CHRO Today Executive Network

May Virtual Meeting **Guest Speakers:**



Dr. Peter Cappelli, Director – Center for Human Resources, The Wharton School cappelli@wharton.upenn.edu

Carole Dalton, CHRO, My Alarm Center Carole.Dalton@myalarmcenter.com



May 4, 2020

Today's Agenda



Auvice. Support. Dest Fractices.

12:00pm – 12:20pm ET	Welcome and member updates - share one thing personal and professional
12:20pm – 12:45pm ET	Recap Strategic priorities for 2020: where are you/have they changed?
12:45pm – 1:15pm ET	CHRO Support Group. Getting back to "normal". What is the new normal? Balancing health risk and business risk. Focusing on the "little" details
1:15pm – 2:00pm ET	Speaker: Peter Cappelli, Wharton Center for Human Resources Discussion: Diversity & Inclusion – a deep dive into research data
2:00pm – 2:30pm ET	Speaker: Carole Dalton, CHRO, My Alarm Center Discussion: An Approach to Resolving a Workforce Class Action Lawsuit – A Business Strategy with Legal Advice.





Today Executive Network

— Advice. Support. Best Practices. —

Welcome new members!



Dana Rapier Senior Vice President, Chief Human Resources Officer Jackson National Life Insurance Company

Share one thing personal and professional



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Welcome and Member Updates

Today Executive Network

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Roger Gaston (C-TEN chairman) CHRO, Gates Corporation Roger.Gaston@gates.com



Jacqueline Welch, SVP HR, Diversity & Inclusion & Chief Diversity Officer, Freddie Mac Jacqueline m welch@freddiemac.com

Sitting in for Jacqui today from 1-2:30pm is Judy Huie, Chief of Staff, Sr. Dir



Linda Nedelcoff, EVP, Chief Strategy & Human Resources Officer, CUNA Mutual Linda.Nedelcoff@cunamutual.com



Ginny Angiello, Senior Vice President, Chief Human Resources Officer, Covanta Holding Corporation <u>GAngilello@covanta.com</u>



Debbie Kemp, CHRO, MediaCom debbie.kemp@mediacom.com

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Max Langenkamp, Vice President HR, Cintas Corporation langenkampm@cintas.com





Welcome and Member Updates

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Maria Smedley, Vice President Human Resources & Strategy, Arkansas Electric Cooperative <u>maria.smedley@aecc.com</u>



Sue Wall, VP, Human Resources, Chapters Health System <u>WallS@chaptershealth.org</u>



Jennifer F. Terry, Managing Director, CHRO, The Bancorp jterry@thebancorp.com



Steve Antonoff, Vice President, HR, CalPortland <u>santonoff@calportland.com</u>



Carl Peers, Senior Vice President of Human Resources and Training, OneBlood, Inc. <u>carl.peers@oneblood.org</u>



Cindy Fiedelman, CHRO, Digital Realty cfiedelman@digitalrealty.com



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Welcome and Member Updates

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C-TEN by HR

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Chief Human Resource Officer at Beacon Health System <u>seller2@beaconhealthsystem.org</u>



Kelley Boucher, CHRO, Alnylam Pharmaceuticals kboucher@alnylam.com



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Your 2020 Strategic Priorities

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Where are you with your goals? Have they changed?





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2020 HR Priorities

Enable Business Growth

- Implement HR structure, processes and technology for UK and China expansion.
- Lead talent strategies to support TAPS and CES Growth

Increase Effectiveness and Productivity of HR tools and technology

- Implement Recruiting ATS replacement with Workday
- Implement Sterling Pre-Employment Processing
- Develop Workday Technology / Process Roadmap including self-service, talent, reporting and analytics, position management
- Improve leave administration; assess supplier capability and improve process effectiveness
- Implement New Talent Acquisition Model

Implement TALENT strategy that addresses recruitment and retention needs and fosters an increased diverse workforce

- Design and Implement New Front Line Leaders Training
- Design and Implement High Potential/High Performer Development Program
- Complete succession planning; role-gaps analysis and develop plans to mitigate in Supply Chain and Functions
- Complete implementation of Korn Ferry 360 Process
- Measure business impact of Diversity & Inclusion programs including ERG and D&I training
- Implement D&I strategic roadmap, determine key success factors to measure and begin measuring



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Getting Back to "Normal"

What is the new normal post-COVID-19?

- Balancing health risk and business risk.
- What changes are you making to policy on remote work, health and wellness?
- How are you engaging and recognizing people?
- How do you handle people gathering in common areas, like a cafeteria? Or, people using mass transit?
- What if you reopen your office in one state, but employees in a neighboring state are still unable to travel?
- Post-COVID-19 recruiting plan?







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Today's Agenda



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A Discussion on Diversity & Inclusion – a deep dive into research data

Gender Differences in the Speed of Advancement – An Empirical Examination of Top Executives in Fortune 100 Firms

Rocio Bonet¹ Peter Cappelli² Monika Hamori¹

¹ IE Business School, IE University, Madrid Spain
 ² Center for Human Resources, The Wharton School, University of Pennsylvania, Philadelphia, PA

May 4, 2020





Dr. Peter Cappelli, Director – Center for Human Resources, The Wharton School <u>cappelli@wharton.upenn.edu</u>

The attention-getting facts

Women hold 47 percent of jobs

4 percent of CEO jobs

- 9 percent of "top" positions in S&P 1500 (Dezso, Ross, and Uribe 2016)
- 15 percent of top corporate jobs in our Fortune 100 data

Why do we have this problem? How much is specific to top jobs?

What kind of progress are we making?



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There are pressures to advance women

Regulatory pressures – Title VII, Equal Pay Act of 1963, Pregnancy Discrimination Act,

- Enforcement agencies: EEOC, OFCCP, US DoL
- State laws duplicate and extend protections

RFP requirements – potential vendors report on their diversity and inclusion programs

• Certification agencies document vendor performance

From society/customers – market research

"Goldman Sachs' new rule: At least 1 woman on the board or you can't go public." By Anneken Tappe, CNN Business.

But how real are these pressures? Is it really diversity or the appearance of diversity that matters?

Evidence of quotas in prior research

Glass ceiling hypothesis

The fact needing to be explained is why fewer women are in top jobs than in lower-level jobs –

- Glass ceiling hypothesis more bias against women in top jobs
 - That fact per se is not evidence of more bias at the top ranks
- Probability arguments about promotion from within could lead to similar results
- Empirical evidence: mixed at best
 - Older studies within organizations sometimes showed the reverse (Powell and Butterfield 1994, Petersen and Saporta 2004). Gayle et al, 2012 in particular.
 - Recent evidence in some cases of female wage premium (Gayle, Golan and Miller 2012, Leslie et al. 2017)
- Bigger question: If glass ceiling isn't true, what's the implication?
 - Is it reasonable to just worry about the "pipeline" and wait?

Lesson from history about what changes career advancement:

After WWII, how to get new engineering skills into the ranks of executives?

Promotion from within would take 20 years from new hire -

• Example of the pipeline problem: rigid hierarchy of steps, time-in grade

Solution was "fast track" and "high potential" programs.

- Skip steps in job ladders
- Come up sooner for advancement

Who gets the top jobs is the big outcome, but how soon they get there matters as well

What constrains employers from improving advancement for women per

Affirmative action (give advantage) in hiring and promotion? Yes in education, no in employment.

• Is it possible to do anything other than not discriminate to speed up advancement?

Supreme Court says, can't give ANY preference based on gender in selection and promotion decision.

- "It is illegal for an employer to make decisions about job assignments and promotions based on an employee's race, color, religion, sex...." (EEOC) Can't take race/gender/religion, etc. into account.
- BUT can be active in *recruiting* to produce a pool of candidates that will change hiring outcomes. Could do the same for promotions
- Can prepare candidates differentially to help with advancement

If you want to advance careers of women at the top, employers could...

Improve the pipeline and wait for internal promotion

Avoid the pipeline constraint by hiring externally

- Develop a more diverse applicant pool from outside
- Give the outside hires a bigger step up in career.

Take actions to promote women faster – broaden the internal pool of candidates to bring more women into the mix

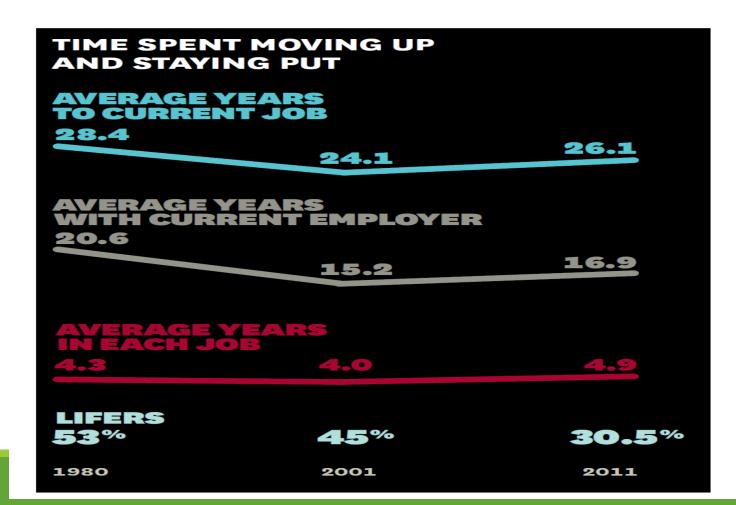
Skip steps in job ladders when promoting: promotions do not have to be lock-step

Are such actions discriminatory? That's how lawyers stay in business.

Career Advancement Project

Who are the top executives in the US – *Top 1000 - mother church of promotion from within*

Top 10 in Fortune 100: 1980-2001-2011-2021

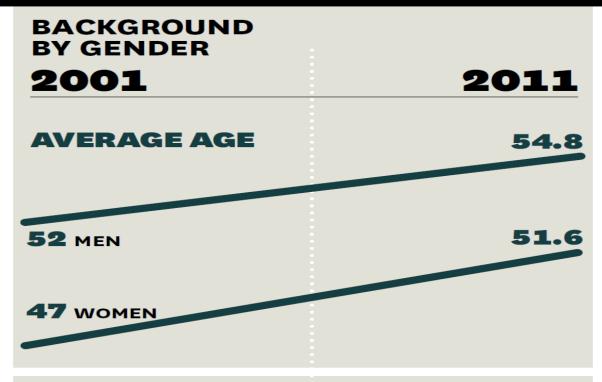


DEMOGRAPHIC SNAPSHOT OF FORTUNE 100 SENIOR EXECUTIVES







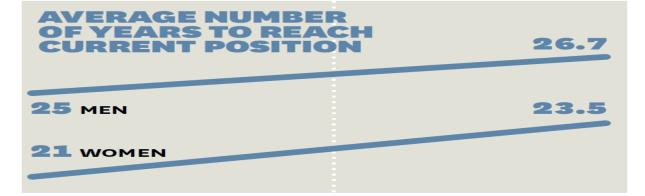


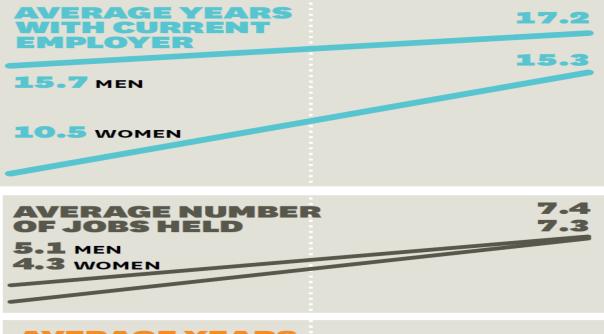
PERCENTAGE OF TOP EXECUTIVES WHOSE ENTIRE CAREERS WERE AT ONE COMPANY

47% MEN

32%







AVERAGE YEARS IN EACH JOB	5.0
4.0 MEN	
3.4 WOMEN	4.3

What we found -

Women executives got to these top jobs faster than did men – about 3 years faster/13%

It helped to stay in the same company

.

- They got there faster by skipping steps in the promotion ladder, moving through them faster
- Punchline: Don't have to wait for cohort of women below the top jobs to get big
 - Is this "affirmative action"? Lots of little help but not a single big push

If there were no women in the top ranks, first woman gets there a lot faster

- When there are 30% women, it slows down, takes longer than men
- Punchline: Certainly looks like a quota the appearance of diversity is what matters

2019 Annual Diversity & Inclusion Review

September 2019

2018/2019 Accomplishments

Education / Learning

Continued Diversity & Inclusion training reaching an additional 272 employees in 2019

Employee Resource Groups

- Launched 3 Employee Resource Groups (ERGs)
 - Women of RISE Respect-Inspire-Support-Empower
 - Early Career Connection (ECC) (=<5 yrs. work experience)
 - Veterans of ______ Military Employees
- Implemented a standard application process and executive sponsorship to support initiation of the ERGs

Compliance

- Positive outcomes for two Office of Federal Contract Compliance Programs (OFCCP) audits in Q4 2018 H-
- Developed Affirmative Action Plans (AAP) plans for additional sites as required by OFCCP guidelines
- Expanded relationship with Affirmity to outsource compliance reporting and improve diversity executive summary reporting

Recruitment/Talent Attraction

- Improved Female and Race/Ethnicity representation for 2019 Early Career Development Program (ECDP) class:
 - 2019 class 40% Female and 30% Race/Ethnicity representation. Female representation is better than availability (29.5%) and Race/Ethnicity is just under availability (31.3%).
 - 2018 class 25% Female and 13% Race/Ethnicity representation

Diversity & Inclusion – Representation Highlights

Female Diversity Representation Data

- Female representation continues to be lower than availability in the market at the Vice President, Director and Professional levels but is higher than availability at the Manager level
- Vice President level female representation improved the most, increasing from 17.14% to 20.31%

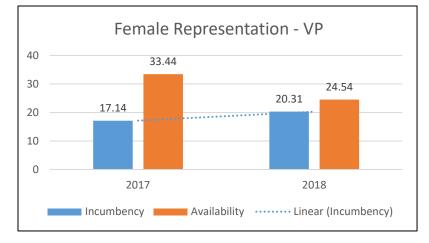
Racial/Ethnic Diversity Representation Data

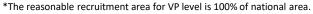
- Racial/ethnic representation continues to be lower than availability in the market across all job categories Vice President, Director, Manager & Professional.
- Professional level improved the most, increasing representation from 21.47% to 23.01%

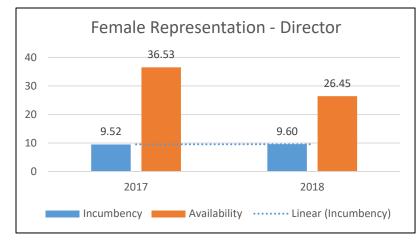
Veterans Data Representation Data

- Veterans continue to be an important focus for **example** hiring. Overall 11.60% veterans in the **descent** workforce.
- Improved internal promotion activity for Veteran employees at Director (14.29% to 17.65%), Manager (5.26% to 8.57%), and Professional (4.17% to 8.7%) levels

Female Availability Analysis – VP & Director Level







VP Level Findings & Observations

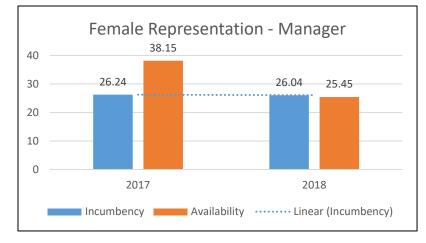
- Female representation was slightly lower than availability.
- Female representation improved from 2017 to 2018. Out of 64 VP and above positions, 20.31% (13) were women, an increase from 17.14% (12) in 2017.
- External hiring activity declined from 50% (2) in 2017 to 42.9% (3) in 2018.
- Internal promotion activity declined from 16.67% (1) in 2017 to 0% (0) in 2018.

Director Level Findings & Observations

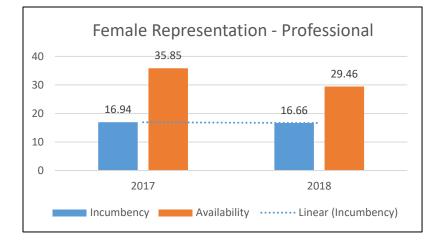
- Female representation continued to be significantly lower than availability.
- Female representation remained about the same from 2017 to 2018. Out of 250 Directors, 9.60% (24) were women, slightly up from 9.52% (24) in 2017.
- External hiring activity improved from 4.2% (1) in 2017 to 9.7% (3) in 2018.
- Internal promotion activity declined from 14.29% (3) in 2017 to 5.88% (2) in 2018.

*The reasonable recruitment area for Director level is 50% national and 50% state areas.

Female Availability Analysis – Manager & Professional Level



*The reasonable recruitment area for Manager level is 100% of state area.



Manager Level Findings & Observations

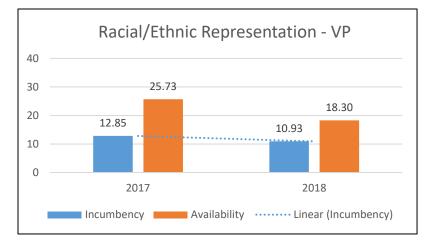
- Female representation was slightly higher than availability in 2018.
- 2018 female representation declined slightly from 2017. Out of 288 Managers 26.04% (75) were women, compared to 26.24% (74) in 2017.
- External hiring activity declined from 24.4% (10) in 2017 to 15.2% (5) in 2018.
- Internal promotion activity declined from 52.63% (10) in 2017 to 31.43% (11) in 2018.

Professional Level Findings & Observations

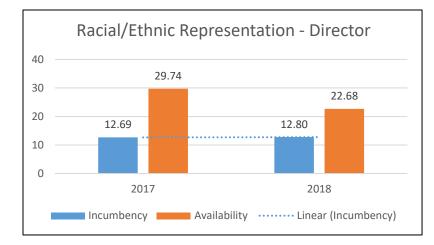
- Female representation continued to be significantly lower than availability.
- Female representation declined slightly from 2017. Out of 552 Professionals 16.66% (92) were women, compared to 16.94% (90) in 2017.
- External hiring activity declined from 26.8% (15) in 2017 to 23.5% (19) in 2018.
- Internal promotion activity declined from 37.50% (9) in 2017 to 19.57% (9) in 2018.

*The reasonable recruitment area for Professional level is 50% state and 50% local areas.

Racial/Ethnic Availability Analysis – VP & Director Level



*The reasonable recruitment area for VP level is 100% of national area.



VP Level Findings & Observations

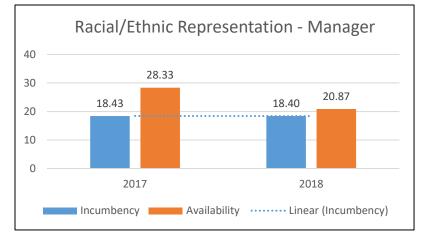
- Racial/Ethnic representation continued to be lower than availability.
- Racial/Ethnic representation declined from 2017. Out of 64 VPs and above 10.93% (7) were in this category compared to 12.85% (9) in 2017.
- External hiring activity declined from 25% (1) in 2017 to 0% (0) in 2018.
- Internal promotion activity declined from 33.33% (2) in 2017 to 0% (0) in 2018.

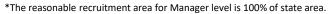
Director Level Findings & Observations

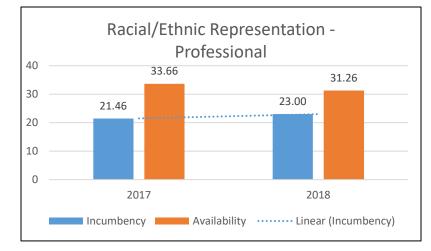
- Racial/Ethnic representation continued to be lower than availability.
- Racial/Ethnic representation increased slightly from 2017. Out of 250 Directors 12.80% (32) were in this category compared to 12.69% (32) in 2017.
- External hiring activity declined from 19.4% (6) in 2017 to 4.7%
 (2) in 2018.
- Internal promotion activity improved from 14.29% (3) in 2017 to 20.59% (7) in 2018.

*The reasonable recruitment area for Director level is 50% national and 50% state areas.

Female Availability Analysis – Manager & Professional Level







Manager Level Findings & Observations

- Racial/Ethnic representation was slightly lower than availability in 2018.
- Racial/Ethnic representation stayed about the same from 2017. Out of 288 Managers there were 18.40% (53) in this category, compared to 18.44% (52) in 2017.
- External hiring activity declined from 17.6% (6) in 2017 to 15% (9) in 2018.
- Internal promotion activity improved from 15.79% (3) in 2017 to 25.71% (9) in 2018.

Professional Level Findings & Observations

- Racial/Ethnic representation was lower than availability in 2018.
- Racial/Ethnic representation improved from 2017. Out of 552 Professionals there were 23.0% (127) in this category compared to 21.47% (114) in 2017.
- External hiring activity improved from 11.8% (8) in 2017 to 20% (10) in 2018.
- Internal promotion activity declined from 25.0% (6) in 2017 to 21.74% (10) in 2018.

*The reasonable recruitment area for Professional level is 50% state and 50% local areas.

overall veteran representation declined slightly from 446 (12.72%) in 2017, to 424 (11.60%), in 2018. However, **reteran representation continued to be significantly higher** than the US Department of Labor's 2018 national percentage of veterans in the civilian labor force benchmark of 6.4%.

Vice President

- External hiring activity remained at 0% (0) for 2017 and 2018.
- Internal promotion activity declined from 33.33% (2) in 2017 to 0% (0) in 2018.

Director

- External hiring activity declined from 20.8%
 (5) in 2017 to 12.9% (4) in 2018.
- Internal promotion activity improved from 14.29% (3) in 2017 to 17.65% (6) in 2018.

Manager

- External hiring activity increased from 4.90% (2) in 2017 to 6.1% (2) in 2018.
- Internal promotion activity improved from 5.26%
 (1) in 2017 to 8.57% (3) in 2018.

Professional

- External hiring activity declined from 19.6% (11) in 2017 to 8.6% (7) in 2018.
- Internal promotion activity increased from 4.17%
 (1) 2017 to 8.70% (4) 2018.

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Today Executive Network

An Approach to Resolving a Workforce Class Action Lawsuit – A Business Strategy

- First steps if you get a class action claim
- The real cost of a \$1 of missed wages in California
- Communicating with staff who are part of the class
- Selecting best legal counsel
- Accessing EPLI coverage and working with your broker
- Individual settlements in class action cases
- Understanding opposing counsel
- Mediation experiences
- Corrective measures and preventing class action claims





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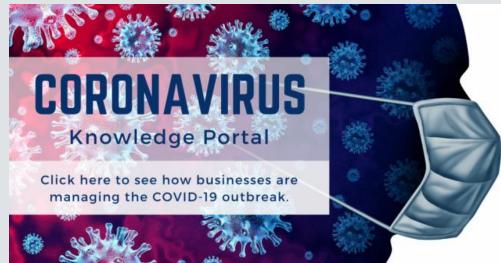
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HRO Today April 2020





SURVEY: COVID-19 HR Response Study Part 2

Share your experience with *HRO Today* by providing feedback in our three-question survey below on the effect of the coronavirus crisis on your recruitment and remote work policies.



Up next...

Virtual Meeting June 10, 2020 3pm ET

"The Role of Culture in Employer Brand"

Andrew Wilkinson, Executive Leader, Group Managing Director of EMEA & APAC, Peoplescout



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