



CELEBRATING 30 YEARS OF PROMOTING CHANGE



# **THE CHALLENGE AND THE CHARGE:** Strategies for Retaining & Advancing Women of Color

by  
Linda Basch  
Elizabeth Horton  
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CELEBRATING **30** OF PROMOTING CHANGE  
*years*

**THE NATIONAL COUNCIL FOR RESEARCH ON WOMEN**

is a network of leading university and community-based research, policy, and advocacy centers with a growing global reach dedicated to advancing rights and opportunities for women and girls. We also have a Corporate Circle comprised of senior diversity professionals from leading U.S. and global member companies and a Presidents Circle of college and university leaders who share our commitment. The National Council for Research on Women harnesses the collective power of its network to provide knowledge, analysis, and thought leadership on issues ranging from reducing women's poverty to building a critical mass of women's leadership across sectors.

## **THE CHALLENGE AND THE CHARGE:** Strategies for Advancing and Retaining Women of Color

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# EXECUTIVE SUMMARY

## Introduction

In this report, the National Council for Research on Women lays out the business case for why building a leadership pipeline for women of color makes economic sense and identifies strategies a handful of companies are using with some success. The soup-to-nuts manual on forging a successful pipeline for women of color leaders at a Fortune 500 company has yet to be written, but if you are looking to launch a diversity program or to deepen current efforts, the information in this report is a good starting place.

## What is the Problem?

Are women of color really under-represented in corporate leadership? In a word, yes.

- Women filled only 14.1 percent of executive officer positions in U.S. companies in 2011, and just 16.1 percent of board seats with Fortune 500 companies.<sup>1</sup>
- In 2011, women of color held 3 percent of all corporate board seats: African American/Black women represented 11.3 percent, Latina/Hispanic women 4.9 percent, Asian American women 2.5 percent, and 0.1 percent were women of other racial backgrounds.<sup>2</sup> Over two-thirds of Fortune 500 companies had no women of color on their boards in 2010 and 2011.<sup>3</sup>
- Among professionals and managers, African American women represent 5.3 percent,<sup>4</sup> Asian American women 2.7 percent,<sup>5</sup> and Latina/Hispanic women 3.9 percent.<sup>6</sup>
- African American/Black women earn 61 cents and Latina/Hispanic women earn a mere 52 cents for every dollar paid to white men.<sup>7</sup>

Most women encounter some combination of the following barriers when navigating the labyrinth of corporate success.<sup>8</sup> NCRW's research revealed how, for women of color, these hindrances play out at the intersection of race/ethnicity and gender.

- **Wage discrimination**, the single largest limitation to women's economic security. Earning power for women of color is the lowest of all Americans.<sup>9</sup>
- **Resistance to women's leadership in the workplace.** Based on "conscious and unconscious mental associations about women, men, and leaders,"<sup>10</sup> subordinates, peers, and superiors perceive women as poor leaders because they are too feminine (collaborative, listening) or too masculine (assertive, self-confident). Perceptions of women of color include an overlay of racial/ethnic associations that are even more removed from the idea of "leader."
- **Model of a "heroic" (male) leader**, putting in a 70-hour work week, is ill-suited to women in the workforce who contribute almost twice as much time to domestic spaces as married men. Smart, savvy women leave unyielding corporate environments for better work-life balance. Women of color face a double bind: even as they juggle substantial domestic responsibilities with work, they fight perceptions by co-workers that they are not willing to work hard enough.
- **Access to social capital**, where managers can get the ear of superiors through informal networks. For women in the minority, "breaking into those male networks can be hard, especially when men center their networks on masculine activities."<sup>11</sup>
- **The informal networks of women of color are undervalued.** A cross-sectoral survey shows "Minority women professionals (45%) do not feel that their roles and responsibilities outside the workplace are recognized or understood by their employers."<sup>12</sup>
- **Lack of experience** is a hard fact that stops advancement cold. A Black Women Executives Research Initiative report points to "C-suite experience"—skills, knowledge, and understanding of the entire corporate playing field.<sup>13</sup> Without it, women will not be seen as ready for the top spot.

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Cross-cultural competency and deep connections within their communities position women of color uniquely to tap into emerging domestic (and global) markets.

### Why It Matters: The Bottom Line

**Buying Power:** Women, and especially women of color, control trillions of dollars in spending globally.<sup>14</sup> African American/Black women alone control \$500 billion in household buying power.<sup>15</sup> Women owned one-third of all private businesses (\$1.2 trillion in receipts), according to 2007 census data. Latina/Hispanic and Asian women owned one-third of all Latina/Hispanic- and Asian-owned businesses, while African American/Black women owned nearly half of all African American/Black-owned businesses.<sup>16</sup>

**Access to Markets:** Cross-cultural competency and deep connections within their communities position women of color uniquely to tap into emerging domestic (and global) markets. Companies in a variety of fields—media, consumer goods, insurance, financial services, food, and many more—looking to segment their markets also need a representative employee base to serve them.

**Functional Diversity:** Research shows that teams with more women and women of color function more successfully than homogeneous teams, even those comprised of “the best and brightest.”<sup>17</sup> Members are more task focused and able to adapt their thinking.<sup>18</sup>

**Costs:** Hiring and integrating a high level employee is expensive—some \$250,000 in the first three years of employment.<sup>19</sup> Companies would do well to protect their investments with strong retention programs, leadership development, and responsive evaluation.

**Outcomes:** A 2012 *McKinsey Quarterly* report revealed that corporations with more diverse senior management teams (i.e., more women and foreign nationals on boards and in executive suites) had a 53 percent higher return on equity.<sup>20</sup> Likewise, Fortune 500 companies with the most women on their boards substantially outperformed competitors in sales, equity, and investment—by 42 percent, 53 percent, and 66 percent, respectively.<sup>21</sup>

## Strategies for Change

As a first step toward making change, this report looks at important career turning points that helped four successful women of color executives buck the odds and make it to the top of their fields. Next, based on those stories as well as interviews, convenings, studies, and resources collected for this report, we look at five key strategies some companies are using to recruit, retain, and advance women of color employees:

1. Using diversity as a company core strategy
2. Demonstrating commitment to diversity from top leadership
3. Making inclusion central to talent management
4. Establishing measurement and accountability systems
5. Implementing strategic interventions for employees

These are, in essence, working theories, and the remainder of the report looks at the trial-and-error process at eight companies trying to get it right: Accenture, American Express, Bank of America, The Chubb Group of Insurance Companies, Goldman Sachs & Co., PepsiCo, Prudential Financial, and Time Warner. There are no silver bullets or hard conclusions, but collected wisdom and practical information to help companies take the next steps to improve their pipeline for women of color. This work builds on NCRW's thirty-year history of raising awareness about gender disparities and advancing opportunities for women and girls throughout the United States.

## Methodology

The information in this report includes materials gleaned from websites and research reports, interviews with human resource and diversity professionals, and presentations at Council convenings of experts, including the two Summits on *The Challenge and the Charge: Strategies for Advancing and Retaining Women of Color*, the first hosted by Time Warner in 2010 and the second by Bank of America in 2012. We have footnoted information from written sources but, in the interest of readability, have not footnoted the many quotes from speakers at the Summits or information related to us in interviews about the policies and programs at our highlighted companies.



## Chapter 1.

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### **AGAINST THE ODDS: Four Women of Color Who Succeeded**

**W**hile the statistics on the advancement of women of color in the corporate sector point to many collective challenges, individual stories of success offer unique insights. The following personal narratives by four executive women who built singular paths to the top were originally shared at National Council for Research on Women's 2010 Summit. Each narrator highlights the personal—persistence, education, and self-confidence—and institutional support that made it possible for them to advance. As you look for ways to attract and retain smart, savvy women of color in your company, think of these stories as both useful lessons and cautionary tales.

#### **You Always Need Help: The Power of Sponsors and Networks**

**AYNESH JOHNSON, GOLDMAN, SACHS & CO.**

I grew up in Atlanta, one of four children of a father who was in construction engineering and a mother who was a high-school math teacher. This was not an environment where business and the financial markets were readily discussed. But what my parents taught me was that anything and everything is possible: that the realities of yesterday do not dictate the realities of your future, and the notion that what you have to do to be successful is objective. As long as you are willing to take on that challenge, then anything is possible with hard work, perseverance, and a little bit of luck.

So when I thought about my future, I thought about it as a series of steps. I knew I had to get a good education, which took me to Duke University, where I was a math major. I chose math because I liked analysis. I enjoyed problem solving, and it was something I was good at. I wanted to apply that education in a practical experience that would combine it with communications, marketing, and working with people. For me, that meant business. But I didn't know necessarily what that would mean or how that would look.

Opportunity came in a series of internships while I was at college. One of those, Sponsors for Educational Opportunity (SEO), took me to Wall Street, where I interned at a major financial services company in equity research. I was one of SEO's first interns in equity research, but I also used the opportunity to explore other parts of the firm. I had a mentor who was a NASDAQ trader, so I would go up in the afternoon and sit on the trading floor. I asked myself, would this fit my personality—or would research fit my personality?

I also had friends who were interning on the corporate finance side of the organization, where they advised corporations and clients, and I recognized that this was a better fit for who I was and what I was looking for. After that summer, I knew that the direction I wanted to go was Wall Street.

At the time, I also realized that my journey was going to be unique, because when I started with my firm, I was the only Black professional in my investment banking analyst class. But I understood that that didn't mean I couldn't advance. It was just a matter of discovering where I was going to find the people to help me move forward, both from the majority population as well as diverse professionals. A lot of people had come before me, provided support for me—including Carla, one of the panelists here today. You are always going to need help, and you need to know who you are and have faith in yourself—faith in what you are looking to do to be successful. So you have to learn how to be consistent with what you need to do to move forward.

“...for us in the U.S. to be competitive, we have to understand what it means to be a global citizen, to interact with talent from around the world.”

AYNESH JOHNSON, GOLDMAN, SACHS & CO.

I've been with Goldman Sachs for 15 years—first as a corporate finance and M&A banker and now in human capital management, partnering with all of our divisions in managing the firm's people—our most important asset—and moving the firm forward in an era of global diversity. How to manage diversity in a way that ensures we are successful globally is a corporate imperative. Making sure that our business leaders become more nuanced and effective diversity managers is a key area of focus. Diversity is everybody's business, and for us in the U.S. to be competitive, we have to understand what it means to be a global citizen, to interact with talent from around the world.

As a managing director, I'm now actively involved in senior level decisions and strategy planning. But it is a constant journey that's personified by perseverance. You definitely have highs, and you definitely have lows. To move forward, you must have the proper support system around you—your family and friends who know who you are, as well as colleagues in the corporate environment who believe in you. You need the championship of more senior individuals who can open the doors, your peers and other professionals who can help you day-to-day, and the determination and will to take on the challenge to succeed.

## The Advantages of the Outsider's Perspective

**JOYCE CHANG, J.P. MORGAN**

I grew up in rural Iowa, which did not have much of an Asian population, nor a Black or Latino population. That background gave me an important outsider's perspective that remains incredibly useful to me today as a research analyst.

I ended up on Wall Street completely by accident. I was finishing up my last semester at a public policy graduate school when an alumnus from my graduate program at Princeton called, looking for someone who knew about third world countries or LDCs (less developed countries), as they were called. They were not called emerging markets back then. At the time, I was looking for work, so I took the job at a Wall Street investment bank, Salomon Brothers. I was only planning to stay for a short internship until I graduated and earned enough money to go back overseas to work in an emerging market. My managers didn't know if they could hire anyone full-time because no one thought that third world countries would be an asset class to invest in at that time. I have now been working on Wall Street for over 20 years.

What I loved about it right away was that I could be really opinionated and that my opinions were put to work immediately—a real contrast to working in government and public policy. I also realized that I stood out and was scrutinized much more than the men I worked with for what I said. If I said something that really hit the mark, I would be rewarded more. But if I said something that did not work out, I would be penalized a lot more as well. This taught me to always over-prepare, which remains the case today.

When you are in emerging markets, you have to be good at crisis management because there are a lot of them. I spent most of the 1990s working on emerging market bailouts and learned there were many ways to solve problems in crises. Part of my job includes talking to top policymakers all over the world.

In 2008, just as the economic crisis hit, I was asked to take over management of the U.S. and European credit groups. I was looking at the crises in developed countries, which we still haven't fully come out of, and there were so many parallels and lessons from third world crises that applied to those we were dealing with in 2008. Who would have thought that 15 years after I started in emerging markets, those markets would be the flight to quality because developed countries faced a series of sovereign debt crises? It was uncanny, and déjà vu 1990s.

As with other panelists here, education was highly important to me. I went to boarding school at Phillips Exeter Academy on a newspaper route scholarship. I was a paper carrier for the *Des Moines Register and Tribune*, and the scholarship that I won was created by a businessman who had been a newspaper carrier when he was growing up. He thought that if you had a newspaper route, you must also have a strong work ethic. The scholarship was only offered to newspaper carriers from Nebraska, Iowa, and Indiana. I remember being offered a choice that seemed kind of random. I could go to Culver Military Academy in Indiana, Exeter, or Andover. I chose Exeter, and for me, little that I have done would have occurred if I hadn't made that choice. I was very far behind the other students at Exeter when I arrived and had to work very hard to catch up. That work ethic stayed with me through college, graduate school, and my current position.

In my job, I now manage people who work in 12 different countries. You have to come up with lots of different ways to solve problems and understand different cultures and styles. I've looked at all kinds of bailouts over the past few years—in developed countries and EM (emerging market) countries—involving countries, banks, and car companies. The crises require an approach that is adaptive and honest—no self-deception, which is very common when you're looking at something on paper and don't have the experience of dealing with crises on the ground.

“That background gave me an important outsider’s perspective that remains incredibly useful to me today as a research analyst.”

JOYCE CHANG, J.P. MORGAN

## Courage, Resilience—and the Power of a Mentor

**NELLIE BORRERO, ACCENTURE**

I was born and raised in the Bronx—in Co-op City. We lived on the 23rd floor of a high-rise building, the only Latino family in the entire building. My mother always told me not to talk—not to make a sound—in the lobby and in the elevator. So very early on, I felt like, “Oh, I’m different—and it’s not a good different!”

When I graduated from high school, I had absolutely no idea what I wanted to do or what I was qualified for. Zero. So I went to meet with my guidance advisor. He advised me to apply at Macy’s for a cashier job. That was the advice I got from my advisor at school. My mom worked as a seamstress in a factory. My dad worked in the post office. I just didn’t know what to do.

A neighbor told me her daughter was going to La Guardia Community College, which is a two-year college in Queens. So I thought, “That’s where I’m going. Her daughter is beautiful; she dresses great—that’s where I’ll fit in.” I went to apply to La Guardia Community College. Today, I’m on its foundation’s board, so think about the journey.

While at La Guardia, I had the opportunity to do a co-op internship at NYU’s graduate school. I supported the secretary of the Dean of Career Services, who is still a very good friend. After I worked there for a month, he asked me what I wanted to do with my life and what I wanted to be. I told him I wanted to work somewhere with lots of paper. I wanted to have my own office. He asked me what I was doing about it. I said, “I’m going to La Guardia to become a secretary.”

He told me that I had potential to do much more, that I was very bright and there were many things I could do. Then, to my surprise, he told me that I should apply to NYU. I thought about what he said, and I applied and was accepted into NYU. He was one of those early mentors, and he took a liking to me.

While I was at NYU, I was working full-time and going to school at night and on the weekends. I had the opportunity to go to work for Arthur Andersen. I remember coming into the corporate setting and saying, “Wow! A lot of paper here! This is great.” I was set to focus on college relations, and I went to talk to the partner at the time. It was the 1980s, so it was very corporate—blue or black suits and shoes—and I walked in with this brightly colored orange suit with gold buttons and gold earrings, and the shoes were black and gold and orange. The partner told me I looked like the curtains in his house!

It was immediately clear to me that I was different. I wore brightly colored clothes. I knew I looked different. I knew I sounded different, so I would shut down immediately because I didn’t want people to hear my accent.

I was the only woman of color at the first networking gathering of women I attended. I kept circling around the room, but there was no one who looked like me. I ended up in the restroom talking to the attendant. I went home and thought about it and decided I had to make some connections. Latina/Hispanic women are big on relationship building. So I decided that I would build strong working relationships by getting to know my colleagues as people first. This would help me build their trust.

Mentors are important for the days you feel you don't belong or the days you doubt yourself. A little voice is here saying you can't do this, and there's another saying yes, you can—so there's a conflict.

Fast forward many, many years. I've been at Accenture for 23 years, quite a long time. Now my job takes me to South Africa, Japan, India, Brazil. I travel the world. And what I've found is that having the experience of being different early on has positioned me to be successful in cultures where I would otherwise not feel comfortable operating. Today, I am comfortable as an American Latina going to Japan to advise my Japanese colleagues on what they need to do to integrate women into their work force. I credit my early experiences of being the only—or one of only a few—Latinas at my workplace with helping me in knowing how to do that.

So, yes: resilience, skills, persistence. Days are going to be challenging, but at the end of the day, there's also pride. That pride would never not let me push forward.

“Mentors are important for the days you feel you don't belong or the days you doubt yourself. A little voice is here saying you can't do this, and there's another saying yes, you can—so there's a conflict.”

NELLIE BORRERO, ACCENTURE

## Motivation, Ambition, and Reaching Back

CARLA HARRIS, MORGAN STANLEY

If I were to sum up my experience in one word, it would be “incredible”—in a good way. I grew up in Jacksonville, Florida. As a senior in high school, I had no idea I would end up on Wall Street for more than 25 years. Part of the story behind my accomplishments is that I am innately negatively motivated. When you say I can’t do something, I am all over it like a bad smell.

My counselor my senior year—and I went to a very good school—told me not to apply to the Ivy Leagues: “It’s very difficult, and you don’t want to be disappointed.” I didn’t have anyone in my family telling me to go to the Ivy League. My family instilled in me that I would go to college, but to them, a college is a college is a college. But I’m sitting in my high-school honors classes, and I see the students sitting next to me going out for appointments. I’m thinking, where are they going? That’s when I started asking questions. They were talking to the Ivy League schools. When my guidance counselor said don’t bother applying, I asked, What does it take? He said, “Very high grades.” I have a 4.0 average. I’m graduating summa. He said, “You need high SATs.” I had high SATs. He said, “It’s very difficult.” The fact that he kept pushing me not to do it? That was all she wrote. I got into every Ivy League school I applied to.

For the same reason, I ended up majoring as an undergrad in economics at Harvard. I was having a hard time with Econ 101 because I never had economics before. I went to an economics tutor who I’ll never forget. He said to me, “Girl, don’t you major in economics, because you can’t think.” I went right over to the freshman dean, and I signed up right then and there. And I must say, one of the highlights of my life was when I received a summa on my thesis and it was clear I was going to graduate magna cum laude. My so-called tutor was still at Harvard, still trying to get his PhD. I found the man in the library, and I said, “Guess what. I’m graduating in economics, top of my class, and my thesis is in the Harvard library right next to JFK’s.” Thank you very much. That’s what drove me to do economics, which gave me the ability to apply to Wall Street. The negative motivation inspired me.

I am a graduate of the same internship program (Sponsors for Educational Opportunity) as Aynesh Johnson, only a few years earlier. My friends had done the internship the summer after our freshman year in 1981. But after my freshman year, when I had eked out the dean’s list, I just wanted to go home to Jacksonville. My friends all came back talking about this program and how difficult it was to get into. Difficult to get into? That made me take a sudden right turn and apply for it, and I got in.

So the summer of 1982 changed the trajectory of my life, because until then I knew nothing of Wall Street. The things that had been driving me toward a career in law drove me to investment banking. I could have a lot of experiences early on in my life. I could call the shots. The remuneration was good, as was the platform it would give me personally. I realized I liked quantifying things. And oh, by the way: There weren't a lot of people there who looked like me. My friends are just like me—women of color who have great analytical skills. So something's wrong with this. Why aren't we there? I made a right turn again. I'm going into investment banking.

I did very well at Harvard undergrad. I did very well at Harvard Business School. But what has made this an incredible journey are the things I did not learn at those institutions that drove my success. Not only could I not have seen myself in 1980 on Wall Street for more than 25 years. Never would I have imagined the kind of journey that would help me teach others to maximize their success.

Part of what really made a difference was not just who I was, but whose I was—my power as a child of God. Number two, I understood you can't do it by yourself. You will need relationships, and the sponsorship relationship is the most important. Yes, it helps to have advisors, and it's good to have a mentor. But you can go a long way in your career without a mentor. You will not move up in any organization without a sponsor.

The third thing I didn't get when I started was about perception. I really thought, I'm smart, I'll work hard, so I'll be able to do it. But the perception that others have of you in the marketplace is very critical. You must understand the lens through which they are looking at you—but more important is to learn that you have the power to train people to look at you in a certain way.

The last piece that is very interesting to me, especially coming from a place like Harvard, is this question of a meritocracy. You learn as an undergrad and in business school that if you work hard, you will get out what you put in. Particularly when you're in an academic environment, you like to think that it is objective. Most organizations like to recruit saying, "We are a meritocracy," because a meritocracy is attractive to all of us, particularly women and women of color. You just want a fair shot, so if the playing field is even, you know you can succeed abundantly.

**“You just want a fair shot, so if the playing field is even,  
you know you can succeed abundantly.”**

CARLA HARRIS, MORGAN STANLEY INVESTMENT MANAGEMENT



But if there is a human element that is part of the evaluative equation, it is subjective. It cannot be truly a meritocracy. There has to be something else in your success equation besides being smart and working very hard. Therein lies the perception issue and the need to leverage your voice—the sponsorship issue—use your network. Own your own power, and realize you have the power to influence your success, no matter what. You have to know what's in your tool chest to accomplish that: Your academic background, your experiential learning, obviously, your networks. For me, your spiritual tools, as well. But you must access your power by using your tool chest.

Those are the things that have been incredible to learn and, more importantly, to pass on. We all are here because we're standing on someone else's shoulders. Not a woman in this room can claim to have made it on her own. Whether you acknowledge it or not, you are relying on somebody else's help, somebody else's track record. And this generation must understand that we have an obligation to reach out and help the next generation.

Aynesh came through the internship program a few years behind me, and I was not a managing director at the time, but I was certainly giving her all the goods on everything I had learned. What if I had said, "Oh wow, I don't want to tell anybody about my mistakes. I don't want to tell anyone how I got burned"? She would have to reinvent the wheel. We complain about the old boys' network. Well, guess what, ladies? We have the old girls' network, and we have to be honest with each other.

## Chapter 2.

### TOOLS FOR DEVELOPING A DIVERSITY PIPELINE

Creating a culture within your company that is more inclusive, diverse and equitable is a paradigm shift. The following chart lays out strategies employed by the eight companies featured in this report. No one company uses them all, but collectively, they present options for immediate and long-term action.

Success Indicators	Good Practices	Company Examples
<b>DIVERSITY AS A COMPANY CORE STRATEGY: Companies that excel in diversity explicitly incorporate it into their mission and objectives. Shareholders at every level understand how and why diversity matters to the institution.</b>		
<b>Align diversity goals with business strategy</b>	Understand the links between diversity and markets, talent pools, products, reputation, and sustainability.	<ul style="list-style-type: none"> <li>American Express</li> <li>Chubb</li> <li>Prudential Financial</li> <li>Time Warner</li> </ul>
<b>DEMONSTRATED COMMITMENT FROM TOP LEADERSHIP: A company is far more likely to cultivate a diverse pool of employees when senior management participates in strategic decision-making related to diversity and holds employees accountable for meeting goals.</b>		
<b>Top leadership actively and publicly engage in diversity efforts</b>	<p>CEO and Board articulate the importance of diversity internally and externally.</p> <p>Senior leaders actively shape and drive diversity initiatives.</p> <p>Women of color hold visible positions at top.</p>	<ul style="list-style-type: none"> <li>Bank of America</li> <li>PepsiCo</li> <li>Time Warner</li> </ul>
<b>Create dedicated executive structure and support team for diversity initiatives</b>	<p>Establish an executive-level position to lead diversity efforts (e.g., Chief Diversity Officer, Senior VP, or Managing Director of Diversity).</p> <p>Set strategy with diversity councils or other governing bodies.</p> <p>Implement strategies with diversity or talent management professional and support staff.</p>	<ul style="list-style-type: none"> <li>Accenture</li> <li>Bank of America</li> <li>PepsiCo</li> </ul>
<b>INCLUSION IS CENTRAL TO TALENT MANAGEMENT: Managers who have support, tools, and direction from above to implement diversity mechanisms will embrace initiatives more completely.</b>		
<b>Provide tools for managing diverse talent</b>	Ensure that management training includes sensitivity across cultural, racial, and gender differences.	<ul style="list-style-type: none"> <li>Accenture</li> <li>American Express</li> <li>Bank of America</li> </ul>
<b>Create open hiring and advancement processes</b>	Shape policies to ensure open processes and clear, unambiguous criteria that can level the playing field.	<ul style="list-style-type: none"> <li>Accenture</li> <li>Time Warner</li> </ul>
<b>Establish systematic evaluations and feedback</b>	Maintain transparent, well-understood, timely processes and criteria for evaluation and honest, culturally sensitive feedback.	<ul style="list-style-type: none"> <li>Chubb</li> <li>Goldman Sachs</li> <li>PepsiCo</li> </ul>
<b>Implement effective flex policies</b>	Craft policies that accommodate employees' personal or family commitments.	<ul style="list-style-type: none"> <li>American Express</li> <li>Goldman Sachs</li> </ul>

Success Indicators	Good Practices	Company Examples
<b>MEASUREMENT AND ACCOUNTABILITY: When diversity goals are connected to evaluations, incentives, and formal reviews, employees throughout a company will take greater ownership for their success.</b>		
Analyze internal data	Consistently measure disaggregated relevant metrics such as hiring, promotion, retention, positioning, etc.	<ul style="list-style-type: none"> <li>American Express</li> <li>Bank of America</li> </ul>
Link diversity goals to evaluation and compensation	Include diversity goals as an evaluation metric for managers; reward success and penalize for failing to meet those goals.	<ul style="list-style-type: none"> <li>Bank of America</li> <li>Chubb</li> <li>Goldman Sachs</li> <li>Prudential Financial</li> <li>Time Warner</li> </ul>
Evaluate diversity programming	Assess programs and make strategic revisions to improve success rates.	<ul style="list-style-type: none"> <li>Chubb</li> <li>PepsiCo</li> <li>Goldman Sachs</li> </ul>
Survey employee experience/satisfaction	Add meaningful questions about diversity to regular employee surveys. Use surveys or focus groups to assess specific diversity programs.	<ul style="list-style-type: none"> <li>Chubb</li> <li>Goldman Sachs</li> <li>Prudential Financial</li> <li>PepsiCo</li> </ul>
Establish benchmarks	Compare internal numbers to relevant/appropriate outside data.	<ul style="list-style-type: none"> <li>Time Warner</li> </ul>
Publicize key metrics on race and gender	Make data legally required by the Equal Employment Opportunity Commission on gender and racial representation available on your company website or in the annual report. Cooperate with other external data aggregators.	<ul style="list-style-type: none"> <li>Accenture</li> <li>PepsiCo</li> </ul>
<b>STRUCTURED INTERVENTIONS FOR EMPLOYEES: These are sustainable tools that women of color employees can use to leverage their abilities and shift their career trajectories.</b>		
Recruit new employees using a diversity lens	Establish policies that create hiring pools with more women of color. Set goals for hiring people from specific demographics.	<ul style="list-style-type: none"> <li>Accenture</li> <li>American Express</li> <li>Bank of America</li> </ul>
Create strategic assignments	Place women of color in job assignments that provide visibility, experience, skills, and contacts to support advancement.	<ul style="list-style-type: none"> <li>Time Warner</li> </ul>
Establish leadership development/career coaching programs	Institute formal leadership programs to support women of color to develop specific skills and attributes for advancement and success.	<ul style="list-style-type: none"> <li>Bank of America</li> <li>Goldman Sachs</li> <li>Prudential Financial</li> <li>Time Warner</li> </ul>
Use outside expertise	Leverage external expertise to help identify needs, develop strategies, deliver programs, and assess outcomes. Find consultants, external advisors, and partners at business schools and leadership training programs.	<ul style="list-style-type: none"> <li>Chubb</li> <li>PepsiCo</li> <li>Prudential Financial</li> </ul>
Support establishment of employee affinity groups/networks	Offer company resources for groups defined by common identities to share experiences, mutual support, and business strategies.	<ul style="list-style-type: none"> <li>Accenture</li> <li>American Express</li> <li>Bank of America</li> <li>Goldman Sachs</li> <li>Prudential Financial</li> </ul>
Launch mentoring programs	Pair employees with inside or outside advisors in order to provide guidance, encouragement, and support for career advancement.	<ul style="list-style-type: none"> <li>Prudential Financial</li> <li>PepsiCo</li> </ul>
Support sponsorship programs	Pair junior employees with more senior people who can open doors and create opportunities for their protégées.	<ul style="list-style-type: none"> <li>Bank of America</li> <li>American Express</li> </ul>
Develop pipeline to nurture current and emerging women of color leaders	Provide skills, resources, and encouragement at all stages of development.	<ul style="list-style-type: none"> <li>Accenture</li> <li>Chubb</li> </ul>

## Chapter 3.

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### SPOTLIGHT ON INNOVATIVE COMPANIES

In 2010, the National Council for Research on Women launched its study of women of color in the corporate sector with a Summit that highlighted eight companies building programs and policies to advance women of color into leadership levels at their organizations. Over the next two years, NCRW stayed in touch with the companies, interviewing their diversity professionals and other leaders, and women of color employees themselves about their experiences, strategies, successes, and lessons learned. The following case studies capture some of those insights and offer partial roadmaps for programs aspiring to change the outlook for women of color and other under-represented populations.

#### Accenture

Accenture is a “people” business and effective talent management is the cornerstone of its management consulting, outsourcing, and technology services. Investment in a pipeline to recruit and advance more women of color into leadership positions starts with its pre-professional scholarship and internship programs and continues with training and resources at all stages of their careers. The company is committed to providing an inclusive and open environment that attracts, retains, develops, and advances individuals with different needs and expectations.

#### GOALS

- To develop and advance a healthy pipeline of capable women of color, among others, in order to meet the needs of the company’s diverse client base.
- To bring more women into client-facing positions.

#### STRATEGIES IN PLACE

- **Demonstrated Commitment from Top**

Accenture has a **dedicated executive structure and support team for its diversity initiatives**. In addition to a management committee-level Diversity Council and a Diversity Advisory Forum, each geographic region has an executive level Human Capital and Diversity head. These three structures in concert set strategy and create programs that are meaningful to local employees, communities, and clients.

To ensure the growth of a diverse work force, the company embeds the principles of inclusion and diversity through its extensive curriculum of training courses, its web-based resources, and programs specially designed for women and ethnic/racial groups.

- **Inclusion Is Central to Talent Management**

All Accenture employees go through a common core professional development curriculum that integrates inclusion and diversity. When promoted, employees use a “core milestone school” program that trains them on technical and managerial concepts including diversity and inclusion principles.<sup>1</sup>

To ensure open advancement processes, Accenture offers women a specialized curriculum in three additional areas: awareness and education, management, and development.<sup>2</sup> Examples include: Women and Client Centricity, which is intended to aid career advancement for women in client-facing roles; and My Senior Executive Career, a program for women newly promoted to the leadership level.

- **Structured Interventions for Employees**

Accenture recruits new employees using a diversity lens, offering young people of color scholarships and internships that expose the company to a diverse talent pool and vice versa. The Scholarship Program for Minorities gives \$2,500 to full-time undergraduates of color pursuing degrees in information systems or decision or management sciences. The American Indian Scholarship Fund granted more than \$125,000 undergraduate and graduate scholarships in 2010. Accenture also has active recruitment programs at Historically Black Colleges and Universities (HBCUs) and Hispanic Serving Institutions (HSIs) that host campus events and career fairs; work on-campus to recruit interns or full-time employees and conduct interviews; and host leadership workshops. The company continually invigorates its pipeline by reaching out to students early in their college careers with workshops, classroom presentations, alumni events, and job fairs. They recruit for interns in February and in the fall for full-time employees.

The company supports employee affinity groups that focus on career planning and resources. For example, a web platform, *Defining Success. Your Way*, gives junior and senior women employees opportunities to connect with each other, as well as to internal programs, career planning resources, and training. It features:

- A website dedicated to helping the 80,000 women in the company manage their career trajectories. It includes videos, articles, and research findings that spotlight best practices, lessons learned, and helpful tips shared by other women at Accenture.
- Women’s Interest Groups, organized by geography and business function, offer networking and professional development opportunities.
- Research findings from initiatives Accenture conducts each year on topics affecting women’s careers. The results are released as part of International Women’s Day celebrations.
- Defining My Success, an online tool, helps women create a blueprint for defining personal success as they articulate their values, priorities (personally and professionally), and where they derive greatest satisfaction.

Accenture employees can also utilize Vaahini, an online networking forum for women in India. It provides virtual spaces for professional woman to learn, share, and empower themselves by providing personal stories, space to exchange ideas, and discussions/debates. Global companies like Accenture have the advantage of being able to highlight successful women from around the globe—many of whom are not white—and thus provide role models for their U.S.-based women-of-color employees.

According to Nellie Borrero, managing director of Diversity & Inclusion, Accenture’s formal **sponsorship and mentor programs** assign senior leaders to high-performing junior employees. Unless you make the assignments, those junior people are unlikely to develop a sponsorship relationship that will have an impact. She says sponsorship is especially important in the current economy where downsizing, leadership changes, and economic insecurity mean that change is inevitable. Accenture currently supports 175 mentees working with 75 mentors in two different programs: The Mentoring Program for Women aims to improve the advancement and retention of experienced female managers, and the Minority Mentoring Program aligns minority executives with a leadership partner/mentor.

To develop a **pipeline to nurture current and emerging women of color leaders**, Accenture applies its company-wide professional development system it calls the Three R’s. Employees need the Right Role, or a job that continually stretches their talents; the Right Client, with whom they can achieve mutually beneficial results; and the Right Sponsor, who can help them to get the support necessary for success. Accenture rotates women of color through a variety of roles, clients, and sponsors, to help them to develop a broad variety of negotiation and client management skills more quickly, and to give them need-to-know facts for potential leadership.

## CHALLENGES

The company works to recruit its fair share of the available talent in a very competitive market. Recruiting efforts start early, well before potential employees are ready to launch their careers.

## IMPACT

Accenture’s focus on training is shoring up the so-called “weak middle” by advancing the right people into management positions—people with a commitment to and understanding of the importance of advancing talent across race, ethnicity or gender. Through initiatives like Leading a Diverse Workforce, managers are gaining insights and tools critical to successfully leading diverse talent. They are also learning related accountability standards, including rewards for success.

## American Express

American Express's Women in the Pipeline and at the Top initiative is a global effort to advance more women into senior roles in the company, where over 60 percent of its global work force and more than 30 percent of senior management are women. When combined with American Express's programs to advance people of color, women of color receive a comprehensive matrix of support and encouragement from the company.

### GOALS

- To prepare women for and advance them into the most senior roles in the company.
- To align the demographics of all levels of the work force, including top leadership, with the company's U.S.-based and global clients.
- To build talent throughout the organization, across the different perspectives, backgrounds, insights, and expertise represented at all levels.

### STRATEGIES IN PLACE

- **Diversity as a Company Core Strategy**

American Express is threading the concept of "gender intelligence" throughout all levels of the company with its Women in the Pipeline and at the Top initiative. Studies show that understanding and valuing the differences in how men and women think, work, and communicate can improve work relationships and client satisfaction. "It is a new aspect of our diversity and inclusion efforts and is being used to enhance our corporate culture and even our productivity," said Jennifer Christie, Chief Diversity Officer and Vice President, Executive Recruitment. "We're not trying to generalize behaviors of each gender, but we are looking at the potential behavioral tendencies of each gender, based on scientific research," Christie added. "We can enhance our diversity efforts and approach them more holistically when we understand and appreciate the different approaches we may take to problem-solving and communicating our ideas." The initiative is an efficient framework for continuing efforts to attract, retain, and advance top female talent in the organization.

- **Structured Interventions for Employees**

Women of color employees at American Express have a few **company-sponsored networking opportunities**. The 200 most senior women at American Express convene biannually at a two-day meeting. Part skills-building event, part networking platform, the conference takes stock of the company's internal and external effort to support and advance women as leaders. Discussions on what it takes to be a successful protégée and an effective sponsor might occur alongside practicums on developing the mindset to move into the highest leadership positions. Women meet with and learn from each other as well as from the most senior male leaders in the organization, including CEO and Chairman Ken Chenault and Vice Chairman Ed Gilligan, who themselves are there to listen and learn.

American Express also taps into the expertise of the company's diverse employee networks for guidance and input on products and bottom line issues. It launched the Felicitades gift card, designed with help from its Latino employee network. Similarly, its Zync charge card is designed to attract new customers among millennials.

Its **sponsorship program** is a key component of the company's retention strategy. American Express, among others, partnered with the Center for Talent Innovation (formerly the Center for Work Life Policy) on the *Harvard Business Review* report, "The Sponsor Effect: Breaking Through the Last Glass Ceiling." The research identified challenges senior women face within organizations and articulated the positive effect of sponsorship on their retention and career advancement. "Based on this research, we found that women are often over-mentored and under-sponsored," Christie explained. "While mentors are important for one's career, sponsorship is...about building organic relationships with those who can truly be an advocate and propel your career forward."

Pathways to Sponsorship is also a **pipeline that nurtures current and emerging women of color leaders**, offering them a tailored approach to professional development and career advancement. The program affords participants specific opportunities for exposure to senior leaders. These connections can potentially lead to sponsor relationships, which, unlike mentor relationships, must be cultivated *and* earned through performance. Other tools include workshops; for example, The Sponsor Effect is a workshop that highlight the steps for developing a sponsor relationship for on one's own. Pathways to Sponsorship has market-specific components related to the company's global profile and the local context within which it operates.

## CHALLENGES

American Express recognizes that providing a healthy and effective balance between work and personal life is a challenge that must be solved across all of corporate America. Most pressing is how evolving technology and tools for communication are changing the priorities of a multigenerational work force, and redefining work. American Express is striving to **implement flex policies to accommodate employees' personal or family commitments**. By creating an environment that transforms the physical workspace, the technology used, and the variety of available working arrangements, the company hopes to attract a wide range of talent. Likewise, the company has categorized different jobs according to four work styles: Hub, Club, Home, and Roam, based on the demands of that job, which affords people the opportunity to either work in a dedicated workspace five days a week or do some sort of a split at home or in shared workspaces or client offices.



## IMPACT

Measuring metrics related to Women in the Pipeline and at the Top allows American Express to **analyze critical internal data**, and thus far, the program is delivering tangible results. Under the leadership of Vice Chairman Ed Gilligan, American Express has trained more than 85% of its senior leaders on Gender Intelligence.

Approximately 40 percent of the women participating in Pathways to Sponsorship either have been promoted or made strategic lateral moves. Women are advancing to more senior levels across the organization, and there is a decrease in voluntary attrition in more senior roles. This is a positive indication for American Express. “Women in the Pipeline and at the Top is creating opportunities for our senior women and creating an inclusive culture where women can succeed,” Christie concluded.

In 2009, American Express instituted a three-year diversity strategy based on segmentation to collect disaggregated data on its employee base and to create an accurate picture of the representation of genders, different races, generations, sexualities, and the disabled—globally and at all levels in the company. While the numbers show women and people of color are quite well represented on average overall, their representation drops precipitously in the top strata. This knowledge enables American Express to target its talent development programs where they are needed.

## Bank of America

Bank of America believes that creating a diverse and inclusive workplace for its employees is good for business and makes the company stronger. When employees are engaged, satisfied, and supported, they are best positioned to support customers and clients around the world. Four foci anchor Bank of America's diversity efforts: recruitment and retention, diverse suppliers, consumer and services, and philanthropy for underserved populations.

### GOALS

- To make Bank of America the best place for people to work.
- To strengthen the commitment to creating a diverse and inclusive environment.

### STRATEGIES IN PLACE

- **Demonstrated Commitment from Top Leadership**

Bank of America has a three-tiered, decentralized diversity and inclusion council structure. The Global Diversity and Inclusion Council (GDIC) is a **dedicated executive support structure responsible for setting overall diversity and inclusion policies**. It includes executive level representation from across the company and top leadership, CEO Brian Moynihan, chairs the efforts. The Global Diversity and Inclusion Organization (GDIO), led by Bank of America's Chief Diversity and Inclusion Executive, works to develop diversity strategies and activities across different regions and business lines. Finally, the Diversity and Inclusion Business and Regional Councils implement diversity strategy at the regional and business-line levels. The result is a coherent policy that establishes company-wide goals but recognizes the realities of different parts of the company.

- **Measurement and Accountability**

Metrics drive all of Bank of America's assessment efforts, and **diversity goals link to evaluation and compensation**. Managers receive close attention for their critical role in developing and promoting diverse talent. For example, is the manager a sponsor for an affinity group? Does he or she represent the company internal and external diversity-related events? At each level, managers are accountable to meet three-year targets; results lead to rewards or further coaching.

- **Structured Interventions for Employees**

In 2010, Bank of America enhanced its **recruitment of new employees using a diversity lens**. Newly hired enterprise executives receive a customized on-boarding plan, a peer coach, and an executive sponsor. After 60 days, the Diversity Recruiting and Program Management Executive checks in to ensure the new executives clearly understand their roles, know their key stakeholders and resources, and are able to get things done across the bank.

The bank has established **programs to support career coaching and leadership development** that have proven effective for women of color employees, too. The Accelerated Development Program (ADP), an annual career coaching and leadership development program for 100 high-potential leaders, offers participants rigorous and in-depth feedback and developmental coaching over a 10-month period. Since launching in 2007 launch, 35 percent of the 540 participants were women, including many women of color. The Bank also maintains a program entitled DEAL, or Developing and Engaging African American Leaders.

Likewise, in partnership with Columbia University Business School, Bank of America annually selects a group of highly qualified women for the Columbia Women's Leadership Program. The program, aimed at women interested in accelerating career growth, helps them to explore the art of negotiation, strategies for influencing others, and leadership skills across cultures and generations. The 2012 class included 62 women from across the globe, with women of color comprising 26 percent of U.S. attendees.

The Diversity and Inclusion **sponsor program** targets strong, diverse talent, including many women of color, and connects them with sponsors who support the employees in their career advancement by advocating on their behalf.

Bank of America has **established employee networks** to facilitate communication and mutual support, including Leadership, Education, Advocacy and Development (LEAD) for Women. The employee networks promote professional development through their local chapters and offer members networking opportunities with other women. People of color networks include: Asian Leadership Network, Black Professional Group, Hispanic/Latino Organization for Leadership, and the Native American Professional Network. Through these networks, employees are encouraged to share best practices and to help each other advance.

**Other networking opportunities** for women of color arise through diversity and inclusion efforts that extend into the bank's lines of business and regions. For example, the Global Banking and Markets business held its inaugural Global Women's Conference and convened nearly 1,000 women to discuss business development, networking, and work/life balance. The bank also partners With the National Center for Women & Information Technology (NCWIT), the bank offers high school students cash prizes, computers, and mentoring opportunities with the bank employees through the NCWIT Award for Aspirations in Computing.

The Global Wealth & Investment Management business created the Women's Exchange to address the unique needs of its client-focused business. The program provides a forum for its 2,500 members to share ideas and experiences, support one another, and promote and enhance personal and career development.

## CHALLENGES

The bank is actively seeking more women, including women of color, to head up P&L centers. Also, while a high retention rate at the top means that there are few openings at the bank's leadership level for women of color to move into, low retention rates at lower levels are mystifying. The rates may reflect the fact that millennials tend to change jobs relatively frequently or they could mean Bank of America can do more to hold onto women of color at the middle management level.

## IMPACT

An **analysis of internal data** shows that company-wide efforts to foster diversity and inclusion have effectively penetrated throughout different enterprises, lines of business, and regional programs in the bank. Likewise, 15 percent of female participants in the Accelerated Development Program have been promoted to the next level of leadership, compared to one percent of employees overall. As of April 2012, the retention rate is 85 percent for women program participants, five points higher than the overall population. Bank of America provides information on women and minorities as a percentage of officials and managers, professionals, technicians, sales workers, office and clerical workers, operatives, and service workers.<sup>3</sup>

## The Chubb Group of Insurance Companies

With strong leadership and sustained efforts to change the way work gets done at all levels of the company, institutions can drive diversity and embed the values of inclusivity, excellence, and respect into the core of the institution. As Sunita Holzer, Chubb's former Vice President and Chief Human Resources Officer, has said: "We need to develop a culture of inclusion where diversity just happens." With significant competition in the insurance industry for talent and customers, **diversity is a key component of Chubb's business strategy.**

### GOALS

- To ensure a diverse representation of talent throughout the company.
- To drive profit and growth from diverse markets.
- To embed diversity in learning opportunities.
- To implement management practices that enhance diversity.

### STRATEGIES IN PLACE

- **Inclusion Is Central to Talent Management**

Chubb uses **360° evaluations to assess diversity programming**, and to ensure employees have feedback that is useful and can be trusted. This form of assessment was implemented after an internal company study revealed high employee dissatisfaction with the lack of "appropriate and timely feedback." For middle managers, **diversity goals are linked to compensation.** Success measurements include rates of retention, promotion, and lateral moves for women of color who report to them.

- **Structured Interventions for Employees**

Chubb uses **outside expertise to deliver programs on diversity and inclusion.** For example, the company partnered with Dr. Mahzarin R. Banaji of Harvard University to deliver training sessions on the dynamics of unconscious bias to all employees with people-management responsibilities.

Chubb coordinates two **pipeline development programs** to accelerate advancement of women of color at different levels of seniority, Invest in Success, and a new program, Partnership Alliance. Both help women of color to compete more effectively for senior leadership positions within the organization.

Launched in 2010 specifically to increase the representation of women of color at the highest levels, Invest in Success focused on a small number of high-potential women of color at the assistant vice president level. The program's goals are threefold: to accelerate the development of skills in talented women of color; to strengthen the relationship between those employees and their managers; and to give them greater visibility among Chubb senior leaders.

In phase one of the program, selected participants met with their direct managers during a one-day off-site meeting and discussed topics such as aligning expectations around performance, goals, and career. During the next phase of the program, participants were asked to role-play alongside other senior leaders in the company during “day in the life” business simulations. Managers gave immediate performance feedback following each simulation.

Chubb was encouraged by the program’s initial success and recently implemented a similar program called Partners Alliance for pre-officer level women of color employees. The program was designed to build the pipeline for women of color and increase their interest in leadership roles with P&L responsibility. Partners Alliance targets mid-level women of color managers with five-to-ten years of experience. Participants complete a development review with their managers and identify a high-impact stretch assignment within their department or business unit. Results are presented to a senior vice president, who provides feedback. The first graduation event was held in July 2012.

## CHALLENGES

Attracting talented people of color to the insurance field has been difficult. Both the top leadership in the field and the agents and vendors on the ground still reflect the industry’s history as a largely white, male domain.

The fallout of the 2008 financial crisis and the continuing weak economy also pose a challenge to diversity efforts. According to Bettina Kelly, Senior Vice President of Chubb’s Talent Strategies Group: “The whole industry needs to attract more high-potential employees, and in times of economic upheaval, that means not losing our focus on diversity. At Chubb, we feel it’s still important to continue to develop, hire, and retain a diverse work force and build our pipeline to fill future senior leadership roles.”

## IMPACT

- The **leadership training programs** provide a high impact experience that increases women participants’ commitment, retention, and professional development and gives them greater exposure to senior Chubb leaders.
- By 2012, nearly 50 percent of participants in the first Invest in Success program had made lateral moves or received promotions.
- The focus on leadership development for women of color at Chubb is evident in the organization’s 2011 results of **employee engagement surveys**, where the group scored higher in a number of categories, including overall engagement, compared to various benchmarks. For example, women of color in assistant vice president and higher roles scored nine points greater than the Chubb average for overall engagement. The same group’s engagement scores were seven points higher than the benchmark for U.S. High Performing Companies and 12 points higher than that of U.S. Financial Services.

## Goldman, Sachs & Co.

As a result of employee surveys and individual feedback, Goldman Sachs established a Multicultural Women's Initiative, driven by the firm's Office of Global Leadership and Diversity.

### GOAL

The Multicultural Women's Initiative seeks to enhance the professional experience of women of color at the firm by championing programs that promote leadership development and career advancement, facilitate relationship-building across the firm, and focus on key issues that are unique to multicultural women in the workplace. This program extends Goldman's prior women's initiatives, which had already demonstrated results and received recognition in the industry.

### STRATEGIES IN PLACE

- **Measurement and Accountability**

Goldman Sachs thoroughly **evaluates its diversity programming**. Diversity goals are integrated into standard management practices, including the discussions and **systematic feedback** during the reviews. Managers are rated against scorecards that measure diversity performance along with other factors, like business contributions. The results are reported to their division heads and the firm's executive offices and success in **meeting diversity goals is linked to compensation** equations.

The firm also uses **employee surveys** that look beyond the representation statistics to understand individual experiences. One respondent said, "If everyone is miserable, that's equitable I suppose, but is that supposed to be okay?" With the survey, the firm sees how employees feel, what the satisfaction level is. One of the significant findings of the survey about four years ago was that the firm's strong women's initiatives were not supporting women of color adequately.

- **Structured Interventions for Employees**

Emerging Leaders Program (ELP) anchors Goldman Sachs's **leadership training for women of color**. Launched in 2012, ELP is an eight-month career management program designed to enhance the progression and retention of high-performing women of color professionals at the vice president level. Through sponsorship assignments, executive coaching, and employee-manager coaching, ELP addresses key themes that play an influential role in an individual's career progression and level of engagement. Overall, the program aims to equip participants with access to senior leaders, strengthen working relationships, enhance professional skills, and increase level of visibility.

ELP is also designed to improve employee-manager relationships by:

- Identifying and addressing key gaps in employee-manager perceptions of this primary reporting relationship.
- Providing managers with the tools to build authentic relationships with their direct reports.
- Aligning the business, professional, and performance expectations of both parties.

Goldman Sachs takes a multifaceted approach to **networking programs** for women of color employees. The Multicultural Women’s Loft Series started in 2007 as an informal gathering of women of color in the Tribeca loft of a company vice president. Since then, the Loft Series has evolved into a formal forum for candid and informal career discussions between women at the associate vice president level and senior leaders at the firm. In 2011, nearly 100 participants attended six sessions. Sessions were hosted by senior leaders at the firm who shared personal anecdotes on career advancement and discussed techniques to overcome roadblocks and thrive long-term.

Brokering Change: A Wall Street Multicultural Women’s Exchange is a Goldman Sachs-hosted cross-industry platform for networking and career development. Since its inception, the programs has provided almost 2,000 women of color from across the financial services industry with networking and professional development opportunities. This external-facing program aims to enhance the professional experience of women of color in financial services by focusing on issues related to their commercial and professional development. The convenings are great networking opportunities for women of color from across the financial services industry looking for the knowledge and tools to maximize their Wall Street careers.

Offerings include a speaker series, expert panels, career strategy workshops, business roundtables, and best practices on career advancement, strategic networking, and commerciality. More than 400 women of color in the U.S. financial services industry participated in the 2011 Brokering Change initiative.

- **Inclusion is Central to Talent Management**

Returnship® is Goldman Sachs’s successful effort to **implement effective flex policies** for its employees. It is also one of its more innovative programs for all women, including women of color. Comparable to an internship, Returnship® is a ten-week preparatory program for on-rampers in the process of transitioning back into the work force. It offers leadership development training, divisional overviews, and specific skills training; participants are placed across the company in Operations, Technology, Finance, Human Capital Management, Merchant Banking, Investment Management, and Global Investment Research. Across the globe, 124 returnees have participated in the program since 2008, and in past years, the firm hired over 50 percent of program participants in full-time roles. The program has been recognized in the U.S. as a leading re-entry program for seasoned professional women returning to the workplace after an extended career break.



## CHALLENGES

Building a diverse work force means changing culture, changing behavior, and making sure changes take hold. It's a long-term project. Every new initiative needs to be fully integrated into what already exists to avoid the potential for duplication and redundancy. For large global companies, bringing programs to scale is a challenge. Programs need to be adapted and launched in different national contexts. In 2011, for example, Goldman launched the cross-industry networking program *Brokering Change in India and Returnship®* in Singapore.

## IMPACT

A broad variety of programs deliver resources and opportunities for growth to women of color with different needs and at different stages of their careers. Senior management is actively engaged in diversity and leadership efforts and is implementing special programs based on the feedback multicultural women face in the workplace. For example, the firm embarked on a partnership with Ella Bell's *ASCENT* program for women of color after a survey showed that the firm's programming for women was strong but did not give enough support to women who were dealing with challenges related to race and ethnicity as well as gender.

## PepsiCo

At PepsiCo, CEO Indra Nooyi, a woman of color, demonstrates **clear commitment from leadership to articulate the importance of diversity internally and externally**. She co-chairs the company's Diversity and Inclusion Council and has publicly signed a statement of support for the UN's Women's Empowerment Principles, including seven steps that businesses can take to advance and empower women.<sup>4</sup> To follow through on that message, PepsiCo partners extensively with outside organizations and consultants to build programs specifically to enhance the potential of advancement for women of color. Internally, a senior vice president oversees a Diversity and Inclusion Council for each of the company's geographic areas.

### GOALS

- To expand the company's diversity and inclusion capabilities globally and create "a sustainable and differentiated competitive advantage" by aligning its employee and leadership pool with its market base.
- To increase the number of women of color in executive positions, not just in staff jobs but also in line positions, with P&L responsibilities.
- To improve retention rates of women of color.

### STRATEGIES IN PLACE

- **Inclusion Is Central to Talent Management**

PepsiCo uses innovative **tools for managing diverse talent**. For example, Power Pairs for women of color and their managers is a facilitated workshop, designed and implemented in **partnership with an outside expert management company**, Global Novations. The program improves communication between executive women of color and their managers and helps them to develop authentic relationships and feedback loops. Piloted originally in 2004, the program works with women at the vice president and director levels or above.

The program's success hinges on two components. The first is facilitated group training, one for the junior women and another for their managers. Originally, the report pairs worked together in the program, but the company restructured the sessions based on feedback from participants. The separate groups talk and share strategies more freely.

The second important component is the follow-up one-on-one session between a manager and her or his direct report. In the sessions, the report pairs trade information about their respective work styles, help clarify objectives and expectations, and build trust and personal connections. From the sessions, the pairs develop individual action plans for more junior employee.

Women of color at PepsiCo are enthusiastic about the program. Initially, Power Pairs involved 15 to 20 pairs of women and their managers in a year; currently, 75 pairs meeting together. The company offers three sessions a year, each with 25 pairs at three different U.S. sites.

Another talent management tool PepsiCo uses is its White Male Inclusion Advisory Board. The women of color affinity group partners with the White Male Inclusion Advisory Board—approximately 15 to 20 senior-level men from across the PepsiCo who work explicitly to address issues of difference, inclusion and exclusion. The groups co-sponsor trainings to raise awareness among white male employees of their social position and the benefits that accrue from it, as well as offering tools for understanding inequity in office dynamics. It provides all involved an opportunity to gain insight into their colleagues' journeys and to “walk the talk.”

- **Measurement and Accountability**

PepsiCo uses both **evaluations and surveys to assess its diversity programming**. The tools include a biennial organizational health survey and a quarterly Pulse survey to check in with employees about work generally, and any special relevant programs. The surveys turn up potential program improvements as well as problems, both of which are explored through focus groups to identify next actions.

PepsiCo is piloting a new cross-company **mentoring and networking program** called EQ Mentor. Created by Dr. Izzy Justice, EQ Mentor is an anonymous, yearlong mentoring program, peer community, and knowledge database for women of color at PepsiCo. Women nominate themselves for the program, which aims to increase strategic and innovative thinking. It is especially effective with younger women, who are more comfortable seeking information and skill-building via the web.

Components include:

- **A mentoring program** in which women are matched with retired or current CEOs from outside the organization.
- A peer community using Web 2.0 technologies that allows for collaborative learning from a global community, minus traditional barriers of geography, industry, and culture.
- Professionally relevant databases and information as well as user-generated content.
- Every woman of color who participates in EQ Mentor completes an Action Learning Project that brings greater visibility to the ideas of women of color in the company. The project must yield quantifiable results for either revenue generation or cost savings, **key metrics on race and gender made available across the company**. PepsiCo is tracking the outcomes of Action Learning Projects as one measure of the program's ROI.

## CHALLENGES

PepsiCo has identified three challenges to their efforts. First, all programs in the company, even those targeting diversity, ultimately have to drive value and include quantifiable measurements of success. Unfortunately, striving for diversity is not always reducible to numbers. Second, internal and external changes mean that the company can't rely on the policies and practices of the past. This includes its programming for women of color. Thus, PepsiCo must regularly step back, refresh, and update those programs. One looming question is whether to open up the programming to all women, not only women of color. Finally, the company must ensure that women of color, like all high-potential employees, are prepared for positions of power with P&L responsibilities.

## IMPACT

- Turnover among participants in the Power Pairs program was more than halved by 2010.
- The number of multicultural women in executive jobs globally doubled at PepsiCo between 2002 and 2010. Women now constitute about 30 percent of PepsiCo's executives.
- The company has been recognized for its diversity policies by multiple media sources, such as Working Mother, DiversityInc., and others.

## Prudential Financial

Chairman and CEO John Strangfeld says that “At Prudential, we know that in order to succeed we need to embrace employees’ unique talents, experiences, insights, and creativity. This can only come from an environment that supports diversity and inclusion as a way of life and seeks to embed this belief in every aspect of the business.” Leaders and managers “own” diversity and closely monitor key indicators of inclusion—a data-based approach closely aligned with business objectives.

### GOALS

Prudential’s diversity and inclusion goals are divided into three distinct pillars:

- The People Pillar: To increase the talent pipeline of women and people of color, and to cultivate an inclusive working environment.
- The Market Pillar: To connect with key customer segments through targeted multicultural marketing and by developing niche products.
- The Community Pillar: To support diverse segments of the community through philanthropy, third-party relationships, and the suppliers it uses, and to leverage the positive story of these relationships to strengthen the bank’s brand image.

### STRATEGIES IN PLACE

Prudential aspires to be a top leadership and talent management company across race, ethnicity, and gender, placing its **diversity goals at the core of the company’s strategies**. Developing a diverse pipeline of talent as it pertains to all women is critical, and while there are no specific programs that target women of color, the company has a number of efforts in place to develop and retain the diversity of its women employees overall.

- **Measurement and Accountability**

Leaders in the different lines of business implement “high-impact diversity objectives” at all management levels to **link diversity goals to evaluation and compensation**. As part of their performance reviews, managers are evaluated on how well they develop their employees; as necessary, managers can access classroom and web-based support for managing a diverse work force.

Prudential **surveys employees about their experiences** through its annual Employee Opinion Survey. The results, analyzed by gender, race/ethnicity, and management/non-management roles, often yield opportunities for growth and improvement. Employee action teams work together to develop plans to address any identified concerns.

- **Structured Interventions for Employees**

Among other initiatives, Prudential partners with two external organizations to provide **leadership development for high-potential talent**: Women Unlimited for women in mid-management positions and NextGen Network for high-potential African American/Black employees.

1. **Women Unlimited (WU)** is a nationally recognized organization focused on developing high-potential women in Fortune 1000 corporations. In 1995, Prudential was one of the first companies to **use outside expertise** by partnering with WU and its founder, Jean Otte. In addition to sending participants to the program, Prudential employees have been mentors and members of the WU Executive Advisory Panel. The WU program includes:
  - **TEAM:** Transforming Emerging and Aspiring Managers, a six-month mentoring and management development experience with monthly workshops, group mentoring, ongoing peer coaching, and exposure to leading specialized experts in corporate matters. Target: High-potential women with two years or less of supervisory experience.
  - **LEAD:** Leadership Education and Development, a 12-month leadership skills development program that includes 12 workshops, on-the-job assignments, one-on-one and team mentoring by leading corporate executives, an individual development planning process, and networking and team-building exercises. Target: High-potential women with a minimum of seven years of managerial experience.
  - **The FEW:** Forums for Executive Women, a 12-session, invitation-only convening of up to 20 women executives from diverse corporate backgrounds. Limited to one representative per corporation, participants explore complex, global business strategies and strategic alliances. Target: Women executives from the highest levels of their companies' hierarchy.
  - **Alumnae:** WU has a thriving alumnae community both within and outside of Prudential, further increasing visibility and networking opportunities for participants.

In 2012, Prudential sent 64 women (22 TEAM, 41 LEAD, and 1 FEW) to programs located in eight cities across the country. WU programs are sought-after development opportunities filled to capacity each year.

2. **NextGen Network, Inc.** is an affiliate of the Executive Leadership Council, a leadership **affinity network** of senior African American/Black corporate executives in Fortune 500 companies. The NextGen Network offers career and professional development, community service opportunities, and points of connectivity for African American/Black business professionals. Prudential has been a lead corporate sponsor of NextGen Network since 2006.

Through a competitive internal selection process, the company currently supports eight high-potential employees as NextGen Network members, five African American/Black women among them. Participants are paired with Executive Leadership Council members with similar industry expertise, and the relationships are facilitated through organized mentoring sessions, training opportunities, receptions at annual meetings, etc.

A senior-level woman established a **networking program** called Networking Enhances Women's Success (NEWS) to raise the visibility of senior-level women at Prudential and to provide mentoring, leadership development, and networking opportunities to other women. Annual leadership and professional development events focus on workplace and career challenges and opportunities to develop less formal mentoring and sponsoring relationships. Senior women from NEWS often collaborate with their counterparts at such companies as KPMG and Blue Cross/Blue Shield to host women's leadership development and networking programs.

## CHALLENGES

- Prudential has a strong, high-functioning diversity program. Recent acquisitions, however, have expanded Prudential's global presence. The majority of its employees are now located outside the U.S. and the company is reaching for a more global approach to diversity and inclusion.
- Prudential is hoping to leverage best practices from its diversity and inclusion efforts to make talent and diversity a defining competitive and strategic differentiator.

Since 1993, many of the company's employees have come together in Business Resource Groups (BRGs). These groups, which are open to all employees, serve as networks for promoting individual professional development, while helping the company achieve its business objectives. Because it believes BRGs can benefit the organization in many ways, Prudential continues to seek ways to enhance the BRGs as a way to recruit, grow, and develop talent.

## OUTCOMES

Prudential's focus on diversity and inclusion has helped the company attract top candidates of all backgrounds; fully leverage the capacity of all employees around the world; connect with all segments of the global marketplace; and strengthen its reputation and brand status in communities where company employees live, work, and aim to do business.

## Time Warner

Time Warner's business depends on adapting fluidly to changing demographics, and it sees **diversity as a company core strategy**. The case for a diverse work force is an easy sell. "Our business is telling the world's stories—in news, programming, magazines," says Lisa Garcia Quiroz, Senior Vice President for Corporate Responsibility and Chief Diversity Officer. "There's an important bottom-line recognition by company leadership of the significance of multicultural aspects for our products."

### GOAL

To align employee and leadership talent pool with multicultural audiences to ensure high quality and relevant programming.

### STRATEGIES IN PLACE

- **Demonstrated Commitment from Top Leadership**

As a direct response to changing markets, Time Warner launched an annual Multicultural Business Summit in 2007. It is a forum for senior executives in multicultural marketing, sales, and content spaces to showcase their expertise and advance ideas specifically targeting different demographic groups. About 130 executives participated in the 2010 Summit—including many white men, who developed greater awareness of missed (and emerging) opportunities with communities of color. Time Warner's CEO hosts and strongly supports the Summits and attends each year's session in its entirety. A small multicultural advisory group follows up on ideas that arise from the Summit.

According to Garcia Quiroz, the Summit allows senior executives to engage with business needs in the way that they prefer. "They want greater visibility. They don't want to be separate from but rather, included in existing programs," she explains. The end result is that the program meets the goals of the company and individual executives alike.

- **Inclusion Is Central to Talent Management**

Company policies require recruitment efforts at the vice president level and above to cull a diverse pool of candidates. In practice, this ensures that **the hiring process is extremely open and transparent**, and encourages the company to look farther afield to find a broader range of people to interview.

Twenty years ago, Time Warner radically changed its process for advancement of women employees. The CEO at the time determined that the company needed more women at all levels. He brought in new women employees and advanced other women internally—sometimes before they were ready, but with the support they needed to succeed. It is widely believed that the CEO changed the face of the company within ten years, and current leadership is attempting to live up to that legacy.

Although Time Warner does not have advancement programs specifically for women of color, it does have several programs targeting women in general. A new program, Leadership Edge, is designed for director-level women who are nominated to participate if they meet specific criteria. Time Warner partnered with McKinsey in developing



the program, which is based on a centered leadership model. Time Warner has added modules on having difficult conversations, executive presence, as well as panel discussions led by senior women across the company. Since December 2010, the program has served 100 women.

- **Measurement and Accountability**

Women and people of color are well represented in all of Time Warner's development opportunities. Each divisional CEO's **diversity performance objectives are linked to compensation** bonuses. If a divisional CEO falls short of their diversity objectives, her or his bonus is affected.

- **Structured Interventions for Employees**

Time Warner's **leadership development programs** include Breakthrough Leadership and Creating a Unified Culture: Investing in Our Women. A 10-year-old initiative, Breakthrough Leadership targets high potential women at the vice president level and above. Since 2003, the program has served 300 participants. Another program, Creating a Unified Culture: Investing in Our Women Leaders, was developed as part of the company's strategy following its 2000 merger with AOL. The program strives to develop a cohesive culture and **create strategic assignments** that build pathways toward a healthy pipeline of women leaders. In 2011, Time Warner won a Catalyst Award as a marker of this successful effort to change its corporate culture. The award cited the fact that the program "resulted in a critical mass of powerful senior women role models."

## CHALLENGES

- Time Warner is a compelling example of the double bind companies face with high retention rates, in this case higher for women than for men, and 90 percent or higher across all gender and multicultural groups. Such low turnover at the top levels leaves little room for women of color to ascend to the upper levels of management. To exacerbate the problem, the company is substantially smaller now that Time Warner Cable and AOL have spun off into separate companies.
- The company's mid-level pipeline is working more effectively for white women than for women of color.

## IMPACT

The company **conducts diversity audits** to measure how relevant content is to different audience groups. The company has used the results to **establish benchmarks for employee diversity**. The company has doubled the number of people of color in management positions over the past six years. Time Warner's editorial staff also uses diversity audits to measure how relevant content is to different audience groups, which, in turn, drives hiring. By making this link, the company has doubled the number of people of color in management positions over the past six years.

## CONCLUSION

### Looking Ahead

**T**he four women leaders who shared their stories for this report are inspiring and their achievements show that persistence, perseverance, and “right place, right time” opportunities make an enormous difference in their lives. But if the goal is to change the ratio of women of color in leadership positions, it is important to recognize that their success comes *despite* the lens of race through which they are seen. It does not alter the lens. The paradigm will change when the lens we use to evaluate, support, and advance leaders is itself corrected.

Even as this report identifies many ways diversity advocates can act to create more inclusive institutions that attract, support, and retain women of color, any path forward undoubtedly will be twisting, bumpy, and uncertain. Frequent roadblocks include:

**Uneven institutional support:** If a diversity advocate has the ear of corporate leadership, success will be fleeting without buy-in “from the middle,” managers who will supervise and help groom the burgeoning talent pool of women of color. If human resources is ready to train managers but upper-level executives give the idea a tepid response, nothing will change. Diversity initiatives are constantly vulnerable to shifting corporate missions and priorities, leadership transitions, economic downturns, restructurings, etc.

The paradigm will change when the lens we use to evaluate, support, and advance leaders is itself corrected.

**Generational differences:** Researchers and diversity professionals point to differences between younger and older workers in values, expectations, work styles, even the way they understand racial differences. For example, younger women of color seem less inclined to join affinity groups defined by racial or gender identities, and they seem more likely to use web-based programs. How do diversity advocates create strategies that work for millennials as well as more experienced workers?

**Fields that remain static:** Fields like technology and engineering, and industries such as insurance have attracted more men than women in the past and continue to do so. They are especially resistant to “change the ratio” efforts and have been slow to actively recruit women and people of color. How can the perception of these fields be changed to attract larger numbers of women?

**No room at the top:** Corporate mergers, consolidations, and downsizing, combined with high executive retention rates, are shrinking the size of the C-suite. That leaves fewer openings for highly talented women of color leaders. How do corporations make room for such talent, especially in a down economy?

U.S. companies know that the future is here in terms of changing demographics, as soon people of color will account for more than 50 percent of the country’s total population. We often think of corporations as simply reflecting embedded social values, expectations, and assumptions that shape how we see others and ourselves. It is important to recognize that corporate cultures evolve over time much like our individual assumptions and values. NCRW’s exploration into the eight companies featured here show their efforts to change environments and understandings about difference, to dismantle barriers, and to make corporate spaces more hospitable and supportive for everyone, including women of color. Even as we puzzle through which strategies work best, one thing is clear: the corporate leaders who persist in finding the right questions to answer will hold the competitive edge.

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