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Stepping Up: Managing Diversity in Challenging Times

Carol Hardy-Fanta

University of Massachusetts Boston

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STEPPING UP

Managing Diversity in Challenging Times

COMMONWEALTH COMPACT

An initiative to make Massachusetts a location of choice for people of color

To establish Massachusetts as a uniquely inclusive, honest, and supportive community of—and for—diverse people. To acknowledge our mixed history in this effort, and to face squarely the challenges that still need to be overcome, understanding that the rich promise of the region's growing diversity must be tapped fully if Boston and Massachusetts are to achieve their economic, civic, and social potential.

—The Commonwealth Compact Mission Statement

ABOUT THE AUTHOR

Carol Hardy-Fanta is Director of the Center for Women in Politics & Public Policy at UMass Boston's John W. McCormack Graduate School of Policy Studies. She received her PhD in Public Policy from Brandeis University's Heller School, an MSW from Smith College, and a BA from Occidental College. Dr. Hardy-Fanta is author of three books: *Latina Politics*, *Latino Politics: Gender, Culture, and Political Participation in Boston* (Temple University Press, 1993), *Latino Politics in Massachusetts: Struggles, Strategies and Prospects* (Routledge Press, 2002), and *Intersectionality and Politics: Recent Research on Gender, Race, and Political Representation in the United States* (Haworth Press, 2006). She is a nationally recognized scholar on Latina/o politics and has published widely on the intersection of gender, race and ethnicity in politics and public policy. Carol Hardy-Fanta also serves as Director of the Graduate Certificate Program for Women in Politics & Public Policy.

ABOUT THE CENTER FOR WOMEN IN POLITICS & PUBLIC POLICY

The mission of the McCormack Graduate School's Center for Women in Politics & Public Policy at the University of Massachusetts Boston is to promote women's leadership by providing quality education, conducting research that makes a difference in women's lives, and serving as a resource for the empowerment of women from diverse communities across the Commonwealth. Recognizing the talent and potential of women from every community, and guided by the urban mission of an intellectually vibrant and diverse university in the heart of Boston, the Center seeks to expand the involvement of women in politics and their influence on policies that affect them, their families, and their communities. The Center was established in 1994 with the support of the Massachusetts Caucus of Women Legislators, oversees a Graduate Certificate Program for Women in Politics & Public Policy, and supports other initiatives at the McCormack Graduate School.

STEPPING UP

Managing Diversity in Challenging Times

THE FIRST ANNUAL REPORT OF
COMMONWEALTH COMPACT BENCHMARK DATA
May 2009

By

Carol Hardy-Fanta, Ph.D.

Director, Center for Women in Politics & Public Policy
John W. McCormack Graduate School of Policy Studies,
University of Massachusetts Boston

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Commonwealth Compact is honored to have the backing of many business, civic, and political leaders, and acknowledges with gratitude financial support from Blue Cross Blue Shield of Massachusetts, The Boston Globe, the Barr Foundation, The Boston Foundation, The Hyams Foundation, Bingham McCutchen, Staples, Partners Health, and the McCormack Graduate School at UMass Boston.

About Commonwealth Compact

Commonwealth Compact was initiated in 2007 by Steve Crosby, dean of the McCormack Graduate School of Policy Studies at the University of Massachusetts Boston, former Suffolk County District Attorney Ralph Martin, the managing partner of the Boston office of Bingham McCutchen and then-chairman of the Greater Boston Chamber of Commerce, and Steve Ainsley, publisher of *The Boston Globe*. The Compact's goal is to help make Massachusetts a location of choice for people of color and women in the belief that their contributions are vital to the region's social and economic future.

The need for an initiative such as Commonwealth Compact stems from a number of factors. First, as racial and ethnic diversity increases across the nation, business and civic leaders agree that it is critical to reverse the reputation that Massachusetts, in particular, has not been seen as a welcoming, diverse place to live and work for people of color. Second, a statewide survey of racial and ethnic attitudes and experiences in Massachusetts conducted by the McCormack Graduate School in 2006 clearly demonstrates the need for such an initiative (Hardy-Fanta & Watanabe, 2006). Finally, *"A Seat at the Table?"*, a 2007 study of local boards of directors, found a preponderance of white males on corporate boards and non-profits alike—a preponderance profoundly unrepresentative of the make-up of Greater Boston (Hardy-Fanta & Stewartson, 2007).

At its formal launch on May 23, 2008, Commonwealth Compact brought together 102 "founding signers" from the public and nonprofit sectors—organizations, corporations, educational, and health institutions in the Commonwealth of Massachusetts—to affirm a "commitment to recruitment, hiring, management, and governance practices that: Increase the representation of people of color and women throughout our organizations, especially in management, senior management and board governance positions; retain and promote people of color and women; and encourage our organizations to reflect, and connect with, the diversity of the communities and customers we serve."¹

At that time, the signers—now numbering 132—also pledged to measure their progress toward these goals over time, using a set of benchmarks created by Commonwealth Compact. (A list of signers may be found on the back page of the report. Please refer to Appendix A for the Benchmark Template.)

Commonwealth Compact collected all the data, which was then provided to the Center for Women in Politics & Public Policy at the McCormack Graduate School for analysis. The Center was selected given its track record in benchmarking gender and racial diversity of elected/appointed officials in the Commonwealth. The Center's 2007 report, *"A Seat at the Table?"* on the diversity of private and public boards of directors in Massachusetts, was also a factor in the selection of the Center (Hardy-Fanta & Stewartson, 2007).²

Stepping Up to Effect Change

By participating in Commonwealth Compact, signers are making a commitment to diversity—a commitment which entails introspection and evaluation. In assessing the extent to which they are currently diverse, how effective their diversity initiatives are, how they compare to similar organizations, and how they might improve upon existing efforts, signers have made a public pledge to promote diversity.

"We need to make diversity work because it will make us better at what we do: broader and deeper as thinkers; more effective as collaborators; more creative as teachers; understanding as friends; and wiser, less complacent and more self-aware as human beings."

Commonwealth Compact Signer

Benchmarking Progress in Diversity

A commitment to recruitment, hiring, management and governance practices that increase diversity in the workplace first requires the establishment of a baseline or benchmark against which changes in diversity may be measured. In fall 2008, 111 signers submitted data using a “Benchmark Template.” Completing these templates required signers to input quantitative data on the racial and gender diversity of the signer’s leadership team and boards; employees; and customers, consumers and services. The signers also answered a number of survey questions about CEO commitment to diversity; mentoring/training on diversity issues for management; recruitment strategies for identifying a diverse pool of candidates for board members and hires; civic and other initiatives to understand and promote diversity, inclusion and racial/ethnic and gender equality; and others. (See the Benchmark Template in Appendix A.) Finally, data were gathered about the size of the organization/corporation (e.g., number of employees and annual revenue/budget). The target year was calendar year 2007.

Given that this benchmarking effort took place just six months after the founding of Commonwealth Compact, there are some caveats when considering the results.

First, of the 127 signers at the time of data collection, 111 submitted data, for a remarkably high response rate of 87 percent. Given this high response rate, we can say with confidence that the findings presented here are representative of the companies, organizations and institutions that have signed onto Commonwealth Compact. They are not necessarily representative, however, of all private, non-profit or public companies, organizations and institutions in the state. Those who signed on may already be more receptive to a diverse workforce and leadership, for example. Second, potential sources of bias are introduced by the fact that not all respondents answered all questions.

Third, because the number of total signers is relatively small, variation in responses may skew results in a way that would not happen with a larger number of cases. However, the excellent response rate provides a valuable corrective by allowing for relatively substantial Ns (number of signers) in most cases.

Finally, we recognize that diversity is a broad concept with a much larger goal of ensuring that all persons, regardless of race, ethnicity, gender, physical and other disabilities, sexual orientation, nativity, and religion are treated equally and afforded opportunities for employment and advancement. However, addressing all of these dimensions of workforce diversity is beyond the scope of Commonwealth Compact which has taken as its core mission the promotion of racial, ethnic and gender diversity in Boston and Massachusetts. (For other methodological considerations, see page 17.)

While there has been a good deal of focus on workforce diversity over the past few decades in the United States, scholarship on private and public sector initiatives to ensure racial/ethnic and gender diversity in the workforce indicates that minimal attention has been paid to the assessment of diversity strategies deployed by businesses, non-profits, and government entities. As one scholar notes, “while numerous companies have implemented diversity strategies, few have attempted to assess their diversity activities” (Buttner, 2006, p. 356).

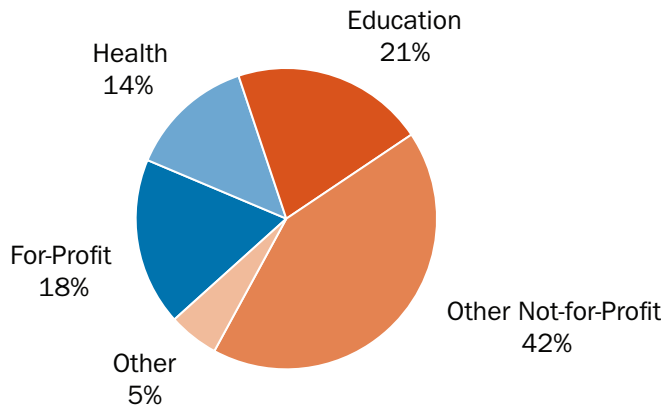
Therefore, the work of Commonwealth Compact, and the participation of Compact signers, represent an important effort that is part of an emergent trend. Through the collection of self-reported data and the aggregate-level analysis of data provided by signers, the Compact is providing employers with an essential tool for helping to facilitate the kind of “taking stock” that is considered by many scholars of workplace diversity to be an essential, but often neglected, component of effective diversity efforts.

About Commonwealth Compact Signers

The signers who submitted data encompass a wide variety of corporations, not-for-profit organizations, educational and healthcare institutions, media outlets, cultural institutions, public agencies, and many other entities—large and small—that operate in Massachusetts. We categorized these signers by sector³ and size, and our analysis indicates the following:

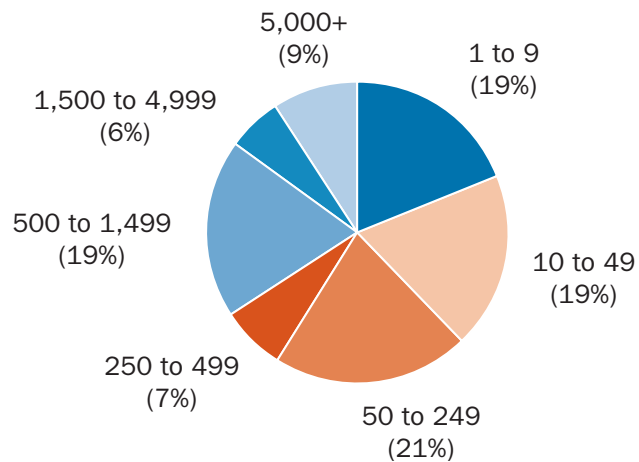
- Eighteen percent of signers are for-profit companies; 14 percent are in the health care sector (primarily not-for-profit health care/insurance providers); 21 percent are in the education sector (primarily colleges and universities); and 42 percent are not-for-profit organizations (other than those in the healthcare or education sectors) (see Figure 1). The group of signers includes a small number (5 percent) of public or quasi-public agencies/organizations (see “Other”).
- About 180,000 people work in the Commonwealth of Massachusetts for the companies, organizations, and institutions represented by these signers. This represents about 5.5 percent of the state’s 3,290,800 (non-farm) employees in 2007.⁴

**Figure 1. Sectors Represented by Signers
(N=111)**



- The number of Massachusetts-based employees in the signer entities range from fewer than 5 individuals in some organizations to 100,000 or more. However, as can be seen in Figure 2, 19 percent have fewer than 10 employees, and altogether 59 percent have fewer than 250 employees. (Table 1 on page 4 shows that the median number of employees in Massachusetts for the signers is 165.) Nine percent have 5,000 or more employees, and (not shown) 6 companies (5 percent) have more than 10,000 employees in the Commonwealth.

**Figure 2. Size, by Number of Employees in Massachusetts
(N=108)**





- In addition to the number of employees in Massachusetts, revenue and budgets reflect another measure of size. Table 1 shows that, of the 85 signers who provided these data, their total budget/revenue figures ranged from under \$500,000 to over \$1 billion. The total revenues of the signers adds up to over \$55 billion; it should be noted, however, that some of these figures are national or even international, as state-specific data were not available.

| Table 1. Size of Company/Organization/Institution | | | |
|---|------------------------------------|--------------------------------------|--|
| | Number of Total Employees* (N=108) | Number of Employees in Mass. (N=109) | Total Organizational Budget/Revenue** (N=85) |
| Median | 165 | 172 | \$14,000,000 |
| Mean | 15,728 | 1,685 | \$650,000,000 |
| Minimum | 2 | 2 | \$365,000 |
| Maximum | 1,400,000 | 50,374 | \$14,000,000,000 |
| TOTAL | 1,698,667 | 181,154 | \$55,288,564,415 |
| * Data on "total employees" include the signer's entire workforce (which may include national/international divisions and offices). | | | |
| ** Budget/revenue data for Massachusetts alone are not available for some of these companies. | | | |
| Note: fewer signers (77 percent) responded to this question. | | | |

Employee and Leadership Characteristics

The central question for this benchmark study is, of course: How diverse are the employees, leadership, and board governance of those who have signed on to Commonwealth Compact? Executive-level commitment to diversity goals and initiatives, in particular, has been identified as an essential element of successful diversity endeavors. In the words of Hite and McDonald, “Research has long reinforced the value of upper-level support for successful diversity initiatives” (2006, p. 373). This may be even more the case in smaller organizations: “Leadership investment is a well-known criterion for success in diversity endeavors, and one might argue that it is particularly critical for small and mid-sized firms where the senior management is likely to be highly visible and training funds limited” (Hite & McDonald, 2006, p. 375).

The data demonstrate that the answer to this question depends on occupational level and organizational leadership.

Workforce Diversity

Data from the Massachusetts Budget and Policy Center (2009) indicate that 18 percent of the labor force in the Commonwealth are people of color. People of color make up 27 percent of the two counties where most of Commonwealth Compact signers are located (i.e., Suffolk and Middlesex).⁵ Commonwealth Compact signers report a somewhat more diverse workforce. We find, for example, that:

| Table 2. Employment of People of Color, by Level of Position (Mean Percent) | |
|---|--------------|
| Level of Position | Mean Percent |
| Managers/Officers (N=73) | 22 |
| Professional/Sales (N=87) | 25 |
| Clerical/Technical (N=78) | 37 |
| TOTAL (N=79) | 34 |

- The mean percent of employees of color for the signers is 34.

- 87 percent of the signers who provided data report that employees of color make up at least 10 percent of their workforce. In fact, more than a fifth (22 percent) report that people of color make up at least 50 percent of their entire Massachusetts workforce.
- Representation by people of color drops, however, at higher levels within the signers' organizations, companies, and institutions: Table 2 shows, for example, that the mean percent of employment by people of color drops more than 10 points from the highest to the lowest-level positions—to 22 percent for managers and officers and 25 percent for those in professional/sales positions.⁶ It is highest (37 percent) for those in the lower employment categories of clerical, technical, laborer, etc. The differences between these averages suggest that, not unexpectedly, there are fewer people of color within the higher occupational and management levels of the organization.

One reason for the higher rates of diversity among Compact signers in terms of persons of color in their workforces is the fact that, as indicated above, the vast majority (81 percent) of signers to date have headquarters—or, at least, offices, in Boston—a majority-minority city. The potential pool of racially and ethnically diverse leaders, board members, and employees is relatively larger in Boston than for the state as a whole. We find, for example, that:

- 25 percent of the companies, organizations, and institutions located in Boston have 50 percent or more employees of color compared to just 7 percent of signers located outside of the city.
- Another 36 percent of those located in Boston have minority employment between 25 and 50 percent, twice that of signers without offices in Boston.

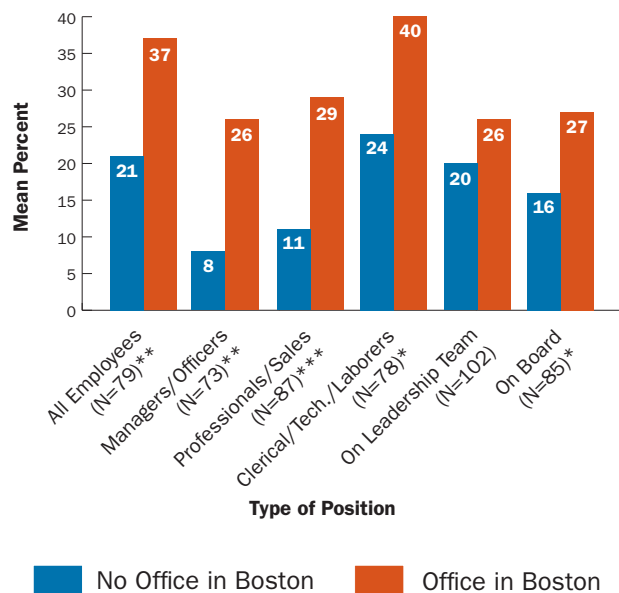
Figure 3 shows that there are significant differences in employment diversity between organizations, companies, and agencies located (or having offices) in the City of Boston compared to those located outside of Boston. As indicated by the mean percentages of employees of color, employees of color who work as managers/officers, and employees of color who serve in professional or sales positions, the Boston-based signers have higher average percentages of men and women of color in their workforce.⁷ Specifically, the data indicate that:

Workforce Diversity Higher in Boston

Racial/ethnic diversity in employment is considerably more substantial for Commonwealth Compact signers than for employers in the state as a whole. The mean percent employees who are people of color is 33.8, while people of color make up just 18 percent of the labor force in the Commonwealth. This is likely due in large part to the fact that the vast majority of signers are located in Boston—a majority-minority city with a large pool of potential employees of color.

- On average, people of color make up 37 percent of the workforce in companies and organizations with offices in the City of Boston, compared to 21 percent without offices in Boston.
- There is an 18 percentage point difference in the average representation of people of color at the level of manager/officer and those who are professional/sales workers when comparing signers with offices in Boston and those outside of Boston.

Figure 3. Racial/Ethnic Diversity in Employment & Leadership, by Location (Mean Percent People of Color)



* p<.1; **p<.05; ***p<.01



Leadership and Board Diversity

In addition to providing data regarding employee diversity, signers were asked to provide information on the diversity of their leadership teams and governing boards. Findings demonstrate that, for those signers who provided data, there is an approximate total of 1,500 positions on the leadership teams and over 2,000 board positions.⁸ Table 3 provides the percent representation by people of color in the leadership of the companies, organizations and institutions signed onto Commonwealth Compact. We find that:

- On average, people of color make up about a quarter of those on the signers’ leadership teams and boards.⁹
- Representation by people of color on the leadership teams, on the boards, and in board leadership roles for companies, organizations, and institutions of Commonwealth Compact was considerably higher for signers located in the City of Boston than those located outside of the city (see Figure 3 on page 5).
- About two-thirds of the 101 signers for whom we have data have at least 10 percent representation by people of color on their leadership teams (see Table 3).

| Table 3. Composition of Leadership Team & Board (People of Color as Percent of Total) | | |
|---|-------------------------|------------------------|
| People of Color as % of Total | Leadership Team (N=101) | Governing Board (N=85) |
| 0% | 22.5 | 10.6 |
| >0 to <10% | 11.8 | 14.1 |
| 10% to <25% | 29.4 | 36.5 |
| 25% to <50% | 20.6 | 23.5 |
| 50% to <100% | 7.8 | 14.1 |
| 100% | 7.8 | 1.2 |

“Staffing statistics which include women and minority representation are shared with the Human Resources Committee on a quarterly basis. There are no formal written statements from the Board on Diversity.”

Commonwealth Compact Signer

- There is room for growth, however: more than 1 in 5 (23 percent) reported no people of color on their leadership teams, and another 12 percent report less than 10 percent.
- We can see a similar pattern on governing boards: of those who provided data, three-quarters have at least 10 percent minority representation. However, 11 percent have no people of color on their governing boards, and another 14 percent have less than 10 percent.

Efforts to Increase Board Diversity

Signers were also asked to respond to a series of survey questions included in the Benchmark Template regarding diversity efforts in the area of board leadership and governance (see Survey Data Questions, “Section II. Board/Governance,” in Appendix A). Table 4 suggests that board diversity efforts are strongest in (1) offering mentoring, orientation or training to members (77 percent said yes); (2) discussing progress toward diversity goals for board service at board meetings (72 percent); and (3) having an ongoing process for identifying a diverse pool of candidates for board service (67 percent).

Table 4. Board/Governance Diversity Efforts

| The Board/Governance of the Organization: | % Yes |
|--|-------|
| Has ongoing process for identifying diverse pool of candidates for board service (N=96) | 67 |
| Uses services of search firms for identifying a diverse pool of candidates for board service* (N=99) | 7 |
| Offers mentoring, orientation or training to members (N=100) | 77 |
| Has adopted/endorsed a diversity policy and/or goals (N=96) | 47 |
| Formally assesses own performance on achievement of diversity goals (N=95) | 40 |
| Discusses progress towards diversity goals at board meetings (N=105) | 72 |

* Note: Signers were asked a follow-up question: Have the above activities produced acceptable candidates? 63 percent responded yes, but only about half answered this question.

Less than half of the signers (47 percent) indicated that their board has adopted or endorsed a board diversity policy or set diversity goals. Just four in ten (40 percent) of signers said their boards formally assess their own performance in this area. Therefore, changes that boards could implement relatively easily (or, at least, at minimal cost), to improve diversity in the realms of board leadership and governance include:

- Adopting and/or endorsing a diversity policy and setting diversity goals for board service; and
- Formally assessing the board’s own performance on achieving diversity goals.

A potentially more costly, but perhaps most effective, change would be that organizations with sufficient size and capacity use the services of a search firm for identifying a diverse pool of candidates for board service. While 86 percent of the signers responded that having an ongoing process and/or using a search firm “produced acceptable candidates,” only 7 percent of signers reported using such a strategy.

“The challenge ahead is to diversify our Board of Directors. While 25 percent of our directors are female, we strive for more racial and cultural diversity on the Board. Our goal is to recruit diverse volunteers to our newly formed Advisory Board who may be good candidates for the Board of Directors. We have made a focused effort to identify people with diverse backgrounds, who share key interests to serve on the Advisory Board. From that process, and the relationships we build, we hope to establish a pool of diverse prospects to serve on the Board of Directors.”

Commonwealth Compact Signer

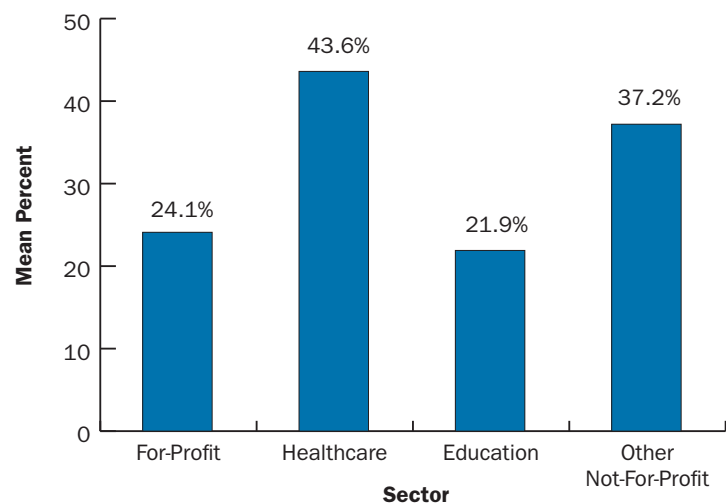
Analysis by Sector

Workforce Diversity by Sector

In order to better understand and compare workforce diversity based on economic sectors, we categorized each signer by sector. As explained earlier, we utilized the following sector breakdown: “healthcare,” “education,” “for-profit companies,” and “other not-for-profit” organizations. (We recognize that many healthcare and educational institutions are not-for-profit; the “other not-for-profit” sector includes not-for-profit organizations *not* in the healthcare or educational sectors.) Figure 4 demonstrates clearly that, among Commonwealth Compact signers, the employment of people of color is highest in the healthcare sector, followed closely by the other not-for-profit sector:

- On average, 44 percent of employees in the healthcare sector are people of color.
- The second highest rate of racial/ethnic diversity in the workplace is found in the other not-for-profit sector (as defined above): people of color make up, on average, 37.2 percent of all employees in this sector.
- The mean percent of people of color is slightly higher in the for-profit sector than in the education sector.

Figure 4. Diversity of Employees, by Sector*
(Mean Percent People of Color)



*p < 0.05

Table 5. Racial/Ethnic Diversity in Employment, by Level of Position and Sector
Number People of Color
(Mean Percent)

| Position | Sector | | | |
|---------------------------------------|--------------|--------------|--------------|----------------------|
| | For-Profit | Healthcare | Education | Other Not-for-Profit |
| Manager/Officer (N=73) | 13 (12.2) | 14 (24.5) | 17 (18.4) | 24 (29.1) |
| Professional/Sales (N=87) | 15 (17.4) | 13 (31.7) | 17 (20.1) | 36 (27.6) |
| Clerical/Technical/ Laborer (N=78) | 12 (31.3) | 14 (55.2) | 17 (31.8) | 29 (34.1) |

Note: These categories are not cumulative but rather mean percents for each level of position; therefore, it is not expected that they would add up to 100 percent for each sector. The Benchmark Template asked for the diversity of all employees, and then collapsed standard EEO occupational categories into these three categories. See Template in Appendix A (Section III. 12a-d) for question wording.

An analysis of workforce diversity that takes into account level of position and sector demonstrates a more nuanced picture of diversity among signers of Commonwealth Compact. Table 5 shows, for example, that:

- People of color make up, on average, the highest percentages of managers/officers in other not-for-profit organizations (mean percent 29.1) and healthcare sector (mean percent 24.5).
- At this level of position (manager/officer), the mean percent of people of color is higher in the education (18.4 percent) compared to the for-profit sector (12.2 percent).
- On average, people of color make up more than half of those at the lower-level positions in healthcare, and about one-third in each of the other three sectors.
- Higher mean percentages of people of color are found among professional and sales workers in the healthcare and other not-for-profit sectors when compared to the education and for-profit companies.

Leadership Diversity

With a few exceptions, the pattern of racial diversity on the leadership teams and boards of the signers' organizations, companies, and institutions is similar to the pattern we find for employees working in different sectors. Table 6 shows that leadership teams are most diverse in other not-for-profit organizations, closely followed by educational and healthcare institutions. According to the data reported by the signers, the greatest board representation by people of color is found in the for-profit sector. This is somewhat surprising given that earlier research on board diversity (Hardy-Fanta & Stewartson, 2007, p. 1) showed corporations to have the lowest representation of people of color (just 5 percent); the 28.5 percent figure in Table 6 may be an artifact of a low response rate given that only half of the corporate signers who completed the Benchmark Template responded to this question.

Table 6. Racial/Ethnic Diversity in Leadership, by Sector
Number People of Color
(Mean Percent)

| Position | Sector | | | |
|-------------------------------|--------------|--------------|--------------|----------------------|
| | For-Profit | Healthcare | Education | Other Not-for-Profit |
| On Leadership Team (N=102) | 19 (18.4) | 13 (21.7) | 20 (22.9) | 44 (29.1) |
| On Board (N=85) | 10 (28.5) | 11 (31.0) | 17 (18.9) | 41 (24.3) |

Note: Also, there were 6 organizations classified as "other," but that number is too small for meaningful analysis so we did not include them here.



Diversity in Public and Private Colleges/Universities

The second-largest sector represented by signers is the education sector, and the vast majority is higher education institutions—not surprising given Boston’s reputation as a mecca for college students. The large number of colleges and universities signing onto Commonwealth Compact made it possible to analyze the relative diversity in employment and leadership between public and private institutions of higher education. Table 7 shows that:

- The Commonwealth’s public colleges and universities within the group of signers represented in this report have substantially higher percentages of people of color in their workforce compared to private colleges and universities (mean percent 25.4 for public compared to 16.5 for private institutions).
- The difference in diversity on leadership teams in public versus private institutions is even greater: on average, people of color make up 32.3 percent of the leadership teams for public higher education institutions compared to about half that (15.4 percent) for private institutions.
- The difference in board membership diversity for public and private institutions is similar but somewhat smaller (24.2 percent for public compared to 17.2 percent for private colleges and universities).

| Table 7. Employment and Leadership for Colleges and Universities, by Type Number People of Color (Mean Percent) | | |
|---|--------------------|---------------------|
| Position | Public Institution | Private Institution |
| Among All Employees (N=13) | 7 (25.4) | 6 (16.5) |
| On Leadership Team* (N=17) | 9 (32.3) | 8 (15.4) |
| On Board (N=14) | 6 (24.2) | 8 (17.2) |
| Note: There were 23 educational institutions among the 111 signers available at the time of analysis, including 20 colleges/universities. | | |
| *p<0.1 | | |

Perspectives on Diversity: Commitment and Need for Progress

In addition to providing numerical data on employment and leadership, Commonwealth Compact signers responded to a number of survey questions about their satisfaction with the diversity of their leadership team as well as: CEO/ Director commitment to diversity; policies, outreach, and/or initiatives designed to increase diversity in employment, leadership, suppliers/vendors, and community engagement. (See Benchmark Template in Appendix A for question wording.)¹⁰ Signers were also invited to attach materials to illustrate or document such efforts.

While it might have been tempting to answer these questions in a way that would “make them look good,” the signers seem to have carried out a careful self assessment—however subjective it might be—on issues of diversity and responded with remarkable openness. As shown in the following discussion, the signers demonstrate areas of considerable commitment—and are frank about where there is a need for continued effort.

CEO Leadership on Diversity

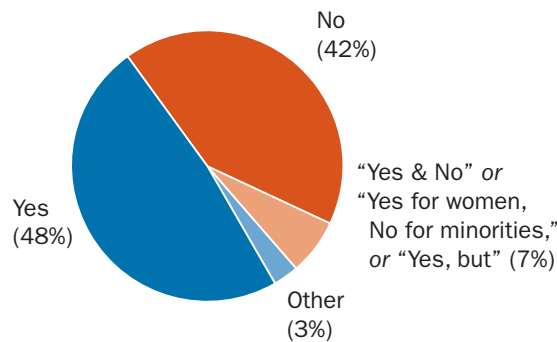
Figure 5 shows that just under half of the signers (48 percent) answered “Yes” to the question: “Are you satisfied with the diversity of your leadership team in terms of its inclusion of people of color and women?” A similar, but smaller, percentage (42 percent) said “No.” Seven percent gave nuanced responses such as “Yes and No,” “Yes for women, No for minorities,” or “Yes, but...”

Signers were asked to consider specific diversity efforts and strategies in their institution, company, or organization. Figure 6 shows that, in terms of executive-level leadership, CEOs were characterized as “actively engaged in diversity efforts,” with nearly every signer (97 percent) responding “Yes” to this question. Just over half indicated that the CEO sets diversity goals and targets.

Beyond executive-level leadership commitment, studies show that responsibility and accountability mechanisms within the organization are also important for ensuring the advancement of persons of color and women. Kalev, Dobbin & Kelly (2006) explain how “Structures that embed accountability, authority, and expertise (affirmative action plans, diversity committees and taskforces, diversity managers and departments) are the most effective means of increasing the proportions of white women, black women, and black men in private sector management” (p. 611).

It is clear, however, that, according to the Commonwealth Compact aggregate data, manager compensation is not tied to performance on diversity goals as fewer than 1 in 5 signers (19 percent) said this mechanism was in play in their companies/organizations/institutions. A somewhat larger percentage (37 percent) said performance on diversity had an impact on manager promotion, as illustrated in Figure 6.

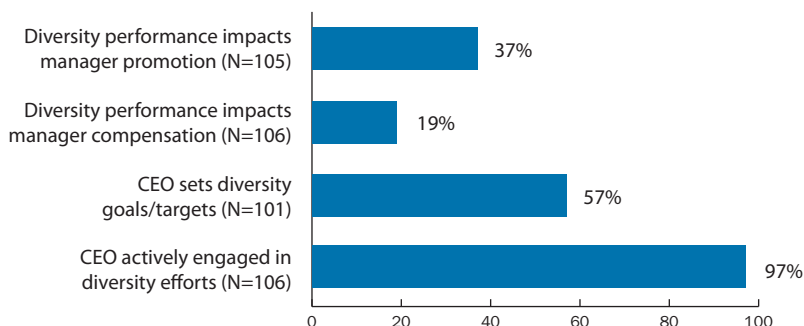
Figure 5. Are you satisfied with the diversity of your leadership team? (N=105)



“The President’s commitment to diversity is shown in her leadership.... She establishes priorities and commits budgetary resources to ensure that those commitments can be achieved.”

Commonwealth Compact Signer

Figure 6. CEO Leadership on Diversity (Percent Responded Yes)





“Our objective is to become a global diversity leader. To do so, we know that we must lead by example. We will continue to mirror the communities in which we work and live; provide opportunities for our associates and business partners; and ensure that we are always striving for excellence.”

Commonwealth Compact Signer

Scholarship on effective diversity practices is clear that diversity efforts must be structured into manager evaluation procedures/mechanisms. *Best Practices in Achieving Workforce Diversity* indicates that “Accountability is achieved by making the appropriate leaders responsible for diversity by linking performance evaluation elements and compensation to the successful implementation and progress of these initiatives. Accountability helps to ensure that ‘everyone is on board’ and actively engaged in the diversity process” (U.S. Department of Commerce, 1999, p. 12).

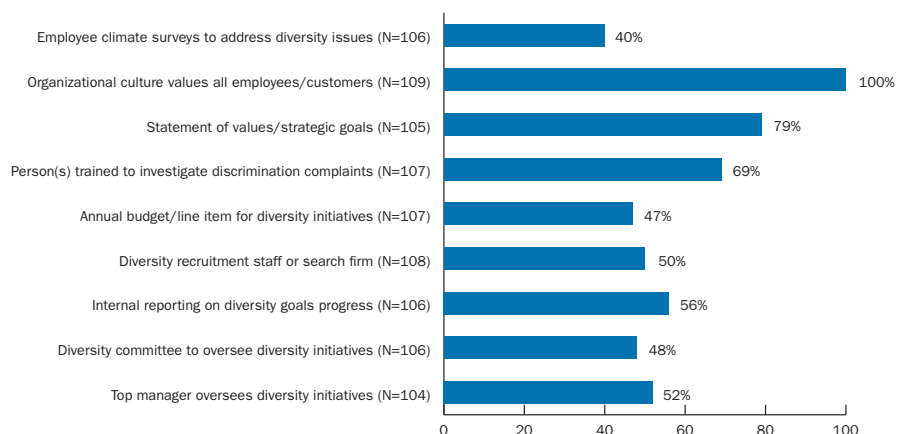
The value of utilizing performance evaluation as a mechanism for accountability is noted in another workforce diversity resource: “When progress on diversity goals is measured in performance evaluation, then all managers are held accountable for their efforts on behalf of the development and promotion of employees from diverse backgrounds” (Schreiber, Price & Morrison, 1993, p. 20).

The commitment of a CEO demonstrates itself not only through her/his own actions but also through management policies that filter down throughout the company/organization/institution. The survey responses in Figure 7 suggest, again, clear areas of strengths—and avenues for greater commitment.

- All of the signers answered “yes” to the question, “Does your organizational culture value all employees and customers, regardless of race, ethnicity, or gender [in a way] that solicits their input and participation?”
- Eight in 10 have a statement of values and strategic goals that includes diversity and inclusion.
- Seven in 10 have a person or persons trained to investigate discrimination complaints.
- About half (52 percent) have a top manager who has primary responsibility for overseeing diversity initiatives; internal reporting requirements that periodically summarize progress against diversity goals (56 percent); and a diversity recruitment staff or search firm relationship (50 percent).

Figure 7 also suggests areas for improvement, since less than half of the signers have a diversity committee that provides oversight to diversity initiatives or an explicit annual budget or line item to fund diversity initiatives. And, although,

**Figure 7. Management Actions to Support Diversity
(Percent Responded Yes)**



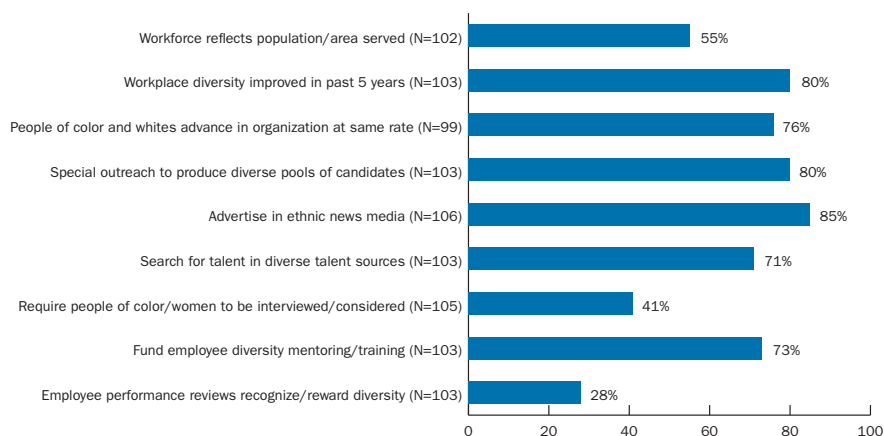
as indicated above, all of the signers believe their organizational culture values diversity, just 40 percent indicated that they conduct employee surveys that would provide concrete evidence about whether or not their employees agree with this statement.¹¹

Workplace Environment

Survey results suggest reasons for optimism about workplace diversity. Figure 8 shows, for example, that:

- 80 percent believe that workforce diversity has improved in the past five years.
- 76 percent said that people of color advance their careers at least at the same rate as whites do in their organization.
- 80 percent implement special processes or initiatives that reach out to women and people of color to produce diverse pools of candidates (and 85 percent advertise in ethnic news media).
- About three-quarters fund mentoring, training programs, and other activities that support employees and promote and sustain diversity; and 71 percent say they “search for talent in diverse talent sources.”
- At the same time, just over half believe that their workforce reflects the consumer population/geographic area served at all levels and across all job categories.
- The following findings may indicate areas ripe for improving diversity efforts: 41 percent stated that they “Have a standard within each candidate search that requires people of color or women to be interviewed, and/or considered for positions.” And just 28 percent said that their employee performance review and assessment system explicitly recognizes and rewards efforts that foster diversity and incorporate diversity goals.

**Figure 8. Workplace/Personnel Diversity Efforts
(Percent Responded Yes)**



In Their Own Words...

Signers were encouraged to give examples or comment on diversity efforts. Examples of **CEO commitment** to diversity included:

- Allocating explicit budgetary resources
- Creating and overseeing a Diversity Fellowship Program
- Pushing managers to advertise positions widely in communities of color (e.g., through community newspapers)
- Establishing and chairing a Diversity Recruitment and Retention Committee that holds the organization accountable
- Creating an internal anti-racism committee whose charge is to review internal policies, practices, and structures and make recommendations to the senior leadership team
- Using performance reviews to recognize and reward diversity efforts by senior level administration to include areas as support for diversity
- Promoting initiatives that search for diverse talent, leadership development, coaching, and community/regional work that values diversity



“Our organization respects and values the differences in race, gender, ethnicity, age, disability, religion, and sexual orientation of all people. We also respect diversity of viewpoint, experience, talents, and ideas. By promoting a workplace of inclusion that welcomes and supports people of varying backgrounds, we strive to empower all members to excel in their roles and reach their full potential.”

Commonwealth Compact Signer

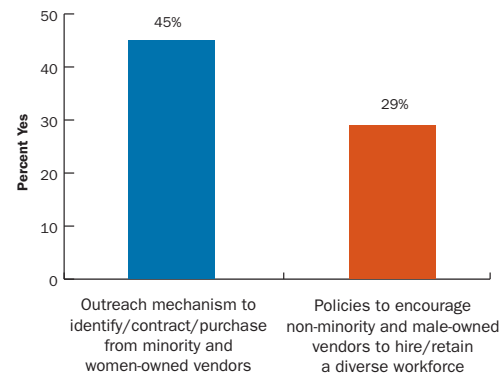
Diversity Efforts beyond the Workplace: Supplier and Vendor Relationships

Commonwealth Compact is an ambitious project with the broad goal of changing the climate of work in Boston and across the Commonwealth and reversing the reputation that Massachusetts has not been a welcoming, diverse place to live and work for people of color. The Benchmark Template data provide a way of measuring actions that support diversity beyond the walls of the signers’ workplaces—in their relationships with suppliers, vendors, and the communities they serve.

Data suggest that there is considerable room for improvement in relationships with suppliers and vendors. Figure 9 shows, for example, that:

- When asked, “Does your organization have a specific outreach mechanism for identifying and contracting/purchasing from minority and women-owned vendors?” less than half (45 percent) of the signers responded in the affirmative.
- Even fewer (29 percent) reported having “specific policies that encourage non-minority and male-owned vendors to hire and retain a diverse workforce.”

Figure 9. Suppliers/Vendors Efforts
Percent Responded Organization Has:



It is difficult to describe the outreach mechanisms that are used by the signers—or to discuss barriers to using such mechanisms—to a greater degree because only about one-quarter responded to the invitation to “explain on a separate page.” By reviewing the materials provided, however, we found that some signers rely on “word of mouth,” but others have a relatively lengthy list of minority- and women-owned suppliers/vendors. (See “Supplier/Vendor Resources” on page 15 for resources and suggestions provided by signers.)

Supplier/Vendor Resources

Signers who provided attachments on how they develop relationships with minority- and/or women-owned suppliers and vendors named the following resources and provided tips to organizations seeking to increase the diversity of their suppliers and vendors:

- Center for Women and Enterprise
- Initiative for a New Economy (INE)
- Massachusetts Alliance for Economic Development
- Massachusetts Minority Contractors' Association
- Minority/Woman-owned Business Enterprises (M/WBE)
- National/Local Minority Business Organizations
- National Minority Supplier Development Council
- New England Minority Purchasing Council
- New England Minority Supplier Development Council
- Small Business Administration's (SBA) PRO-Net and SUB-Net Systems
- State Office of Minority and Women Business Assistance (SOMWBA)
- Women's Business Enterprise National Council

Suggestions

1. Contact minority and small business trade associations
2. Attend procurement conferences and trade fairs
3. Contact business development organizations and local chambers of commerce
4. Conduct market surveys to identify new sources

“Though we do not have a formal outreach mechanism for identifying minority- and women-owned vendors, all employees are conscious of the company’s core missions and give special consideration for companies with memberships in various organizations such as WBENC [Women’s Business Enterprise National Council], SOMWBA [State Office of Minority and Women Business Assistance], etc.”

Commonwealth Compact Signer

Diversity Efforts beyond the Workplace: Community Engagement

Signers were very positive about their efforts to promote diversity and inclusion in the areas of customer/consumer relations and community engagement. Their survey results indicate that:

- The vast majority believe that their programs, services, and products are delivered in a culturally competent and sensitive manner (91 percent); that they seek out customer feedback (74 percent); and that they sponsor and participate in civic initiatives to understand and promote diversity, inclusion and racial/ethnic and gender equality (88 percent). Most (82 percent) also state that these efforts are helpful in increasing responsiveness to their customers/consumers/clients.
- Somewhat smaller percentages on a number of other questions suggest areas for improvement: two thirds said their organization offered special training for managers and/or staff to improve cultural sensitivity and competence; 65 percent of signers contribute funds to organizations that promote diversity; and 59 percent “promote employee volunteerism to organizations that promote diversity.”

What about Women? Gender Diversity in the Commonwealth’s Workforce

Thus far, this report has focused on either diversity in general or racial/ethnic diversity more specifically. As stated earlier, we recognize that diversity is a much broader concept with a much larger goal of ensuring that all persons, regardless of gender, physical and other disabilities, sexual orientation, nativity, and religion are treated equally and afforded opportunities for employment and advancement. However, addressing all of these dimensions of workforce diversity is beyond the scope of Commonwealth Compact which has taken as its core mission the promotion of racial and ethnic diversity in Boston and Massachusetts.

Gender equality in the workplace is also a key element of this initiative as Commonwealth Compact signers have committed to recruitment, hiring, management, and governance practices that: “Increase the representation of people of color and women throughout our organizations, especially in management, senior management and board governance positions” and “Retain and promote people of color and women.”

With women making up over half the population—and 48.3 percent of employed persons in Massachusetts—it is important to consider how women fare in the workplaces of signers (Bureau of Labor Statistics, 2008, p. 24). The Benchmark Template data offer a positive picture on women’s employment status:

- Among Compact signers, women comprise, on average, two-thirds of all employees in their companies, organizations, or institutions.
- As indicated in Table 8, women also make up 59 percent of those holding the position of manager or officer, and 59 percent of those in professional or sales positions. The percentages at the level of female officers and managers are somewhat surprising since Equal Employment Opportunity (EEO) data provided by the U.S. Census reports that 41 percent of employees at this level in the Commonwealth of Massachusetts are women (U.S. Census, 2000).¹²
- There is considerable variation among all employees by sector, with means of 74 percent in the healthcare and other not-for-profit sectors, to 58 percent in the education sector (dominated by institutions of higher education, not K-12) and a low of 52 percent in the for-profit sector. Table 9 shows that, on average, women are more likely to be on leadership teams in the healthcare, education and other not-for-profit sectors, than in the for profit sector. A similar pattern may be seen for women’s representation on boards.
- The signers report that, on average, women make up 67 percent of officers and managers in the healthcare sector; 52 percent in the education sector; and 51 percent in the for-profit sector. As noted above, these numbers seem quite high compared to EEO data.¹³

| Table 8. Female Employment in Massachusetts, by Level of Position (Mean Percent Women) | |
|--|-------|
| Level of Position | Women |
| Managers/Officers (N=79) | 58.9 |
| Professional/Sales (N=86) | 59.0 |
| Clerical/Technical (N=77) | 56.9 |

Table 9. Gender Diversity in Leadership, by Sector
Number Women
(Mean Percent)

| Position | Sector | | | |
|----------------------------------|--------------|--------------|--------------|----------------------|
| | For-Profit | Healthcare | Education | Other Not-for-Profit |
| Among all employees*** (N=79) | 13 (52.1) | 12 (74.1) | 15 (58.2) | 35 (73.5) |
| On Leadership Team*** (N=102) | 19 (37.6) | 13 (52.3) | 20 (52.7) | 44 (63.8) |
| On Board** (N=86) | 11 (17.7) | 11 (45.3) | 17 (37.7) | 41 (47.3) |

Note: We recognize that many healthcare and educational institutions are not-for-profit; the "not-for-profit" sector includes not-for-profit organizations not in the healthcare or educational sectors. Also, there were 6 organizations classified as "other," but that number is too small for meaningful analysis so we did not include them here.

p<.01; *p<.001

Methodological Consideration

The fact that 111 signers submitted data via the Benchmark Templates demonstrates a remarkable commitment to the intent of the Commonwealth Compact. Achieving an 88 percent response rate suggests that the data included in this report are representative of the signers as a whole. That said, one cannot state that the findings reported here are generalizable to the organizations, institutions, corporations, etc., in the Commonwealth of Massachusetts for a number of reasons. First, the signers are a self-selected group who, by virtue of their commitment to the Compact, are more likely to have greater diversity in their ranks than, perhaps, corporations, organizations, institutions, etc., as a whole. Second, the data are, for the most part, self-reported and subjective, rather than obtained by a third party. For example, there are no objective data by which to judge the accuracy of the 98 percent of the signers who affirmed that "women advance their careers at least at the same rate as males do in your organization." Third, there was considerable variability in the Ns for individual responses; thus, for example, the 86 percent who responded affirmatively to the question whether their board's process for identifying a diverse pool of candidates for board service yielded acceptable candidates is less convincing since just 42 of the 111 signers answered this question. Also, while we were able to extract data from typed attachments when they were clear and direct answers to a question, some signers sent numerous attachments (including, for example, full annual reports); it would have been irresponsible of us to mine these records searching for possible answers, so these types of responses were not included. Fourth, the side comments of some of the respondents suggest that some of the questions were somewhat ambiguous or confusing, leaving them open to interpretation; because many questions referred to "diversity" generally, or "minorities and/or women," for example, it is not possible to separate out whether the responder was referring to people of color or women. Finally, there is no information on who completed the templates – the likely variability in the respondents certainly had consequences that are hard to determine.

Methodological recommendations include the following: Commonwealth Compact should enlarge its group of signers to include more companies, organizations and institutions (especially in other parts of the state); improve wording of ambiguous questions and create a clearer set of instructions to assure consistency; revise the data collection instrument as a paper or electronic survey, rather than a modifiable MSExcel spreadsheet; and improve submission of requested attachments. For example, on one of the "could be improved" measures, Do you conduct employee surveys, just 42 (40%) said yes, but just 16 of these supplied attachments. And, of these attachments, most did not provide findings – just text that indicated they did. Therefore, since 100% said they believe they have a positive organizational culture, they may not be seeking or examining what the employees (especially those of color) experience or feel.

Gender and Race/Ethnicity Compared

In Figure 8 on page 13 we see that 76 percent of signers believe that people of color advance within their organization at rates similar to whites.

When the same question was asked to apply to women, 98 percent of signers responded that "women advance their careers at least at the same rate as males do" in the company/organization. The literature suggests that both these numbers may be larger than in comparable studies; the gap between occupational advancement for people of color compared to women, however, remains very real. Research has shown that the majority of people of color do not believe they advance at the same rates as whites, and other research shows that, indeed, they do not (Huffman & Cohen, 2004).¹⁴ The same is true in relation to women vis-à-vis men.

Recommendations

Given the wide range of organizational types and sizes represented in the signers who provided data for analysis, it is important to consider workforce diversity best practices in light of resources, opportunities, and limitations of particular kinds of organizations. Organizations involved in the *Best Practices in Achieving Workforce Diversity* project aptly suggest that “there is no ‘one-size-fits-all’ or any ‘magic pill’ to make diversity ‘happen’” (U.S. Dept. of Commerce, 1999, p. 9).

Scholars working in the field of workplace diversity agree that “while it is essential to set goals by highlighting best practices, realistically not every system will be able to initiate the work done in benchmark institutions” (Hite & McDonald, 2006, p. 376). Moreover, as explained at the beginning of this report, Commonwealth Compact reflects an emergent focus on the assessment of diversity efforts. While there are guidelines and recommendations in regard to ensuring and increasing diversity, some scholars caution that best practices may be quite limited (see, for example, Kalev, Dobbin, & Kelley, 2006, p. 590).

While these may be discouraging words, they also point to the very real possibility that Commonwealth Compact may pave the way to discover some of the ways to improve racial, ethnic, and gender diversity in Massachusetts workplaces. There are, for example, a number of ways the data analyzed here offer steps to take—and ways of assessing their effect in the coming years.

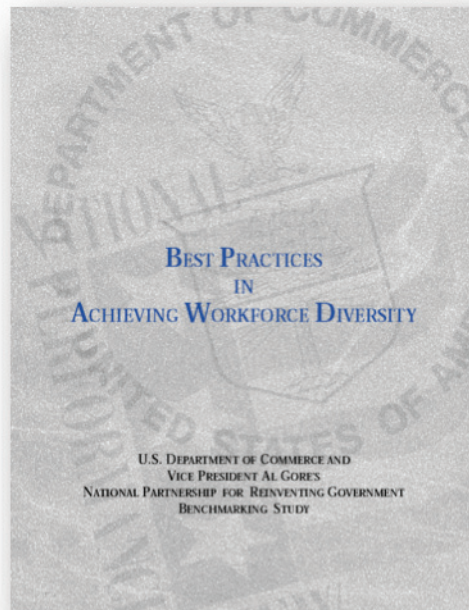
With these points in mind—and the data analysis complete—we recommend that corporations, organizations, and institutions should:

1. Integrate diversity goals into the strategic planning process of the organization and not consider them as a separate objective or effort.

As the authors of *Best Practices in Achieving Workforce Diversity* explain, “[T]oday’s leaders realize that in order to be effective, successful diversity planning must be aligned with and provide support for strategic business objectives and operational decisions” (U.S. Dept. of Commerce, 1999, p. 11).

2. Establish and foster employee groups that allow for employees to “weigh in” on workplace climate in regard to diversity.

Best Practices in Achieving Workforce Diversity provides an overview of types of such groups as diversity councils, task teams, focus groups, affinity councils, issue study groups, and networking groups. These groups provide a forum to both articulate and understand the varied needs and interests of employees. Participation in these groups is welcomed. Often, input is sought from employee groups to determine their perception of progress achieved with regard to diversity. This document is available online (U.S. Dept. of Commerce (1999, see esp. Ch. 4).



Available online!
(See U.S. Department of Commerce, 1999.)

3. Conduct scientifically rigorous employee satisfaction surveys that are confidential and can be analyzed by the race, ethnicity, and gender of employees.

Examining the results of such surveys may reduce the percentage of companies, organizations, and institutions that believe their organizational culture values and supports diversity to the extent indicated in this report, but may lead them to a self-assessment based on more accurate data and improved working conditions for (and retention of) a diverse workforce. Support for this recommendation comes from a recent report by Catalyst that states clearly that “Understanding the work environment *as perceived by employees of color* is

the first step in making change that will encourage diverse talent to stay” (Bagati, 2007, p. 12; emphasis added).

4. Survey their customer base and the population of the communities in which they are located.

Surveying employees of color is essential, but signers should also conduct surveys to learn whether their customers and communities see them as welcoming to people of color as potential employers as well as providers of goods and services. As Pugh et al. (2008) explains, for example, “[I]n more diverse communities, just increasing the number of minority employees is certainly not enough, in itself, to improve diversity climate. Those who manage organizations embedded in racially diverse communities

have to work much harder to create a climate for diversity than do those managing organizations located in communities sparsely populated with minorities” (p. 1427).

5. Gather data on promotion and retention rates of employees of color and women.

Low response rates on questions asking for the numbers of women and people of color who were promoted through the ranks and whether they held board leadership roles (see Benchmark Template III.13 and II.8 in Appendix A) suggest that many organizations may not be collecting such information. These questions in particular were designed to help organizations look past surface diversity numbers and measure real inclusion in their organizational hierarchy, and data on promotion and retention would be an important benchmark to follow over time.

6. Collect and track data on outreach mechanisms for identifying and contracting/purchasing from minority and women-owned suppliers and vendors.

As previously noted, just one-quarter of the signers responded to the question, “Does your organization have a specific outreach mechanism for identifying/purchasing from minority- and women-owned vendors?” By collecting and reporting these data, signers would be able to measure progress in this area. Minority- and women-owned suppliers and vendors are an important potential source of employees of color and women, and including them in discussions around diversity efforts could go far in improving workforce diversity and climate for employees of color and women.

7. Address board diversity by maintaining and updating careful records of board members by race, ethnicity, and gender; having boards implement a formal assessment of the board’s own performance on achieving diversity goals; and adopting and/or endorsing a diversity policy and setting diversity goals for board service.

Findings from our analysis of the data provided by the signers to date suggest a higher proportion of people of color and women on the signers’ boards of directors/trustees than that found in our earlier study, *A Seat at the Table?* (Hardy-Fanta & Stewartson, 2007). For example, corporate and healthcare-sector signers reported that people of color made up about one-third of their board membership, whereas *A Seat at the Table?* reported just 5 percent and 6 percent, respectively (see p. 2). (Data provided by signers in

the education sector were much closer: people of color in this sector made up 19 percent for Compact signers compared to 14 percent in *A Seat at the Table?* The 2007 study did not gather data on other not-for-profit organizations.) In terms of gender, the discrepancy was limited to the healthcare sector: Compact signers reported that women made up 45 percent of their boards, while Hardy-Fanta and Stewartson (2007, p. 2) reported just 25 percent women. The source of the large discrepancies is unclear. It may be that those who signed on to Commonwealth Compact are more diverse than the larger and more comprehensive group of companies, organizations, and institutions analyzed in the study by Hardy-Fanta and Stewartson. The methods of data collection were also different with researchers in the 2007 study conducting a telephone survey with each company, organization, and institution as compared to signer self-reporting via the Benchmark Template in the current study. Signers should develop a mechanism to collect and update race, ethnicity, and gender of their board members to resolve this issue in the future; boards can then implement the other dimensions of this recommendation.

8. Build on the examples of CEO commitment to diversity provided by their co-signers (see “In Their Own Words...” on page 14).

According to the data provided, the leadership teams of the signers are remarkably diverse—both in terms of race/ethnicity as well as gender.¹⁵ Given such diversity at the leadership level, signers should be able to use many examples of how their fellow CEO’s or Directors worked to increase diversity in the workforce at their companies, organizations, or institutions. Strategies include: allocating explicit budgetary resources to support diversity efforts; creating and overseeing a Diversity Fellowship Program; pushing managers to advertise positions widely in communities of color (e.g., through community newspapers); establishing and chairing a Diversity Recruitment and Retention Committee that holds the organization accountable; creating an internal anti-racism committee whose charge is to review internal policies, practices, and structures and make recommendations to the senior leadership team; using performance reviews to recognize and reward diversity efforts by senior level administration to include areas as support for diversity; and promoting initiatives that search for diverse talent, leadership development, coaching, and community/regional work that values diversity.

APPENDIX A: BENCHMARK TEMPLATE

Compact Organization Name _____ Size of organization in employees _____ Size of organization in revenue/budget _____

QUANTITATIVE QUESTIONS

| Benchmark | FEMALE | | | | | MALE | | | | | |
|---|----------------|---------------------|--------------------------------------|-------------------------|-----------------|-------------------|---------------------|--------------------------------------|-------------------------|-----------------|-------------------|
| | Overall totals | White/ non-Hispanic | Black/ African American non-Hispanic | Asian/ Pacific Islander | American Indian | Latino/a Hispanic | White/ non-Hispanic | Black/ African American non-Hispanic | Asian/ Pacific Islander | American Indian | Latino/a Hispanic |
| I. CEO/Leadership team commitment | | | | | | | | | | | |
| 1. How many people are on your leadership team? | | | | | | | | | | | |
| II. Boards/Governance | | | | | | | | | | | |
| 7. How many people sit on your governing board? (Board of Directors, Trustees, etc) | | | | | | | | | | | |
| 8. How many leadership roles (committee chairs/officer positions) are filled by people of color? | | | | | | | | | | | |
| III. Workplace Personnel (in Massachusetts) Please report professional levels as appropriate for your organization and industry | | | | | | | | | | | |
| 12a. Number of employees (in Massachusetts) | | | | | | | | | | | |
| 12b. Number of officers and managers (exclusive of the leadership team) | | | | | | | | | | | |
| 12c. Number of professionals and sales workers | | | | | | | | | | | |
| 12d. Number of clerical, craft workers, operatives and laborers | | | | | | | | | | | |
| 13. How many of these employees have been promoted through the ranks? (Having had 1 or more positions in the organization prior to their current managerial role) | | | | | | | | | | | |
| IV. Customers/Consumers/Services | | | | | | | | | | | |
| 18. What are the ethnic and racial breakdowns of your customer base in the state (demographic data for MA is attached for your information. Membership organizations should respond to this question with regard to the demographics of their members)? | | | | | | | | | | | |

| Suppliers/Vendors | Overall totals | Minority-owned Business | Women-owned Business |
|--|----------------|-------------------------|----------------------|
| 21a. How many contracts did you have with vendors in 2007? | | | |
| 21b. How much did you spend in 2007 in contracting expenditures? | | | |

SURVEY DATA QUESTIONS

| I CEO Commitment | YES | NO |
|--|-----|----|
| 1. Are you satisfied with the diversity of your leadership team in terms of its inclusion of people of color and women? | | |
| 2. Is the CEO actively engaged in the organization's diversity efforts? (Please list examples of internal or external efforts on a separate page.) | | |
| 3a. Do the goals given by the CEO to top managers include explicit goals or targets for improving diversity within the organization? | | |
| 3b. Does performance against diversity goals directly impact the compensation of top managers? | | |
| 3c. Is performance against diversity goals a factor when considering top managers for promotion? | | |
| 4. Does the organization have any of the following: | | |
| 4a. A top manager whose primary responsibility is the oversight of diversity initiatives in the organization? | | |
| 4b. A diversity committee that provides oversight to diversity initiatives? | | |
| 4c. Internal reporting requirements that periodically summarize progress against diversity goals? | | |
| 4d. A diversity recruitment staff or search firm relationship? | | |

| | |
|---|--|
| 4e. An explicit annual budget or budget line item to fund diversity initiatives? | |
| 4f. Discussion of progress towards diversity goals at Board meetings? | |
| 4g. A person or person(s) trained to investigate discrimination complaints? | |
| 5. Does the organization have a statement of values and strategic goals that includes diversity and inclusion? (Please provide example on separate page) | |
| 6a. Does your organizational culture value all employees and customers, regardless of race, ethnicity or gender [in a way] that solicits their input and participation? | |
| 6b. Does your organization periodically conduct employee climate surveys that address diversity issues within the organization? (If such surveys are conducted, please include most recent principal findings) | |
| II. Board/Governance | |
| 9a. Does your board offer mentoring, orientation or training to its members? | |
| 9b. Please list on a separate page the years or number of terms served by people of color and women and white males on your board. | |
| 10a. Does your board have an ongoing process for identifying a diverse pool of candidates for board service? | |
| 10b. Does your board use the services of search firms for identifying a diverse pool of candidates for board service? | |
| 10c. If yes, have the activities mentioned in 10a and 10b produced acceptable candidates? | |
| 11a. Has your board adopted or endorsed a diversity policy and/or goals for your organization? (Please attach) | |
| 11b. Does the board formally assess its own performance with respect to achievement of diversity goals by itself? | |
| III. Workplace/Personnel | |
| 12a. Is your organization's workforce, at all levels and across all job categories, reflective of the consumer population/geographic area served? | |
| 12b. Has the diversity of your workplace improved over the past five years? | |
| 13a. Do you believe that people of color advance their careers at least at the same rate as whites do in your organization? | |
| 13b. Do you believe that women advance their careers at least at the same rate as males do in your organization? | |
| 14a. Does your organization implement any special processes or initiatives that reach out to women and people of color to produce diverse pools of candidates for your organization? | |
| 14b. Please confirm which if any of the following elements are incorporated into your recruitment program to ensure a diverse pool: Advertise in ethnic news media? | |
| Search for talent in diverse talent sources? If yes, please provide an example of such a talent source | |
| Have a standard within each candidate search that requires people of color or women to be interviewed, and/or considered for positions? | |
| Other? Please list on separate page. | |
| 15. Does your organization fund mentoring, training programs, and other activities that support employees and promote and sustain diversity? | |
| 16. Does your employee performance review and assessment system explicitly recognize and reward efforts that foster diversity and incorporate diversity goals? | |
| 17. Are you in compliance with Civil Rights and Equal Employment Opportunity legal requirements? | |
| IV. Customers/Consumers/Services | |
| 19a. Are your programs/services/products delivered in a culturally sensitive or culturally competent manner? (Please list examples on a separate page) | |
| 19b. Do you provide any special training to managers and staff to improve their cultural sensitivity/competence? (Please provide examples) | |
| 20a. Does your organization conduct surveys and/or use other mechanisms to obtain customer feedback to gauge their levels of satisfaction with your products, programs, and/or services? (If such surveys are concluded, please include most recent principal findings) | |
| 20b. Are these mechanisms effective in helping your organization improve its responsiveness to customers? | |
| V. Suppliers/Vendors | |
| 22. Does your organization have a specific outreach mechanism for identifying and contracting/purchasing from minority and women-owned vendors? (Please explain on a separate page) | |
| 23a. Does your organization have specific policies that encourage non-minority and male-owned vendors to hire and retain a diverse workforce? | |
| V. Community Engagement | |
| 24a. Does your organization sponsor and participate in civic initiatives to understand and promote diversity, inclusion and racial/ethnic and gender equality? (Please provide details and examples on a separate page) | |
| 24b. Have these initiatives produced the results you were hoping for? (In addition to answering the question Yes or No, please feel free to add comments on a separate page) | |
| 25a. Does your organization contribute funds to organizations that promote diversity? (Please provide examples and amounts on separate page) | |
| 25b. Does your organization promote employee volunteerism to organizations that promote diversity? (Please provide a listing of examples.) | |

COMMENTS

We hope all of you will offer comments about particular successes you have achieved or challenges you have faced. Again, we promise not to link these to particular organizations. But we believe that, taken together, they can offer a treasure trove of wisdom going forward.

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NOTES

- ¹ For full text, see "Commonwealth Compact Statement," available on the Internet at <http://www.commonwealthcompact.umb.edu/docs/CC%20statement.doc>.
- ² See also Hardy-Fanta & Watanabe (2006), Hardy-Fanta & Kelly (2007) and Hardy-Fanta (2007).
- ³ We decided to go beyond a simple "for-profit/not-for-profit" sector analysis, given the importance of institutions of higher education and health care in the Greater Boston area. Not-for-profit status for each signer was primarily determined by GUIDESTAR (www.guidestar.org) and a review of the signer website if needed.
- ⁴ These figures underestimate the number of employees among the signers since several large companies/organizations did not supply employee figures. The total number of non-farm employees for the state is for Dec. 2007 (Commonwealth of Massachusetts, 2008).
- ⁵ Data on the current percentage of the labor force are from Massachusetts Budget and Policy Center (2009, p. 25); county-by-county breakdown based on the 2005–2007 American Community Survey was provided by Massachusetts Budget and Policy Center on April 29, 2009.
- ⁶ The number of signers who provided data for total employees as well as for each of the three levels varied from a high of 86 for Clerical/Technical (which includes laborers), to a low of 72 for Managers/Officers.
- ⁷ The number of signers responding to each of the questions represented in this figure varied as follows: All employees, N=79; managers/officers, N=73; professional/sales workers, N=87; clerical/technical/laborers, N=78; board members, N=85; and in board leadership roles, N=65.
- ⁸ See Benchmark Template Questions I.1. and II.7. in Appendix A for the types of positions included in these categories.
- ⁹ Commonwealth Compact was also interested in how many people of color serve in leadership roles on the signers' boards of directors/trustees. Our analysis suggests that the average number of people of color in leadership positions was quite high. However, the finding on board leadership should be approached with considerable caution because there was ambiguity in how this question was worded. Examining Question 8 of the Benchmark Template in Appendix A shows that, while the question is in the section devoted to "Boards/Governance," the term "leadership roles" may have led some to confuse it with Question I.1. (i.e., the "leadership team"). Also, just over half of the signers responded to this question.
- ¹⁰ Included in the denominator when calculating the N are "Yes," "No," "Don't know/NA," "Other," and responses such as "Yes and No," or "Yes for women but No for minorities." Not included are those who did not answer the question or left the section blank.
- ¹¹ Of these, only 16 provided some response to the request: "If such surveys are conducted, please include most recent principal findings." And, of these attachments, most did not provide findings – just text such as "see attachment" that indicated they did. Therefore, since 100% said they believe they have a positive organizational culture, they may not be seeking or examining what the employees (especially those of color) experience or feel.
- ¹² It should be noted that these data are from the 2000 Census.
- ¹³ See U.S. Census (2000).
- ¹⁴ See also Hardy-Fanta & Watanabe (2006).
- ¹⁵ The unusually high level of diversity on the leadership teams requires further examination. See page 17 for methodological considerations that may have affected this result.

COMMONWEALTH COMPACT SIGNERS

Signers who filed 2007 data analyzed for this report

Ad Club (The)
Associated Grant Makers
Barr Foundation
Bay Cove Human Services, Inc.
Bentley College
Beth Israel Deaconess Medical Center
Bethel A.M.E. Church
Bingham McCutchen
Blue Cross Blue Shield of Massachusetts
Boston Architectural College
Boston Children's Museum
Boston Club (The)
Boston Foundation (The)
Boston Globe (The)
Boston Harbor Association (The)
Boston History & Innovation Collaborative
Boston Housing Authority
Boston Medical Center
Boston Museum (The)
Boston Natural Areas Network
Boston Public Health Commission
Boston Sand and Gravel Company
Boston Society of Architects
Boston University
Boys & Girls Clubs of Boston
Bridgewater State College
Bunker Hill Community College
Center for Women and Enterprise
Centro Presente
Children's Hospital Boston
Chiofaro Company (The)
CitiCenter for the Performing Arts
Citizens' Housing and Planning Association (CHAPA)
City Year
Codman Square Health Center
Colette Phillips Communications
Commonwealth Institute (The)
Court Square Group
Dana Farber Cancer Institute
Dancing Deer Baking Company
Delta Dental of Massachusetts
Denterlein Worldwide
Dimock Center (The)
El Planeta
Emerald Necklace Conservancy (The)

Emerson College
Executive Service Corps of New England
Fair Housing Center of Greater Boston
Family Service of Greater Boston
Federal Reserve Bank of Boston
Greater Boston Chamber of Commerce
Harvard Pilgrim Health Care
Harvard University
Home for Little Wanderers (The)
Huntington Theatre (The)
Hyams Foundation
Initiative for a Competitive Inner City
Initiative for a New Economy
Inner City Entrepreneurs
Irish Immigration Center
Isaacson, Miller
Isabella Stewart Gardner Museum
JFK Library Foundation
John Hancock
Jose Mateo's Ballet Theatre of Boston
Lesley University
Marriott
Massachusetts Association of Community Development Corporations
Massachusetts College of Art and Design
Massachusetts Convention Center Authority
Massachusetts Institute of Technology
Massport
MBTA/Massachusetts Bay Transportation Authority
Mercantile Bank and Trust Company
Mintz Levin
NECN/New England Cable News
Neighborhood Health Plan
Neighborhood House Charter School
New England Aquarium
New England Baptist Hospital
New England Center for Children (The)
New England Minority Supplier Development Council
New Sector Alliance
North Shore Chamber of Commerce
North Shore Community College
Northeastern University
Partners HealthCare
Partnership Inc. (The)
Pine Manor College

Roca
Roxbury Community College & Reggie Lewis Center
Salem State College
Staples
Third Sector New England
Thompson Island Outward Bound
TJX Companies (The)
Trustees of Reservations (The)
Tufts Health Plan
Tufts University
United Way of Massachusetts Bay and Merrimack Valley
University of Massachusetts
Urban Edge
Urban Land Institute (ULI) Boston District Council
Urban League of Eastern MA
Walmart Stores Inc.
WCVB/Channel 5
Westfield State College
WGBH
Whittier Street Health Center
YMCA of Greater Boston
YWCA Boston

Signers who joined after 2007 data collection period ended

Boston Culinary Group
Cambridge College
Dwyer & Collora LLP
Greater Boston Convention and Visitors Bureau
Justice Resource Institute
Margulies Perruzzi Architects
Massachusetts AFL-CIO
Massachusetts Biotech Council
Massachusetts Council of Human Service Providers
McCarter & English LLP
Nessen Associates
New England Conservatory
Nixon, Peabody
Northnode
Oiste?
Osram Sylvania
Putnam Investments
Raytheon
Tufts Medical Center
Wentworth Institute of Technology
Wheelock College

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Commonwealth Compact and for
additional copies of this report,
please write, call, or visit:

Commonwealth Compact
McCormack Graduate School of Policy Studies
University of Massachusetts Boston
100 Morrissey Boulevard
Boston, MA 02125-3393

617.287.5550
commcompact@umb.edu
www.commonwealthcompact.umb.edu