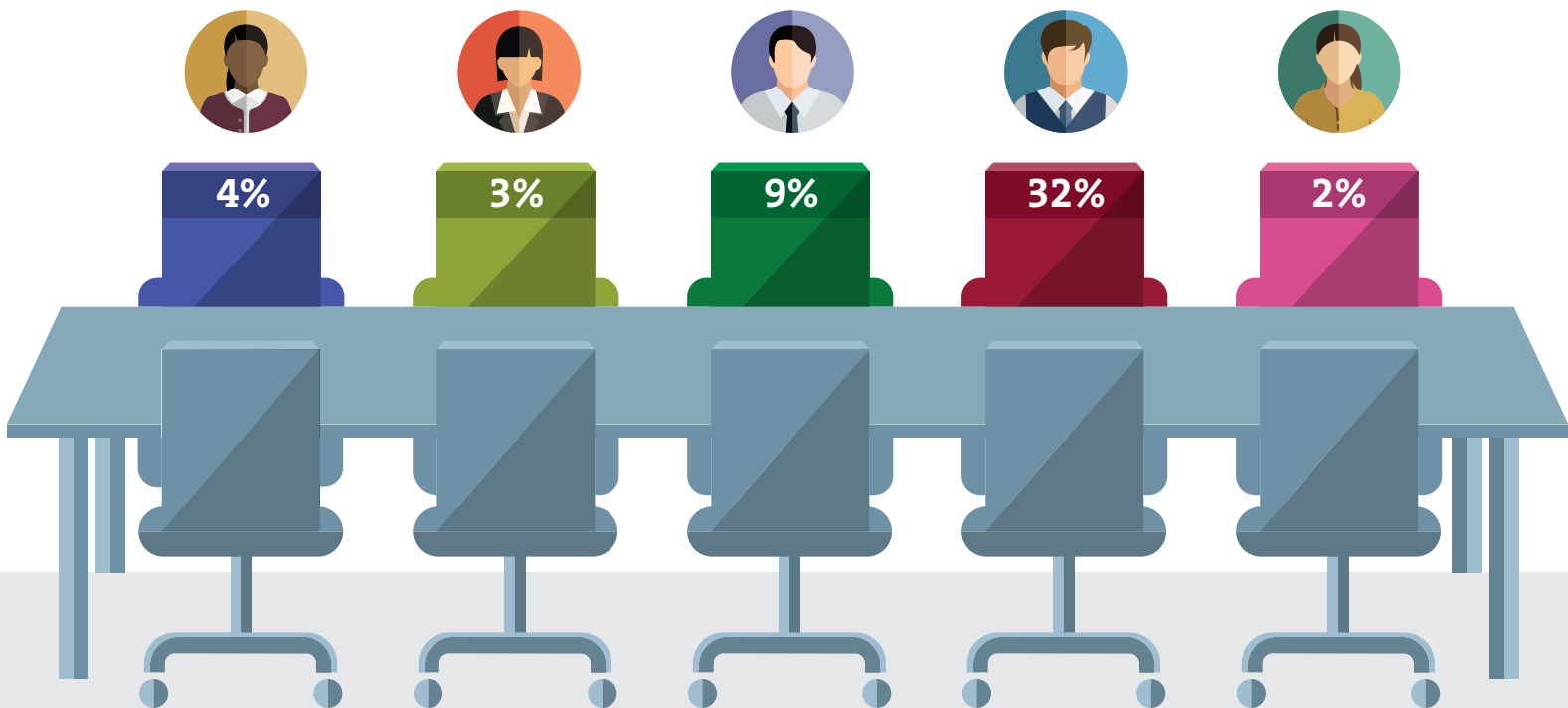


INSIDE INCLUSION

Featuring the Corporate Diversity Profile

The most complete review of the status of diversity and inclusion progress in Chicago's top corporations



***Inside Inclusion** presents the current state of diversity in the executive ranks of Chicago corporations and provides an assessment scorecard to track progress and identify steps forward for corporations in their diversity and inclusion efforts.*

Chicago United

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Letter from the President and CEO

I'm pleased to share with you Chicago United's 2018 *Inside Inclusion Featuring the Corporate Diversity Profile*. The Corporate Diversity Profile is the region's only longitudinal study of inclusion on the boards of directors and executive ranks of the top 50 publicly held corporations in Chicago. In this edition, we benchmark Chicago United member companies that are among the top 50 against non-members. We are pleased to report Chicago United members are leading in minority representation and specifically of African Americans and Latinos on their boards of directors and in executive suites.

Besides reporting the state of diversity in leadership, *Inside Inclusion* illuminates current trends affecting the executive suites and the talent pipeline.

The action-oriented Toolkit has taken on renewed relevance as the national dialogue around race and equity has taken center stage. In our 2014 edition of *Inside Inclusion*, the data told us it would take 64 years for minorities to achieve

parity in the executive ranks. Which means, theoretically, that no one alive today in the business world will ever see it. But we can change the outcome with intent and action.

As in prior editions, we explore a topic that expands the discussion of trends affecting the war for talent. The section on immigration patterns and participation of immigrants in the labor force and in the executive suites provides data about important talent pools. Increasingly, Chicago-based corporations are doing business globally, and this data and analysis will provide meaningful insights into the sources of talent, the educational profile of immigrant entrants into the talent pool, and how well the talent is being accessed and deployed.

This edition of *Inside Inclusion* also coincides with the celebration of Chicago United's 50th year. Much progress has been made from the time of our founding, when corporate employment opportunities were first opened to people of color, to our current focus on advancing multiracial leadership

in corporate governance, executive level management, and business diversity. In this 50th anniversary year, we are an organization of 100 members dedicated to ensuring people of diverse backgrounds, experiences and strengths participate at every level of business and leadership.

I encourage all publicly and privately held corporations in Chicagoland to join the pursuit of diversity and inclusion with intent. Together we can transform Chicago into the most inclusive business ecosystem in the nation.

Respectfully,



Gloria Castillo

Gloria Castillo
President and CEO
Chicago United

Navigating the 2018 Publication

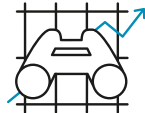
In the 2018 edition of *Inside Inclusion*, we include relevant research and tools that help advance diversity and inclusion at Chicago corporations. The structure provides you with a user-friendly format. Each of the three main sections begins with “**Here’s What You Need to Know**” – a list of the key points and significant data to be revealed in the section. For those reading this publication online, by clicking on specific sections in the Table of Contents, you will be routed to the content that is of most interest to you. The three sections of this document cover:



The Landscape

Inside Inclusion starts with the current landscape to look at the status of diversity at the highest levels in Chicago’s corporations. We also recap the last four biennial *Corporate Diversity Profiles* (2010 – 2016) to highlight any noticeable changes or trends in the racial composition of boards of directors and senior leadership positions. We focus on the top 50 public companies in Chicago, ranked by revenue in *Crain’s Chicago Business 2018 Book of Lists*, and compare them to local and national statistics.

In addition, we compared Chicago United member companies to non-member companies that are a part of the Chicago Top 50.



The Forecast

In collaboration with the Federal Reserve Bank of Chicago, we offer a look at how recent migration patterns affect diversity in management-level and executive-level jobs in U.S. firms. This topic is particularly relevant for Chicago companies that operate nationally or globally.



Tools for Success

In the final section of *Inside Inclusion*, we continue to highlight the importance of tracking progress in Diversity & Inclusion (D&I). We have included tools that we have developed and refined over the past several years as well as some quick tips and frameworks relevant to D&I. This section contains:

- Tips for D&I Crisis Management
- Tips for Courageous Conversations
- Cross-Cultural Competency Model for Leaders
- Leadership Self-Assessments and Organizational Scorecards

Acronyms used in this publication:

- ACS – American Community Surveys
- ABD – Alliance for Board Diversity
- DHS – Department of Homeland Security
- D&I - Diversity and Inclusion
- ERG - Employee Resource Group
- EY – Corporation formerly known as Ernst & Young LLP
- LPRs – Lawful Permanent Residents
- MPI – Migration Policy Institute
- STEM – Science, Technology, Engineering, and Mathematics

2018 Inside Inclusion Acknowledgments

Chicago United would like to thank the following individuals and organizations for their invaluable support and commitment to the *2018 Inside Inclusion Featuring the Corporate Diversity Profile*.

EY

Under the guidance of Aquilla Hicks, Tax Senior Manager, and Tonia Bates, Americas Analysis Leader, demographic and statistical data was captured on racial diversity on the boards and in the executive ranks of the top 50 Chicago publicly held companies.

Federal Reserve Bank of Chicago

Dr. Maude Toussaint-Comeau, a researcher at the Community Development and Policy Studies Division of Economic Research, contributed significant research and meaningful insights on our Forecast topic, *“How Recent Migration Patterns Affect Diversity in Management-Level and Executive-Level Jobs in U.S. Firms.”*

Parker Williams Consulting

Dr. Charmon Parker Williams, Principal Consultant/President, is the primary author and lead for compiling and updating content for this edition and collaborating with our partner organizations.

Advocate Health Care

The Advocate Health Care Logistics Center provided printing services for this report.

Kimberly Crooms – Chicago United

Crooms is Chicago United’s Director of Communications; she was the primary editor for *Inside Inclusion* and worked with our graphics team to provide a user-friendly experience for our readers.

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THE LANDSCAPE

Here's What You Need to Know:

Within the top 50 Chicago companies, changes from 2012 to 2018 have been minimal:

- There have been modest gains in minority representation at the board level in the last six years.
- Minority representation in the C-Suite grew by one percentage point between 2012 and 2014 and another percentage point between 2016 and 2018.
 - African American and Hispanic representation in the Chicago Top 50 went up one percentage point each between 2016 and 2018 and decreased by a percentage point during this time period for Asians.
- A look at minority representation in the executive ranks in the top 50 Chicago-based companies is fairly constant between 2012 and 2016, with a 5% spike in 2018.

Comparison between Chicago United member companies and non-member companies in the Chicago Top 50:

- Overall minority representation on boards and in the executive ranks is higher in Chicago United member companies.
- When looking at the break-downs for minority representation, African Americans and Hispanics make up a larger percentage of the boards and executive ranks in Chicago United member companies. However, Asian directors and executives have a slightly higher percentage of representation in non-member companies.

Comparison of local to national statistics:

- Representation of ethnic minorities in the Chicago Top 50 companies in 2018 is closer to national benchmarks at both the board level and executive ranks, except for Asian executives where more representation is shown nationally.

Overview

In this edition of *Inside Inclusion* we focused on the top 50 companies headquartered in Chicago. We look across four biennial editions (2012 to 2018) to highlight any noticeable changes or trends in the racial composition of boards of directors and senior leadership positions.

The Landscape section of this report serves as a benchmark for Chicago corporations to measure their progress. The statistics are an important

barometer of inclusive practices as they speak to an organization's capability to attract, engage, develop, and retain diverse talent. They also align with the degree to which other talent-management practices, such as performance management and succession management, are effectively executed, and connect to the organization's culture.

Methodology

Our local sample consisted of the top 50 Chicago-based “Public Companies” ranked by 2017 revenues as reported in [*Crain’s Chicago Business, 2018 Book of Lists*](#). We sought the answers to five basic questions:

- *What is the racial composition of these companies’ boards of directors?*
- *What is the racial composition within the executive ranks? (We looked at representation at both the C-suite level and across senior leadership positions.)*
- *Which companies are leading across both directors and executives.*
- *How do Chicago statistics compare to national statistics?*
- *How do Chicago United member companies that are part of the Top 50 compare to non-member companies?*

The number of incumbents and their ethnicity was determined by reviewing a company’s website leadership team page between April 13, 2018 and April 30, 2018. When necessary, the most recent proxy statement or 10K was consulted. If ethnicity could not be determined through these initial sources, we researched additional publicly available information to determine ethnicity and ensured that there was confirmation for an individual’s ethnicity among at least two reputed web sources. This presented some limitations in our research design and, consequently, resulted in a number of cases in which we categorized the incumbent as “Unable to Verify Ethnicity.” We are confident that the percentages captured in the ethnic minority categories are a practical and meaningful reflection of their representation.

Ethnicity is defined as African American, Asian, Caucasian and Hispanic. In the charts in this document, African American, Asian and Hispanic collectively represent “minority” representation.

It is important to note that, working with EY, we have been able to improve the accuracy of the data collection process during the comparison period between 2012 and 2018. This was accomplished by leveraging researchers and publicly available information on the internet. This methodology yields more data integrity than the survey process used in our 2001 to 2010 *Corporate Diversity Profile* editions.

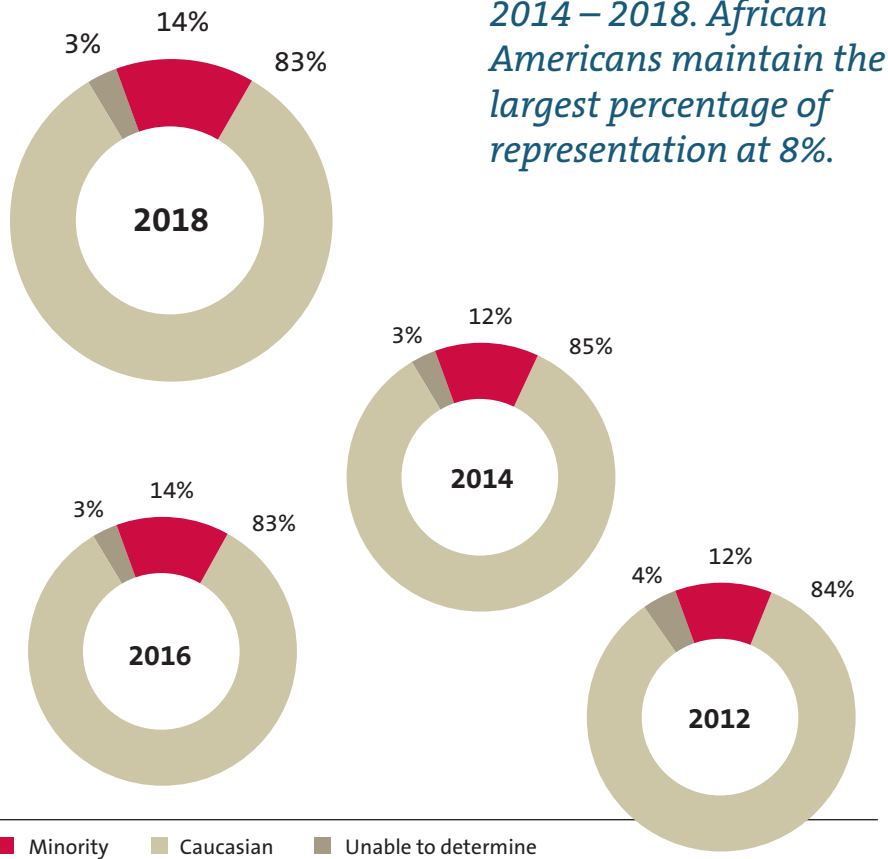
Comparison to National Statistics

Findings from the top 50 Chicago companies were compared to a few national sources. Results from a 2016 study of the Fortune 100, conducted by The Alliance for Board Diversity (ABD) and Deloitte, were referenced for national board statistics. Results from a 2017 survey conducted by *Fortune Magazine*, including 16 Fortune 500 companies, representing a microcosm of the Fortune 500, was referenced for executive-level diversity. Additionally, data from the Bureau of Labor Statistics was used to benchmark against a larger national sample of organizations.

Board Diversity

The ethnic composition on Chicago boards remains virtually the same in 2018 as it was in 2016. Looking at the trends across the last six years, there have been incremental gains in minority representation on boards. As an example, a 2% increase occurred (from 12% to 14%) between 2014 and 2016 (Figure 1). African Americans maintain the largest percentage of representation at 8%. Hispanics and Asians maintain similar levels of representation on boards, at 3% each in both 2014 and 2016. In 2018 this percentage slightly changed, with Hispanic representation on boards at 4% and Asian representation at 2% (Figure 2).

Figure 1.
Minority vs Non-Minority



There have been incremental gains in minority representation on boards between 2014 – 2018. African Americans maintain the largest percentage of representation at 8%.

Figure 2. Ethnicity

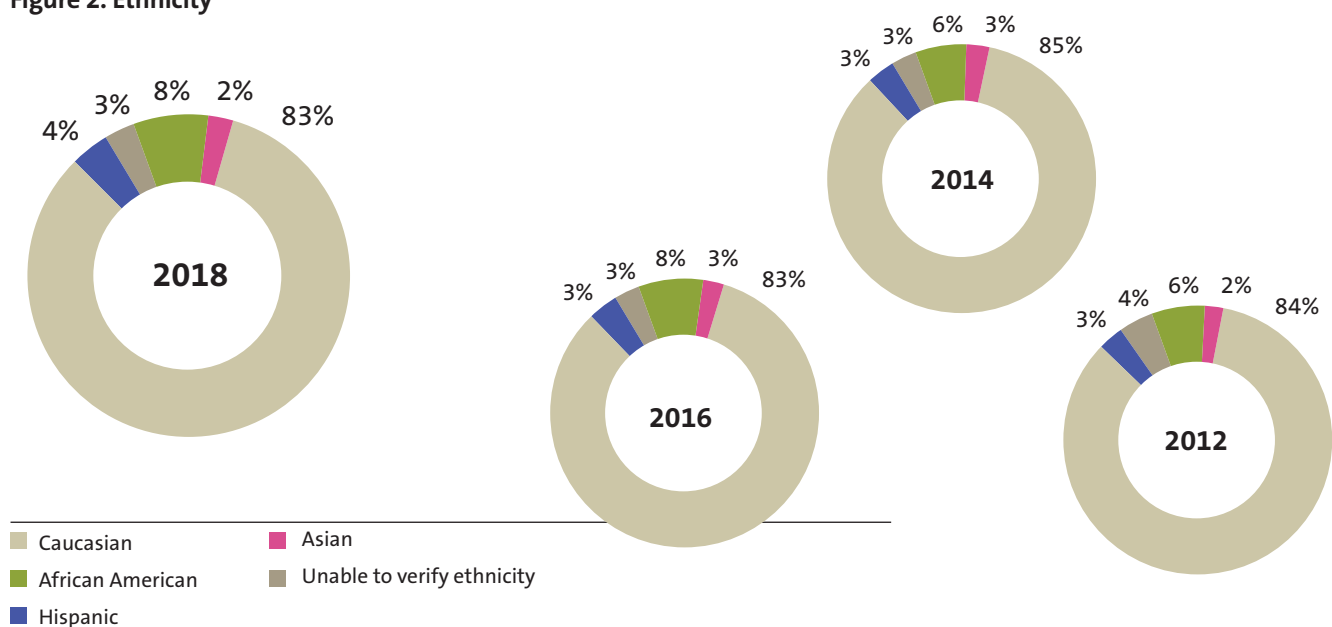


Figure 3 shows the actual numbers contributing to these percentages. Representation trends across the Top 50 Chicago-based companies show similar patterns from 2012 to 2018. In general, there is a bi-modal distribution (or peaks at two different ranges) across each year measured. The majority of companies had either 1% - 10% ethnic diversity or 11% - 25% ethnic diversity on their boards. As seen in **Figure 4**, the numbers fluctuate slightly across years. The number of companies with more than 25% representation still remains twice the amount it was in 2012 when we first started benchmarking. However, in 2018 eight of the Chicago top 50 companies, or 16%, have no racial diversity on their board of directors.

How Chicago United Member Companies Compare

In 2018, we added a layer of analysis to include the nine Chicago United member companies that are a part of the Chicago Top 50, which is 18% of the sample. When comparing how CU member companies stand relative to non-member companies in the Top 50, we found that, in general, minority representation on boards is significantly higher in Chicago United member companies (**Table 1**). Looking at the breakdown, African American and Hispanic directors make up a larger percentage of the boards in Chicago United member companies. However, Asian executives have a slightly higher percentage of representation in non-member companies.

Figure 3. Directors Ethnicity - Actual Numbers

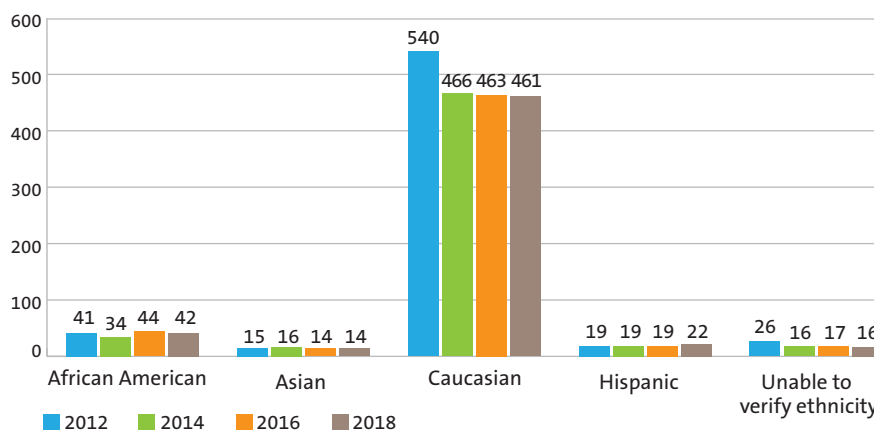
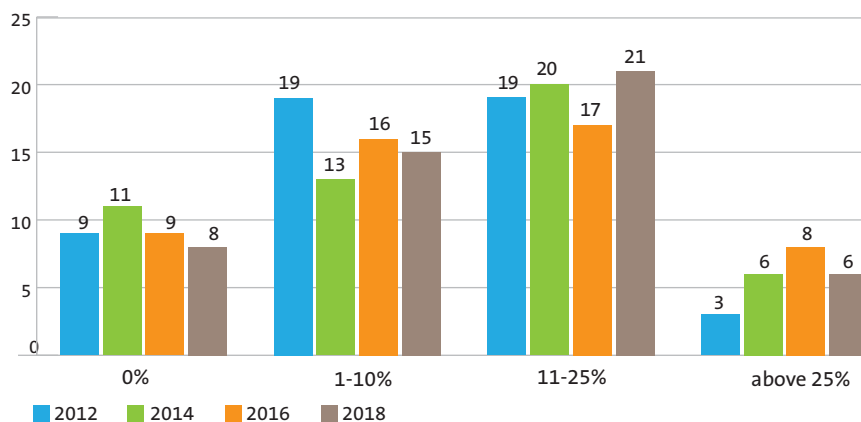


Figure 4. 50 Top Chicago Companies Board Directors Ethnicity - Percentages



In 2018, eight of the Top 50 companies or 16% have no racial diversity on their board of directors.

Table 1

2018 Ethnicity	Count of Directors	Sum of Diverse Directors	% of Diverse Directors
Chicago United Member	109	19	17.4%
African-American	12		11.0%
Asian	2		1.8%
Hispanic	5		4.6%
Unable to verify ethnicity	0		0%
Caucasian	90		82.6%
Non-Member	446	59	13.2%
African-American	30		6.7%
Asian	12		2.7%
Hispanic	17		3.8%
Unable to verify ethnicity	16		3.6%
Caucasian	371		83.2%

Grand Total

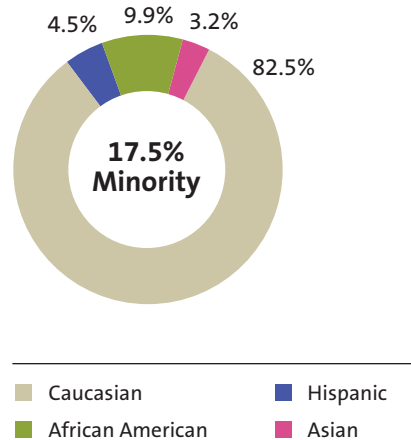
555

Note: Percentages in red, which add up to 100%, include total minority, Caucasian, and Unable to verify.

Comparison to National Statistics – Board Diversity

A comparison was made to Fortune 100 companies participating in a 2016 study conducted by the Alliance for Board Diversity (ABD) and Deloitte (**Figure 5**). Compared to these national statistics, board diversity within the Chicago Top 50 (across all four benchmark years) lags slightly behind national statistics. The range of this gap for 2018 is .5% for Hispanics, 1.2% for Asians and 1.9% for African Americans.

Figure 5. Fortune 100 Minority vs. Non-Minority



Overall minority representation in the C-Suite grew by one percentage point between 2012 and 2014, and remained stable in 2016 and 2018.

C-Suite Diversity

Overall minority representation in the C-Suite grew by one percentage point between 2012 and 2014, and went up two percentage points between 2016 and 2018 (**Figure 6**). During the 2016 - 2018 timeframe, African American representation in the Chicago Top 50 went up one percentage point, Hispanic representation went up two percentage points and Asian American representation remained stable (**Figure 7**).

Figure 6. Minority vs Non-Minority

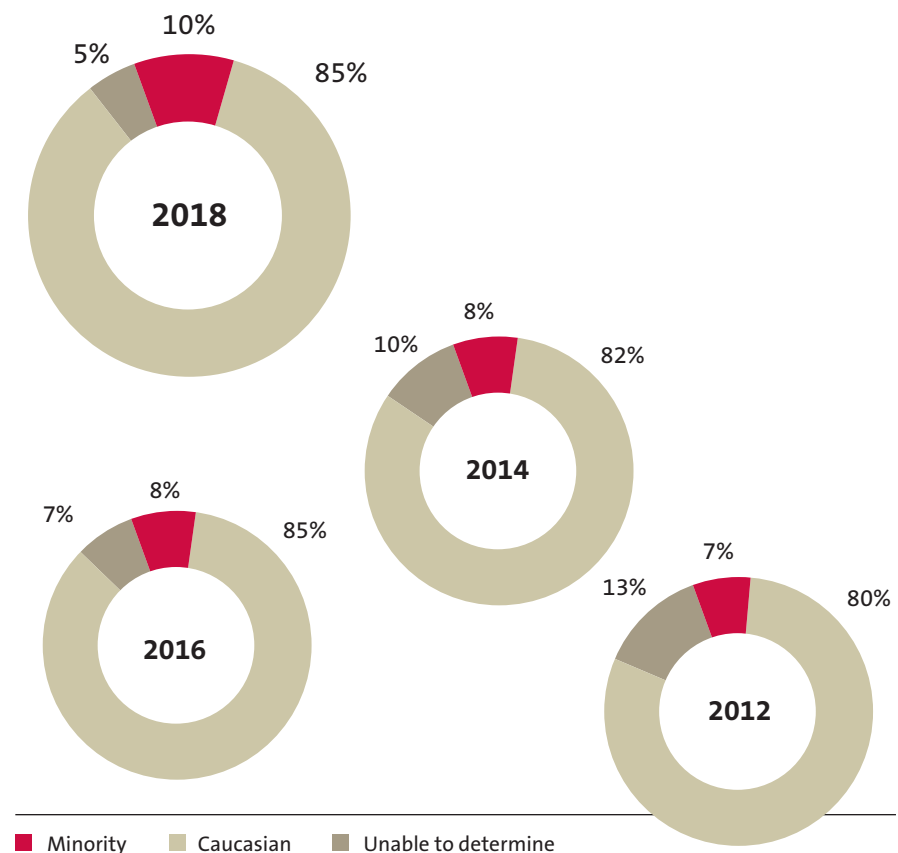


Figure 7. Ethnicity in Chicago Top 50

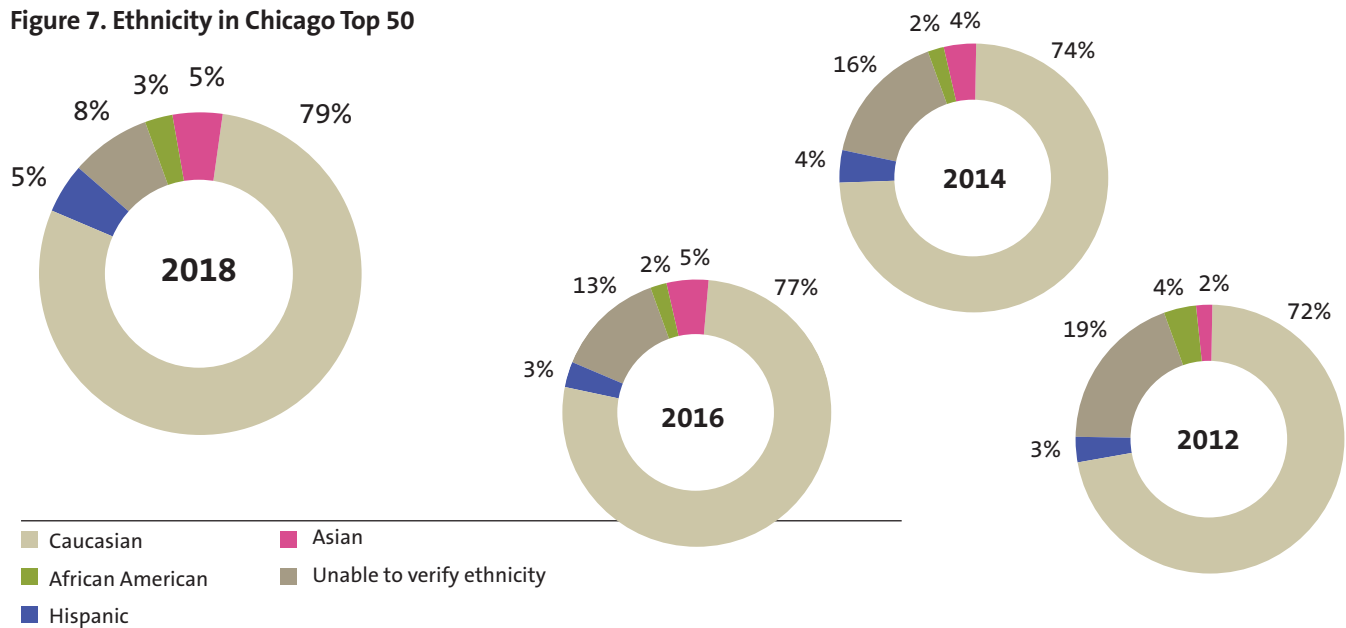
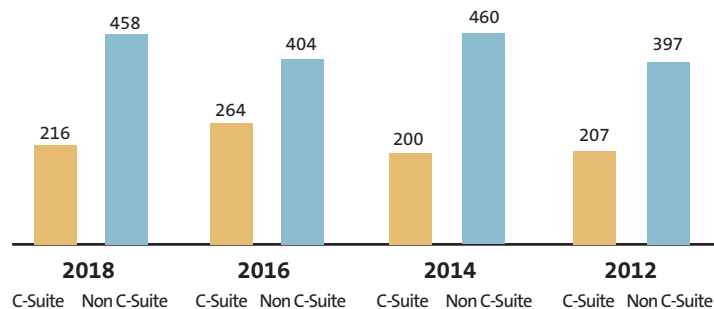


Figure 8. Number of C-Suite vs. Non-C-Suite Executives in the Chicago Top 50 - Actual Numbers



Diversity – All Executives

A look at minority representation in the executive ranks in the top 50 Chicago-based companies is fairly constant between 2012 and 2016 with a 5% spike in 2018 (**Figure 9**). Comparing 2016 to 2018, slight increases were noted for each ethnic group – a 2% increase for Hispanics and 1% increases for both African Americans and Asians (**Figure 10**).

Figure 9. Minority vs Non-Minority

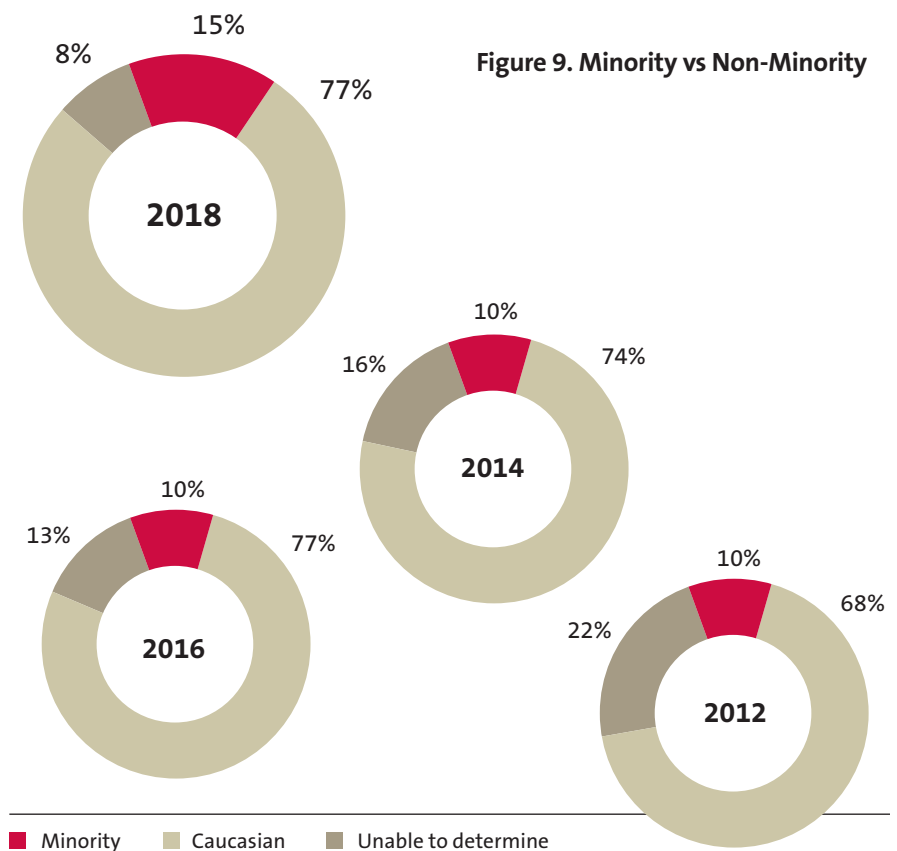


Figure 10. Ethnicity

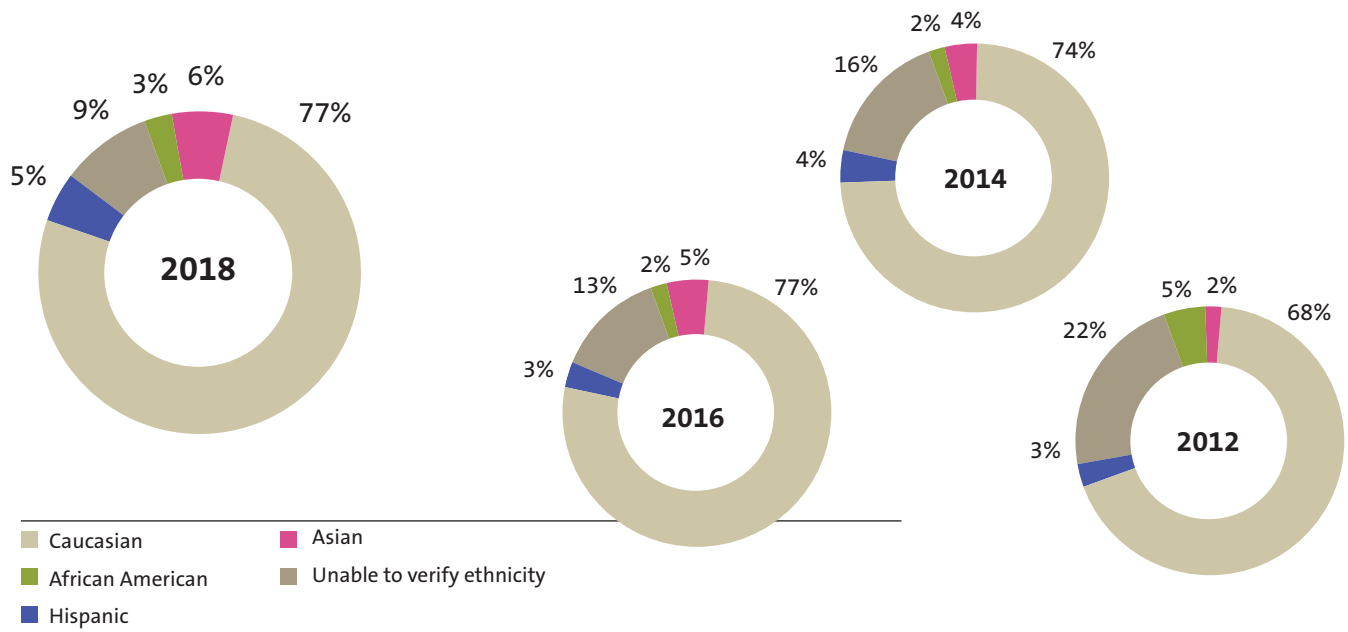
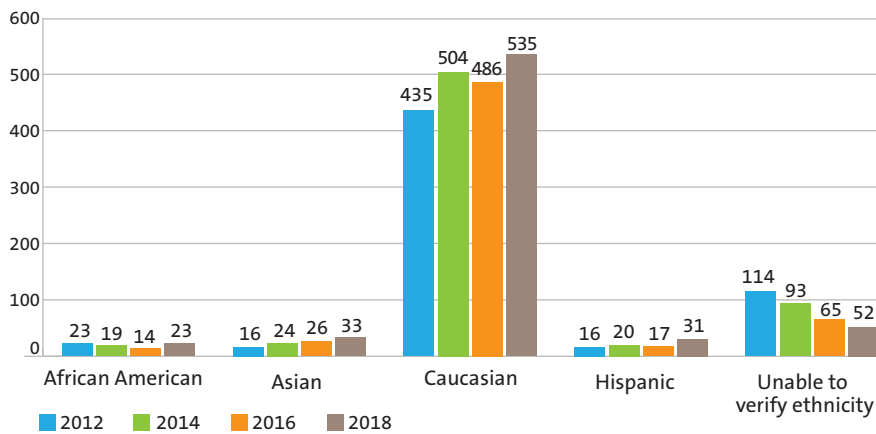


Figure 11. Executive Ethnicity - Actual Numbers

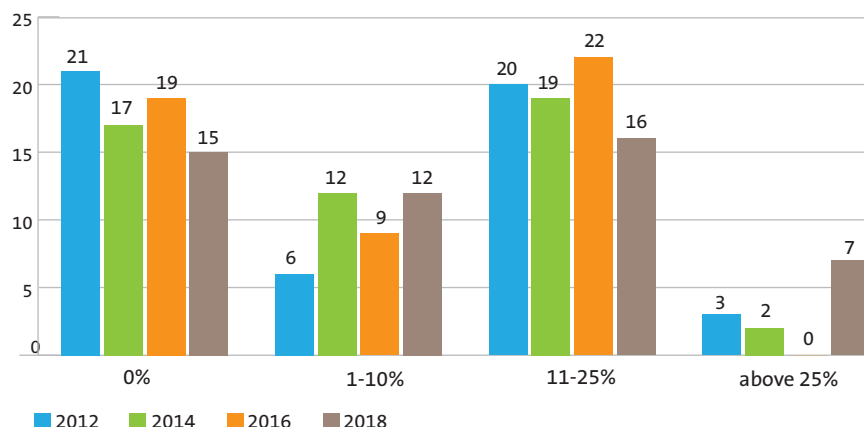


Distribution of Minority Executives

The distribution of minority executives across the top 50 public Chicago companies in 2016 was again a bi-modal one, similar to findings in the past three editions of Inside Inclusion. There continues to be a large percentage of companies that have no ethnic diversity within their executive ranks.

There also is a significant percentage of companies that have between 11% and 25% ethnic diversity. In 2018, the number of Top 50 companies with more than 25% diversity in their executive ranks is higher than all preceding years combined (Figure 12).

Figure 12. 50 Top Chicago Companies Minority Executives Ethnicity



In 2018 the number of Top 50 Chicago companies with more than 25% diversity in their executive ranks is higher than all preceding years combined.

How Chicago United Member Companies Compare

The pattern noted at the Director level was repeated when comparing representation in the executive ranks across Chicago United member companies in the Top 50 and non-member companies in the Top 50, although with less disparity. African American and Hispanic executives, again, make up a larger percentage of the executive ranks in Chicago United member companies. Asian executives have a higher percentage of representation in non-member companies (Table 2).

Table 2

2018 Ethnicity	Count of Executives	Sum of Diverse Executives	% of Diverse Executives
Chicago United Member	144	20	13.9%
African-American	10		6.9%
Asian	2		1.4%
Hispanic	8		5.6%
Unable to verify ethnicity	7		4.9%
Caucasian	7		81.2%
Non-Member	530	67	12.6%
African-American	13		2.5%
Asian	31		5.8%
Hispanic	23		4.3%
Unable to verify ethnicity	45		8.5%
Caucasian	418		78.9%
Grand Total	674		

Note: Percentages in red, which add up to 100%, include total minority, Caucasian, and Unable to verify.

African American and Hispanic executives, again, make up a larger percentage of the executive ranks in Chicago United member companies.

Comparison to National Statistics

Two sources were referenced to determine how the Chicago Top 50 companies compared to companies nationally – a 2017 report conducted by *Fortune Magazine* that featured 16 companies from the Fortune 500, and tables from the Bureau of Labor Statistics (BLS) (Table 3).

It is important to note that Fortune used the 16 companies in its report as a representative “sample” of the

entire Fortune 500, while the BLS data is a broad representation of the labor market in general. That said, it is felt that the statistics shared here are significant enough to provide a relevant benchmark for the top 50 companies in Chicago.

Representation of African Americans, Hispanics and Asians in the Chicago Top 50 is most comparable to statistics for senior-level officers

from the BLS at the national level, being off by no more than .6 of a percentage point. When narrowing the focus to the 16 participating companies in the Fortune 500 study, there are notable differences, with the biggest lag in representation for Asians (6% for Chicago Top 50 vs. 21% for the Fortune 500 sample).

The combined percentages of minority directors and executives for 2018 is notably higher than in 2016.

The Top Five Chicago Companies for Diverse Representation

Five companies stand out as leaders among the Top 50 publicly traded Chicago companies with respect to ethnic diversity on both their boards and in their leadership ranks. The Top Five companies are presented in rank order according to the combined percentages of the director and executive categories. Their revenue rankings also are

Table 3

Senior Leader Representation	Fortune 500	BLS National Companies	Chicago Top 50
Caucasian	73%	84.9%	77%
African American	2%	3.1%	3%
Hispanic	3%	4.4%	5%
Asian	21%	5.9%	6%
Native American	.2%	0.28%	
Hawaiian or Pacific Islander	.1%	0.20%	
Two or more	.6%	0.87%	
Undetermined			9%

Data Sources:
Equal Employment Opportunity Commission, Employer Information Reports (EEO-1 Single and Establishment Reports), 2016.

represented, as determined by *Crain’s Chicago Business* (Table 4).

There are a few new players among the Top Five. In 2018, **Kraft Heinz Co.** debuts in the Top 5, taking the No. 1 spot. **Archer Daniels Midland** maintains its status in the Top 5 from 2016, taking the No. 2 spot. **Ingredion** and **W.W. Grainger** join the Top 5 for the first time at Nos. 3 and 4, respectively. **Abbvie** maintains a spot in the Top Five from 2016.

Table 5 shows the changing ranks (relative to diverse leadership representation) among those companies in the Top 50 between 2012 and 2018. The combined percentages of minority directors and executives for 2018 is notably higher than in 2016, implying that the composition of boards and executive teams has changed (in part due to executive attrition or movement); however, the actual numbers of minorities has not consistently increased.

Table 4. Top 50 Chicago-based public companies by revenues as listed in *Crain's Chicago Business* report, December 2017

Rank	Company	Rank	Company
1	Walgreens Boots Alliance Inc.	26	Univar Inc.
2	Boeing Co.	27	Anixter International Inc.
3	Archer Daniels Midland Co.	28	RR Donnelley & Sons Co.
4	Caterpillar Inc.	29	Jones Lang LaSalle Inc.
5	United Continental Holdings Inc.	30	Dover Corp.
6	Allstate Corp.	31	Treehouse Foods Inc.
7	Exelon Corp.	32	Motorola Solutions Inc.
8	Deere & Co.	33	Ingredion, Inc.
9	Kraft Heinz Co.	34	Old Republic International Corp.
10	Mondelez International Inc.	35	Packaging Corp. of America
11	AbbVie	36	Arthur J Gallagher & Co.
12	McDonald's Corp.	37	Essendant (fka United Stationers Inc.)
13	US Foods Holding Corp.	38	Northern Trust
14	Sears Holdings Corp.	39	Telephone & Data Systems Inc.
15	Abbott	40	Fortune Brands Home & Security Inc.
16	CDW Corp.	41	Ulta Beauty Inc. (fka Ulta Salon Cosmetics & Fragrance Inc.)
17	Illinois Tool Works Inc.	42	NiSource Inc.
18	Conagra Brands Inc.	43	Brunswick Corp.
19	Discover Financial Services Inc.	44	Hyatt Hotels Corporation
20	Baxter International Inc.	45	US Cellular Corp.
21	WW Grainger Inc.	47	CF Industries Holdings Inc.
22	CNA Financial Corp.	48	LSC Communications Inc.
23	Tenneco Inc.	49	CME Group Inc.
24	LKQ Corp.	50	Zebra Technologies Corp.
25	Navistar International Corp.	51	Hub Group Inc.

The rank numbers in this data set include 1 to 51, but reflect 50 companies. Mead Johnson Nutrition (#46) was removed from the data set as a result of being acquired by the Reckitt Benckiser Group.

Table 5: Rank Order Trends for the Top 5 Companies for Diversity Amongst the Top 50 Chicago Based Companies

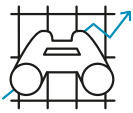
2018 Rank by Combined Percentage	Company	Total Directors	Minority Directors	Percentage Minority Directors	Total Executive Officers	Minority Executive Officers	Percentage Minority Executive Officers	Combined Count for Top 5	Combined % for Top 10	Revenue Rank
1	Kraft Heinz Co.	11	3	27%	19	9	47%	12	75%	9
2	Archer Daniels Midland Co.	11	5	45%	22	6	27%	11	73%	3
3	Ingredion, Inc.	11	3	27%	11	4	36%	7	64%	33
4	W.W. Grainger Inc.	11	3	27%	7	2	29%	5	56%	21
5	AbbVie	10	2	20%	10	3	30%	5	50%	11

2016 Rank by Combined Percentage	Company	Total Directors	Minority Directors	Percentage Minority Directors	Total Executive Officers	Minority Executive Officers	Percentage Minority Executive Officers	Combined Count for Top 5	Combined % for Top 10	Revenue Rank
1	Archer Daniels Midland Co.	12	5	42%	19	4	21%	9	63%	2
2	Baxter International Inc.	12	4	33%	12	2	17%	6	50%	16
3	AbbVie	9	2	22%	10	2	20%	4	42%	14
4	Northern Trust	12	5	42%	14	0	0%	5	42%	38
5	Deere & Co.	11	3	27%	24	2	8%	5	36%	6

2014 Rank by Combined Percentage	Company	Total Directors	Minority Directors	Percentage Minority Directors	Total Executive Officers	Minority Executive Officers	Percentage Minority Executive Officers	Combined Count for Top 5	Combined % for Top 10	Revenue Rank
1	McDonald's Corporation	13	4	31%	18	5	28%	9	59%	11
2	Tenneco Inc.	8	2	25%	28	6	21%	8	46%	25
3	Walgreens	13	2	15%	11	3	27%	5	43%	3
4	Exelon Corp.	15	4	27%	19	3	16%	7	42%	12
5	Mondelez International Inc.	12	3	25%	13	2	15%	5	40%	9

2012 Rank by Combined Percentage	Company	Total Directors	Minority Directors	Percentage Minority Directors	Total Executive Officers	Minority Executive Officers	Percentage Minority Executive Officers	Combined Count for Top 5	Combined % for Top 10	Revenue Rank
1	McDonald's Corp.	14	4	29%	12	4	33%	8	62%	10
2	Office Max Inc.	8	3	38%	8	1	13%	4	50%	24
3	Tenneco Inc.	8	3	38%	11	1	9%	4	47%	29
4	Exelon Corp.	18	4	22%	30	7	23%	11	46%	13
5	Molex Inc.	3	3	23%	9	2	22%	5	45%	44

The following “Forecast” section of this publication takes a deeper dive into ethnicity in the executive ranks and the impact that patterns of migration to the U.S. may have in how this looks.



THE FORECAST

Here's What You Need to Know:

- U.S.-born participation in the labor force is declining due to aging Baby Boomers; while immigrants coming into the U.S. labor force are of prime working age.
- Forty-eight percent of recently arrived immigrants to the United States (those coming between 2011 and 2015) were college graduates—compared to just 27% of arrivals a quarter century earlier.
- Even though the data shows that the numbers of foreign-born and U.S.-born college graduates are roughly the same, immigrants in management and executive positions trail behind that of the U.S.-born.
- Immigrants from Asian countries have become the fastest growing foreign-born group in the country. Educated Asians, both immigrants and U.S.-born, have one of the highest levels of representation (after white immigrants and U.S.-born whites) in upper-level management and executive positions.
- Immigration of Hispanics (especially from Mexico) has been curbed in recent years, and as a result, both the population of newly arriving Hispanic immigrants, and the number of those employed, have somewhat declined. Even so, college-educated Hispanic immigrants continue to gain traction in the corporate world in upper-level jobs, even at a rate higher than that of their U.S.-born counterparts.

How Recent Migration Patterns Affect Diversity in Management and Executive Level Jobs in U.S. Firms

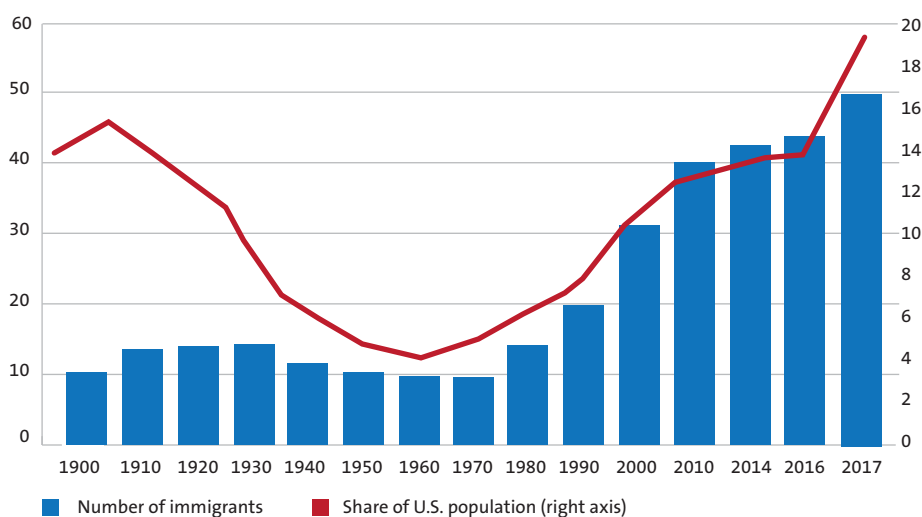
Migration patterns are one of the main factors driving ethnic/racial diversity in the United States, and in contributing to economic growth. Businesses are also recognizing that a balanced and cross-cultural workforce is at the crux of innovation and sustainable competitive advantage. This section reflects an analysis conducted by Maude Toussaint-Comeau, researcher at the Community Development and Policy Studies Division of the Economic Research Department of the Federal Reserve Bank of Chicago.

The results of this study show changes in the demographics of immigrants who came to the United States in recent decades. New dynamics in such migration flows include shifts in countries of origin, sharp increases in the immigrant population's human capital, and a rising prevalence of that population in managerial and executive positions in key U.S. industries.

Scope of International Migration and Implications for the Labor Force

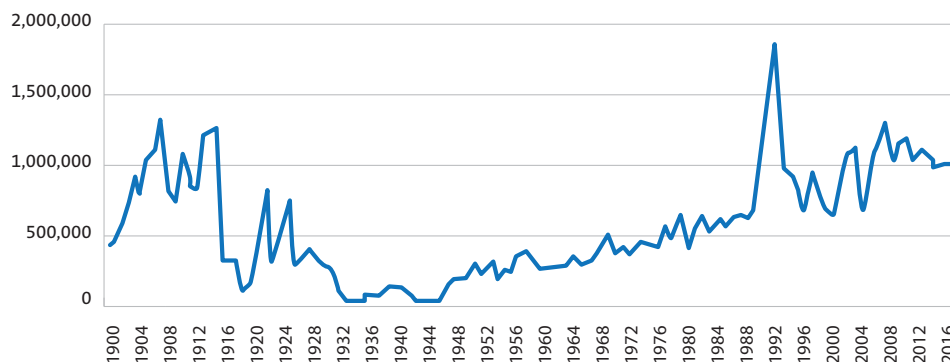
The United States is one of the largest immigrant-receiving countries in the world. The ranks of international migrants reached 258 million in 2017, 19% of whom resided in the U.S. (United Nations, 2017). The share of foreign-born population grew from under 5% of the total U.S. population in 1970, to 19% in 2017, for a total of 50 million people (**Figure 1**). In fact, the United States received an average of more than 1 million additional immigrants per annum over the last decade and a half (**Figure 2**). The Pew Research Center projects that this trend will continue as the number of immigrants in the U.S. is projected to reach 78.2 million by 2065.

Figure 1. Number and Share of Immigrant Population



United Nations, 2017, International Migration Report. Note: The term “immigrants” (or “foreign born”) refers to people residing in the United States who were not U.S. citizens at birth. This population includes naturalized citizens, lawful permanent residents (LPRs), certain legal nonimmigrants (e.g., persons on student or work visas), those admitted under refugee or asylee status, and persons illegally residing in the United States. Source: Author’s calculations based on the Migration Policy Institute (MPI) tabulation of data from the U.S. Census Bureau, the 2010 and 2016 American Community Surveys (ACS), and the 2000 Decennial Census. Data prior to 2000 is from Campbell J. Gibson and Emily Lennon, “Historical Census Statistics on the Foreign-Born Population of the United States: 1850 to 1990” (Working Paper No. 29, U.S. Census Bureau, Washington, D.C., 1999). Data for 2017 is from United Nations, 2017, “International Migration Report.” http://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2017_Highlights.pdf.

Figure 2. Number of New Legal/Permanent Residents to the United States



Source: Migration Policy Institute (MPI) tabulation of data from the U.S. Department of Homeland Security, Office of Immigration Statistics, “Yearbook of Immigration Statistics 2016,” available at www.dhs.gov/immigration-statistics/yearbook/2016; DHS, “Lawful Permanent Residents (LPRs) by Citizenship and Major Class of Admission: FY2005 - FY2016,” available at www.dhs.gov/sites/default/files/publications/LPR%20by%20citizenship%20by%20major%20class%20FY2005-FY2016_0.xlsx; Department of State, “Report of the Visa Office 2016,” Table V (Part 1) Immigrant Visas Issued and Adjustments of Status Subject to Numerical Limitations Fiscal Year 2016, available at <https://travel.state.gov/content/dam/visas/Statistics/AnnualReports/FY2016AnnualReport/FY16AnnualReport-TableV-Part1.pdf>.

A key finding of the study is that new immigrants tend to come to the country at a working age (median age of the foreign born is 45). This contrasts with the declining participation of U.S.-born workers due to the retirement from the workforce of the Baby Boomer generation. In essence, the portion of the American workforce in its prime working years is increasingly immigrant.

Here are the stats to support this view: As the working age foreign-born population more than doubled between 1990 and 2016, so did their labor force participation and number employed (**Table 1**). For example, during

this period, the number of immigrants in the labor force increased from 11.5 million to 27.6 million people and, concurrently, the number of immigrants employed increased from 10.6 million to 26.2 million.

Foreign-born labor-force participation increased from 63.9% in 1990 to 66% in 2016, while the U.S.-born participation rate decreased from 64.4% in 1990 to 62.1% in 2016. A relatively larger share of aging U.S.-born individuals contributes to the decline in their overall labor-force participation rate.

Table 1: Labor Force Participation

	2016		2000		1990	
	Foreign born	U.S. born	Foreign born	U.S. born	Foreign born	U.S. born
Population (age 16 and older)	41,770,208	216,180,513	28,550,949	188,643,139	18,020,791	173,367,617
Civilian labor force (age 16 and older)	25,568,337	134,248,099	17,248,288	120,430,421	11,521,794	111,713,941
Civilian employed workers (age 16 and older)	26,191,814	126,379,227	16,073,543	113,643,105	10,623,071	104,846,279
% participation in the civilian labor force	66.0%	62.1%	60.4%	63.8%	63.9%	64.4%

Source: Author's calculations based on <https://www.migrationpolicy.org/data/state-profiles/state/workforce/US/>

Racial and Ethnic Characteristics of Foreign- and U.S.-Born Workers

Another key finding of the study is that, during the study period, the workplace has become more diverse, especially with more Hispanics and Asians. The analysis shows that the number of non-Hispanic white employed workers hovered around 90 million between 2000 and 2016. In the same period, the number of employed workers of different race and ethnicity

increased (**Figure 3**). As a result, the composition (percentage distribution) of the employed population changed. Between 2000 and 2016, the representation of Caucasian employed workers decreased from 74% to 64%. Employed Hispanic workers increased from 10% to 17%. Black employed workers had a slight increase in their representation, from 10% to 11%. The representation of Asian employed workers increased from 4% to 6% (**Figure 4**).

Figure 3. Number of Workers by Ethnic Racial Group and Immigration Status

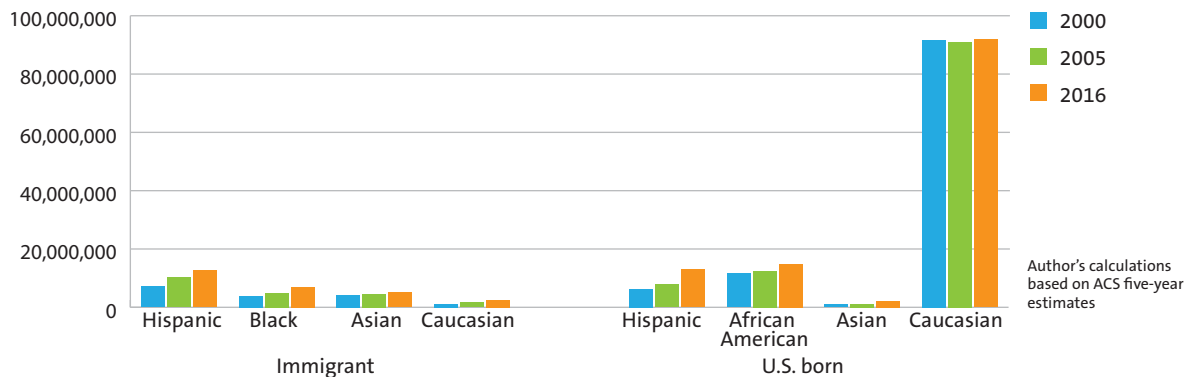
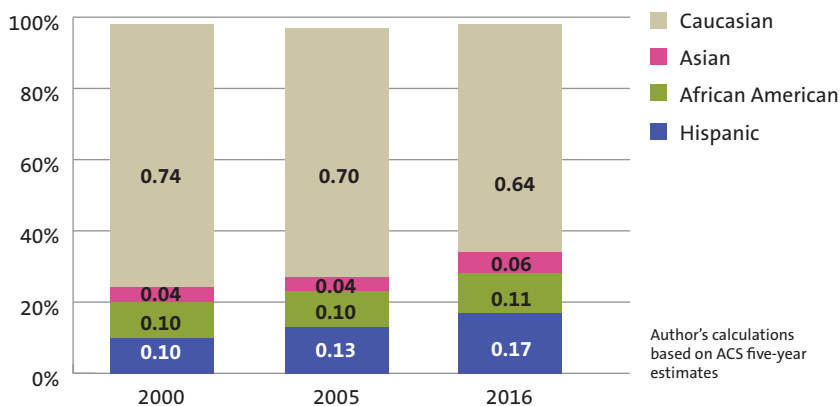


Figure 4. Ethnic Racial Diversity in the Workplace



Between 2000 and 2016, the representation of Caucasian workers decreased from 74% to 64%.

Shifts over time in the countries of origin of immigrants explain the changing racial and ethnic composition of workers. Traditionally, immigrants from Europe (who were predominantly white) were the largest groups of immigrants in the United States. However, European immigrants have experienced a secular decline in their numbers, up until the 1990s, when the trend reversed and remained relatively constant. Immigrants from Eastern European countries have since been the main source of migration from Europe, according to 2016 demography findings by the [Pew Research Center](#). African immigrants

(primarily blacks) make up a relatively small share of the U.S. immigrant population. Nonetheless, their numbers are also growing steadily – roughly doubling every decade since 1970. From 2010 onwards, the number of new immigrants from Latin America (including Mexico) fell behind the number of new immigrants from Asia. In fact, Asians have become the biggest source of new immigrants in the United States.



LEARN MORE

Try out an interactive tool from the Migration Policy Institute that shows how potential changes to U.S. legal immigration policy would affect top-sending countries.

[Read more here.](#)

From 2010 onwards, the number of new immigrants from Latin America (including Mexico) fell behind the number of new immigrants from Asia. In fact, Asians have become the biggest source of new immigrants in the United States.

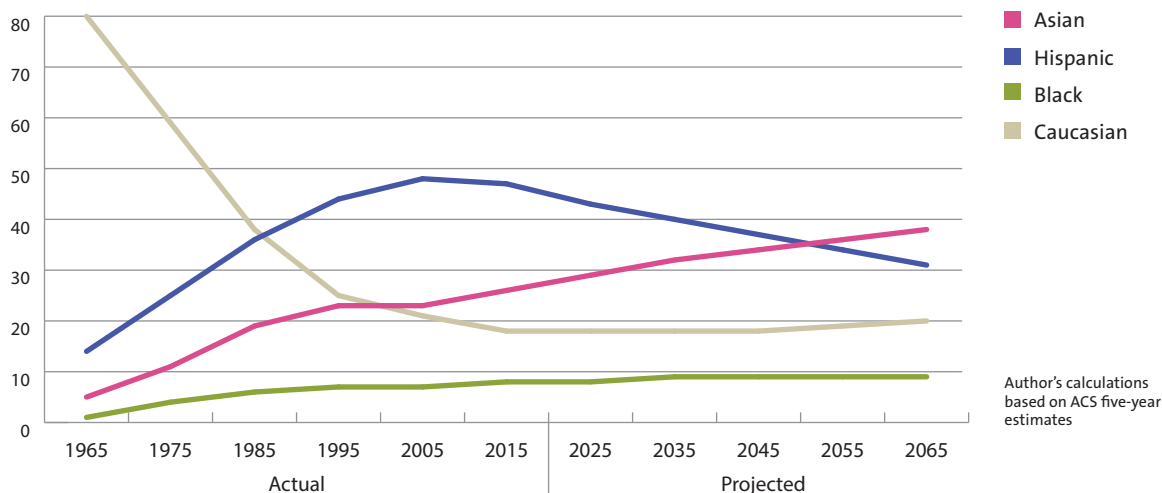
Looking at countries of origin, the majority of Asian immigrants are from South Eastern Asia, notably the Philippines and Vietnam; from Eastern Asia, primarily from China and Korea; and from South Central Asia, principally from India.

The shifts in the countries of origin of immigrants reflect various U.S. immigration policies, according to fiscal year 2016 research from the [Migration Policy Institute](#). According to the [Pew Research Center's](#) tracking of Hispanic trends, as immigration from Latin America and especially Mexico has slowed in recent years, the share

of the foreign-born who are Hispanic is expected to fall from 47% in 2015 to 31% by 2065.

Asian immigrants will become the largest immigrant group by 2055, making up 38% of the foreign-born population, up from 26% in 2015. White immigrants made up 18% of the foreign-born population in 2015; their share will increase by two percentage points by 2065. Black immigrants represented 8% of the foreign-born population in 2015, and their share will increase by just one percentage point by 2065 (**Figure 5**).

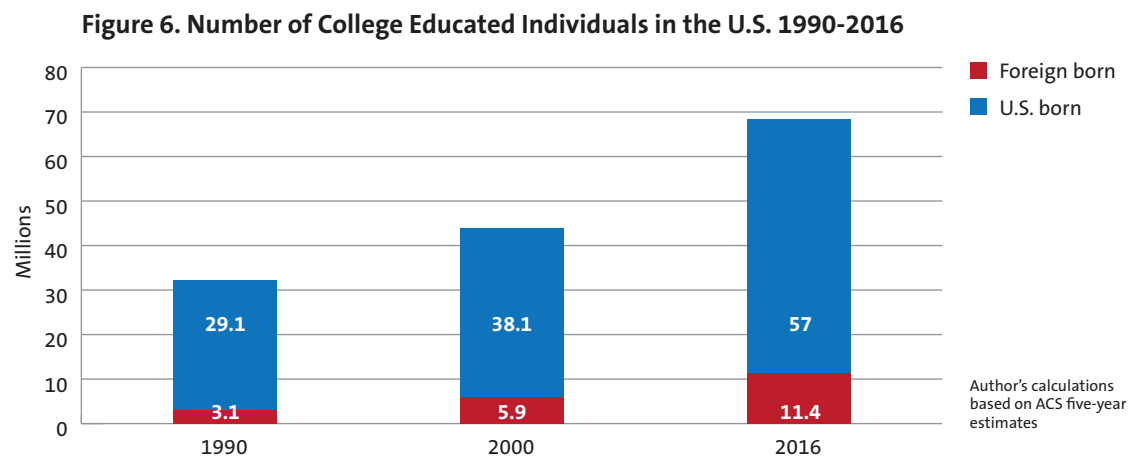
Figure 5. Projections of Ethnic/Racial Composition of the Foreign-Born Population



Educational Attainment of Immigrants

While some of the negative narratives in the current immigration debate may suggest that the educational attainment immigrants bring to the labor force (and the accompanying skills) has deteriorated, quite the opposite is true, according to the data. Forty-eight percent of recently arrived immigrants to the United States (those coming between 2011 and 2015) were college graduates—compared to just 27% of arrivals a quarter century earlier. Compared to 3.1 million immigrant

workers with a college degree or higher in 2000, by 2016, 11.4 million had a college degree or higher. By contrast, U.S.-born workers with a college degree or higher increased from 29.1 million to 57 million (**Figure 6**). This means that the foreign-born college-educated working population grew over the same period by more than twice the rate of the U.S.-born population. As a result of the faster rate of growth of the college-educated immigrants, their share of the total college-educated population increased from just 10% in 1990 to 17% in 2016.



The Immigration Act of 1990 (which created the H-1 Temporary Skilled Worker Program) has facilitated the immigration of college-educated individuals by creating temporary visa programs for highly skilled workers and attracting students in higher education, especially in Science, Technology, Engineering, and Mathematics (STEM) fields. This explains the large flow of educated workers from Asia and Europe, for example. In addition, a variety of poorer countries in the Caribbean and Africa, which have low shares of college-educated workers, still see large numbers of their college-educated workers leaving in quest of economic opportunities in the United States. This adds to the rising human capital or “brain gain” of the United States.

The Immigration Act of 1990 has facilitated the immigration of college-educated individuals by creating temporary visa programs for highly skilled workers and attracting students in higher education, especially in STEM fields.

Table 2: Countries with More Than 50,000 College Graduates Living in the U.S.

	Bachelor Degree or higher	Number of college graduates		Bachelor Degree or higher	Number of college graduates
U.S. born	32%	57,017,293			
Immigrants	30%	11,449,852			
Immigrants by country of birth					
India	77%	1,659,806	Brazil	42%	143,761
Taiwan	74%	250,416	Thailand	40%	82,167
Russia	65%	207,721	Argentina	40%	65,576
Egypt	63%	95,699	Lebanon	40%	50,647
Finland	60%	9,060	Ghana	38%	3,063
Nigeria	60%	156,629	Germany	36%	188,287
France	59%	89,247	Poland	34%	142,552
South Africa	58%	52,172	Colombia	31%	190,103
Venezuela	55%	121,737	Ethiopia	31%	58,876
Iran	55%	203,180	Peru	28%	106,036
Pakistan	54%	178,202	Vietnam	26%	314,237
Korea	54%	490,374	Jamaica	24%	157,641
Ukraine	52%	153,299	Italy	23%	74,369
Philippines	50%	869,735	Guyana/British Guiana	23%	56,182
Israel/Palestine	50%	61,190	Cuba	22%	261,760
Japan	49%	151,304	Trinidad and Tobago	22%	50,293
China/Hong Kong	49%	945,951	Ecuador	20%	76,692
Canada	48%	336,276	Haiti	19%	106,157
Romania	48%	68,765	Dominican Republic	15%	134,630
Bangladesh	48%	91,289	El Salvador	7%	78,997
United Kingdom	47%	293,338	Mexico	6%	637,842

Source: Author's calculations based on 2016 ACS.

The proportion of foreign-born college graduates (30%) is similar to that of their U.S.-born counterparts (32%), as seen in **Table 2**, and it is much higher than the share of the immigrant population (19%) as seen in **Figure 1** (page 16). This suggests that immigrants are more likely to be college graduates than the U.S. born. However, we do note at the same time that immigrants also tend to have a bimodal educational profile, with large

percentages of workers who have very low education (less than 9th grade), relative to the U.S. born (**Figure 7**). Immigrants are therefore bringing a full spectrum of complementary skill sets to the United States. Analysis was conducted on the college educated, since the focus is on immigrant integration in upper-level positions where higher educational achievement is most relevant.

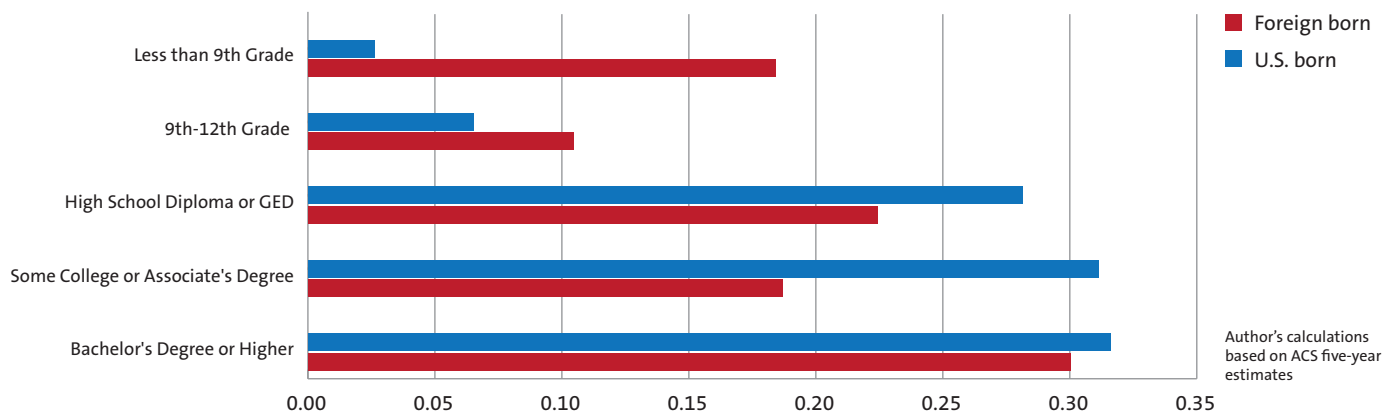


LEARN MORE

See a report by the Migration Policy Institute about the rising “brain gain” or rising human capital of recent immigrants in the United States.

[Read more here.](#)

Figure 7. Educational Profile of the Foreign- and U.S.-Born Workers, 2016



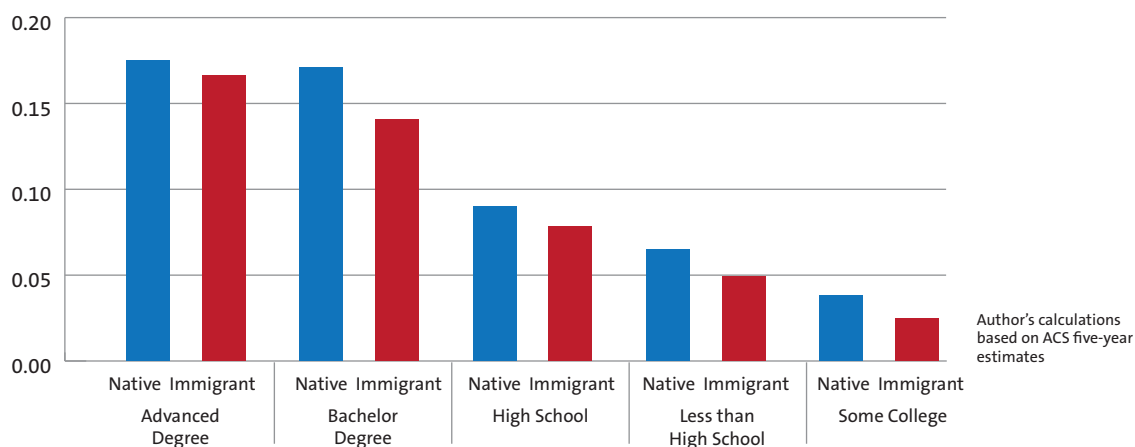
Trends in the Representation of Educated Foreign- and U.S.-Born Managers and Executive Professionals

Even though the data shows that the numbers of foreign-born and U.S.-born college graduates are roughly the same, immigrants in management and executive positions trail behind that of the U.S.-born when educational attainment is equalized. Fifteen percent of immigrants with a college education are in management and executive positions, compared to just under 20% of their U.S.-born counterparts. (Figure 8). This result is consistent with 2016 findings from the [Migration Policy Institute](#) that have signaled a relative underutilization of skilled immigrants with a college

Fifteen percent of immigrants with a college education are in management and executive positions, compared to just under 20% of their U.S.-born counterparts in those positions

degree, a phenomenon dubbed “brain waste,” whereby the employment pathways of many skilled immigrants is subpar given their qualifications. Among those with an advanced degree, however, the representation is somewhat similar—18% of the U.S.-born individuals with an advanced degree are in management and executive positions, compared to 17% of immigrant counterparts.

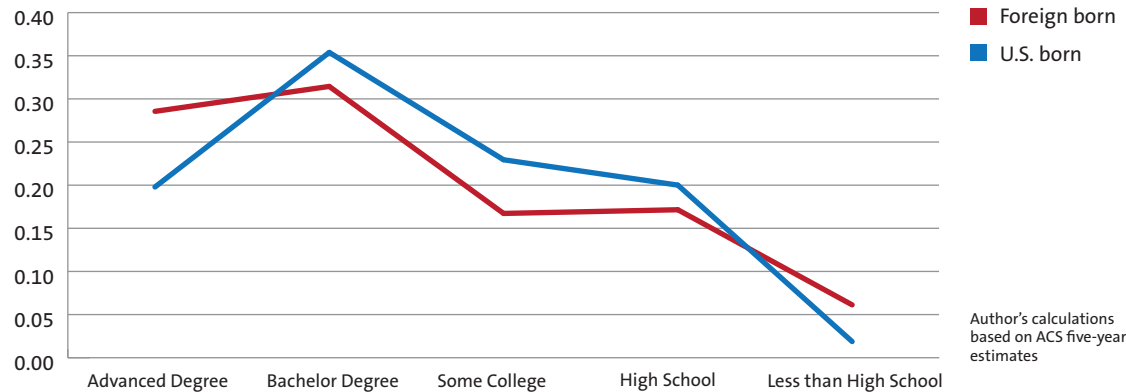
Figure 8. Percent of Workers in Management and Executive Positions by Education Level and Immigrant Status



Looking at the full educational distribution of those in management and executive positions provides additional insight into the pathway of immigrants to upper professional echelons, especially for those who are highly skilled (Figure 9). Among U.S.-born workers in management and executive positions, 20% have an advanced college education and 35% have a college

degree. By contrast, among immigrants in the same positions, a much higher percentage – 28% – have an advanced degree, and 31% have a college degree. Hence the education distribution of U.S.-born managers and executive professionals is more spread out than that of the foreign born; the latter steered more toward advanced degrees.

Figure 9. Educational Profiles of U.S.- and Foreign-Born Managers and Executive Officers



Top Industries with Larger Share of Immigrant Workers with Advanced Degrees

- | | | |
|--|---|---|
| 1. Chemical and Pharmaceutical Manufacturing | 4. Computer and Electronics Manufacturing | 7. Scientific Research and Development Services |
| 2. Machinery Manufacturing | 5. Mining | 8. Insurance and Financial Investments |
| 3. Newspaper Periodical Book Directory and Software Publishers | 6. Design Management Scientific and Technical Consulting Services | |

Trends in the Representation of Educated Foreign- and U.S.-Born Managers and Executive Professionals, by Race and Ethnicity

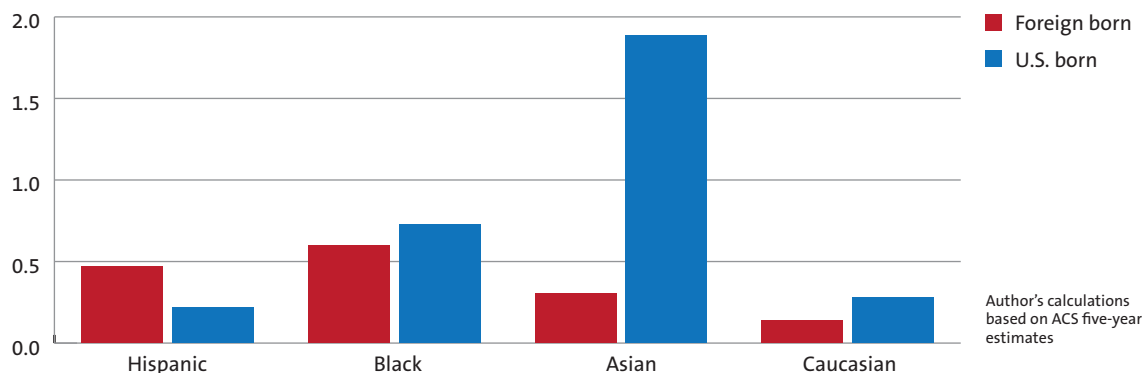
Further analysis was conducted on recent trends in the relative representation and growth in numbers of U.S.- and foreign-born workers in managerial and executive positions by different ethnic and racial characteristics (Figure 10).

The number of college-educated black and Hispanic immigrants in upper-level positions is flatter than that of their Asian and white immigrant counterparts. Previous studies suggest that, controlling for education, the pace of adaptation and integration of immigrants is generally slower than for their U.S.-born counterparts, due to reasons such as language barriers and skills being less transferable in the U.S. job market.

Overall, the numbers of college-educated managers and executive professionals had relatively healthy growth for all ethnic racial categories. The number of college-educated white immigrants increased by 14% (up to 441,000). Foreign-born Asians increased by 30% (up to 368,000); their U.S.-born Asian counterparts more than doubled (from 70,000 to more than 200,000). The number of foreign-born Hispanic college-educated

managers and executive professionals increased by 47% (up to 200,000). By contrast, their U.S.-born Hispanic counterparts increased by 22%. College-educated Hispanic immigrants are still gaining traction in upper-level jobs. The number of such black foreign-born professionals increased by 60% (to up to 44,000), trailing behind the growth for their U.S.-born black counterparts, which increased by 70%.

Figure 10. Growth Rate of the Number of College-Educated U.S.-Born and Foreign-Born Workers in Managerial and Executive Positions, 2000-2016



Conclusions and Implications

After equalizing for education, immigrants still trail behind the U.S.-born in terms of gains in positions of upper-level leadership and management. This suggests that immigrants are not outpacing U.S.-born employees in the executive ranks.

What can companies do to ensure equitable opportunities for foreign-born workers in our steadily changing workforce? First, many of our U.S. corporations are both international and global, requiring employees to take international assignments or work with international employees assigned to the United States. Cultural competency skills enhance the ability for organizations – and individuals – to be successful. As these trends continue, and crosscultural representation becomes more prevalent in the workplace, it will become increasingly important to

ensure that basic cross-cultural competency skills are part of U.S. companies' toolkits to tackle the challenges of tomorrow's workforce.

In addition, a number of previous research studies have discussed ways in which programs, initiatives and immigration policies can help unlock the skills of educated immigrants with credentials, curb brain waste, create more even progress in their employment pathways, and advance them in the marketplace.

In the remaining section of *Inside Inclusion*, Chicago United provides tools for success, designed and refined over the past six years, for our member companies' use as their diversity and inclusion work continues.

Here's What You Need to Know:

- In this final section of *Inside Inclusion*, we highlight the importance of tracking your D&I progress and offer practical tools you can use in your efforts.
- These tools have been developed and refined over the past several years. The toolkit is designed to more fully engage leadership in championing sustainability efforts around diversity and inclusion.
- The toolkit complements the information in this report by providing the resources for acting on the findings.
- The toolkit provides a framework for learning, implementing, and measuring and includes quick, but substantive, tips and frameworks relevant to advancing inclusion. This section contains:
 - **Tips for D&I Crisis Management**
 - **Tips for Courageous Conversations**
 - **A Cross-Cultural Competency Model for Leaders**
 - **Leadership Assessments and Organizational Scorecards**

Tips for D&I Crisis Management

There have been no lack of diversity-related scandals in the past year – from discriminatory employee practices and customer offenses to allegations of harassment and public verbal attacks. Several companies and global brands have had to act quickly around damage control – and this has been done with varying levels of

effectiveness. The accessibility and far reach of social media and traditional media outlets has focused attention on these incidents, providing a platform for commentary through multiple world views. Sometimes these incidents reflect the ethos of the company. Quite often they represent poor judgement on the

part of one or more individuals.

How can organizations address these unplanned incidents? What are the crisis management best practices for protecting and advancing an organization's diversity and inclusion progress and safeguarding (or regaining) the corporate reputation? Here are a few tips for employers:

Show you take it seriously	Take ownership of the matter; do not minimize it. Provide a public apology and let the community know that you are planning a response.
Remember that response time matters	Ensure that your CEO and community relations team connect with the public right away, acknowledge the incident and assure others that a plan to respond is in motion.
Pull together a diverse team of internal and external experts who can provide informed and multiple perspectives	This should include a standing and ad hoc committee that can competently address multiple situations.
Develop an interactive communication strategy for social media	Giving others a chance to air their feelings in a forum you have set up speaks to your company's commitment to reconciliation.

Ask those who have been impacted their perspective	Avoid making assumptions that you know what others have experienced, or feel is an appropriate response.
Share your plan for reconciling the mistake with the public	Once a well-thought-out plan has been created, be transparent with both your employees and the community about next steps.
Balance crisis management with a strategic, longer-term approach	Take advantage of lessons learned. Collaborate with experts to think through potential scenarios that could occur based on current insights.

Tips for Courageous Conversations

Conversations are at the heart of culture within an organization, but those conversations that center around diversity don't always come second-nature and often require nudging past our comfort zones. There are multiple steps we can take as employers and individuals to create a climate for open and candid dialogue around diversity. These steps include a blend of reflective and active behaviors:

Organizational Strategies

- Create monthly forums
- Encourage leaders to engage in facilitated but candid conversations about race, ethnicity and personal biases
- Incorporate skill-building within leadership training around implicit bias and facilitating critical conversations
- Sponsor “lunch-and-learn” roundtable discussions, enabling employees to ask each other questions and share concerns and insights about specific topics
- Encourage leaders to participate in roundtable forums with their peers to discuss common challenges and strategies within their respective organizations regarding D&I
- Arrange speaking engagements for leaders to discuss the company's D&I efforts

Individual Strategies

Build self-awareness; reflect on:

- Your filters or the lens through which you view the world
- Your stylistic preferences
- The impact your behaviors have on others

Demonstrate curiosity:

- Exhibit authentic listening
- Ask questions to learn
- Make room for “both/and” thinking

When strong feelings or emotions arise:

- Identify and validate the emotions that are present
- Use knowledge of your own and others' emotions to be more empathetic
- Use knowledge of emotions to suspend judgment and to engage others in the dialogue

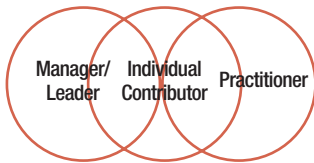
Strategies for Facilitating Race Talk

(from Derald Wing Sue, professor of counseling psychology, Columbia University)

1. Understanding one's racial/cultural identity
2. Being open to admitting racial biases
3. Being open and comfortable in discussing topics of race and racism
4. Understanding the meaning of emotions
5. Validating and facilitating discussion of feelings
6. Control the process and not content of race talk
7. Unmask the difficult dialogues through process observations and interventions
8. Do not allow difficult dialogue to be brewed in silence
9. Understand differences in communication styles
10. Forewarning, planning and purposefully instigating race talk
11. Validate, encourage and express appreciation to participants who speak when it's unsafe

Cross-Cultural Competency Model for Leaders

Chicago United offers the following framework for evaluating cross-cultural competency. The competencies and behaviors noted are general (applicable across industries).



All individuals within the organization should be held accountable for developing cross-cultural competency. In the pages that follow, you will find relevant behaviors listed at three levels – Manager/Leader, Individual Contributor, and Practitioner.



While the list of behaviors provided is not exhaustive, it provides a solid foundation for defining cross-cultural competence. Leaders and practitioners can leverage these as a launch pad or comparison point and can customize the behaviors to more closely align with the nuances of their respective organizations.

Cross-Cultural Competency Model

Individual Contributor/All Employees	Manager/Leader	D&I Practitioner
SELF-AWARENESS		
<p>Demonstrates awareness of one's values, biases and preferences and how this impacts one's behavior and interactions at work</p> <p>Reflects on interactions with others to enhance learning</p> <p>Regularly seeks honest feedback about how one's behaviors are perceived</p> <p>Participates in assessments that provide insight on cultural values and competence</p> <p>Attends relevant training and engages in continual self-development to enhance awareness of one's own cultural values and background</p>	<p>Is aware of the power dynamic when interacting with direct and indirect reports and adjusts one's communication approach to encourage participation</p> <p>Tests for understanding of one's communication and interaction to ensure that it is received as intended</p> <p>Regularly seeks multiple perspectives on one's impact from varying stakeholders</p>	<p>Provides tools for employees to assess values and cross-cultural competence</p> <p>Provides a variety of training/development forums for employees and managers to deepen their personal awareness</p>
AWARENESS OF OTHERS		
<p>Establishes relationships with individuals/groups from different backgrounds to enhance learning and gain unique insights</p>	<p>Surrounds self with individuals/groups from different backgrounds (culture, functional, etc.) to stimulate learning and new ways of thinking</p> <p>Understands the levels of engagement, retention, and performance of varying demographic groups within the organization and the underlying factors related to these</p> <p>Encourages peers and reports to look at issues from different perspectives</p> <p>Leverages multi-level and cross-functional groups to address organizational challenges and opportunities</p>	<p>Invites employees, customers, suppliers and other stakeholders to participate on advisory councils and roundtables to bring new and varied perspectives into the organization</p> <p>Keeps up to date with industry-leading practices and helps identify those that have relevance for the organization</p>

Cross-Cultural Competency Model

Individual Contributor/All Employees	Manager/Leader	D&I Practitioner
INSTITUTIONAL AWARENESS		
Demonstrates awareness of the cultural norms of the organization	<p>Holds direct reports accountable for maintaining inclusive work practices within their teams</p> <p>Demonstrates understanding of the need to balance individual values with organizational values</p> <p>Mentors others and encourages dialogue to help employees understand the spoken and unspoken rules of the culture</p> <p>Actively seeks understanding of how different groups are impacted by institutionalized practices</p> <p>Challenges practices, policies and behaviors that do not promote an inclusive work environment</p>	<p>Is aware of how biases manifest in the various systems and practices of the organization (e.g., interview process, performance management, succession planning, etc.)</p> <p>Challenges practices, policies and behaviors that do not promote an inclusive work environment</p> <p>Ensures there are forums and mechanisms in place for all employees to ask for support or provide information</p>
OPEN-MINDEDNESS		
<p>Models open-mindedness and demonstrates curiosity by asking questions to further understand concepts and ideas one is unfamiliar with or in initial disagreement with</p> <p>Listens attentively to differing points of view</p> <p>Demonstrates curiosity</p>	<p>Surrounds self with individuals/groups from different backgrounds (culture, functional, etc.) to stimulate learning and new ways of thinking</p> <p>Understands the levels of engagement, retention, and performance of varying demographic groups within the organization and the underlying factors related to these</p> <p>Encourages peers and reports to look at issues from different perspectives</p> <p>Leverages multi-level and cross-functional groups to address organizational challenges and opportunities</p>	<p>Keeps up to date with industry-leading practices and helps identify those that have relevance for the organization</p>
TOLERANCE FOR AMBIGUITY		
<p>Seeks new experiences outside of one's comfort zone to facilitate personal development</p> <p>Reaches out to others with known differences in perspective to help identify any personal oversights or blind spots</p> <p>Demonstrates vulnerability by acknowledging what one does not know or would like to learn more about</p>	<p>Confidently leads organization through times of change (clarifying the rationale, vision and implications for diverse stakeholders)</p> <p>Demonstrates capacity to take calculated levels of risk to implement new approaches</p> <p>Provides opportunities for groups who have not been traditionally represented in the workforce</p>	<p>Uses data from risk assessments to inform D&I strategies and consult with leaders</p>

Cross-Cultural Competency Model

Individual Contributor/All Employees	Manager/Leader	D&I Practitioner
FLEXIBILITY/ADAPTABILITY		
<p>Demonstrates ability to adapt one's behavior to the cultural context in which one is working</p> <p>Focuses on quality of contribution and results versus stylistic differences</p>	<p>Can point out positive aspects related to internal or externally driven changes that impact the organization</p> <p>Effectively adapts one's management style to accommodate different work, communication and learning styles and bring out the best in others</p> <p>Advocates for more than one right way to conduct business to spark innovation and individual expression</p> <p>Facilitates discussions in a manner that enables all team members to contribute (e.g., less vocal members)</p>	<p>Identifies optional methods for helping employees/managers build cross-cultural competence, keeping in mind differing learning preferences and cultural backgrounds</p>
MULTICULTURAL TEAM MANAGEMENT (FOR MANAGERS AND LEADERS)		
<ul style="list-style-type: none"> • Configures teams that reflect balance in terms of strengths and diverse/unique insights • Delegates work that compliments each direct report's strengths and capabilities to successfully contribute to team goals • Crafts developmental/ stretch assignments for direct reports to help them improve their level of contribution and performance • Holds direct reports accountable for creating diverse and inclusive team structures • Has ongoing conversations with direct reports to gain understanding of the strengths and unique contribution potential of indirect reports • Is proactive in giving constructive feedback to those from a different cultural background. Does so in a manner that is respectful and mindful of individual needs 	<ul style="list-style-type: none"> • Challenges the status quo of the work group to encourage new ways of thinking and accomplishing tasks and encourages others to do so as well • Encourages group to address conflict openly and respectfully • Addresses disrespectful team behavior immediately • Speaks up in a supportive manner when a specific individual's views are being ignored or disrespected • Encourages team to challenge their assumptions before drawing conclusions or making decisions 	

Leadership Self-Assessments and Organizational Scorecards

This section of the Toolkit provides benchmarks for leaders to evaluate their own progress as well as the progress of their overall organizations. Guidelines and metrics are provided for the following areas:

- Talent Attraction
- Talent Retention
- Performance Management
- Rewards & Recognition
- Succession Management
- Leadership Development

Each area is structured as follows:

- Drilling Down
- Borrowing from Best Practices
- Questions You Should Ask
- Leadership Self-Assessment
- Organizational Scorecard

Audience

This toolkit was designed to be used by a number of stakeholders within the organization:

- Executives (including C-suite members), business unit leaders, and managers
- Functional leaders including diversity practitioners, human resource managers, and organizational development practitioners

How to Use the Leadership Self-Assessment and Organizational Scorecards

Although this toolkit was developed specifically for Chicago United member corporations, we are sharing the full first section, Talent Attraction, in this report. That includes the related *Drilling Down*, *Borrowing from Best Practices*, *Questions You Should Ask*, *Leadership Self Assessment*, and *Organizational Scorecard*. The five additional segments included here only provide a sample of the information available to members of Chicago United.

Drilling Down and Borrowing from Best Practices

The Drilling Down (overview) section provides context for a specific talent management component (e.g., Talent Attraction). It is followed by Best Practices for the component that have been associated with top companies for diversity and inclusion. We suggest that you familiarize yourself with this section, as the questions and scorecard will flow from elements addressed here.

Questions You Should Ask

We then outline candid questions for leaders to ask. The list of questions provided can be referenced in daily conversations, one-on-one meetings, and at staff meetings as an ongoing method to gauge the efforts taking place within the organization, as well as to identify opportunities for improvement. The questions are designed to keep leaders and stakeholders engaged in a continual dialogue around diversity and inclusion. As an example, a senior leader may review the questions with his or her human resource

advisor or diversity practitioner. An executive team may review the questions during a weekly meeting.

Leadership Self-Assessment

Chicago United believes that one of the most important things a leader can do is to model the behaviors he or she would like to see within the organization. The success stories we hear about, from our member companies, hinge upon compelling acts of leadership. The leadership self-assessment is a companion scorecard to the organizational scorecards. It is designed to provoke

thought and reflection and to help leaders gauge individual progress.

For each talent management area there are items for leaders to reflect upon and determine where they fall on a continuum of “Getting Started,” “Making Progress,” or “Demonstrating Consistent Results.” Leaders completing this should place a check mark in the column they feel most accurately describes their behaviors during a specified time period (e.g., last six month or year) and replicate this self- assessment (e.g., every six months) to identify areas of strength and areas for personal growth.

Organizational Scorecard

Six scorecards have been constructed to help you see your progress on the journey within a specific area (e.g., Performance Management). Each talent area will have between 4 and 10 rows of behavioral statements (or anchors) that correspond to three different levels along a continuum of mastery:

Level 1:
Evaluation and definition phase

Level 3:
*Systems are in place /
We are making progress*

Level 5:
*Exhibiting leading practices /
Consistently realizing results*

Scoring

For each talent area, read each row of statements and determine where your organization falls along the continuum. This exercise would mostly likely occur as part of a team discussion. This could also be implemented as an individual exercise, where the team meets later to discuss and calibrate scores.

You may feel that your organization lies somewhere between two statements on some activities (e.g., between a “3”and “5”) and so you could give your organization a rating of “4.” Additionally, if your organization has not initiated any activity for the behaviors in a particular row, you have the option of placing a “0” in the score column.

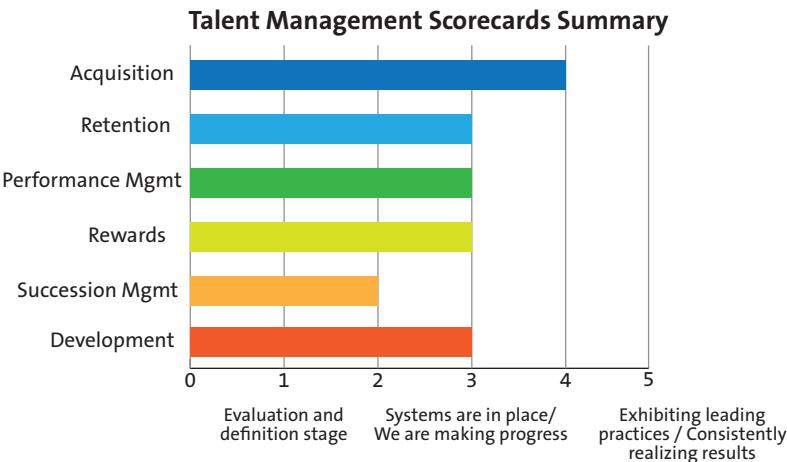
Scorecard Example

Please read across each row to determine your score in each practice on a scale of 0 to 5, with 0 being the lowest and 5 being the highest, and record it in the final column. The descriptions provided at Levels 1, 3, and 5 establish benchmarks in each practice. An overall score in this talent management area can be obtained by averaging all the scores down the final column.

←	0	1	2	3	4	5	→	
	Have not addressed this area	Evaluation and definition phase		Systems are in place/ We are making progress		Exhibiting leading practices/ Consistently realizing results		SCORE
		We are developing representation goals for each business unit.		Representation goals are understood in each business unit and progress towards goals is a recurring item on team meeting agendas.		Representation goals for each business unit are achieved or exceeded in senior level roles.		2
		We are exploring relationships with search partners who have a proven track record in sourcing racially diverse candidates for global executive positions.		We consistently require a racially diverse slate of viable candidates from our search partners and enable time to expand the pool when a diverse slate is not initially presented.		We consistently receive a racially diverse slate of viable candidates from our search partners which has resulted in placements.		4

Plotting Your Scores

A summary graphic that captures overall scores in each category is provided in the digital online toolkit available to members of Chicago United. This will help to identify strengths, as well as future focus areas that provide the greatest opportunity.



Setting Targets and Creating Supporting Strategies and Action Plans

We recommend that the scorecard be utilized as an annual assessment from which you develop strategies and actions to be monitored quarterly. The results from the scorecards will help you determine where to focus organizational efforts and/or initiate change. Consequently, you will need to engage your team or relevant stakeholders within the organization to create strategies and actions plans to get you there.

There are various scenarios that might be relevant as you set your targets. The course of action will vary depending on what is taking place within your organization, external dynamics, and resulting business priorities. For example, you may decide that you want the organization

to move from Level 1 to Level 3 on a few activities within one talent area (e.g., Performance Management). Alternatively, you might create strategies that enable you to raise your average rating within a talent area from a “3” to a “4.”

Reaching “Level 5” is an aspirational target for many organizations. However, if you see that you have achieved mastery in one area, the next question becomes “how can you sustain this?” There will always be internal and external dynamics that impact an organization’s progress and ability to maintain a “5” over time. Consequently, new strategies and action plans will need to be created and reformulated to address these dynamics.

There are a number of factors that impact where you will be at any point in time. Our recommendation is that the scorecards be revisited

annually, at a minimum, and that appropriate strategies and actions be developed within those opportunity areas that exist at that time.

Moving Forward

Keep in mind that the best practices, questions, and behaviors provided in this toolkit are not exhaustive. Rather, they are designed as a guiding framework that you can utilize as is, or build upon so that it is customized to your organization. We view it as a dynamic tool which we will refine over the years. We are working with a task force that has provided guidance in getting us to the current version of the toolkit, and we will continue to work with them. Additionally, we welcome feedback from our members on ways you have found the toolkit to be useful and how we can make it even more valuable for you.

Talent Attraction

Drilling Down

Much of the research on hiring executive talent highlights the importance of looking at character, competency (or specific skills and abilities) and competence (or achievement of results). Additionally, it is critical to consider the organizational context – “what changes or challenges are we facing right now; what type of leader can be instrumental in helping us achieve our vision?” In essence, considering context is being clear on the direction the bus is heading (strategic direction), and whether it is moving or stagnant, in order to ensure those on it can get the company to its destination. This premise does not change, in any manner, when considering diverse talent.

The oft-used rationale for lack of racial diversity in the executive ranks is generally “we don’t have any internal candidates who are ready,” “we can’t find any” or “the ones we can find are in such demand that we cannot lure them away.” This “limited qualified candidate pool” dilemma has been at the core of many discussions on the absence of racial diversity in corporations – ironically in corporations headquartered in cities that boast of their diverse citizenry.

Borrowing from Best Practices

The path to attracting diverse talent at the executive levels and within the leadership pipeline is not a secret one, nor is it innately mysterious. Many organizations, hailed for best practices in diversity, have created integrated solutions for sourcing top talent. The practices/strategies associated with yielding optimal results are straightforward, realistic and implementable.

They include:

- Expanding external networks
- Leveraging internal networks
- Shaping the employer brand
- Building cultural competence in external-facing roles
- Holding search firms accountable
- Defining and recognizing that excellence has many forms
- Leveraging social media for outreach to candidates

Questions You Should Ask

Executives can identify challenges and opportunities by asking these additional questions:

1. How are we communicating our representation goals internally? Are we seeing resistance or cooperation?
2. Are our recruiting and selection methods bringing us a broad-enough pool of diverse candidates to enable us to have options?
3. Who are our recruiting partners? How are we evaluating them?
4. What is our search firm’s success record of sourcing and presenting competitive/diverse candidates? Are we insisting that they provide a diverse slate?
5. What schools are we recruiting at and why? Have we looked at others who might provide a more diverse candidate pool?
6. Who is on the interview team? Is it the appropriate level of management? Have they been coached on sound interviewing practices?
7. Are we leveraging our Employee Resource Groups as well as diverse suppliers to identify and source diverse candidates? What kind of outcomes/referrals are we receiving through this process?



**WISDOM
FROM
THE WEB**

Five Things Companies Can Do to Attract Diverse Talent

1. Blind resume screening
2. Having a diverse talent-acquisition team
3. Ensuring inclusive wording in job descriptions
4. Emphasizing value-based hiring
5. Seeking out candidates where they are (like sites designed to appeal to non-traditional candidates)

– Laurence Bradford, Forbes online, Jan. 24, 2018

[Read more here.](#)

8. How are we onboarding our leaders? What role should I and my direct reports be playing?
9. Are we fully leveraging diversity-oriented organizations and networks to identify and source diverse candidates?
10. What feedback have we obtained on our Employer Brand from employees as well as various groups within the community? Are there differences in perception given one's demographic group?

Leadership Self-Assessment

TALENT ATTRACTION	Getting Started	Making Progress	Consistent Practice/ Results
I am asking relevant questions to stay apprised of the status of our diverse hiring efforts			
I am requiring a diverse slate for all open positions that report to me			
I am holding my managers accountable for sourcing and hiring diverse candidates			
I am personally involved in onboarding new leaders			

Talent Attraction: Organizational Scorecard

0	1	2	3	4	5	SCORE
Have not addressed this area	Evaluation and definition phase		Systems are in place/ We are making progress		Exhibiting leading practices/ Consistently realizing results	
	We are developing representation goals for each business unit.		Representation goals are understood in each business unit and progress toward goals is a recurring item on team meeting agendas.		Representation goals for each business unit are achieved or exceeded in senior-level roles.	
	We are exploring relationships with search partners who have a proven track record in sourcing racially diverse candidates for global executive positions.		We consistently require a racially diverse slate of viable candidates from our search partners and enable time to expand the pool when a diverse slate is not initially presented.		We consistently receive a racially diverse slate of viable candidates from our search partners which has resulted in placements.	
	We have begun to roll out cross-cultural competence training within our organization.		The majority of hiring managers and teams have received cross-cultural competence training.		All hiring managers and teams have received cross-cultural competence training. We have the appropriate mix of senior-level individuals on our hiring teams and receive ongoing input from HR and D&I.	
	We are investigating ways to enhance our employer brand with racially diverse groups.		We have developed an employer brand across multiple forums and media to resonate and be visible within racially diverse groups.		We have obtained consistent positive feedback on our employer brand from racially diverse groups.	
	We invite all employees to submit referrals for senior-level openings.		We proactively and consistently reach out to our employee resource groups to source racially diverse candidates for senior level positions.		Our employee resource groups have been a referral source for placements of racially diverse candidates for senior-management jobs.	
	We are currently developing, or have recently developed, a strategy which describes the diverse professional organizations we will sponsor and participate in, in order to attract candidates.		Our involvement and alliances with external organizations and networks has increased our visibility and exposure to racially diverse professionals.		Our involvement with external organizations and networks has resulted in our ability to identify and make offers to several excellent candidates of color for our senior ranks and pipeline positions.	
	There is a critical mass of racial/ethnic diversity within our organization.		There is racial/ethnic diversity in the management feeder pools (achieving or exceeding representation goals).		There is racial/ethnic diversity within the leadership team (achieving or exceeding representation goals).	

Talent Retention

Drilling Down

It is not enough to get diverse individuals into the door. Many companies have aced the talent attraction piece of the puzzle by leveraging professional organizations and networks, branding, etc. Well-thought-out strategies and consistent practices must be executed to retain new hires so that the “revolving door” phenomena is minimized.

What contributes to the revolving door in organizations? Possible practices or gaps that warrant attention include:

- **Underutilization**

Are we fully leveraging the capabilities of our talent? Are they receiving assignments that enable them to demonstrate their strengths and grow? Do we have them in roles that optimize their skill sets and position them for advancement?

- **Fishbowl Practices**

Are we overly scrutinizing the behaviors of individuals, creating an environment in which they become hesitant to take action?

- **Incomplete Onboarding**

Have we implemented a comprehensive plan to onboard new talent which includes connecting them with mentors/sponsors, resources, ongoing communication and tools that can help them be successful? Have we communicated some of the unspoken rules of the culture and political considerations? Are managers/mentors providing detailed, in-the-moment feedback so that individuals have a good sense of what they are doing that is effective within the business culture and when they are missing the mark?

- **Wrong Person on the Bus**

Did we make an informed and wise choice on this individual? Did he or she demonstrate what was needed for this position? Did we rush in order to fill the opening with a racially diverse candidate? Did we have a wide enough pool to choose from?



WISDOM
FROM
THE WEB

Ways to Show Candidates Your Company is Committed to Diversity

1. Include photos (and voices) of diverse employees in web and print materials
2. Highlight your Employee Resource Groups (ERGs)
3. Recruit at educational institutions with diverse student bodies
4. Invite candidates to your office or company events for a more authentic look at your culture

– Maxwell Huppert, LinkedIn Talent Blog, Jan. 31, 2018

[Read more here.](#)

Borrowing from Best Practices

Optimizing retention of racially diverse employees/leaders is a process that includes individual, group and enterprise-wide efforts. It is an ongoing and dynamic process as organizations can never assume that one year of great results will be replicated in following years. Practices that contribute to retention include:

- Demonstrating a visible leadership commitment to diversity and inclusion
- Creating a culture of inclusion

Questions You Should Ask

Executives can identify challenges and opportunities by asking these additional questions:

1. What are our overall retention/turnover rates at various job levels? How does this compare with the retention rates for minorities and women?
2. What is contributing to turnover? Is there a difference by demographic group? Are there pay gaps that demonstrate unequal opportunities?

Leadership Self-Assessment

TALENT RETENTION	Getting Started	Making Progress	Consistent Practice/ Results
I understand the challenges that leaders of color face within my organization and what is contributing to turnover			
I discuss retention challenges and opportunities in meetings with my direct reports			

Talent Retention: Organizational Scorecard

0	1	2	3	4	5	SCORE
Have not addressed this area	Evaluation and definition phase		Systems are in place/ We are making progress		Exhibiting leading practices/ Consistently realizing results	
	Criteria for key talent have been established and employees meeting these criteria have been identified.		A comprehensive retention program is in place for key talent.		A substantive number of employees of color are in our key talent program. Annual retention rates for key talent of color in senior-level positions and pipeline positions are 90% or higher.	
	Retention metrics are calculated regularly and communicated to business leaders by demographic breakdowns.		Retention goals have been established and communicated within each business unit. Action plans have been developed to address gaps seen in retention findings within each business unit.		Consistent progress is being made and communicated regarding action plans. Retention goals for leaders of color and those within the pipeline have been met and or exceeded on a consistent basis.	

Performance Management

Drilling Down

Research by social scientists suggests that between one third and one half of all executives fail upon taking a new position. While failure may not result in termination, this number is astounding. There are several underlying reasons:

- **Contextual nature of executive jobs**

Much of success in senior-level roles is impacted by factors in the external environment as well as episodic events taking place within the organization.

Research by social scientists suggests that between one third and one half of all executives fail upon taking a new position.

- **Predictability**

Results in a new position cannot always be directly linked to past behaviors given the nuances of different company cultures, politics, and challenges.

- **Equifinality** (several approaches may lead to success)

If the organization is focused on “one right way” to demonstrate leadership, there may be difficulty in recognizing and appreciating that what leads to success for one person may not in another. With leaders of color, the issue may be stylistic; consequently, traditional metrics for evaluation might be challenged.

For leaders of color, an added challenge stems from the lack of comfort that their managers have with giving them candid feedback. In some scenarios, everyone around the leader may sense that there is a problem, but feedback is not provided until it is too late. Feedback is withheld for a number of reasons, including fear of being misunderstood, of being labeled a racist, or because of insufficient information. This ineffective practice of withholding feedback, however, results in the self-fulfilling and perpetuating prophecy that leaders of color will not excel in the organization.

Borrowing from Best Practices

Traditional performance management tools are not always leveraged at the leadership level. However, performance management provides a necessary structure for evaluating individual performance and organizational effectiveness. Performance management provides a tool for outlining accountability, shaping behavior, tracking results, and creating and sustaining a multicultural work environment. Here are some best practices:

- Fully align the performance management system with business strategy
- Align the performance management system with pay-for-performance

Questions You Should Ask

Executives can assess whether or not their organizations have created an optimal environment for successful performance of diverse leaders by asking pertinent questions:

1. What can we learn from our leaders of color who have been successful?
2. What are the factors that are contributing to their success?

Leadership Self-Assessment

PERFORMANCE MANAGEMENT	Getting Started	Making Progress	Consistent Practice/ Results
I communicate the importance of holding managers and individual contributors accountable for creating and maintaining a diverse and inclusive work environment			
I have ensured that diversity and inclusion are integrated into how I evaluate the performance of my direct reports			

Performance Management: Organizational Scorecard

←	0	1	2	3	4	5	→	SCORE
	Have not addressed this area	Evaluation and definition phase		Systems are in place/ We are making progress		Exhibiting leading practices/ Consistently realizing results		
		Leadership has communicated the importance of diversity and an inclusive workplace and linked it to high-performance, innovation, the bottom line, and organizational values.		Qualitative and quantitative accountability metrics that hold managers responsible for meeting diversity goals are embedded within our performance appraisal system.		Trend data shows that diversity goals are being met or exceeded in all business units.		
		Performance management training is required of all people managers.		Diversity and Inclusion and cross-cultural competencies have been defined for our organization.		All managers have completed performance management training and understand the relevance of managing diversity (as indicated on feedback forms and performance reviews).		

Rewards and Recognition

Drilling Down

Many senior leaders ponder when they will be able to take their diversity and inclusion efforts to the next level or why it is taking so long for them to see visible progress, particularly as it relates to representation and retention in senior ranks. One missing, or often-diluted, piece of the puzzle is the accountability component. What gets measured (and rewarded) gets done. In addition to vocal commitment and performance management programs, organizations that are seeing results have a strategic plan for recognizing and rewarding desired behavior within the organization.

The link to compensation is being made in many organizations. However, some of these efforts are half-hearted and leave room for escape. Better practices involve developing detailed specifications for expected behaviors in a variety of areas so that achievement of one component of diversity does not compensate for another.

Another practice, more qualitative in nature, involves the establishment of programs and communication vehicles that recognize and showcase excellence within diversity to internal and external stakeholders. This recognition leads to reinforcement of behaviors which facilitates the creation of a culture that demonstrates its value for inclusion.



WISDOM
FROM
THE WEB

Positioning Recognition to Support Diversity and Inclusion

- Include diversity and/or inclusion as one of the values in your recognition program.
- Create opportunities to reinforce employees through the diversity and inclusion variable through enterprise initiatives, ERGs, and/or local campaigns.
- Share stories and statistics from the recognition platform in support of diversity and inclusion.

– Chris Winkelspecht, Moritz Motivation blog, June 17, 2016

[Read more here.](#)

Borrowing from Best Practices

While the strategies noted in the literature for creating recognition and accountability for diversity are easy to understand, their implementation often requires transformative change within the organization's culture. Specific best practices include:

- Training management on how to provide relevant and timely recognition to employees
- Providing both informal and formal recognition.

Questions You Should Ask

Executives can identify challenges and opportunities by asking these additional questions:

1. How are we demonstrating our value and commitment to diversity and inclusion through our recognition and reward programs?
2. Does our expectation for leaders to be accountable for meeting diversity goals have "teeth?" How are we rewarding those who meet goals and what are the consequences for those who do not?

Leadership Self-Assessment

REWARDS & RECOGNITION	Getting Started	Making Progress	Consistent Practice/ Results
I discuss progress towards reaching diversity and inclusion goals in meetings with my direct reports			
Part of my direct reports' incentive compensation is based on achieving diversity and inclusion goals			

Rewards and Recognition: Organizational Scorecard

0	1	2	3	4	5	SCORE
Have not addressed this area	Evaluation and definition phase		Systems are in place/ We are making progress		Exhibiting leading practices/ Consistently realizing results	
	Leadership has established diversity representation goals for each business unit		Accomplishments towards goal achievement are discussed in staff meetings		A portion of our managers' compensation is contingent on the progress of diversity initiatives. Bonus systems reward or penalize managers for making or missing diversity and inclusion goals	
	The organization leverages a variety of forums to gather success stories for racially diverse employees.		Racially diverse professionals and leaders have been nominated for various internal and external awards.		Each year, several diversity success stories are showcased within our organization and outside. Each year, diversity champions are recognized and showcased within and outside of our organization.	

Succession Management

Drilling Down

A powerful mechanism for increasing diversity within senior leadership ranks is an effective succession-management system. Succession management outlines pathways for development across the organization. This system, however, must have built into it checks and balances at every stage, and candid dialogue around diversity, otherwise the process will become as subjective and biased as those using it.

As an example, executives may unconsciously fall prey to using succession management to clone themselves – the rationale being, “I will feel comfortable leaving my position in the hands of someone like me, someone who will carry out my legacy.” This often creates artificial barriers for diverse candidates – those who do not look like or communicate like the current incumbent.

Because of an organization’s historical hiring practices and resulting talent pool, an additional challenge may be an insufficient supply of diverse talent in the “ready now” or “ready in one- to three-year” pool. Consequently, it is important that organizations ensure that the development of those in the pipeline (ready in three to five years) is still considered seriously and is viewed as an ongoing priority.

Borrowing from Best Practices

Succession management is an ongoing dialogue, not an event. It benefits from multiple perspectives as much as it benefits from structured guidelines and tools. With respect to increasing and preparing diversity within the talent pipeline, many best practices have been noted, including:

- Making vocal commitment and articulation of diversity goals within each business unit
- Putting in place a disciplined succession management process, including diagnostics, gap analysis, clear metrics and checkpoints

Questions You Should Ask

Executives can identify challenges and opportunities by asking these additional questions:

1. What proportion of our high-potential talent pool is racially/ethnically diverse?
2. For what positions have they been identified and in what timeframe will they be ready to move into these positions? Are these profit-and-loss roles and/or operational roles?

Leadership Self-Assessment

SUCCESSION MANAGEMENT	Getting Started	Making Progress	Consistent Practice/ Results
I have submitted a diverse slate of candidates for our succession plan			
I engage other leaders/managers in discussions about how we define leadership to allow for broader fit and style differences.			

Succession Management: Organizational Scorecard

0	1	2	3	4	5	SCORE
Have not addressed this area	Evaluation and definition phase		Systems are in place/ We are making progress		Exhibiting leading practices/ Consistently realizing results	
	Senior leadership has voiced its commitment to an inclusive succession-management process.		A well-defined and structured succession-management program is in place with accompanying tools and resources (e.g., interactive databases with up-to-date experiential records for all employees).		Each component of our succession-planning process is viewed and analyzed through a diversity filter. Our CDO along with CHRO facilitate leadership discussions in which key talent is reviewed evaluated (e.g., progress reviews, calibration meetings).	
	Leadership competencies have been defined and communicated to all employees.		Cross-cultural competence is a component of our leadership competency model.		Our leaders have been assessed and coached on cross-cultural competence and have been provided with training on unconscious bias. Our leadership team is having candid dialogues in which we re-evaluate/ revisit our definitions of effective leadership.	

Leadership Development

Drilling Down

Do the development strategies that work for Caucasian males and females work for aspiring leaders of color? It can be argued that, yes, they do, however, the jury is still out on how often aspiring leaders of color actually are provided comparable opportunities. What enables individuals to advance within their organization is a combination of individual effort, networking, and access to development resources and credible assignments that are valued within the organization.

Some of the factors to consider when developing leaders of color include:

- **Depth and Breadth**

Giving individuals assignments that enable lateral movement so that they can develop the big picture view, as well as giving them upward mobility within a specific discipline.

- **The “Right” Assignments**

Making available assignments that are challenging and develop skill sets, engender credibility and afford visibility to, and interaction with, senior leaders throughout the organization. These assignments may include temporary dedication in a specific functional area to address the individual’s skill gaps. They ultimately provide access to roles with profit-and-loss accountability as well as those in operations management.

- **The Myth of the “Right” Credentials**

Is the organization fixed on their leaders coming from a finite pool of business schools? This can limit the supply of diverse talent. These credential requirements may not guarantee success or innovative advances within a leadership position as much as they contribute to the current management team’s comfort.

- **Avoiding the Career Path Maze**

Too often diverse talent has been repeatedly moved into lateral positions and/or staff roles that do not strengthen their chances of being considered for the executive ranks.

Borrowing from Best Practices

The benefits of a holistic approach to leadership development have been demonstrated in global corporations. Many of the strategies yielding success have incorporated:

- Detailed assessments on relevant leadership competencies
- Identification of optional career paths

Questions You Should Ask

Executives can identify challenges and opportunities by asking these additional questions:

1. Have we included a substantive amount of diverse talent in our leadership assessment and executive coaching programs?
2. What are the development gaps for our diverse talent?

Leadership Self-Assessment

LEADERSHIP DEVELOPMENT	Getting Started	Making Progress	Consistent Practice/ Results
I have communicated my commitment to leadership development and volunteerism throughout the organization.			
I have created development assignments to help prepare key talent of color for higher-level roles			

Leadership Development: Organizational Scorecard

0	1	2	3	4	5	SCORE
Have not addressed this area	Evaluation and definition phase		Systems are in place/ We are making progress		Exhibiting leading practices/ Consistently realizing results	
	We identify trends around leadership development gaps for our diverse key talent on an annual basis, utilizing structured 360-degree assessment tools/ centers.		Development plans, stretch assignments, and resources (e.g., executive coaches) are in place for our key talent of color, are linked to key business imperatives, and are being implemented and tracked.		The career development paths for our key talent of color have led to placements in critical positions in our senior ranks (e.g., in revenue generating and operational management areas).	
	We have an area dedicated to resource management and cross functional development within our company that meets regularly with business unit leaders to identify opportunities.		Employees have the opportunity to work on assignments/projects that expose them to other areas outside of their departments.		Structured cross-functional and cross-border rotational programs are in place for entry-level through senior-level manager roles with representative participation from employees of color.	

Transforming to a Culture of Inclusion

Drilling Down

Building an inclusive culture is no small undertaking. Organizations are very protective of their cultures as they provide a blueprint for how to behave. Cultures create norms for operating and enable some level of predictability in an uncertain and competitive marketplace. Changing culture may require uprooting beliefs and practices with which employees have become comfortable.

Leadership has a primary role in enhancing the culture. This is done through the leader's ongoing communication, advocacy, and sponsorship, and through their personal interactions with others.

Additionally, culture transformation efforts, whether focused in one area or enterprisewide, should be done incrementally and address all systems within the organization, including the talent-management system.

Borrowing from Best Practices

- Think holistically and systemically in the data-gathering and change-management phases
- Establish a collective and focused vision

Questions You Should Ask

Executives can identify challenges and opportunities by asking these additional questions:

1. What type of culture are we striving for and why?
2. How would we describe our current culture?

Leadership Self-Assessment

CULTURE	Getting Started	Making Progress	Consistent Practice/ Results
I understand the culture of our organization and its impact on various demographic groups			
I am actively involved in creating and leading a culture of inclusion			

Transforming to a Culture of Inclusion: Organizational Scorecard

0	1	2	3	4	5	SCORE
Have not addressed this area	Evaluation and definition phase		Systems are in place/ We are making progress		Exhibiting leading practices/ Consistently realizing results	
	We have begun to ask questions about whether our culture supports our diversity and inclusion practices.		We have conducted an audit of our culture.		We have conducted a multi-faceted culture audit combining quantitative and qualitative methods.	
	We are aware that culture may be impacting our capacity to be successful in our diversity and inclusion implementation strategies.		We have looked at results and have a general understanding of our culture's strengths and weaknesses.		We have taken a systems approach, looking at how culture manifests in our various practices, policies, structures, etc.	

About Chicago United

Mission

To achieve parity in economic opportunity for people of color by advancing multiracial leadership in corporate governance, executive-level management, and business diversity.

Vision

To transform the Chicago region into the most inclusive business ecosystem in the nation by engaging the top publicly and privately held corporations in leading talent management and inclusive diversity practices.

To identify and present a diverse pool of corporate director candidates, enhancing the long-term viability of Chicago-based corporations.

To invigorate job creation in communities of color by increasing the scale of large Minority Business Enterprises in the Chicago region through the Five Forward Initiative™.

Benefits of Membership

Chicago United member companies receive access to a web-based application where the complete *Inside Inclusion* toolkit can be found.

This interactive tool includes the complete *Drilling Down*, *Borrowing from Best Practices*, *Questions You Should Ask*, *Leadership Self-Assessment*, and *Organizational Scorecards* within the six talent management categories of *Talent Attraction*, *Talent Retention*, *Performance Management*, *Recognition & Rewards*, *Succession Management*, and *Leadership Development*.

For information on becoming a member of Chicago United and receiving access to the web-based *Inside Inclusion* toolkit, please visit www.chicago-united.org or call 312-977-3060.



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