closely aligned with the organization’s annual business goals. The components include:

1. Identify, assess, and track talent through e-Session C, a comprehensive process that follows the organization’s annual business cycle.

- ◆ **Assess individual performance.** The talent identification and development process begins in the fourth quarter, when each professional GE employee prepares an online, individual assessment. That self-assessment includes a resume; assessment of strengths, development needs, career goals, and opportunities; and detail of annual achievements. This individual assessment creates the basis for a larger evaluation of business needs and capacity.
- ◆ **Provide developmental feedback on individual performance.** By the beginning of the first quarter, managers review the online assessment with their direct reports, and hold in-depth discussions on performance, career interests, and development needs.
- ◆ **Identify organizational leadership needs.** At the end of the first quarter, leaders of businesses and functional units review the online assessment information in aggregate, examining representation of business teams and considering any present or future gaps in leadership, as they relate to both diversity and business needs. In addition to holding these discussions on building diverse teams, they identify individuals for advancement and specify key developmental roles necessary to achieve that advancement. For women, this could include playing a role in a GEWN local hub, regional, or governance leadership.

- ◆ **Track results.** In the second quarter, the chairman, vice chairman, senior vice president of Human Resources, and vice president of Executive Development spend a day at each of GE's 11 business headquarters reviewing that organization's e-Session C. Included in this review is an in-depth discussion of diversity in the high-potential pool and a review of the organization's diversity metrics. Because the e-Session C features color-coded diversity metrics, managers can view an entire business' or department's diversity profile at a glance.

2. Develop transparent career development systems and processes.

- ◆ GE's job posting system details information on positions up through the senior professional band, and is globally accessible to the organization's professional workforce.
- ◆ In-depth descriptions of the key competencies needed to succeed and advance within each function are available on the intranet site of each GE function.
- ◆ The PIE (performance, image, and exposure) career model, developed by noted author Harvey Coleman, is used broadly to help employees think through their career advancement strategies, and is often used as the basis for employee network and forum workshops.
- ◆ GE's corporate university in Crotonville, N.Y., offers training courses at each employee band level. For example, GE offers 12 multi-year, corporate leadership programs, giving intensive training to each managerial band. About 2,000 individuals currently participate in these programs, 45 percent of whom are women and 20 percent of whom are multicultural women from around the globe.
- ◆ The *My Learning @ GE* intranet site provides a broad range of online courses, such as diversity inclusiveness and training on interview skills.

3. Retain talent and develop diverse leadership through a synergy between Session C and GEWN.

Because GE's leadership is particularly concerned with retention of experienced women leaders, they have developed several efforts focused on retaining and developing women. In addition to the GEWN, a number of core organizational activities address the mutually dependent issues of retention and development.

- ◆ GEWN annual goals reflect the overall GE business goals. GEWN is run like a GE business and follows the same operating cycle. Linking goals in this way ensures that women working with and through GEWN are being developed and exposed to the issues most critical to the organization. It also provides the company with a convenient mechanism for developing a pool of individuals that can meet broad organizational goals. For example, when the organization set a goal of increasingly developing IT talent, GEWN developed a goal of providing women with cutting-edge IT skills and experience.
- ◆ GEWN leaders are identified through the Session C process and obtain hands-on leadership experience through their GEWN activities. This experience prepares women for leadership roles within the organization. The GEWN leadership structure includes the Kitchen Cabinet, comprised of senior women leaders representing a variety of GE businesses; an Executive Board of 30 senior-level women who drive key initiatives; regional leaders, who are high-performing, mid-career women who facilitate best practices discussions at the local level; and hub leaders, who are early- to mid-career women who lead local activities.

- ◆ GEWN activities are open to all employees—women and men—and cover a broad range of topics, including performance, networking, customer service, and work-life. A variety of forums are used, including speakers seminars, workshops, and networking dinners. Regional mega-events also are held, with the first global mega-event occurring in Paris in 2002. By 2003, there were 118 GEWN hubs in 30 countries, and almost 20,000 individuals (women and men) had participated in GEWN events.
- ◆ Additional employee group forums are supported by GE and provide members with personal and professional growth opportunities through access to mentors, seminars, and networking events with senior executives. These U.S.-based network groups include the African-American Forum, Hispanic Forum, and Asian-Pacific American Forum. GE also has other affinity groups, including Global Age, ANGLE (Alternative Lifestyle or Gay, Lesbian, Bisexual, Transgendered employees), and Working Parents.

Catalyst Award Criteria: Change Drivers

GE's effort exceeds the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. Talent development is a cultural passion and business necessity at GE. Managers understand that both GEWN and Session C are essential for creating a viable, future leadership pool. According to Jeff Immelt, "To be successful, GE has to be in touch with the world. Our customers are as diverse as the products and services in our portfolio. GE needs all the intellectual capital possible to drive creativity, imagination, and innovation to meet their needs."

2. Demonstrate the Commitment of Senior-Level Leadership. Jeff Immelt spends a significant amount of his work time reviewing and developing talent through Session C-related activities; participating in global GEWN and U.S. regional employee forum events; and meeting with GEWN and other network leaders. In addition, two members of GE's Corporate Executive Council (CEC) co-sponsor the GEWN, mentor its leadership team, and promote the availability of female talent to other CEC members. GE's three current female board members also are involved in the strategic approach to developing women leaders, and all participate in GEWN events.

3. Effectively Communicate the Strategy. Session C is thoroughly embedded in the GE culture, and its details are communicated to all professional staff. This communication begins with an introduction to Session C in each one-week, new employee orientation. In addition, one of the first steps following any acquisition of another company is to implement Session C.

Communication about GEWN and its events is publicized widely in posters, flyers, and emails. The global network is also supported by an interactive web site that provides detailed information on all of its 118 hubs; aggregate information on the number of participants per region; information on network events; and GEWN startup toolkits for new and emerging local hubs. Local hubs are encouraged to link their sites to the global

site. GE leaders are also actively involved with GEWN. GE's chairman attends National Network meetings, and GE senior leaders frequently speak at mentoring dinners.

4. Create Accountability Systems. All executives are evaluated on their ability to build diverse teams, and their efforts are visually represented on the digitized version of Session C. The chairman and other members of the CEC meet quarterly to review the e-Session C's "diversity cockpit" report—detailing its workforce representation statistics—which is prepared by the manager of Employer of Choice Initiatives. The group assesses what opportunities there were to promote diverse candidates into those bands in conjunction with actual promotions. Executives are formally reviewed on their diversity promotion efforts, and consistent unsatisfactory performance in this area affects their overall performance rating, which directly impacts their incentive compensation and, ultimately, job security.

GEWN operates like a GE business, with annual goals and an established management structure. As a result, GEWN leadership—from the Kitchen Cabinet to local hubs—is held accountable for the success of GEWN's activities. Specifically, GE's chairman conducts an annual review session with GEWN's executive team, addressing the network's success in meeting goals and attaining measurable results.

5. Create Tools to Measure Progress. In addition to the "diversity cockpit," GE also conducts an annual Employee Opinion Survey that enables managers to analyze data according to a variety of demographics. Responses can be analyzed by gender, job level, job function, geography, age, tenure, race/ethnicity, and more, enabling each business unit to develop customized action items. Progress on action items is assessed in managers' Session C reviews and impacts their overall performance rating, which ultimately impacts their incentive compensation.

Like e-Session C, the GEWN web site also generates a "digital cockpit" scorecard that tracks participation, number and type of events, and progress toward annual goals. The Kitchen Cabinet meets monthly to discuss these metrics and overall operating progress.

The Impact of the Initiative

As a result of efforts to develop and advance women, representation of women corporate officers increased from 5 percent to 13 percent between 1998 and 2002. During this same period, representation of women at the senior executive band level increased from 9 percent to 14 percent, and women at the executive band level increased from 18 percent to 21 percent.

This initiative—and the work of GEWN, specifically—has also been instrumental to retaining women talent. In 1996, prior to the inception of GEWN, losses of women at the senior executive band level and above were 14 percent (4 of 29). Women losses dropped to 11 percent (4 of 36) the following year, and even further to 7 percent (5 of 69) in 2002.

GE is a diversified technology and services company dedicated to creating products that make life better. Products range from aircraft engines and power generation to financial services, medical imaging, television programming, and plastics. GE operates in more than 100 countries, and employs more than 315,000 people worldwide. The company traces its beginnings to Thomas A. Edison, who established Edison Electric Light Company in 1878. In 1892, a merger of Edison General Electric Company and Thomson-Houston Electric Company created General Electric Company. GE is the only company listed in the Dow Jones Industrial Index today that also was included in the original index in 1896. GE had revenues of \$134.2 billion in 2002.

HARLEY-DAVIDSON, INC.

Optimizing Talent: A Culture of Empowerment

Transportation equipment companies, including those in the recreation-oriented motorcycle industry, often face unique challenges in developing diverse talent within their traditionally male-dominated environments. In order to stay competitive, these organizations must broaden their consumer base and, concurrently, develop the diverse talent that can meet those new consumers' needs.

Harley-Davidson's effort, *Optimizing Talent: A Culture of Empowerment*, meets that challenge by focusing on development, visibility, and advancement opportunities for all employees. Since implementing this effort in the mid-1990s, Harley-Davidson has achieved tremendous business success, in part, by empowering all employees, regardless of race or gender, to be true partners in its business. Leadership transformed the organization from a rigid, top-down model to an open, participatory model in which employees are provided with the tools and training necessary to make significant business decisions, innovate, and meet new business challenges. Decision-making involves considerable cross-functional employee input, and many key decisions—including those relating to development and promotability—are consensus-based. Formal development and review mechanisms ensure that employees achieve high levels of visibility within the organization. Employees regard development planning as a right, and supervisors have an ongoing obligation to help employees develop their full potential in the organization.

History and Launch of the Initiative

In the 1980s, Harley-Davidson leadership realized that to expand the business, they needed to provide excellent products and services to existing customers, as well as significantly increase the customer base. They understood that broadening the product appeal, including to more women and people of color, was imperative to the company's success, so they placed particular emphasis on attracting, developing, advancing, and retaining diverse individuals.

Three key organizational principles emerged during this period that still serve as the foundation for Harley-Davidson's current diversity efforts. These leadership-driven principles are: 1) Create an operating environment that supports the belief that employees are the company's only long-term competitive advantage; 2) Empower all employees to achieve full potential through continuous learning and effective career development; and 3) Recognize that improvement is continuous and evolving.

Specifically, Harley-Davidson achieved its goals by developing employees, empowering them to make decisions, and highlighting the skills and achievements of talented employees. To create a more open environment, the organization was restructured from a hierarchical to a flattened model. Formal programs and policies focusing on development and performance management were instituted. The company also created an environment of continuous learning in which employees are trained to make significant decisions and are included in key decision-making processes.

Today, Harley-Davidson's environment exemplifies one in which a diverse employee base can think broadly and take calculated risks. The organization's diversity efforts continue to evolve and are further strengthened by CEO Jeffrey Bleustein, the organization's leadership teams, and an engaged employee population.

Harley-Davidson's Strategy

Harley-Davidson's diversity and business strategies are integrally linked, and have three key components: 1) Create a culture that encourages empowerment and lifelong learning; 2) Implement an effective human resources and performance review strategy that provides developmental and visibility opportunities for all employees and identifies potential leaders; and 3) Provide the tools and training necessary to prepare employees to make high-level business decisions.

1. Create a culture that encourages empowerment and lifelong learning.

- ◆ Harley-Davidson flattened its hierarchical organizational structure and replaced it with three Business Circles: Create Demand, Produce Products, and Provide Support. In addition, it eliminated almost all titles at the senior vice president level and above, and employed a consensus-based decision-making model. The circles structure encourages consultation and a highly inter-dependent culture across functional boundaries, provides exposure for employees to a wide variety of disciplines, and gives employees opportunities to demonstrate their talents and contributions and to be recognized among a broad range of peers and management.
- ◆ Harley-Davidson's organizational values are communicated frequently and consistently, beginning on an individual's first day of employment. Employees are expected to practice the values—which include telling the truth; being fair; keeping promises; respecting the individual; and encouraging intellectual curiosity—in all workplace activities, and to hold each other accountable for employing them. Mechanisms for communicating the values and their importance include CEO Jeffrey Bleustein's speaking extensively about them at each new employee orientation.

- ◆ “Freedom with fences” describes the element of Harley-Davidson’s culture that encourages employees to take educated risks and “push back” during decision-making processes.
- ◆ An open-door policy, which includes the CEO, reinforces Harley-Davidson’s egalitarian culture, ensures that employees have access to all levels of management, and encourages individuals to utilize that access.
- ◆ Diversity Councils are employee-driven councils that exist at six major Harley-Davidson sites, and include salaried and union employees. The primary goals of the councils are to promote awareness, create an environment of inclusion, and provide opportunities for employees to participate in educational activities that reflect the diversity of Harley-Davidson stakeholders. The development of the councils was initially based on employee interest. The diversity director, who reports to the vice president of Human Resources, is a resource to the group. Through this conduit, the councils influence policy and stimulate change. In addition, Harley-Davidson has a Diversity Strategy Circle, a sub-group of the 32-member Functional Leadership Group (FLG) that comprises the company’s senior leadership. The Diversity Strategy Circle is charged with developing and updating diversity strategies for the organization.

2. Implement an effective human resources and performance review strategy that provides developmental opportunities and visibility for all employees.

- ◆ Performance Effectiveness Process (PEP): Employees and their managers meet annually to develop performance and career development goals. They then meet quarterly to discuss progress against these mutually agreed upon commitments that are tied to strategic business goals. Employees are encouraged to engage in honest discussions about their career aspirations and to gain cross-functional job experience.
- ◆ People Day is a mandatory, annual meeting during which all functional vice presidents meet with their respective leadership teams to identify their employees’ strengths and areas needing improvement. As a group, these leaders discuss lateral and upward mobility of their employees; think about developmental assignments; focus on increasing diversity; and assess potential bench strength in each functional area. The group-meeting format ensures that all employees are visible and that all managers are held accountable for employee development.

After People Day, managers provide relevant feedback to their employees and work with them to create action plans. To ensure that feedback is provided, managers are required to report back to their supervisors on the process.

In addition, annual Circle People Day Reviews occur within each business circle, as well as FLG People Day Reviews, which occur across all three business circles. As a final checkpoint, an Executive Review process requires each FLG member (vice president) to meet annually with the vice president of Human Resources and the president and CEO for an Ultimate People Day to discuss employee development plans, diversity, and other people-related issues in their respective areas of responsibility.

3. Provide the tools and training necessary to prepare employees to make high-level business decisions.

- ◆ The Leadership and Career Development Program provides opportunities for employees to rotate job functions. There are formalized programs such as The Strategic Planning Team (SPT), a two-year program for which individuals are tapped to participate. The SPT exposes participants to confidential and cross-functional strategic planning at the highest levels. Other approaches include frequent engagement of employees at all levels in new teams to learn key business skills and develop cross-functional experience.
- ◆ The Lifelong Learning effort is emblematic of the Harley-Davidson belief that its employees are its best asset. Company-funded learning allows all employees to explore new areas of interest and develop their abilities. By continuously developing employees at all levels in key business processes, and empowering them to participate in decision-making, the organization truly leverages its talent. This is achieved through a variety of training and educational opportunities, such as 100-percent tuition reimbursement and a wide array of on-site and self-directed learning, including an on-site degree program affiliated with Marquette University.

Catalyst Award Criteria: Change Drivers

Harley-Davidson's effort exceeds the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. Harley-Davidson's initiative is driven by its link to the business case, and its diversity and business strategies are inseparable. In order to create products for a diverse audience, Harley-Davidson found that it must access diverse groups of thinkers—including women, people of color, riders, non-riders, etc.—and extend a diversity approach to both its suppliers and its dealers. In addition, Harley-Davidson also recognized that to gain the best and brightest employees, the company must embrace diversity and level the playing field for everyone.

2. Demonstrate the Commitment of Senior-Level Leadership. CEO Jeffrey Bleustein demonstrates his ongoing commitment to the values and culture at Harley-Davidson by speaking at new employee orientations. He also participates actively in the Executive Review People Day process, assessing the development plans of high-potentials.

Harley-Davidson executives demonstrate a high level of commitment to diversity and people development, understanding that excellent people development systems are key to business success. Women and men leaders at Harley-Davidson use various formal and informal mechanisms—including the quarterly PEP review—to communicate the importance of developing and advancing women and people of color.

3. Effectively Communicate the Strategy. Communication of Harley-Davidson's efforts begins at the new employee orientation, at which the CEO details the company's commitment to its employees' development. He speaks on the organization's values and stresses the importance of each employee infusing them into their daily work lives. Harley-Davidson communicates its diversity commitment through a variety of other communication mechanisms, including: print media (e.g., a monthly newsletter circulated to all employees

regularly celebrates diversity successes and outlines changes or new internal policies or benefits); an intranet that enables employees to access current information on human resources policies; and planning summits and town hall meetings hosted by senior leadership, at which employees are encouraged to ask questions about processes, policies, or any other concerns they might have. Harley-Davidson's *Genuine Diversity* brochure, a guide to the diversity programs and policies, is distributed to all employees and recruits.

4. Create Accountability Systems. The structure and events of People Day ensure that managers hold each other accountable for providing the tools necessary to develop their team members. Supervisors must attend People Day prepared to discuss their team members and the development plans in place for each of them, in detail. Managers come to this meeting with the expectation that their peers will be equally prepared to hold these in-depth discussions about their team members; if a manager is not investing the time in understanding their team members' development and training needs, this will become apparent at People Day. According to one employee, "If managers are not developing their people, they are put on the spot by their peers."

As part of the Performance Effectiveness Process (PEP), each manager is held accountable in his/her performance review for ensuring that direct reports have a plan for yearly continuous improvements through actionable commitments. The PEP must be completed and discussed with one's supervisor at least quarterly. As part of this process, employees have the opportunity to discuss their strengths, any opportunities for improvement, and their development plans.

All members of the FLG participate in a one-on-one annual meeting executive review with the CEO and vice president of Human Resources, and present their views and recommendations on their direct reports. At this time, data pertaining to diversity goals and objectives are reviewed.

5. Create Tools to Measure Progress.

- ◆ Harley-Davidson has implemented a career management program, which identifies competencies for every job. Through the use of a 360-degree feedback instrument, employees receive information on their level of performance in an individual competency. This helps them to identify the skills they need to develop for advancement.
- ◆ The Human Resources department has also implemented formalized measures to track employee progress and ensure manager accountability. Specifically, it tracks how many employees from each department advance, looking closely at the number of women and people of color in each functional area. Managers discuss this tracking with Human Resources and the director of diversity annually. If there is an area in which there is an insufficient focus on diversity, the vice president of Human Resources works with the functional vice president to develop and implement more effective development plans.
- ◆ The CEO and vice president of Human Resources also examine the demographics of the 25 top earners in each circle, including compensation as one of the variables under consideration. If a functional group is not

developing and advancing a diverse slate of candidates, or if compensation appears inequitable, the vice president representing the area must provide an explanation. Both the CEO and vice president of Human Resources hold senior leadership personally accountable for making changes and, if necessary, require them to report back to the CEO.

The Impact of the Initiative

Because of its efforts, Harley-Davidson has seen growth in the representation of women in the senior ranks. For example, women represented 17 percent of vice presidents in 2003—an increase from 5 percent in 1995. By early 2004, 20 percent of vice presidents were women. Representation of women managers increased from 15 percent in 1995 to 19 percent in 2003. Additionally, 29 percent of Harley-Davidson’s corporate officers are women, compared to the *Fortune* 500 average of 15.7 percent.

Harley-Davidson, Inc. is the parent company for the group of companies doing business as Harley-Davidson Motor Company, Buell Motorcycle Company, and Harley-Davidson Financial Services. Harley-Davidson Motor Company produces heavyweight street, custom, and touring motorcycles and offers a complete line of motorcycle parts, accessories, apparel, and general merchandise. As a subsidiary of Harley-Davidson, Inc., Buell Motorcycle Company produces sport motorcycles in addition to motorcycle parts, accessories, and apparel. Harley-Davidson Financial Services, Inc. provides wholesale and retail financing and insurance programs to Harley-Davidson/Buell dealers and customers.

SHELL OIL COMPANY U.S.

Valuing and Leveraging Diversity to Become a Model of Inclusiveness

Leading companies in oil and gas refining, and marketing and distribution consistently emphasize the development of innovative products and services, customer satisfaction and commitment, and bottom-line performance. To stay on the forefront of innovation and creativity, these companies also must carefully select and develop talent. Shell Oil Company U.S. has successfully met this challenge by creating an environment in which differences in background and perspective are respected, valued, and leveraged. This, in turn, has led to continued organizational capability, growth, and success.

Shell’s initiative, *Valuing and Leveraging Diversity to Become a Model of Inclusiveness*, was developed and implemented to create an inclusive environment that elicits the very best from all employees regardless of race/ethnicity, physical appearance, thought style, religion, nationality, education, and other visible or underlying differences. Several programs and policies were put in place to support the initiative, including a systematic approach to diversity management; zero tolerance for harassment and discrimination; annual diversity plans; goals and targets for improvement; employee development plans; and accountability measures that are linked to compensation. In addition, diversity representation data—including hiring, attrition, and promotional

figures—are posted on Shell’s intranet for all employees to see in order to identify gaps and demonstrate progress toward closing them. All of these efforts have met with tremendous success for women at Shell.

History and Launch of the Initiative

The Shell Oil Company U.S. initiative began in 1995, when former CEO Phil Carroll hired Shell’s first director of diversity, Leslie Mays. He also developed the Business Transformation Team (BTT), which launched several efforts to improve business results, develop leadership competencies, and enable employees to contribute to their fullest. This team also formalized the organization’s commitment to diversity and identified diversity targets for women and people of color at a local level.

In 1997, the Committee of Managing Directors (CMD), the governing body for Royal Dutch/Shell Group Worldwide, established global targets for women in senior positions. Ms. Mays was reassigned to London, from where she would lead what became the company’s global diversity effort. Shell’s diversity efforts expanded, and in 2001, Royal Dutch/Shell adopted a Global Diversity and Inclusiveness (D&I) Standard. The D&I Standard provides a systematic approach to diversity management and outlines two main goals: to have 20 percent women in senior-level jobs by the end of 2008 and to have 100 percent national coverage of country chair positions.

In terms of the U.S. portion of the initiative, the Shell Oil Leadership Team (SOLT) designated diversity as a strategic imperative that ranks in importance with health, safety, environmental performance, and achievement of business objectives. In 2002, SOLT strengthened Shell’s diversity focus in the U.S. by commissioning the Diversity Progress Enhancement Project (DPEP) to assess the current state and future direction of diversity against the D&I Standard. DPEP proposed a common diversity vision and recommendations for achieving that vision. The Global D&I Standard and DPEP form the foundation for Shell’s diversity efforts.

Shell’s Strategy

The Shell Oil Company U.S. *Valuing and Leveraging Diversity to Become a Model of Inclusiveness* initiative is built on the Global D&I Standard, which provides high-level direction for diversity management, reflects Shell General Business Principles, and reinforces Shell Group’s stated values of honesty, integrity, and respect for people. The initiative is also based on the DPEP, which helps to translate the D&I Standard into action. In addition, it supports Shell’s commitment to sustainable development; business decisions are made based on their impact on the bottom line, as well as their impact on people and the environment. Two key practices—employee networks and the supplier diversity program—support Shell’s commitment to diversity and inclusion within the company and in the community.

1. Shell Group Global D&I Standard is the global, overarching framework of its diversity initiative.

It requires that every Shell company:

- ◆ Has a systemic approach to diversity management addressing each of the elements of the Group Diversity Framework. These six elements include: leadership, commitment, and accountability for change; standard

development and governance; strategic plans and objectives; supporting systems and resources; human resources systems integration; and monitoring performance, communication results, and continuous learning.

- ◆ Actively supports attraction, development, retention, and promotion of diverse talent.
- ◆ Promotes a workplace free from harassment and discrimination.
- ◆ Establishes annual diversity plans, goals, and targets for improvement; measures, appraises, and reports business performance.
- ◆ Includes diversity performance in the appraisal and development plans of leaders and employees.
- ◆ Provides safe and effective ways for employees to report observed behavioral inconsistencies with this standard.

2. Diversity Progress Enhancement Project (DPEP) is unique to the Shell U.S. initiative, and is responsible for:

- ◆ Making diversity data—including hiring, attrition, and promotional figures on women and people of color—more transparent. Currently, these data are posted on the company’s intranet for all employees to see.
- ◆ Developing workforce representation goals tied to Shell’s affirmative action plans.
- ◆ Measuring progress toward achieving diversity goals within each business via a scorecard.
- ◆ Linking progress toward diversity goal achievement to compensation. Managers and employees in diversity-related functions are evaluated against performance on a scorecard that includes supplier diversity/economic development, workforce representation goals, and workplace climate. The performance measure is tied to bonuses, and each business determines how much of the bonus is tied to meeting diversity goals.
- ◆ Involving Shell employee networks—comprised of employees who represent significant segments of the Shell population—in recruiting and retaining talented employees, helping acclimate new hires to Shell’s culture of diversity and inclusiveness, and promoting the Shell brand and image in the community.
- ◆ Giving high-potential employees expanded, cross-organizational experience to prepare them for management positions, which, in turn, increases the management talent pool and closes gaps in minority and female representation in management.
- ◆ Considering diversity when recruiting external consultants and suppliers.
- ◆ Reviewing supplier diversity certification systems and procedures, mentoring programs, and measurement tracking systems with a goal of creating more robust minority/women business enterprise programs across the business.

3. Employee Networks play a vital role in promoting understanding, engagement, and accountability at Shell. They orchestrate programs and activities at the business and department levels including mentoring, diversity awareness, professional development, and work-life support. Network groups organize activities and events to help improve the work environment and provide development opportunities for women and people of color. Examples of network activities include workshops and panels at which senior women share career experiences with more junior women. Networks also have played a vital role in helping leadership understand cultural differences. Each network has a President who is accountable for the group’s

achievement of goals and objectives mutually agreed upon between the network and the Corporate Diversity Office, which fully funds all network activities. There are nine active employee networks at Shell: Asian-Pacific; African-Americans; Women; Gays, Lesbians, Bisexual, and Transgendered; Hispanics; Disabled Employees; Generation X Employees; Louisiana African-Americans; and Louisiana Women.

4. The Supplier Diversity Program is designed to create value and maximize effectiveness through aggressively identifying, engaging, and developing mutually beneficial relationships with women- and minority- owned business enterprises positively impacting Shell's bottom line. During 2003, Shell businesses in the United States recorded expenditures of \$296 million (approximately 5.1 percent of total expenditures) with women-owned businesses, up from \$40 million (approximately 1.8 percent of total expenditures) ten years ago.

Catalyst Award Criteria: Change Drivers

Shell's initiative exceeds the following criteria, by which Catalyst evaluates efforts to develop and advance women in business.

1. Integrate the Initiative with the Business Strategy. The business case for diversity and inclusiveness was the impetus for Shell's development of the D&I Standard and DPEP. Using diverse perspectives to build business strategies also helps Shell to:

- ◆ Increase its competitive advantage by attracting, retaining, and developing talented people with diverse backgrounds and perspectives.
- ◆ Remove barriers to productivity and provide an environment in which employees can contribute fully toward achieving business goals.
- ◆ Make employees feel respected, valued, and connected, so they develop stronger relationships with clients and with each other, and become more involved in their work. This further leads to increased teamwork, innovation, and productivity, as well as reduced turnover and absenteeism.
- ◆ Respond to customers' needs, which, in turn allows the company to build a more diverse customer base.
- ◆ Promote diversity and demonstrate respect and fairness in dealings with suppliers, partners, the government, and other stakeholders.
- ◆ Enhance its reputation and promote loyalty, which positively impacts organizational capability and the license to operate and grow.
- ◆ Improve the climate in which the company and its partners conduct business.
- ◆ Make communities better places for employees to live and work.

2. Demonstrate the Commitment of Senior-Level Leadership. President and Country Chair Lynn Elsenhans has been on the Shell team in a variety of capacities for 23 years. She worked with former CEO Phil Carroll to formalize Shell's diversity commitment and identify more focused efforts to attract and retain women and people of color. Ms. Elsenhans was instrumental in starting the women's network at Shell; she

continues to make herself available to the women's network and attends at least one event annually for all employee network groups. She reserves time to talk to employees, especially women and people of color, about their aspirations and career development. In addition, she speaks regularly about diversity and inclusion both within and outside of Shell with the aspiration that diversity and inclusion will be a norm rather than an initiative. According to Ms. Elsenhans, "Our business vision is to be the top performer and the first choice. I don't see our efforts as an initiative.... Success is when people stop asking me what it's like to be a woman CEO."

Other key leadership groups of Shell's diversity initiatives include CMD, which chartered the D&I Standard; SOLT, which designated diversity as a strategic imperative; and the DPEP team—comprised of diversity and human resources managers and business group practitioners—which keeps a pulse on the diversity initiative and ensures that diversity efforts are aligned with Shell's business objectives. In addition, Roxanne Decyk, Senior Vice President of Corporate Affairs and Human Resources, and John Jefferson, U.S. Diversity Director, ensure that diversity is linked and integrated with human resources systems and policies.

3. Effectively Communicate the Strategy. Shell releases an annual diversity progress report that outlines its diversity strategy, highlights diversity-related events, and focuses on the continuing education of employees. The company holds periodic diversity conferences designed to raise awareness, promote skills and behaviors that can be used by individuals to support inclusion, share best practices, and provide opportunities for networking.

Additionally, human resources professionals regularly communicate the business case for diversity and inclusion to all employees through diversity-related events such as conferences, workshops, and network activities. Business leaders demonstrate knowledge of and communicate the business case formally in meetings and activities, and, informally, by role modeling desired behaviors that help to promote diversity and inclusion in the work environment.

4. Create Accountability Systems. Formal systems and processes at the global level provide mechanisms for ensuring that the D&I Standard is adhered to and for reporting violations. Each country chair is required to submit an annual report to the CMD that describes progress toward diversity goals. Country chairs meet with the CMD to elaborate on the report. In the United States, managers and employees in diversity-related functions are evaluated against performance on a scorecard that includes specific target numbers for women and people of color; enhanced business practices (supplier diversity, economic development); and workplace climate (D&I indicator). That performance measure is tied to bonuses. In addition, many Shell employees have performance contracts that include participation goals for diversity-oriented classes and events (e.g., conferences, workshops).

5. Create Tools to Measure Progress. Measurement is built into Shell's diversity strategy and accountability processes through: 1) the D&I Standard, which sets two concrete goals to be met by 2008; 2) DPEP, which made diversity data more transparent, developed workforce representation goals, and developed the diversity

scorecard; and 3) the report submitted to the CMD by business leaders. On a broader scale, the annual Shell People Survey includes questions that assess the diversity and inclusiveness climate within Shell, leadership's support of the D&I Standard, and employee differences.

The Impact of the Initiative

Evidence of Shell's success in providing a positive work environment and development opportunities for women can be seen in the composition of its leadership team. In 2003, women comprise the majority of the leadership team—an unusual phenomenon in an industry that traditionally has been dominated and led by men. Women represent 25 percent of the total employee population at Shell, up from 22 percent in 1997. They represent 25 percent of the Board of Directors, up from 10 percent in 1998. In 1997, 8 percent of Shell senior executives were women, compared to 32 percent in 2003. In 1997, women represented 8 percent of management-level employees; they represent 21 percent in 2003. Women represent 57 percent of the SOLT.

Shell Oil Company, its subsidiaries, and the companies in which Shell Oil holds a substantial interest have extensive operations in the United States. These organizations explore, develop, produce, purchase, transport, and market crude oil and natural gas. They also purchase, manufacture, transport, and market oil and chemical products and provide technical and business services. The Shell companies operating in the United States include Shell Chemicals, Shell Exploration & Production, Shell Oil Products U.S., Shell Gas & Power, and several joint ventures and alliances. Including its consolidated companies and its share in equity companies, Shell Oil Company is one of America's leading oil and natural gas producers, natural gas marketers, gasoline marketers, and petrochemical manufacturers. Shell Oil is the leading oil and gas producer in the deepwater Gulf of Mexico and is a recognized pioneer in oil and gas exploration and production technology. Shell Oil Company is an affiliate of the Royal Dutch/Shell Group of Companies.



ACCENTURE

Great Place to Work for Women

Multinational companies face unique challenges in addressing the importance of women in the workplace. Since they go to market globally and share people across borders, they need to develop global leadership strategies to address the women's issues in a complex organization, while allowing for customized implementation at the local level.

Accenture is one company that has learned how to successfully meet these challenges. The company developed and implemented the *Great Place to Work for Women* global strategy to create a culture in which all employees, regardless of geography, can achieve their personal career aspirations. To ensure the strategy's success, the company has implemented a variety of innovative people management processes. These processes include metrics, such as geographic scorecards, a Global Leadership Survey, Global People Survey, and performance appraisals. It also includes programs such as career counseling, mentoring programs for women, and events that foster networking and relationship building. Although the initiative is managed globally, local offices focus on the diversity issues most relevant to them. Accenture likens its approach to a spider web, with global leadership at the center, linked to the operating groups and geographies in a complex set of interrelationships. Managers share initiative results by unit and geography throughout the company. In addition, in a unique approach for a professional services company, Accenture has made flexibility an integral part of doing business. At Accenture, going part-time or working a modified workweek are not career limiting moves. All of these efforts have resulted in increased success for women at Accenture.

History and Launch of the Initiative

The global initiative grew out of Accenture's US Diversity program, which was created in 1994. The US Diversity umbrella includes nine programs, one of which is the US Women's Initiatives program. Developed in 1995, it focuses on four areas: 1) external relationship building; 2) building program awareness; 3) customized mentoring programs; and 4) work balance initiatives, such as the US Working Parent's Discussion database and back-up dependent care.

The success of the US Diversity program paved the way for Accenture to expand its diversity work to the United Kingdom in 1999, and then to the global level, where the *Great Place to Work for Women* initiative was born. In 2000, Accenture Chairman and CEO Joe Forehand specifically endorsed global women's initiatives as critical to Accenture's ongoing success.

Accenture's Strategy

The *Great Place to Work for Women* initiative focuses on four key areas:

1. Provide global direction, vision, and coordination; customize and implement locally.

2. Aggressively and proactively attract women to the organization.
3. Develop women over the course of their career lifecycles, and create an inclusive work environment that maximizes commitment and retention.
4. Help women advance in the organization.

Detail on Global Strategy and Local Customization

Accenture's global women's initiative operates worldwide in twelve geographic units and five operating groups, and is accessible to all 75,000 employees. Key elements of the global strategy, with examples of local customization, include:

1. Provide global direction, vision, and coordination; customize and implement locally. Accenture's initiative is co-sponsored by the company's Chairman and CEO, Joe W. Forehand, and Gill Rider, Chief Leadership Officer and Managing Partner-Human Resources, who also manages the program globally. Ms. Rider and her team provide the direction and vision for the initiative and coordinate the global network of women's initiative leaders in each of the company's operating groups and geographic units. Using the global initiative as a template, each operating group and geographic unit is responsible for creating a local action plan, which is reviewed twice yearly by Accenture's Executive Committee.

Examples of Local Strategy Development and Oversight Approaches:

Japan: In December, 2001, all Accenture women in Japan were surveyed to determine what needs women had. Based on the survey results, the women's initiatives team put in place action plans that included increased access to mentoring opportunities, improved welfare programs, quarterly meetings for women and men, and more external events for networking. Japan has also created a confidential dialogue database for all employees to use in discussing how Accenture can provide a better place to work for women.

2. Aggressively and proactively attract women to the organization. These efforts begin at the campus level but also focus on experienced hires.

Global Strategy:

- ◆ Establish strong relationships with colleges and universities by developing and teaching courses, delivering presentations, serving on discussion panels, and participating in campus women's associations, such as the Society of Women Engineers.
- ◆ Create recruiting campaigns targeting both campus and experienced hires.
- ◆ Profile Accenture's top female executives in the media and in the careers section of accenture.com.
- ◆ Anticipate, shape, and stay current on trends affecting women in the workforce to put Accenture at the forefront of these issues, through involvement in such forums as the World Economic Forum and WomenFuture MainEvent—an empowering daylong series of discussions among the world's leading business and thought leaders exploring the topic of leadership—sponsored by Accenture.

Examples of Local Customization:

- ◆ United States: "Sisters Supporting Sisters Day" at Spelman College, a historically black college in Atlanta.
- ◆ Austria, Switzerland, and Germany: Accenture sponsored the "World Women Work" conference in Berlin in February, 2002, during which company leaders presented a research study on executive women in Europe, entitled "Women and Power." Keynote attendees included Federal Minister Dr. Christine Bergmann, leader of the Federal German State of Schleswig-Holstein, as well as numerous representatives from politics, science, and the media.

3. Develop women over the course of their career lifecycles, and create an inclusive work environment that maximizes commitment and retention. Accenture works with women to proactively address issues that may lead them to drop out of the workforce, move to different parts of the company, or leave Accenture.

Global Strategy:

- ◆ Create, support, and provide opportunities for flexible work arrangements across multiple career levels. These flexible arrangements are often innovative and have been a significant factor in the retention and promotion of women. Opportunities are provided for part time, flextime, job sharing, modified or compressed workweeks, telecommuting, and leaves of absence. Innovations include:
 - ◇ The 3, 4, 5 Schedule allows consultants to be away from the client site for three nights, work four days at the client site, and spend the fifth day either at the office, working from home, or off.
 - ◇ The Part-Time Partner Policy allows partners to work part-time. There are currently 14 partners on part-time schedules. In addition, employees on part-time schedules have been promoted to partner.
- ◆ Sponsor local women's development forums, which create a sense of community and enable women to share ambitions and achievements in an informal setting.
- ◆ Promote continuous learning opportunities through formal training and on-the-job experiences. Leverage performance appraisals and partner selection/evaluation criteria to emphasize the importance of employees and managers becoming "People Developers." To be considered a successful "People Developer," Accenture leaders must be able to work with a diverse group of people, help their team members address work-life balance issues, build an open and collaborative team, and understand how to use the unique perspectives of a diverse workforce to the fullest extent possible. Partners at Accenture are required to embrace diversity, create an environment that is respectful and accepting, and be a leader that others will want to emulate.

Examples of Local Customization:

- ◆ Working Parents' Discussion Databases are in place in several geographies. This tool gives individuals the opportunity to exchange information, resources, and stories about parenting in the interest of balancing the demands of parenting with a career at Accenture.
- ◆ "Career Pause"/Balanced Workforce Programme – This UK- and Ireland-based program allows managers who need greater work-life balance than that typically afforded by the traditional "up or out" consulting work style to take a "career pause" of up to three years. This "career pause" helps employees continue to

work at their current level without assuming the more intense activities (selling/thought leadership, among others) required to reach partner level. This pause can help employees facilitate the transition to parenting, cope with elderly parent care, or deal with other family issues. When the "pause" is complete, the employee can resume the full scale of responsibilities needed to advance to the next career level.

- ◆ Accumulated Work Model – Developed in the Austria, Switzerland, Germany region of Accenture, this model allows employees to work full time for a mutually agreed upon reduced salary (70 to 90 percent of their full salary). They can then take an extended leave, while still drawing on the "saved up" portion of the salary (the 10 to 30 percent remaining).
- ◆ Networking Forums – Accenture in France, Belgium, Luxembourg, and the Netherlands pioneered monthly large group discussions for women facilitated by three senior women and focused on defined themes. Norway created a "women in technology" initiative that provides a forum for discussing the challenges and benefits of working in a male-dominated environment. These discussions also provide an arena for personal and professional growth.
- ◆ Community of Interest Groups – Grassroots groups have come together to provide support and information for and among their members. The groups develop around a particular topic of shared interest—for example, a Lesbian/Gay/Bisexual Community of Interest Group.

4. Help women advance in the organization. Efforts to move women into leadership roles include:

Global Strategy:

- ◆ Provide career counselors. Each Accenture employee is assigned a career counselor who advises his/her assignee on career growth opportunities, areas of development, and future career goals and objectives.
- ◆ Create and implement the Visible Career Progression Model. Critical information on what it takes to advance at Accenture, every step of the way, is shared with each employee from day one at the company.
- ◆ Institute the Global Leadership Development Seminar. The inaugural seminar, led by Joe Forehand and members of the Executive and Management Committees, was a three-day event designed to further train Accenture's top-performing women for senior leadership roles. The seminar is now being delivered to a larger audience, which includes men, with guidelines in place to ensure a diverse group of attendees.
- ◆ Assign HR representatives/engagement schedulers to match staff with appropriate projects based on relevant skill sets and experience. An employee can initiate the staffing process by presenting her profile.

Examples of Local Customization:

- ◆ Mentoring Program for Women – This program was developed in the United States to improve the advancement and retention of Accenture's experienced female managers by pairing them with partner and associate partner mentors (female or male) outside their direct reporting relationships. In 2001, the program was transitioned to the global operating groups and now has a presence around the world.
- ◆ Minority Mentoring Program – Originally launched in the United States in 1996, this program facilitates mentoring relationships with senior executives to improve the retention and advancement of minorities—defined as individuals of African-American, Hispanic-American, Asian-American, and Native American

descent. Accenture's business units are responsible for customizing the Minority Mentoring Program to their unique challenges and may make the program more inclusive and expand eligibility where applicable.

Catalyst Award Criteria: Change Drivers

Accenture's approach also includes components that address the criteria Catalyst has identified as necessary for a successful initiative.

1. Integrate the Initiative with the Business Strategy. The *Great Place to Work for Women* global initiative is part of one of three strategic priorities for Accenture. Accenture has articulated a concise business case that links its diversity efforts directly to its business strategy, as follows:

We are an organization of ideas, and recognize that the best idea creation comes in teams rich with diversity of opinion and perspective. It is imperative that Accenture nurture and develop all top talent in order to achieve business objectives, lead in innovation, and truly differentiate ourselves in the market. We believe that promoting an inclusive work environment will:

- ◆ *Generate creativity and innovation*
- ◆ *Increase productivity*
- ◆ *Foster stronger employee commitment*
- ◆ *Meet/exceed client expectations on diversity and gender issues*
- ◆ *Reflect Accenture's stature and standing as an organization of "best people"*

2. Demonstrate the Commitment of Senior-Level Leadership. *Great Place to Work for Women* is the only company-wide initiative sponsored by Chairman and CEO Joe W. Forehand. The initiative is co-sponsored by Gill Rider, Chief Leadership Officer and Managing Partner-Human Resources, who manages the program with the Global Women's Initiative Team. Mr. Forehand asked members of his leadership team—chairs of geographic units and chief executives of operating groups—to spearhead the initiative in their respective geographies and organizations. Ms. Rider led the development of a formal leadership statement, which was sent to all employees to formalize the role of leadership at Accenture. The leadership statement articulates that "the sum of the whole is greater than its individual parts"; supporting a diverse work environment is explicitly defined in the document.

3. Effectively Communicate the Strategy. Programs and communications are tailored for three target audiences: women at the consultant through senior manager levels, all executives, and all women. Accenture communicates its commitment to the initiative through a variety of channels, including a home page on Accenture's main intranet portal. Any employee can access information about both global and local women's activities via this portal. Other communication channels include the global online newsletter *Dialogue*, the HR-focused online newsletter *Horizons*, orientation programs for all new employees, and two-day new executive seminars for all newly promoted managers.

4. Create Accountability Systems.

Global Accountability

Business results are not the sole measure of success at Accenture. The chairs of each of 12 geographic councils are accountable for progress on the Measures and Metrics Package. This includes a detailed breakdown of headcount, recruitment, attrition, performance, chargeability rates, and associate partner/partner promotions by gender, level, business organization, and geographic region. These results are shared during the quarterly updates presented at Management and Executive Committee meetings.

Geography/Operating Unit Accountability: Geographic Scorecard

A scorecard is used to measure each geographic unit on a variety of metrics including net revenue, sales growth, supply demand gap, etc. This scorecard has now been expanded to measure the percentage of women at the senior manager, associate partner, and partner levels.

Accountability through Performance Management

The Global Leadership Survey was designed to provide those in leadership roles with a self-assessment tool and upward feedback for performance management purposes. In order to advance, senior leaders must score well on the section of the Global Leadership Survey that indicates a manager's ability to embrace diversity. In the "People Developer" section of the performance appraisal, both partners and prospective partners are evaluated on their ability to successfully manage a diverse workforce and develop their people. Because being a good "People Developer" is a core evaluation priority, poor performance in this area affects compensation.

5. Create Tools to Measure Progress. In addition to the quarterly review of measures and metrics described above, Accenture has also instituted an annual electronic Global People Survey that helps measure the success of the overall initiative.

The Impact of the Initiative

Together, these efforts have resulted in increased success for women at Accenture. The percentage of female partners has increased globally from 5.8 percent in 1994 to 10 percent in 2002. In 2002, women comprised 14.1 percent of all promotions to partner globally and 19.0 percent of all promotions to partner in the United States. Women currently comprise 17 percent of Accenture's Management Committee, the company's senior leadership group.

Furthermore, women represented 41.3 percent of U.S. promotions in 2001, an increase since 1994 when women represented 31.3 percent. Finally, in 2001, women of color represented 23.8 percent of U.S. promotions, up from 10.5 percent in 1994.

Accenture is the world's leading management consulting and technology services company. Committed to delivering innovation, Accenture collaborates with its clients to help them realize their visions and create tangible value. With deep industry expertise, broad global resources and proven experience in consulting and outsourcing,

Accenture can mobilize the right people, skills, alliances and technologies. With more than 75,000 people in 47 countries, the company generated net revenues of \$11.6 billion for the fiscal year ended August 31, 2002.

ERNST & YOUNG LLP

Promoting Change: Developing & Advancing Women

Compared to publicly held corporations, partnership organizations face unique issues in terms of recruiting, retaining, and developing talent—especially women. Professional firms committed to addressing these issues experience the challenge of instilling organization-wide values that can then be driven by local offices and businesses.

Ernst & Young's initiative, *Promoting Change: Developing & Advancing Women*, is a broad-based effort that combines an active career development process of targeted supports for women with a structured, technologically-supported approach to creating a flexible work culture. At a national level, key elements include: measures related to women's development and advancement on the "People Perspective" of the Americas Balanced Scorecard; an annual Women's Leadership Conference attended by female executives and members of the firm's governing body; innovative mentoring programs for women at both senior and mid-career levels; active professional women's networks in many offices across the firm, including a regional network for women of color; an annual award dedicated to recognizing leaders in women's development; and a comprehensive effort to support and promote the use of flexibility that has become embedded firmly in the organization's culture. The firm promotes local ownership through managing partners' Scorecard targets for their business units, which are reviewed on a quarterly basis by firm leadership. In addition, most business units have gender equity and work-life integration steering committees at the business unit level.

History and Launch of the Initiative

In 1994, Phil Laskawy, then Chairman, created the Gender Equity Task Force comprised of key line partners and business unit leaders. The task force was charged with addressing the issue of turnover among experienced professionals, especially top women. The Task Force commissioned Catalyst to conduct a firm-wide environmental assessment to study the issue. The assessment, completed in 1996, resulted in the creation of the Office for Retention (OFR), reporting directly to the chairman and acting as a central specialist supporting locally-owned efforts related to gender and work-life issues.

The OFR team immediately began to develop prototype activities to address the needs identified in the assessment. The prototypes, though facilitated by OFR, were comprised entirely of client-serving people at all levels of the firm. Through these prototypes, client-serving people collaborated to design and implement new approaches to work flexibility and work redesign, as well as new career development supports, such as mentoring and networking programs.

The office also took the lead in organizing and hosting an annual women's conference and created an award for individuals contributing to the advancement of women at Ernst & Young. The OFR created an executive mentoring program that pairs top women with executive board members and performance coaches. Capitalizing on the firm's expertise in using technology to capture and disseminate knowledge, the OFR built a comprehensive database on flexible work arrangements, which was made available to everyone in the firm.

In 2000, the firm leadership created the People First initiative. The initiative focuses on a wide range of specific development and evaluation activities to support the career development of all professionals. People First strengthened the investment in women's initiatives by emphasizing the complete alignment of career development with overarching business strategies.

In 2001, the OFR evolved into the Center for the New Workforce (CNW), which continues to focus on implementing and supporting local change. The CNW acts as an in-house "R&D group" to identify development initiatives and change-management strategies, advise senior leadership on issues related to gender, facilitate knowledge sharing among operating business units, and compile and distribute information about business unit efforts.

Ernst & Young's Strategy

OFR created initiatives that fit the firm's existing values and norms, identifying key aspects of the culture to:

1. Leverage the power of partnership. The most compelling authority in a professional services firm comes from the partnership and reporting structure. From the beginning, OFR/CNW reported directly to the firm's Chairman. The admission of the Director of the CNW, Deborah Holmes, to the partnership (unusual for non-client-serving leaders) ensured representation of OFR issues in business strategy discussions.

2. Create local focus and ownership. In professional services firms, area offices run their own businesses to a large degree. Although the authority and impetus for OFR came from the National Office, OFR's approach has been to:

- a. Identify a geographic or practice area appropriate for testing a new initiative
- b. Secure agreement and involvement from the local leadership
- c. Partner with local leadership and work teams to co-develop a prototype
- d. Drive the implementation of the initiative locally with advice and guidance from OFR
- e. Share knowledge learned throughout the organization

Local teams and committees, such as the Area Work-Life Integration Committees and Gender Equity Steering Committees, work to develop solutions to specific workplace challenges.

3. Educate staff about the issues, and reward contributions.

- a. Recognize individuals who have made outstanding contributions to advancing women. The Rosemarie

Meschi Award was created in 1997 to fit strategically into a culture that has traditionally embraced recognition as a reward for outstanding achievement. The Award is in honor of a pioneering advocate for women and minorities at Ernst & Young who died at an early age. It is awarded by the Chairman and is the firm's only organization-wide honor for performance on non-financial measures. Judges from outside the firm determine the winners.

- b. Convene conferences to deliver strategic information to the leadership. In 1995, the first annual Women's Leadership Conference was held. This forum, at which women partners share their work experiences, began as a women partners-only event and has evolved to include select male partners, women principals and directors, and selected clients. Today, the firm's Chairman and 19-member Americas Executive Board attend the two-day conference, which provides the women leaders in attendance with the opportunity to network and discuss critical business issues with firm leaders.

4. Leverage existing reliance on technology-enabled systems and processes. The Flexible Work Arrangements database, Work-Life Integration Matrix and Tool-kit, Professional Women's Network database, and the performance management tools allow Ernst & Young professionals to access information whenever and wherever they need it.

Catalyst Award Criteria: Change Drivers

Ernst & Young's approach also includes components that address the criteria Catalyst has identified as necessary for a successful initiative.

1. Integrate the Initiative with the Business Strategy. In the mid-1990s, Ernst & Young leadership recognized that turnover among women was resulting in disruptions in client service, lost investment in training, reduced productivity, lost organizational knowledge, and increased recruiting costs. Ernst & Young leadership understands that developing and retaining employees will increase the firm's productivity and effectiveness, and has focused on continually evolving its women's initiative to meet the needs and expectations of employees. The initiative is now seen as critical to achieving the business strategy of the firm, with its three pillars of People, Quality, and Growth. People goals are achieved when women's sense of affiliation with the firm and clear paths to advancement are enhanced; Quality goals are achieved when more diverse teams yield higher-quality results; and Growth goals are achieved with new clients and relationships from vigorous women's networks.

2. Demonstrate the Commitment of Senior Leadership. The firm's leaders were the first to recognize the importance of retaining and advancing women and have been directly involved in driving the strategy. When current Chairman James Turley was in a prior role as an Area Managing Partner in the field, his support for women in his local office was the reason OFR selected him as one of just four local business leaders to champion the original OFR prototypes. On the firm-wide level, the Gender Equity Task Force, chaired by Mr. Turley, is comprised of key client-serving leaders from across the organization. This group holds quarterly

meetings in different geographical areas and leads focused discussions that include area leaders and 50 to 60 local employees. These meetings surface issues related to women's opportunities and work-life considerations in that geographical area, with a focus on developing solutions.

3. Effectively Communicate the Strategy. The CNW prepares an annual review of the initiative and distributes it to all Ernst & Young employees in the United States, Canada, and Latin America. The CNW also emails a quarterly report to several key constituencies, including members of the Americas Executive Board, managing partners, practice leaders, and women partners. Mr. Turley periodically leaves firm-wide voice messages addressing the firm's efforts to develop and advance women. Substantial and varied communication surrounds the process of nominating, evaluating, and awarding diversity champions, and the annual women's conference is leveraged afterwards through meetings and video highlights reels. The firm has dedicated PR resources telling the story of the initiative externally, as a way to showcase the firm's achievements to employees and leaders as well as to the marketplace. In addition, Ernst & Young's intranet contains several important databases related to workplace flexibility and women's networks.

4. Create Accountability Systems. Ernst & Young's Chairman and Vice Chair of People are responsible for championing the women's initiative and for meeting goals related to the representation, hiring, retention, and promotion of women.

- ◆ The Balanced Scorecard, which is shared throughout the firm, details enterprise-wide objectives and goals and indicates which leaders are accountable for each goal. Business unit scorecards provide the same information and accountability at the business unit level.
- ◆ Area/business unit goal-setting discussions with the CNW take place annually with each area's/business unit's top leadership and the local Gender Equity Task Force member. This group meets to discuss the past year's progress and to establish future goals regarding women's development and advancement in that area.
- ◆ Career Watch Committees of top practice leaders and line partners are based in geographic and practice areas to monitor the career progress of high-performing women and, in some cases, people of color. The goal is to ensure that these professionals obtain the right career experiences and exposure to advance in their careers.

5. Create Tools to Measure Progress. In addition to the Balanced Scorecard process noted above, goal-setting meetings with the managing partners of each business unit or practice area are a key mechanism for reviewing local data, evaluating progress, and setting goals for the coming year. Managing partners receive quarterly metrics related to developing and advancing women, for themselves and the other North American managing partners.

- ◆ The annual Gallup Q12 survey questions that measure employee engagement are used to assess the firm's success in fostering inclusiveness and proactively developing people.
- ◆ Annual meetings between the CNW and Area Leadership Teams ensure progress reviews around women's leadership and work-life integration, as well as the development of goals for the next year.
- ◆ Online performance review and career development tools support proactive career development. The internally-developed Performance Wizard compiles feedback from multiple sources into a Feedback

Summary Report. The Performance Connection and the Career Connection websites provide information about performance and career advancement, as well as self-assessment tools.

- ◆ The People Point mechanism enables any Ernst & Young employee to anonymously rate individual executives at the partner, principal, or director level on their ability to create an environment that allows people to grow and develop.

The Impact of the Initiative

Since Ernst & Young's initiative commenced in 1996, the representation of women at the partner, principal, and director level has more than doubled from 7 percent to 15 percent. In 2002, women represented 25 percent of the partner promotion class, up from 12 percent in 1996. Women now comprise 13 percent of all executive management positions (16 percent of the Americas Executive Board), up from zero in the 1990s. Since 1996, the turnover rate for women has decreased at every level from partner to entry-level professionals, and has been equal to or below that of men at the firm.

Detail on the Work-Life Integration Strategy

Ernst & Young recognized that increasing flexibility and improving work-life integration were essential to the retention and advancement of women. Efforts to address these issues are impressive.

- ◆ CNW staff travel to each area to meet with Area Leadership Teams, review their progress, and co-develop the next year's goals for women's advancement and work-life integration.
- ◆ Most areas have Work-Life Integration Committees (WLIC), typically with sponsorship and participation from their Area Leadership Teams.
- ◆ The principles of work redesign have been used to develop new practices, such as the following:
 - ◇ The co-development of client expectations sets parameters around due dates, accessibility, and response time at the onset of an engagement, so clients know what to expect—and what cannot be demanded—from team members.
 - ◇ Voicemail/email guidelines free professionals from the obligation to check messages on weekends and vacation days.
 - ◇ A Work-Life Integration Survey and Agreement is used to monitor how well flexibility is working and to prompt discussion and understanding among work teams.
 - ◇ Local Utilization/Deployment Committees work to even out the ebb and flow of work assignments so professionals are not overburdened or under-leveraged.
 - ◇ A Client Continuance Process takes into account how clients treat professionals; habitual disrespect may lead the firm to disengage from a client.
 - ◇ Engagement Team Calendars guide teams in mapping each person's pressing personal commitments to ensure that there is both client coverage and respect for team members' lives outside of work.
- ◆ Ernst & Young is a leader in creating flexible work arrangements for its people. For example, 2,000 professionals are using formal flexible arrangements of some kind—87 percent are women and 59 percent are partners, principals, or directors.

- ✧ A comprehensive Flexible Work Arrangements (FWA) database includes an outline of the business case for FWAs; checklists and self-evaluations to determine the suitability of working within a particular arrangement; instructions on how to develop an FWA proposal; profiles of selected individuals using FWAs at all levels (up to 600 entries in 2002); and a discussion space.
- ✧ Flexible Work Arrangement Forums with panelists of professionals with flexible arrangements, their supervisors, and local leaders provide opportunities to highlight successes and discuss issues.
- ◆ The focus on work-life integration, developed by CNW, has become so fundamental that, in 2000, the firm established the position of Director of Work-Life Integration.

Ernst & Young is a global professional services firm that offers services in audit, tax, corporate finance, transactions, online security, enterprise risk management, the valuation of intangibles, and other critical business-performance issues. The firm's tax practice is one of the world's largest, and specializes in the needs of multinational clients. Ernst & Young has 110,000 employees working in 670 locations throughout 130 countries.

WELLPOINT HEALTH NETWORKS INC.

Harnessing High Potential Talent: A Strategic Approach

Performance management systems—the processes and tools used to clarify work roles, assign projects, measure performance, identify high performers, and plan succession—set the ground rules for how employees operate within an organization and serve as the foundation for thinking about career advancement. Many companies face the challenge of transforming informal relationship-based systems into more objective, results-based systems available to everyone.

WellPoint has created and implemented the Human Resources Planning Program (HRP), a transparent and integrated system that provides tools for employees, supervisors, human resources professionals, and senior leaders to plan, monitor, and evaluate career development opportunities for all employees at and above the director level. HRP includes metrics and quarterly reviews of employee ratings, promotions, attrition and hires, developmental opportunities, officer appointments, and assignments to plan succession and to help achieve a diverse workforce. Supervisors participate in candid "challenge sessions" to discuss career paths for their employees, including those who may have been overlooked or underestimated.

History and Launch of the Initiative

About six years ago, WellPoint began to actively acquire other companies and designed an acquisitions strategy that involves active integration by seeding new companies with WellPoint leaders. At that time, the Board of Directors and Chairman and CEO Leonard Schaeffer asked for succession plans. At the same time, the Board and Chairman asked questions about diversity at WellPoint. WellPoint did not have many formal systems in place, but the senior leadership group understood that the company had a ready-made talent pool of

associates—the majority of whom were women and/or people of color—and that identifying and developing internal talent would improve the diversity of leadership and provide new leaders for the fast-growing company. The CEO and senior leadership group then created a company goal of 75 percent internal promotions.

In 1997, SVP of Human Resources, J. Thomas Van Berkem, created an approach to meet the Board's goal of increasing the representation of women and minorities throughout the management ranks. He began by reducing the turnover rate, which was well above the national average. This project was designed to educate and train managers on the cost of turnover. It included workshops and tools, such as a worksheet that individual managers can use to calculate the cost of turnover for their departments. In five years, the project cut the rate of turnover in half. In addition, it laid the groundwork for the strategy to develop internal associates.

The Human Resources Department then went on to create the HRP system to serve as a centralized tool, integrating goal setting, performance appraisals, development plans, and succession planning. It provides the corporation with an orderly and efficient mechanism for identifying and evaluating candidates for management positions, spotting and tracking the development of high-potential talent, and identifying positions without potential successors. The HRP system has gone through five rounds of revisions and modifications. It was introduced to the top 40 people in the company and then layered to other company management groups. HRP is currently used for all employees at the director level and above, with plans to expand throughout deeper layers of the organization.

The company also designed and developed a number of programs to support the overall goal of recruiting, retaining, and developing diverse talent. Executive and management development programs focus especially on cross-functional and strategic planning experiences. There is a focus on creating a more flexible work environment, including flextime, telecommuting, and paid time off (a bank of days off). A wide range of programs provide support for dependent care as well, such as child and eldercare referral programs, lactation rooms, and a prenatal educational program.

WellPoint's approach to recruiting, retaining, and developing talent is now the responsibility of everyone at the company, including the leadership, supervisors, and associates. Employees at and above the director level take primary ownership for their development and career advancement at WellPoint.

WellPoint's Strategy

The overall strategy to develop talent within the company has several key areas of focus:

1. Understand and communicate the link between the internal talent pool and the business-related goal of diversifying the senior leadership.

- a. Develop the rationale between the business strategy and the human resources strategy, clarifying why a focus on diversity of senior leadership is necessary to the business.

- b. Review the demographics of the workforce, clarifying the ways in which developing talent from within can support the corporate diversity goals (and save dollars).
- c. Make the strategy real for managers at every level. The turnover project, for example, customized the issue for all managers involved, showing them what turnover of staff meant to their departments' financial status.

2. Focus on revamping and integrating the core human resources systems.

- a. Review and revise the processes used to set goals, develop, and evaluate employees, ensuring that they are based on agreed-upon core objectives and competencies. Executive and management success factors and core competencies were delineated and incorporated into the performance management system.
- b. Tie these processes together and to the succession planning program. The need to do this was the basis for developing the HRP system.
- c. Continually review and improve the array of human resources training activities, benefits, and programs to ensure that they support the overall goal of recruiting, retaining, and developing a diverse group. In one example, WellPoint shifted from offering categorized time off (sick leave, vacation, personal days) to a bank of "paid time off" to allow employees to decide how the time is used. In another example, Blue Cross and Blue Shield of Georgia introduced a telecommuting program for claims processors who are given a great deal of freedom over their schedules. The program—which directly appeals to women with children—now has 150 telecommuters and has greatly reduced office space needs.

3. Use technology to provide an efficient system that moves the initiative down through the management layers of the company. WellPoint relies on strong technological systems to provide easy-to-access information to very busy employees. The HRP system capitalized on that approach. In 2002, there was 100 percent participation in the program.

Catalyst Award Criteria: Change Drivers

WellPoint's strategy also includes components that address the criteria Catalyst has identified as necessary for a successful initiative.

1. Integrate the Initiative with the Business Strategy. WellPoint's strategic and business goals are customer-focused, and the company relies upon continual assessment of customer expectations and satisfaction. The company has found that tailoring health care programs and products to specialized customer groups is critical to its success. Recognizing that women are a large target audience for health care and also own 40 percent of all U.S. businesses, WellPoint's leadership created a deliberate strategy to ensure that talented women and people of color had the opportunity to move into senior line positions. This rationale is continually communicated to all company associates.

2. Demonstrate the Commitment of Senior-Level Leadership. Chairman and CEO Leonard Schaeffer oversees the initiative, reporting to the Board of Directors. He identified the need to diversify the leadership at the company and charged his direct reports with designing and implementing a solution.

3. Effectively Communicate the Strategy. WellPoint has a disciplined approach to cascading communications through a variety of mechanisms, such as the company website, intranet, newsletter, employee handbooks, and announcements, as well as through staff meetings with senior leaders. A quarterly video magazine, *Coast to Coast*, provides updates on activities at the company. For leaders of acquired companies, there is an active orientation program that includes a talk by the CEO about "The WellPoint Way," which focuses on the company's values and commitments.

4. Create Accountability Systems. Managers, from the CEO (reporting to the Board of Directors) to director level, are held accountable in their annual performance evaluations for using the HRP system, participating in challenge sessions, and achieving internal promotion goals.

5. Create Tools to Measure Progress. Metrics, including information regarding gender and race, are created quarterly and shared with managers at all levels, including the Board of Directors. The following groups review and monitor these metrics:

- ◆ The Officer Appointment Committee (OAC) reviews demographic statistics, along with candidate profiles for open officer positions.
- ◆ The Job Evaluation Committee is charged with reviewing all positions at the division-head level and makes recommendations to the OAC.
- ◆ The HRP system yields metrics for quarterly review on the demographics of participation in development programs and promotion, which, in combination with retention and turnover measures, contribute to the monitoring of diversity.
- ◆ Human Resources conducts an annual employee satisfaction survey and shares the results throughout the organization. The survey includes questions about equitable treatment, and action plans are created where needed. Every manager of at least five employees receives customized results for the group.

The Impact of the Initiative

In 1997, prior to emphasizing the advancement of women, WellPoint had no women among the top five corporate officers. In 2002, three of WellPoint's top ten corporate officers were women. WellPoint has 18 women in key top positions: 4 of 12 Presidents and EVPs (25 percent), 5 SVPs (26 percent), and 9 General Managers (36 percent). In terms of the broader executive ranks, 39.6 percent are women (104 of 262) and 12 of them are women of color. Additionally, ten women hold key jobs with profit/loss responsibility (up from seven in 2001), including two who head major subsidiaries. Currently, WellPoint's nine-member Board of Directors includes four women.

In 2001, the Management Development Program, a key mechanism for moving from the associate level into management, included 671 women (70 percent)—of whom 189 (19 percent) were women of color.

Detail on HRP

HRP is a transparent, organized web-based tool that facilitates decision-making about development and succession planning for those at and above the director level. The HRP consolidates employee self-evaluations with supervisor appraisals, core competency ratings, and assessment of potential for promotion.

- ◆ Individuals have an opportunity to present themselves beyond their formal work-related goals. They can include information about education credentials, language skills, experience outside of and at WellPoint, ability to relocate, and interest in other positions. They also have the ability to see the competencies necessary for success at various levels in the company.
- ◆ Raters (managers) are responsible, in conference with employees, for completing the performance review aspects: business objectives, behavioral objectives, competency ratings, summary of strengths and development needs, development plan, and overall rating.
- ◆ Individuals and raters can use the system to identify development opportunities and training materials from a wide pool of resources compiled by Human Resources. Some important developmental programs include:
 - ◇ "On-the-Job Development" places employees in stretch positions and special cross-organizational assignments.
 - ◇ Rotations into key strategic planning jobs provide employees with short-term strategic planning assignments with the goal of moving them into line positions in 12 to 18 months.
 - ◇ The Executive Experience Program focuses on executive coaching, cross-organizational assignments, and mentoring. It is an intense, week-long workshop that gives high-potential candidates the opportunity to troubleshoot business scenarios in cross-organizational roles and receive peer mentoring.
 - ◇ The Management Development Program, designed for junior-level supervisors, is an 18-month program that focuses on building a consistent set of skills and management competencies. An individual's course ratings are used to clarify the gaps and strengths in skills in order to generate a tailored curriculum.
- ◆ The Human Resources Department uses the system as a sophisticated searchable database for succession planning and finding candidates to fill key jobs. The system ensures that all slates include diverse candidates.
- ◆ HRP produces the charts, reports, and metrics reviewed in the challenge sessions and by various committees and groups.

HRP is not just a technology program. WellPoint has implemented a formal framework for discussion and debate to ensure that the system works. Challenge sessions hold the managers at every level accountable. Group supervisors review each other's staff evaluations and look for viable promotion candidates who may have been overlooked or underestimated by an immediate supervisor. The daylong sessions occur annually and "cascade up," starting at the division level and move up to senior management. Managers are able to offer developmental assignments to staff members from other departments. The discussion starts with a look at the

demographics of those in the pipeline. In the final stage, the Board of Directors conducts a challenge session with the senior management team about potential successors and the plans for developing them.

Cross-rotational assignments are expected and encouraged. Employees do not advance through a silo, within a function or a department. Women have been able to move to very senior positions without following a traditional career path. In addition, it appears to be acceptable to pause one's career and then to start it up again. There are numerous examples of women who have done so—including the President of one of the major businesses.

The system tracks "risk of separation" for key individuals. When a talented employee is identified as at risk of separation, senior leaders—including the CEO—are called upon to talk to the individual, assuring the employee of his/her value to the organization and providing guidance about moving ahead at WellPoint.

There is a formal calendar for completion of each aspect of the information in the system each year (individuals in January, raters/supervisors in February, challenge sessions in March, senior challenge session in April, Board challenge sessions in May).

WellPoint Health Networks Inc., headquartered in Thousand Oaks, California, is a publicly traded health care company whose 17,000 employees serve the needs of more than 13 million medical and 48 million specialty members. WellPoint was formed in 1992 to operate Blue Cross of California's managed care business, and the two organizations merged into a single stockholder-owned company in 1996. Since that time, WellPoint has acquired a number of companies and now serves its customers through Blue Cross of California, Blue Cross and Blue Shield of Georgia, Blue Cross and Blue Shield of Missouri, and through UNICARE Life & Health Insurance Company and HealthLink.



BAYER CORPORATION

Bayer Women: Leaders for the Global Marketplace



What is the winning approach?

Bayer US's overarching approach to diversity ensures that women and people of color will get the skills they need to advance to senior positions—particularly in the areas of science and technology. It features multiple mentoring programs, career development programs, employee networks, succession planning, and diversity awareness training. Bayer US's approach also includes a Delegate Career Development Program that guarantees women access to successful international assignments—a key to advancement in the global company. Additionally, the Delegate Program provides expatriates with the support needed to succeed in each new assignment.

Why is the approach important to the organization?

The company leaders consider diversity initiatives to be as critical to the business as safety and quality initiatives are. Bayer US frames diversity as a new way to work—fostering creative approaches to problem-solving, meeting the needs of customers, building market share, opening new markets, developing new products, and recruiting and retaining the best talent. The goal is to leverage diversity, ensuring, for example, that salespeople can operate across diverse territories and that employees in different functions can work together.

How was the approach implemented and by whom?

Bayer US was created through the merger of three companies in the early 1990s. At that time, Helge Wehmeier, President and CEO, recognized that a strategic approach to diversity was needed to successfully combine the three corporate cultures.

In 1997, Wehmeier founded the Bayer Diversity Advisory Council (BDAC) to, in his own words, “lead the company in a direction that truly values and cultivates the similarities and differences of our employees, customers, and supplier base.” The BDAC is comprised of “diversity agents” (managers, directors, and vice presidents representing all divisions of the company). Currently, the Chief Administrative and Financial Officer (COA/CFO), Joseph Akers, serves as the Executive Sponsor. In this role, he attends quarterly meetings, monitors initiative results, and presents accomplishments to the Executive Committee at Bayer US and to biannual NAFTA meetings for Bayer US, Bayer de Mexico, and Bayer Canada. The BDAC leads the design and development of *Bayer Women: Leaders for the Global Marketplace* and works through five sub-committees (Communications, Education and Training, Mentorship, Recruitment/Retention, and Work-Life), each with two executive sponsors.

What are the key elements of the winning approach?

The key elements of Bayer's winning approach include the formal BDAC structure, the Diversity Councils at every

site, the focus on career development, and the attention to identifying and communicating those experiences needed to advance in the company. The CEO and Executive Committee members frame the business case for diversity and oversee the design and implementation of programs. Division Human Resources leaders and appropriate HR specialty groups are involved in the conceptualization and implementation of a wide range of programs, including formal succession planning, employee networks, and alternative work arrangements.

Career Development

- ◆ The Associate Development Program was created to increase the ratio of women and people of color in the high potential pool. Each associate is assigned a senior management mentor, creates a career development plan, attends an orientation program, is given a 24-36 month rotational assignment (with coaching and feedback) targeted to specific competency development, participates in supplemental training as appropriate, and receives a performance review after each rotation.
- ◆ Delegate Career Development Program (Women on Key Assignments) provides women with non-traditional assignments, e.g., manufacturing or expatriate, and provides training as needed. Delegates with international assignments receive a home and host country mentor, extensive language training before and during the assignment, developmental plans, generous relocation benefits, and opportunities to network with senior leaders. Support is provided for spouses and children.
- ◆ Alternative career paths are created for individual contributors and those who cannot relocate. The company identifies other ways in which employees can contribute to the company while advancing their careers.
- ◆ Formal mentoring programs involve new hires, group circles, and individual one-on-one pairs. New hires are paired with mid-level managers to assist in career transition and integration with culture. Group circles bring 25 employees and two senior-level managers together to share experiences, hold each other accountable for development, and provide peer mentoring. The one-on-one mentoring program pairs high-potential employees with executive leaders for one year, providing women with exposure to senior leadership.

Diversity Education

- ◆ Diversity training programs are mandatory for all managers, and attendance for non-supervisory employees varies by division. The executive committee was the first group to attend the two-day training. Training sessions also include a specific module in which a senior executive answers unprompted questions.
- ◆ A biannual Bayer Diversity Conference on “Best Practices in Internal Diversity” is used to share internal best practices and develop strategies for fostering diversity at Bayer.
- ◆ The Race Equity Program grew out of findings from extensive focus groups with African-American employees at Bayer. A job opportunities program was developed to provide feedback and coaching to internal candidates who don’t receive positions for which they interviewed. It helps to prepare them for future opportunities. A communications campaign was developed to reinforce Bayer’s zero tolerance policy toward of racial harassment and educate employees about the role of the ombudsman’s role in addressing such issues.

- ◆ The Sales Hiring Initiative was created to educate managers about the importance of having a diverse sales force that mirrors a diverse customer base. This program also provides information about how to tap local sources for diverse talent.

How was the approach communicated to employees?

One sub-committee of the BDAC is charged with encouraging the use of diversity and inclusion in all communications materials at Bayer US. There is a BDAC handbook distributed to all employees. The company has a quarterly newsletter that regularly includes articles about diversity and the business case for the initiative. One issue, for example, included testimonials from a diverse group of employees along with nine mini-case studies highlighting dilemmas faced by employees, as well as descriptions of internal best practices. The company intranet, BayerNet, also continually shares information.

Who is held accountable for its success?

At Bayer US, all executive vice presidents must have business targets for cultivating an environment of inclusion and valuing diversity. They are held accountable for meeting their goals annually and must provide action plans and employee statistics for their divisions. Approximately 70 percent of their bonuses are based on meeting objectives, with diversity and employee development as two of four components.

The results for all of the programs and activities involved in the diversity effort are monitored by the appropriate BDAC sub-committee and reported to the BDAC as well as the COA/CFO. Biannually, EVPs attend NAFTA personnel planning meetings to discuss plans for increasing the diversity of the workforce and to report on workforce composition, succession planning, and education and development.

How was the approach evaluated?

Workforce statistics are monitored regularly and used in annual evaluations of senior executives. The statistics include information about the demographics of employees by level and function, as well as retention and turnover information. Bayer distributes an annual culture survey that enables executives and managers to understand the points of view of their employees. Each division head reviews the results with Human Resources.

What has been the overall impact on women's advancement?

As a result of the initiative, the percent of women has increased at the executive level from 2.6 percent in 1998 to 6.7 percent in 2001, at the vice president level from 8.8 percent in 1998 to 12.8 percent (including one woman of color) in 2001, and at the director level from 13.6 percent in 1998 to 21.6 percent in 2001. Women of color are being prepared to move into managerial positions, with an increase from 1.7 percent in 1998 to 3.3 percent in 2001 in the manager band. There are many examples of women in senior line positions, running manufacturing operations and factories.

The company also has impressive results related to participation in and completion of key diversity activities:

- ◆ Since 1998, 67 percent of participants in the Associate Development Program are people of color and 57 percent are women.
- ◆ The Sales Hiring Initiative resulted in 711 new hires, with minorities increasing from 16 percent to 20 percent over one year and women increasing from 43 percent to 51 percent during that same time period.
- ◆ Twenty women (including four women of color) have participated in international assignments through the Delegate Career Development Program between 1997 and 2001. Ten women including two women of color have completed their assignments. The current levels of these ten women are two to four grade levels higher than they were before the assignments.

Bayer Corporation, based in Pittsburgh, PA, is a wholly owned subsidiary of the German headquartered company Bayer AG. The U.S. subsidiary, created in 1994, registered \$10.1 billion in sales and 23,200 employees in the United States. One of the world's largest chemical companies, Bayer AG produces plastics, polymers, health care products, and agricultural chemicals.

FANNIE MAE

Embracing Diversity to Foster Long-Term Success

What is the winning approach?

Fannie Mae has developed a broad-based effort to develop and advance its employees, including women and people of color. Because Fannie Mae recognizes the importance of maintaining an employee base that reflects its customer base, the company has developed a unique internal/external approach to diversity. To leverage diversity and educate those who work with the company's customers, Fannie Mae provides its clients (mortgage lenders) with tailored diversity training sessions. It also offers diversity benchmarking sessions to its clients and other interested organizations. In addition, Fannie Mae offers a multitude of internal programs and policies marked by a high degree of senior-leadership accessibility and commitment to diversity. This is exemplified by its Diversity Advisory Council that meets quarterly and is comprised of senior leaders and representatives from more than a dozen Employee Networking Groups. Additionally, the company has introduced tools designed to facilitate candid dialogue between supervisors and direct reports, a host of mentoring programs, and a range of work-life programs.

How was the approach implemented and by whom?

Fannie Mae formally recognized diversity as a business issue in 1992, when CEO Jim Johnson created Fannie Mae's winning initiative. The Office of Diversity, led by Vice President Maria Johnson, has managed the ten-year initiative. CEO Frank Raines has continued the vision since he joined Fannie Mae as Chairman and CEO in 1999. The diversity initiative is underscored by a commitment to create a workforce that "Looks like America" and a \$2 trillion pledge to increase homeownership rates and serve 18 million targeted American families over the next ten years through the "American Dream Commitment."

Why is the approach important to the organization?

Fannie Mae employees recognize that including diverse voices in business discussions creates a competitive advantage. In addition, the company has a strong commitment to maintaining an employee base that is demographically reflective of the U.S. population. Because Fannie Mae customers include mortgage lenders who do business directly with consumers, the company has made a commitment to educating mortgage lenders about the importance of diversity to bottom-line business results.

What are the key elements of the winning approach?

Fannie Mae's unique internal and external approach to diversity focuses on its employee base, as well as its customers. Internal approaches include:

- ◆ The Diversity Advisory Council (DAC) structure lends itself to increased accountability and visibility opportunities for DAC participants. Comprised of rotating Office of the Chairman representation, senior management, and representatives from each Employee Networking Group, the DAC works together to surface and resolve diversity-related issues. The DAC format allows employees to speak directly with senior leadership about these issues.
- ◆ Diversity Training educates employees about diversity as a business and social issue. These sessions are administered to Fannie Mae employees by their own peers, further establishing the company's commitment and ownership of diversity as a business issue. University professors are invited to provide the historical education phase of the training through the Diversity Academy.
- ◆ Mentoring. Employees are encouraged to establish both formal and informal mentoring relationships. Formal programs offered include peer mentoring, a speaker series focusing on career paths of management, a pairing program that matches approximately 150 mentoring pairs per year, and an e-mentoring pilot.
- ◆ Career Development Programs. Fannie Mae emphasizes career development through innovative programs such as a self-assessment form. Straight Talk—a tool designed to facilitate candid conversation between supervisor and direct reports regarding performance, development, and advancement—must be completed during every annual performance and mid-year review cycle. Developmental programs also include a four-day Leadership Institute, management training, a talent development program, and online training on a wide range of subjects. High-potential employees at Fannie Mae are trained in targeted development activities and are encouraged to learn skills in varying functional areas. The Assistance for Collegiate Education Program supports the job and career development of employees by offering financial assistance to further their education in a college/university degree program. Additionally, the company supports a thriving job rotation program that provides employees the opportunity to gain developmental experience in a different business unit for a three- to six-month period.
- ◆ Work-life Programs enable employees to meet various needs, including dependent care, the ability to tend to personal priorities, health-awareness programs, and an Employer-Assisted Housing (EAH) Program. Through EAH, Fannie Mae turns its housing mission inward to its employees. The EAH program provides a forgivable loan to eligible employees to use toward the purchase of a home. In addition, Fannie Mae strongly encourages giving back to the community and allows its employees to use ten hours of monthly volunteer leave at full pay to perform volunteer community service work.

- ◆ Communication with senior leaders is encouraged through a number of mechanisms. In addition to the DAC, monthly “Java with Jamie” sessions enable employees to meet and chat with Vice Chair Jamie Gorelick in a small-group setting. Fannie Mae also hosts an annual employee Town Hall meeting that features the four-person Office of the Chairman.

External approaches include:

- ◆ Diversity benchmarking sessions. External organizations learn about Fannie Mae’s winning diversity strategy and how they can incorporate these approaches into their own workplaces.
- ◆ Tailored diversity training is administered to mortgage lenders who ultimately service homebuyers.
- ◆ Online diversity toolkit features tools and strategies for implementing a successful diversity initiative.

How is the approach communicated to employees?

Fannie Mae communicates its diversity message through multiple channels. Senior executives, including the CEO Frank Raines, Vice Chair Jamie Gorelick, COO Dan Mudd, and Executive Vice President and Chief Financial Officer Tim Howard communicate to employees via weekly messages, town hall meetings (including sessions for the entire organization via satellite), and monthly breakfasts. Other communication vehicles include Java with Jamie, management training, and web-based chat boards. Fannie Mae’s intranet also houses information about a variety of diversity-related issues, as well as daily updates on the company’s progress toward its diversity goals.

Who is held accountable for its success?

The Compensation Committee of Fannie Mae’s Board of Directors reviews CEO Frank Raines’ performance by considering various financial and business results, as well as his efforts related to diversity and the development of a diverse workforce. Senior officers are held accountable for meeting representation goals as well as the career development goals of their direct reports in their performance reviews. Three of the eleven performance measurements of success at Fannie Mae are related to diversity: valuing all, motivating and energizing others, and developing all. Senior officers are also responsible for creating plans and making changes as the result of the biannual Employee Perspective Survey (EPS) findings. Also, 360-degree feedback is implemented along with a problem resolution/feedback mechanism.

In addition, Human Resources Account Teams are assigned to all business units within the company. The team members work to reinforce the business rationale for diversity by communicating with managers and employees about recruitment, training, promotions, development opportunities, succession planning, and various other staffing strategies.

How is the approach evaluated?

The metrics used to evaluate the success of Fannie Mae’s approach to diversity include the following:

- ◆ monthly workforce profiles of the overall company as well as distinct business units;
- ◆ scorecards that reflect numeric progress in areas such as retention and promotion;

- ◆ employee satisfaction surveys;
- ◆ annual performance reviews;
- ◆ 360-degree feedback for Vice Presidents and above; and
- ◆ an internal diversity award.

What is the overall impact on women's advancement?

Fannie Mae's considerable efforts to advance women have paid off. Currently, 44.1 percent of the management ranks at Fannie Mae are comprised of women; 12 percent of managers are women of color. The percentage of women at the director level has increased from 42 percent in 1994 to 45.4 percent in 2001; the percentage of women at the officer level has increased from 33.6 percent in 1994 to 40.2 percent in 2001.

A private, shareholder-owned company since 1968, Fannie Mae is the greatest source of financing for home mortgages in the United States. Its offerings include financial products and services that facilitate the purchase of homes by low-, moderate-, and middle-income families. The company functions exclusively within the secondary mortgage market, ensuring that primary lenders have the ability to replenish their funds in order to lend more money to potential homeowners. Fannie Mae is the third largest U.S. corporation in terms of assets and has 4,500 employees.

MARRIOTT INTERNATIONAL, INC.

Women and Marriott: Partners for the Future

What is the winning approach?

The objective of Marriott's organization-wide women's leadership development initiative is to formalize a comprehensive women's agenda and to bring together a series of separate activities under one strategic umbrella. The initiative focuses on the following areas:

- ◆ Increasing the presence of women in the highest levels of management and in other decision-making positions at Marriott;
- ◆ Improving the career development process for women at Marriott;
- ◆ Developing a role for senior management to play in ensuring that women advance;
- ◆ Tapping current women leaders to drive the success of the organization.

Marriott focuses on women's leadership efforts and activities in the following three areas:

- ◆ Leadership development training and the creation of a talent inventory for women leaders;
- ◆ Creation and expansion of opportunities for women to connect through networking, support systems, and mentoring programs;
- ◆ Provision of flexible work arrangements and work-life initiatives that assist women in finding a balance between personal and professional responsibilities.

How was the approach implemented and by whom?

At Marriott's inaugural Women's Leadership Conference, COO and President, William Shaw, stated that he would champion a renewed commitment to Marriott's effectiveness and success in the area of women's leadership development. Mr. Shaw created the Executive Council on Leadership Development to initiate strategy and policy-level changes and to be accountable for tangible results. The council reports to Mr. Shaw on a quarterly basis, and members of the council work together to define leadership needs, create an attractive work environment, drive talent acquisition, and accelerate the development of female and minority leaders. A second part of the organizational infrastructure necessary to support Marriott's initiative is the North American Lodging Organization (NALO) Council on Women's Leadership Development, established by the Executive Council on Leadership Development. The charter of the NALO Council is to focus on women's leadership endeavors and to advance the overall work of leadership development for North American Lodging. Specifically, the NALO Council focuses on the following five key areas of diversity and leadership development: defining the leadership need, creating attractive work environments, accelerating the development of women, driving talent acquisition, and developing and executing a communications plan.

Why is the approach important to the organization?

Essential to Marriott's success is the need to consistently attract, develop, and retain the very best talent. Through a simple demographic analysis, the company found that the total number of female executives was not proportionate to the overall number of women. The desire to change that reality, coupled with the goal to provide women with more meaningful management opportunities, are key drivers of the women's leadership development initiative.

What are the key elements of the winning approach?

The programmatic infrastructure supporting Marriott's women's initiative is comprised of three elements. The first develops, supports, and enhances leadership skills and opportunities for Marriott's current and future female leaders. The second provides and encourages networking and mentoring opportunities for female associates. Initially, both of these unique elements were designed to focus on the needs and challenges facing senior-level female managers at Marriott. The eventual goal of these efforts is to advance all segments of Marriott's female associate population. The third aspect of the initiative is to provide flexible and alternative work arrangements and work-life programs that enhance the ability of associates to balance personal and professional responsibilities. These programs are designed to meet the unique personal and professional demands felt by female associates and female managers; however, the majority of Marriott's work-life programs and flexible work arrangements benefit all Marriott associates.

- ◆ Programs and measures centered on career building, skills development, and leadership programs are designed with a focus on senior-level women. Among these programs are the Women's Leadership Conference, executive coaching programs, Leadership Talent Development Inventory, and other career development programs.

- ◆ As part of the women’s leadership development initiative, Marriott also created and offered new mentoring and career counseling efforts targeted to the most senior-level women at Marriott. Internal and external programs are used to provide mentoring and career counseling.
- ◆ Particularly in the hospitality industry, which requires 24-hour coverage and non-traditional hours, the issues surrounding flexibility and work-life balance are complex. Marriott learned that flexibility in scheduling and attitudes toward long work hours are of primary importance to senior-level female leaders. By working more efficiently and concentrating on results, Marriott hopes to reduce the focus on face time and the number of hours worked. Marriott’s commitment to work-life programs includes offering on-site, discounted childcare, a free resource and referral line (the Associate Resource Line), an employee assistance program, and a family care spending account.

How is the approach communicated to employees?

All associates are educated about Marriott’s women’s initiative through the women’s leadership communication plan, a formalized communication platform. This plan sets specific objectives for targeted communication to management associates, as well as formalized methods for communicating a more general message to all associates. Communication and education platforms include speeches, written materials, meetings, personalized offerings, and other company-wide information channels.

Who is held accountable for results?

Because the women’s leadership development initiative is a corporate-wide effort to recruit, retain, develop, and promote leadership talent within the company, all managers are expected to support this initiative in specific ways:

◆ Board of Directors and Senior Executives

In 1998, as the women’s leadership development initiative was being implemented, Marriott’s Board of Directors set a three-year objective to double the percentage of women and minorities in executive levels of the company. Twice a year, William Shaw reports progress related to these objectives to the Board.

◆ Senior-Level Field Managers

In establishing accountability for the women’s leadership development initiative, Marriott incorporated a diversity component into the year-end bonuses of approximately 1,750 managers in field locations. Specifically, part of the bonus is based on the attainment of goals related to the management representation of racial/ethnic minorities and women. To meet these goals, Marriott implements programs to develop women leaders and to integrate objectives throughout the year that result in better leadership, higher retention rates, and a more diverse management staff. Diversity (and other) results of managers at 250 of Marriott’s domestic, managed, full-service hotels are annually reviewed to determine the bonus.

How is the approach evaluated?

Because of Marriott's size and global scale, the results relating to the women's leadership development initiative are monitored on multiple levels. Tracking the percentage of women executives and reporting those results to the Board of Directors biannually is the primary metric used to determine the success of the initiative. Clear measures for success in leadership development offerings are reflected in the scope of offerings and the number of individuals impacted by those offerings.

What is the overall impact on women's advancement?

In 1998, Marriott's Board of Directors set a three-year objective to double the percentage of women and minorities in executive positions. Marriott has tripled the number of women in executive positions since 1998: The percentage of women executives has increased from 10.5 percent in 1998 to 17.3 percent in 2001. Marriott also doubled the number of full-service women general managers from 17 in 1998 to 34 in 2001.

Marriott International, Inc. is a leading global hospitality company, with over 2,600 operating units in 65 countries and territories. In 2001, Marriott International reported system-wide sales of \$20 billion.



AMERICAN EXPRESS COMPANY

*Building a Winning Culture:
Accountability Counts*



What is the winning approach?

American Express' initiative is driven by its goal to create a winning culture. At its core is the integration of diversity into business practices. Key areas of focus—a performance management process and an annual Employee Survey—link leadership behaviors that include diversity to overall performance evaluation and compensation. Talent reviews and diverse slate applicant tracking are also monitored regularly. Various feedback mechanisms are used to monitor managers' leadership competencies. Most notably among these mechanisms are results from the annual survey that measure overall employee satisfaction levels across gender and racial groups with specific categories tied to diversity. A 'gap analysis' for each business unit helps identify areas in which leaders must focus their efforts to improve employee satisfaction. These measures are reviewed by the CEO and aggregate results on the overall survey are published worldwide.

Why is the approach important to the organization?

American Express' ability to lead and develop employees contributes to the company's overall business performance and its efforts to attract and retain highly talented people. Integrating diversity into the foundation of its leadership efforts is critical to its ongoing success. Several years ago, American Express realized that while the overall representation of women was strong at some levels, fewer women and women of color were represented in leadership positions. The company's diversity strategies and corporate structure has allowed American Express to increase representation of women at all levels. Leadership competency evaluations and employee survey results directly impact management compensation, motivating managers to not only achieve their business goals, but also to become role models to others. These feedback tools also help to ensure that women have an opportunity for advancement. Women make up 63 percent of American Express' U.S. employee population.

How was the approach implemented and by whom?

American Express' diversity initiatives have evolved since the first grass-roots employee network was formed in 1987. In the early 1990s, former CEO Harvey Golub, current CEO Ken Chenault and Vice-Chairman Jon Linen became the key drivers of the company's diversity initiatives. In 1991, Jon Linen launched a senior-led Diversity Council, made up of business unit leaders and/or their direct reports. Ken Chenault later replaced Jon Linen in this capacity for a period of three years. Current co-chairpersons, Louise Parent, Executive Vice President and General Counsel, and David House, Group President, Global Establishment Services and Travelers Cheque have been leading this group since 1997. The Council has been instrumental in supporting and integrating a company-wide diversity strategy. Harvey Golub was the sponsor of the company's Performance Management Process and Employee Survey, which by 1993 incorporated metrics linked to diversity.

What are the key elements of the winning approach?

Key components of American Express' initiatives include the use of a Leadership Competency Model to set expectations and coach leaders on key elements of leadership—including diversity, and an annual Employee Survey, which is the company's primary method of measuring employee satisfaction in 12 key areas and includes questions directly linked to diversity. Together these elements account for more than 60 percent of a leader's performance evaluation and compensation.

Other elements that support the company's diversity efforts include:

- ◆ Senior-led Diversity Council made up of executive members from all business units;
- ◆ Dedicated diversity staff;
- ◆ Diversity teams in each of the business units;
- ◆ Employee networks formed around various diversity dimensions, including race or ethnicity (Hispanic, Asian, African American and Native American), gender, age, sexual orientation, disability, and religion;
- ◆ Talent reviews and succession planning;
- ◆ Diverse slate candidate policy;
- ◆ Diversity training and leadership development workshops;
- ◆ Work-life support initiatives including flexible work arrangements available to employees at all levels;
- ◆ Mentoring programs.

What is the overall impact on women's advancement?

To ensure that American Express has the talent required to achieve business results, they have introduced executive development and leadership processes dedicated to the development and implementation of worldwide succession plans, talent assessments and development strategies for senior leaders.

American Express' commitment to developing leaders and employees over the past decade has led to considerable advancement of women in their company. The percentage of mid-level women managers increased from 35 percent in 1990 to 47 percent in 2000. The percentage of senior-level women managers increased from 19 percent in 1990 to 31 percent in 2000.

Who is held accountable for its success?

Managers at all levels are held accountable for their leadership performance. One-half of their merit increase and bonus is based on how well they demonstrate leadership behaviors. Annual employee survey responses are analyzed by gender and race/ethnicity to identify gaps in employee satisfaction—with a three-percentage point gap considered meaningful. Employee survey results account for 12.5 percent of a manager's merit increase and bonus, and business unit leaders must address any declines in performance results.

How is the approach communicated to employees?

Communication from management to employees about new initiatives, priorities and special recognition is

achieved through a number of channels, including internal memoranda, the company's electronic bulletin board, intranet and the annual report. The CEO and business unit leaders conduct quarterly Town Hall meetings. Annual Employee Survey results are published and communicated by the CEO to all employees worldwide. In addition to discussing areas of strength and weakness for the company, interim updates on specific initiatives are issued, as appropriate. Business heads also customize communications about their unit results to employees under their leadership.

How is the approach evaluated?

The company's progress in integrating diversity into business practices is evaluated in a number of ways, including the performance management process, employee survey results, talent assessment reviews and diverse slate applicant reviews. In addition, the Diversity Council meets quarterly to address the company's progress against its diversity strategies.

American Express gives performance evaluations three to four times per year. The results are assessed to identify successors for executive positions. In addition to evaluations related to the annual employee survey, managers are rated on performance, valuing and integrating diversity, developing people, and managing change. Analyses of the percentage of new hires that come from diverse slates are also performed and circulated to business unit presidents, as well as the COO and CEO. In addition, the senior-led Diversity Council meets quarterly to address the company's progress against its diversity strategy.

American Express Company is a global travel, financial, and network services provider. Founded in 1850, the company provides individuals with charge and credit cards, Travelers Cheques and other stored value products. It also offers financial planning, brokerage services, mutual funds, insurance and other investment products. Through its family of Corporate Card services, American Express helps companies and institutions manage their travel, entertainment and purchasing expenses. It provides investment management services and administers pension and other employee benefit plans. The company also offers accounting and tax preparation services to small businesses, and financial education services to employees at their places of work. As the world's largest travel agency, American Express offers travel and related consulting services to individuals and corporations around the globe. The company also provides banking services to wealthy individuals, retail customers, corporations and financial institutions outside the United States. With nearly 89,000 employees, American Express offers products and services in more than 200 countries.

GENERAL MILLS, INC.

Women in Leadership: The Power to Build the Future

What is the winning approach?

General Mills' leadership approaches diversity through the themes of empowerment and dialogue. Affinity-based network groups such as the Women's Forum and the Black Champions Network give women and employees of color opportunities to have their voices heard by senior management. On many occasions their recommendations have been enacted by senior management and the diversity department. Other formalized processes such as mentoring programs and their Individual Development Planning work to achieve the company's diversity objectives.

At the center of the initiative is the annual meeting of the Women's Forum. The Women's Forum Offsite serves as a formal channel for dialogue between senior-level women (at the manager level and above) and the most senior leaders of the corporation. The Offsite meeting has allowed the women to improve their own opportunities and work environment. At the same time, senior leadership has developed a focused plan to ensure that high potential women and employees of color are achieving their maximum potential and are represented at the most senior levels of the company.

How was the approach implemented and by whom?

In 1993, a small number of senior-level women from across the company began meeting to discuss their experiences at General Mills. Over the next several years, the number of women in the group increased and its focus shifted to one of making change for women at General Mills. Today, the Women's Forum holds large-scale, off-site networking meetings and makes recommendations to General Mills' senior leadership geared toward improving the opportunities and status of women within the organization.

Around the time that the Women's Forum convened, African American employees at all levels formed the Black Champions Network (BCN). Through their involvement in this group, they provide each other social and career-related support and have devised strategies for the recruitment of other African Americans into the corporation. Other network groups have also been created, including the Hispanic Network, the Asian Network, the South Asian Network, the American Indian Council, and Betty's Family (made up of gay and lesbian employees).

Senior management, under the leadership of Stephen Sanger, provides the network groups with the recognition and resources they need to make meaningful change. Members of the management group serve on network groups' steering committees, attend major meetings and events, and incorporate the suggestions and recommendations of the network groups into their own personal goals.

Why is the approach important to the organization?

General Mills' consumer base is diverse with respect to sex, race, and ethnicity. Senior management recognizes this diversity and believes that the success of the company depends on the diversity of its workforce—both to provide insight into appropriate product development and marketing strategies for various consumer groups, and to ensure that it be more creative and adaptable than its competitors. To achieve this, General Mills strives to have a workforce that reflects the growing diversity of its consumers across the United States and, increasingly, the world.

What are the key elements of the winning approach?

At the heart of this initiative is the Women's Forum and its annual offsite meeting, which has encouraged an open dialogue between senior women and executive management. Attendees include women at the manager level and above, the CEO, and the leaders of the company's largest business units. From the offsite has grown a new co-mentoring program (which matches director-level women and people of color to corporate officers), a work-life task force, and the four-day development program entitled "Efficacy for Professional Women." An unforeseen outcome of the offsite meeting was the expressed interest of senior management to learn more about the issues raised by the Women's Offsite Meeting. Hence, a series of lunches was organized where 15 high-level women discussed their career experiences and concerns as women at General Mills with the CEO, Stephen Sanger. The lunches were so successful that Sanger encouraged his Vice Chairman to hold similar lunches. Steve Sanger and his two Vice Chairmen are conducting lunches across all of the employee network groups. In addition to the Offsite and its outcomes, General Mills' initiative includes the following components:

- ◆ Active Employee Network Groups such as the BCN: In some ways an analogue to the Women's Forum, the BCN casts a wider net by including employees of all levels. This group has provided mentoring services for its members and devised strategies for recruiting other African Americans to General Mills. The widespread success of the BCN has paved the way for the growth of other groups and networks including the Hispanic Network and Betty's Family (a network of gay and lesbian employees).
- ◆ Quarterly reviews of development plans for high potential female and minority managers and professionals are conducted by the CEO and senior management. This ensures actionable development, retention, and advancement plans for women and employees of color, and builds a strong, viable pipeline of talent for senior positions.
- ◆ Measurement of hiring, attrition, and promotion rates for overall employee population, including a specific concentration on women and people of color, has contributed to the setting of specific goals for the advancement of women and minorities into the officer ranks.
- ◆ The Individual Development Planning (IDP) process was implemented in 1995 to ensure that all employees completed an annual development plan with their managers. In the IDP process, employees and their managers discuss key strengths and development needs, and jointly develop a plan for acquiring necessary knowledge and skills.

- ◆ Company-wide mentoring focuses on new employees of color; 50 percent of their mentee population is female. And corporate involvement with Menttium 100 matches high potential women mentees with executive mentors from other companies.
- ◆ An annual company-wide climate survey assesses the level of employee satisfaction. Survey results are analyzed and discrepancies between women and men—as well as between people of color and white employees—lead to the development of action plans for which managers are held accountable.

What is the overall impact on women’s advancement?

Women’s careers and workplace experiences have been visibly enriched through the efforts of the Women’s Forum and other programs at General Mills. The representation of women at the most senior levels at General Mills has increased steadily over the past eight years: In 1993, 16 percent of General Mills’ officers and directors were women compared with 27 percent in 2000. In addition, three of the company’s 12 directors are women.

The ability of women to voice critical issues, which are then addressed by the CEO, senior management, and the women themselves, has clearly contributed to the increase of women in senior management. Recommendations developed at the Offsite Forum are routinely acted upon by senior management. Employees have experienced empowerment through the open dialogue, their participation in various affinity-based network groups, the career development process, and performance management systems.

Who is held accountable for the approach’s success?

All managers and leaders of the company share accountability for the success of the initiative. With the assistance of the Diversity Department, Steve Sanger and his eight direct reports include diversity objectives within their annual goals. These objectives range from general improvements to the work environment based on feedback from the annual climate survey, to the explicit monitoring of the career opportunities of high potential women and employees of color. Goals set at the top of the organization get passed down to all levels of management—the only way for a business unit to achieve its ambitious objectives is for all managers to play a part in ensuring that their employees are receiving the support and opportunities they need to develop.

Both Steve Sanger and the Director of the Diversity Department monitor progress at the executive levels. This is done by reviewing a number of measures, from the analysis of gender discrepancies in the climate survey to the retention, promotion, and representation statistics calculated for women and people of color. The extent to which the diversity objectives are achieved impacts the value of the bonuses received by Sanger and his direct reports. Further down the management chain, the achievement of diversity goals is assessed during the regular IDP meetings that every employee has with his or her supervisor. Again, financial compensation is impacted by the extent to which all goals are met, including those that are diversity-related.

How is the approach communicated to employees?

Steve Sanger and the senior management team communicate their commitment to diversity and employee development through their participation in the Women's Forum Offsite and other events sponsored by networks. Elements of the initiative are communicated through formal channels as well, including the quarterly distribution of a diversity newsletter, a diversity section on the company intranet, and training sessions for managers and for production employees at plant locations.

How is the approach evaluated?

There are a number of metrics for evaluating the effectiveness of General Mills' initiative: the annual employee survey; the CEO's continued lunches and dialogues with employees; the company-wide implementation of the career development process and improved performance management systems. Finally, the impressive increases in the representation of women and minorities at executive levels clearly demonstrate the impact of the initiative and its related programs.

General Mills is a Fortune 500 consumer foods company with annual sales in excess of \$6 billion. Headquartered in Minneapolis, they employ over 11,000 individuals and produce cereals, baking/dessert, dinner, yogurt, and snack foods. International markets have represented a significant portion of their sales since 1998, and more aggressive global growth in the 1990s has resulted in several strategic international alliances.

JPMORGAN CHASE & CO.

Using Diversity to Forge a New Culture: The Chase-Chemical Merger Experience

What is the winning approach?

In 1996, Chase and Chemical approached their merger as an opportunity to create a more inclusive environment in which diversity was the key integration strategy. Chase's business philosophy focused on attracting and retaining a diverse group of people and then capitalizing on the breadth of their experiences, backgrounds, insights, and skills. Consequently, diversity was integrated into the new company's core management processes. From mentoring and career development offerings to work-life balance, diversity was the cornerstone of the company's success. The result was a corporate culture where employees of all backgrounds and perspectives were welcome.

Chase further displayed this winning approach to diversity with its recent merger with JPMorgan. Implementing its philosophy of a "merger of equals" with JPMorgan—and all of its numerous recent acquisitions—Chase ensures the creation of an environment and employee population comfortable with continual change.

How was the approach implemented and by whom?

The initiative first took form in 1996 as a result of the Chase-Chemical merger. A Central Merger Office was created, which was responsible for coordinating hundreds of merger-related task teams. These task teams offered employees from both companies the opportunity to participate in the merger process. Also, to ensure a clear and open process in people selection, competency-based criteria were selected and communicated to managers and employees.

A corporate diversity council made up of members of Chase's senior management team was established and championed by then-Chairman Walter Shipley, and is currently chaired by President and CEO Bill Harrison. Each year, the council establishes a diversity agenda for the company. Additionally, every local business unit hosts its own diversity council. Each local diversity council creates a diversity plan tailored to its local needs and based on the agenda set by the corporate diversity council. Participation in the local councils is open to all employees, and these councils are chaired by local business executives.

Why was the approach important to the organization?

Building an inclusive culture was a bottom-line issue for Chase, whose brand strategy was "The Right Relationship Is Everything." To meet the needs of its diverse client base, Chase utilized the different perspectives and ideas of all employees. Chase maintained this commitment to diversity throughout the process of integrating the Chase and Chemical organizations, and closely linked its focus on diversity into its business strategy.

What are the key elements of the winning approach?

Communication was a key component of the initiative. Diversity was frequently communicated to employees as a top priority through multiple channels, including the company newsletter, in-house conferences, Chase's intranet, and email. Employees were encouraged to respond to company-wide email messages from senior management by using the feedback button embedded in emails.

Chase was in the process of rolling out to its retail businesses another key component: the Mobility Assessment Program (MAP). MAP is a succession planning system that enables management to evaluate and develop employees, creating a level playing field. The MAP process commences with a group of managers discussing the level of promotability and needed developmental experiences of each employee. Managers then communicate this information to the employee, providing that employee with an opportunity to discuss personal career goals and interests with his or her manager.

To tackle the issue of work-life, Chase developed the Flexible Solutions Toolkit—a comprehensive instruction guide to flexible work arrangements. An assessment tool for managers and employees, the Toolkit allows them to jointly examine possible flexible work options for specific jobs. Any flexible work arrangement request that is denied can be discussed with Human Resources.

Training is another strong aspect of the initiative. All employees participate in mandatory diversity education. Also, a new training technique called Learning Rooms provides attendees the opportunity to choose among a series of short discussions on a variety of issues, such as Boomers vs. Xers: Generational Diversity Issues; In and Out of the Closet: Gays & Lesbians at Work; and Religion in the Workplace.

Training programs also prepare women employees for leadership roles. For example, high-potential women are invited to attend the executive leadership development program at Smith College. Women also participate in the Center for Creative Leadership's Women's Leadership Program and the Aspen Institute's Young Executive Seminar Series.

Another key element of Chase's initiative included an impressive array of mentoring and networking programs. Approximately 4,000 employees participated in 28 formal mentoring programs. A corporate-wide Mentoring Steering Committee was established to provide an objective perspective, as well as guidance and advice in the design and delivery of programs to the business units. Each program set its own goals and objectives, which are often career- and diversity-related. In addition, the company had more than 25 networking groups with over 1,000 participants. Each group has its own mission, objectives, and proposed activities.

What has been the overall impact on women's advancement?

Chase had been successful at increasing the representation of women throughout the entire organization. Prior to its merger with JPMorgan, 20 percent of its corporate officers were women, and 3 of its 17-member board of directors were women. The representation of women has increased across all organizational levels since 1996, with a particularly notable increase in higher-level management women from 19 percent in 1996 to 24 percent in 1999.

Who is held accountable for its success?

All Chase managers were held accountable for developing and managing a formal diversity plan. CEO Bill Harrison mandated that business executives establish a detailed diversity plan, which he reviewed on a regular basis. In most cases, Chase's Management Committee members chaired the diversity councils for their respective businesses. The local councils' progress is measured using a "diversity scorecard." The scorecard considers survey results, key representation numbers, goals, and improvement figures. Managers at all levels are also held accountable for their results on the diversity scorecard.

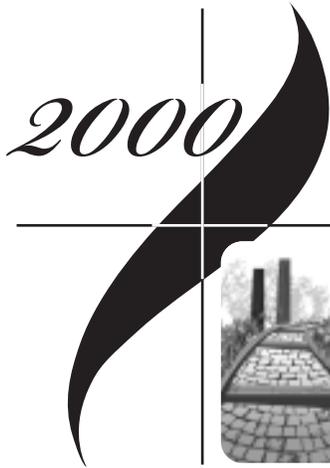
How was the approach communicated to employees?

Chase communicated its diversity message through multiple channels. Worldwide diversity summits and town hall meetings were held frequently. A newsletter called *Diversity Update* was devoted to the subject of diversity. Other more conventional avenues included business speeches, email, memos, and online communication tools.

How was the approach evaluated?

Each business unit executive reported to CEO Bill Harrison using the diversity scorecard. A manager's bonus was based on the scorecard, and results of the scorecards were shared. Chase also tracked retention and turnover rates, compensation equity, participation rates in diversity training, use of flexible work arrangements and programs, participation rates in mentoring and networking groups, and use of minority and women vendors.

JPMorgan Chase & Co. is a Fortune 50 financial services company with a focus on commercial and investment banking. Formed in December, 2000, from the merger of JPMorgan and The Chase Manhattan Corporation, it conducts business with 32 million consumers nationwide, and its global network spans six continents, with clients in more than 180 nations. It has nearly 100,000 employees around the world. This initiative recognizes work originated by The Chase Manhattan Corporation, which at the time was embarking on a merger with Chemical Bank, and serves as a model as Chase moves forward with mergers.



CHARLES SCHWAB & CO.

*Building A Culture:
No Ceilings, No Barriers, No Limits*



What is the winning approach?

Schwab's success in creating a work environment in which all employees can achieve their maximum potential, regardless of race or gender, is comprised of several interdependent elements. It involves an inclusive and open corporate culture that is strategically supported, shaped, and sustained by cutting-edge communications. In addition, a host of work-life and career advancement programs act to reinforce the values-driven culture. An open-door policy practiced by senior management, along with the fact that employees hold each other accountable for upholding Schwab's values, also contribute to the success of the approach. As Schwab continues to grow at a very rapid pace, its strategic efforts focus on maintaining its strong and inclusive corporate culture.

How was the approach implemented and by whom?

Over 25 years ago, founder Charles Schwab recognized that a market advantage could be gained by building a brokerage firm dedicated to customer needs and the recruitment and development of traditionally underrepresented segments of the financial services sector. His firm was founded with the notion that an open, respectful and inclusive culture was the key to achieving this advantage. Today, the founder and co-CEO, along with co-CEO David Pottruck, continues to implement the original vision by demonstrating support for diversity in all business decisions and employee programs.

Why is the approach important to the organization?

Since the firm's inception, Schwab has recognized the importance of recruiting a diverse talent base. With customer service as the firm's central mission, Schwab recognized that its employees should reflect its customer base. This proved to be a winning strategy and enabled the firm to recruit valuable, often-underrepresented talent sources. In addition, Schwab's excellent reputation—as a firm that provides outstanding financial services and as an employer that maintains a rewarding work environment and consistently develops and advances women—acts as an extremely effective recruiting tool.

What are the key elements of the winning approach?

Schwab's approach to creating its inclusive work culture includes: a comprehensive communication strategy that informs, publicizes, and maintains the culture and a host of recruitment, retention, development, and advancement programs and policies that demonstrates the company's commitment to all employees and serves to reinforce the vision and culture. Women's specific needs and goals are considered in the design and implementation of many of these programs and policies.

The *VisionQuest* program held in March, 1999, is a key example of Schwab's approach. Coinciding with the company's 25th anniversary, *VisionQuest* was a nationwide event that simultaneously brought together over 13,000 Schwab employees from ten geographic locations, including the United Kingdom. Its purpose was to align the entire workforce behind Schwab's culture, vision, values, and business strategy at a critical time in the company's history. Schwab continues to conduct *VisionQuest* events with smaller groups of new hires as an official part of the employee orientation process.

Schwab focuses on recruiting diverse talent and features the following programs:

- ◆ Wings is a recruitment program for college seniors that focuses on hiring ethnically and gender-diverse candidates. Candidates participate in a month-long training program, followed by interim assignments in various departments.
- ◆ The Management Associate Program (MAP) is a seven-month training program that focuses on developing leadership skills for high-potential business school students and Schwab employees; participants undertake one field and two headquarters-based rotations.
- ◆ School to Careers is an internship program for high school students interested in intellectually and technically demanding careers.

Schwab features a host of work-life programs, including:

- ◆ Informal and formal flexible work arrangements.
- ◆ A hoteling program which offers 50 off-site workstations to San Francisco Bay Area employees.
- ◆ The Balancing work-life training program is offered by Schwab University and led by senior women executives.
- ◆ Les Concierge Service acts as a "personal assistant" and is available on an unlimited basis.

Schwab's development programs include:

- ◆ Schwab University, a comprehensive, in-house learning resource that makes career and management development opportunities available to all employees nationwide.
- ◆ A formal mentoring program. Informal mentoring is encouraged, and the firm encourages all employees to maintain an open-door policy.
- ◆ The Women's Interactive Network (WINS) is an active employee resource group that sponsors training, speakers, and seminars on women's issues.

What is the overall impact on women's advancement?

Schwab's efforts to build a culture with no ceilings, no barriers, and no limits have been successful for women. Women currently comprise 39 percent of Schwab's workforce and 36 percent of its corporate officers. Two of the company's five vice chairs are women, and two women sit on the 12-member board of directors. Due to the strong presence of women in senior management, 77 percent of Schwab's employees ultimately report to a woman.

Who is held accountable for its success?

An annual employee survey serves as a formal measure of accountability for managers. Each Schwab manager builds an action plan based on survey results, and is then held accountable in the performance review for implementation of these plans. In addition, hiring, turnover, retention, time in grade, and participation rates in training programs are tracked by race and gender, and results are shared with the co-CEOs at each quarterly business unit update. Most uniquely, employees hold each other accountable for living the Schwab vision and upholding the core cultural values.

How is the approach communicated to employees?

The *VisionQuest* program is one of the company's most powerful tools for communicating its shared vision and values. Schwab's intranet site is updated daily to reflect activity within the organization, and firm-wide emails and voice mails from the co-CEOs, along with senior management's open-door policy, serve to reinforce top-down support of the values-driven culture. Frequent Town Hall meetings also provide opportunities for senior leaders to share Schwab's values, and concurrently allow employees to voice their opinions and concerns.

How is the approach evaluated?

The success of *Building a Culture: No Ceilings, No Barriers, No Limits* is premised on its ability to create a workplace in which all employees can achieve their maximum potential. This can be evidenced by the representation of diverse employees—particularly women—in senior leadership positions. Formal measurements include the success achieved by managers in implementing action plans that result from annual employee surveys. Informal success measurements include the responsibility employees take in holding colleagues and new recruits accountable for adhering to the firm's shared vision and values.

Founded in 1974, Charles Schwab & Co. has grown beyond its discount brokerage roots to become a full-service provider of financial services. In recent years, this evolution has been marked by Schwab's tremendously successful integration of the Internet into its core business. With a primary focus on customer service, Schwab's mission is to provide the most useful and ethical financial services in the world. Schwab's 16,000 employees work in more than 350 locations throughout the United States, Canada, the United Kingdom, Japan, Australia, and Hong Kong.

IBM CORPORATION

Global Women Leaders' Task Force—Creating the Climate to Win

What is the winning approach?

IBM's *Global Women Leaders' Task Force: Creating the Climate to Win* is the culmination of internal assessments and culture change efforts that began in 1995 and has resulted in: the creation of work-life surveys around the world, global women's leadership conferences, subcommittees for women of color and women in technology, and finally, the creation of global women's networks.

How was the approach implemented and by whom?

J. Ted Childs, Jr., Vice President of Global Workforce Diversity, proposed the creation of eight distinct task forces to IBM's Chairman and CEO, as well as IBM's Corporate Executive Committee. Lou Gerstner led the kickoff of the executive task forces and requested that their leaders report progress to the Corporate Executive Committee.

Each task force featured an executive sponsor whose role was to champion the task force and to review and discuss recommendations and initiatives. Ned Lautenbach, Retired SVP and Group Executive of Sales and Distribution, Bill Etherington, Current SVP and Group Executive of Sales and Distribution, and Abby Kohnstam, SVP Marketing, sponsored the Executive Women's Task Force. The sponsors served as liaisons to peers on the Executive Committee, as well as to Lou Gerstner.

Why is the approach important to the organization?

IBM's re-focusing of its business strategy toward a marketing orientation gives it a very strong business case for diversity. Specifically, employees are aware that in order to appeal to a diverse customer base, the company itself must be diverse. In addition, the "war for (technical) talent" provides a very strong rationale for embracing diversity and workplace flexibility. A study by the Information Technology Association of America in conjunction with the U.S. Department of Commerce projects that over the ten-year period from 1996 to 2006, there will be 1.3 million new IT jobs in the United States alone. Currently, there are 400,000 open IT positions in the United States.

What are the key elements of the winning approach?

The Global Women Leaders' Task Force has been a prominent contributor to IBM's cultural change and is comprised of several powerful elements, including a variety of programs and subcommittees that encourage women's development, advancement, and retention.

Overall characteristics of the initiative include:

- ◆ The development of a culture premised on deep respect for the unique individuality and potential of each employee.
- ◆ Global implementation of the initiative includes work-life surveys in LA, EMEA, and AP; Global Women's Leadership Conferences; and the global institution of women's networks.
- ◆ A top-down approach to change, marked by the Corporate Executive Committee's commitment to and accountability for women's success.
- ◆ A concurrent bottom-up approach to change, marked by employee empowerment to bring their concerns and needs to senior management.

Key activities of the initiative include:

- ◆ The Women in Technology Subcommittee works to fill the technology pipeline by actively soliciting the

interest of junior high and high school girls. It has also held two conferences for girls—featuring interactive technology—geared toward furthering girls' interest in technology. In addition, the subcommittee is focused on the development of current women in technology and held an internal conference for 500 IBM women in technology in 1998 and will hold their second conference for 700 technical women in 2000.

- ◆ The Women of Color Subcommittee of the Global Women Leaders' Task Force allows women of color a venue to discuss workplace issues of importance to them. The Multicultural Women's Symposium is an ongoing programmatic forum for all women of color.
- ◆ IBM focuses on mentoring and employee development at all levels. Management development forms for more than 500 senior-level, high potential employees are reviewed by Lou Gerstner, who personally discusses the development plans and leadership strengths of each individual brought forward by members of the Corporate Executive Committee. In addition, all employees are assigned at least one mentor on their "Individual Development Plans," and are encouraged to seek out more mentors on their own.
- ◆ IBM is increasingly focusing on helping employees with flexible work programs. Senior-level women, including executives, have succeeded while utilizing such arrangements. A Global Partnership for Workforce Flexibility was launched in 1998 to serve as the catalyst for business areas to accelerate changes and address issues of workload and work-life balance.

What is the overall impact on women's advancement?

IBM has reinvented itself. Employees describe IBM as more flexible, more inclusive, and more innovative than ever before.

Flexible work arrangements are widely accepted—and used—within the company. Changes in technology make this possible, since people can be mobile and still get results. Employees report setting their work hours to encompass family responsibilities and personal interests. Meetings happen by phone, making it possible for work teams to include employees from all over the globe. IBM's commitment to work-life balance is especially noteworthy considering the long hours associated with technology companies.

Additionally, IBM has seen positive changes in its representation of executive women, executive women of color, and executive working mothers. There was a 175 percent increase in the number of women executives between January, 1996, and December, 1999, and a 235 percent increase in the number of women of color executives during that same period. Sixty-seven percent of IBM's global women executives are mothers, up from 40 percent in 1995.

Seventeen percent of IBM's Board of Directors are women, 5 percent higher than the national and industry average. Three of its four female corporate officers hold line positions, and 79 percent of its women executives hold line positions.

Who is held accountable for its success?

Lou Gerstner reports to IBM's Board of Directors on the company's diversity efforts. Bill Etherington, SVP of Sales and Distribution, reports to IBM's Executive Committee every year on the activities of the Global Women Leaders' Task Force. Evaluations for both executives and managers include sections on commitment to diversity issues.

How is the approach communicated to employees?

The initiative is communicated through a variety of methods including diversity training, required departmental meetings focusing on diversity, company-wide town hall meetings, and new managers' school. Presentations may also be downloaded from the IBM intranet.

How is the approach evaluated?

The results and actions previously outlined are communicated in the manner detailed above. Additionally, executives are measured on how well they develop and reward talent from all backgrounds.

IBM is the world's largest information technology provider (hardware, software, services) with 1999 revenues of more than \$87 billion and the worldwide leader in e-business solutions. The company has more than 300,000 employees and does business in more than 160 countries.

THE NORTHERN TRUST COMPANY

Sustained Leadership Commitment: Diversity at Work

What is the winning approach?

Northern Trust has developed a continually-evolving approach to creating a work environment that values diversity. It includes a comprehensive set of activities designed to increase the awareness of and respect for the differences in opinions, values, and behaviors that accompany a diverse workforce. The cornerstone of the initiative is respect for the individual; as a result, all employees, regardless of race or gender, benefit from the programs made available by the bank. At the same time, these programs are designed to ensure that women and people of color, in particular, have access to the developmental opportunities, support, and the work environment they need to flourish at the bank. To achieve these ends, Northern Trust has implemented performance management programs, mandatory diversity training, and strong accountability measures. The numbers of women and people of color in management are regularly benchmarked against formal goals to ensure the programs are indeed increasing diversity at all levels.

How was the approach implemented and by whom?

The initiative has evolved for more than a decade, spanning the leadership of several Chairmen. The elements we recognize today as the Award-winning initiative began in 1990. Acknowledging the need to focus explicitly

on diversity, focus groups and exit interviews were conducted with a broad range of workforce constituents. Analysis of the results of this first needs assessment was a primary factor in the creation of the Corporate Diversity Council, an ongoing structure led by the Bank's Chairman and includes representation from all business units. This council provides direction for proposing short- and long-term goals for diversity within Northern Trust, designing programs and initiatives to meet those goals, and monitoring the programs' efficacy.

Why is the approach important to the organization?

When Northern Trust decided in the early 1990s to build its new operations center in downtown Chicago, it solidified the importance of an effective and sustained initiative to value, promote, and benefit from diversity—to remain a reflection of the Chicago neighborhoods of which it is a part. Fulfilling this need, the *Sustained Leadership Commitment* initiative has become connected to every stage of an employee's life at the bank. There is also a bottom-line value to the initiative. Northern Trust recognizes that its clients are diverse and the candidate pool from which it draws new employees is likewise diverse. As one executive of color expressed, "A commitment to diversity makes good business sense. I call on clients and they look like me now. People here embrace our differences." In the rare instance in which clients may object to having a woman or person of color service their financial needs, the bank is prepared to sacrifice the client rather than to replace the employee.

What are the key elements of the winning approach?

Northern Trust's *Sustained Leadership Commitment: Diversity at Work* is composed of a number of key elements:

- ◆ The platform for the design and implementation of the initiative is the Corporate Diversity Council headed by the Chairman and staffed by business unit representatives. Many business units have their own council, the purpose of which is to identify and respond to challenges in diversity.
- ◆ General diversity training is mandatory for all employees through the eight-hour program entitled *Diversity at Work*. First implemented in 1993, the training grew out of an internal environmental assessment from the perspectives of women and people of color—both those currently at the firm (from focus groups) and those who had left (through exit interviews). In addition to the general diversity training program, a specialized 12-hour program, *Managing Diversity at Work*, designed to teach exemplary skills for managing a diverse workforce, is mandatory for all managers.
- ◆ There are a number of options available to help achieve work-life balance. These include a fully accredited childcare center, health benefits that can be extended to any one adult member of the household (spouse, partner, elder, etc.), and a variety of work options described in the publication, *Alternative Work Options: A Roadmap for Managers*, which helps managers make arrangements like flextime, job sharing, compressed schedules, and telecommuting a reality for their staff.
- ◆ Partners in Performance is a management tool used to facilitate employee goal setting and regular feedback from management. By tracking development and experiences, it matches people with opportunities. In addition, the Talent Identification and Development Systems identifies women and men for career building

development opportunities. The slate of potential individuals is reviewed by the Chairman, SVP of Human Resources, and the Board's Compensation and Benefits Committee.

What is the overall impact on women's advancement?

The representation of women at officer levels within the corporation testifies to the efficacy of Northern Trust's initiative. In 1989, 38.9 percent of officers at the bank were women. In 1999, almost half (48.7 percent) of officers were women. Similarly, in 1989 only 5.6 percent of the senior vice presidents were women compared to 27.7 percent of senior vice presidents in 1999.

Northern Trust is also concerned about the representation of women of color at senior levels. While it did not keep track of their numbers in 1989, the representation of women of color in 1999 provides a useful benchmark for the future. Currently, women of color represent 23.8 percent of all women officers, and women of color represent 12 percent of all women vice presidents.

Who is held accountable for its success?

Accountability for the success of Northern Trust's initiative is shared by each individual at all levels of the bank. Everyone is required to attend the diversity training program and incorporate his or her new knowledge into their work environments. In addition, the bank holds individuals accountable by depending on them to be advocates for diversity—some of the programs offered by the bank are sustained and supported through the volunteer efforts of employees. Specifically, most of the diversity trainers are volunteers who provide this service in addition to their ordinary work duties.

Managers at the bank are held accountable for the success of the initiative. They are expected to submit goals concerning the hiring of a diverse group of employees, and their past performance in this regard is evaluated. Managers are taught about the tools available for development and retention of talented staff and are expected to use them. To this end, 25 percent of managers' annual increase in compensation is linked to their performance as "people managers." To ensure proactive diversity behaviors get factored into this equation, goals identified during the managers' diversity training program get incorporated into the formal appraisal process.

Although management is held to appropriate standards with regard to issues of diversity, the ultimate accountability for the initiative lies with the Chairman. The Chairman presents to the Board of Directors a report on the status of women and people of color in management.

How is the approach communicated to employees?

The booklet, *Northern People: A Diversified Portfolio*, which details Northern Trust's values, programs, and offerings, is distributed to all employees. Additionally, Northern Trust's culture of respecting differences is communicated to every employee through mandatory diversity training programs.

The principles upon which the initiative is founded are communicated annually at an awards dinner hosted by

the Chairman. The dinner honors the recipients of the *Chairman's Diversity Advocate Award*, which is bestowed upon bank employees who demonstrate an exceptional commitment to valuing diversity through their advocacy behaviors. The award recipients are commemorated by a display prominently positioned in the lobby of the bank's headquarters.

How is the approach evaluated?

The perceived success of the initiative is evaluated through an assessment of employee perceptions and attitudes. Tools such as focus groups, exit interviews, and an employee survey, are used to measure these perceptions. The objective success of the initiative is tracked through the numbers—Northern Trust keeps track of the numbers of women in general, and women of color in particular, so that progress can be monitored.

Evaluation at the individual level occurs through the performance evaluation process; goals that reflect the bank's diversity mission are a part of every manager's performance expectations. In addition, the slate of individuals recommended for promotion is reviewed by the Board of Directors with an eye toward increasing diversity at all levels of the bank.

Northern Trust Corporation is a multi-bank holding company, headquartered in Chicago. The corporation includes subsidiaries in 12 states and international offices in five countries, and employs over 8,500 people (60 percent of whom are women). Northern Trust offers an array of financial services including, but not limited to, trust, banking, retirement, and investment management.



BAXTER HEALTHCARE CORPORATION

Work & Life Strategic Initiative

What is the initiative?



Baxter's *Work & Life Strategic Initiative* formally began with an 18-month extensive employee-needs assessment that provided a far better understanding of how the company could benefit by championing greater work-life balance for all its employees—for women as well as men. Baxter has succeeded at integrating its business case for work-life balance into a new corporate culture that is supported from the top down, demonstrated by strong CEO commitment and role modeling. A major result of this strategic assessment has been that Baxter redefined and expanded the work-life experience to encompass more categories of conflicts experienced by employees.

Baxter, in conjunction with MK Consultants, developed the four-level *The Work and Life Pyramid of Needs*, which rests on a base of Respect (the company's attitude toward the employee's needs) and rises through Balance (the employee's goal) to Flexibility (what the company wants to help the employee attain) to Programs (the supports that the company provides).

The study refocused Baxter's strategy, giving increased importance to and emphasis on respect for the "whole" person, including his or her responsibilities and interests outside of work. The initiative has since added work-life to Baxter's shared values, employee satisfaction tools, performance standards, and other existing HR initiatives. In addition, the study's findings added up to a strong business case for flexibility as a means to recruit and retain talented employees.

How was the initiative implemented and by whom?

The *Work & Life Strategic Initiative* was developed under the direction of Alice Campbell, Baxter's Director of Work and Life Initiatives. Initial input for the project was received from the Work-Life Forum, a group of human resources managers that represented various Baxter business units. The business unit human resources staff identified how many locations would participate in the study, the findings of which would represent that particular business unit. Managers at most locations were interviewed, as well as managers in the headquarters office for that division. CEO Harry Kraemer is the champion of the initiative, providing ongoing role modeling and communication of his commitment.

Why is the initiative important to the organization?

The initial goals of the *Work & Life Strategic Initiative* were fact-finding in nature: to evaluate current work and life programs, understand employees' work and life needs, and surface management attitudes toward employees' work and life conflicts. As the project progressed, the results were used to motivate senior managers to address work-life as a critical business issue and to dispel fears and stereotypes surrounding work-life issues.

The findings of the study added up to a strong business rationale for flexibility, and provided the impetus for Baxter to incorporate work-life support mechanisms into operational aspects of the company.

What are the key elements of the initiative?

- ◆ *The Work and Life Pyramid of Needs*, described above.
- ◆ Leadership, communication, and commitment of the CEO and senior executives.
- ◆ Inclusion of work-life as part of Baxter's Shared Values, the principles that guide employee behavior. The shared values—Respect, Responsiveness, and Results—define a three-way commitment among employees, customers, and shareholders that states the expectations, rights, and responsibilities these groups have with respect to one another.
- ◆ Designation of work-life as a key predictor of overall satisfaction with Baxter, which has been added into surveys and evaluation tools. Specifically, the all-employee survey includes the following questions: 1) I can advance in Baxter and still devote sufficient attention to my family/personal life, and 2) My business unit supports employees' efforts to balance work and family/personal responsibilities.
- ◆ A work-life standard was included in the overall set of standards that were created to address employee selection, hiring, and retention.
- ◆ Work-life issues were included as an item to be rated on Baxter's multi-source feedback instrument.
- ◆ Annual individual performance reviews include the capacity to address work-life issues.
- ◆ The development of the Alternate Work Arrangement (AWA) proposal kit.
- ◆ Enhancements to Baxter's job posting program were completed; additions address the ability to facilitate and promote the use of alternate work arrangements. Prior to these enhancements, there was virtually no indication that an open position would consider any type of AWA.

What is the initiative's overall impact on women's advancement?

From 1996 to 1998, there has been a 17 percent increase of women at the managerial level, an 18 percent increase at the director level, and a 30 percent increase at the vice president level. Women make up 19 percent of Baxter's corporate board of directors, compared to 16 percent for the industry and 11 percent in the *Fortune 500 (1998 Catalyst Census of Directors of the Fortune 500)*. The number of employees of color who are officials and managers increased by 8.8 percent—women of color in those positions increased by 20.4 percent.

Who is held accountable for its success?

Managers are held accountable to respond to the results of multiple indices—annual performance reviews, multi-source feedback, and the all-employee survey. There are work-life aspects in all of these instruments; to the extent that a department manager's results in any area require attention, he or she is held accountable for achieving objectives that would demonstrate improvement. Annual merit increases are determined, in part, by managers' performance in this area.

Managers were educated about the initiative's importance through several methods:

- ◆ business unit reports on their specific results;
- ◆ distribution of *The Work and Life Pyramid of Needs* report;
- ◆ incorporation of work-life issues into the all-employee survey;
- ◆ multi-source feedback and performance reviews; and
- ◆ enhancements to the job-posting program.

How is the initiative communicated to employees?

Baxter's commitment to work-life issues is communicated through a variety of methods:

- ◆ Specifics about each business unit's participation in the survey are communicated to the management team and followed up with a detailed report.
- ◆ Baxter's *PACE* magazine is used to communicate the overall results to the employee population.
- ◆ The Operating Management Team uses voicemail to distribute standards to all employees.
- ◆ A work-life homepage is available on Baxter's intranet site, which supports and provides information to employees about Baxter's work-life initiatives.
- ◆ CEO Harry Kraemer writes monthly updates to all staff that include information about his own family and his efforts to achieve balance. On the "Ask Harry" intranet site, Kraemer responds to employee questions about the company and the initiative.
- ◆ Baxter's commitment to the field of work-life was also demonstrated by sharing results of the *Work & Life Strategic Initiative* in a full report, *The Work and Life Pyramid of Needs*, internally as well as within the business community.

How is the initiative evaluated?

Work-life issues are reviewed for individuals and managers using the variety of mechanisms described earlier (annual performance reviews, multi-source feedback, all-employee survey). Results are monitored by each employee's supervisor (up to the highest levels) and taken into account when establishing objectives for any given year. Results on employee issues that take into account the overall corporation are monitored using the all-employee survey.

Figures are monitored quarterly for activity relating to alternate work arrangements and the Inside Advantage job posting system. A sharp increase in the number of jobs that would be considered alternate work arrangements occurred as a direct result of these enhancements.

Baxter International Inc. is a global medical products and services company that focuses on critical therapies for life-threatening conditions. Baxter's products and services in blood therapies (biopharmaceuticals and blood collection, separation, and storage devices), cardiovascular medicine, medication delivery and renal therapy are used by health-care providers and their critically ill patients in 112 countries. Baxter employs over 40,000 individuals worldwide. Women make up approximately 50 percent of their U.S. workforce.

CORNING INCORPORATED

Women in Manufacturing

What is the initiative?

The *Women in Manufacturing* initiative is specifically designed to increase and advance the pool of women in manufacturing leadership positions at Corning. It provides critical career pathing information and developmental opportunities.

How was the initiative implemented and by whom?

In 1992, Norm Garrity, then Executive Vice President of Corning's Specialty Material Division and currently President of Corning Technologies and Co-Chief Operating Officer (Co-COO), recognized there was a lack of women in key manufacturing positions. He formed the *Women in Manufacturing* (WIM) team, comprising ten women and men in manufacturing leadership. Their mission was to identify potential issues or barriers that were keeping women from progressing into key manufacturing positions, and then to implement initiatives and monitor progress.

The team discovered there were issues in the advancement, retention, and recruitment of women in manufacturing. They set out to shape a clearer understanding of the women's perception of the manufacturing environment. From this data, the team constructed a powerful initiative to develop and advance women into manufacturing roles.

Why is the initiative important to the organization?

Corning realized its work environment in manufacturing was not working for women because it was decreasing productivity and causing unacceptable levels of attrition (in 1992, twice as many women as men left jobs in the manufacturing sector). Corning knows that its success is based on the commitment and contribution of all of its employees. It intends that every employee has the opportunity to fully participate, to grow professionally, and to develop to his or her highest potential. The *Women in Manufacturing* initiative helps ensure Corning is utilizing its available pool of talent, developing women to their fullest potential, and providing the company with a competitive advantage.

What are the key elements of the initiative?

The *Women in Manufacturing* initiative includes communication and data gathering, coaching, mentoring, a process for recruiting women into manufacturing career planning, work-life balance integration, and networking. A key element of the program is strong commitment from senior leadership.

Specifically, the initiative:

- ◆ works to recruit women into manufacturing positions;
- ◆ encourages managers to provide women with key developmental and networking experiences;

- ◆ analyzes career paths to senior-level positions, thereby identifying and communicating feeder positions and key developmental experiences;
- ◆ ensures that women who are interested in manufacturing are included in succession planning;
- ◆ develops a manufacturing ladder to encourage movement between manufacturing and engineering;
- ◆ emphasizes zero tolerance for any form of sexual harassment;
- ◆ places importance on achieving a balance between work and personal life; and
- ◆ encourages the increased use of both formal and informal flexible work arrangements.

To support the initiative's objectives, a career path brochure, which clarifies manufacturing career planning, was developed. In addition, coaching and mentoring programs also ensure that women are mentored on career development issues.

What is the overall impact of the initiative?

The positive impact of the initiative is evidenced through an increase in women employees in key positions, as well as improved employee satisfaction on diversity-related issues. From 1992 to 1996, women manufacturing employees increased from 22.4 percent to 28.5 percent, while women in A-payroll positions (the higher layer of management in the company) increased from 15 percent to 26 percent. There were no women plant managers when the initiative was formed. Today, five of Corning's 20 plant managers are women; an additional two women plant managers have been promoted into higher-level management positions. At the same time, the attrition rate of women employees has dropped from 8 percent to 3.5 percent. Women comprise 11 percent of Corning's corporate board of directors, compared to 9 percent for the industry. Eleven percent of the company's corporate officers are women, compared to 5 percent for the industry (*1998 Catalyst Census of Women Board Directors of the Fortune 500* and *1998 Catalyst Census of Women Corporate Officers and Top Earners*).

Surveys reveal an improved work environment within the plants that is marked by an increased comfort level on the part of women. Employees also report an improvement in their ability to balance their work and personal lives.

Who is held accountable for the initiative's success?

Women and men at the plant manager level and above are responsible for recruitment, development of the talent pool, and meeting specified targets that are attached to their compensation. In addition, women plant managers take responsibility for acting as role models to other women within the manufacturing environment. Information and findings, and the work of the *Women in Manufacturing* team are shared with manufacturing leadership groups in the company as part of ongoing meetings. Chairman and CEO Roger G. Ackerman also routinely monitors the initiative's progress.

How is the initiative communicated to employees?

Corning's communications strategy began by focusing on top management, then driving the message through the organization. Initial findings that women were not receiving adequate opportunities to develop within the

manufacturing environment were shared with manufacturing management, as was the critical importance of addressing this issue. Co-COO Norm Garrity was personally involved in most of the communications, to underline the critical importance of the need for change. Employees learned of the initiative and remain informed through brown bag luncheons, *Women in Manufacturing* meetings, and the Corning Professional Women's Forum.

How is the initiative evaluated?

In 1997, diversity performance became part of every supervisor's review, to which their compensation is linked. In addition, Norm Garrity utilizes plant manager meetings to publicly recognize those managers who are performing well, and those who are performing poorly in their diversity efforts. The 360-degree feedback program is also used to evaluate the initiative.

Corning Incorporated creates leading-edge technologies for the fastest growing segments of the world's economy. It is a world leading manufacturer of optical fiber, cable, and photonic components for the telecommunications industry; advanced optical materials for the semiconductor industry; high-performance glass for computers, televisions, and other information-display applications; ceramic substrates for the automotive industry; specialized polymer products for biotechnology applications; and other advanced materials and technologies. Founded in 1851 and headquartered in Corning, New York, Corning employs approximately 20,000 individuals, 44 percent of whom are women.

TD BANK FINANCIAL GROUP

Advancing Together

What is the initiative?

TD Bank Financial Group's comprehensive initiative is an essential part of the HR mission of the company, and includes a variety of components on career development, succession planning, respect, and flexibility. The initiative began with a specific focus on increasing the representation of women at the more senior levels of the organization, and has evolved to encompass career planning strategies for all employees while maintaining the initial goal of increasing women's representation.

TD Bank Financial Group's initiative has continually evolved by assessing its success and supplementing it with innovative new components. The initiative has been driven through the entire organization by selecting corporate "push" items that include surveys, the Executive Development and Respect in the Workplace programs, and goal-setting to establish targets for diversity. These items and others have been adopted by every TD Bank Financial Group business unit.

Why is the initiative important to the organization?

TD Bank Financial Group believes that all levels of its employee base should reflect customer, shareholder, and

business communities. In addition, investing in women employees—by focusing on their recruitment, retention, and advancement—is viewed as a wise investment in the organization’s future. Because TD Bank Financial Group maintains a strong culture of promoting from within the organization, this investment in women’s careers is a critical component of the company’s continued success.

How was the initiative implemented and by whom?

In 1994, a group of women at the vice president level expressed their concern to the Vice Chairmen of TD that there was insufficient representation of women at the organization’s senior levels. In response, these women were invited to present this matter at a meeting of TD’s board of directors. Subsequently, Charlie Baillie, who is now TD’s Chairman and CEO, convened the Task Force for the Advancement of Women, which created four subcommittees: Work-Life, Gender Equity, Work Environment, and Career Advancement. The Task Force designed the various initial components of the initiative around these four areas. In 1997, Mr. Baillie mandated the formation of the HR Advisory Council, composed of 14 senior-level women and men, to continue the mission of the various subcommittees and to reinforce senior management commitment.

What are the key elements of the initiative?

The initiative is made up of numerous program components. It is formally structured and offers a menu of interrelated programs. The following is a selection of its unique and effective programs:

- ◆ The Executive Development Program (EDP) began as the Targeted Development Program for Women in 1996, and initially included identification of women with potential to assume a key position within a two- to five-year period. Its objective is to provide equal development opportunities to all employees and to develop the best people for senior-level positions. Giving equal opportunity for advancement to women and men ensures strong succession and a stronger representation of women.
- ◆ TD Bank Financial Group consistently reviews senior-level committee membership to ensure that there is at least one woman on each committee. This is critical because senior-level committees set policy, manage capital, and steer the direction of the business.
- ◆ People Development at TD includes an intranet site with a detailed look at the organization, available job opportunities, resumes of senior leaders, career self-assessment tools, an action plan template, critical links to other websites, and more. It also offers a telephone counseling service staffed by professional career counselors from the Career Action Center in California. People Development will be available to all employees, and the site will soon include a chat room, expansion of the Tips, Tools, and Resources section, and more links to the bank’s Education Centre.
- ◆ The TD Pulse Survey will assess employee satisfaction within business units. Business unit heads will be held accountable for addressing areas in which there is employee dissatisfaction.
- ◆ The comprehensive Respect in Workplace program provides ongoing training on the prevention of sexual harassment to all employees including those in international business units. The organization’s commitment to this issue is further communicated by its requirement that each training session be opened by the local business unit leader. The program will be continually expanded to include other critical workplace issues.

- ◆ TD Bank Financial Group has a wide array of constantly developing work-life programs such as job-partnership and Flexplace. In addition, TD has enhanced its childcare leave to enable employees to return on a temporarily reduced schedule with its Gradual Return to Work from Childcare Leave.

What is the overall impact of the initiative?

In 1994, 29 women represented 8 percent of titled officers, and by 1999, this percentage more than doubled, to 19.2 percent. Prior to 1994, TD had no women at the level of senior vice president and above. Today, 12 percent of this group are women. In addition, 14.3 percent of TD's board of directors is female (3 women of 21 total directors), which is ahead of the top 20 financial institutions' average of 12.1 percent (*1998 Catalyst Census of Women Board Directors of Canada*).

The initiative is ingrained within the culture with positive support, and there is a clear understanding, at all levels, of how advancing women ultimately benefits the company. The 1996 survey revealed that employees saw progress in all areas that the initial Task Force had addressed, including work environment, balancing work and personal life, gender equality, and career advancement.

Who is held accountable for the initiative's success?

The Executive Vice President, Group Human Resources, reporting directly to the Chairman and CEO, is accountable for successful implementation of the initiative. Business unit and HR heads are held accountable for putting and keeping women in the pipeline for senior-level positions. They must develop plans—which are reviewed on an ongoing basis by Group Human Resources—for advancing women within their businesses. This includes ensuring that high potential women candidates receive adequate developmental opportunities.

How is the initiative communicated to employees?

TD Bank Financial Group has communicated the details of its initiative as well as its marked successes in a variety of venues. Its *Report of the Task Force for the Advancement of Women* provided all TD employees with critical information about the early phases of the initiative.

The *Advancing Together* newsletter routinely provides information on the initiative and any related activities and achievements, as do employee reference guides. In addition, specific videos and programs, such as the *Commitment to Equality* video and *Respect in the Workplace* sessions on preventing sexual harassment, keep employees current on key aspects of the initiative. Chairman and CEO Charlie Baillie is featured prominently in many of these communications.

How is the initiative evaluated?

The *Advancing Together* initiative was formally evaluated in 1996 through a survey of all 30,000+ employees. In 1998, the TD Bank Financial Group piloted the TD Pulse Survey, which will allow each business unit to assess progress on a regular basis.

TD Bank Financial Group is headquartered in Toronto, Ontario, and is the fifth largest bank in Canada. It is an international company with over 30,000 employees (70 percent of whom are women); approximately 5 percent are located outside of Canada. It serves individuals, businesses, financial institutions, and governments with a full range of financial products and services through TD Access electronic services and a network of over 1,000 retail banking and investment outlets. TD also owns the world's second largest discount broker, comprising Waterhouse in the USA and Green Line in Canada and elsewhere.



THE PROCTER & GAMBLE COMPANY

*Advancement of Women:
Building a Foundation for Success*

The Initiative



The *Advancement of Women* initiative was developed to increase the number of women officers with “line” responsibility at Procter & Gamble, and required identifying and understanding issues facing female managers and developing programs to improve the satisfaction, retention, and advancement of women.

The Brand Management/Advertising areas were the initial focal point, since they represent P&G’s general manager career track and the feeder pool for about 50 percent of the officer positions in the company. Key strategies and interventions focused on work-life balance, coaching/mentoring, culture change, and networking.

Implementation

The initiative is managed with the same depth of research, clarity of goals, innovation, and accountability as P&G would use with any brand business. A woman general manager leads the task force managing this initiative, and a sector president and senior vice president are active sponsors. Marketing directors or brand managers from each of P&G’s five business sectors own key strategies and implement task force programs within their organizations. Senior managers from Human Resources, Diversity, Organizational Development, and Staff Advertising provide functional expertise and support. Specific “Advancement of Women Action Plans” are developed each year based on research results and input from the organization. Senior line management’s ownership of this work and the disciplined business approach taken have created alignment and sustained support throughout the line organization.

Accountability

P&G’s Chief Executive monitors progress through updates and Global Diversity Review meetings, and holds his leadership team accountable for delivering results, which are in turn reported to the Executive Committee and the Board of Directors. The *Advancement of Women* Task Force is held responsible for results within their individual work and development plans. Diversity management skills and results are focal points in the performance appraisals for general managers, and ability to work with and manage diverse organizations is included in virtually all employees’ performance reviews.

Communication

Leadership communicates its commitment with hands-on involvement including active participation in meetings, sponsorship of action plans, and continual reinforcement of the task force initiatives within their organizations. Task force leadership reports on the past year’s results versus goals and current year’s plans at an annual renewal meeting of all of the women in the organization, where additional input is encouraged. A

final report is distributed throughout the line organization. A quarterly newsletter highlights areas of task force focus and special events.

Evaluation

Initiative outcomes are measured against goals and reported annually. Specific measurements include growth in women's representation at senior levels of the organization, retention of women, women's job satisfaction ratings, and internal survey indicators of women's awareness/perception of organizational support. Measures are reviewed by business sector and management levels so that areas lagging in results can be identified and appropriate interventions made.

Overall Impact

Since the initiative was inaugurated, the number of U.S.-based P&G women at the general manager/vice president level has more than tripled, from 5 in 1992, to 18 in 1997. Additionally, by 1997, women accounted for 31 percent of the vice president/senior management positions in the line organization. The identification and addressing of internal cultural factors, communication gaps, work-life concerns, and job satisfaction issues benefited the entire organization. The strengths of the advancement for women initiative in the United States are being studied and reapplied to support the advancement of P&G women globally.

Key Elements

The *Advancement of Women* initiative included many task force-specific actions as well as broad-based supportive efforts in the company. Some examples include:

- ◆ **Coaching/Mentoring Programs:** Initiatives were introduced to build coaching skills within the organization and to improve dialogue between younger women and senior managers/executives. A specific innovation was the introduction of the "Mentor Up" program where the junior woman served as the mentor to the more senior male or female executive mentee, sharing perspectives and building understanding.
- ◆ **Culture Change:** The broad shift in assignment planning allowed a focus on developing mastery and strengthening coaching relationships, yielding the added benefit of improved work-life balance. Old paradigms about how work is done and how careers are managed were challenged.
- ◆ **Networking:** The task force encouraged the development of women's networks in each business sector. Broader networking was achieved through cross-sector quarterly meetings that included women in other parts of the business and men.
- ◆ **Work-Life Programs:** Broad-based changes in policy supported greater flexibility, with reduced work schedules becoming an option for more extended periods of time. Resource and referral support was also introduced. Packets were developed specifically for line management to provide internal co-worker resources.
- ◆ **Diversity Reviews:** P&G's Chief Executive leads annual Global Diversity Reviews during which senior leaders present diversity results and action plans in key areas related to hiring, advancement, and retention. A major part of these sessions is a review of career planning for top development women globally and for U.S. minorities.

Procter & Gamble markets more than 300 brands to nearly five billion consumers in over 140 countries. These brands include Tide, Ariel, Crest, Pantene Pro-V, Always, Whisper, Pringles, Pampers, Oil of Olay, Vicks, and Olean. P&G's net sales exceed \$35 billion dollars. Based in Cincinnati, Ohio, P&G has on-the-ground operations in over 70 countries and employs 106,000 people worldwide. P&G builds its organization from within, hiring individuals at entry level, investing in their development, and promoting and rewarding them based on performance.

SARA LEE CORPORATION

Strategic Diversity: A Business Imperative

The Initiative

Sara Lee Corporation has for many years demonstrated a commitment to the advancement and recognition of women. The imperative for this commitment is underscored by the fact that the majority of Sara Lee's workforce is female and that women are far and away the largest purchasers of Sara Lee products. Sara Lee began developing its Catalyst Award-winning initiative, *Strategic Diversity: A Business Imperative*, in the early 1990s with the stated goal of developing, valuing, and maintaining a diverse culture. The initiative established representation goals to increase the number of women and minorities at management and executive levels. Each division of the company directs its own diversity initiative, but overall strategies and annual goals originate at the corporate level.

Implementation

To identify and track high-potential employees, Sara Lee operating units use an internal management review process in which department heads make recommendations that enable high-potential employees to acquire skills for advancement.

Accountability

Managers must plan for their employees' development and career progression. This process is reinforced by an annual succession planning review, conducted by the corporation's senior management, which includes an assessment of high-potential women and minorities in all divisions. Sara Lee measures its diversity initiative in the same way it measures financial performance—against specific goals. Achievement of such goals is included in annual bonus standards for all corporate senior executives and division presidents.

Communication

Sara Lee's senior management communicates its diversity and management development strategies, goals, and initiatives through a variety of mediums, including recruitment materials, business review plans, newsletters, magazine advertisements, event sponsorships, leadership forums, and internal roundtables. Chairman and CEO John H. Bryan is highly visible and vocal regarding the company's strategic diversity

initiatives, both within the corporation and to external audiences. Sara Lee-sponsored events and activities oriented toward women include the Sara Lee Frontrunner Awards, which annually honor four women for outstanding contributions in the arts, business, government and the humanities, and Sara Lee's recent national opinion poll to determine women's attitudes on work and family. Sara Lee's multiple communications vehicles reinforce the commitment and conveys the positive results of the strategic diversity initiatives.

Evaluation

"What gets measured gets done" is a phrase heard often at Sara Lee Corporation, and this holds true for diversity initiatives just as it does for operating and financial objectives. For example, Sara Lee has specific female and minority representation goals for its top 1000 management positions (senior Manager through president level); women are to comprise 40 percent of M.B.A. hires; and 30 percent of identified high-potential women and minorities must be promoted or moved laterally for development every year. Achievement of such goals is included in annual bonus standards for all senior executive, bonus-level employees, including division presidents. In addition, the Board of Directors monitors the company's progress throughout the year with regard to female and minority diversity and management development goals.

Overall Impact

Currently, 26 percent of Sara Lee's key management positions—defined as director level and above—are held by women.

Key Elements

Strategic Diversity: A Business Imperative is an inclusive approach to ensure the recruitment, development, and advancement of women and people of color, through goal setting, accountability measures, and commitment of senior leadership. Prominent examples include the following:

- ◆ **Management Review Process (MRP):** The MRP is Sara Lee's succession planning tool, enabling identification and development of high-potentials. An outstanding component of the MRP is the intensive one-on-one planning and follow-up each high potential receives.
- ◆ **Executive Development Center (EDC):** The EDC was established to meet the development needs of high-potentials identified by the MRP. During the EDC, executive coaches work with individuals to assess their strengths and development needs in order to create a development plan for to be followed throughout the next 18 to 24 months. Highlights include roundtable discussions with the Sara Lee executive management team, several business simulations followed by developmental feedback, review of feedback from peers, subordinates, and supervisors, and the creation of individualized development plans.
- ◆ **Senior Leadership Commitment:** Chairman and CEO John H. Bryan is the champion and leader of Sara Lee's diversity initiative, ensuring that the company's board of directors regularly reviews the corporation's female and minority diversity and management development goals. Unique evidence of this support is demonstrated through the "Annual Best/Worst Review," during which the two best and worst performing divisions on diversity present to an executive team that includes Mr. Bryan.

Sara Lee Corporation is a global consumer packaged goods company with approximately \$20 billion in annual revenues. Headquartered in Chicago, Sara Lee markets its brands throughout the Americas, Europe and the Asia-Pacific region. Sara Lee is the number-one packaged meats company in the world, the number-two retail coffee company in Europe, and is a leader in the frozen baked goods markets of the United States, the United Kingdom and Australia. Sara Lee operates one of the most successful foodservice businesses in the United States, markets a household and body care line in more than 140 countries, and is an international leader in branded intimate apparel, knit products, and hosiery. The company manages a portfolio of more than 30 major brands, each with sales totaling more than \$100 million, including Sara Lee, Douwe Egberts, Hillshire Farm, Hanes, Coach, and Playtex.



THE ALLSTATE CORPORATION

Creating an Environment for Success



Allstate moves the concept of corporate diversity forward into measurement and accountability with an online questionnaire called the Quarterly Leadership Measurement System, which all employees answer anonymously twice a year. Answers to such questions as “Does the company deliver quality service to customers regardless of ethnic background?” and “Does your immediate manager/team leader utilize different backgrounds and perspectives?” help the company create a Diversity Index from which to develop action plans and goals for annual improvement.

Rigorous succession planning includes identifying key positions nationwide (defined by importance to company strategy) and monitoring candidates by race, gender, and readiness; each appointment includes an affirmative action analysis and a measurement against diversity goals for each business.

Merit increases for managers are linked to achieving Diversity Index and succession planning goals. The initiative shows results: 40 percent of succession planning candidates are women and nearly half of senior- and executive-level women are in line positions. Also, as of December, 1996, 19 percent of Allstate officers were women, up from 16 percent in 1993.

AVON MEXICO

Living a Vision for Women

A model for international operations, Avon Mexico not only stresses creating career opportunities for women and a culture where women can be successful, but also supports a broad range of women’s interests in Mexico, including breast cancer research, women’s athletics, academic scholarships, and cultural activities.

Underlying these efforts is the commitment of the top leaders of Avon Mexico, and of the parent company Avon Products, Inc., to be the company that “best understands and satisfies the product, service, and self-fulfillment needs of women globally.” Avon Mexico participates in an annual executive resources review at Avon headquarters in New York where Avon’s top brass identify the executives with the highest potential for development and advancement.

In a country where women make up only 20 percent of the workforce, Avon Mexico stands out, with women comprising 54 percent of employees and 31 percent of managers within three reports of the president, up from 24 percent in 1993. Women now represent 38 percent of employees assigned to strategic task forces and the company pays particular attention to staffing teams with both women and men. Avon Mexico’s vice president for sales was Mexico’s first woman vice president; she is still one of only a few in the country.



HOECHST CELANESE CORPORATION

Vertical Parity Initiative



Hoechst Celanese Corporation created its *Vertical Parity Initiative* in response to 1992 projections on the changing demographics of the workforce. The company inaugurated a method of measuring the progress of female and minority employees and making line managers—including middle management—accountable by linking 25 percent of bonuses to the achievement of diversity goals; an operating committee of senior managers monitored their performance in this area. Other aspects of the initiative included early identification of women with potential, mentoring, and a succession-planning program with tools for individual career design.

The initiative was termed the *Vertical Parity Initiative* because of its goal of representing women and people of color at all levels in numbers mirroring the workforce from which the company recruited. By definition, it was woven into the fabric of the organization. It had specific five- and ten-year goals.

The initiative yielded measurable results: from 1991 to 1995 the number of women in senior management increased 20 percent.

KNIGHT-RIDDER, INC.

Strategic Career Development

In 1989, the Task Force on Diversity created a mandate to advance women and people of color that required all business units to develop numeric targets based on regional populations and to design programs to advance women to senior positions. This initiative—*Strategic Career Development*—included a management development review process in which vice presidents of operations, news, and human resources conducted on-site reviews of career plans for high-potential employees.

The Executive Leadership Program for future publishers and heads of companies was key: Thirty percent of participants were women. Company-wide talent pools and mentoring programs ensured mobility across newspapers. And, with goals that went beyond the company, newspapers conducted regular audits of bylines, photos, and experts to ascertain how women were represented and portrayed.

Women came to represent about 35 percent of executives and managers, a 12 percent increase from 1991; concurrently, a survey of women's readership of Knight-Ridder's newspapers showed a significant increase from 1991 to 1994.

TEXAS INSTRUMENTS

Teaming Up for Achievement

Texas Instruments found that breaking down its hierarchical structures by creating multi-level, cross-functional teams created opportunities for women by circumventing barriers that often obstructed women's careers. Such teams were the basis of the initiative *Teaming Up for Achievement*, in which an inclusive team environment brought increased visibility for women, access to key developmental assignments, and, in turn, advancement to senior management positions.

The "Dashboard," a set of metrics that addressed the progress of women at all levels, facilitated measurement. The supportive corporate environment included a Women's Initiative Network, which offered leadership and mentoring opportunities, at every site.

From the end of 1989 to 1995, the number of women with management, supervisory, or team leadership responsibilities increased nearly 50 percent.



DELOITTE & TOUCHE LLP

Initiative for the Retention and Advancement of Women



The *Initiative for the Retention and Advancement of Women* of Deloitte & Touche LLP, one of the nation's largest accounting and consulting firms, was created to develop, retain, and advance high talent female professionals.

The first step toward change for Deloitte & Touche was the formation of a task force chaired by the Chairman and CEO. The task force's recommendations led to the formation of the Council on the Advancement of Women—an external advisory group—to challenge the firm and keep it on track in meeting its goals.

The resulting initiative focused on changing the environment for women by enhancing career opportunities and supporting the balance of multiple commitments, an innovative approach in a client-driven environment. Components included “Men and Women as Colleagues,” a two-day workshop on women and men working together; assignment reviews and career planning for women; accountability for the initiative's success at the office level; and internal communication such as videos and newsletters.

The initiative led to a drop in the turnover of women at all levels. At the senior manager level it dropped a significant 10 percent in two years, thereby eliminating the turnover differential between women and men at this key stage in their careers. In 1994, 18 percent of new partners were women.

THE DOW CHEMICAL COMPANY

Blueprint for Diversity

In the late 1980s, the Dow Chemical Company recognized diversity of its workforce as critical to its competitiveness. Accordingly, the company integrated its innovative diversity initiative into the company's strategic plan.

Dow created the Diversity Steering Team, comprised of senior managers along with two advisory committees, to consider issues and make recommendations to the operating board. The *Blueprint for Diversity* included a system of measuring progress, making line management accountable for the hiring, retention, and advancement of women and people of color. It also included the tracking of high-potential women, career succession planning, training to increase manager sensitivity to diversity issues and to increase the ability of women and people of color to manage visibility and advancement, relocation assistance for dual-career couples, family care programs, and communication.

In a technology-based industry where women have found advancement difficult, Dow's initiative showed results. As of March, 1995, the number of women in supervisor and management positions had doubled since 1989, and women made up 21 percent of Dow's workforce.

J. C. PENNEY COMPANY, INC.

Fresh Perspective

The Award-winning initiative of J. C. Penney Company, Inc., the nation's fourth-largest retailer, consisted of a comprehensive plan that included both internal programs and external events. At the center of the initiative was the Women's Advisory Team, 19 women and men from all levels of management who worked with the human resources department and senior management to identify issues and foster the development of women. The team, backed up by local women's Advisory Teams at the company's many operating sites, helped the development of the company's career pathing system by creating a grid comparing all jobs by level, skills required, and steps in reaching the position. The grid clarified job opportunities, offering an effective way to deal with one of the major obstacles to women's advancement. As one key to success, the initiative included a system holding management accountable for women's advancement. Other elements included extensive diversity training and sponsorship of large, highly visible external events, such as the Juanita Kreps Award, the Race for the Cure, and women's leadership conferences.

As of March, 1995, a woman headed one of J. C. Penney's four merchandise divisions, a \$4 billion business in itself, and women held 21 percent of store district manager positions, 31 percent of regional business planning manager positions, and 13 percent of senior manager positions overall.



BANK OF MONTREAL

Workplace Equality Initiatives



In sheer numbers, women dominate the banking industry—except in the senior management and executive ranks, where they have represented a clear minority. Bank of Montreal found this unacceptable. Its initiatives to promote women were the first initiatives of a non-U.S.-based company to win the Catalyst Award.

In January, 1991, the President and COO sponsored the Task Force on the Advancement of Women. The task force's groundbreaking report, culled from information in the bank's human resources databank, proved that in terms of education, length of service, dedication, and job performance, women in the bank equaled or surpassed their male colleagues. The task force also identified the main barriers to women's advancement and set out action plans to remove them.

The task force called for the creation of a new department, Workplace Equality, responsible for implementing its recommendations and for ensuring a fully integrated approach to cultural change within the bank. The Workplace Equality team oversaw various initiatives, including gender awareness workshops, flexible work arrangements, childcare, eldercare, the revision of policies to support and reflect diversity and equality perspectives, a national career information network, and an executive advisor program. In addition, the team monitored the annual business plan process in which all managers set goals for hiring, retaining, and advancing women and people of color and for the quarterly performance review process, which ensured accountability. The team approached tracking through a variety of channels, including employee feedback compiled in a report to the chief operating officer.

The results were impressive: between October, 1991, and October, 1994, the number of women promoted into the executive ranks increased from 29 to 50 percent; promotions into senior management increased from 20 to 38 percent; and promotions into middle management increased from 43 to 67 percent.

MCDONALD'S CORPORATION

McDonald's Partnership with Women

The initiative of McDonald's Corporation for the advancement of its female employees took the form of a partnership between the corporation and its Women Operators' Network, dedicated to the expansion of entrepreneurial opportunities for women throughout the McDonald's franchise system. Together, they worked to ensure that the company's workforce and franchise owners/operators reflected the diversity of the communities in which McDonald's does business. The network began operation with the full support and involvement of senior management, and its management liaison reported directly to the top officers of the company.

One key element of the network, the Spouse Certification Program, offered spouses of owner/operators the training necessary to gain their own legal owner/operator status. In another element, network members served as mentors for employees in all of McDonald's employee networks.

From 1989 to 1994, McDonald's realized a 300 percent increase in female franchise owners, and these stores produced some of the highest financial rewards in the system. At the time of the award, McDonald's could boast the highest number of franchises owned by women and people of color in the fast food industry.

The Women Operators' Network became an integral part of McDonald's. Its roles within the company expanded to include recognizing and rewarding talented women employees, providing a forum for the exchange of information and ideas, and serving as a model for other networks within the company.

PITNEY BOWES INC. *Strategic Diversity Plan*

In August, 1992, Pitney Bowes Inc., led by the Chairman and President, formed a task force to solidify the company's long-standing commitment to valuing a diverse workforce. The 24-member task force was diverse in terms of company position, race, age, religion, gender, cultural background, and sexual orientation.

The task force produced the *Strategic Diversity Plan*, which was then individualized by each business unit. The individual plans included mentoring, rotational and special assignments, preparing competency models for management positions, strengthening the employee career planning process, conducting and analyzing exit interviews, and adding a diversity component to orientation and manager training. The company measured the progress of each business unit on a monthly basis, with the bonus of each unit head affected by the unit's year-end diversity results rating.

Pitney Bowes attributes part of the success of the strategy to intensive and extensive communication of the plan's goals, including use of a newsletter, production and screening of a video, and discussing regularly within divisional communications meetings. Because of the plan, the number of women in management at Pitney Bowes increased steadily, reaching 16 percent of unit heads, vice presidents, executive directors, and directors by the time of the Catalyst Award. The company affirmed that developing and maintaining a diverse workforce is an essential business practice.

1993

CON EDISON

Commitment to Women with Technical Talent



While Con Edison had long sought talented employees regardless of gender or ethnicity, attracting women to a company where most jobs require physical labor had been a challenge. Motivated by changing workforce demographics and a bottom-line concern to develop and diversify management talent, Con Edison created a comprehensive strategy called *Commitment to Women with Technical Talent* to recruit, develop, and promote qualified women. The highlight of this strategy was the Management Intern Program, which Con Edison launched in 1981 to intensify the recruitment of women and to develop the future managers of the company. While women comprised only 17 percent of engineering students nationally, they comprised more than 30 percent of the employees in the Management Intern Program. The program recruited approximately 30 college graduates annually on the basis of technical competence, leadership potential, and communication skills.

Con Edison also acted as a co-sponsor of the Blue Collar Prep program, which aimed to prepare women educationally, psychologically, and physically for nontraditional jobs. In addition, the company provided work and family programs, a job-posting system, mandatory diversity and sexual harassment awareness training for managers, and informal networks for women at all levels of the company.

Besides cultivating future company leaders, the program improved retention: 75 percent of the 89 female engineers hired since 1981 still worked at Con Edison at the time the initiative received the Catalyst Award. Through *Commitment to Women with Technical Talent*, Con Edison created a model for training and developing women who begin their careers in areas generally dominated by men.

MORRISON & FOERSTER

Fostering the Advancement of Women in Law

Morrison & Foerster, an international law firm with over 600 attorneys in 14 cities, was the first law firm to receive the Catalyst Award. Of the firm's 230 partners, 20 percent were women. The firm based its initiative on three strategies:

- ◆ To create opportunities for women to reach the highest professional level they are capable of while enabling them to contribute to the communities in which they live and work;
- ◆ To keep the work environment free of internal obstacles to women's advancement through ongoing training in gender and diversity awareness;
- ◆ To remove the external barriers to women's ability to reach the highest level they are capable of through work and family programs.

The company had pursued these goals by creating an array of liberal work and family programs, in place for over a decade by the time of the Catalyst Award. The firm also provided ongoing training for attorneys, managers, and staff on how to work together in a diverse environment; and attorneys and firm managers received training in preventing sexual harassment.

Morrison & Foerster's efforts succeeded. The Chairman made a continuing effort toward placing female attorneys in positions of power and prestige within the firm, such as the chairmanships of important committees. The firm management provided strong support of pro bono work related to women's issues. By linking strategies for female attorneys to its key business strategies, Morrison & Foerster ensured the endurance of its program.

MOTOROLA

Succession Planning with Clout

In 1986, Motorola initiated a systematic plan to accelerate women's advancement. *Succession Planning with Clout* featured the ambitious, company-wide Parity Initiative, the goal of which was that the representation of women and people of color at every management level would correspond to those qualified in these groups in the general population. In September, 1989, Motorola had two female vice presidents. By the time it received the Catalyst Award, the number had reached 14.

Motorola used its Organization and Management Development Review, a succession-planning process that held managers at every level accountable for developing and retaining women and people of color. Each year, business unit managers distributed the OMDR package through the ranks, and division heads developed lists of high-potential individuals and submitted them to upper management. Career plans were devised for these high-potential women, men, and people of color, and managers were held accountable; when a woman or person of color left the company, her/his manager was responsible for ascertaining and reporting the reason.

In addition, in 1991 and 1992, the company conducted a well-received series of Women's Leadership Conferences to showcase the talent of Motorola women.

THE AMERICAN BUSINESS COLLABORATION (ABC) FOR QUALITY DEPENDENT CARE

ABC for Quality Dependent Care

In 1993, 109 companies and 28 public/private organizations banded together to form the American Business Collaboration for Quality Dependent Care in an unprecedented effort to ease the work/family conflicts of their employees. The basic principle guiding the collaboration is the belief that they can accomplish more by working together. The group announced a business collaboration to both increase the supply and enhance the quality of a broad range of dependent care programs. These programs, including childcare and eldercare, respond to the diverse needs of families, particularly with infants and children in school. The collaboration recognizes that meeting the basic need for support of working families is one of the most critical issues in American business. It states that in order to attract and retain a productive, motivated workforce, businesses today must respond to those needs. The American Business Collaboration for Quality Dependent Care has taken an important step forward in the area of dependent care.



AMERICAN AIRLINES

Innovative Career Management



American Airlines earned the Catalyst Award for a multifaceted approach to retaining, developing, and promoting women. The company's succession-planning process, known as Supertrack, required officers to submit detailed, cross-functional development plans for all high-potential women in middle management and above. Through their Career Development Program, an extensive job-posting program, employees could signal interest in a position even before the vacancy occurred. Through a related program, called Walk-A-Mile, employees interested in learning about the day-to-day responsibilities of a position could shadow the person in that job for a time. In addition, a task force was formed that worked to identify barriers, to educate female employees on the growing opportunities for women in technical fields, and to provide mentors for women in the company.

American Airlines' comprehensive approach paid off: the percentage of women in mid- and upper-level management rose from 12 percent in 1986 to 21 percent in 1991. In the same period, women's representation at all levels of management rose from 30 to 39 percent.

CONTINENTAL INSURANCE

Advanced Development Program

Continental Insurance's *Advanced Development Program* identified high-potential employees and helped them attain key leadership positions in the company. The goal of the program was to cultivate talent from within, with the intention of moving more women into visible leadership roles; therefore, management ensured that many of the program's participants were women.

Once a year, Continental selected candidates through a rigorous process that resulted in a class of six to ten participants. The program's participants trained intensively for three months and formulated detailed career plans that included three to five assignments, with at least one geographic relocation. Experiences included staff, line, home office, field, project, and management positions, each 12 to 24 months in duration. Continental assigned an advisor, a manager, and a supervisor for coaching and feedback to each participant. Senior management strongly endorsed the program; and this endorsement helped its success. Women, who represented more than one-half of Continental's professional workforce, were represented equally in the process.

HEWLETT-PACKARD COMPANY

Technical Women's Conference

A successful grassroots effort by company women resulted in Hewlett-Packard Company's first *Technical Women's Conference* in October, 1988. The conference showcased female engineers and scientists in the company. In 1991, a worldwide *Technical Women's Conference* drew 800 attendees, twice the number of the first conference.

The 1991 conference included addresses by the CEO and by female senior managers. Female engineers and scientists presented their work in a series of technical sessions, and the conference provided numerous career development workshops. The company presented awards to recognize and enhance the visibility of female engineers and first-level managers. Management strongly supported the conference: they held it in a year when they cancelled other corporate conferences, and they contributed their time in many ways. Management considered the conference consistent with Hewlett-Packard's tradition of fostering and supporting innovative activity and expected it to result in improved recruitment and retention of experienced technical women.



ARTHUR ANDERSEN & CO., S.C.

Access to Achievement



Arthur Andersen & Co., S.C., was the first professional services firm to win the Catalyst Award. The winning initiative consisted of two parts: a flexible work program and awareness training in workplace gender issues. At Arthur Andersen, managers who at some point had worked part-time were eligible for partnership. Both female and male employees could return to work on a part-time basis for up to three years following the birth or adoption of a child, and

they would maintain full-time benefits.

The company's workplace gender issues awareness training focused on enhancing interpersonal communication between male and female employees. In 1991, women represented over 40 percent of Andersen's over 4,000 annual campus hires.

SC JOHNSON WAX

Valuing Individual Potential

From the time the company's founder articulated his belief in the importance of his employees in the 1920s, SC Johnson Wax has worked steadily to create programs designed to attract and retain the best and the brightest of the workforce. Their programs have assured that women can acquire the skills to qualify for management positions by providing extensive training and development. The company encouraged management to consider qualified women for new openings and reviewed pay and benefits structures to ensure those openings were equitable and attractive to women. The company also boasted an effective job-posting system. As a result of the programs, women were represented throughout the company's operations and businesses. SC Johnson Wax sought to promote from within whenever possible, and therefore, ongoing training and development were critical to the company's success. Starting in the 1960s, the company paid full tuition for employees' undergraduate and graduate studies.

TENNECO INC.

Integrated Leadership Initiatives

As a company involved primarily in manufacturing, natural gas pipelines, and shipbuilding—nontraditional fields for women—Tenneco Inc. faced major challenges when it turned its attention to helping women advance. Tenneco rose to the challenge with an integrated approach that both encouraged the recruitment and promotion of women and provided a support system to help women achieve their potential.

Tenneco established the Women's Advisory Council in 1988 to identify concerns and create solutions. The council was responsible for the company's Work/Family Support Program and a 1990 conference of female managers. Their executive incentive program based a significant portion of each division's executive bonus pool on whether that division met all of its stated goals and objectives for hiring and promoting women and people of color. The company found that success depends on an environment where both female and male employees can thrive.



EASTMAN KODAK COMPANY

Work and Family Programs

In 1986, management at Eastman Kodak Company recognized that in order to be competitive, the company must be known as a superior place for women to work. So, despite budget cutbacks, Kodak took a leadership role in removing the barriers to women's advancement by appointing a task force to examine work and family issues.

The task force reviewed the compensation, benefits, and personnel practices of companies supportive of work and family issues, consulted with top organizations in the field, and surveyed 2,000 of its employees aged 21 to 50. In addition, focus groups were formed within each department to review the recommendations of the task force.

A year after the task force was formed, the CEO and the corporate management council accepted its recommendations. Highlights of the resulting policies included a nationwide childcare resource and referral service, family leave, adoption assistance, flexible work arrangements, and a dependent care expense program.

Kodak's employees used the programs actively. From January, 1988, through March, 1990, 649 employees, including 37 males, took advantage of up to 17 weeks of unpaid, job-protected family leave. In the first 14 months of the childcare referral program, 1,600 employees or family members used the service. During the same period, Kodak funding supported nearly 570 new family day care homes that provided spaces for more than 3,000 children.

JOHN HANCOCK FINANCIAL SERVICES

Innovative Family Care Initiatives

John Hancock Financial Services' commitment to childcare began with the conviction that when employees win, the company wins. The company strategy was to recruit and retain top talent in Boston's tight labor market.

At John Hancock in 1990, women represented nearly two-thirds of the Boston office's workforce. Recognizing the business payoffs of helping employees balance work and family, a corporate task force spent two years researching, designing, and implementing a wide range of benefits and several unusually innovative programs.

In October, 1988, John Hancock introduced an eldercare assistance program and a flexible spending account that allowed employees to pay dependent care costs with pretax dollars. The company then created two policies without precedent: a travel policy enhancement, in which employees for whom travel was an exception to their job description were reimbursed for dependent care expenses incurred through business travel; and a policy that gave employees who were parents access to a telephone to check on children arriving home from school.

In October, 1989, the CEO announced a family care mission statement, along with new programs: training for managers on work and family issues; three paid absence days for family care annually; an expanded flextime program; a one-year leave of absence with subsidized benefits; activities for employees' children during school holidays; reimbursement of up to \$2,000 for adoption expenses; a trade fair of summer camp information; and the building of an onsite childcare center.

US SPRINT COMMUNICATIONS COMPANY *An Integrated Approach to Managing Career and Family*

In its short history US Sprint Communications Company had experienced negligible attrition due to family-related concerns. But demographic shifts prompted the company's management to anticipate future retention and recruitment problems, especially for qualified women. Thus, in keeping with the company's business strategy to attract and retain the best and the brightest, US Sprint created and implemented its FamilyCare program—and did it in just five months.

FamilyCare provided flexible work schedules, a dependent care resource and referral service, adoption assistance, personal and family counseling, working-partner relocation assistance, and flexible healthcare benefits. The company communicated the program extensively within the company, and the program met and even exceeded its goals. As a result of FamilyCare, the company experienced increased productivity and the flexibility needed to attract and retain its quality workforce.



FANNIE MAE

Business Strategy for Women's Upward Mobility



Fannie Mae had focused on both recruitment and retention of women. The CEO worked aggressively with top management to promote the company's most promising women. Together, they designed career paths and succession-planning schemes for individual women and sponsored the participation of these women in business programs at educational institutions. Fannie Mae held senior managers accountable for promoting women into management positions; human resources representatives monitored progress throughout the year and reported to the President, the CEO, and senior executives.

The CEO said of their initiatives, "The day we're working toward is the day management is blindfolded, like justice, to all forms of discrimination; to the day when women are recognized as leaders without regard to their gender."

At Fannie Mae in 1981, 4 percent of senior managers were women; in 1988, the number reached 26 percent.

IBM CORPORATION

Elder Care Referral Service

Catalyst recognized IBM in 1989 for outstanding work to help employees balance work and family responsibilities and in turn to help the company meet its business objectives. IBM was prompted to do this by data suggesting not only that persons aged 65 and over are the fastest growing population group, but also that women would be the employee group most affected by eldercare responsibilities.

On February 1, 1988, IBM introduced its *Elder Care Referral Service*, the first corporate nationwide consultation and referral service available to U.S. employees, retirees, and their spouses who need help for themselves or for older relatives. IBM collaborated with the consulting firm Work/Family Directions to develop the service.

The service offered personalized telephone consultation, consumer education, and referrals through a nationwide network of 200 community-based organizations. The Chairman of the Board said, "The IBM *Elder Care Referral Service* was established to help employees with the often complex and sometimes stressful responsibility of caring for aging relatives. In turn, IBM benefits because of higher employee morale, commitment, and productivity."

U S WEST, INC.

Women of Color Project

In 1989, Chairman and CEO of U S WEST said, "Our effort to achieve a pluralistic workforce isn't just idealism. It makes good business sense." Because of this commitment to pluralism, in 1988, U S WEST implemented a plan that identified non-Caucasian women to fill leadership positions. The program grew out of research conducted by employee resource groups. The findings included the insight that career impediments may be greater for those not in the racial or ethnic majority. The program did not guarantee promotions; it afforded these women the opportunity to compete for them.

The first 50 women of color were selected from a pool of 1,800 applicants on the basis of their leadership, communication, and decision-making skills. They received individual leadership training, a detailed five-year career plan, and a one-week survival course. Nearly one-half the participants in the program were subsequently promoted. Senior management company-wide showed its support by volunteering as mentors to the women in the program.



AVON PRODUCTS, INC.

Communication System for Managing Workplace Diversity

Avon Products, Inc., early realized the strong link between managing diversity in the workplace and the company's success and profitability. In March, 1988, women represented 70 percent of management, and three women served on the board of directors. Avon, with its multicultural workforce, had innovative training, development, and education programs, as well as networks for people of color to discuss career-related issues.

The network groups communicated the issues to a multicultural committee, which reviewed them and made recommendations for change. One such change was the introduction of a study that tracked the upward mobility of women and people of color. Another was the Corporate Women and Minorities Committee, founded by the CEO, which met monthly to check the company's progress in meeting its objectives to promote upward mobility and to ensure access to management for women and minorities. Not only did Avon provide its employees with a forum for the discussion of workplace issues, but it also provided educational programs to give managers a better understanding of how to tap the potential and productivity of a diverse workforce—something Avon understood as a key to its competitive edge in the industry.

CORNING GLASS WORKS

Quality Improvement Process Promoting Women's Advancement

The process of assessing women's advancement at Corning Glass Works grew out of the Total Quality Program, designed to promote quality throughout the company. In April, 1987, the CEO recognized that the success of the program depended on tapping and developing Corning's female workforce.

One result of this mandate was the Quality Improvement Team—a task force designed to upgrade efforts in the recruitment, retention, and upward mobility of women in management. The team had support from top management and input from both line and staff managers. It recommended career development strategies to improve the upward mobility of women; new recruitment efforts; the implementation of a diversity education program; communication of policies and practices regarding women; the development of community initiatives to encourage women to work at Corning; and childcare and part-time work initiatives. Corning's concept of "total quality" fed into an integrated plan to promote women's career and leadership development.

E. I. DU PONT DE NEMOURS AND COMPANY

Personal Safety Program

Through its comprehensive Personal Safety Program, E. I. du Pont de Nemours and Company addressed in a business context social issues such as sexual harassment, physical assault, spouse battering, child and elder abuse, and particularly rape. Senior management recognized that employees' concerns about safety both on and off the job could prevent them from fully reaching their potential. DuPont's program contributed to a supportive work environment and improved productivity by helping employees address previously ignored areas of physical danger and mental stress and by opening the lines of communication between women and men.

The program included company-wide safety meetings, rape prevention workshops, workshops for managers to help define their role in working with employees who are survivors of rape, and corporate guidelines and services, including full disability benefits, to support the employee in the aftermath of rape. After participating in the program, a number of employees indicated that they had averted potentially dangerous situations due to increased awareness. DuPont pioneered this safety program to help women and men cope with the issue of personal safety and thus enhance their productivity.

GANNETT CO., INC.

Partners in Progress

The *Partners in Progress* program of Gannett Co., Inc., instituted in 1979 by the Chairman, encompassed strategies for recruiting, hiring, developing, and promoting women and people of color. The initiative included such goals as establishing diversity as a management objective and moving women into management positions.

Gannett started to track results in 1981. When Gannett received the Catalyst Award, 17 percent of its top executive vice presidents and general managers were women, as were 4 of the 17 members of the board of directors. Close to 25 percent of Gannett's newspaper publishers were women as well, and the company's employment of women in professional positions had increased to 41 percent.

Partners in Progress helped establish Gannett as a leader in its industry by promoting the process of developing talent in a broad spectrum of people.



CONNECTICUT CONSORTIUM FOR CHILD CARE

Child Care Initiative

In 1987, Catalyst honored the Connecticut Consortium for Child Care for its creative solution to childcare issues. Four Hartford-based companies formed the consortium in 1982 to respond to employees' unmet childcare needs. A public-private partnership, it eventually expanded to encompass the entire state of Connecticut. The mission remained constant: to create an innovative childcare referral service to help working parents become more knowledgeable about selecting children's day care and to enhance the ability of working parents to combine parenting and employment.

Corporate involvement was strong. Public and voluntary sector participants included the Connecticut Department of Human Resources, the Connecticut State Department of Human Resources, and the Private Industry Council. The consortium contracted with the Capital Region Education Council to coordinate such services for corporations as seminars for employees and training for in-house counselors. United Way's INFO-LINE provided a statewide information and referral service. The consortium successfully mobilized the public, private, and voluntary sectors to create a comprehensive and statewide childcare plan. Participating companies could expect enhanced retention of valuable employees after parental leaves.

THE EQUITABLE FINANCIAL COMPANIES

Collaboration of Women's Business Resource Group

At the Equitable Financial Companies, the President and CEO and the Women's Business Resource Group of senior female employees worked together to identify and address the career and work-related needs of the companies' female employees. The group looked at the companies' annual employee survey to help identify those needs. The survey provided a foundation of facts and information on which to base policy recommendations, and the group solicited further information directly from employees as needed.

Issues addressed included the adequacy of complaint mechanisms, salary and career progress, and the management of work and family roles. Mr. Carter took responsibility for implementing the plans discussed, and his senior staff kept the group informed of the progress of the plans. The Women's Business Resource Group and management evolved an effective partnership that addressed the concerns of both employees and management in a changing corporate environment.

IBM CORPORATION

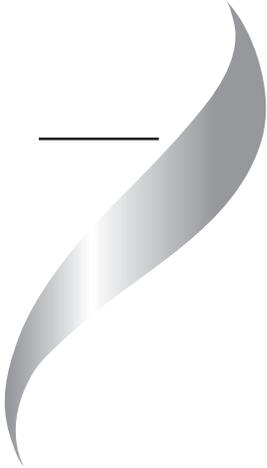
National Child Care Referral Service

To meet the needs of its workforce—with its increasing number of two-career and single-parent families—in 1984, IBM instituted its *Child Care Referral Service*. A national program that went beyond referrals, it initiated programs to increase the supply of childcare providers nationwide and to enhance the quality of the care provided. The results of the IBM referral service served as testimony to the extraordinary emphasis the company placed on its employees' welfare. The program increased the productivity of employed parents who knew their children would be cared for during the day; at the same time, it enhanced recruitment for the company. The service also educated parents, informed them about quality childcare options, and through funding stimulated the growth of the number of childcare providers and other resources in various communities.

MOBIL CORPORATION

Senior Management Development Program for Women and Minorities

By creating the *Senior Management Development Program for Women and Minorities*, Mobil Corporation moved aggressively to identify and challenge high-potential employees and ensure that they had the opportunities and exposure necessary to advance to full potential. Mobil created the program when it realized that the programs it had in place were not resulting in some of the company's best people reaching the levels that the company had projected. Mobil started the program in 1986 with several expectations. The company expected to create a larger, stronger group of female executives and executives of color at the highest levels. It expected to challenge and make full use of all internal talent. And it expected to create recognition in the employment marketplace that Mobil was committed to maximizing the career potential of all its employees. A high level of involvement from all executives, from the board's executive committee to each manager down the line, ensured accountability for the program. The program used profiles of the career paths of successful white males as models, and a careful screening process enabled participants to move to line positions.



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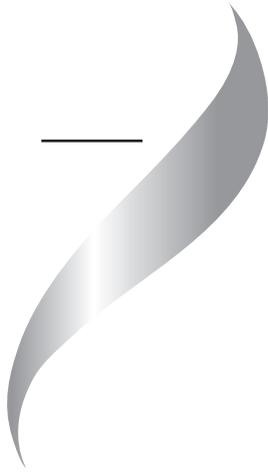
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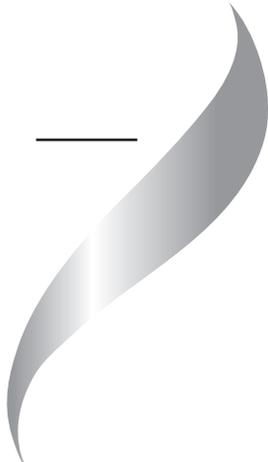
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For more than a decade, Tony Comper's championship of women's advancement in the workplace has resonated throughout Catalyst and the business community. As Chair of the 2007 Catalyst Awards Dinner, Catalyst Board member for 13 years, and founding Chairman of Catalyst Canada's Advisory Board, Tony has demonstrated extraordinary commitment to the Catalyst vision with unceasing dedication, intellect, and grace. That legacy reminds us of the limitless possibilities achieved when one commits mind and soul to what one believes is right.

Tony, you are a friend, a colleague, and an inspiration. Thank you.

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