



Pearl Meyer

Part 1: The Leadership Equity Index – How Do You Stack Up?

A WCDirect Virtual Programming Event

September 15, 2021

Our Speakers



Evelyn D'An, Director, Summer Infant, Inc. and GHD Group, Co-Chair, BoardNext New York



Beth Florin, Managing Director, Pearl Meyer



Jan Koors, Senior Managing Director and President, Western Region, Pearl Meyer



Discussion Outline

- What is Equality in the Workplace?
- What Can We Do to Improve Equality?
 - What's different about firms that are showing positive results?
- Questions to Ask Your Management Team
- What is Your Organization's Leadership Maturity Level?
- What to Expect Going Forward?
- Q&A

What is Equality in the Workplace?

Diversity

Leadership Representation



Equity

Equal Pay for Equal Work

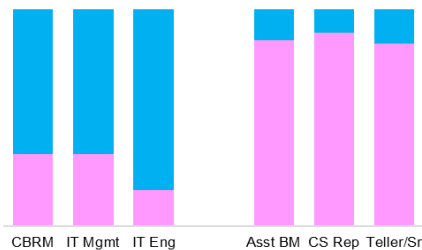


Inclusion

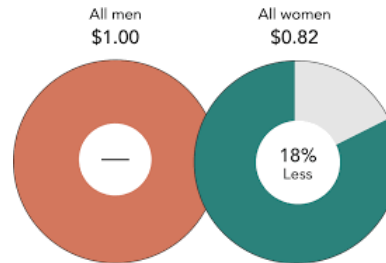
Retention

CAREER INTERRUPTION
GLASS CEILINGS
TURNOVER

Occupational Representation



Close the Pay Gap



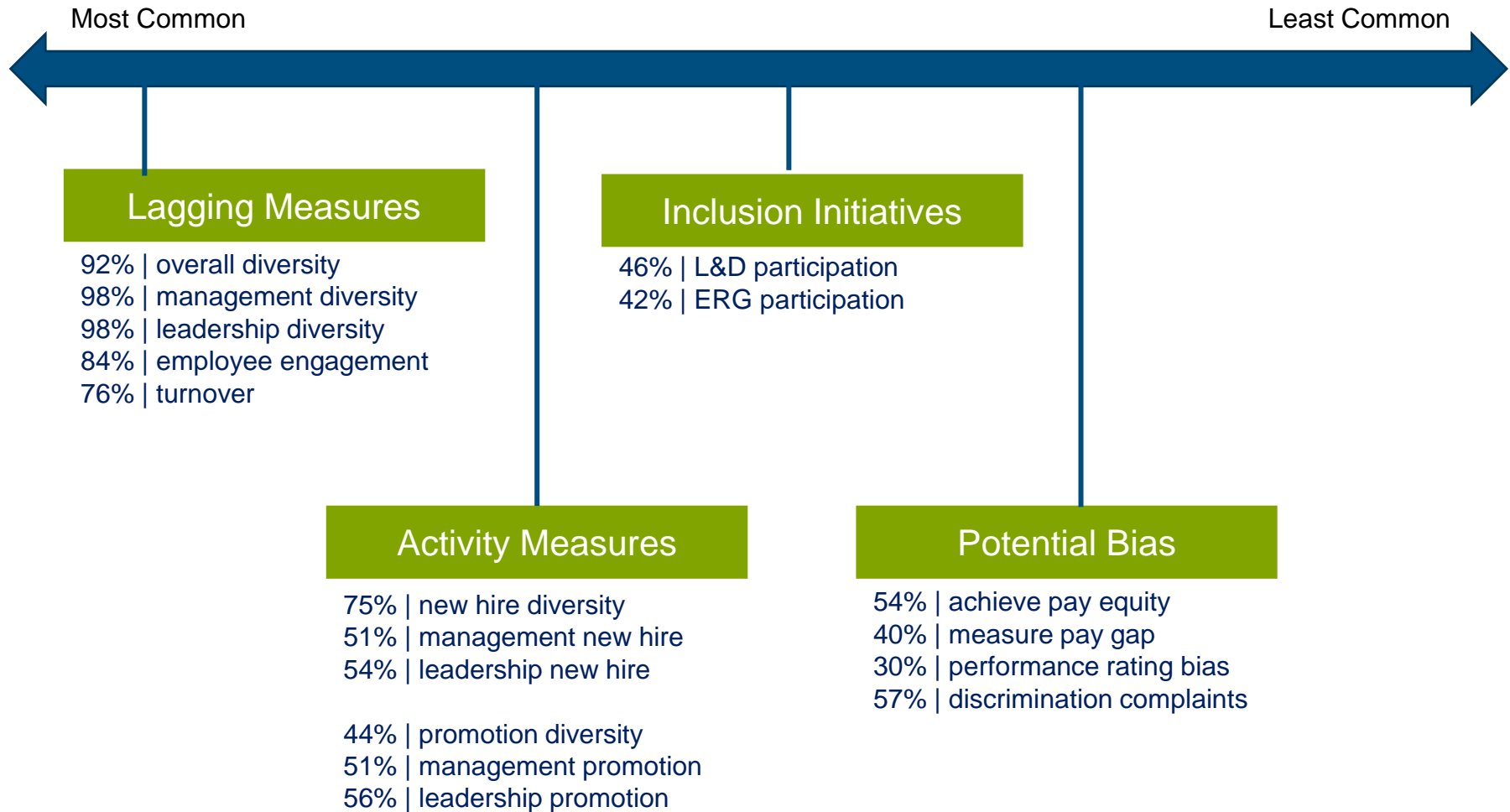
Engagement



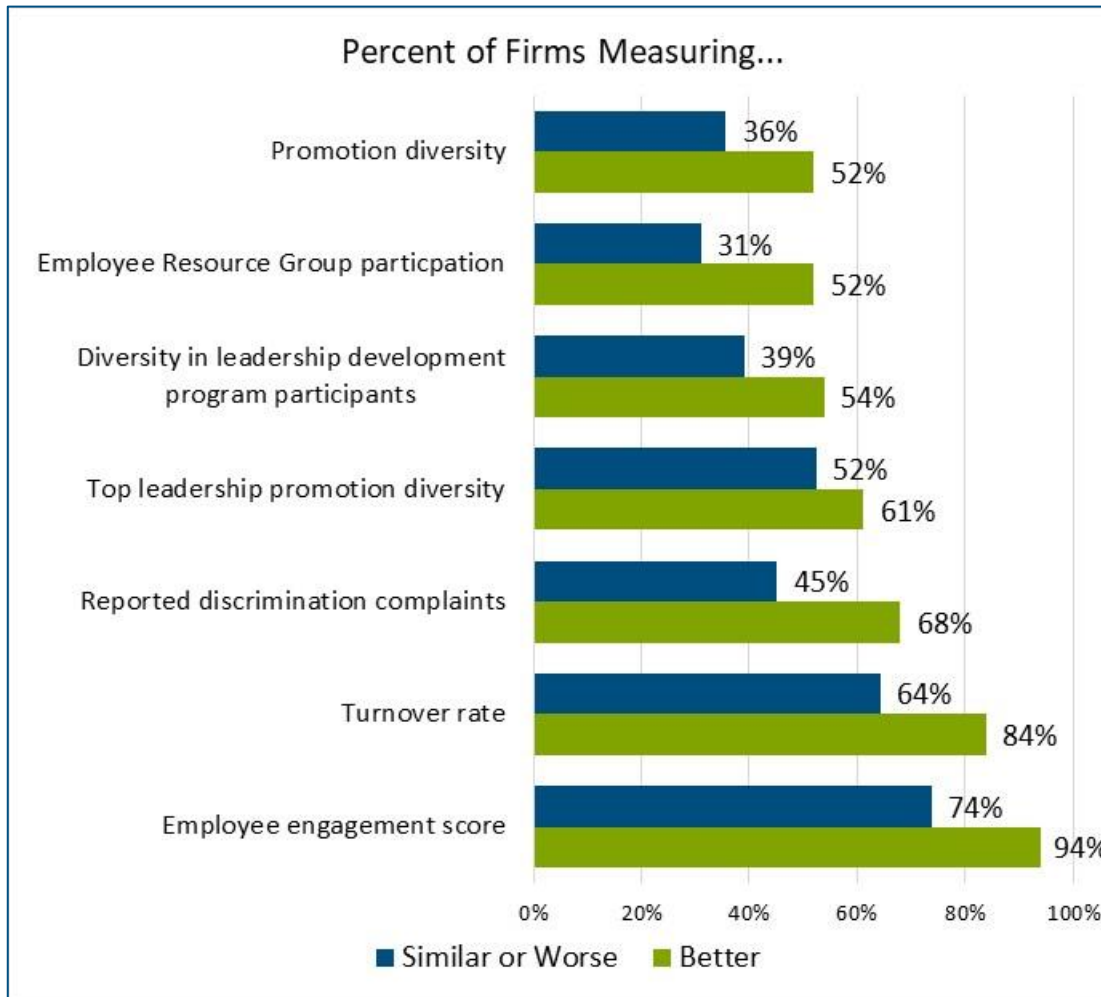
What Can We Do?



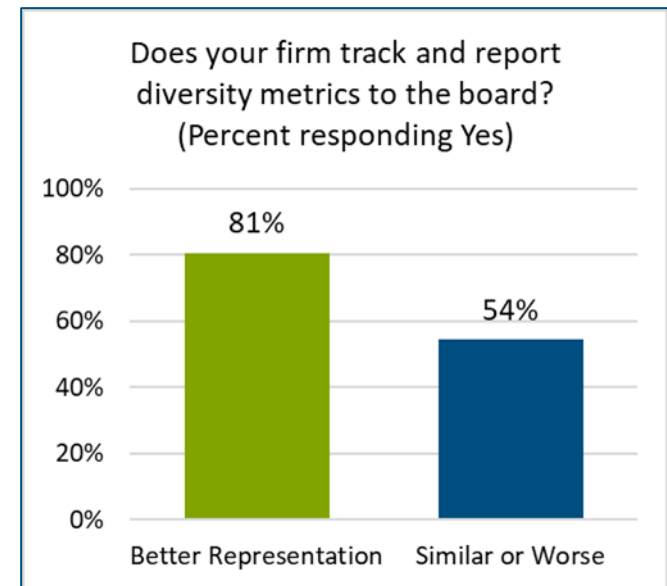
1. Understand Current State



Firms with Better Representation...

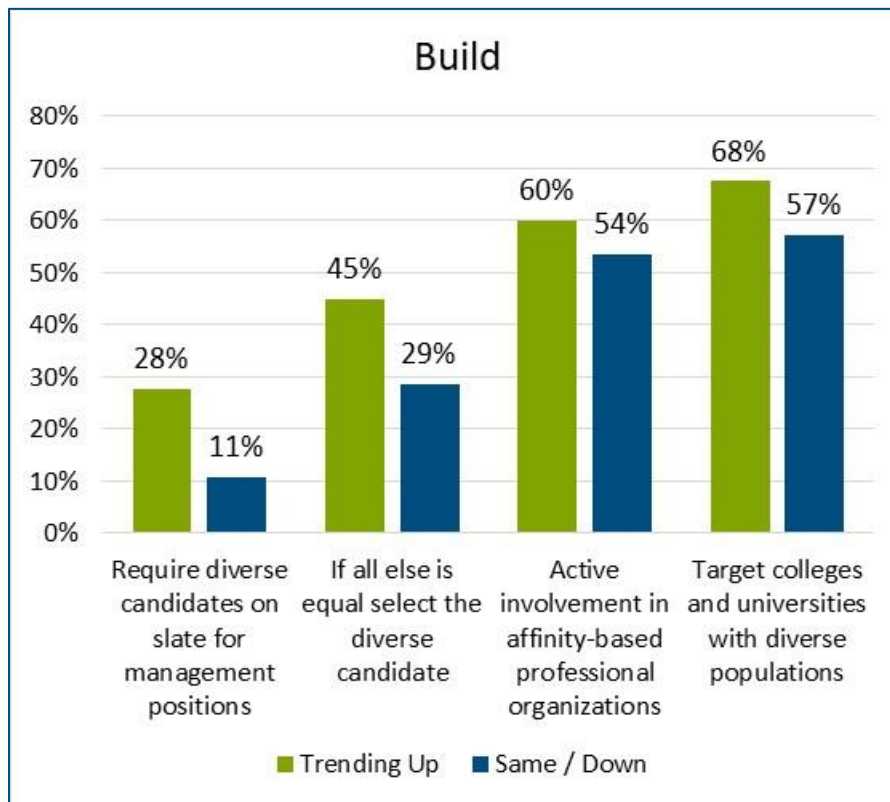


Measure more aspects of DE&I and share that information with the board

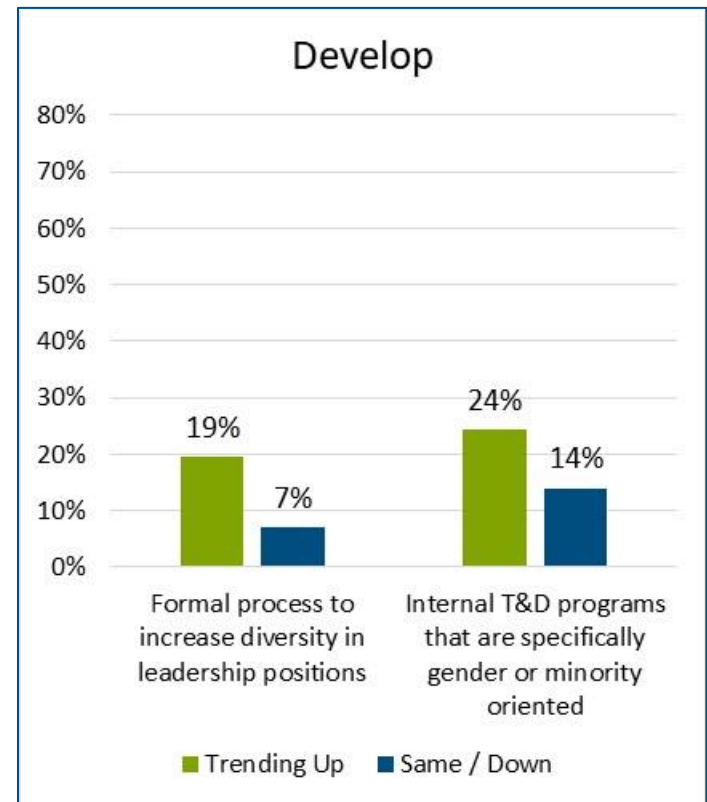


2. Build and 3. Develop

Firms with better representation are more likely to take a variety of actions; however, there remains much opportunity to improve



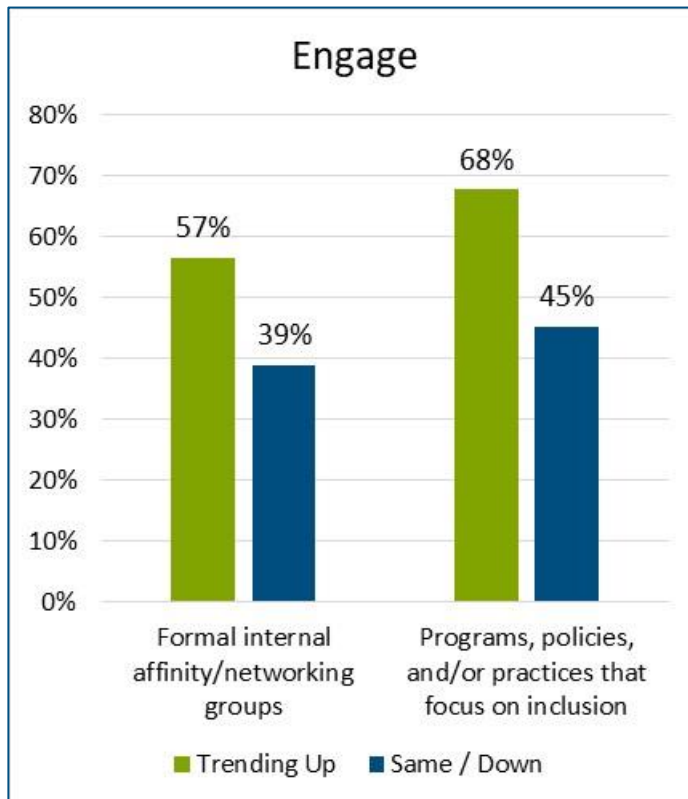
Source: 2020 Pearl Meyer Diversity & Inclusion Survey



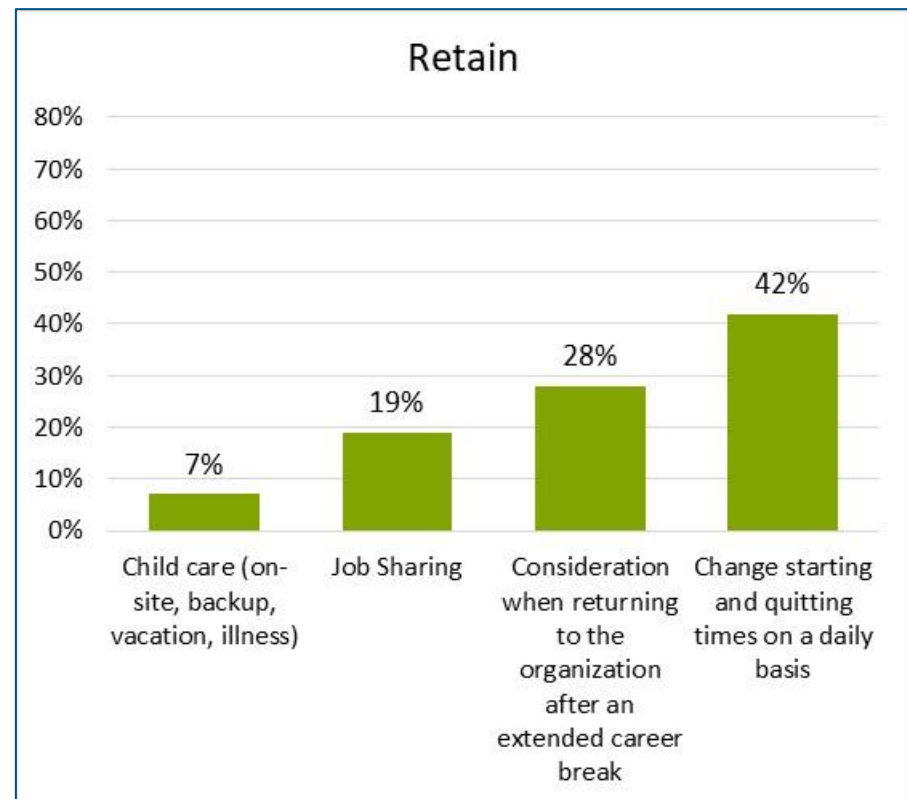
Source: 2020 Pearl Meyer Diversity & Inclusion Survey

4. Engage and 5. Retain

- Firms with better representation invest in programs to promote engagement
- Relatively few organizations are directly addressing some of the challenges associated with retaining females through child-rearing years



Source: 2020 Pearl Meyer Diversity & Inclusion Survey

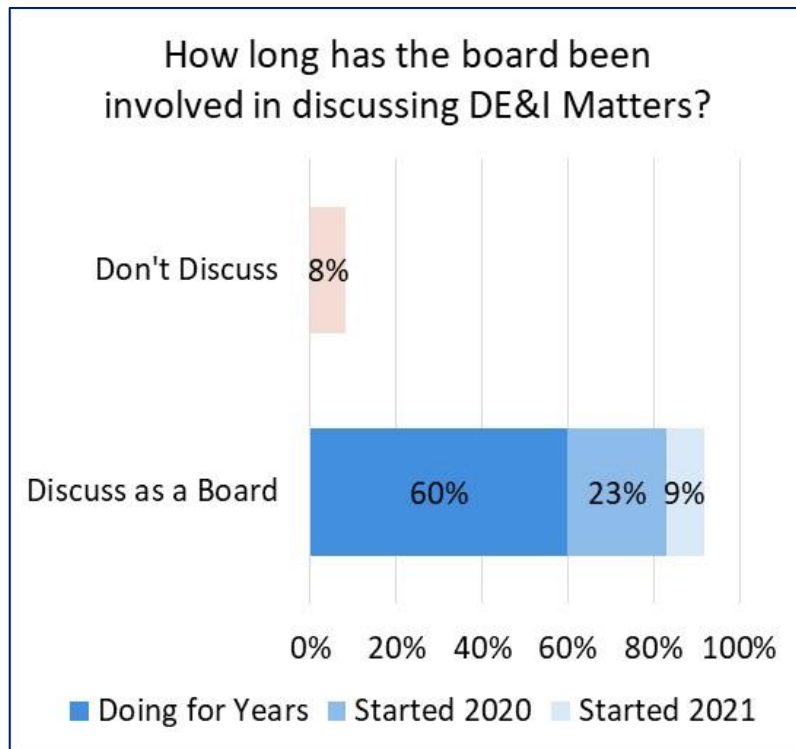


Source: SHRM National Study of Employers

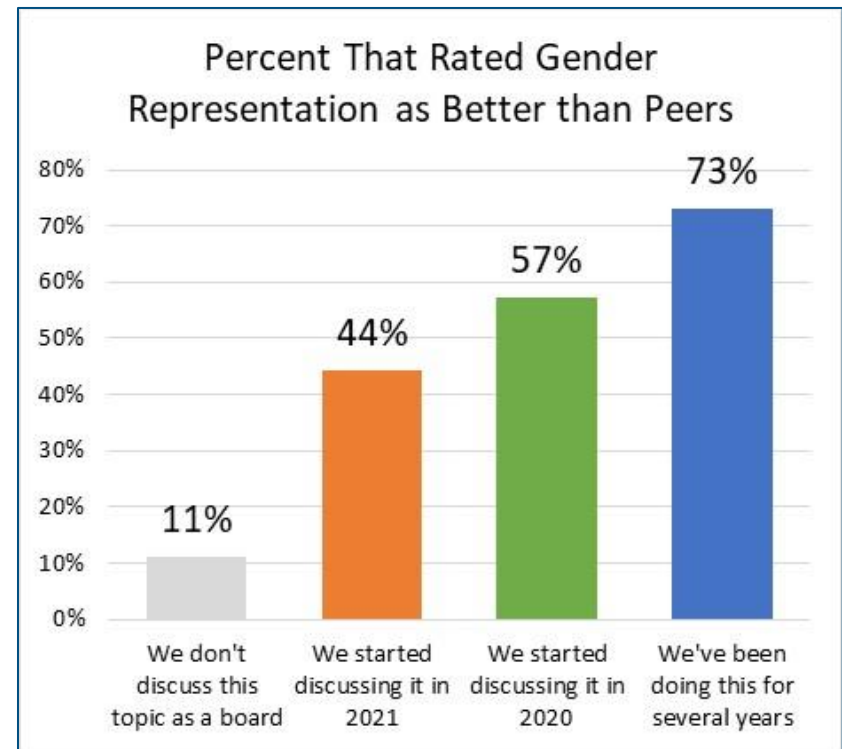
6. Create Accountability: Involvement

Boards ARE involved... and are making a difference

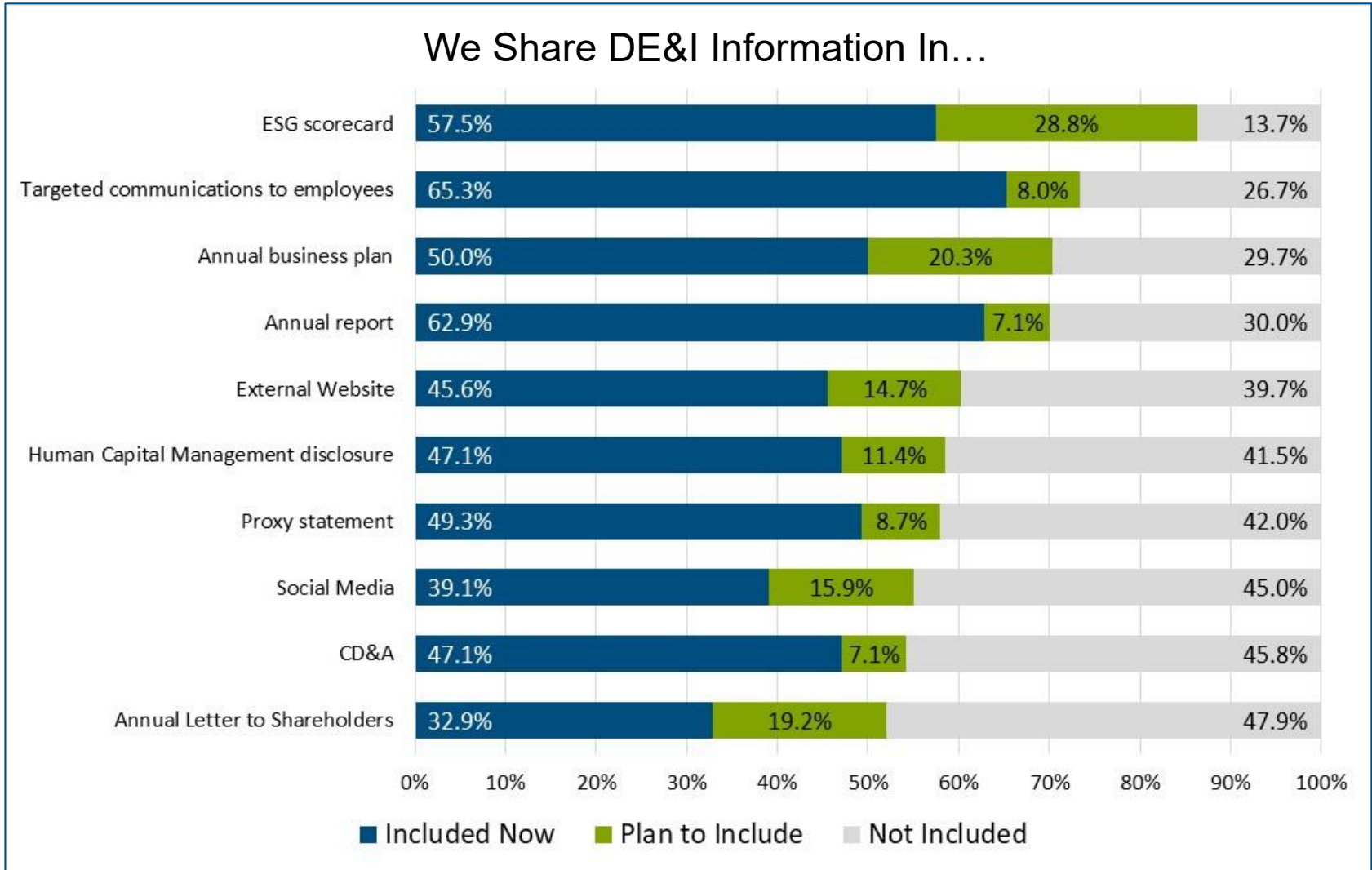
92% discuss DE&I matters as a board
60% have been doing this for years



The longer a board has been discussing DE&I, the better perceived gender diversity

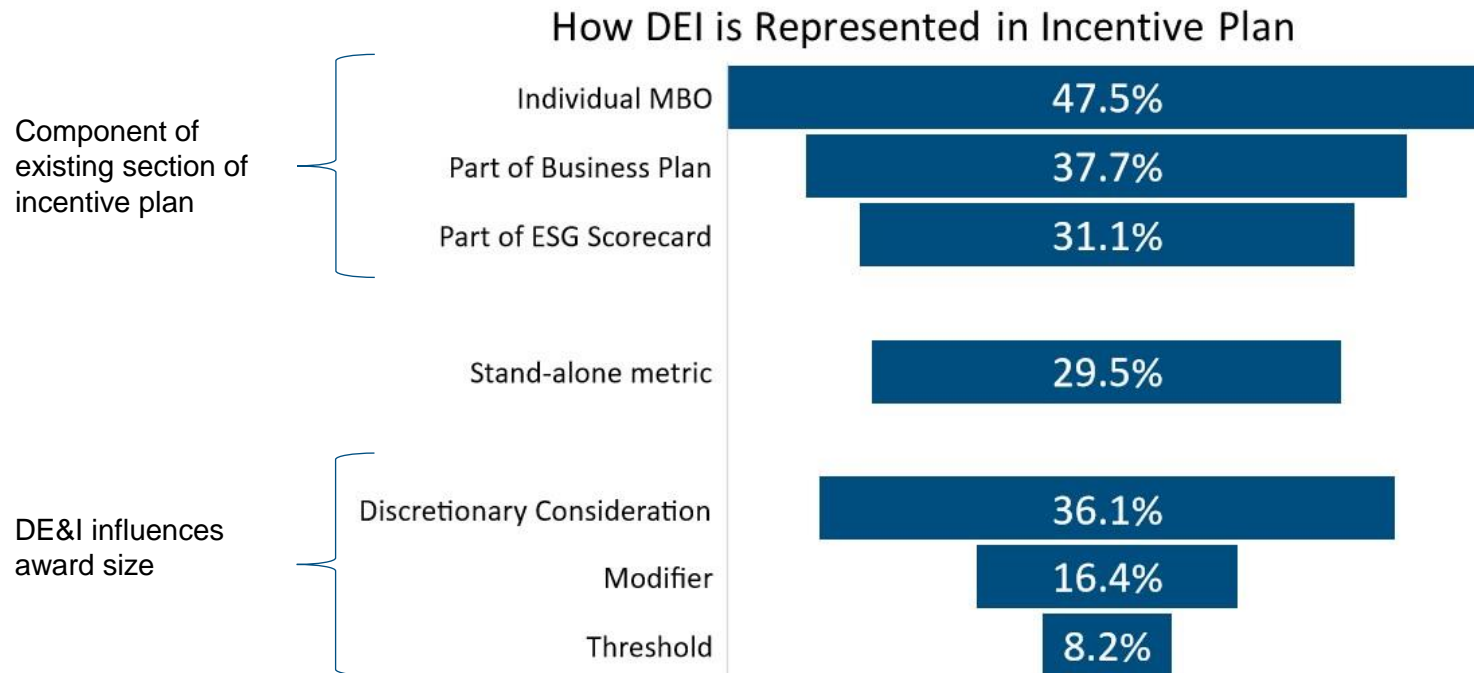


6. Create Accountability: Reporting



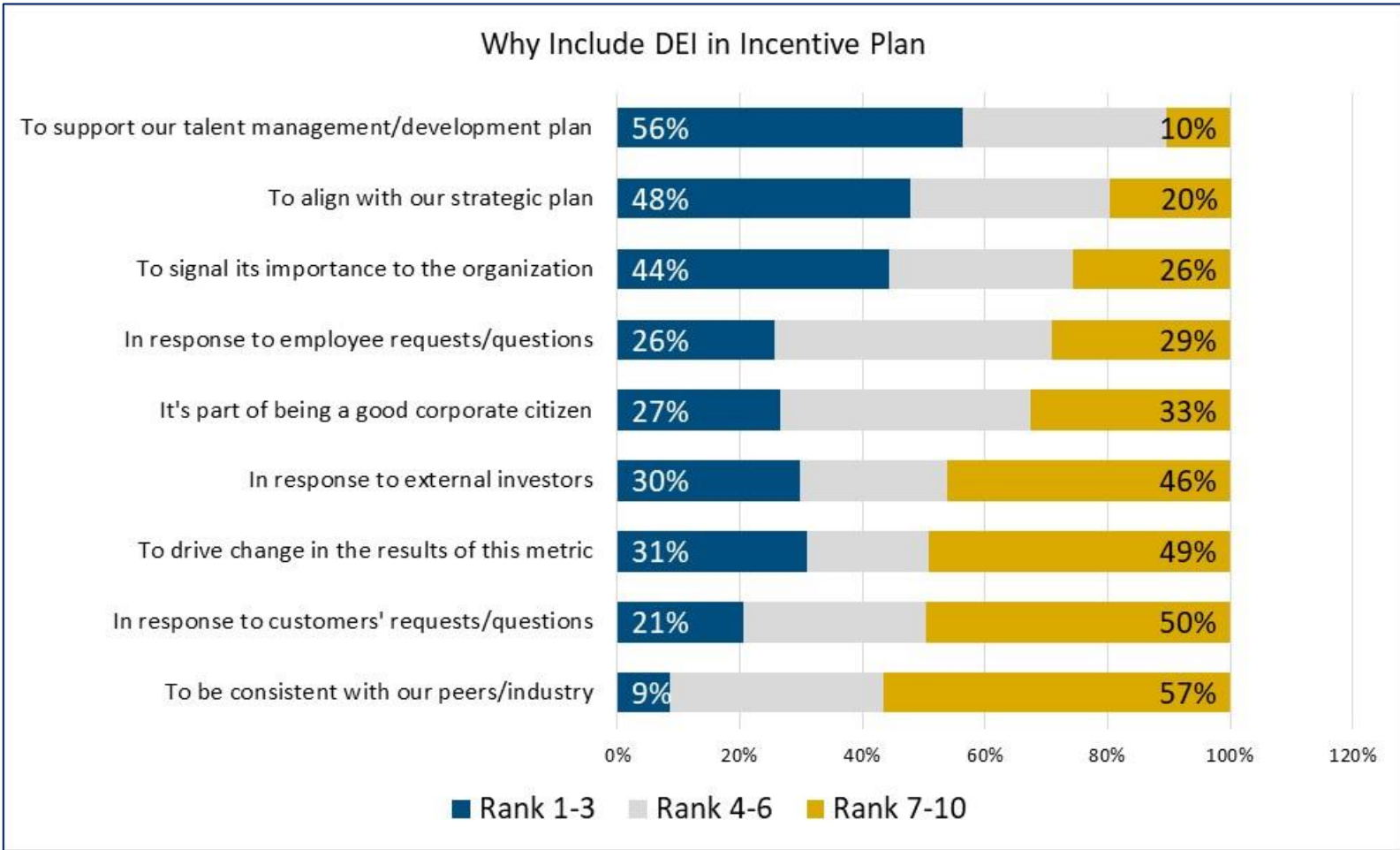
6. Create Accountability: Incentive Plans

- 39% have DE&I incorporated in the executive annual incentive plan
 - *Another 41% indicate they are likely to incorporate DE&I into incentive plans*
- DE&I is often a component of an existing section of incentive plan
 - *Just under 1/3 include DE&I as a stand-alone metric*
 - *Some organizations adopt an approach where DE&I influences award size*



Reasons for Incorporating Into Incentive Plan

Strategic importance of DE&I is most common reason for including in incentive plan



For Those Choosing Not to Add... Why?

Reasons for Not Including in Incentive Plans



Questions to Ask Your Management Team

- What are our stats (representation, engagement, turnover)?
 - By gender and race, by level of management
 - Compared to our industry
- What were the results of our pay equity assessment?
 - What groups were studied? Were all US employees covered?
 - What methodology was applied?
 - What drives pay within our organization?
- What is our current US pay gap and what are the drivers?
- What steps have been taken to assess potential bias?
 - Evaluation of performance ratings, merit increases
- How diverse are our recent hiring actions and promotions?
 - By gender and race, by level of management
 - What specific actions are we taking to improve diversity?
- What initiatives have we taken to drive increased leadership diversity?
- What actions have we taken to improve inclusion?
 - Are we tracking results?
- How are we helping to retain female talent through child-rearing years?

What is Your Leadership Equity Maturity?

	Actions the Firm Has Taken	Information We Receive and Discuss
Understand Current Environment	<ul style="list-style-type: none"> <input type="checkbox"/> Completed regression-based pay equity assessment <input type="checkbox"/> Calculated US pay gap <input type="checkbox"/> Identified occupations where we have limited diversity 	<ul style="list-style-type: none"> <input type="checkbox"/> % of women / URM in leadership roles, by level <input type="checkbox"/> How this representation compares to our industry group
Build a Diverse Pipeline	<ul style="list-style-type: none"> <input type="checkbox"/> Sufficiently expanded its diverse recruiting sources <input type="checkbox"/> Adopt a panel approach to hiring <input type="checkbox"/> Require a diverse slate of candidates for mgmt roles 	<ul style="list-style-type: none"> <input type="checkbox"/> % of leadership new hires that are female and URM <input type="checkbox"/> % of leadership promotions that are female and URM
Develop Future Leaders	<ul style="list-style-type: none"> <input type="checkbox"/> Developed formal plan to increase leadership diversity <input type="checkbox"/> Provide a formal mentorship program for female / URM <input type="checkbox"/> Provide leadership training tailored to diverse managers 	<ul style="list-style-type: none"> % of succession plan candidates that are female / URM <input type="checkbox"/> Positions that are one level from CEO <input type="checkbox"/> Positions that are two levels from CEO
Engage Diverse Workforce	<ul style="list-style-type: none"> <input type="checkbox"/> Implemented affinity groups for female / URM <input type="checkbox"/> Provided inclusion training for leaders <input type="checkbox"/> Measure inclusion, belonging 	<ul style="list-style-type: none"> Employee engagement ratings for female / URM <input type="checkbox"/> In leadership positions <input type="checkbox"/> In management positions
Retain	<ul style="list-style-type: none"> <input type="checkbox"/> Childcare assistance <input type="checkbox"/> Flexible work hours <input type="checkbox"/> Job sharing / Returnships / Reservists 	<ul style="list-style-type: none"> Turnover rates for female / URM <input type="checkbox"/> In leadership positions <input type="checkbox"/> In management positions
Accountability	<ul style="list-style-type: none"> <input type="checkbox"/> A diversity scorecard <input type="checkbox"/> Quantitative goals associated with DE&I <input type="checkbox"/> Included DE&I goals in strategic / business plan <input type="checkbox"/> Incorporated DE&I into executive incentive plan 	<ul style="list-style-type: none"> <input type="checkbox"/> We have a meaningful conversation (30 min or more) as part of each board meeting

5 to 9 points	10 to 14 points	15 to 19 points	20 to 24 points	25 to 30 points
Limited Efforts	Beginning Stages	On the Road	Strong Efforts	Role Model

Key Takeaways: MORE is coming

- Board are increasingly involved in DE&I discussions
 - We expect conversations to expand in both depth and breadth
- Organizations are measuring more metrics
 - And becoming more sophisticated to focus more on leading measures
- Communication is expanding exponentially
 - DE&I is being covered in more vehicles
 - Across all types of vehicles, organizations are planning to increase their communication of DE&I
- Organizations are adding DE&I to annual incentive plans
 - There is not a “one size fits all” approach
 - The “best” approach is tailored to the organization
- Expect new initiatives to develop and retain diverse leaders
 - Increased innovation and “out-of-the-box” programs



Join Us for Part II of Our Discussion

October 20 at 12 pm EDT

Panel Discussion and Peer Exchange “Part II: Leadership Equity – How Do You Move the Needle?”

[Register Now](#)



Moderator:

Jan Koors, Sr. Managing Director and Western Region President,
Pearl Meyer



Panel Members:

Beth Florin, Managing Director, Pearl Meyer



Evelyn Dilsaver, Director, Health Equity, Tempur Sealy, Ortho Clinical
Diagnostics, Protivi, Blue Shield of California, and Ballard Real Estate



Susan Sandlund, Director, Peckham Industries and Managing
Director Pearl Meyer

Additional Reading

- <https://www.pearlmeyer.com/knowledge-share/video/gender-pay-discussions-in-the-boardroom>
- <https://www.pearlmeyer.com/knowledge-share/research-report/2020-equity-diversity-and-inclusion-survey>
- <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/women-in-the-workplace>
- <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/the-black-experience-at-work-in-charts>
- <https://www.payscale.com/data/gender-pay-gap>



Thank You for Joining Us!