Winning the race for diverse talent requires successful recruiting strategies and savvy retention and talent development tactics. Today’s global marketplace is in a state of constant evolution—an ever-changing environment that demands corporate entities keep up with the pace of transformation. Women and the traditional ethnic markets of African Americans, Asian Americans, Hispanics, and Native Americans are now further segmented into other sub-markets such as the lesbian, gay, bisexual, and transgender (LGBT) community, people with disabilities, older Americans, immigrants, and more.

With this major change across the marketplace comes the need to alter the makeup of the corporate workforce. In order to maintain a hold on traditional markets, while also gaining market share in the emerging areas, U.S. companies are finding innovative ways to diversify their workforces to match these consumer bases. Moreover, it is not just about recruiting diverse employees, it is about retaining and developing their professional talents as well.

In this chapter, we will explore the following questions:

• What is the representation of minorities and women in the United States?
• How do best practices companies recruit and retain minorities and women?
• What are key ways to retain and develop women of color specifically?
• Why do employees, particularly minorities and women, leave or stay?
• What impact can mentoring have on recruitment, retention, and advancement?
• What are the current trends in career development and succession planning?
Key Population Trends

Even a quick glance at population statistics will show the importance of staying ahead of the recruitment and retention curve. For example, consider age trends. With four generations now in the workforce, companies looking to lead in the coming decades will have to implement strategies to continually develop their experienced older workers while at the same time compete effectively for younger workers. Additionally, creating synergy between these generational groups—many of whom have differing values, experiences, and work habits—will be a necessity to maintain maximum productivity and a competitive edge.

The changes in the country’s population landscape do not end with age. When examining population changes by race and ethnicity, distinct patterns also emerge. For example, based on U.S. Census projections:

- The nation’s Hispanic and Asian populations will triple over the next half century, and non-Hispanic whites will represent about one-half of the total population by 2050.
- Nearly 67 million people of Hispanic origin (of any race) will be added to the nation’s population between 2000 and 2050. Their numbers are projected to grow from 35.6 million to 102.6 million, an increase of 188 percent. Their share of the nation’s population would nearly double, from 12.6 percent to 24.4 percent.
- The nation’s Hispanic and Asian populations will triple over the next half century, and non-Hispanic whites will represent about one-half of the total population by 2050.
- The Black population is projected to rise from 35.8 million to 61.4 million in 2050, an increase of about 26 million, or 71 percent. All told, their share of the country’s population is expected to increase to 14.6 percent from 12.7 percent.

In addition to the trends in populations by age as well as race and ethnicity, the female population is also projected to continue to outnumber the male population, going from a difference of 5.3 million in 2000 (143.7 million females and 138.4 million males) to 6.9 million (213.4 million females and 206.5 million males) by 2050, according to U.S. Census figures.

With the face of the global workforce changing drastically, it becomes increasingly apparent that winning the race for diverse talent necessitates more than simply adhering to baseline Equal Employment Opportunity and legal requirements. In today’s marketplace, best-practice companies are those that integrate diversity philosophy into their business missions.

Recruitment and Retention of Minorities and Women

Diversity sits at the heart of new, innovative, and effective corporate recruiting strategies. The high-stakes global race for talent is precisely why there is more attention on recruiting than ever. Leading corporations say that great recruiting makes the difference in a competitive marketplace and in pushing stock value.
To find qualified minority candidates, the industry is reaching out to students as early as junior high with internships and communications programs. Companies are also seeking candidates from academic areas outside of the company's focus to find those with backgrounds that could be valuable. In addition to networking, they are advertising in minority media outlets, pushing recruiters to find more minority candidates, and sending more staffers to job fairs sponsored by minority organizations.

Inclusive and growth-oriented recruiting must also ensure that the best and brightest female and minority candidates stay with the company once presented with career options. From an economic standpoint, when employees leave and replacements are hired, companies must deal with higher recruiting costs, longer training time, and lower productivity. Research suggests that the cost of a professional or a manager leaving an organization can be as high as twice the average associate's salary or a minimum of one year's worth of salary and benefits. A diverse workforce also inherently brings to the table a diversity of thought and perspective that is extremely valuable in today's global economy. In addition, as clients demand the expertise that comes with experience, firms can no longer afford to train their employees only to watch them leave.

Turnover and Retention Trends

According to a Catalyst, a New York-based non-profit group that studies workplace trends, factors that cause employees to leave their firms can be divided into two categories: "pull" and "push" factors. Pull factors arise from outside and include offers of high-paying jobs elsewhere, desire to pursue a life-long career dream, and family responsibilities. Push factors arise from within the current employer and can include a perceived disconnect between an employer's commitment to diversity and the execution of the practices that support that commitment, limited opportunities, lack of role models in senior leadership, unclear career paths, excessive workload due to bureaucratic and management inefficiencies, and lack of respect for personal life. Whereas employers have little control over pull factors, companies can help retain their workforce by focusing on the push factors over which they have significant control.

In a Catalyst study, senior-level women gave their top three reasons for which they would leave their current organization, with 42 percent citing increased compensation, 35 percent to accept the opportunity to develop new skills or competencies, and 33 percent to pursue greater advancement opportunities. High-level men gave the same reasons, with 51 percent citing increased compensation, 32 percent to accept the opportunity to develop new skills or competencies, and 30 percent to pursue greater advancement opportunities.

Although multiple studies and debates exist around the topic of measuring turnover, an accepted number for the cost of a professional or manager leaving a company is a minimum of one year's worth of salary and benefits, or at least 100% of the employee's salary and benefits. This formula measures the combined cost of termination, replacement, vacancy, and learning curve productivity loss.
Combating Turnover

The following chart shows that the rate of turnover from voluntary quits varies by industry, with the highest rate of quits in the leisure and hospitality industry and the lowest in the government.

**Voluntary Quits by Industry, 2008**

![Voluntary Quits by Industry, 2008](image)

*Source: Catalyst, 2008*

To reduce turnover rates, Catalyst suggests companies first build awareness and more understanding regarding the experiences and perceptions of women and men of color by doing the following:

**Assess the work environment.**

- Find out about your organization’s diversity strategy,
- Use internal surveys, focus groups, and interviews to document, by subgroup, the experiences, and perceptions of women and men of color.

**Examine your own opinions, assumptions, and behavior.**

- How inclusive are you about socializing with staff members from different backgrounds?
Examine what priority you give to institutional supports for staff members who are from backgrounds different from yours.

- Do your expectations for the performance of your staff that are of color vary from those for your other staff?
- Do you ever make assumptions based on stereotypes?

Develop closer relationships with women and men of color. Learn their perspectives.

- Make an effort to ask women and men of color about their perspectives, backgrounds, and interests
- Identify subgroups of women of color and men of color in your organization and go out of your way to learn about their unique experiences and challenges
- Increase understanding of differences and similarities between groups and within groups through education and informal dialogues, one-on-one and in groups
- Encourage differences in behavioral and work styles

Communicate and demonstrate your firm’s commitment to diversity.

- Use training programs, one-on-one mentoring with senior leaders, inclusion in high-visibility programs, and networking opportunities
- Integrate diversity initiatives into routine organizational practices such as recruitment, orientation, training, career-development tools, and succession planning
- Hold managers accountable for the retention and advancement of women and men of color
- Create clearly articulated plans for long-term development of women and men of color
- Hold managers accountable for providing critical development opportunities and high-visibility assignments necessary for advancement
- Review managers’ performance evaluations of subordinates by race/ethnicity and gender of subordinates
- Evaluate managers’ performance and commitment. They communicate how managers will be evaluated over the course of the year for their input into succession planning
• Track overall effectiveness of diversity retention:
  * Women
  * Minorities
  * GLBT
  * Disabled
  * Ethnic groups
  * Immigrants
• Benchmark progress against goals and undertake gap analysis to solve problems
• Offer special programs from mentoring to day care and elder care
• Insure diverse candidate pool for upward mobility. Track succession planning results
• Use statistical analysis to set up succession planning initiatives and set up schedules
• Use surveys and results by demographics within the company or organization. They ask what employees expect; they solicit their feedback and aggregate the data
• Gain the support of managers and engage all areas of the workforce
• Use innovation and creativity as ways to increase diversity and with it, productivity
• Keep messages concise and programs focused

Effective Mentoring

Mentoring boosts retention and advancement, which explains why a Diversity Best Practices survey found that 80 percent of companies surveyed either had formal diversity mentoring programs or were in the process of establishing them. Mentoring not only helps employees’ career tracks, but it is also an effective way to measure their internal impact.

Some elements of effective mentoring to consider when establishing a program include:

• Commit to mentoring programs and vision
• Develop principles, guidelines, and practices
• Confirm definitions as to types of formal and informal mentoring programs
• Mentor-Mentee Match Program: This system consists of one-on-one relationships that enhance personal and professional growth, improve cultural competency, assure skill building, and increase networking opportunities

• The Peer-Mentor Program: This may be a short-term program where a new employee is assigned to a current employee to familiarize the new employee to the organization

• Establish goals for each part of the program (i.e., high potentials, young professionals, self-selected, etc.)

• Seek champions and sponsors of the mentoring program

• Tie the program to organizational development

• Ensure staff accountability and infrastructure to support the program

• Confirm budget support for the mentoring program

• Build effective matchmaking

• Conduct training and education of mentors and mentees

• Provide orientation for mentor/mentee matches

• Add tools and resources

• Expose to senior management through structure activities

• Hold focus and discussion groups

• Assess communications, the intranet and a library of motivational and inspirational books and other educational materials

• Tie in communications support and implement with technology and other means

• Ensure tracking, monitoring and reporting

• Develop measurement and matrices for results

• Consider an innovative and significant approach as the program builds, including rewards and recognition
What type of mentoring is right for your organization? Do your employees’ needs require formal or informal mentoring? The chart below offers some potential challenges and opportunities offered by each approach.

<table>
<thead>
<tr>
<th>Informal Mentoring</th>
<th>Formal Mentoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low expectations make mentoring easier, but less effective</td>
<td>More challenging to do</td>
</tr>
<tr>
<td>Little or no training needed</td>
<td>Training required</td>
</tr>
<tr>
<td>Employees often don’t ask for help for fear of appearing “dumb”</td>
<td>Employees feel questions are expected and so ask more questions and reveal needs</td>
</tr>
<tr>
<td>Experienced employees often don’t help since they don’t want to look like “know-it-alls”</td>
<td>Veterans know collaboration is desired and expected</td>
</tr>
<tr>
<td>Veterans don’t want to intrude and don’t want to appear critical or negative</td>
<td>Mentors are prepared to handle the challenges with finesse and skill</td>
</tr>
<tr>
<td>Individual informal help is hard to identify and hard to support, affirm and recognize</td>
<td>The organization knows who to support and to reward for helping</td>
</tr>
<tr>
<td>The need to be productive overwhelms desire to use time to learn and help others</td>
<td>Time for adult learning is more protected and more expected</td>
</tr>
<tr>
<td>Veterans support tends to further the status quo rather than new practices</td>
<td>Results improve as adult learning becomes better supported and more routine</td>
</tr>
</tbody>
</table>

The Procter & Gamble Company provides a strong corporate example of combining their employee resource group and mentoring efforts for maximum success. Procter & Gamble’s Employee Association of Gay Men, Lesbians, Bisexuals, and Transgenders (EAGLES) has developed a mentoring program that provides support and guidance for individuals who are “coming out” in the workplace. This program specifically helps to foster support for any friend or family member who has self-identified as LGBT.

The Black Advertising Leadership Team (BALT) at Procter & Gamble also serves in an advocacy role through its mentoring initiatives. Through BALT, marketing directors and brand managers take the initiative to mentor and coach less senior members, helping them to navigate and succeed within the company. This professional interest overlaps with personal friendships creating sincere advocates.

Citigroup Inc. also is a leader in retaining and developing employees through mentoring. Thanks to ongoing participation of the senior leadership, Citi’s mentoring program continues to inspire and help train employees. Citi offers several mentoring programs beyond traditional one-on-one mentoring. One example is “Coaching for Success,” where participants are assigned both a coach and a “thinking partner”—an individual who helps guide the participant through issues and challenges. Participants are offered programs emphasizing self-awareness, career management, communication, and presentation skills. They also receive tips and feedback on styles of delivery, cross-cultural communication, the importance of building a network, and the value of diversified career moves.
Career Development and Succession Planning

A company’s best resource is its people. The lifeline of an organization, strong employees are equipped with the talent that enables a company to pursue and secure new business growth, expand existing services, and devise innovative techniques and tools that enhance quality of life. Without pioneering, skilled, and dedicated talent, an organization becomes stagnant and stale. Having the right people on board—especially those who perform at high levels and exhibit true dedication and career investment in their corporations—will propel progress and growth.

As most companies know, recruiting and retaining top talent is a time consuming yet highly critical process that directly affects the ultimate success of an organization. Not only is the goal to obtain employees that are an ideal fit for the institution as a whole, but also for their particular positions and teams. The objective of career development is to retain diverse talent and support career development of employees worldwide, thus increasing the profitability and success of the organization.

Moreover, with the look and feel of the workforce changing, diverse employees are altering the cultural landscape of how Americans do business at home and abroad. Businesses that are adept at tapping great talent will have in their corner motivated individuals who rethink, reshape, decipher, and disseminate intelligent new strategies that speak directly to the values and cultures of our multifaceted consumer base.

Senior managers and executives who clearly understand that career development and succession planning are a management imperative systematically identify high-potential internal talent. These leaders proactively begin the process of nurturing that talent for larger responsibilities within the organization. Ultimately, career development and succession planning help to ensure that replacements are available to assume critically important positions as they become vacant.

In a survey conducted by AARP, 400 New York-based businesses were studied to determine how they deal with the departure and/or retention of older workers. The results revealed the importance of retaining instructional knowledge that might be lost when employees retire or otherwise leave. However, only a third of the businesses from the study reported having a formal process that enables employees who retire or leave to share the knowledge they have obtained on the job. The Bureau of Labor Statistics further states that by 2010, more than half of the workers in the United States will be over age 40.

In addition to aiding in the quick and effective filling of vacant positions by highly qualified talent, career development and succession planning initiatives both provide an opportune time for a corporation to review and analyze its diversity structure. Across the board, exceptional females and minorities continue to struggle with advancement in corporate
America, and women of color face the tallest barriers despite the fact that they are an increasing force in top workplaces across the nation.

Through reflection and foresight, companies that want to maintain a competitive advantage in today’s global marketplace must ask: Are we providing opportunities for growth and development within our diverse network of employees, particularly for women and minorities, who continue to face various degrees of challenges and barriers in the corporate workplace? What safeguards do we have in place to support, train, and retain these assets?

The following 10-point plan offers suggestions for actively retaining and advancing female and minority employees through thoughtful career development and succession planning processes:

• **Make a commitment.** Commit to diversity succession planning to increase minorities in the management and divisional leadership in business units.

• **Set clear objectives.** Set objectives overall and then spread responsibility for the succession program so that all are aware of and understand the program.

• **Learn from others.** Study what others are doing; benchmark results against others in your industry.

• **Utilize measurement and evaluation tools.** Set up benchmarking, evaluation and measurement processes to analyze succession planning programs.

• **Outline competencies.** Understand and communicate required competencies needed to advance.

• **Define and communicate goals.** Clearly define how you can better the corporate culture.

• **Create a scorecard.** Profile current retention levels and develop a scorecard (trends and projections)—senior level, upward mobility, attrition reality and potential, climate survey results.

• **Determine the minority talent pool for management spots.** (i.e., current internal pool; where external recruitment may be essential to fill the numbers).

• **Leverage existing programs and knowledge.** Determine how to leverage current programs; determine retention rates for Hispanics, African Americans, Asian Americans, others.

• **Discuss customized 360-degree evaluation tools.** Create candidate profiles; compare overall scores on these profiles for minority and majority candidates.
Retaining and Developing Women of Color

In the race for top corporate talent across all levels, women of color are an imperative, yet vastly underutilized, business resource. Hiring and retaining women of color is not simply an issue for women of color. With increasing globalization, it makes good business sense to develop strategies to ensure that women of color thrive. Their leadership can be the key to exploring new markets, increasing consumer loyalty, adding creativity and diversity in decision making, and providing fresh insights into a growing consumer base.

The challenge facing corporations today is to make an honest and critical assessment of internal policies and procedures that either help or hinder the fair and valuable succession of women of color. While internal reflection and critique is often avoided, corporations who are not on the cutting edge of succession planning and who do not take the necessary steps to ensure an equitable and business savvy process will be on the losing end of progress.

An effective succession plan for women of color takes into account their goals and aspirations for personal and professional growth in conjunction with the company’s goals and aspirations for business growth. It has to be a mutually beneficial partnership. Mechanisms should be in place to provide talented women with access to internal resources (e.g. mentors, sponsors, training) that can benefit their rise within the organization. Visibility is also essential, which means they should be exposed to assignments that provide the best possible display of their talents and abilities as potential leaders.

What is ideal is that these women have the ability to guide the global outreach for their companies and navigate into areas that offer promise, growth, and revenue building. For example, the spending power of the multicultural community is vast, and companies that are positioned to capitalize on the billions being dispensed can position their company for growth within these marketing niches. The Selig Center for Economic Growth at the University of Georgia’s Terry College of Business recently released information on the growing spending trends among Blacks, Hispanics, Asians and Native Americans.

- African-American spending power was $845 billion in 2007 and is expected to rise to $1.1 trillion in 2012.
- Hispanic spending power has risen from $212 billion in 1999 to $869 billion in 2007 and is expected to be almost 1.1 trillion in 2012.
- Asian buying power has the second fastest projected rate of growth behind Hispanic buying power. Asian spending power was $253 billion in 2001, $459 billion in 2007, and is expected to grow to $670 billion by 2012.
- Native American buying power was $57 billion in 2007 and is expected to rise to $77 billion in 2012.
From an economic standpoint, companies that have women of color in decision making roles can bring clarity, creativity, vision, and diversity of thought and perspective. Having employees that can impact and influence these marketing segments can be a valuable asset to any company. As it stands, there is less than a handful of women of color currently heading Fortune 500 companies.

Corporations seeking a deep foothold in new and emerging markets can learn a thing or two by observing these leading women, and in turn, should take a strong look at their own women of color as they move to promote internally. Andrea Jung, for example, has propelled Avon's sales to almost $10 billion in 2007, from $4 billion when she first assumed the top post in 1999. She was also recently named to Apple's exclusive eight-member Board of Directors.

Today, Avon has nearly 5 million women sales employees in over 100 countries, including in emerging markets like China, India and Russia. With Jung as its lead trailblazer, Avon has experienced tremendous growth in China, a market which previously did not have an open-door policy for selling cosmetics door-to-door. There is no doubt that having a Mandarin-speaking CEO familiar with the global possibilities for new markets & new business growth assisted Avon in opening portals for consumer selling—both in China and worldwide.

Given the tremendous success of women of color in global business, one would expect to see more women moving up the corporate ranks in organizations big and small. Yet, major progress has yet to be seen. All employees want to feel valued, useful and productive, and women of color are no different; however, they are often challenged by exclusionary tactics that hinder their ability to be effective managers.

Corporate environment is a key area that continues to challenge the ability of women of color to function at full capacity. A company's environment encompasses many things, including the climate of inclusion, sense of support and investment in employees, opportunities for personal and professional development, respect for culture and family, and communicated dedication to work/life balance. Many corporations may talk of a strong commitment to diversity and inclusion, but too often their actions fail to support these aspirations in the workforce and C-suite.

**Barriers to Advancement for Women of Color**

Women of color tend to experience barriers when they are challenged from within their corporation through:

- **An inability to identify an influential sponsor, or mentor, within the organization.** Nearly all people in executive ranks have had someone help them along the way, someone who can speak on their behalf at meetings or guide them through the corporate maze of managerial development. If a woman of color is not in the pipeline to be recognized, she won’t be. The presence of senior role models and mentors is a significant factor in the ability of organizations to retain top talented women of color.
• **The absence of informal networking opportunities with influential colleagues.** Networking is critical to advancement. In order for women of color to effectively showcase their professional skills and talents, they must first be recognized. High-level networking provides the opportunity for these women to make key connections that can rapidly and positively affect their professional development journey.

• **Lack of company role models who are members of their racial and ethnic group.** Being able to look “up” and see other faces such as one’s own is important for any employee seeking to advance within a company. If a woman of color can identify a role model who is not only a corporate leader, but who also reflects her image, advancement appears more tangible. This can lead to confidence and a greater likelihood of reaching out for support.

• **Omission from high-visibility assignments.** High-profile projects and responsibilities are the ones that get noticed. If a woman of color is not receiving assignments that allow her to effectively demonstrate her range and ability as a potential leader, how can she expect to get noticed or considered for promotion? Trust factors often come into play as women of color are often questioned in their ability to handle important projects or interact well with clients or colleagues outside of their own culture.

• **Balancing work and family.** Women typically shoulder a disproportionate share of the burden of balancing work and family, and often their careers can suffer as a result. Women of color working in corporate America who request work/life options from their supervisors can be judged unfairly. This is especially true when their supervisors may not understand the cultural context of their personal and family dynamics. Instead of being given the benefit of the doubt, women of color can be mislabeled as lazy, pushy, or ungrateful workers with attitude.

These challenges only represent some of the issues women of color contend with on a daily basis, and these challenges can create tensions that are only resolved by their departure from the company. When highly qualified women of color leave their organizations, the bottom-line impact on the company is costly and unnecessary. These women are heading to the exits because they cannot envision a future in a corporation that espouses diversity and inclusion in talk, yet excludes them from opportunities that could further their careers as well as benefit the company.

“Corporations may never fully diversify until they find ways to retain the minority workers in their ranks,” observes Peter Hom in his paper, “Challenging Conventional Wisdom about Who Quits: Revelations from Corporate America.” Minority women quit jobs more often than both whites and men of their own ethnicity, states Hom, and more specifically, African American women quit at a rate 61.2 percent greater than white men, and Hispanic women quit at a rate 67.5 percent greater than white men.

By providing the right support, opportunities and respect to these women, companies can ultimately retain top talent with the experience, drive, and perspective to be outstanding and long-term corporate leaders.
To implement a strategic plan, organizations need the right people in the right places at the right times. Without the intellectual and human capital, strategic plans cannot be realized. Therefore, succession planning and leadership identification is critical to the successful implementation of the organization’s strategy. There is not a singular, universal approach that works well across all companies. Rather, effective companies match their succession strategies to their business goals.

Ultimately, succession planning should reflect the way an organization needs to change in order to achieve its strategic goals. When done well, it impacts the success of the company, at headquarters and in each of the operating companies or levels. The following is a list of key strategies corporations can use to ensure an effective succession plan:

- **Broaden your horizons.** If succession planning is to be real, people have to accept that those who are different can be effective leaders. Diversity departments should work with executives and managers to change current recruitment and promotion systems. Companies have to accept that women and minorities can succeed and make contributions to the leadership of the company or organization, even if they do not look like or manage like the current group.

- **Commit from the top.** Top management participation and support makes for a successful succession planning program. CEO and C-suite involvement motivates participants and ensures other members of the top management team devote time and effort to the succession planning program. When the CEO commits to diversity in succession planning, it will receive more attention and buy-in throughout the company.

- **Dedicate roles and responsibility.** Best practices companies hold someone or a team responsible for achieving the goals of the succession planning program. Many corporate directors and board members become actively involved. Roles and responsibilities should be clearly delineated.

- **Establish criteria for advancement.** Define and communicate clearly the criteria, process and expectations for upward mobility. Review them with the candidates. Taking the time to think through and communicate clear expectations is vital to ensuring the most qualified candidates from a diverse pool are included in succession planning.

- **Communicate internally.** The succession plan must become a part of the company’s culture. Workshops should be held for managers across all levels of the company to understand why the company is undertaking this process, how it will work and what the desired outcome will be.

- **Facilitate mentoring and sponsorship relationships.** The mentoring relationship is a vital one to succession planning. It requires a sound and caring advisor – an astute individual who can assist in the process and who can expertly navigate the system. A sponsor can ensure that an employee’s career plan is reviewed on a consistent basis.

- **Support and encourage self-nomination.** Best practices companies drive individual employees toward reaching goals and achieving positive results through developmental activities. Best practices companies that consider self-nomination procedures and systems encourage women and people of color to advance themselves and their interests.
• **Extend succession planning to all levels.** The most successful succession planning programs do not restrict succession planning to its top brass, but instead extend it to all levels. The greatest emphasis is placed at the lowest management levels where most positions and people exist or on the levels where the business need is the greatest.

• **Establish familiarity to retain institutional knowledge.** Large companies use succession development programs to familiarize future leaders with the corporate environment. Identifying and training existing junior talent, and guiding them with the help of current company leaders, will allow a smooth transfer of knowledge and ensure future success.

• **Learn from others while also assessing yourself.** Study what others are doing while also setting up benchmarking, evaluation and measurement processes to analyze succession planning programs. Benchmarking in best practices companies is tailored to the unique culture of the individual company. In many companies the CEO is personally involved and often holds him or herself responsible for the success of the program.

Survey Results: What Women of Color Want

For the past seven years, *Working Mother* has celebrated companies with cutting-edge policies and practices that support African-American, Asian-American, Latina and Native American women. The Working Mother Best Companies for Multicultural Women’s initiative highlights the most important issues in the workplace for multicultural women, from understanding how identity impacts one’s career to creating strategic alliances at work. Through the Working Mother Multicultural Women’s National Conference and Regional Town Halls, *Working Mother* tracks what multicultural women would set as the top priority for their company. The answer? Accountability. More than one third of respondents said companies need to hold managers accountable for advancing multicultural women. Offering mentor programs and critical assignments were tied for second place, with 22 percent of the votes. Other findings include:

• **Networking styles:** When we asked multicultural women about their primary workplace networks, all racial/ethnic groups, except African American women, listed Caucasian women as their primary network. However, for 38% of African-American women, their primarily network was with women of their own race. Latinas and Multiracial women reported that they network primarily with men.

• **Mentors and sponsors:** The No. 1 most serious problem related to race/ethnicity and gender in the workplace, reported by 38% of attendees, was a lack of formal mentors and sponsors. Our winning companies recognize this, and 100% of the 2007 Working Mother Best Companies for Multicultural Women offer formal mentoring programs to their women of color employees.
• **Trust**: Perhaps the most surprising data was on trust. While women of color tended to trust their own race first and other women of color second, all groups concurred that they did not trust Caucasian women—even though white women were the most-named race/gender for role models, by 40% of respondents. This came as a surprise to many Caucasian women attendees—and provided an opportunity for learning.

• **Authenticity**: When asked whether they had separate identities at home and on the job because of their race/ethnicity, 63% of Caucasian women reported that they did not. By contrast, the largest groups, by percentage, believing they needed two personas were Native American and Multiracial women. Half of African American women said they maintain separate identities. About one-third of the Asian-American women andLatinas also reported feeling the pressure to maintain separate lives.

**Succession Planning and Women of Color**

Succession planning is a critical aspect of any business that looks to lead in the twenty-first century. Women of color are making gains, with more than five million women of color now holding managerial and professional positions in the workforce. Yet, they account for only 1.7 percent of corporate officers and top earners in the Fortune 500 companies.

Women of color should be able to enter the workforce expecting an equitable corporate culture. Having earned relevant degrees and gained valuable experiences, it is not unreasonable for women of color to expect access to opportunities that will support and advance their career goals. The factors that affect their retention, development and advancement are predicated on the company’s commitment to diversity initiatives and an inclusive work environment.

Corporations invested in succession planning programs that identify and groom high-potential women of color to run operations will move to the head of the pack as our workplaces and marketplaces continue to rapidly diversify. Evaluating the succession planning process with a focus on supporting a more diverse talent pool is critical. And best-practice companies that earn high grades with women of color do so because they collectively embody the idea of creating a business environment that motivates women of color to aim higher in their business goals while providing the resources and genuine support to assist them in this effort.

True succession planning covers the gamut of recruitment, retention, and advancement. To create a successful program, remember to be inclusive from the get go, and recruit from a variety of sources. Make a strong commitment to diversity and inclusion, and instill this commitment throughout corporate culture. Provide ongoing career development for all groups, not just women of color, and offer powerful networking and mentoring opportunities that are not just lateral, but that allow for access to top leaders as well. Measure your results and hold executives across the board accountable. And finally, see and treat women and minorities as the true corporate assets they are, and spread this knowledge and action by leading as an example for others.
Conclusion

In this chapter, we:

• Discussed the representation of minorities and women in the United States.

• Evaluated how best practices companies recruit and retain minorities and women.

• Examined key ways to retain and develop women of color.

• Reviewed why employees, particularly minorities and women, leave or stay.

• Assessed the impact mentoring has on recruitment, retention, and advancement.

• Explored current trends in career development and succession planning.

Through our examination of diversity and inclusion through the lenses of representation, recruitment, retention, and development, we can conclude that the representation of minorities and women in the country is increasing overall. What remains starkly evident, however, is that parity has yet to be achieved, particularly in the upper ranks of the workforce where the dominant demographic is still white and male.

Yet parity encompasses much more than mere representation. Many companies focus on diversity recruitment—or, getting minority and female candidates “in the door”—but best-practice companies set themselves apart by viewing recruitment as only the first step of many. These trailblazing organizations inherently believe that having a diverse workforce—in terms of gender, ethnicity, ability, faith, age, and other characteristics—leads to greater innovation, energy, teamwork, and ultimately, business growth.

The real question, then, shifts from how to attract minority and female candidates to how to keep them on board and nurture their growth within the organization. Retention and development initiatives can take numerous forms, including those discussed in this chapter and in the subsequent case studies, such as formalized mentoring, diversity training, employee networks and resource groups, structured succession planning processes, and work/life programs. The key is to analyze current strengths and gaps, determine the programs and initiatives that can address weak areas, and commit—through financial resources, time, dedicated roles, leadership buy-in, and measurement.
Case Study: Medtronic, Inc.

Medtronic, Inc. sets the standard in global medical technology, doing business in 120 countries with more than 37,000 employees and headquarters in the United States, Japan, and Switzerland. Its well-known mission is “to alleviate pain, restore health, and extend life.” But Medtronic is quickly gaining worldwide recognition for a different commitment—its commitment to being a globally and culturally diverse workplace. Diversity is seen as an important international business strategy. The company offers resources, support groups, mentor programs, and seminars to foster an inclusive atmosphere among employees.

The results are clear. There are nearly 12,000 employees outside of the U.S. Additionally, women comprise 46 percent of the workforce, and minorities represent 24 percent.

Medtronic approaches employee diversity with mentoring as a means of recruitment. Awareness Benefiting Leadership and Employees with Disabilities (ABLED) is an employee diversity special interest group and mentor program. Medtronic hosts students for Disability Mentoring Day. It utilizes members of the Society of Hispanic Professional Engineers (SHPE), National Society of Black Engineers (NSBE), and Society of Women Engineers (SWE) to create internal organizations which then work with existing employee resource groups. Overall, these initiatives emphasize awareness of the professional organizations and are strong sources for recruiting when coupled with Medtronic’s constant presence at minority career fairs.

The next stage is employee education, specifically the Diversity Learning Initiative “You Make the Difference,” which teaches inclusion and respect along with productivity. It begins with a play, “Lazarus,” that encourages pluralism and equality while exploring prejudices based on race, ethnicity, class, and profession. It continues with eight hours of classroom training about awareness and acceptance. More than 98 percent of all Medtronic employees have been through the program. They emerge from the initiative with more cultural awareness and the ability to effectively interact with all employees, customers, suppliers, and stakeholders.

Medtronic understands that education is not enough and cares for its employees the same way the employees care for consumers. Medtronic offers domestic partner health benefits and often hosts wellness programs about women’s health issues and parenting. It provides training on cultural sensitivity, English as a second language, and conversational English. When collecting employee feedback and suggestions on initiatives and diversity, it utilizes seven languages.

Employees feel safe and appreciated in the diverse work environment. “I have a passion for the people that work in my area. They are a diverse group, and it is wonderful to
share their cultures and ideas, and to find out that, truly, we are all very similar,” said an assembly worker.

Medtronic also supports diversity outside of the company by sponsoring groups like National Organization of Gay and Lesbian Scientists and Technical Professionals (NOGLSTP), a non-profit organization that works to eliminate discrimination against LGBT scientists, engineers, and technical professionals. The Medtronic Foundation allocates 20 percent of all contributions for education, specifically focusing on programs that encourage minorities and women to participate in underrepresented fields. Both of these tasks promote diversity in Medtronic’s field which translates to a higher talent pool of minority workers.
Case Study: Novartis

To operate successfully as a global organization, it is essential that Novartis’ people reflect the rich cultural, ethnic and gender diversity of its markets. As the company’s customer base becomes increasingly diverse, a diverse talent pool becomes a critical bridge between the workplace and the marketplace. Diversity of its workforce enhances customer insight and our ability to meet the needs of patients and other stakeholders.

Novartis considers diversity and inclusion to encompass, but not be limited to:

- Ethnicity
- Gender
- Thinking styles
- Religion and belief
- Sexual orientation
- Age
- Physical ability
- Education
- Nationality
- Life experiences

By many measures, Novartis already is a highly diverse organization. The Corporate Executive Group (CEG) includes 27 nationalities. The proportion of female CEG members employed by Novartis Group companies worldwide has climbed to nearly 20% from 10% in 2005. Two of the 11 members of the Novartis Board of Directors are women. There has been notable improvement at Sandoz, Novartis’ generic pharmaceuticals Division, where women now comprise almost 21% of CEG members employed by Group companies in the Sandoz Division, up from zero only three years ago. The Novartis Institutes for BioMedical Research, the company’s pharmaceutical research unit, also have seen a rapid transformation, with women now comprising 18% of the CEG population employed by Group companies of NIBR, compared to 8% in 2005.

Diversity and Inclusion Advisory Council

The Diversity and Inclusion Advisory Council (DIAC), created in 2006, comprises a group of external experts who advise Novartis on development and implementation of diversity and inclusion strategies and practices. In addition to academics, the DIAC includes businesspeople with direct experience of establishing diversity programs in global businesses. DIAC members also hold open meetings with associates and meet...
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semiannually with Novartis business and diversity leaders to both support and objectively challenge company activities and progress.

**Talent Review**

Divisions and business units have developed strategies and action plans for diversity and inclusion, based on local situations and business cases. Targets for diversity and inclusion have been integrated into objectives of senior Novartis managers around the world.

“The next generation of Novartis leaders will be more diverse and global,” says Juergen Brokatzky-Geiger, Ph.D., Head of Human Resources and member of the Executive Committee of Novartis. To attract and retain scarce talent, employee engagement will be a top priority. International surveys indicate that corporate citizenship programs as well as diversity and inclusion strategies are key drivers of employee engagement, along with opportunities to improve skills and capabilities, areas in which Novartis scores above benchmarks and norms.

The well-established global Organization and Talent Review (OTR) process enables Novartis to identify, assess, and develop associates with high potential. In 2008, 76% of the open positions at the Corporate Executive Group (CEG) level—the 350 most senior executives at Novartis—were filled with internal candidates, underscoring the company’s focus on internal development of talent.

Diversity and inclusion initiatives aim to make Novartis better reflect the heterogeneity of customers and stakeholders around the world. “A diverse organization is more likely to be a creative environment because the ability to learn new things often comes from differences in views, backgrounds and beliefs,” says Daniel Vasella, M.D., former chairman and chief executive officer of Novartis. “We have to do an even better job of bringing in people from geographies where we have a large and growing presence but under representation in management and leadership. We have a responsibility to ensure not only that they are identified, but also supported, so they can grow within the organization.”

**Global Diversity: Brazil**

At the beginning of the decade, Brazil adopted legislation requiring companies to step up recruitment of people with disabilities. At all companies in Brazil with more than 1,000 employees, individuals with disabilities should comprise a minimum of 5% of the workforce. Failure to comply with the new law can result in penalties, including heavy fines and exclusion from government tenders for healthcare products.

The Novartis organization in Brazil had only two disabled employees prior to passage of the law, but an aggressive recruitment campaign added more than 80 individuals with disabilities to the payroll, close to the 5% target that must be reached by December 2009. The majority has physical disabilities, including impaired hearing and vision, but the Brazilian unit also has hired two employees with learning disabilities.
The new recruits have been deployed across the Novartis organization in Brazil in many customer-facing positions as well as in production and back-office jobs. More than 20% of the disabled employees are sales representatives, and many have forged unusually close relationships with the healthcare professionals on whom they call.

Successfully integrating people with disabilities into teams across the company “has expanded the experience of associates, and enriched the spirit and culture of Novartis in Brazil,” says Alexander Triebnigg, Head of both the Country Organization and Country Pharmaceuticals Organization in Brazil. “And it sends a positive signal about diversity and inclusion to the public, government agencies and customers.”