



Agenda Item 7a

October 20, 2015

ITEM NAME: Annual Diversity Report

PROGRAM: Diversity Outreach Program

ITEM TYPE: Information

EXECUTIVE SUMMARY

This agenda item provides the annual update on Diversity and Inclusion (D&I) initiatives and programs across the enterprise.

STRATEGIC PLAN

This agenda item supports Goal B of the CalPERS 2012-17 Strategic Plan, which is to cultivate a high-performing, risk-intelligent and innovative organization. Specifically, this includes the development and implementation of strategies, tools and training to integrate and sustain D&I competencies throughout the enterprise.

BACKGROUND

This agenda item highlights D&I initiatives across the enterprise. CalPERS has a strategic three-tiered approach to D&I in the workforce, workplace, and marketplace. Workforce – we recruit and retain a high performance team inclusive of our State's rich diversity. Workplace – we actively educate our leadership and staff to increase awareness and create an inclusive culture, understanding the skills that lead to greater quality, respect, and accountability. Marketplace – we serve our members with sensitivity to their diverse perspectives.

This agenda items will also provide an update on current D&I initiatives from the Investment Office, which focus on three areas: corporate boards, external managers, and talent management.

CalPERS Workforce Demographics

Diversity is a source of strength at CalPERS, and a key component to being an industry leader. We believe that having a culture of respect, collaboration, and inclusion is a shared responsibility that drives growth and innovation, enhances operational excellence, and makes a positive impact in the lives of the members we serve. The CalPERS workforce and Sacramento Region demographic charts on Attachment 1 show that we are a reflection of our ethnically and culturally diverse State.

In 2015, we continue to gain momentum with our D&I efforts. With the changing times, we create an inclusive environment that recognizes uniqueness, empowers each employee, values all contributions, and leverages a diverse workforce. The foundation of CalPERS commitment to diversity can be found in our Core Values, to ensure CalPERS remains as the destination employer.

Building on this foundation, CalPERS is committed to providing a workplace where we focus on attracting and growing top diverse talent from around the globe. CalPERS continues to foster our employees' understanding and appreciation of all dimensions of diversity. Workers today place high value on flexibility, managers who communicate and empower, variety in their work, and contribution towards making a positive impact. We aim to assemble and develop a number of initiatives to engage and retain our diverse workforce.

ANALYSIS

The D&I strategy applied in FY 2014-15 was an enterprise approach that significantly increased awareness and integration of best practices within CalPERS operations.

CalPERS Workplace - Diversity Outreach Program (CDOP)

CDOP continues to achieve its 2014-16 Business Plan objectives for FY 2014-15, Goal B | Cultivate a high-performing, risk intelligent and innovative organization by developing initiatives to continue to build on CalPERS D&I foundational knowledge and best practices. This was accomplished through education, outreach, and close collaboration with internal and external stakeholders.

In FY 14-15 CDOP's Diversity Practitioners provided D&I workshops and sessions to 1,278 employees including senior, front line leaders, and all-staff. To date additional D&I workshops are in the progress of being booked for FY 2015-16 and we expect to exceed these numbers.

The Quarterly Professional Development Workshops helped 159 CalPERS leaders to develop and implement committed behaviors to integrate D&I competencies with their staff. Through the use of the new focus groups every quarterly workshop had a pilot, increasing the range of feedback and raising our number of participants for the year by 45%.

In addition to these numbers, CDOP has touched all divisions through enterprise-wide events such as D&I All-staff (850), D&I Day (350), Cultural Lunch Events, and Brown Bag Lunch Series (132).

Quarterly Professional Development Workshops

For managers and supervisors, CDOP offered 90-minute workshops designed to cover a broad range of topics that included the value of D&I and how to lead staff in valuing differences and similarities to inspire innovation.

- ***New – The Concealed Mind: A look at Unconscious Bias***

A workshop based on identifying and navigating unconscious judgments, and to deliver tools to translate this learning into organizational impact and workplace efficiency.

- ***New – Inclusive Leadership***

A workshop based on the elements of successful inclusive leaders, focused on how to work effectively with diverse teams and how to create an open and inclusive work culture.

- ***New – LGBT & Gender Identity Topics in the Workplace***

A workshop based on LGBT & Gender Identity awareness in the workplace to aid in aligning leaders with CalPERS Policies and Core Values regarding LGBT & Gender Identity topics by demonstrating how to identify different situations and then manage them through staff support and education, Equal Employment Opportunity (EEO) pathways, and/or personal communication and behavior adjustment. This workshop also evolved into a Brown Bag Lunch Session, and a separate workshop for 36 external State Department personnel.

All-Staff Workshops

In addition to the Quarterly workshops, our divisions' staff has trained 12 out of 25 CalPERS divisions in D&I concepts. Our staff applied the same strategy of focus groups to deliver high impact workshops and to reach more employees.

- ***Revised – Color Lingo***

A workshop based on a communication skill building for staff. Since the new revamp of Color Lingo, this workshop has gained popularity and managers have requested additional workshops to aid in maintaining sustainability. The workshop has been delivered to over 500 participants since the new launch in January 2015.

- ***Revised – D&I 101***

A workshop based on the basic foundation of D&I. This workshop has also been customized into a presentation format to better serve management needs and deliver to division All Staff meetings.

Regional Office Outreach

To better serve our Regional Offices (RO), staff employed new strategies to aid managers and supervisors with the knowledge and tools to integrate and sustain D&I with their staff by utilizing technology resources through video and tele-conferencing. Staff also traveled to several ROs to provide live instructor-led workshops.

Second Annual All Staff D&I Event, Stedman Graham

Guest speaker, Stedman Graham, conducted two, live 90-minute sessions titled, “Leaders, not Labels,” in the CalPERS Auditorium. This event was attended by over 850 employees and was video conferenced live to the Regional Offices. Mr. Graham’s message made a lasting impression on staff – *Find who you are. Do not accept the labels that may be placed on you. Everyone has the potential to be a leader.*

Cultural Investments

Cultural Investments continues to be a popular monthly email newsletter designed to develop inclusive managers and supervisors. Cultural Investments delivers tips and action steps to help managers and their teams create an inclusive culture. The goal of the newsletter is provide tools to understand how D&I can shape their culture to create high-performing, risk-intelligent, and innovative teams.

New – Cultural Lunch Events

In honor of May’s Asian-Pacific Heritage Month, CDOP invited several Asian community-based organization to share cultural and educational resources with staff. State Treasurer, John Chiang, opened the celebration and shared his gratitude for such an event. CDOP will continue to plan a wide range of cultural lunch events to build connections and raise cultural awareness.

CDOP Website

As part of our continuing effort to integrate D&I throughout the organization, the CDOP website has successfully transitioned over to SharePoint as a user-friendly online resource. The website is effective in promoting D&I resources such as Cultural Investments Newsletter, CDOP’s calendar of culturally diverse holiday’s and observances, manager took-kits, photo galleries of past events, educational handouts for all staff, and much more.

CDOP Spark Page

The CalPERS social media outlet, Spark, has been a successful tool in reaching more employees and creating platforms where employees are able to discuss D&I topics. Between CDOP and both ERG groups we have over 272 followers and growing.

2015 CalPERS Language Fluency List

To ensure that our members, including those who are non-English speaking and Limited English Proficient, have equal access to CalPERS program services and information, CDOP updated the CalPERS Language Fluency list. Currently, the CalPERS workforce features over 100 employees who speak 33 different languages, including American Sign Language.

Employee Resource Groups (ERGs) Program

Fostering inclusion in our culture and everyday actions requires the active engagement of all our employees. CalPERS dynamic and rapidly growing employee resource groups: CalPERS Diversity & Inclusion Group (CDIG) and the CalPERS Disability Advisory Council (CDAC) play a key role in fostering an inclusive culture and help build our reputation as an employer of choice. Open to all and led by employees, the ERGs provide opportunities for networking, professional development, community involvement, and volunteerism.

Ninth Annual Diversity and Inclusion Day

In August 2015, CDOP in collaboration with CDIG and CDAC, hosted the CalPERS Ninth Annual Diversity & Inclusion Day – “The HeART of Generations – Connecting our Generations Through Art.” This event highlighted art made by our very own, and from generations of family members. The art gallery showcased forty different art pieces that told a story across generations, including the four generations represented at CalPERS. The art gallery can be found on the CDOP webpage.

D&I Happy Hour – Networking Event

To celebrate different cultural events and to invest in networking CDIG created D&I Happy Hour on May 21, 2015. CDIG hosted the first D&I Happy Hour on *World Day for Cultural Diversity for Dialogue and Development* in collaboration with the CalPERS Café. Employees gather for D&I roundtable discussions while networking with staff throughout the organization. Our D&I Happy Hour event have begun to exceed the Café’s projected goals for this time slot. Participation has also been growing and participants have reported positive feedback, such as “I made more connections and feel more like I ‘belong’ here at CalPERS.”

Brown Bag Speakers Luncheon Series

CDOP and CalPERS ERGs sponsor Brown Bags that feature a wide range of internal and external guest speakers who provide D&I topics of interest to all staff. These include October’s Brown Bag: Disability Awareness, May’s Brown Bag: D&I 101, and June’s Brown Bag: LGBT & Gender Identity Topics in the Workplace. Brown Bags are tied in with the CDOP calendar to encourage consistency and sustainability.

Future Enterprise D&I Strategic Initiatives

I am CalPERS Series

To deepen employees’ understanding on how to enhance D&I in the workplace, CDOP is in the process of developing and deploying an “I am CalPERS” video in collaboration with internal stakeholders. This project will highlight the value of individual differences within the enterprise as well as finding common ground through engaging stories. The purpose is to showcase CalPERS as valuing D&I in order to increase internal engagement and retention, support external recruitment efforts, and be a model of D&I to the public and in business-to-business relations.

Regional Offices

CDOP will continue to serve our Regional Offices by offering innovative methods and strategies to further the integration of D&I.

FY 15-16 D&I Professional Development Sessions

CDOP will continue to conduct and develop innovative Quarterly D&I Professional Development sessions for CalPERS leadership.

New – Mysteries Uncovered: Cultural Competency

Staff will conduct the first quarterly workshop pilot based on the mysteries around cultural competency to bring light to the basics of cross-cultural proficiency and communication to effectively build stronger relationships and value the differences in our peers.

Investment Office - Diversity and Inclusion Update

At the June 17, 2015 Investment Committee meeting, the Investment Office provided a detailed Diversity and Inclusion update. Beginning October 2015, the Investment Office will report Diversity and Inclusion efforts to the Board of Administration with CalPERS enterprise in a common annual report. A summary of CalPERS Investment Office FY 2014-15 events may be found in Attachment 2. Since the close of the fiscal year, the Investment Office held two important Diversity and Inclusion events.

CalPERS Diversity Forum September 2015

The Investment Office hosted the CalPERS Diversity Forum: Making the Difference in Business and Finance on September 10, 2015 at the Sacramento Convention Center. The event looked at the diversity of investment management firms and discussed best practices for building a diverse and inclusive culture. The Forum had over 350 attendees consisting of corporate board members and executives, diversity officers, institutional investors, investment companies, and representatives from academic institutions.

Emerging, Transition, and Diverse Manager Day

On September 9, 2015, the Investment Office hosted the second annual Emerging, Transition, and Diverse Manager Day. Seventy-six firms with a total of 146 managers participated in the event. The event provided an opportunity for emerging managers to meet with senior asset class staff and investment advisers and introduce their firm. The Investment Office expects to host its third Emerging, Transition, and Diverse Manager Day in Fall 2016.

BUDGET AND FISCAL IMPACTS

Funding for CDOP activities is provided through approved enterprise operating budget.

BENEFITS/RISKS

CalPERS's commitment to diversity is a shared goal; together we are moving the enterprise to the next level of inclusion. Rooted in our core beliefs, D&I helps shape the way we interact with our members, each other, and the world around us. The risk of not continuing these initiatives would diminish our ability to recruit, retain, develop, and empower our workforce.

As the nation's largest public pension fund within one of the most ethnically and culturally diverse state, we believe the combined experiences, perspectives and talents of all employees strengthen our high performance work culture and organization - *Our Differences Are Our Strengths*.

ATTACHMENTS

Attachment 1 – CalPERS Demographics: Race/Ethnicity, Gender, Management, and Regional Comparisons

Attachment 2 – CalPERS Investment Office: FY 14-15 Diversity & Inclusion initiatives

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