

July 14, 2020

Moving the Diversity/Inclusion Needle

Without Running into Legal Trouble

Captioned by Frances Freeman

(Note by NILG: There was some internet issues that caused difficulty for the speakers and hearing them.)

>> The webinar will begin shortly.

Please remain on the line .

The webinar will begin shortly. Please remain on the line.

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Before I introduce our speakers I want to take a moment to thank our sponsors. Next slide please.

The sponsors you see on the screen for supporting NILG and webinar series. We really thank them for what they have done and we would like to now introduce the speakers for today's webinar. Nita Beecher is counsel to Fortney Scott with regulatory affairs. Paul Francisco is the chief diversity officer and heads of workforce development programs at State Street Corporation. Consuela Pinto is a shareholder at Fortney Scott where she advises clients on the full range. And Marina Williams is responsible for Lockheed Martin Corporation's equity and compliance programs. Welcome and thank you for presenting today. I'm going to turn it over to Nita to get us started.

>>NITA BEECHER: Thank you so much. We really appreciate it. And thank you all of our panelists. Well, I think the only way to open a D and I presentation right now is to talk about what has happened first of all in the Black Lives Matter movement protest

that occurred and we're going to start with Marina and then Paul and then Consuela talking about what has happened inside the corporations as a result of that.

Marina, if you would kick it off for us and talk about what is going on at Lockheed Martin.

>>MARINA WILLIAMS: Sure. Well, I have to tell you that I think Lockheed Martin -- can you hear me.

Hello?

>>NITA BEECHER: Yes, go ahead.

>>MARINA WILLIAMS: Can you hear me now.

>> NITA BEECHER: Go ahead Marina.

>> Great. We can. Go ahead. Can you hear me? I'm talking.

>> Okay.

>> MARINA WILLIAMS: Thanks. Yes, I think Lockheed Martin like a lot of -- go ahead.

>> Really learned just how fast we move.

I think I'm seeing a note people on the call can hear me. I'm not sure if you guys can hear me, the panelists. But we were able to move --

>> We can.

>> -- action across functional teams put in place and we really it's really an opportunity to take a step back and see are you looking at your employees wholistically because remember all of a sudden everyone had to shelter in place. We had to adjust quickly to a number of positions working remotely that had not done that before. We know that people have elder care and child care concerns as well. We had to be mindful of that and to look at how we approach business in a way that would enable our employees to still bring their best selves to work even if work was going to be at home.

We also did a lot of things outside in the community. Lockheed Martin has definitely worked to make sure that our suppliers are kept healthy. We're working as a community as well ensuring that where we can provide PPE equipment and where we can provide meals to the needy. I mean our entire workforce -- I'm very proud to work for Lockheed Martin right now. And again it has given us a chance to push the envelope and see different ways that we can still accomplish our business in this new norm.

>>NITA BEECHER: And what have you all done -- I'm going to go to Paul in a minute. What have you all done around the Black Lives Matter protest, Marina. Have you done anything specifically?

>> MARINA WILLIAMS: Yes. We have done very specific things with D and I around that. We have actually got our business resource groups are all active and motivated. They are hosting Zoom calls which are supported by executive leadership team. We're having conversations. We're providing resources to help leaders engage employees in conversations helping people to have respectful conversations. We have also looked at some of our training modules both unconscious bias, bystander training. And we revisited all that to make sure that we're providing people with what they need to be able to operate under the current conditions. We know that what is going on with Black Lives Matter, that's affected a lot of people very personally. We want to make sure that we're there for one another and encourage people to have these open dialogues right now.

>> NITA BEECHER: That's terrific. Paul, I know that you and State Street have been doing a great deal around the Black Lives Matter and then also we're interested in what Covid has done with your workforce.

>>PAUL FRANCISCO: Thanks Nita. Let me begin with what happened in the wake of -- yes.

I think there is a little bit of a delay. I'm just going to keep talking. I think in the wake of the Black Lives Matter Covid-19 pandemic that we all were faced with, there were a number of things that we immediately had to put into place at State Street to ensure that our employees were safe, that our employees continue to move and our clients weren't impacted. But what it did show where the almost like the privileged position that we are in as -- inaudible. Where 90 percent of our workforce was able to work from home versus having to go into the organization public transit or be deemed quote unquote an essential employee. I think from that perspective, a lot of employees felt that the organization around them get them safe, get them informed. We probably had more conversations around employees than we ever had in terms of communicating to them what was happening, what were we

thinking about what was the return to home if there was a return to home strategy et cetera. The other thing that happened posed a lot in the media and other channels exposed the issues and the problems that were happening in the black and brown communities. One of the things that we did we launched an effort that we call small business strong. What that was was a coalition of companies that came together and said we understand our small businesses especially our black and brown owned businesses minority owned businesses are at higher danger of not surviving this pandemic. And we know that the first round of the PPP loans did not get to them, that they didn't have the relationships established for example, that they didn't have the technical assistance that they needed in order to -- so what we did is pulled together a number of employees that had the skill sets and marketing.

(Technical problems)

>> In the wake of that what happened with the ultimately George Floyd and others unfortunate killings that happened.

And what awakened in the country in terms of racial equity and social justice lens. And how companies are dealing with it.

>> One of the things that we're doing internally that -- whether it's racism inequities bias et cetera. Let's put some things in place to make sure we're addressing those as the root cause.

So we recently came up with a set of ten point commitment that we are sharing with our senior leadership and then with the rest of our employees. Our senior leaders are now front and center of what we expect them and want them to do when it comes to this work. Often times I think our companies survive on your D and I person or your HR team to be able to carry out and to sort of execute against a bunch of priorities around inclusion diversity and what this has done we have been able to do -- you know what it is your responsibility to make sure that the organization is anti racist, that there is activity and pro-activity when it comes to people understanding what their individual role is and making sure they are not racist and that they are anti racist and then what institution needs to do. It's your job as a leader to do that. Our leaders have been more and more visible around this work. I think where we go from here is that what I like to call I'm cautiously optimistic about the types of conversations we're

having in the workplace. I think they are different. It was taboo to talk about race in the workplace about Black Lives Matter. The fact we put a banner on our internet it's miles away from the past what we perhaps would have done in terms of activism. It's not well received by 100 percent of the population. So you have to deal with a little bit of that in terms of explaining to folks what is the difference between Black Lives Matter and why do we say Black Lives Matter versus all lives matter whatever else that is said out there. And how do you take the politics away from these issues those are things we're constantly working. I'm sure Marina has the same type of in terms of what has been happening now in our space.

>> Marina, one thing we're getting a lot of messages that somehow the sound is very garbled. I don't know what we can do about it.

ORNELLA, can you hear does it sound garbled? I don't know what we can do. We just have to move forward.

Marina, did you have anything follow up before we move on to -- go ahead.

>> Marina?

>> I would say that.

>>MARINA WILLIAMS: In addition to the things -- can you hear me?

>> I'm going to keep talking I think the people on the line can hear me.

I think you guys can hear me.

>> We hear you..

>>MARINA WILLIAMS: Can you hear me? Okay.

So our minority serving institution strategy we already have some very robust relationship was a number of partner institutions. So we did take a look to see if there were additional ways that we could assist recognizing that from where Lockheed Martin stands we know we want to continue to build the pipeline and increase diversity within our organization going forward. So we did reach out to these universities in some cases with Covid and people having to leave campus. We were able to donate laptops. We have also increased our monetary donations as well.

It's really I think that the attention to Black Lives Matter has really given us an opportunity to just go back and level set and increase

the engagement with our minority serving institutions.

>>NITA BEECHER: Consuela, from the legal perspective, are there some issues that we need to keep in mind as we move forward with all of the Black Lives Matter and Covid as well as we look forward to what the future looks like.

CONSUELA PINTO: Sure. My comments are not so much -- yes can you hear me.

>> Isn't so much legal as it is potential impact on diversity and inclusion efforts so far.

Efforts companies have made.

Remote work can be very isolating for some folks. And it's also I find that as employers are getting accustomed to this remote work maybe some of the best practices that they had in the past or conscious efforts they made to reach out to employees particularly diverse employees are starting to fall by the way side. So I am a bit concerned that we're going to see this remote work particularly as it continues having a negative impact on diverse workers and I mean diverse workers in all forms of diversity, race, gender, individuals with disabilities, sexual orientation, gender identity, just the whole range of it. And I feel that unless you are a company with a really strong culture of inclusion and managers who are really skilled at managing a remote workforce, you may at risk of having these employees fall through the cracks.

Another thought that I have been having and I have talked with a number of folks now and I have seen this in my own Zoom calls with my firm, one of the things I do like about remote work and the Zoom calls is you really get to see a different side of your colleagues. And you have the occasional child who will pop into the screen or you will have the dog that barks in the background. And while many of us see that as it's just a great opportunity to see your coworkers in a different light, there are certainly implicit biases that can be triggered for some people when they see for example, a child come in to the picture when mom is on a video call.

Or perhaps mom or dad are not working in a home office environment that looks very much an office environment. They may be working at their kitchen table for example.

So I think there needs to be -- employers need to be thinking about the potential downside of remote work and how it can

impact your inclusion efforts. In terms of the Black Lives Matter movement, it's really shined a welcome light on diversity, but also inclusion.

And a lot of what I have been thinking about for my clients isn't just about implementing programs and setting voluntary goals to make sure you are bringing in a diverse workforce, but really helping them to think through how do I make sure that this diverse workforce is really -- becomes part of our company. Are we really focusing on inclusion. And I really -- that's where I think the Black Lives Matter movement can really shift or not shift, but take employers to the next level in what I call their diversity and inclusion journey. For those that aren't that far along on the journey, it's a way to get them to start thinking about the I piece of D and I. The one area of concern that I have is the Black Lives Matter movement has really shined this light on D and I, but it has also created a sense of urgency on the side of employers. I'm feeling rushed to have to do something or do more than I have been doing. And on the one hand that's wonderful, but setting up an appropriate D and I program is not something that can get put together overnight. It requires thoughtful planning, focus on detail and as you will see as we'll talk about as we move through the session today, there is a lot of legal pitfalls that you need to watch out for. And I just get concerned when employers are rushing to do something in this space. They are not stopping to really think through what is the right way to do this.

>> I think that's an excellent point. We'll talk about that a little bit more. Let's go to the next slide briefly and I want everyone who looks at this next slide to look at it and then move away from your screen. So Tony, if you could move to the next slide.

Is it moving? I can't tell on my screen. There we go. Back one.

This is something that -- Consuela -- if you step back from your screen -- no. You were on the right one. The joy of working from remote many remote places.

Tony, if you can go to the black and white one, the very next slide. There we go. Everybody needs to move back from their screen just for a minute and see if you see something that you didn't see before.

Consuela, that's such a great way to look at diversity and

inclusion altogether and then in a separate part.

Let's move to the continuum, which is the next slide, Tony. And I'm going to ask Marina who put this slide together for us to talk about it and then we may have some questions at that point.

The very next slide. There we go. Perfect. Marina, would you be willing to walk us through this and then we'll let Paul and Consuela weigh in.

>>MARINA WILLIAMS: Absolutely. I use this slide when I talk to people about the dovetail of diversity and inclusion and compliance. We start at the bottom with legislation. That is do not discriminate. Laws are in place to not discriminate. If your workplace doesn't have policies around that or practices around having a workplace that's free of discrimination and harassment, then I suggest you not jump right into the next level because again you have to have an environment where everyone can come to work and do their best. So we start with legislation, obey the law, do not discriminate. The next step is regulation. If you are a federal contractor and you have an obligation to develop affirmative action plan, this is where we start talking about just what affirmative action is. It's the obligation to act affirmatively. And it's tied to regulation.

With affirmative action we start to examine our internal and external pipelines. We look at feeder groups and we have an opportunity to exercise good faith outreach efforts to expand our outreach so that we are taking advantage of the full scope of possible opportunities to bring people into our company. Then we move beyond regulation into representation. And I think most people who have been in this diversity space for any period of time have seen how we have evolved, how we talk about diversity. It's beyond affirmative action. It's outreach beyond just those protected characteristics that are covered under your affirmative action plan. That's representation beyond regulation. And then we move into inclusion. Inclusion is the utilization of the full scope of skills talents and abilities you have access to. It's not enough just to bring people into your company in the name of diversity, but it's important that when you bring them there what do you do with them. How do you utilize the value that that diversity brings into your organization. So four things



you need to know. You have to start with legislation, then you move into regulation, then you move to representation beyond affirmative action and then you have to consider your utilization of all the talents you have access to. And that is the inclusion continuum. I know Paul you had some to add to this as well.

>> Paul, if you could go ahead and jump in.

>>PAUL FRANCISCO: Absolutely Marina.

The truth is that the continuum continues for lack of a better word and even beyond inclusion. What you are hearing nowadays is actually the word belonging. A level above inclusion which means the ability for you to feel that you can actually not only be a part of the environment feel welcomed and engaged, but also to procreate in an environment where you operate have sense of ownership of the environment. Beyond belonging there is now talk about equity. This is the stage in which a lot of our companies are now that we started perhaps -- affirmative action space, we looked at representationess, the part of diversity, make sure that everyone has a seat at the table, talking about inclusion, making sure everyone feels welcome at the table, and then now onto belonging and equity. And equity truly about righting the wrongs looking at systemic solutions, looking how have he we built our organizations. Are they built equitably. Are they built around a representation of our workforce, a recognition of the differences within our workforce and does everyone have the right tools in place in order to be able to do their jobs in the best way possible. So I think that Marina, this is a great slide. I think as we continue in this work, you will continue to see more and more blocks added to this. That's the nature of the work we do.

>> I think that's true. And I think Consuela, do you want to talk to this slide and then we'll move into a little bit more detail.

>>CONSUELA PINTO: Sure. Just a couple quick comments. I really want to understand something that Marina said, which is you have to have that strong -- can you hear me? What I was saying is I want to underscore a point that Marina made when she first started talking about and the importance of really having a strong -- a really strong EEO foundation because so much of what companies are doing in the D and I space really requires -- you really have to be an employer that walks the walk. And you will not be successful in your D and I effort unless you

have that really strong baseline commitment to EEO. So I wanted to underscore that as being particularly important. Another point I just wanted to make, it's not directly related to this slide, but it does make me think about transparency. As you move along your inclusion continuum, you are going to be -- employers are going to be called upon to be more transparent. And one very recently somebody you may have heard this that the New York city controller reached out to 67 companies and asked them to release their most recent EEO. Now that list of companies is not public. But it was an interesting move on his part and what made it really interesting for me is when I was reading some of the public statements around what motivated him to make this request, he was definitely motivated by companies messages of support for Black Lives Matter, companies restating their commitment to diversity and inclusion and he now wants to see -- he is kind of asking us to sort of show our cart and we're saying we have these commitments, but what does our workforce really look like. And again, this gets back to my comment you need a really strong foundation in EEO because companies will be called on more and more. This movement towards transparency has been growing for some time. We saw it initially in the pay equity fund with shareholders requesting more transparency around pay backs and now, we're going to start seeing a really big push into what does your workforce actually look like.

>>NITA BEECHER: With that, Tony, if you don't mind going to the next slide we're going to have Consuela just remind everyone let's get on the same level playing field around what is EEO and affirmative action and then we'll move on into diversity and inclusion.

Consuela?

>>CONSUELA PINTO: I'm just waiting for the next slide to come up.

Thank you. I'm not going to spend a lot of time on this slide. Those of you who are on this call are on this call because you are already focused on diversity and inclusion. You are focused on nondiscrimination and you have a good understanding of your nondiscrimination obligation. This is just -- this slide is just a quick reminder of the various protected bases under federal law

as well as state laws. Many state laws mirror what we see as protected categories under federal law title seven, ADA, the executive order 503, but it's also important to keep in mind that the various states in which you operate may have broader protections encompassing additional protected categories such as we listed one here marital status.

I want to take a second here and just pause. I want to take a moment to mention the recent landmark decision by the U.S. Supreme Court in Bostock versus Clayton County, Georgia. The Supreme Court recently ruled 6 to 3 that individuals who are members of the LGBTQ community did do enjoy the full protection of title seven. And while it was a lengthy opinion it really boiled down to this one very simple point. Discrimination on the basis of homosexuality or transgender status requires employer to intentional where I treat individuals differently because of their sex an employer who intentionally penalizes an employee for being homosexual or transgender also violates title seven.

What does that mean for employers and D and I? While today we'll probably spend a fair amount of time talking about D and I in terms of race and ethnicity simply because of the focus that Black Lives Matter has put on this issue, but it's really important to keep in mind that laws prohibit discrimination on a number of bases and your workforces really are diverse in lots of ways. So when you are approaching your D and I program really think about all the ways that you want to promote diversity in your workforce. Including gender, LGBTQ status, disability status, Veteran status, the list goes on.

Can we move to the next slide.

>>NITA BEECHER: Before we move to the next slide and we'll get there in just a second, I think Ornella has some questions that tie into our first topic. Do you want to go ahead hope and ask those questions. Cast cast.

>> ORNELLA: Sure thank you. This one is for Marina. What especially has the organization done in recognition of BLM. Marina, that was for you.

Could you just repeat that question one more time for me.

What has the organization done in recognition of BLM.

>>MARINA WILLIAMS: I would say -- I would say -- our internal

efforts have been very specifically motivated by Black Lives Matter. I do believe that all of our business resource groups even distributed communications that spoke to Black Lives Matter as well as some of our executive communications. As I mentioned, we hosted a number of Zoom calls to allow employees a chance to talk about Black Lives Matter, to talk about social justice, to share what they are experiencing right now and their thoughts and opinions on that. Then again as I mentioned earlier, Black Lives Matter revisit our university partnerships and ensure that we do have -- we continue to build robust partnerships and that we're seeking them out to find out if there is anything they need from us in support recognizing that a lot of the students who are in these universities are actively protesting and obviously, actively moved by the effort. So those are some of the things that we have done as a company.

>> There are some other questions and then I will read them all because -- yes.

>> Go ahead.

>> Is anyone raising the visibility of affirmative action -- is anyone raising the visibility of their affirmative action programs internally and/or externally in response to BLM. The next question is can we discuss the question is can we discuss the movement versus the statement Black Lives Matter. It appears two different things.

>> How do you develop -- feel as those black people are being treated special and how do the panelists nonsupportive BLM movement.

>>NITA BEECHER: Paul would you like to provide some thoughts.

>>PAUL FRANCISCO: A lot there to in back in those questions. Sure. A lot to unpack in those questions. I would say there is certainly a distinction between Black Lives Matter, the statement and Black Lives Matter the movement, though they are very much related. Right? The statement sort of speaks to the fact that nowadays in 2020 we still have a deficit when it comes to black lives. There is a deficit in terms of the status of black lives, the safety of black lives, the health, the economic disparities of black lives et cetera. So the statement speaks to if we're going to as a country and as a globe really say with a straight face that all lives should matter, then we can't say that statement unless

and until we recognize there is a deficit with black lives. And that we need to rectify. And the way that I think about it when I make this comparison when people say Black Lives Matter versus all lives matter for those of us who are parents it's summertime we might be at the beach or at the pool one of our kids is an excellent swimmer another one not so much a wave comes our kid goes under. What do you do you go to the child and say that is about to drown or has potential of drowning because they are not such good swimmers and they make many different factors why they are not good swimmers that's not the point. You as a parent dive and go after your child. It doesn't mean you don't love the other child who is swimming in the pool. You are not worried because they are not the ones required to be helped. That's what we mean by that statement. The movement I think it's what you see is a compilation of frustrations compilation of energy passion and quite frankly, people being fed up with the status quo. And what you are seeing is a social movement similar to the civil rights movement whereby people are coalesce sent and they are saying we need to do something. We need to demonstrate. We need to protest. And that's the movement. And it has nothing necessarily specifically because I get this question also, with the organization Black Lives Matter. Right? That's an organization. But the movement itself, the way I think about it is from an activist perspective is similar to what the civil rights movement brought about, which is a number of different people coming together. This movement is probably one of the most diverse movements when you look at who the protestors are. That's what the movement is. So how do you deal with it when in your own workplace people get rubbed the wrong way when you say or when your company makes public statements about they -- the truth of the matter is no matter how big or small your organization is there is a guaranty there is going to be a section of your population that will not agree to that whether it's because their own personal views, whether it's because their understanding of the issue or the lack of the understanding of the issue, and they don't want to acknowledge that there is a deficit and that therefore because there is a deficit that there needs to be some correction. And they see this as a moment where black people are taking

opportunity and therefore they are asking for special treatment. Again, this is when having these conversations, this is when having the anti racism conversations the forums, discussions, round tables for you to have the conversations openly and say we may agree to disagree, but why here is why we're doing what we're doing. Here is what it means. And here is why you need to be supportive of the effort. And you are not going to get 100 percent all under the tent. We understand that. But we know that we're standing on the right side of history if we do this. When we do this. I would say that at least from our company I'm proud that we are taking that step and we're saying unequivocally this is what we believe in and we want to drive this forward. Hopefully I have answered that set of questions.

>>NITA BEECHER: Thank you. Paul. That was excellent. Tony. I think we're ready to go and talk about affirmative action. We when we have more questions we'll answer those when we go along. Well, la, would you like to take this up please?

>>CONSUELA PINTO: Sure. This is really going to be a back drop for everything we're going to be talking about today. It's important to understand what affirmative action is versus nondiscrimination and what is EEO.

The way I always thought about this is I think about equal employment opportunity as an umbrella. And there is two sides to that umbrella. One side is nondiscrimination and the other side is affirmative action. And there is definitely a tension between the affirmative action and the nondiscrimination side. On the nondiscrimination side we're focused on not making employment decisions, hiring decisions, promotion decisions, compensation decisions based on a protected category race gender national origin disability. On the other hand on affirmative action we're talking about casting that wide net and bringing in a diverse pool of applicants or creating developmental opportunities to equip our diverse employee population with the skills and experiences that they need to be promotion ready. But there is a natural tension there. Right? I hear from clients a lot about especially when we start talking about voluntary affirmative action goals. So in addition to if you are a federal contractor you have your AEP goals, but now a lot of companies have or are moving toward what I refer to as voluntary affirmative action

goals. And there is this external pressure that employers are feeling to move the needle on their affirmative action goals whether it's their mandatory goals set by the OP or talking about their voluntary affirmative action efforts. And it's important as employers are sort of facing that tension between the two and the external pressure to make progress, it's really important to keep in mind that affirmative action isn't about having a preference for a particular race or ethnic group. It's more about casting that really wide net. And when we're talking about voluntary affirmative action goals, it's really about thinking creatively about how you can advance, make progress towards those goals both by internal promotions as well as external hires, but it's critically important that in the back of our minds we always remember that those goals are aspirational in nature. And we cannot -- we will undo all the good work we do on the affirmative action side if we start making race gender based decisions.

As soon as an employer starts to cross over into feeling that pressure to make progress toward their goals, they cross over into this area of I am going to put race gender disability whatever the goal is they are trying to hit above qualification. That's when they are going to get into trouble. What is important what I want employers to keep in mind is that you can still make progress on those goals and you can take race or gender or whatever protected group you are trying to increase the representation of, you can take that into account of a plus factor. But as you are moving forward and making your promotion decisions, employment decisions, you are always starting with that baseline of who is qualified. And then once you have reached that decision of who is qualified, the law does allow you to choose -- to then say I have four qualified candidates. And one of them happens to be a female and we have a goal in this area for women. I'm going to offer her the job because she is as qualified. At least as qualified as everyone else.

>>NITA BEECHER: Let's go to the next slide. Paul and Marina, let's talk about how diversity and inclusion differs from affirmative action and Consuela, please feel free to jump in on that as well.

Paul, go ahead.

>>PAUL FRANCISCO: Sure. I think for us obviously, it has been mentioned before, there is the foundational element and aspect of affirmative action and compliance and regulation. I think that the long term view that we have taken at State Street has been around the voluntary sort of aspirational aspect of inclusion and diversity, which is to say that we want our workforce to be reflective of for the most part of the marketplace in which we live and which we serve our clients et cetera.

We have taken this long term view of sort of saying naturally if there is a qualified pool of candidates from an affirmative action perspective we get that, but from aspirational we want our mix to look a certain way to that end we have enacted diversity goals going back to 2,011 across the organization. And our goals while primarily focus around increase our representation of people of color in the U.S. and gender globally including the U.S. obviously, has taken many different iterations. We moved the needle in some categories. Not moved the needle so much in some et cetera. But what has been interesting for us has been the journey in which this has taken us from being a very close to the best organization in terms of you know what our numbers look like and our representations to now being public and sort of transparent around you know our demographics and what we are trying to achieve and accomplish. You can find our diversity goals on social responsibility report. Last year for the first time we published our EEO one report. We are making strides. We know we have -- where we want to be. We know we have issues to address. We know we want to move the needle around representation and inclusion and here is what we're doing around that. There is a programmatic approach to that and Consuela said it earlier which is the danger in companies that haven't been doing this work for a long time is you sort of mash up together something quickly that is not thoughtful, not strategic that is not going to give you the direct because what you can create is more apathy. You might I ven even regress if you don't do it correctly or if you just do a patch work type of solution that will backfire and cause all kinds of additional problems. For us again it has been a journey. I would say somewhere in the middle where we have a program established. We have 24 employee networks which are



wonderful. 110 different chapters around the globe. We have been doing a conscious training since 2011. We are moving into the anti racism training space. We have executive sponsors, leaders who are very well-versed. We have outreach in the partnerships with different organizations external to State Street yet we have a lot of work to do yet we're not moving the needle as fast as we would like it to be. And we continue to tinker with this. So this is -- you have to take this as a long term view. I know a lot of us get frustrated with the lack of progress, but progress is progress and I think that we need to now just figure out how do we accelerate certain things. How do we learn from our mistakes and move forward. I think that's the view I take in terms of what is the difference between affirmative action from a regulatory perspective versus aspirational voluntary transparent goals that you set as an organization.

>>NITA BEECHER: Marina?

>>MARINA WILLIAMS: I agree with Paul's points. I have to say that if you have affirmative action plans, and affirmative action plans, I mean in theory they should be increasing your representation. And so we try to root our work. In order to develop your annual affirmative action plan, it requires a lot of legwork. You have to again understand your groups, where your pipelines are coming from, understanding what is your internal talent needs are going to be. Again, it's a plan. With that, I suggest if people are talking about goals, if you have -- they are there. I would say that the way we're set up we have our diversity and inclusion team and they are really dedicated. They are looking internally. What is the -- what do we need. All these diverse communities across our company. And then we work with our diversity outreach team as well as our talent acquisition team to ensure they know where we have gaps and what our hiring needs are going to be. All those things come together, that internal and external look, as well as our work in the community, which feeds into our diversity and inclusion efforts. But it's always a good place to start if you have the compliance piece in place. Start there. And see what is happening there. And allow that to inform some of your

discretionary efforts around diversity and inclusion. Again to repeat what Consuela said, you have to be mindful that you are not setting people up to inadvertently make decisions based on protected characteristics because that's not what it's about. It's about bringing the talent to the table and having access to a broader more diverse community of talent for your company. I would suggest too that for those of you that are operating solely in the D and I space, if you have a compliance team, work closely with them. Most definitely your employment attorneys. Because they can help you avoid some of the potential pitfalls where I start crossing the line from compliance into diversity and inclusion.

>>NITA BEECHER: Before we move -- thank you. Both. Before we move to the next slide Ornella we have a bunch of questions some of which I think are around what both Marina and well all three Marina Consuela and Paul have said. Would you like to provide us with some of those questions.

>>ORNELLA CASTMAN: Sure. There is a few questions. Why wouldn't a company want to be transparent with their aggregate hiring employment data. Aggregate hiring employment data. Cannot filter applications based on any protected characteristics. What can employers do to improve the diversity -- and not run into legal trouble.

There are a few more. Mainly what are the aspirational goals based on. Example -- they are interested in the aspirational goals being voluntary. What does that mean. Do you feel that organizations need both affirmative action goals and diversity goals.

>> >>NITA BEECHER: We may want to hold the last ones to the next slide. Marina or Paul or Consuela, do you have any thoughts on the other questions.

Consuela, go ahead.

CONSUELA PINTO: Would you mind reading back the second one about applicant flow? I didn't quite catch the question.

>>ORNELLA CASTMAN: Employers may have lots of diversity

in their applicant data, but cannot filter applications based on any protected characteristics. What can employers do to improve the diversity composition of the applicants it considers and not run into legal trouble.

>>CONSUELA PINTO: Thank you.

>>ORNELLA CASTMAN: Sure.

>>NITA BEECHER: Marina if you want to go ahead and I will circle back and answer this question.

>>MARINA WILLIAMS: Actually I was going to take a much simpler question that I noticed in the chat box which was addressing the difference between affirmative action and D and I specifically. I think fundamentally I think we have Lockheed Martin we have an obligation to develop annual affirmative action plans. It does fall in the compliance space. We are expected to follow a particular methodology. We're held accountable to our affirmative action plan by the OFCCP. When you cross into diversity, generally no one is going to -- no government agency is going to ding you for not having a diversity program if you are obligated to have an affirmative action plan. And I would say that again diversity gives us the opportunity to influence the culture for positive retention effort as with our organization we have a dedicated diversity outreach team which partners with external organizations and universities. These are the things that we choose to do that will positively and do positively impact our affirmative action plan, but I think the fundamental difference is that diversity and how you approach it is -- you have a lot more latitude as a choice.

>>PAUL FRANCISCO: If I could chime in. Back to the other question around we ask all kinds of demographic data of applicants et cetera and yet we're not able to use that where we are looking to fill jobs. I think the one thing that you want to do, you want to be proactive around building the pipeline. So that when by the time those applicants hit your applicant tracking system, you have diversity there of applicants that can be deemed qualified to then be considered for the role.

Then some companies have different methods in which they do that. They take the first ten applicants. Go through them.

Figure out which is qualified and then move on to the next ten, et cetera, to try to create that balance.

I mean we have made a decision for example, one example is as an organization to require what we call diverse links. The MD managing director level and above. We are considering bringing that down to another level. Some companies have begun to do so. What that means we're saying look we're committed to driving inclusion and diversity. We want to make sure we have the majority of our senior leadership looks a certain way, represents a certain demographic. We want to increase the mix there. So therefore, we want to make sure that every slate of candidates that's submitted has representative diversity in that slate whether it's gender, ethnicity, at this point gender and ethnicity. Disability is another category. Vet status, et cetera. We're being very specific about it. We're saying if you are going to fill a role, you need to make sure you review and interview a diverse slate of applicants, a diverse slate of candidates that can yield you, we're not saying -- we're not obligating to make any hiring decisions we're saying give yourself the opportunity to do so. What other companies are doing we're not quite there yet, but strip out all demographic information from a resume. You review that resume based on the person's background, qualifications and potential fit for the job and you make the decision this. And then what will come on the other end of that is going to be by nature a more diverse applicant pool or qualified pool because you have taken away all the sort of identifiers that could potentially create bias in the system. I want to comment on that. In terms of the voluntary pieces we're not required to have diversity goals as an organization outside of our affirmative action plans. So we are saying that's not enough. And this is where I feel that you need to have -- it's not either or. It's both and. You should have -- if you are a government contractor, absolutely you should have your affirmative action plan. And the goals there, which are given to you. But if you have a more progressive type of organization, you should set some goals that are voluntary that says have an affirmative action goals is not enough. We need to do better and we must aspire to have a more representative workforce and therefore we are holding our own feet to the fire whether it's internally or publicly. We're

saying we're making a commitment to driving inclusion and diversity in this way. I just wanted to say that about those questions.

>>NITA BEECHER: Thank you. Paul. Consuela?

CONSUELA PINTO: I have a couple other things that I wanted to tack onto what they both talked about. With respect to the question of why aspirational goals, do you need both your aspirational goals and affirmative action goals, yes, I agree with everything that has been said. You don't have to have those. Where I have had clients want to add to their affirmative action efforts so they have got their federal contractor, have an affirmative action plan, when they want to do aspirational goals or voluntary goals, it's typically because -- affirmative action plans are very prescriptive. You are doing it either by a functional unit or more commonly by an establishment. But a company may want to take a look at for example, how does the top of the house look across the company.

They may see that when they are looking at their affirmative action goals by establishment that they have got some diversity at the top level and many of the establishments maybe not all, but they want to see across the board. Our executives for example, are they reflective of the recruiting area. They will choose to do voluntary affirmative action goals that are targeted at specific levels of the company.

Or specific skills sets within the company. For example, their tech folks. So that's where I see a lot of my -- lot of my clients come to me with I have my affirmative action plan, but it's not giving me as complete a picture as I would like.

In terms of -- I love the idea of diverse slate of interviewees.

Another thing to think about is a diverse slate of interviewers as well.

It can be somewhat off putting for someone to come in a diverse applicant and they are sitting down across the table from a group that's not diverse.

So a lot of clients I have worked with have started implementing diverse interviewer slate to the extent that they can.

And then the question about the applicant flow and I want to underscore you should not ever ever ever sort your applicant flow

by race, gender, disability status, Veteran status in an effort to pull out those applicants that fit whatever goal you are trying to make progress towards. Don't ever do that. But this is where what we learn from OFCCP it's one of the areas where we learn is super helpful. It's that idea of the affirmative action being casting that really wide net. And really looking at what are your goals and what group are you trying to really get more of them into your pipeline. And tailoring your outreach efforts to put a focus on for example, Hispanics. You are finding that you have goals for Hispanics in a particular area. Let's just say tech. And so you will rework your outreach efforts to weigh them more heavily to outreach to the latino community to identify those candidates that could be qualified for these positions.

>>NITA BEECHER: Thank you. Consuela. We're getting close to the end of our time because we wanted to take questions. I think let's go to the next slide very quickly and Consuela, if you could just quickly talk about the difference between goals and quotas then I want to talk about diversity and inclusion and some best practices.

CONSUELA PINTO: Sure. I'm just going to hit this super fast. Goals are always permissible. They are aspirational in nature. They are focused on sort of the recruiting side, building that diverse pipeline. Quotas are absolutely unlawful. And where employers can fall into the realm of a quota is when they are as I said, earlier that the law permits you to among a group of qualified applicants choose a diverse candidate. The law allows that you can use race gender disability as a plus factor. Quotas are, I need five more African American women to reach full representation in this area of my company. And you start making race based decisions.

So it's not just a plus factor. Now you are saying, I'm going to select candidates primarily based on race and then worry about qualifications second.

That is where you run into -- you have now turned it into a quota. The other area where you need to be care full and I know Paul is going to talk to us about this is incentivizing your managers to make progress toward that goal. That's a point where messaging is really important. And if your message to your

managers is, if you want a bonus this year, you need to get to 50 percent of this goal, are you now incentivizing those managers to make race or gender based decisions. And again you are then in quota in the area of quotas and those are clearly unlawful.

>>NITA BEECHER: With that in mind, let's turn quickly to our diversity slide, which is the next one. And Marina, would you like to talk a little bit about what are some of your best practices around improving diversity at Lockheed Martin.

>>MARINA WILLIAMS: Well, I mentioned our talent acquisition team as well as our diverse dedicated diversity outreach team. And we have a minority serving institution strategy which is again very robust. We do have a focus on stem talent, nature of our company. But by having folks that are carved out and they are dedicated to helping us in effect flood the pool and get access to a diverse pool of talent, I have to say that has helped us tremendously. And we have had the diversity outreach team dedicated and in place for probably about a little over five years. And we are recognizing a lot of positive impact from having that. A lot of the career fairs that that team has identified for us when we're going we are taking managers. We do try to ensure that the candidates are saying -- the diversity -- are seeing the diversity of Lockheed management. We're mindful of that as well. And I think a lot of our efforts there externally is really helping us to achieve our objectives. And again having some dedicated resources. We do have an employee referral program. There is no distinction there, no call out for particular characteristics, but we do encourage our employees because again we recognize that you know our employee networks are broad. And we do expect that we'll be able to manifest additional diversity through those efforts as well.

We just recently transitioned from employee resource groups to business resource groups. As part of once that transition was rolled out our talent acquisition team is sharing information on job openings with those groups as well to help them have an understanding of what the company needs are and ask them to reach to their networks to refer employees.

>>NITA BEECHER: That's excellent, Marina. Paul, what have

you all been doing to improve your diversity.

>>PAUL FRANCISCO: All of the things that Marina mentioned we have put in place. I think the other thing I will mention is so for example, our employee networks working under the construct of what we call the four C model. How do they impact community, our community, our members careers, our commerce efforts meaning the bottom line for the organization, how they tie into that and ultimately the culture. And I think that the culture and the community are really important pieces to help drive inclusion and diversity. Through our employee networks similar to what Lockheed Martin does, we leverage our talent there to sort of give us access to referrals, to talent, to people that they know. We leverage them in the community, to volunteer efforts, to partnerships with different community organizations. Once your name gets out there that are you not only a good corporate citizen, but that the workforce that is out there representing your organization looks like them, comes from the same neighborhoods as them or have the same background, there is a good will towards your company. And the minute that they see a job open that happens to be at one of those companies, they will gravitate. You have to open the doors and let people know what it looks like inside your organization. We actually host a lot of different organizations at our workplace well now obviously, not able to do that but prior to 2020 we were hosting conferences in our headquarters, our different buildings, activities, groups, you know whether it be co-op programs, intern programs visitors to our training floor, et cetera. Once you do that, they get to see and feel what the culture looks like, what the people that work there look like. It gives them a different perspective. I would say employing all the things that Marina said plus plus and diversity recruiting is a proactive effort it's not reactive. It's not you sitting there and hoping people come into your recruiting management system, but rather a proactive effort where you do a lot of outreach at the pipeline level whether it's entry level and colleges universities serving institutions minority serving institutions HSIs et cetera, but also at the executive levels. One of the connections you can make there with those organizations can give you that executive talent as well.



>>NITA BEECHER: Let's go to the next slide on inclusion.

Then I think Ornella has a few questions for us.

Paul, you want to talk a little bit? This is a list of best practices, but which ones have you found to be best for your organization on inclusion?

>>PAUL FRANCISCO: . All of them.

You have to start with management accountability and involvement. You can't have this work happen unless and until you have the advocacy, the leadership and the visible leadership of your leaders. Your most senior leaders. They need to be the role models. We find that to be, that sends a strong signal to the organization. Therefore we must move. Mentoring. I think beyond mentoring I think is sponsoring especially for minority commene I did. We all need mentors, need people to tell us what to do. Or when to do it or how to do it. But we actually need people that can speak up when we're not in the room. Speak up about us. Can tell others about us. Put us in a position to succeed. Point to us and say hey I believe in you. Go and do this job. I think sponsorship is a much different balance game especially for women and minorities and other diverse communities. Again transparent promotion process and -- whether it's from your early or on campus recruiting strategies or within your own organization of people who have been around for a while, who know your organization and you want to move them around to do different jobs. We have done that at our level. We have developed a program. Pay equity is an issue that is obviously, coming to the forefront more and more so. Transparency around that. Making sure people get paid for equal work. And then the training I believe is critical. Now, the training needs to move beyond a conscious bias. Needs to go towards equity anti racism training and you have to sort of make sure that it's constant and consistent. Conversations constant and consistent. Once a year training is not going to do it. What is next after the training, what are the practices that your company is going to development.

Is your company company moving the needle.

If you employ any of these practices it will help absolutely move the needle on whatever you want to, move the needle on as far as inclusion and diversity.

>>NITA BEECHER: Paul, Marina, have you some thoughts around these.

>>MARINA WILLIAMS: Absolutely. I will tell you management accountability and involvement. Definitely important. If there is a problem to be solved, I'm sure that at most companies the management level is willing to do that. It would have to be bald. Because again if you believe that representation is a problem, you need to approach that in a very compliant fashion so that people aren't making decisions that will put your company at risk. I will tell you the involvement and again to go back to the Black Lives Matter incidents and the Zoom calls that we hosted, having our executive leadership show up to those calls to hear their perspectives and to hear them actively asking people questions and to elaborate on things, for me, that is the he Pitt my of management involvement. I think access to the unwritten rules, some of us we take that for granted. I have in the past life did an exercise at a previous company where we asked all the executives in a workshop to break up into groups and to write the written rules and unwritten rules. It was interesting to see the commonality across all those groups that wrote those down. What is more important is who you are sharing those unwritten rules with. That's where we need to think about that from an inclusion perspective because people get ahead because they know not just the written rules, but the unwritten rules as well. I think from a lot of the research we have done to support our diversity and inclusion efforts I think there is so much research out there that shows that employees want to know what do I have to do to get promoted.

And so if that's the case at your company, if you ask around, you should give some consideration to have transparency around your hiring and promotion practices. Of course professional development I agree sponsorship seems to get a way at the professional development and give people access to different opportunities within a company. But I also think it's important that people understand and define what is the difference between sponsorship and mentoring. I think a lot of people get hung up on that and they launch programs that really aren't sponsor ships, they are really mentoring programs. And there is a place for

both. I think that delineation is going to have to be very clear. Whatever your company calls them bring them into the fold. These are people willing to use their discretionary time and resources to support diversity and inclusion at your company. How you utilize them is going to be critical. The more you can bring them in and help them understand things that are going on, they will get the word out for you. We have done that with our self ID campaign. And we bring our ERGs in to help us to push the message out and have people understand what the self ID means. Implicit bias training definitely we have a progressive curriculum we use at Lockheed Martin and will continue to build on that and to develop additional materials for our workforce because we want people to recognize that unconscious bias does exist. It manifests in ways that can often times not promote diversity and inclusion. As Paul said pay equity it's all over the place. We'll continue to watch that evolve, but, yes, it's important that you look at all of your employment practices for equity including pay.

>>NITA BEECHER: Consuela, before we go for the measuring success slide and questions, any thoughts on the inclusion and diversity slides?

>>CONSUELA PINTO: Marina and Paul they covered everything I would have thought of.

>>NITA BEECHER: Let's go Ornella to the last slide Tony and then we'll take a few more questions before we end. Marina I'm going to start with you and then with Paul. Then I do want Consuela to weigh in because this is a tricky area necessary, but there are some legal land mines. Marina, if you want to start.

>>MARINA WILLIAMS: I am an advocate for starting with your affirmative action plans. I speak from a place where we manage our affirmative action plans internally. I don't know what it's like to contract that work out. We may actually be at an advantage for that because we have the opportunity to regularly look at our data. For us, that's a really good starting point. I think it's important too that as you are looking at that, as you mentioned, Consuela, you don't necessarily want to stop there. There is always an opportunity to broaden what your objectives beyond

your affirmative action goals and of course working with your legal counsel to make sure you are doing that in a compliant way. And leaders who are the heads of your functional affirmative action plans be they functional or establishment based how are you keeping them abreast of progress, of the research. That goes back to the management accountability piece. And helping them to understanding where they have opportunities to improve and to increase diversity in the organization.

I will let Paul take it from there.

>>PAUL FRANCISCO: Thank you. Marina. I think the only thing I will mention here is that from a management accountability perspective, one of the things that you should think about besides the affirmative action plan is how you measure your leaders is really key and critical. What we do score cards has metrics around human capital, but also business metrics. Your responsibility is to deliver business results. How you deliver business results is going to be I guess managed by or leveraged by how you treat people, how you manage your human capital successfully around employee engagement, around attraction retention exit et cetera. Including diversity goals. So what you do by doing that is you say as a leader I want you to worry about all these things. Not just business, but about all these things and you are responsible for delivering for all of them. If you deliver on all of them en this you get rewarded. If you don't deliver on a number of them then you don't get rewarded. You get rated okay you achieved the expectations. You did what you were supposed to do, but you didn't really move the needle. And that goes to the last point about being careful how you use the caret and the stick sort of incentive here to say are you rewarding based solely on achieving certain targets, certain numbers or are you doing it wholistically as to how you measure your leaders. That send as strong signal this is just as important for you to achieve as our business metrics are.

>>NITA BEECHER: Consuela, I'm going to let you have the last word.

>>CONSUELA PINTO: Paul said it perfectly. He gave a great

example of kind of how to incentivize your managers to focus on these very important areas. What you need to be really careful about is that you are incentivizing the right behavior. Paul explained at State Street they have 18 different metrics that managers beyond the standard, but they have 18 other metrics that managers are supposed to be making some progress towards every year.

That's perfect.

Where I see companies run into trouble is when they say -- when they tie the bonus, a bonus or a pay raise or some sort of compensation to reaching the goal or the only thing you make progress toward that goal. We don't care how you do it, just do it. Instead what you need to focus on is the how do you do it. Have you participated -- have you taken the lead on an employee resource group. Have you developed an innovative way to increase -- to change up our outreach efforts. Are you mentoring, sponsoring. Things like that. That's what you want to incentivize. Think about what the behaviors are you want. Incentivize those efforts. I would talk to clients about incentivizing efforts not outcome. As soon as you incentivize outcomes being that goal you are incentivizing quotas. If anything has learned today, quotas are bad. Unlawful. And you always want to focus on goals.

>>NITA BEECHER: Before we conclude and I defer to Ornella, do we have a few last questions we can take before we end this session which for me has been fabulous.

>>ORNELLA CASTMAN: The biggest questions is regarding diversity goals. Diversity slate. Do you use the Rooney Rule. All about diversity slates. Interview panels and how those are established in your organizations.

>>PAUL FRANCISCO: I will quickly say that it is a thoughtful methodical way and process that you need to employ to establish the goal. We look at all kinds of metrics around our historical data and rates as to how we have achieved what we have achieved or the lack of progress and then factor all that into aspiration what we want to set as targets. When it comes to the

diversity slates we follow loosely the Rooney rules. What we wanted to do was not incentivize people to get in the system. To say I need to have a diverse slate, but I already know who I want to hire. I'm just going to check the box and go through the exercises. No. That's why we said we went beyond saying you need to have a diverse slate considered versus you need to have a diverse slate interview. The difference you have to go through the qualification process, make it to the interview stage. And then the manager gets to make the decision. And we sort of started with a slate what does a slate of five look like. Out of the five what is the right mix. Do you want to have a good mix of diverse -- slate of three. We had all these discussions. A really good resource for this is the CO action for diversity website. If you go there you will see what many of our companies that have pledged signed onto this pledge are doing around building diversity slates and interview slates as well. And you can get some best practices there. I believe we actually might have a list. Walks you through how we established those metrics or we did a rationale behind the Rooney rule quote unquote.

>> The follow up question I'm not sure if you can answer this is how do you know that the slate is diverse? I think that.

>>PAUL FRANCISCO: That's the trick. We have an algorithm that actually allows the system to tell you without the recruiter having to look into whether that is a diverse slate or not. We have a guru in-house that developed this algorithm that basically has the system. Basically the system tells the recruiter you can proceed because you do have a diverse slate. Or stop. Reconsider. You still don't have a diverse slate. You may want to do some more sourcing before you move on. We did that automatically because we knew the recruiters themselves couldn't access this personal data.

>> That's really sort of the gold standard right there. For companies that might be smaller and that's not an option for them, one way you can sort of mirror the same practice is having someone who is not involved in the selection process. A different recruiter that maybe handles applications for different type of positions, have that recruiter tell you if your slate is diverse or not. And have managers kind of give you a rank

order. If you are typically going to interview three people, ask manager to say I want you to rank your top 5 or 6. Then have that separate person who is not involved in this particular selection process determine if that slate is diverse enough or not. Then if it's not, you ask the manager now give me your next three after the top six give me the next three.

>>ORNELLA CASTMAN: Thank you. Speakers for a great webinar. There is a lot of questions that we'll be sending off to the speakers so they will review and answer then we'll post those on the NILG website. Thank you. Again for our sponsors and don't forget next year we'll be in Nashville at the Omni national hotel August 1st through August 4th. Check back often on the NILG website and watch your e-mail for registration. The HRCI credits -- thank you. Again and stay safe.

>> Thank you.

>> Thank you all.

>> Thank you.