

# 2005 Employers Survey On Diversity



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## I. Survey Highlights

The 2005 survey responses reflect progress on two levels:

- 1) **Overall increase in survey participation.** The number of organizations participating in the survey grew (87 on the 2005 survey compared with 75 for the previous year). This was a 16% increase in participation. On this 2005 survey, more organizations (74) also fell into the *year-to-year* group, defined as those employers who participated in the survey for two years in a row, when compared to the 63 organizations comprising the *year-to-year* group for the 2004 survey. Tracking the responses within this *year-to-year* group allows for a meaningful measure of real change in diversity and inclusion patterns.
- 2) **Meaningful increases in key areas.** Board diversity, workforce diversity, supplier diversity and certain policy and practice areas saw improvement when comparing responses in the *year-to-year* group:
  - Board diversity: Minorities on boards of directors increased from 14% in 2004 to 16% in 2005.
  - Workforce diversity: Minorities as a percentage of total employees rose from 23% in 2004 to 26% in 2005.
  - Supplier diversity: This aspect of diversity and inclusion experienced the greatest amount of positive change.
    - Organizations which have a formal supplier diversity program grew from 54% to 56% in the *year-to-year* group.
    - Organizations which reported having staff dedicated to the supplier diversity program increased from 54% to 55%.
    - Thirteen respondents provided total diversity spend information in both 2004 and 2005 and the dollar amount for this group grew from \$54.8 million to \$113.4 million. Similarly, 12 organizations provided regional diversity spend information in both years. This amount also grew from \$38 million to \$107 million.
  - Presence of corporate policies on diversity: There were reported increases in the percentages of organizations which have the following policies:
    - Organizational policy on diversity (75% in 2004, 80% in 2005)
    - Board of directors/trustees statement on diversity (43% in 2004, 45% in 2005)
    - Diversity management goals in the organizational business or strategic plan (67% in 2004, 72% in 2005)
  - Practices: Respondents reported increases in staff allocated to diversity initiatives and in the practice of holding managers accountable for success in this area:
    - Staff whose time is dedicated 100% specifically to diversity initiatives (30% in 2004, 32% in 2005)
    - Holding managers accountable through performance appraisals and/or incentive processes for demonstrating success in managing diversity effectively (53% in 2004, 58% in 2005)

Within the *year-to-year* comparison groups, other key policy and practice areas either reported no change or a decline and these will be explored more fully in the Executive Summary. For example, minorities as a percentage of senior management remained at 11% for the *year-to-year* group. A challenging finding is the reduction in the number of member organizations which reported having policies and practices related to recruitment, retention, training and development of minorities. To recap, three of the primary metrics which the Commission tracks – board diversity, workforce diversity and supplier diversity – all improved for the *year-to-year* group and minority representation within senior management for this group remained unchanged from the previous year.

3) **Aggregate group results.** Within the total pool of 2005 survey participants, or the *aggregate* group, changes since 2004 in supplier diversity reporting and expenditures were especially noteworthy:

- The overall number of organizations that reported diversity spend data increased dramatically from 22 to 41 respondents. These respondents reported total diversity spend, Northeast Ohio diversity spend, or both.
- The reported total diversity spend with minority-owned businesses also grew significantly from \$259 million to \$770 million. It is noted that the real progress in the area of supplier diversity spend is in the significant increase in the number of organizations sharing this data. The number of organizations reporting this data is increasing, but because of the relatively small total number of organizations reporting, any large increase in diversity spend cannot be interpreted. Significant increases by two or three organizations can account for the large increase in total dollars.

One overarching observation about the survey data at the *aggregate* level is that the significant increase in the number of survey respondents, from 75 in 2004 to 87 in 2005, has created a response pattern that is not comparable. The 2005 survey couples a 16% increase in the total number of participants with a much smaller rate of change on individual survey items. As a consequence of these factors, on a number of items, the *percentage* of “yes” responses is lower than in the previous year, but the *actual number* of organizations answering “yes” has increased. Recognizing this pattern, the conclusions and recommendations will address overall response themes.

## II. Participating Organizations

### Commission on Economic Inclusion 2005-2006 Member Organizations

Adelphia	Forest City Enterprises, Inc.	Nordson Corporation
Akron Children's Hospital	Frantz Ward LLP	Ohio Savings Bank
Akron General Hospital	The Fred W. Albrecht Grocery Company	Olympic Steel, Inc.
American Greetings Corporation	Great Lakes Science Center	Ozanne Construction Co., Inc.
Applied Industrial Technologies	Greater Cleveland Partnership	Parker Hannifin Corporation
Baker & Hostetler LLP*	Greater Cleveland Regional Transit Authority	Plain Dealer Publishing Company
Barnes Distribution	Hahn Loeser + Parks LLP	The Progressive Group of Insurance Companies*
Benesch, Friedlander, Coplan & Aronoff LLP	Hiram College	Roadway Express
Calfee, Halter, & Griswold LLP	Huntington National Bank	Rock and Roll Hall of Fame and Museum, Inc.
Carter Exterminating Company	Industrial Transport, Inc.	Rockwell Automation
Case Western Reserve University	Invacare Corporation	The Sherwin-Williams Company
City of Cleveland	iSource Performance Materials LLC	ShoreBank, Cleveland
Cleveland Browns Football Company*	Jo-Ann Stores, Inc.	Spero-Smith Investment Advisors, Inc.
Cleveland Clinic Foundation	Jones Day	Squire, Sanders & Dempsey LLP
The Cleveland Foundation	Kent State University	STERIS Corporation
Cleveland Indians Baseball Club	KeyCorp	Summa Health System
Cleveland Municipal School District	Lake Hospital System	Things Remembered, Inc.
Cleveland Play House*	Lakeland Community College	Thompson Hine LLP
Cleveland State University	Little Tikes	Turner Construction Company
Cuyahoga Community College	The Lubrizol Corporation	Ulmer & Berne LLP
Cuyahoga County Board of Commissioners	Marcus Thomas LLC	United Church of Christ
Cuyahoga County Public Library	Medical Mutual of Ohio	United Way of Greater Cleveland
Deloitte & Touche USA LLP	The MetroHealth System	University Hospitals of Cleveland
Developers Diversified Realty	The Musical Arts Association (Cleveland Orchestra)	University Hospitals Health System /The Sisters of Charity of St. Augustine Health System Cuyahoga, Inc.
Diebold, Incorporated	Myers Industries, Inc.*	U. S. Bank
Dix & Eaton, Inc.	NASA John H. Glenn Research Center at Lewis Field	WVIZ/PBS and 90.3 WCPN ideastream
Eaton Corporation	National City Corporation	
EMH Regional Healthcare System	The National Conference for Community and Justice	
Ernst & Young LLP	New Era Builders	
Federal Reserve Bank of Cleveland		
Fifth Third Bank Northeastern Ohio		
FirstEnergy Corp.		

\*participants in 2005 Employers Diversity Survey only

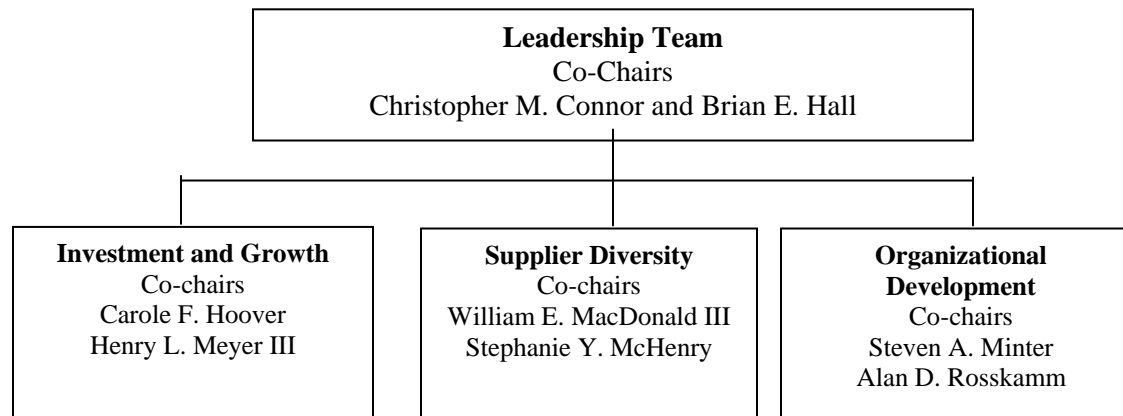
### III. Background

The Commission on Economic Inclusion has been working for the last six years to ensure that minority businesses, business leaders, entrepreneurs and the region’s workforce have opportunities to share in the economic prosperity of Northeast Ohio. This varied group of employers and community leaders forming the Commission join together to create and implement regional initiatives addressing challenges to economic inclusion in the local minority community. From its beginning in 2000, as a program of the Greater Cleveland Roundtable, until today as a program of the Greater Cleveland Partnership (GCP), the Commission seeks to be a regional catalyst to economic development through the full economic inclusion of all of our residents.

The Commission’s purpose is to develop and support initiatives that will significantly improve the climate of economic inclusion within the employment community of Northeast Ohio. This is accomplished primarily through the Commission’s task forces: Investment and Growth, Organizational Development, and Supplier Diversity. Each task force is co-chaired by two volunteer community leaders. These task forces allow the Commission to closely align its regionally-focused activities with those of the GCP in order to ensure that economic inclusion is integrated into the business community’s economic development agenda in Northeast Ohio.

The Commission was ably led for the second year by Christopher M. Connor and Brian E. Hall. The Commission continues to draw upon the resources of its member organizations to support the work of its three task forces. A complete listing of the task forces is included as Appendix I.

#### Commission on Economic Inclusion



The Commission's work is based on the idea that partnerships with, and inclusion of, minorities in economic activities are vital to the overall economic well being of the Greater Cleveland community. In a diverse environment such as Northeast Ohio, economic growth cannot be sustained without the inclusion of minority leaders, recruitment and retention of a minority workforce, and the utilization of minority suppliers/vendors.

The Commission's approach is fundamentally simple:

- Periodically assess the status of diversity and inclusion efforts within the community
- Establish benchmarks for improvement
- Encourage member organizations to develop or enhance practices that foster inclusion
- Facilitate the identification of resources
- Measure and report on progress on a regular basis

Assessing the status of diversity and inclusion efforts by Northeast Ohio employers is the first step in the process of economic inclusion. Measurement has been conducted utilizing the Commission's *Employers Survey on Diversity*. This is the fifth year of development and distribution of the survey. The survey has been revised and improved several times, based on participant feedback. The survey format continues to provide respondents with an opportunity to supplement their answers with descriptions of their diversity and inclusion "success stories." These expanded responses have provided valuable information used to identify "best practices" to be shared with other Commission member organizations, as well as the broader community.

For the third year, this year's survey results were utilized as the basis for recognition of Commission members that demonstrate best practices and strong performance in diversity and inclusion. The analysis of the survey quantitative responses and submitted best practices lead to the identification of a pool of exemplary performers in this area. On the basis of further data collection from this pool and structured interviews, four Commission members were selected to receive Best in Class awards. Receiving recognition for their 2005 diversity and inclusion practices and results were: KeyCorp (board diversity), Rock and Roll Hall of Fame and Museum (senior staff diversity), Cleveland State University (workforce diversity), and FirstEnergy Corp. (supplier diversity). Their best practices are being shared through the 2005 Commission Annual Report, the actionable strategies document which will accompany this survey report and individual score cards, and through the Diversity Professionals Group.

The 2005 survey continued, and improved upon, the method of electronic response. The Commission's Organizational Development Task Force led in overseeing the design, distribution, and analysis of the survey. This report presents the 2005 survey findings and makes recommendations for future diversity management and economic inclusion goals and activities.

## **Contextual Data**

For comparison purposes, consider the following data. In *DiversityInc's 2006 Top 50 Companies for Diversity* survey, people of color compose 27% of management positions.<sup>1</sup> Nationwide, minorities hold only 6% of the most senior corporate positions.<sup>2</sup>

Based on the *Spencer Stuart 2006 Board Diversity Report*, 15% of all directors are minority (African American, Hispanic, Asian).<sup>3</sup> Ninety percent of all boards have at least one minority director, but only 50% of boards including a minority director have more than one. Further, the report found it is more likely for a corporation's board to be diverse than top senior management.<sup>4</sup>

Minorities make up 37.3% of the work forces of *DiversityInc's Top 10 Companies for Recruitment & Retention*, 33.8% of the *Top 50 Companies for Diversity* and 28% of companies nationwide. New hires are 42.8% minority of the *Top 10 Companies for Recruitment & Retention*.<sup>5</sup>

For supplier diversity, according to national industry estimates, companies spend an average of 2% of their procurement budgets with minority- and women-owned suppliers, compared with 7.5% for *DiversityInc's Top 50 Companies for Diversity* and 13.8% for the *Top 10 Companies for Supplier Diversity*.<sup>6</sup> According to the 2002 Economic Census, nationally 17.9% of all non-public, for-profit businesses are minority-owned.<sup>7</sup> This represents an increase of 3.3% over 1997 Economic Census data. In 1997 (the last year for which data is currently available), minority-owned firms made up approximately 7.8% of total businesses in Northeast Ohio.<sup>8</sup> Again this year, most companies surveyed by the Commission report spending significantly smaller percentages of their total purchasing budgets with minority suppliers. Northeast Ohio, as a whole, continues to lag severely behind these national numbers.

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<sup>1</sup> "Bush vs. Clinton vs. The Top 50: Who Scores Better on Diversity?," *DiversityInc.com*, May 10, 2006. *DiversityInc's 2006 Top 50 Companies for Diversity* was created from a pool of 256 companies across the nation completing *DiversityInc's* survey on diversity in the workplace.

<sup>2</sup> Spencer Stuart 2006 Board Diversity Report. The report surveyed the 200 largest S&P 500 companies.

<sup>3</sup> Spencer Stuart 2006 Board Diversity Report.

<sup>4</sup> Spencer Stuart 2006 Board Diversity Report.

<sup>5</sup> "The Top Ten Companies for Recruitment and Retention," *DiversityInc.com*, April 21, 2006.

<sup>6</sup> "The Top 10 Companies for Supplier Diversity," *DiversityInc.com*, May 1, 2006.

<sup>7</sup> US Census Bureau, 2002 Economic Census, preliminary estimates. The Economic Census is taken every five years, with 2002 information being the latest data available.

<sup>8</sup> Calculation based on US Census Bureau, 1997 Economic Census data. We define Northeast Ohio as including the following counties: Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

## IV. Executive Summary

This Executive Summary incorporates two approaches to reviewing the survey data. First, data from the 74 organizations which participated in the survey in both 2004 and 2005 is reviewed. Because all of these organizations participated in both years, this comparison of the *year-to-year* group facilitates the identification of actual changes in the presence of policies, practices and behaviors tracked on the annual survey. This comparison is the more meaningful measure of change of the two approaches. It is noted that only one 2004 survey participant (out of 75) did not participate in the 2005 survey. That participant was a small nonprofit organization that ceased operation. Sixty-one percent (45 respondents) of the *year-to-year* group were for-profit companies, 39% (29) were nonprofit or government organizations.

The second approach to reviewing the survey data is to report on the results from the *aggregate* groups of survey respondents from 2004 and from 2005. Since these *aggregate* groups are comprised of different organizations in each of the two years, this approach does not allow for an actual comparison of changed behaviors. However, the data is useful in terms of providing a current picture of the pattern of diversity and inclusion activities within the present Commission membership. This snapshot informs the planning of future services for these members. The 2004 *aggregate* group totaled 75 organizations. Eighty-seven organizations participated in the 2005 *aggregate* group. This increase of 12 organizations (a 16% increase) was the largest annual increase in the number of survey participants since 2002. For the 2004 and the 2005 *aggregate* group, for-profit companies comprised approximately 60%, and the combined nonprofit and government organizations (referred to as the nonprofit group) made up 40% percent of the respondents.

The five broad areas assessed by the survey are: leadership and workforce composition, use of minority vendors and suppliers, practices and intentions related to diversity, diversity awareness and education, and leadership and accountability. The 2005 survey was completed by 87 Commission member organizations representing a broad spectrum of industries and sectors, including education, financial services, government, health care, manufacturing/distribution, retail, transportation, services, and utilities. These organizations represent a workforce of 156,000 employees in Northeast Ohio and 506,000 employees nationally.

### Comparison of Organizations That Participated in Both 2004 and 2005

In order to maximize the value of this survey, it is critical that comparisons be tracked for that group of employers that completed the survey in both 2004 and 2005. Seventy-four employers did so, though they did not all answer every question. The percentages cited for each item are the percentages of the total respondents for that item only. The response patterns are listed for each item in Section VI of this report.

Key findings for this *year-to-year* comparison group of employers were:

## **Leadership and Workforce Composition**

### **1. Board and senior management diversity results were mixed.**

- Board diversity: The percentage of minorities on boards of directors increased from 14% in 2004 to 16% in 2005. For those for-profit companies reporting in both years, the percentage of minorities on boards increased from 10.5% to 11.5%. For those nonprofit organizations reporting in both years, the percentage of minorities on boards increased from 16.8% to 19.3%.
- The percentage of organizations reporting at least one minority individual on their Board of Directors, decreased from 87% in 2004 to 85% in 2005. For the for-profit respondents, the percentage on this variable declined from 76% to 72%. One hundred percent of the nonprofit and government organizations reported having at least one minority individual on their board in both years.
- Senior management diversity: Minority representation among senior management remained stable at 11% for the *year-to-year* group. For those for-profit companies reporting in both years, the percentage remained basically stable, moving from 6.7% to 7%. For those nonprofit and government organizations reporting in both years, the percentage of minorities on senior management declined from 22% in 2004 to 19%. This decline is explained in part by significant changes in the total number of senior staff within five organizations within this group.

### **2. Workforce diversity increased overall but remained flat at the upper levels of organizations for the *year-to-year* group.**

- Minorities as a percentage of employees rose from 23% in 2004 to 26%.
- Minorities as a percentage of “officials and managers” increased from 16% to 18%. In the “professionals” job category, the percentage of minorities dropped slightly from 20% to 19%.

There continues to be a disparity between local demographics and workforce composition at all levels of the responding organizations. The minority population of the eight-county service area for the Commission (Ashtabula, Cuyahoga, Lake, Lorain, Geauga, Summit, Medina and Portage) is 22% ([www.teamneo.org](http://www.teamneo.org)). Minorities, and particularly African Americans, are under-represented at the higher levels of organizations and over-represented in the lower levels. The respective levels of the five racial groups tracked remained basically unchanged across job categories from 2004 to 2005.

Of the total new employees hired in 2005, 29% were minority individuals (18% African American, 7% Hispanic, Asian and Native American less than 4% combined). For 2004, 25% of all newly hired individuals were minority individuals, (14% were African American, 6% were Hispanic, and Asian and Native American less than 5% combined).

Among the newly hired Officials and Managers in 2005, 17% were minority individuals (8% African American, 5% Hispanic, and less than 4% Asian and Native American combined). Among the 2004 newly hired Officials and Managers, 16% were minority individuals (10% African American,

4% Hispanic, less than 2% Asian and Native American combined). A detailed breakdown of employee demographics, new hires, and retention percentages appears in Section VI.

The challenges of recruitment, promotion and retention of minority employees at senior levels are being specifically targeted by the Diversity Professionals Group during 2006. The Diversity Professionals Group is made up of senior diversity professionals from each of the Commission member organizations.

## **Leadership and Accountability**

**There were increases in the reported presence of three leadership diversity and inclusion policies and one practice:**

- Organizational policy on diversity (75% in 2004, 80% in 2005).
- Board of directors/trustees statement on diversity (43% in 2004, 45% in 2005).
- Diversity management goals in the organizational business or strategic plan (67% in 2004, 72% in 2005).

For those who reported the presence of a specific written statement (other than what is legally required) about the organization's policy on diversity, both subgroups reported increases. The percentage of for-profit companies rose from 79% to 81%, and for the nonprofit group, the increase was from 68% to 79%. For those who reported the presence of a board of directors/trustees statement on diversity, the for-profit rate rose from 46% to 49%, and the nonprofit rate held at 38%. In terms of survey respondents that reported including diversity management goals in the business or strategic plan, both subgroups reported increases. For-profit respondents' affirmative response rate increased from 68% in 2004 to 71% in 2005, and the nonprofit group's affirmative rate rose from 65% to 75% in the *year-to-year* group comparison.

- The practice of holding managers accountable through performance appraisals and/or incentive processes for demonstrating success in managing diversity effectively increased within the *year-to-year* group (53% in 2004, 58% in 2005).

At the subgroup level, the percentages were stable or increased. In response to this question, the for-profit rate remained stable at 50%, and the nonprofit rate rose from 59% to 73%.

## **Practices Related to Diversity**

**The percentage of respondents which reported having three important diversity and inclusion policies and practices declined.**

- The number of organizations that reported having written and communicated policies or practices for recruitment and selection of minorities dropped for the *year-to-year* group (79% to 71%).

- The number of organizations that reported having written and communicated policies for proactive retention of minorities dropped from 59% to 55%.
- The number of organizations that reported having written and communicated policies or practices for training and development of minorities dropped for the *year-to-year* group (44% to 34%).

Specifically, on recruitment policies or practices for minorities, the percentage of for-profit organizations that answered affirmatively dropped from 85% to 74%. For the nonprofit group, the affirmative response rate dropped from 71% to 67%. On retention policies or practices for minorities, the percentage of for-profit companies dropped from 58% to 60%, and for the nonprofit group, the percentage declined from 61% to 43%. On training and development policies or practices for minorities, the for-profit rate fell from 43% to 38%, and the nonprofit rate fell from 45% to 27%.

## **Diversity Awareness and Education**

### **Results in this area were mixed.**

- The percentage of organizations within the *year-to-year* group that reported offering diversity training, education or awareness programs dropped by one organization (from 54 to 53) with a resulting decline in percentage from 75% to 74% between the two years. At the subgroup level, the for-profit rate dropped from 73% to 70%, and the nonprofit rate remained at 79%.
- For the third year in a row, the results indicate that diversity management training is provided more frequently to individuals at higher levels of the organization. Ninety-two percent of the respondents offer such training to senior managers, 100% to middle managers, and 97% to human resources professionals.
- Respondents reported increases in allocating staff 100% to diversity initiatives (30% in 2004, 32% in 2005). On this question, both subgroups' percentages grew. For the for-profit group, the rate increased from 23% to 26%, and for the nonprofit group, the rate rose from 39% to 43%.

## **Use of Minority Vendors and Suppliers**

### **This aspect of diversity and inclusion experienced the greatest amount of positive change.**

- The percentage of organizations that have a formal supplier diversity program grew from 54% to 56% in the *year-to-year* group.
- The percentage of these organizations that reported having staff dedicated to the supplier diversity program increased from 54% to 55%.

- The percentage of these organizations that track their purchases from minority owned vendors and suppliers dropped by one organization from 40 to 39, resulting in a percentage drop from 65% to 63%.
- Thirteen respondents provided total diversity spend information in both 2004 and 2005. The dollar amount for this group grew from \$54.8 million to \$113.4 million. Similarly, 12 organizations provided regional diversity spend information in both years. This amount also grew from \$38 million to \$107 million.
- Lastly, within the *year-to-year* group, reported participation in matchmaker events with minority-owned businesses increased. Forty-two organizations reported participation in at least one matchmaker event during 2005 compared to 36 organizations during 2004. Respondents attended a total of 190 matchmakers in 2004, and 220 in 2005. The average number of matchmakers attended was five in both years.

Within the data on supplier diversity, the results were mixed for the for-profit and nonprofit subgroups. Reporting on the presence of a formal supplier diversity program, for-profit group percentages rose, with 53% responding “yes” in 2004 compared to 55% in 2005. The percentage remained at 56% in both years for the nonprofit subgroup. The percentages of respondents who reported having staff dedicated to supplier diversity rose for the for-profit group (54% to 56%) and remained stable for the nonprofit group (54%).

On the survey question regarding the collection of data on minority-owned vendors and suppliers, the percentage of for-profit respondents that collect such data dropped from 70% to 62% (from 26 to 23 companies), while the percentage within the nonprofit subgroup that reported collecting such data increased from 56% to 64% (from 14 to 16 organizations).

Analyzing the experience of this cohort of Commission members is a key component to monitoring true changes in employer behaviors over time. The results of this year’s comparison are encouraging.

## **Report on the Aggregate Groups of Survey Respondents from 2004 and from 2005**

One overarching observation about the survey data at the *aggregate* level is that the significant increase in the number of survey respondents, from 75 in 2004 to 87 in 2005, has created a response pattern that cannot be easily interpreted. This year’s survey couples a 16% increase in the number of participants with a smaller rate of change on individual survey items. As a consequence of these factors, on a number of items, the *percentage* of “yes” responses is lower than in the previous year, but the *actual number of organizations* answering “yes” has increased. Recognizing this pattern, the conclusions and recommendations will address overall response themes. In addition, as would be expected, those organizations that have recently joined the Commission may be earlier in their processes of increasing diversity and inclusion.

Even with these limitations, the aggregate data is useful in terms of providing a status report on the current picture of the pattern of diversity and inclusion activities within the entire Commission membership, and this enables volunteers and staff to plan the most effective interventions for the overall membership. Detailed *aggregate* responses on each survey item are presented in Section VI of this report. Selected areas for priority focus are presented below.

## Use of Minority Vendors and Suppliers

One area of significant change for the *aggregate* group over the previous year was in the number of organizations that provided information about their diversity spend. This number of reporting organizations rose from 22 to 41 (an increase of 86%). As would be expected, the reported spend also grew substantially from an aggregate total diversity spend of \$259 million in 2004 to \$770 million in 2005. (The latter number does not include an additional \$1 billion reported by one member company. This individual corporate spend was kept separate in order to present a more accurate overall comparative analysis). In addition to the significantly higher response rate at the total diversity spend level, the number of survey participants that reported their regional diversity spend also grew. Fifteen organizations reported a regional diversity spend figure in 2004. This grew to 28 in 2005 (an 87% increase). Likewise, the regional diversity spend amount grew to \$132.3 million for 2005, from \$80.8 million in 2004. Closer contact between the Commission and the purchasing managers of its members contributed greatly to the increased level of reporting.

Another positive response pattern can be found on the question regarding the organization's intention to start a formal supplier diversity program during the current year. On the previous year's survey, six organizations answered "yes" to this question. On the 2005 survey, that number grew to eleven. Each of these organizations will be offered assistance on this implementation.

Lastly, in an effort to continue the increase in accessible diversity spend data, a new item was added to the survey. The item asked how respondents were tracking purchases from minority-owned vendors and suppliers. One-third of the respondents reported that they are not currently tracking these purchases. Of those who are tracking the data, the following methods were reported (respondents could select more than one method): computerized corporate database (43%); Excel software (25%); computerized supply-chain program (11%); Access software (11%); and other (15%). This information is invaluable as the Commission continues to offer resources to members to enhance their tracking capabilities.

**Follow-up** – The percentage of organizations within the *aggregate* group willing to share more detailed information about their diversity management efforts in order to build community best-practice resources dropped from 2004 to 2005. However, the actual number of organizations responding positively increased from 56 to 67 (84% to 83%). The percentage of organizations that said they wanted information about diversity management consulting services also dropped from 54% in 2004 to 46% in 2005. However, again the actual number of organizations requesting this information increased from 37 to 38.

There was a drop both in percentage and actual number regarding whether organizations wanted assistance in developing a supplier diversity program. The percentage of organizations that asked for assistance dropped from 35% in 2004 to 24% in 2005. This percentage represents a drop from 24 companies to 20. It is noted that six of those organizations that requested assistance through this item on last year's survey established a formal supplier diversity program during 2005 and two others from that response group are in the implementation process on their programs. As in 2005, each of the organizations requesting help with its supplier diversity initiatives will be contacted individually.

A similar response strategy will be implemented for those organizations asking for diversity management consulting services. Finally, the exchange of the available best practice information has been greatly facilitated by the firm establishment of the Commission's Diversity Professionals Group through five bi-monthly meetings during 2005. This exchange of information will be further enhanced by the launch of the Commission web pages on the GCP website with a "members only" section in late 2006.

## **V. Survey Instrument and Methods**

### **Description of 2005 Survey**

The Employers Survey on Diversity is a tool for assessing an organization's commitment, actions, and success in maintaining a competitive edge by developing and maintaining an inclusive workplace environment. The survey is designed to assess the presence of policies and practices that demonstrate effective diversity management and inclusion. The broad areas assessed by the survey include leadership and workforce composition; use of minority vendors and suppliers, practices and intentions related to diversity, diversity awareness and education, and leadership and accountability.

The survey has two overall purposes. First, the survey provides individual organizations with a tool for examining their own diversity and inclusion efforts. Completing the survey allows organizations to identify strengths and weaknesses related to diversity management and inclusion. Progress can be measured in three ways: (1) on a year-to-year basis (within your own organization and against all other organizations taking the survey both this year and last year); (2) comparing your organization to other for-profit or nonprofit organizations completing the survey this year, and (3) comparing your organization to all organizations completing the survey this year. This self-assessment can be used as a first step toward organizational change. Second, the survey provides information that can be used to gain insights about the overall diversity management and inclusion practices of Commission member organizations. More importantly, the survey provides information concerning systemic barriers and successes related to diversity and inclusion. While the information provided by member organizations is kept confidential, the aggregate information will be used to guide the work of Commission task forces. Specifically, the information will be used to create goals for systemic change, encourage member organizations to adopt identified "best practices" that promote diversity and inclusion, and facilitate the identification and utilization of resources that support Commission initiatives.

### **Survey Respondents**

There were a total of 87 respondents to the 2005 survey. This number includes 74 organizations that completed the survey in 2004 and 13 newly recruited organizations. Of the 87 organizations, 54 were for-profit and 33 were nonprofit organizations.

### **Survey Distribution and Collection Methods**

The surveys were distributed electronically during January 2006. Surveys were completed by the staff of each organization and returned to the Commission between February 2006 and May 2006. Incomplete submissions prompted follow-up communications, resulting in the receipt of additional, but not always fully responsive, data. Further discussion of this issue is included in the analysis section of this report.

## **Survey Analysis Methods**

The information provided in the survey responses was compiled and analyzed using Infopoll software and Microsoft Excel. For the most part, analysis of the data involved frequency analysis. It is important to note that several organizations did not provide responses to some of the questions on the survey. Therefore, the reported percentages are based on the number of organizations that respond to each of the questions in the survey. Several of the survey questions requested written responses from the respondents. These answers are referred to throughout this report in summary form. The individual responses are kept confidential. Only GCP staff conducting the analysis has access to the information contained in individual surveys.

**The data was analyzed using four groupings including for-profit, nonprofit, aggregate and “year-to-year.” The for-profit grouping includes both public and private for-profit entities. The nonprofit category includes government, charitable and educational organizations. The aggregate category includes information from all of the organizations that responded to each question. The “year-to-year” category contains the 74 organizations that completed the survey in both 2004 and 2005.**

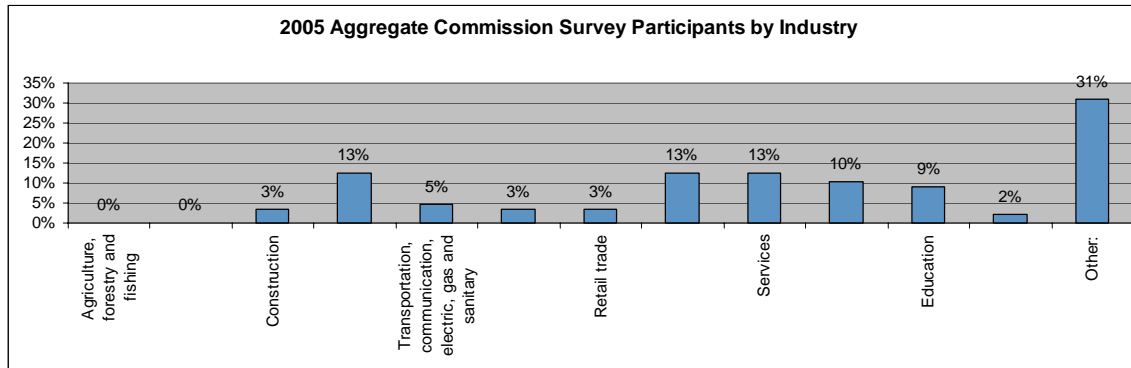
## VI. Survey Findings

The results from the survey are presented in cumulative form. In keeping with our commitment to survey participants, individual responses were kept confidential. For each survey item, responses are presented in two ways. First, frequency tables are presented for those organizations that participated in the 2004 survey and the 2005 survey, referred to as the *year-to-year* group. In addition, the responses for all organizations that participated on the 2005 survey are presented, referred to as the *aggregate* group.

The percentages reported under the Year-to-Year, Aggregate, For-profit, and Nonprofit categories were calculated based on the number of participants in each category that responded to each question. For example, if a total of 20 nonprofit organizations answered either “yes” or “no” to a question, the percentage of “yes” responses is based on 20. Many of the questions were not answered or were inapplicable to a particular organization. Therefore, the number of Year-to-Year, Aggregate, For-profit, and Nonprofit respondents for each question varies. The Nonprofit group includes nonprofit, educational, and governmental organizations. Several of the questions in the survey request information regarding racial identity of an organization’s personnel. The categories used for these questions include: White, Black, Hispanic, Asian/Pacific Islander, and Native American. Finally, items are numbered as they appear on the survey.

### A. Participants – Industries and Employees

#### 1.6. In what industry is your organization?



<b>Aggregate Respondents</b>	<b>87</b>
<b>For-profit</b>	<b>54</b>
<b>Nonprofit</b>	<b>33</b>

**1.8. How many employees did you have on December 31, 2005?**

Northeast Ohio was defined according to the Cleveland-Akron Consolidated Metropolitan Statistical Area (CMSA), which includes the following counties: Cuyahoga, Ashtabula, Geauga, Lake, Lorain, Medina, Portage and Summit.

Year-to-Year Group	N.E. Ohio	Outside N.E. Ohio	Total
For-profit	61,283	331,277	392,560
Nonprofit	87,978	3,246	91,224
<b>Total</b>	<b>149,261</b>	<b>334,523</b>	<b>483,784</b>

Aggregate Group	N.E. Ohio	Outside N.E. Ohio	Total
For-profit	63,399	347,155	410,554
Nonprofit	92,169	3,246	95,415
<b>Total</b>	<b>155,568</b>	<b>350,401</b>	<b>505,969</b>

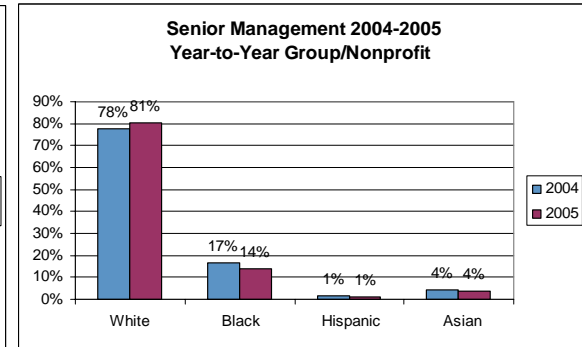
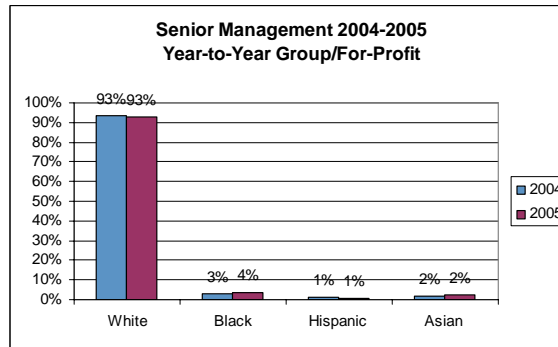
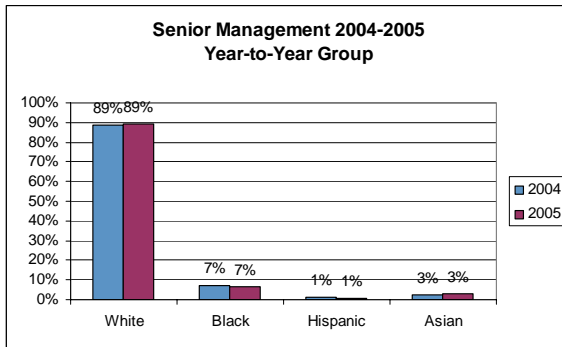
**1.9. Does your organization have a specific written and communicated statement (other than what is legally required) about the organization's policy on diversity?**

	For-profit	Nonprofit	Total
Year-to-Year group, 2004:	34/43 (79%)	19/28 (68%)	53/71 (75%)
<u>Year-to-Year group, 2005:</u>	<u>34/43 (79%)</u>	<u>22/28 (79%)</u>	<u>56/71 (79%)</u>
<b>Aggregate respondents, 2005:</b>	<b>42/54 (78%)</b>	<b>25/32 (78%)</b>	<b>67/86 (78%)</b>

## B. Leadership and Workforce Composition

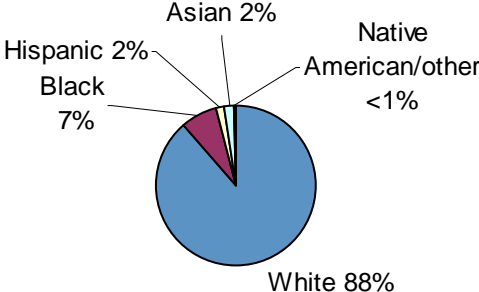
### 2.1. Please enter the number of Senior Managers on December 31, 2005 in each category below:

**Senior Management** is defined as direct reports to the CEO and direct reports to those managers reporting to the CEO, excluding secretarial or administrative support.



<b>Year-to-Year Respondents</b>	<b>53</b>
<b>For-profit</b>	<b>32</b>
<b>Nonprofit</b>	<b>21</b>

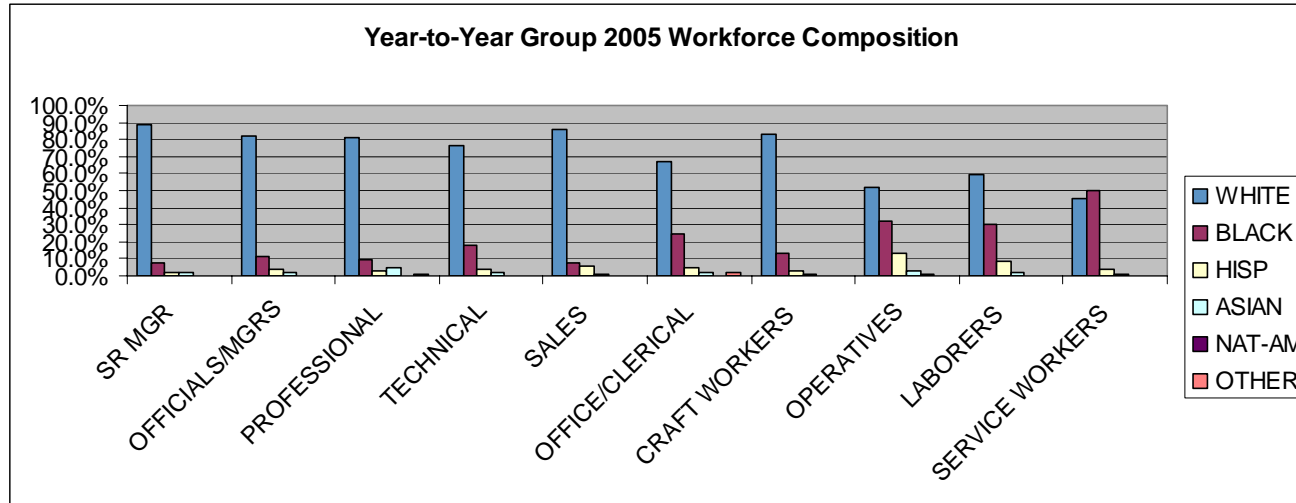
**2005 Aggregate Group/Senior Management**



<b>Aggregate Respondents</b>	<b>68</b>
<b>For-profit</b>	<b>39</b>
<b>Nonprofit</b>	<b>29</b>

**Please provide demographics on your total employee population in Northeast Ohio.**

Many of the respondents provided data concerning workforce composition using national employment numbers. The chart below indicates the results when national data was included in the analysis.

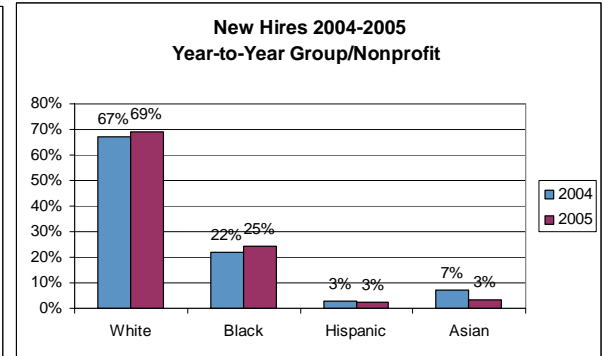
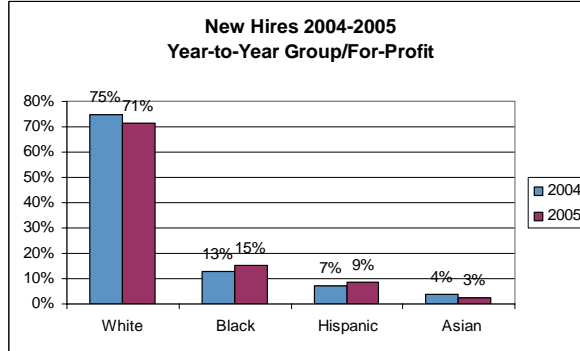
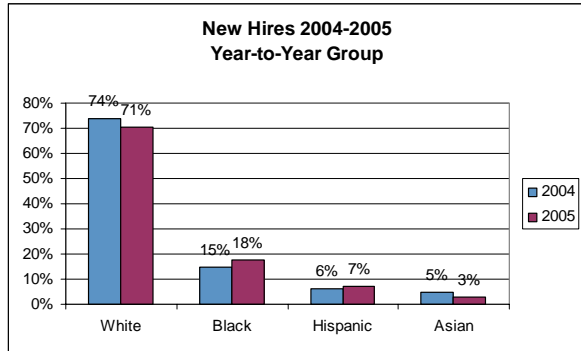


<b>Year-to-Year Respondents</b>	<b>68</b>
<b>For-profit</b>	<b>40</b>
<b>Nonprofit</b>	<b>28</b>

The demographic data indicates an under-representation of minorities, particularly African Americans, in the higher levels of organizations and an over-representation in the lower levels of organizations. The minority population of the eight-county service area for the Commission is 22%. Please refer to Appendix II for definitions of each job category.

**2.2. Please enter the number of total employees hired in 2005.**

The number of employees reported as hired and separated from the organization was compared with the answer to question 1.8 (“How many employees did you have on December 31, 2005?”). The responses indicated that national data was used when answering this question due to the inability of some respondents to separate regional numbers from national data, particularly along functional lines.



<b>Year-to-Year Respondents</b>	<b>63</b>
<b>For-profit</b>	<b>36</b>
<b>Nonprofit</b>	<b>27</b>

### 2005 New Hires/Year-to-Year Group

Number of employees	White	Black	Hispanic	Asian	Native American	Other	TOTAL
Senior Managers	128	13	2	5	1	3	152
Officials/Managers	1297	127	76	48	5	7	1560
Professionals	5427	704	182	432	20	89	6854
Technical	2140	413	110	113	14	12	2802
Sales	5327	553	443	48	30	2	6403
Office/Clerical	6557	2220	867	234	55	417	10350
Craft Workers (skilled)	552	146	52	43	3	0	796
Operatives (semiskilled)	2485	931	494	39	19	1	3969
Laborers (unskilled)	1355	642	300	31	23	6	2357
Service Workers	828	782	75	14	5	6	1710
<b>2005 TOTAL</b>	<b>26096</b>	<b>6531</b>	<b>2601</b>	<b>1007</b>	<b>175</b>	<b>543</b>	<b>36953</b>
Percentage breakdown	White	Black	Hispanic	Asian	Native American	Other	%minority
Senior Managers	84.20%	8.60%	1.30%	3.30%	0.70%	2.00%	15.80%
Officials/Managers	83.10%	8.10%	4.90%	3.10%	0.30%	0.40%	16.90%
Professionals	79.20%	10.30%	2.70%	6.30%	0.30%	1.30%	20.80%
Technical	76.40%	14.70%	3.90%	4.00%	0.50%	0.40%	23.60%
Sales	83.20%	8.60%	6.90%	0.70%	0.50%	0.00%	16.80%
Office/Clerical	63.40%	21.40%	8.40%	2.30%	0.50%	4.00%	36.60%
Craft Workers (skilled)	69.30%	18.30%	6.50%	5.40%	0.40%	0.00%	30.70%
Operatives (semiskilled)	62.60%	23.50%	12.40%	1.00%	0.50%	0.00%	37.40%
Laborers (unskilled)	57.50%	27.20%	12.70%	1.30%	1.00%	0.30%	42.50%
Service Workers	48.40%	45.70%	4.40%	0.80%	0.30%	0.40%	51.60%
<b>2005 TOTAL</b>	<b>70.60%</b>	<b>17.70%</b>	<b>7.00%</b>	<b>2.70%</b>	<b>0.50%</b>	<b>1.50%</b>	<b>29.40%</b>

<b>Year-to-Year Respondents</b>	<b>63</b>
<b>For-profit</b>	<b>36</b>
<b>Nonprofit</b>	<b>27</b>

The chart above indicates that though 29.4% of all reported new hires during 2005 were minority individuals, the hiring rate for more senior positions (officials/managers, professionals and technical) was significantly lower for each of the minority groups, except Asian. Asian individuals comprised 2.7% of all new hires and were represented in slightly higher percentages within the three position groups listed above. The overall distribution of new hires was very similar for the aggregate group of survey respondents. Of all reported new hires for the aggregate group during 2005, 29.3% were minority individuals.

## Summary of Employee Separation Data

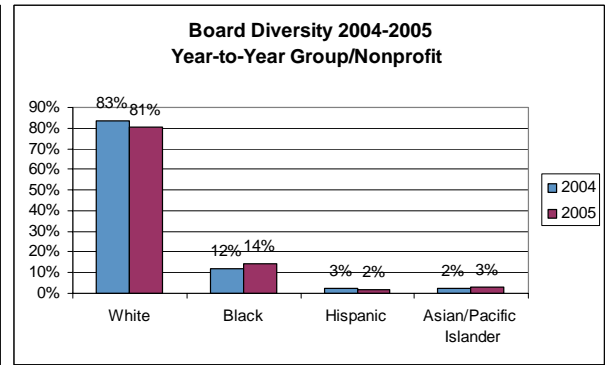
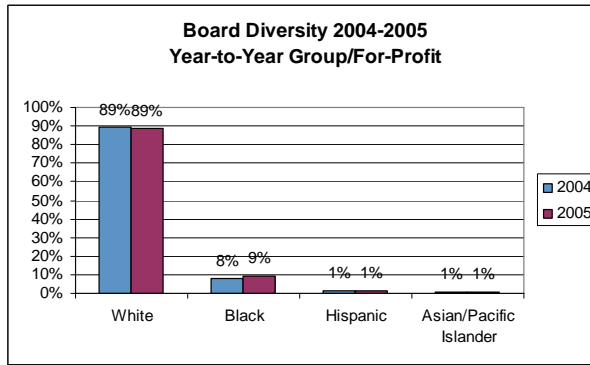
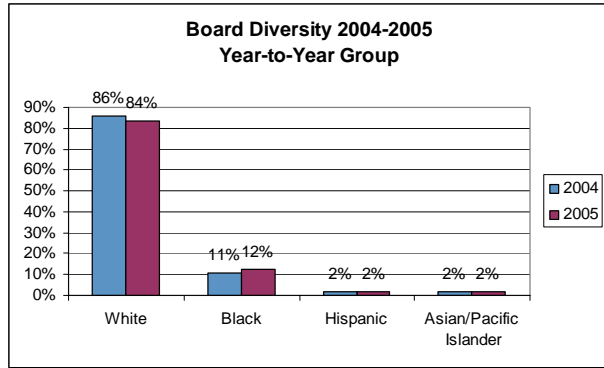
For reported employee separations (voluntary and involuntary): The rates for Black (13.6%) and Asian (13.3%) employees were lower than the overall average for all positions (15.4%). The average separation rates for Hispanic (21.8%) and Native American (55%) employees were much higher than the overall group average.

Separation rates for minority individuals within the more senior jobs were as follows:

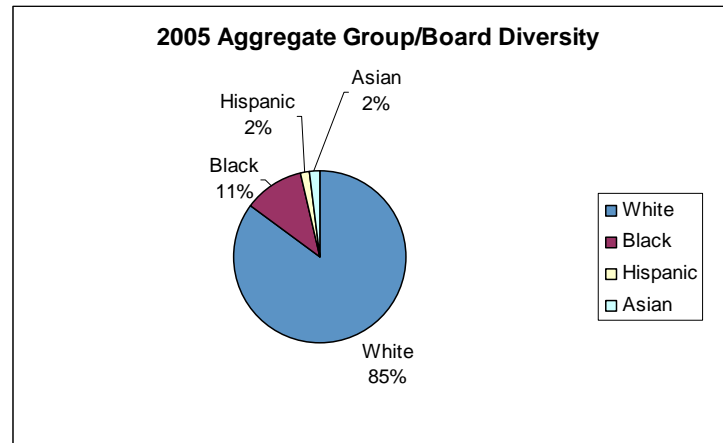
- 1) For officials/managers, separation rates for minorities were lower than the overall average (10.6%) for each minority group except Asian (13.5%).
- 2) For professional positions, the separation rates for each minority group were higher than the overall group average (8.2%).
- 3) For technical positions, the separation rate was lower than the overall average (10.7%) for each minority group except Asian (17.1%).

<b>Year-to-Year Respondents</b>	<b>67</b>
<b>For-profit</b>	<b>40</b>
<b>Nonprofit</b>	<b>27</b>

**3.1. Please provide demographics on your Board of Directors/Trustees on December 31, 2005 (if division, please use data for parent company). If your organization has no board, please report numbers on your governing committee.**



<b>Year-to-Year Respondents</b>	<b>47</b>
<b>For-profit</b>	<b>29</b>
<b>Nonprofit</b>	<b>18</b>



<b>Aggregate Respondents</b>	<b>66</b>
<b>For-profit</b>	<b>39</b>
<b>Nonprofit</b>	<b>27</b>

The responses to the question on board demographics in 2005 indicate a substantial under-representation of minorities for the overall group as well as for each of the subgroups, when compared to the percentage of minorities (22%) in the Greater Cleveland area. This pattern holds for both the *year-to-year* and *aggregate* groups. The *year-to-year* nonprofit subgroup reported the highest representation of minorities (19.3%). For the overall *year-to-year* group, 85% of respondents reported at least one minority individual on their Board of Directors.

**Note: Native American representation is negligible at board level for the *year-to-year* and the aggregate groups.**

## **C. Practices and Intentions Related to Diversity**

### **4.1. Does your organization have written and communicated policies or practices for recruitment and selection of minorities?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	33/39 (85%)	17/24 (71%)	50/63 (79%)
<u>Year-to-Year group, 2005:</u>	<u>29/39 (74%)</u>	<u>16/24 (67%)</u>	<u>45/63 (71%)</u>
<b>Aggregate respondents, 2005:</b>	<b>39/52 (75%)</b>	<b>18/31 (58%)</b>	<b>57/83 (69%)</b>

**If no, do you have specific plans to implement policies and practices for recruitment and selection of minorities by December 31, 2006?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
<b>Aggregate respondents, 2005:</b>	<b>2/13 (15%)</b>	<b>4/13 (31%)</b>	<b>6/26 (23%)</b>

### **4.4. Does your organization have written and communicated policies or practices for proactive retention of minorities?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	25/43 (58%)	14/23 (61%)	39/66 (59%)
<u>Year-to-Year group, 2005:</u>	<u>26/43 (60%)</u>	<u>10/23 (43%)</u>	<u>36/66 (55%)</u>
<b>Aggregate respondents, 2005:</b>	<b>32/53 (60%)</b>	<b>11/31 (35%)</b>	<b>43/84 (51%)</b>

**If no, do you have specific plans to implement policies or practices for reducing the barriers affecting the retention of minorities by December 31, 2006?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
<b>Aggregate respondents, 2005:</b>	<b>5/20 (25%)</b>	<b>5/19 (26%)</b>	<b>10/39 (26%)</b>

**4.7. Does your organization have written and communicated policies or practices specifically directed toward the training and development of minorities?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	17/40 (43%)	10/22 (45%)	27/62 (44%)
<u>Year-to-Year group, 2005:</u>	<u>15/40 (38%)</u>	<u>6/22 (27%)</u>	<u>21/62 (34%)</u>
<b>Aggregate respondents, 2005:</b>	<b>19/51 (37%)</b>	<b>8/30 (27%)</b>	<b>27/81 (33%)</b>

**If no, do you have specific plans to develop and implement policies or practices specifically directed toward the training and development of minorities prior to December 31, 2006?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
<b>Aggregate respondents, 2005:</b>	<b>4/34 (12%)</b>	<b>5/23 (22%)</b>	<b>9/57 (16%)</b>

## **D. Diversity Awareness and Education**

### **1.11. In your organization, when you use the term "diversity", which group characteristics do you include in your definition?**

<b>Year-to-Year Group</b>	<b>For-profit 2004</b>	<b>For-profit 2005</b>	<b>Nonprofit 2004</b>	<b>Nonprofit 2005</b>	<b>All 2004</b>	<b>All 2005</b>
<b>Race</b>	<b>100%</b>	<b>94%</b>	<b>100%</b>	<b>96%</b>	<b>100%</b>	<b>96%</b>
<b>Gender</b>	<b>95%</b>	<b>92%</b>	<b>100%</b>	<b>96%</b>	<b>97%</b>	<b>95%</b>
<b>Ethnicity</b>	<b>95%</b>	<b>88%</b>	<b>91%</b>	<b>91%</b>	<b>94%</b>	<b>91%</b>
<b>Age</b>	<b>84%</b>	<b>84%</b>	<b>96%</b>	<b>96%</b>	<b>88%</b>	<b>89%</b>
<b>Disability</b>	<b>86%</b>	<b>82%</b>	<b>91%</b>	<b>96%</b>	<b>88%</b>	<b>88%</b>
<b>Sexual orientation</b>	<b>70%</b>	<b>69%</b>	<b>91%</b>	<b>87%</b>	<b>78%</b>	<b>76%</b>
<b>Religion</b>	<b>77%</b>	<b>78%</b>	<b>96%</b>	<b>96%</b>	<b>84%</b>	<b>85%</b>
<b>Nationality</b>	<b>82%</b>	<b>82%</b>	<b>96%</b>	<b>96%</b>	<b>87%</b>	<b>87%</b>

<b>Aggregate Group</b>	<b>For-profit</b>	<b>Nonprofit</b>	<b>All</b>
<b>Race</b>	<b>96%</b>	<b>100%</b>	<b>98%</b>
<b>Gender</b>	<b>94%</b>	<b>97%</b>	<b>95%</b>
<b>Ethnicity</b>	<b>91%</b>	<b>97%</b>	<b>93%</b>
<b>Age</b>	<b>87%</b>	<b>97%</b>	<b>91%</b>
<b>Disability</b>	<b>83%</b>	<b>97%</b>	<b>89%</b>
<b>Sexual orientation</b>	<b>69%</b>	<b>88%</b>	<b>76%</b>
<b>Religion</b>	<b>78%</b>	<b>100%</b>	<b>86%</b>
<b>Nationality</b>	<b>83%</b>	<b>94%</b>	<b>87%</b>

The data indicate that most organizations utilize a broad definition of diversity that includes many factors. There is virtual unanimity on incorporating the characteristics of race, gender and ethnicity into the definition. The major differences among the for-profit and nonprofit organizations were found under the categories of age, disability, sexual orientation, religion, and nationality.

**1.14. Does your organization offer, among its other training and development opportunities, diversity training, education or awareness program or courses?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	32/44 (73%)	22/28 (79%)	54/72 (75%)
<u>Year-to-Year group, 2005:</u>	<u>31/44 (70%)</u>	<u>22/28 (79%)</u>	<u>53/72 (74%)</u>
<b>Aggregate respondents, 2005:</b>	<b>38/53 (72%)</b>	<b>26/33 (79%)</b>	<b>64/86 (74%)</b>

**1.16. To whom are diversity training & development opportunities offered?**

The pattern of responses indicates that, as in 2004, personnel at higher levels of the organizations (Senior Management – 92%, Middle Management – 100%, Human Resource Professionals – 97%) are provided diversity training, education, or awareness programs more frequently than personnel at lower levels (Office/Clerical – 84%, Laborers – 61%). The percentage of employers, both for-profit and nonprofit, who offer diversity training, fell by one percentage point from the previous year (from 75% to 74%).

**1.18. Does your organization have staff 100 percent of whose time is dedicated specifically to diversity initiatives?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	10/43 (23%)	11/28 (39%)	21/71 (30%)
<u>Year-to-Year group, 2005:</u>	<u>11/43 (26%)</u>	<u>12/28 (43%)</u>	<u>23/71 (32%)</u>
<b>Aggregate respondents, 2005:</b>	<b>12/54 (22%)</b>	<b>13/32 (41%)</b>	<b>25/86 (29%)</b>

**If no, do you have specific plans to add/designate dedicated staff by December 31, 2006?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
<b>Aggregate respondents, 2005:</b>	<b>2/39 (5%)</b>	<b>4/19 (21%)</b>	<b>6/58 (10%)</b>

## E. Leadership and Accountability

### 7.1. Does your organization hold managers accountable through performance appraisals and/or incentive processes for demonstrated success in managing diversity effectively in the workplace?

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	19/38 (50%)	13/22 (59%)	32/60 (53%)
<u>Year-to-Year group, 2005:</u>	<u>19/38 (50%)</u>	<u>16/22 (73%)</u>	<u>35/60 (58%)</u>
Aggregate respondents, 2005:	25/51 (49%)	18/31 (58%)	43/82 (52%)

If no, do you have specific plans to adopt a policy to hold managers accountable through performance appraisals and/or incentive processes for demonstrated success in managing diversity effectively in the workplace by December 31, 2006?

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Aggregate respondents, 2005:	4/26 (15%)	3/13 (31%)	7/39 (18%)

### 7.4. Has your Board of Directors/Trustees or governing committee drafted a written statement/policy on diversity and inclusion?

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	17/37 (46%)	8/21 (38%)	25/58 (43%)
<u>Year-to-Year group, 2005:</u>	<u>18/37 (49%)</u>	<u>8/21 (38%)</u>	<u>26/58 (45%)</u>
Aggregate respondents, 2005:	22/51 (43%)	13/30 (43%)	35/81 (43%)

Does your Board of Directors/Trustees have specific plans to adopt a written statement/policy on diversity and inclusion by December 31, 2006?

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Aggregate respondents, 2005:	11/30 (37%)	4/15 (27%)	15/45 (33%)

### 7.7. Does your business or strategic plan include diversity management goals and objectives?

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	26/38 (68%)	13/20 (65%)	39/58 (67%)
<u>Year-to-Year group, 2005:</u>	<u>27/38 (71%)</u>	<u>15/20 (75%)</u>	<u>42/58 (72%)</u>
<b>Aggregate respondents, 2005:</b>	<b>34/50 (68%)</b>	<b>22/31 (71%)</b>	<b>56/81 (69%)</b>

**If no, do you have plans to include diversity management goals and objectives in your future strategic plans by December 31, 2006?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
<b>Aggregate respondents, 2005:</b>	<b>4/17 (24%)</b>	<b>1/9 (11%)</b>	<b>5/26 (19%)</b>

## **F. Supplier Diversity**

For the aggregate group of survey respondents, 45 of the organizations indicated that they collected data related to their diversity spend, and 41 provided specific, though partial, data about their total spend dollars and/or regional spend dollars.

### **5.1. Does your organization have a formal supplier diversity program in place?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	20/38 (53%)	14/25 (56%)	34/63 (54%)
<u>Year-to-Year group, 2005:</u>	<u>21/38 (55%)</u>	<u>14/25 (56%)</u>	<u>35/63 (56%)</u>
<b>Aggregate respondents, 2005:</b>	<b>25/53 (47%)</b>	<b>16/33 (48%)</b>	<b>41/86 (48%)</b>

If no, do you have specific plans to implement a formal supplier diversity program by December 31, 2006?

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Aggregate respondents, 2005:	7/28 (25%)	4/17 (24%)	11/45 (24%)

### **5.4. Do you track your purchases made from minority owned vendors and suppliers?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	26/37 (70%)	14/25 (56%)	40/62 (65%)
<u>Year-to-Year group, 2005:</u>	<u>23/37 (62%)</u>	<u>16/25 (64%)</u>	<u>39/62 (63%)</u>
<b>Aggregate respondents, 2005:</b>	<b>28/52 (54%)</b>	<b>17/32 (53%)</b>	<b>45/84 (54%)</b>

**5.5. If you do track purchases from minority owned vendors and suppliers, how do you track them?**

<b>Computerized corporate database</b>	<b>Excel spreadsheet</b>	<b>Access database</b>	<b>Computerized supply-chain program</b>	<b>Other</b>	<b>No tracking</b>
<b>43%</b>	<b>25%</b>	<b>11%</b>	<b>11%</b>	<b>15%</b>	<b>32%</b>

\* This is a new question in 2005: responses are for aggregate group.

**5.10. Does your organization have staff dedicated to the supplier diversity program?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	22/41 (54%)	13/24 (54%)	35/65 (54%)
<u>Year-to-Year group, 2005:</u>	<u>23/41 (56%)</u>	<u>13/24 (54%)</u>	<u>36/65 (55%)</u>
<b>Aggregate respondents, 2005:</b>	<b>24/51 (47%)</b>	<b>13/31 (42%)</b>	<b>37/82 (45%)</b>

**5.11. How many matchmaker events for minority owned businesses did you participate in during 2005?**

In 2005, 42 organizations reported attending 220 events, an average of over five per organization. This represented an increase from 2004, when 36 organizations reported attending 190 events.

## **G. Follow-up**

An aggressive follow-up program is planned for each of the employers who requested help in any of the areas below on the 2005 survey. Supplier diversity challenges, which many employers face, have been addressed in the past year. Examples of such challenges are the fact that purchasing may be done on a regional or national level and that purchasing decisions at the local level may be limited. Support for supplier diversity will continue, and a new emphasis on increasing recruitment, retention and development of minority employees in the management ranks will be implemented.

### **8.1. Would you be willing to share more detailed information about your diversity management efforts (e.g., policies, practices) in order to build community best-practice resources?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	33/41 (80%)	22/24 (92%)	55/65 (85%)
<u>Year-to-Year group, 2005:</u>	<u>33/41 (80%)</u>	<u>22/24 (92%)</u>	<u>55/65 (85%)</u>
<b>Aggregate respondents, 2005:</b>	<b>40/52 (77%)</b>	<b>27/29 (93%)</b>	<b>67/81 (83%)</b>

### **8.2. Would you like to receive information about diversity management consultants to assist you with your efforts?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	18/41 (44%)	16/23 (70%)	34/64 (53%)
<u>Year-to-Year group, 2005:</u>	<u>19/41 (46%)</u>	<u>12/23 (52%)</u>	<u>31/64 (48%)</u>
<b>Aggregate respondents, 2005:</b>	<b>23/53 (43%)</b>	<b>15/30 (50%)</b>	<b>38/83 (46%)</b>

### **8.3. Would you like assistance in developing a supplier diversity program?**

	<b>For-profit</b>	<b>Nonprofit</b>	<b>Total</b>
Year-to-Year group, 2004:	12/41 (29%)	9/23 (39%)	21/64 (33%)
<u>Year-to-Year group, 2005:</u>	<u>10/41 (24%)</u>	<u>4/23 (17%)</u>	<u>14/64 (22%)</u>
<b>Aggregate respondents, 2005:</b>	<b>14/53 (26%)</b>	<b>6/30 (20%)</b>	<b>20/83 (24%)</b>

## VII. Conclusions and Next Steps

The survey results reflect both progress in certain areas of diversity and inclusion, and persistent challenges in others. Over the life of the Commission, there has been a steady, though small, increase in the reported racial diversity of both boards of directors and senior management. A majority of the member organizations have various policies in place that are intended to address diversity management and economic inclusion. In addition, a number of organizations that do not yet have policies in place intend to develop and implement them within the year. The survey also indicates that some organizations are taking steps to increase diversity management and economic inclusion accountability through strategic plans and performance appraisals.

When compared to available national data, the response patterns on this year's survey were mixed for both senior staff and board representation. As discussed in the background section of this report, nationwide minorities hold only 6% of the most senior corporate positions,<sup>9</sup> while the 2005 *Employers Survey on Diversity year-to-year* survey participants reported an 11% minority representation on senior staff. Based on the *Spencer Stuart 2006 Board Diversity Report*, 15% of all directors are minority (African American, Hispanic, Asian).<sup>10</sup> The Commission's year-to-year survey participants reported a 16% minority representation on their boards. Eighty-five percent of our survey's *year-to-year* participants report having at least one minority director, compared to a national rate of 90%.

Minorities made up 26% of the Commission survey participants' workforces, compared to 37.3% of the workforces of *DiversityInc's Top 10 Companies for Recruitment & Retention*, 33.8% of the *Top 50 Companies for Diversity* and 28% of companies nationwide. New hires are 29.4% minority for the Commission survey's *year-to-year* respondents, compared to 42.8% minority for the *DiversityInc's Top 10 Companies for Recruitment & Retention*.

The two areas of greatest progress compared to the Commission's previous year's survey are the overall increase in survey participation, and the increase in the reporting of, and amount of, diversity spend. The number of Northeast Ohio employers participating in the survey increased by 16% from 75 to 87 organizations. Diversity spend information was provided by 41 employers, compared to 22 in the previous year. The total reported spend increased to \$770.4 million, compared to \$259 million in 2004. This increase in corporate involvement and in the willingness to share data can only enhance the Commission's efforts. In addition, there were increases in the presence of corporate policies on diversity and inclusion and in holding managers accountable for managing diversity effectively.

While there has been success in some areas, there continues to be a need for growth in other areas. For example, in the *year-to-year* group of survey respondents on the 2005 survey, there was a decline in the percentage of respondents that have written and communicated policies and practices for recruitment, retention, and training and development of minorities. Corresponding to this pattern is a lack of reported increases in the percentages of minorities in senior management, officials and managers, and professionals within member organizations.

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<sup>9</sup> Spencer Stuart 2006 Board Diversity Report. The report surveyed the 200 largest S&P 500 companies.

<sup>10</sup> Spencer Stuart 2006 Board Diversity Report.

Change has been incremental in the four key areas which the Commission's annual employers survey monitors: board diversity, senior staff diversity, workforce diversity, and supplier diversity. It is clear that the Commission needs to intensify its initiatives to achieve significant increases in these four categories. The time is right for this acceleration in effort.

Membership has almost tripled in the Commission since its establishment in December 2000 (from 28 to 82 organizations). Member involvement has significantly increased over the past year, primarily through the Diversity Professionals Group. All 2005 survey participants will receive a copy of the survey report, and their organizations' individual scorecard, which compares their results to their industry sector and to the *aggregate* and *year-to-year* groups. In addition, this year, each member's Chief Executive Officer, senior diversity professional and purchasing manager will receive a binder of actionable strategies that can be utilized to jump-start an organization's diversity and inclusion initiatives and results. Lastly, the Commission's web pages with a "members only" section, including valuable member resources, will be launched by year's end on the GCP website.

The volunteers and staff of the Commission will continue to work to increase the pace of improvements. Each employer that requested assistance via the survey will be contacted individually. The annual survey will continue to track and report change over time. The opportunities to achieve measurable results and make our region's diversity a source of economic strength have never been greater.

## Appendix I.

### **Commission Co-chairs**

Christopher M. Connor, Chairman, President & CEO, The Sherwin-Williams Company

Brian E. Hall, Chairman & CEO, Industrial Inventory Solutions LLC

### **Leadership Team**

Carole F. Hoover, President & CEO, HooverMilstein – Co-chair, Investment and Growth Task Force

Henry L. Meyer III, Chairman & CEO, KeyCorp – Co-chair, Investment and Growth Task Force

Steven A. Minter, Executive in Residence, Cleveland State University – Co-chair, Organizational Development Task Force

Alan D. Rosskamm, President & CEO, Jo-Ann Stores, Inc. – Co-chair, Organizational Development Task Force

William E. MacDonald III, Vice Chairman, National City Corporation – Co-chair, Supplier Diversity Task Force

Stephanie McHenry, President – Cleveland Region, ShoreBank – Co-chair, Supplier Diversity Task Force

Jose Feliciano, Partner, Baker & Hostetler LLP

Ronald B. Richard, President, The Cleveland Foundation

Hilton O. Smith, Vice President – Community Affairs, Turner Construction Company

Anthony Stallion, M.D., Staff Surgeon, The Children's Hospital, and Chairman of Diversity Council, The Cleveland Clinic Foundation

David W. Whitehead, Vice President & Corporate Secretary, FirstEnergy Corp.

### **Investment and Growth Task Force**

Carole F. Hoover, President & CEO, HooverMilstein – Co-chair

Henry L. Meyer III, Chairman & CEO, KeyCorp – Co-chair

Brent D. Ballard, Managing Partner, Calfee, Halter & Griswold LLP

Paul Clark, President – Northern Ohio, National City Bank

Edward C. Coaxum, Jr., Partner, Buckingham, Doolittle & Burroughs LLP

Lonnie Coleman, President, Coleman Spohn Corporation

Bruce Goode, President, Goode Investment Management

Christopher Gorman, Executive Vice President, KeyBanc Capital Markets

James D. Ireland, Managing Partner, Early Stage Partners LP

Robert J. King, Managing Director, Western Reserve Partners LLC

Dale LaPorte, Senior Vice President for Business Development & General Counsel, Invacare Corporation

Daniel D. Porras, President, Hispanic Business Association

John L. Renner, Economic Development Specialist, U. S. Small Business Association

Eric L. Small, President & CEO, SBK-Brooks Investment Corp.

Les C. Vinney, President & CEO, STERIS Corporation

Eric Von Hendrix, President, MWV Pinnacle Management Corporation

Loyal W. Wilson, Managing Director, Primus Venture Partners, Inc.

**Organizational Development Task Force**

Steven A. Minter, Executive in Residence, Cleveland State University – Co-chair  
Alan D. Rosskamm, President & CEO, Jo-Ann Stores, Inc. – Co-chair  
Lucille Ambroz, Deputy Chief of Staff, Cleveland Municipal School District  
Charmaine Brown, Manager of Diversity & Outreach, Forest City Enterprises  
Eral Burks, President, Minority Executive Search, Inc.  
Ruth Clevenger, Vice President – Corporate Communications, Federal Reserve Bank of Cleveland  
Margot Copeland, Executive Vice President & Director – Civic Affairs & Corporate Diversity, KeyCorp  
David Enzerra, Director of Ethics & Inclusion, Lubrizol Corporation  
Jose C. Feliciano, Partner, Baker & Hostetler LLP  
Robyn Gordon, Director, Diversity Management, NASA Glenn Research Center  
Donet Graves, Managing Partner, Graves & Horton  
Winnie Mason, Director – Cultural Affairs & Human Resources, The MetroHealth System  
Cheri Webb, Senior Vice President – Human Resources, Huntington National Bank

**Supplier Diversity Task Force**

William E. MacDonald III, Vice Chairman, National City Corporation – Co-chair  
Stephanie McHenry, President – Cleveland Region, ShoreBank – Co-chair  
Norman Bliss, President, Polytech, Inc.  
Wyatt Brownlee, Executive Director, Northern Ohio Minority Business Council  
Eduardo Gonzalez, President, Ferrous Metal Processing  
Kathryn M. Hall, Director – Equal Opportunity & Diversity, Case Western Reserve University  
Charles Heyman, Supply Chain Manager, FirstEnergy Corp.  
Thomas E. Hopkins, Senior Vice President, The Sherwin-Williams Company  
Carolyn Lee, Vice President & Vendor Diversity Manager, National City Corporation  
Joe Lopez, President, New Era Builders, Inc.  
William Mickey, Controller, Plain Dealer Publishing Company  
Poppie Parish, Vice President & MWBE Manager, KeyCorp  
Steven Sims, Director – Office of Business Development, Greater Cleveland RTA  
Steven D. Standley, Senior Vice President, University Hospitals Health System  
Ernest Wilkerson, Managing Partner, Wilkerson & Associates Co., LPA

## **Appendix II.**

### **Classification of Private Industry Employees By EEO-1 Survey Categories U.S. Equal Employment Opportunity Commission Washington, DC 20507**

***Officials and Managers*** – Occupations requiring administrative and managerial personnel, who set broad policies, exercise overall responsibility for execution of these policies, and direct individual departments or special phases of a firm’s operation. Include only those company officers and managers who are exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act.

***Professionals*** – Occupations requiring either college graduation or experience of such kind and amount as to provide a comparable background.

***Technicians*** – Occupations requiring a combination of basic scientific knowledge and manual skill which can be obtained through two years of post-high school education, such as is offered in many technical institutes and junior colleges, or through on the job training.

***Sales*** – Occupations engaged wholly or primarily in direct selling.

***Official and Clerical*** – Administrative support occupations, including all clerical-type work regardless of level of difficulty, where the activities are predominately non-manual through some manual work not directly involved with altering or transporting the products is included.

***Craft Workers (Skilled)*** – Manual workers of relatively high level (precision production and repair) having a thorough and comprehensive knowledge of the process involved in their work. Exercise considerable independent judgment and usually received and extensive period of training. Exclude learners and helpers of craft workers.

***Operative (Semiskilled)*** – Workers who operate transportation or materials moving equipment, or who operate machine or processing equipment, or who perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. Includes apprentices in such fields as auto mechanics, plumbing, bricklaying, carpentry, building trades, metalworking trades, and printing trades.

***Laborers (Unskilled)*** – Handlers, equipment cleaners, helpers and other workers in manual occupations which generally require no special training and who perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. Farm workers (laborers) are placed here, as well as farming, forestry and fishing occupations not elsewhere covered.

***Service Workers*** – Workers in both protective and non-protective service occupations. Includes non-protective workers in professional and personal service, amusement and recreation, food service, maintenance, and unarmed sentinel occupations. Also includes protective workers in police and detection, fire fighting and fire protection, armed guard and security occupations.

**NOTES:**

# 2005 Employers Survey On Diversity



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