



Finance and Administration Committee Agenda Item 6a

September 20, 2016

Item Name: Annual Diversity Report

Program: Diversity Outreach Program

Item Type: Information

Executive Summary

This agenda item provides the Finance and Administration Committee with the 2015-16 Commitment to Diversity and Inclusion Report (Attachment 1). The report highlights initiatives completed across the enterprise and recent accomplishments through June 30, 2016.

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

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.

Analysis

The D&I strategy applied in FY 2015-16 was an enterprise approach that included the development and implementation of D&I efforts to increased awareness and integration of best practices.

CalPERS Workforce Demographics

At CalPERS we are dedicated to promoting the rich cultures and people who help us serve those who serve California, one of the most diverse States in the nation. Our mission and passion is expressed by our endeavors in the cultivation of a long lasting culture of respect and inclusion. The sustainability of an inclusive culture enhances operational excellence and makes a positive impact in the lives of the members we serve.

The CalPERS Diversity Outreach Program (CDOP) continues to foster our employees' understanding and appreciation of all dimensions of diversity. We continue to pay attention to what employees have to say about our D&I efforts and based on employee feedback, we have created more opportunities to recognize uniqueness, engage managers in problem solving, and expose our workforce to different cultures to encourage social accountability for change.

Our workforce is also a tapestry of culturally diverse employees spanning four generations with employees who speak 33 different languages, and reflects the racial and ethnic makeup of our diverse State (Attachment 2).

Investment Office

In addition to enterprise wide efforts, in 2015, the CalPERS' Investment Office established a Diversity & Inclusion Steering Committee led by the Chief Investment Officer and Chief Operating Investment Officer, with representation from throughout the Investment Office. The Steering Committee develops goals and priorities, and provides direction and oversight on Investment Office D&I work streams and initiatives.

Diversity & Inclusion 2020 Plan

In May, the Steering Committee approved the Investment Office Diversity & Inclusion 2020 Plan, Attachment 3. The plan's purpose is to provide a strategic framework from January 2016 to June 2020 that will guide Investment Office decisions and engagement, and establish initiatives for diversity and inclusion. The D&I 2020 Plan details CalPERS' strategic efforts related to diversity and inclusion in three areas: corporate boards, external managers, and talent management.

Budget and Fiscal Impacts

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

Benefits and 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 2015-16 Commitment to Diversity and Inclusion Report

Attachment 2 – CalPERS Demographics: Race/Ethnicity, Gender, Management, and Regional Comparisons

Attachment 3 - CalPERS Investment Office 2020 Diversity & Inclusion Plan

Laurie Weir

Investment Director

Investment Office

Douglas Hoffner

Interim Chief Executive Officer