



Finance & Administration Committee

Agenda Item 8a

February 18, 2020

Item Name: Annual Diversity Report

Program: Diversity Outreach Program

Item Type: Information

Executive Summary

The purpose of this agenda item is to provide the Finance and Administration Committee with an overview of the Diversity & Inclusion (D&I) initiatives, programs, and accomplishments across the enterprise for 2018-19 Fiscal Year, including an update on current workforce demographics.

The agenda item also provides an update on current D&I activities from the Investment Office, which focus on three areas: corporate boards, external managers, and talent management. D&I highlights for the year will be presented in an online report on the CalPERS website.

Strategic Plan

This agenda item supports the Talent Management strategic goal to “promote a high-performing and diverse workforce” through recruitment and empowerment of a broad range of talents to meet the organization’s priorities.

Background

The foundation of CalPERS D&I efforts has been built on a strategic three-tiered approach in the workforce, workplace and marketplace as follows:

- **Workforce:** We recruit and retain a high-performance team inclusive of our state’s rich history.
- **Workplace:** We actively engage our CalPERS team to foster a culture of inclusion that welcomes diversity of thought, experience, and background.
- **Marketplace:** We serve our members with a sensitivity to their diverse perspectives.

Analysis

Through the implementation the D&I enterprise strategy we have learned from team leaders and members across the organization how to better meet their needs. The strategy is unifying

several enterprise efforts to further support the increase of engagement and integrate inclusive habits.

Our D&I efforts are designed to connect talent management, education, and communication to other initiatives across the enterprise serving to be more cohesive and efficient with cross-divisional partnerships.

To maximize resources and grow unification, our team established a D&I Advisory Council to support CalPERS strategic goals and tactical initiatives, as identified in CalPERS' Strategic Plan and Business Plan. The D&I Advisory Council will be working under the direction of the Chief of Stakeholder Relations, which is the primary function for D&I initiatives within CalPERS.

Furthermore, a charter has been created to define the D&I Advisory Council's function, role and membership expectations. The Council's membership is comprised of Operations Support Services Division, Investment Office, Human Resources Division and Equal Employment Office, Office of Public Affairs, and the Enterprise Strategy and Performance Division.

We also continued the outreach to expand partnerships with organizations and educational institutions to share and support CalPERS perspective on D&I. The CDOP team also expanded education & training, using rich data to create better dialogue with team leaders, and most importantly continue to move the needle to meet the Workforce Diversity & Inclusion Strategic Measure to increase engagement by 8% by 2022.

D&I Program Highlights

- Continue to implement the D&I Strategy to increase collaboration, communication, and engagement across the Enterprise.
- Increased CalPERS D&I Strategic Measure by 1% via the Employee Engagement Survey D&I related questions. Although we did not make the annual goal of 1.6%, our total growth is over a 6% increase since the initiation of the expand D&I Business Initiative in 2016.
- The number of requests for workshops and presentations increased by 41%. Facilitated to over 40 teams, including the Senior Leadership Council, serving 10 divisions and over 360 participants.

Our two employee resource groups, CalPERS Diversity & Inclusion Group (CDIG) and CalPERS Disability Advisory Committee (CDAC), continue to gain momentum to expand efforts that focus on educational sessions and resources to team members. The groups hosted several events to increase diversity and inclusion education for CalPERS team members such as:

- The 12th Annual D&I day: Many Cultures, One Community was dedicated to embracing the many cultures that make up our community at CalPERS, as well as the community we serve. Eighty-two percent of surveyed attendees reported that the event increased awareness on the value of individual differences and contributions. Eighty-five percent reported that the event helped expand their perspective on what D&I means at CalPERS.
- In recognition of Disability Awareness Month, the groups hosted a Disability Awareness Fair, which featured a guest speaker, Nadine O. Vogel who presented on the topic of Disability Etiquette & Awareness. Seventy-three percent of surveyed attendees reported this event increased their awareness about disabilities and disability etiquette. Eight-six

percent reported the event helped expand their perspective on what D&I means at CalPERS.

- In collaboration with our Employee Resource Groups, CDIG and CDAC, we hosted an event entitled, “Attitude for Gratitude”, that involved a panel consisting of CEO Marcie Frost and then Board President, Priya Mathur, moderated by DEO Brad Pacheco. This was an opportunity for CalPERS team members to engage with and ask questions of our CEO and Board President on a variety of topics, ranging from their own work experiences to a discussion on cultivating positive attitudes in the workplace,

Demographic Highlights

CalPERS workforce continues to span over four generations. Gen-Xers (increased by 4 team members) remain the largest group, followed by Millennials (increased by 49 team members), Baby Boomers (decreased by 70 team members), and Traditionalists (no change).

- 58% of CalPERS workforce is female and 42% is male.
- 40% of CalPERS Executives are Female and 60% are male.
- 42% of Senior Leaders (SSM III, DC) are Female and 58% are male.
- 70% of Team Leaders (SSM I/II) are Female and 30% are male.
- 58% of Rank & File team members are Female and 42% are male.

There are over 75 team members on the Language Fluency List, speaking 25 different languages.

Investment Office

D&I efforts in the Investment Office are led by the D&I Steering Committee which has representatives from throughout the Investment Office as well as from the Enterprise. The three main areas of focus are improving corporate board diversity, external manager diversity, and internal talent management. This agenda item provides an update of the corporate board diversity workstream.

The investment team is making progress on improving corporate board diversity, with 55% of companies engaged since July 2017 adding a diverse director to their boards (361 of 682 companies). In instances where engagements have not been successful, staff utilizes investor rights of proxy voting and shareowner campaigns to hold directors accountable.

Attachment

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