COMMISSION ON ECONOMIC INCLUSION

2006 EMPLOYERS SURVEY ON DIVERSITY

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I. Survey Highlights

The 2006 survey responses reflect a combination of significant progress in some measures and incremental change in others.

1) Overall increase in survey participation

The total number of organizations participating in the survey grew (100 on the 2006 survey compared to 87 for the previous year). This was a 15% increase in participation. On the 2006 survey, there was an increase in the number of organizations (84) that were part of the *year-to-year* group, defined as those employers who participated in the survey for two consecutive years. Seventy-four organizations composed the *year-to-year* group for the 2005 survey. Tracking the responses within the *year-to-year* group allows for a meaningful measure of real change in diversity and inclusion patterns.

2) A combination of increases in important workplace areas

Supplier diversity, senior management diversity, workforce diversity, and every policy and practice area except one saw some improvement when comparing responses of the *year-to-year* group:

- **Supplier diversity**: This aspect of diversity and inclusion experienced the greatest amount of positive change.
    - Organizations that have a formal supplier diversity program grew from 47% to 50% in the *year-to-year* group.
    - Organizations that track purchases from minority-owned businesses increased from 51% to 63% for this comparison group.
    - Thirty-five respondents provided total diversity spend information in both 2005 and 2006 and 23 organizations provided regional diversity-spend information in both years. The total amount spent with minority-owned businesses increased from $1.78 billion in 2005 to $1.93 billion in 2006.
- **Senior management diversity**: Minorities as members of senior management increased from 9.8% to 10.7% for the overall *year-to-year* group, with similar improvements in both the for-profit and nonprofit organizations.
- **Workforce diversity**: Minorities as a percentage of total employees rose slightly from 24.3% in 2005 to 24.4% in 2006, with a dip from 19.6% to 19.2% in for-profit companies and a small increase from 31.1% to 31.9% for nonprofit organizations.
- **Presence of corporate policies on diversity**: Increases were reported in the percentages of organizations with the following policies:
    - Organizational policy on diversity (77% in 2005, 82% in 2006)
    - Board of directors/trustees statement on diversity (42% in 2005, 57% in 2006)
    - Diversity management goals in the organizational business or strategic plan (66% in 2005, 69% in 2006)
- **Accountability and employment practices**: Respondents also reported increases in four practices that drive change:
    - Holding managers accountable through performance appraisals and/or incentive processes for demonstrating success in managing diversity effectively (54% in 2005, 58% in 2006)
    - Written and communicated policies or practices for recruitment and selection of minorities (66% in 2005, 77% in 2006)
    - Written and communicated policies or practices for proactive retention of minorities (49% in 2005, 55% in 2006)
    - Written and communicated policies or practices specifically directed toward the training and development of minorities (33% in 2005, 44% in 2006)

One metric for the *year-to-year* comparison groups experienced a decline. Minorities on boards of directors dropped from 16.8% in 2005 to 16.3% in 2006, with a slight increase in for-profit board diversity and a reduction in minority individuals on nonprofit boards. To recap, three of the four primary metrics that the Commission tracks – senior management diversity, workforce diversity and supplier diversity – all increased for the *year-to-year* group, while minority representation on boards declined due to a decrease in minority members of nonprofit boards.

3) *Aggregate* group results

When comparing the total pool of 2006 survey participants, or the *aggregate* group, to the total group of survey participants in the 2005 survey, growth in supplier diversity reporting and expenditures were especially noteworthy:

- The overall number of organizations that reported diversity-spend data increased from 41 to 48 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 $1.84 billion to $2.14 billion.

II. Participating Organizations

The Commission is pleased to acknowledge and thank the 100 organizations listed below for their participation and support.

Commission on Economic Inclusion 2006-2007 Member Organizations		
Akron Children's Hospital	Ernst & Young LLP	National City Corporation
Akron General Health System	Federal Reserve Bank of Cleveland	New Era Builders, Inc.
The Fred W. Albrecht Grocery Company	Fifth Third Bank, Northeastern Ohio	Nordson Corporation
American Greetings Corporation	FirstEnergy Corp.	Northeast Ohio Regional Sewer District
AmTrust Bank	Forest City Enterprises, Inc.	Notre Dame College
Applied Industrial Technologies, Inc.	Frantz Ward LLP	Olympic Steel, Inc.
Baker & Hostetler LLP	GE Consumer & Industrial	Ozanne Construction Co., Inc.
Baldwin-Wallace College	Goodyear Tire and Rubber Co.	Parker Hannifin Corporation
Barnes Distribution	Great Lakes Science Center	Plain Dealer Publishing Company
Benesch, Friedlander, Coplan and Aronoff, LLP	Greater Cleveland Partnership	The Progressive Group of Insurance Companies*
Calfee, Halter & Griswold LLP	Greater Cleveland Regional Transit Authority	Roadway Express
Carter Exterminating Company	Hahn Loeser + Parks LLP	Rock and Roll Hall of Fame and Museum, Inc.
Case Western Reserve University	Henkel Consumer Adhesives, Inc.	The Sherwin-Williams Company
Cavaliers Operating Company, LLC	Hiram College	ShoreBank, Cleveland Region
City of Cleveland	Huntington National Bank	Spero-Smith Investment Advisors, Inc.
Cleveland Browns Football Company*	Industrial Transport, Inc.	Squire, Sanders & Dempsey LLP
Cleveland Clinic	InfoCision Management Company	State Industrial Products Corporation
The Cleveland Foundation	Invacare Corporation	STERIS Corporation
Cleveland Indians Baseball Club	Jo-Ann Stores, Inc.	Summa Health System
Cleveland Municipal School District	John Carroll University	Things Remembered, Inc.
Cleveland Orchestra	Jones Day	Thompson Hine LLP
The Cleveland Play House*	Kaiser Permanente	Time Warner Cable of Northeast Ohio
Cleveland Public Library	Kent State University	Turner Construction Company
Cleveland State University	KeyCorp	U. S. Bank
Cuyahoga Community College	Lake Hospital System	UHHS/CSAHS - Cuyahoga, Inc.
Cuyahoga County Board of Commissioners	Lakeland Community College	Ulmer & Berne LLP
Cuyahoga County Public Library	The Little Tikes Company	United Church of Christ
Developers Diversified Realty Corporation	The Lubrizol Corporation	United Way of Greater Cleveland
Diebold, Incorporated	Marcus Thomas LLC	University Circle Incorporated
Diversity Center of Northeast Ohio, Inc.	Medical Mutual of Ohio	University Hospitals of Cleveland
Dix & Eaton, Inc.	The MetroHealth System	WEWS NewsChannel 5
Eaton Corporation	Myers Industries, Inc.*	WVIZ/PBS and 90.3 WCPN ideastream
EMH Regional Healthcare System	NASA John H. Glenn Research Center at Lewis Field	YRC Regional Transportation
		YWCA of Greater Cleveland

*Participants in *2006 Employers Survey on Diversity* only

III. Background

The Commission on Economic Inclusion has worked for the last seven years to help ensure that minority business leaders and entrepreneurs, and minorities in the region's workforce have opportunities to contribute to, and participate in, the economic prosperity of Northeast Ohio. A broad-based coalition of 100 Northeast Ohio employers, the Commission is led by business and community leaders who have joined together to create and implement regional initiatives that address challenges to economic inclusion. 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 for economic development by creating, supporting and implementing initiatives that will significantly improve economic inclusion within Northeast Ohio's employer community.

This is accomplished primarily through the Commission's three task forces: Investment and Growth, Organizational Development, and Supplier Diversity. Each task force is co-chaired by two volunteer business leaders. The 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 third year by Christopher M. Connor, chairman, president and CEO of The Sherwin-Williams Co., and Brian E. Hall, chairman and CEO of Industrial Inventory Solutions LLC. The Commission continues to draw upon the resources of its member organizations to support the work of its task forces. A complete list of the 2006 Leadership Team and task force members is included as Appendix I.

Co-chairs
Christopher M. Connor and Brian E. Hall

Investment and Growth
Co-chairs
Carole F. Hoover
Henry L. Meyer III

Supplier Diversity
Co-chairs
William E. MacDonald III
Stephanie McHenry

Organizational Development
Co-chairs
Steven A. Minter
Alan D. Rosskamm

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 Greater Cleveland. 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
- Assist minority-owned businesses in developing and securing business deals with Commission member organizations

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 annual *Employers Survey on Diversity*, now in its sixth year. The survey has been revised several times, based on participant feedback. Its 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 that can be used to identify best practices that can be shared with other Commission member organizations, as well as the broader community. The 2006 survey continued, and improved upon, the method of electronic response. The Commission's Organizational Development task force has taken the lead in overseeing the design, distribution, and analysis of the survey. This report presents the 2006 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 2007 Top 50 Companies for Diversity, 25% of management positions are held by people of color.[1] In *DiversityInc*'s 2007 Top Ten Companies for Recruitment and Retention, people of color compose 27% of management positions, as contrasted with 12% of people of color holding management positions nationally.[2]

Based on the Spencer Stuart U.S. Board Index 2006, 14% of all directors at the top 200 S&P 500 companies are minority (African American, Hispanic, Asian).[3] Eighty-eight percent of all boards surveyed have at least one minority director.[4] Of *DiversityInc*'s 2007 Top 50 Companies for Diversity, minority representation on boards of directors averages 18%.[5]

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[1] "The DiversityInc Top Ten Companies for Recruitment and Retention," *DiversityInc.com,* April 2007. *DiversityInc*'s 2007 Top 50 Companies for Diversity, Top Ten Companies for Recruitment and Retention and other Top Ten specialty lists were created from a pool of 317 companies across the nation completing *DiversityInc*'s survey on diversity in the workplace.

[2] "The DiversityInc Top Ten Companies for Recruitment and Retention," *DiversityInc.com,* April 2007.

[3] Spencer Stuart U.S. Board Index 2006. "Minority" is defined by Spencer Stuart as African American, Hispanic, or Asian.

[4] Spencer Stuart U.S. Board Index 2006.

Minorities make up 34% of the workforce of *DiversityInc*'s Top 50 Companies for Diversity and 29% of companies nationwide.[6] New hires are 42% minority for companies appearing on the Top 50 list and 45% minority for the Top Ten for Recruitment and Retention.[7]

For supplier diversity, according to statistics from CAPS Research, companies spend anywhere from an average of 5.3% to 9.3% of their procurement budgets (depending on their total U.S. spend) with minority- and women-owned suppliers,[8] compared with 9.7% for *DiversityInc*'s Top 50 Companies for Diversity and 22.7% for the Top Ten Companies for Supplier Diversity.[9] According to the 2002 Economic Census, nationally 17.9% of all nonpublic, for-profit businesses are minority-owned.[10] In 2002 (the last year for which data is currently available), minority-owned firms made up approximately 9% of total businesses in Northeast Ohio.[11]

Forty-eight of the 100 Commission survey participants provided diversity-spend data. A smaller subset of that group also included contextual data (total purchasing budget) against which to calculate their percentage spend with minority-owned businesses. For this smaller subset, the rates of diversity spend were 7.7% at the overall organizational level and 14.3% spent with minority-owned businesses within the region. Both of these percentages are within, or slightly above, the comparison ranges noted above. However, the number of organizations reporting this information is small, and Northeast Ohio's diversity spend as a whole continues to lag severely behind these national numbers.

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[5] "The Top Ten Companies for Recruitment and Retention," *DiversityInc.com*, April 2007.
[6] "The Top Ten Companies for Recruitment and Retention," *DiversityInc.com*, April 2007; "Using Diversity to Drive Business: The Art of Diversity Excellence," Luke Visconti, speech given at the City Club of Cleveland, June 1, 2007.
[7] "The Top Ten Companies for Recruitment and Retention," *DiversityInc.com*, April 2007; "Using Diversity to Drive Business: The Art of Diversity Excellence," Luke Visconti, speech given at the City Club of Cleveland, June 1, 2007.
[8] "September 2005 National Diversity Spend," www.capsresearch.org. CAPS Research is a global research center for strategic supply management jointly sponsored by the Institute of Supply Management and the W.P. Carey School of Business at Arizona State University.
[9] "The Top 10 Companies for Supplier Diversity," *DiversityInc.com*, April, 2007.
[10] U.S. Census Bureau, 2002 Survey of Business Owners Company Summary – Released September 14, 2006. The Economic Census is taken every five years, with 2002 information being the latest data available.
[11] Calculation based on US Census Bureau, 2002 Economic Census data. We define Northeast Ohio as those counties within the Cleveland-Akron-Elyria-OH Metropolitan Statistical Area: Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

IV. Executive Summary

This Executive Summary incorporates two approaches to reviewing the survey data: comparisons of organizations that participated both years and the *aggregate* group of survey respondents from 2005 and 2006. First, data from the 84 organizations that participated in the survey in both 2005 and 2006 is reviewed. Because all of these organizations participated 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. Sixty-one percent (51 respondents) of the *year-to-year* group were for-profit companies. Thirty-nine percent (33 respondents) were nonprofit or government organizations.

Since the *aggregate* groups are composed of different organizations for both 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 2005 *aggregate* group totaled 87 organizations, while 100 organizations participated in the 2006 *aggregate* group. This net increase of 13 organizations (a 15% increase) was reached through the loss of three previous Commission members and the addition of 16 new members. For the 2005 and the 2006 *aggregate* group, for-profit companies comprised 60%, and the combined nonprofit and government organizations (referred to as the nonprofit group) made up 40% 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 2006 survey was completed by 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 190,861 employees in Northeast Ohio and 800,756 employees in the U.S.

Year-to-Year comparison of organizations that participated in both 2005 and 2006

To maximize the value of this survey, it is critical that comparisons be tracked for the group of employers that completed the survey in both 2005 and 2006. Eighty-four employers did so, although 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 as follows:

Leadership and workforce composition

1. Board diversity results were a mix of a slight decline and no change.

   - The percentage of minorities on boards of directors declined from 16.8% in 2005 to 16.3% in 2006. For those for-profit companies reporting in both years, the percentage of minorities on boards increased from 15.1% to 15.2%. For nonprofit organizations reporting in both years, the percentage of minorities on boards decreased from 17.5% to 16.8%.

   - The percentage of organizations reporting at least one minority individual on their Board of Directors remained the same for organizations reporting in both years. Eighty-eight percent (50 of 57) of these survey participants reported having at least one minority board member in both 2005 and 2006. As noted in Section III of this report, Spencer Stuart U.S. Board Index 2006 reports that 88% of all boards surveyed have at least one minority director. The percentages and number of organizations responding affirmatively to this survey item remained the same for the *year to-year* segment for both the for-profit group and the nonprofit group. Twenty-five of 32 for-profit companies (78%) and 100% of the 25 nonprofit organizations reporting on this item have at least one minority individual as a board member.

2. Senior management diversity increased.

   - Minority representation among senior management increased from 9.8% to 10.7% for the *year-to-year* group. For those for-profit companies reporting in both years, the percentage rose, moving from 6.4% to 6.7%. For those nonprofit and government organizations reporting in both years, the percentage of minorities in senior management increased from 14.8% in 2005 to 15.4%. **Note**: The total and for-profit percentages were calculated without data from one member whose total number of senior managers and number of minority individuals who are senior managers dropped by 57% and 79% respectively, due to a corporate restructuring.

3. Overall workforce diversity, including minority representation at the upper levels of organizations within the *year-to-year* comparison group, showed small increases.

   - Minorities as a percentage of employees increased from 24.3% in 2005 to 24.4%.
   - Minorities as a percentage of "officials and managers" increased from 13.9% to 14.7%. In the "professionals" job category, the percentage of minorities rose from 18.1% to 19.1%. **Note**: The officials and managers data was analyzed without data from two for-profit companies whose numbers increased significantly, one by 25%, due to a 2005 reporting error, and another by 43%, due to a corporate acquisition in late 2005.

There continues to be a disparity between local demographics and workforce composition at the top levels of the responding organizations. Minorities comprise approximately 22% of the population in the Commission's eight-county service area: Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage and Summit. 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 2005 to 2006.

Of the total new employees hired in 2006 by the organizations in the *year-to-year* comparison group, 28.1% were minority individuals (17% African American, 6% Hispanic, 4% Asian and 0.9% other). For 2005, 29.3% of all newly hired individuals were minority individuals, (18% were African American, 7% were Hispanic, 3% were Asian. and 0.5% were Native American).

Among the newly hired officials and managers in 2006, 20.4% were minority individuals (11.6% African American, 5.9% Hispanic, 1.5% Asian and 0.4% Native American). Among the 2005 newly hired officials and managers, 16.7% were minority individuals (7.7% African American, 4.9% Hispanic, 3.1% Asian and 0.3% Native American). A detailed breakdown of employee demographics, new hires, and retention percentages appears in Section VI.

To make significant strides in increasing minority representation at senior levels of participating organizations, strategies and resources for minority employee development, promotion and retention will be priority services offered to Commission members in 2007 and 2008.

<u>Leadership and accountability</u>

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

- Organizational policy on diversity (77% in 2005, 82% in 2006)
- Board of directors/trustees statement on diversity (42% in 2005, 57% in 2006)
- Diversity management goals in the organizational business or strategic plan (66% in 2005, 69% in 2006)

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 increased from 76% to 82%, and for the nonprofit group, the increase was from 78% to 81%. For those who reported the presence of a board of directors/trustees statement on diversity, the for-profit rate rose from 42% to 49%, and the nonprofit rate improved from 41% to 52%. Among survey respondents who reported including diversity management goals in their business or strategic plan, both subgroups reported positive change. For-profit respondents' affirmative response rate increased from 63% in 2005 to 71% in 2006, and the nonprofit group's affirmative rate increased from 70% to 73% in the *year-to-year* group comparison.

- The practice of holding managers accountable through performance appraisals and/or incentive processes for demonstrating effective diversity management also showed a positive change within the *year-to-year* group (54% in 2005, 58% in 2006).
  At the subgroup level, the percentages improved with the for-profit rate increasing from 50% to 52% and the nonprofit rate from 60% to 67%.

Practices related to diversity

The percentage of respondents that reported having three important diversity and inclusion policies and practices increased.

- The number of organizations that reported having written and communicated policies or practices for recruitment and selection of minorities increased for the *year-to-year* group (from 66% to 77%).
- The number of organizations that reported having written and communicated policies for proactive retention of minorities improved from 49% to 55%.
- The number of organizations that reported having written and communicated policies or practices for training and development of minorities also rose for the *year-to-year* group (33% to 44%).

Specifically, on recruitment policies or practices for minorities, the percentage of for-profit organizations that answered affirmatively rose from 72% to 74%. For the nonprofit group, the affirmative response rate improved from 58% to 67%. On retention policies or practices for minorities, the percentage of for-profit companies increased from 59% to 60%, and for the nonprofit group, the percentage climbed from 36% to 42%. The for-profit rate of training and development policies or practices for minorities, grew from 36% to 52%, and the nonprofit rate from 28% to 31%.

Diversity awareness and education

A slight decline was noted in this practice.

- The number of organizations within the *year-to-year* group that reported offering diversity training, education or awareness programs slipped by one, from 60 to 59, with the loss of one nonprofit entity and a resulting reduction in percentage from 73% to 72% between the two years. At the subgroup level, the for-profit rate stayed at 70%, and the nonprofit rate declined from 78% to 75%.

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 rose from 47% to 50% in the *year-to-year* group.
- The percentage of these organizations that track their purchases from minority-owned vendors and suppliers grew from 51% to 63%, with the number of organizations implementing this practice increasing from 39 to 48.
- Thirty-five respondents provided total diversity spend information in both 2005 and 2006. The dollar amount for this group grew from $1.78 billion to $1.93 million. Both numbers include $1 billion reported by one member company in each year. Similarly, 23 organizations provided regional diversity-spend information in both years. This amount declined slightly, from $130.8 million to $123.6 million, due primarily to a $32 million reduction in regional spend by one Commission member.
- Lastly, within the *year-to-year* group, the average number of minority-owned business matchmaker events attended by the survey group increased. However, the number of survey participants attending these events decreased. Forty-two respondents made 220 appearances in 2005 (an average of five per organization), and 37 made 300 appearances in 2006 (an average of eight). So, a smaller number of Commission members attended a significantly greater number of matchmakers.

Within the data on supplier diversity, the results were mostly positive for the for-profit and nonprofit subgroups. Reporting on the presence of a formal supplier diversity program, for-profit group percentages rose, with 45% responding “yes” in 2005 compared to 55% in 2006. The percentage remained at 52% in 2006 for the nonprofit subgroup.

On the survey question regarding the tracking of purchases from minority-owned vendors and suppliers, the percentage of for-profit respondents that collect such data grew from 49% to 64% (from 22 to 29 companies), and the percentage within the nonprofit subgroup reporting that they collected such data rose from 55% to 61% (from 17 to 19 organizations).

Analyzing the experience of the *year-to-year* 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 2005 and 2006

The *aggregate* data is useful for 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.

Staff dedicated to diversity initiatives

Of the 72 organizations that reported having full-time or part-time staff dedicated to diversity initiatives, 60% reported having a part-time person in the Human Resources department. In addition, between 17% and 29% of respondents stated that they have either full- or part-time staff in their Human Resources, Supplier Diversity/Purchasing, or Diversity departments. **Note**: The structure of this survey question was altered for the 2006 survey, so only *aggregate* responses could be analyzed for this report.

Supplier diversity spend and programs

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 41 to 48 (an increase of 17%). As would be expected, the reported spend also grew substantially from an aggregate total diversity spend of $1.77 billion in 2005 to $2.14 billion in 2006. Both numbers include $1 billion reported by one member company in each year. 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. Twenty-eight organizations reported a regional diversity spend figure in 2005. This grew to 35 organizations in 2006 (a 25% increase). Likewise, the regional diversity spend amount grew to **$436.6 million** for 2006, from $132.3 million in 2005.

Another positive response pattern can be found in the question regarding the organization's intention to start a formal supplier diversity program during the current year. In both 2005 and 2006, 11 organizations answered "yes" to this question. Each of these organizations will be offered assistance for this implementation.

Follow-up

The number of Commission survey participants requesting assistance with diversity inclusion initiatives decreased. The percentage of organizations indicating they wanted information about diversity management consulting services declined from 46% in 2005 to 34% in 2006. The actual number of organizations requesting this information slipped from 38 to 32.

There was also a reduction 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 declined from 24% in 2005 to 17% in 2006. This percentage represents 20 and 16 companies respectively. These decreases in requests for help may be due to the concerted outreach and support efforts that Commission volunteers and staff have been conducting over the past two years. As in 2006, organizations requesting help with their diversity and inclusion initiatives will be contacted individually.

V. Survey Instrument and Methods

Description of 2006 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, it 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 is measurable: (1) on a year-to-year basis (within your own organization and against all other organizations taking the survey in both this year and the preceding year); (2) by comparing your organization to other for-profit or nonprofit organizations that completed the survey this year; and (3) by comparing your organization to all organizations completing the survey this year.

Additionally, this year organizations will receive a newly expanded organizational scorecard that compares their performance against quantitative criteria and qualitative goals. 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 the Commission's 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 100 respondents to the 2006 survey. This number includes 84 organizations that completed the survey in 2005 and 16 newly recruited organizations. Of the 100 organizations, 60 were for-profit, and 40 were nonprofit.

Survey distribution and collection methods

The surveys were distributed electronically during January 2007. Surveys were completed by the staff of each organization and returned to the Commission between February 2007 and May 2007. 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. The individual responses are kept confidential. Only GCP staff conducting the analysis have 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 publicly and privately held for-profit entities. The nonprofit category includes government, charitable and educational organizations, and hospitals. The aggregate category includes information from all organizations that responded to each question. The "year-to-year" category contains the 84 organizations that completed the survey in both 2005 and 2006.

VI. Survey Findings

The results from the survey are presented in cumulative form. In keeping with our commitment to survey participants, individual responses are kept confidential. For each survey item, responses are presented in two ways: First, frequency tables are presented for those organizations that participated in the 2005 and 2006 surveys, or the *year-to-year* group. In addition, responses for all organizations that participated in the 2006 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. The results will be reported as x/20 (where "x" equals the number of positive responses). 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 charitable, educational, health care, and governmental organizations. Several of the questions in the survey request information regarding the race or ethnicity 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

1.7. How many employees did you have on December 31, 2006?

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

Year-to-Year Group	N.E. Ohio	Outside N.E. Ohio	Total
For-profit	63,900	317,632	381,532
Nonprofit	107,022	3,379	110,401
Total	170,922	321,011	491,933

Aggregate Group	N.E. Ohio	Outside N.E. Ohio	Total
For-profit	74,777	455,626	530,403
Nonprofit	116,084	154,269	270,353
Total	190,861	609,895	800,756

1.8. 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 2005:	38/50 (76%)	25/32 (78%)	63/82 (77%)
Year-to-Year group 2006:	41/50 (82%)	26/32 (81%)	67/82 (82%)
***Aggregate* respondents 2006:**	**46/59 (78%)**	**28/39 (72%)**	**74/98 (76%)**

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

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	35/50 (70%)	25/32 (78%)	60/82 (73%)
Year-to-Year group 2006:	35/50 (70%)	24/32 (75%)	59/82 (72%)
***Aggregate* respondents 2006:**	**42/59 (71%)**	**30/40 (75%)**	**72/99 (73%)**

If no, do you have specific plans to implement such programs or courses by December 31, 2007?

	For-profit	Nonprofit	Total
***Aggregate* respondents 2006:**	**6/16 (38%)**	**2/10 (20%)**	**8/26 (31%)**

1.12. Please indicate the level of staffing dedicated to diversity initiatives

check all that apply

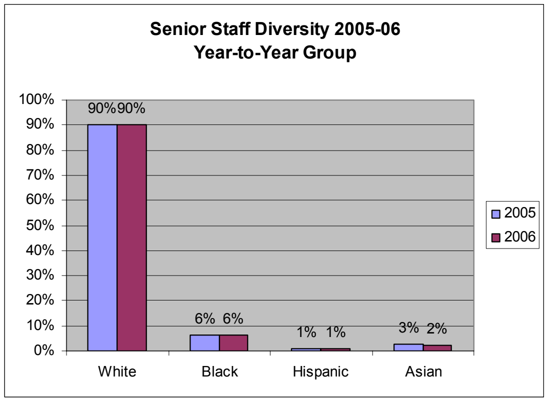
***Aggregate* respondents 2006:**

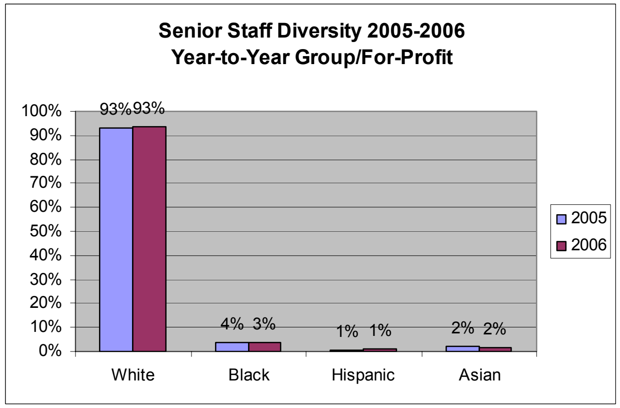
43/72 (60%) part-time in Human Resources department
21/72 (29%) part-time in Supplier Diversity/Purchasing department
21/72 (29%) full-time in Diversity department
20/72 (28%) full-time in Human Resources department
14/72 (19%) full-time in Supplier Diversity/Purchasing department
12/72 (17%) part-time in Diversity department

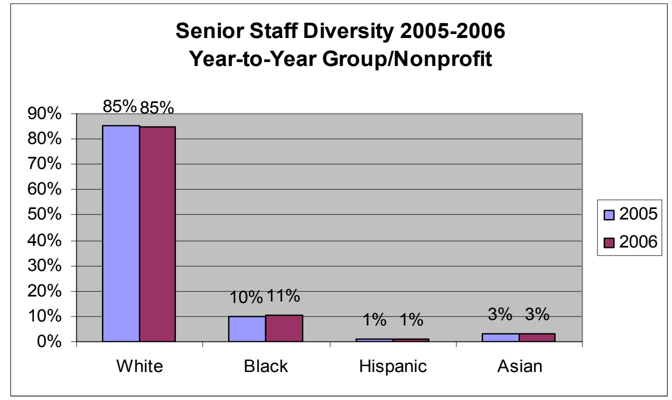
B. Leadership and Workforce Composition

2.1. Please enter the number of Senior Managers on December 31, 2006 in each category below:

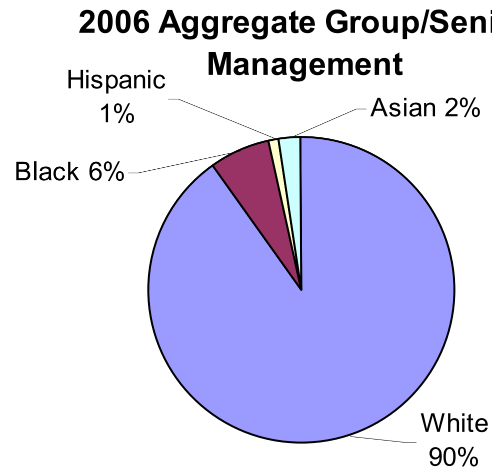
Senior Management is defined as direct reports to the CEO and direct reports to those managers reporting to the CEO, excluding secretarial or administrative support.







***Year-to-Year* Respondents**	**57**
For-profit	**33**
Nonprofit	**24**

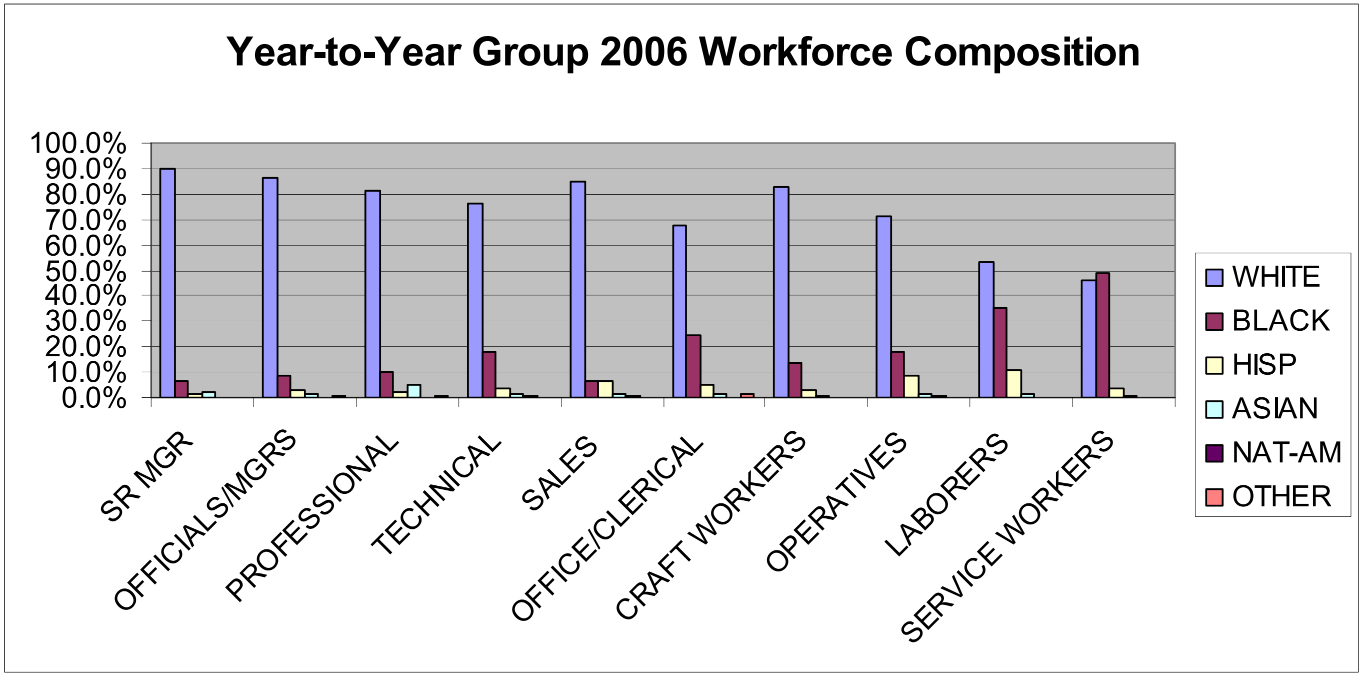


***Aggregate* Respondents**	**77**
For-profit	**46**
Nonprofit	**31**

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

2.1. 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 is included in the analysis.



***Year-to-Year* Respondents**	**66**
For-profit	**38**
Nonprofit	**28**

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 2006.

The number of employees reported as hired and separated from the organization was compared with the answer to question 1.7 ("How many employees did you have on December 31, 2006?"). 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.

***Year-to-Year* Respondents**	**68**
For-profit	**40**
Nonprofit	**28**

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

	White	Black	Hispanic	Asian/Pacific Islander	Native American	Other	Total
SR MGR	117	10	1	5	1	3	**137**
OFFICIALS/MGRS	1245	116	75	47	5	10	**1498**
PROFESSIONAL	5442	707	173	391	19	103	**6835**
TECHNICAL	2186	408	110	114	14	15	**2847**
SALES	5005	534	441	44	29	2	**6055**
OFFICE/CLERICAL	6573	2291	868	235	54	418	**10439**
CRAFT WORKERS	560	150	53	43	3	0	**809**
OPERATIVES	2426	883	492	35	19	1	**3856**
LABORERS	1277	557	300	30	23	2	**2189**
SERVICE WORKERS	991	829	76	17	5	9	**1927**
							0
2005 TOTAL	**25822**	**6485**	**2589**	**961**	**172**	**563**	**36592**
	White	**Black**	**Hispanic**	**Asian/Pacific Islander**	**Native American**	**Other**	**Total**
SR MGR	85.4%	7.3%	0.7%	3.6%	0.7%	2.2%	**14.6%**
OFFICIALS/MGRS	83.1%	7.7%	5.0%	3.1%	0.3%	0.7%	**16.9%**
PROFESSIONAL	79.6%	10.3%	2.5%	5.7%	0.3%	1.5%	**20.4%**
TECHNICAL	76.8%	14.3%	3.9%	4.0%	0.5%	0.5%	**23.2%**
SALES	82.7%	8.8%	7.3%	0.7%	0.5%	0.0%	**17.3%**
OFFICE/CLERICAL	63.0%	21.9%	8.3%	2.3%	0.5%	4.0%	**37.0%**
CRAFT WORKERS	69.2%	18.5%	6.6%	5.3%	0.4%	0.0%	**30.8%**
OPERATIVES	62.9%	22.9%	12.8%	0.9%	0.5%	0.0%	**37.1%**
LABORERS	58.3%	25.4%	13.7%	1.4%	1.1%	0.1%	**41.7%**
SERVICE WORKERS	51.4%	43.0%	3.9%	0.9%	0.3%	0.5%	**48.6%**
	White	**Black**	**Hispanic**	**Asian/Pacific Islander**	**Native American**	**Other**	**Total**
2005 TOTAL	71%	18%	7%	3%	0.5%	1.5%	**29.4%**

***Year-to-Year* Respondents**	**68**
For-profit	**40**
Nonprofit	**28**

2006 New Hires/*Year-to-Year* Group

	White	Black	Hispanic	Asian/Pacific Islander	Native American	Other	Total
SR MGR	122	16	3	6	0	0	**147**
OFFICIALS/MGRS	1241	186	88	24	4	15	**1558**
PROFESSIONAL	5982	858	195	800	32	92	**7959**
TECHNICAL	2269	591	94	109	35	9	**3107**
SALES	6216	799	563	98	21	1	**7698**
OFFICE/CLERICAL	6043	2011	695	216	40	169	**9174**
CRAFT WORKERS	687	96	44	7	3	1	**838**
OPERATIVES	1612	470	197	21	9	9	**2318**
LABORERS	333	237	101	11	3	0	**685**
SERVICE WORKERS	996	911	46	21	19	9	**2002**
2006 TOTAL	**25501**	**6175**	**2026**	**1313**	**166**	**305**	**35486**
	White	**Black**	**Hispanic**	**Asian/Pacific Islander**	**Native American**	**Other**	**Total**
SR MGR	83.0%	10.9%	2.0%	4.1%	0.0%	0.0%	**17.0%**
OFFICIALS/MGRS	79.7%	11.9%	5.6%	1.5%	0.3%	1.0%	**20.3%**
PROFESSIONAL	75.2%	10.8%	2.5%	10.1%	0.4%	1.2%	**24.8%**
TECHNICAL	73.0%	19.0%	3.0%	3.5%	1.1%	0.3%	**27.0%**
SALES	80.7%	10.4%	7.3%	1.3%	0.3%	0.0%	**19.3%**
OFFICE/CLERICAL	65.9%	21.9%	7.6%	2.4%	0.4%	1.8%	**34.1%**
CRAFT WORKERS	82.0%	11.5%	5.3%	0.8%	0.4%	0.1%	**18.0%**
OPERATIVES	69.5%	20.3%	8.5%	0.9%	0.4%	0.4%	**30.5%**
LABORERS	48.6%	34.6%	14.7%	1.6%	0.4%	0.0%	**51.4%**
SERVICE WORKERS	49.8%	45.5%	2.3%	1.0%	0.9%	0.4%	**50.2%**
2006 TOTAL	72%	17%	6%	4%	0%	0.9%	**28.1%**

***Year-to-Year* Respondents**	**68**
For-profit	**40**
Nonprofit	**28**

Comparing the 2005 and 2006 data on new hires for the *year-to-year* group, there was an overall 1.3% decline in minority representation among newly hired employees (from 29.4% to 28.1%). In both years, minority representation was highest in the laborer and service worker job categories. The largest increases by racial group in the higher-level job categories were:

- African-Americans: senior management (3.6%), officials/managers (4.2%), and technical (4.7%)
- Hispanics: senior managers (1.3%)
- Asians: professionals (4.4%)

Summary of Employee Separation Data

- For reported employee separations (voluntary and involuntary):

- The separation rate for the overall survey population was 14.3% in 2006, a decrease from 16.5% in 2005. This decrease indicates more minorities were remaining with Commission-member employers. However, the rate was higher for lower-level positions.

- Separation rates for minority individuals in certain job categories were as follows:

  1) For officials/managers, separation rates for minorities were lower than the *job category average* (8.8%) for each minority group except Native American (14.0%).

  2) For professional positions, the separation rates for all minority groups were higher than the *job category average* (10.3%).

  3) For technical positions, the separation rates for all minority groups were higher than the *job category average* (11.4%).

2005 SEPARATION DATA

OFFICIALS/MANAGERS LEFT VOLUNTARILY OR INVOLUNTARILY						
	SEPARATIONS	**% OF ALL SEPARATIONS**		**EMPLOYEES**		**TURNOVER RATE**
WHITE	1609	**84.4%**		13195		12.2%
BLACK	194	**10.2%**		1830		10.6%
HISPANIC	53	**2.8%**		732		7.2%
ASIAN	45	**2.4%**		292		15.4%
NATIVE AMERICAN	2	**0.1%**		47		4.3%
TOTAL	1907	**100.0%**		16155		11.8%
PROFESSIONALS LEFT VOLUNTARILY OR INVOLUNTARILY						
WHITE	4722	**76.6%**		53905		8.8%
BLACK	763	**12.4%**		6640		11.5%
HISPANIC	184	**3.0%**		1637		11.2%
ASIAN	335	**5.4%**		2969		11.3%
NATIVE AMERICAN	33	**0.5%**		131		25.2%
TOTAL	6166	**100.0%**		65965		9.3%
TECHNICIANS LEFT VOLUNTARILY OR INVOLUNTARILY						
WHITE	1639	**79.7%**		14308		11.5%
BLACK	349	**17.0%**		3291		10.6%
HISPANIC	29	**1.4%**		621		4.7%
ASIAN	36	**1.8%**		385		9.4%
NATIVE AMERICAN	2	**0.1%**		54		3.7%
TOTAL	2057	**100.0%**		18697		11.0%
TOTAL WORKFORCE TURNOVER RATES						
WHITE	25433	**74.7%**		151510		16.8%
BLACK	5401	**15.9%**		38328		14.1%
HISPANIC	1994	**5.9%**		9447		21.1%
ASIAN	737	**2.2%**		5098		14.5%
NATIVE AMERICAN	342	**1.0%**		584		58.6%
TOTAL	**34061**	**100.0%**		**206453**		**16.5%**

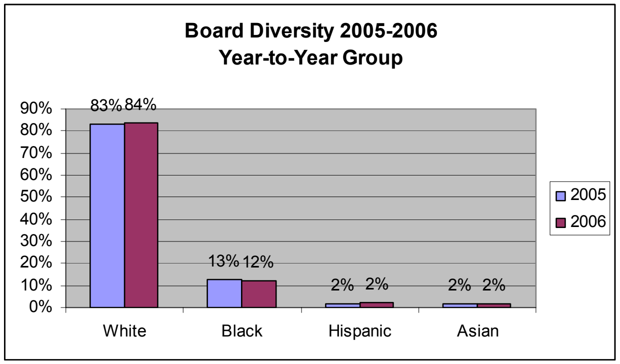
***Year-to-Year* Respondents**	**68**
For-profit	**41**
Nonprofit	**27**

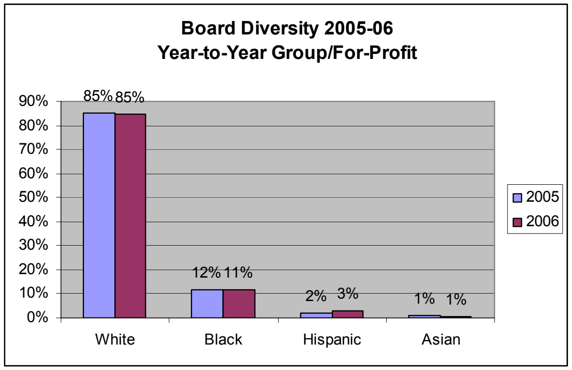
2006 SEPARATION DATA

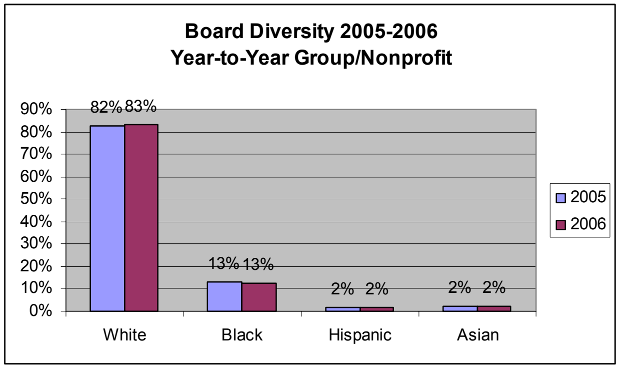
OFFICIALS/MANAGERS LEFT VOLUNTARILY OR INVOLUNTARILY				
	SEPARATIONS	**% OF ALL SEPARATIONS**	**EMPLOYEES**	**TURNOVER RATE**
WHITE	1171	**82.8%**	13208	8.9%
BLACK	152	**10.7%**	1771	8.6%
HISPANIC	53	**3.7%**	647	8.2%
ASIAN	22	**1.6%**	255	8.6%
NATIVE AMERICAN	6	**0.4%**	43	14.0%
TOTAL	1414	**100.0%**	16006	8.8%
PROFESSIONALS LEFT VOLUNTARILY OR INVOLUNTARILY				
WHITE	5291	**77.5%**	53485	9.9%
BLACK	738	**10.8%**	6872	10.7%
HISPANIC	209	**3.1%**	1623	12.9%
ASIAN	419	**6.1%**	3454	12.1%
NATIVE AMERICAN	25	**0.4%**	155	16.1%
TOTAL	6825	**100.0%**	66274	10.3%
TECHNICIANS LEFT VOLUNTARILY OR INVOLUNTARILY				
WHITE	1532	**72.3%**	14207	10.8%
BLACK	428	**20.2%**	3418	12.5%
HISPANIC	77	**3.6%**	614	12.5%
ASIAN	54	**2.5%**	327	16.5%
NATIVE AMERICAN	17	**0.8%**	70	24.3%
TOTAL	2119	**100.0%**	18668	11.4%
TOTAL WORKFORCE TURNOVER RATES				
WHITE	21417	**70.9%**	150798	14.2%
BLACK	5429	**18.0%**	40742	13.3%
HISPANIC	2011	**6.7%**	11647	17.3%
ASIAN	854	**2.8%**	5929	14.4%
NATIVE AMERICAN	161	**0.5%**	807	20.0%
TOTAL	**30215**	**100.0%**	**211392**	**14.3%**

***Year-to-Year* Respondents**	**68**
For-profit	**41**
Nonprofit	**27**

3.1. Please provide demographics on your Board of Directors/Trustees on December 31, 2006 (if division, please use data for parent company). If your organization has no board, please report numbers on your governing committee.

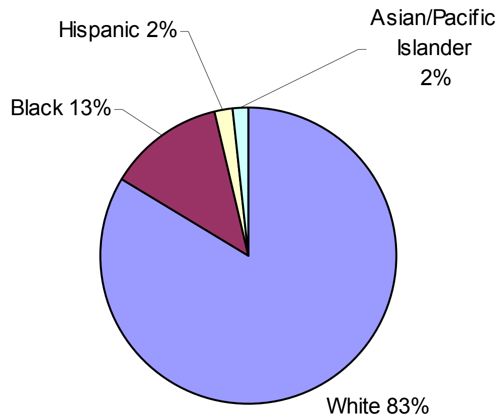






***Year-to-Year* Respondents**	**57**
For-profit	**32**
Nonprofit	**25**

2006 Aggregate Group/Board Diversity



3.2. Please check if either statement applies to your organization:

***Aggregate* respondents 2006:**
21/36 (58%) Our board is appointed by public appointing authorities
15/36 (42%) Our organization is a partnership or limited liability company. We do not have a separate board of directors or governing committee.

***Aggregate* Respondents**	**77**
For-profit	**41**
Nonprofit	**36**

The responses to the question on board demographics in 2006 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 in the Northeast Ohio area (22%). This pattern holds for both the *year-to-year* and *aggregate* groups. The nonprofit subgroup reported the highest representation of minorities, with *year-to-year* group percentages of 16.8%, and 17.3 % representation in the *aggregate* group. For the *year-to-year* group, 88% of respondents reported at least one minority individual on their Board of Directors.

Note: Native American representation is negligible at board level for both *year-to-year* and *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?

	For-profit	**Nonprofit**	**Total**
Year-to-Year group 2005:	33/46 (72%)	18/31 (58%)	51/77 (66%)
Year-to-Year group 2006:	35/46 (74%)	24/31 (67%)	59/77 (77%)
***Aggregate* respondents 2006:**	**41/56 (73%)**	**28/40 (70%)**	**69/96 (72%)**

If no, do you have specific plans to implement policies and practices for recruitment and selection of minorities by December 31, 2007?

	For-profit	**Nonprofit**	**Total**
***Aggregate* respondents 2006:**	**0/13 (0%)**	**4/12 (33%)**	**4/25 (16%)**

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

	For-profit	**Nonprofit**	**Total**
Year-to-Year group 2005:	27/46 (59%)	11/31 (36%)	38/77 (49%)
Year-to-Year group 2006:	29/46 (60%)	13/31 (42%)	42/77 (55%)
***Aggregate* respondents 2006:**	**29/56 (52%)**	**14/40 (35%)**	**43/96 (45%)**

If no, do you have specific plans to implement policies or practices for reducing the barriers affecting the retention of minorities by December 31, 2007?

	For-profit	**Nonprofit**	**Total**
***Aggregate* respondents, 2005:**	**9/26 (35%)**	**5/24 (21%)**	**14/50 (28%)**

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

	For-profit	**Nonprofit**	**Total**
Year-to-Year group 2005:	16/44 (36%)	8/29 (28%)	24/73 (33%)
Year-to-Year group 2006:	23/44 (52%)	9/29 (31%)	32/73 (44%)
***Aggregate* respondents 2006:**	**24/54 (44%)**	**10/38 (26%)**	**34/92 (37%)**

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, 2007?

	For-profit	**Nonprofit**	**Total**
***Aggregate* respondents 2006:**	**4/29 (14%)**	**3/27 (11%)**	**7/56 (13%)**

4.7. Please indicate below any of the advocacy or diversity support groups that your organization has.

	For-profit	**Nonprofit**	**Total**
***Aggregate* respondents 2006:**			
Diversity Council/Committee	**25/58 (43%)**	**21/48 (44%)**	**46/96 (48%)**
Other internal work group	**15/58 (26%)**	**16/48 (33%)**	**31/96 (32%)**
Affinity Groups	**11/58 (19%)**	**11/48 (23%)**	**22/96 (23%)**
None of the above	**22/58 (38%)**	**11/48 (23%)**	**33/96 (34%)**

D. 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?

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	22/44 (50%)	18/30 (60%)	40/74 (54%)
Year-to-Year group 2006:	23/44 (52%)	20/30 (67%)	43/74 (58%)
***Aggregate* respondents 2006:**	**29/55 (53%)**	**22/40 (55%)**	**51/95 (54%)**

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, 2007?

	For-profit	Nonprofit	Total
***Aggregate* respondents 2006:**	**4/26 (15%)**	**0/17 (0%)**	**4/43 (9%)**

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

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	18/43 (42%)	12/29 (41%)	30/72 (42%)
Year-to-Year group 2006:	26/43 (49%)	15/29 (52%)	41/72 (57%)
***Aggregate* respondents 2006:**	**29/53 (55%)**	**18/39 (46%)**	**47/92 (51%)**

Does your Board of Directors/Trustees have specific plans to adopt a written statement/policy on diversity and inclusion by December 31, 2007?

	For-profit	Nonprofit	Total
***Aggregate* respondents 2006:**	**3/23 (13%)**	**3/19 (16%)**	**6/42 (14%)**

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

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	27/43 (63%)	21/30 (70%)	48/73 (66%)
Year-to-Year group 2006:	28/43 (71%)	22/30 (73%)	50/73 (69%)
***Aggregate* respondents 2006:**	**34/54 (63%)**	**27/40 (68%)**	**61/94 (65%)**

If no, do you have plans to include diversity management goals and objectives in your future strategic plans by December 31, 2007?

	For-profit	Nonprofit	Total
***Aggregate* respondents 2006:**	**6/19 (32%)**	**1/12 (8%)**	**7/31 (23%)**

E. Supplier Diversity

For the *aggregate* group of survey respondents, 55 organizations indicated that they collected data related to their diversity spend, and 48 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?

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	21/47 (45%)	16/31 (52%)	37/78 (47%)
Year-to-Year group 2006:	24/47 (55%)	15/31 (52%)	39/78 (50%)
***Aggregate* respondents 2006:**	**27/56 (48%)**	**17/39 (44%)**	**44/95 (46%)**

If no, do you have specific plans to implement a formal supplier diversity program by December 31, 2007?

	For-profit	Nonprofit	Total
***Aggregate* respondents 2006:**	**8/24 (33%)**	**3/20 (15%)**	**11/44 (25%)**

5.3. Do you track your purchases made from minority owned vendors and suppliers?

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	22/45 (49%)	17/31 (55%)	39/76 (51%)
Year-to-Year group 2006:	29/45 (64%)	19/31 (61%)	48/76 (63%)
***Aggregate* respondents 2006:**	**34/54 (63%)**	**21/38 (55%)**	**55/93 (59%)**

5.4. Does your CEO play an active role in driving your supplier diversity initiatives?

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	27/39 (69%)	15/29 (52%)	42/68 (62%)
Year-to-Year group 2006:	27/39 (69%)	16/29 (55%)	43/68 (63%)

	For-profit	Nonprofit	Total
***Aggregate* respondents 2006:**	**36/49 (74%)**	**19/39 (49%)**	**55/88 (63%)**

5.5. How many matchmaker events for minority-owned businesses did you participate in during 2006?

- In 2006, 37 organizations reported 300 appearances, an average of eight per organization.
- In 2005, 42 organizations reported 220 appearances.

F. Follow-up

An aggressive follow-up program is planned for each employer who requested help in any of the areas below on the 2006 survey. Supplier diversity challenges, which many employers face, have been addressed in the past year, such as 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 management ranks will be implemented.

8.1. Does your organization have information on best-practice diversity management programs or policies that you are willing to share? (Commission staff will contact you to collect the information).

Note: The structure of this item was changed for the 2006 survey, so only *aggregate* responses are presented.

	For-profit	Nonprofit	Total
***Aggregate* respondents 2006:**	**40/52 (77%)**	**27/29 (93%)**	**67/81 (83%)**

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

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	20/45 (44%)	11/28 (39%)	31/73 (43%)
Year-to-Year group 2006:	14/45 (31%)	10/28 (36%)	24/73 (33%)
***Aggregate* respondents 2006:**	**19/54 (35%)**	**13/39 (33%)**	**32/93 (34%)**

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

	For-profit	Nonprofit	Total
Year-to-Year group 2005:	12/46 (26%)	6/28 (21%)	18/74 (24%)
Year-to-Year group 2006:	6/46 (24%)	4/28 (14%)	10/74 (14%)
***Aggregate* respondents 2006:**	**9/55 (16%)**	**7/39 (18%)**	**16/94 (17%)**

8.4. Would you like to receive assistance in developing your diversity and inclusion program?

	For-profit	Nonprofit	Total
***Aggregate* respondents 2006:**	**17/52 (33%)**	**6/38 (16%)**	**23/90 (26%)**

VII. Conclusions and Next Steps

The survey results reflect both progress in certain areas of diversity and inclusion and persistent challenges in others. The area of most significant positive change continues to be supplier diversity, with increases in the number of organizations reporting formal supplier diversity programs, the number who are tracking diversity spend, the number sharing those figures on the survey, and the amount of the spend itself. In addition, this year, there were across-the-board increases in the reported presence of corporate diversity and inclusion policies and practices. Lastly, Commission membership and survey participation continues to grow.

For minority representation in leadership roles, change continues to be incremental. Minorities as a percentage of senior managers increased by almost one percentage point. The percentage of minority individuals on boards dropped by a half-percent, due to a decline on nonprofit boards. At best, the *year-to-year* survey participant group falls at the national average on available comparison data for most categories. Nationwide, minorities hold only 6% of the most senior corporate positions,[12] and The *2006 Employers Survey on Diversity's year-to-year* participants reported a 10.7% minority representation. Based on the Spencer Stuart *U.S. Board Index 2006*, 14% of all directors are minorities (defined by Spencer Stuart as African American, Hispanic, Asian).[13] The Commission's *year-to-year* survey participants reported a 16.3% minority representation on their boards. Eighty-eight percent of our survey's year-to-year participants report having at least one minority director, which equals the cited national rate.[14]

Minorities made up 24.4% of the Commission survey's *year-to-year* participants' workforces, compared to 34% of the *DiversityInc*'s Top 50 Companies for Diversity and 29% of companies nationwide. New hires are 28.1% minority for the Commission survey's *year-to-year* respondents compared to 45% minority for the *DiversityInc*'s Top Ten Companies for Recruitment & Retention. As noted earlier in this report, minority individuals comprise 22% of the population of the eight counties served by the Commission.

The areas of greatest progress compared to the Commission's previous year's survey are the continued increase in survey participation (up 15% from the previous year), and the increase in the reporting and amount of diversity spend. The number of Northeast Ohio employers participating in the survey increased from 87 to 100 organizations. Diversity-spend information was provided by 48 employers, compared to 41 in the previous year. The total *aggregate* reported spend increased to $2.14 billion, compared to $1.77 billion in 2005, including $1 billion spent by one Commission member in both 2005 and 2006. 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 all but one corporate policy and practice areas measured on the survey.

While there has been success in some areas, particularly in supplier diversity, the overall pace of change is still slow and incremental. The Commission has served as a persistent advocate for greater inclusion in corporate leadership roles and in organizational supply chains. During the past year, special emphasis was given to encouraging Commission members to increase their supplier diversity spend and these efforts appear to have paid off. It is clear that the Commission needs to intensify its initiatives to achieve significant increases in all aspects of diversity and inclusion.

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[12] Spencer Stuart 2006 *Board Diversity Report*. The report surveyed the 200 largest S&P 500 companies.
[13] Spencer Stuart *U.S. Board Index 2006*.
[14] Spencer Stuart *U.S. Board Index 2006*.

During 2006, the Commission developed a regional inclusion model that incorporates the services of a wide range of minority economic development organizations within Northeast Ohio. In 2007, the model will be implemented with the first participants entering the model's Minority Business Accelerator. In addition, the model incorporates increased services to Commission members to improve all facets of leadership and workforce diversity and inclusion.

Membership has almost quadrupled in the Commission since its establishment in December 2000 (from 28 to 100 organizations). Member involvement has significantly increased during 2006, primarily through the Diversity Professionals Group and two successful CEO briefings held in April 2006. All 2006 survey participants will receive a copy of the survey analysis report and their organization's confidential individual scorecard that compares their results against quantitative and qualitative metrics. Lastly, suggested corrective strategies will accompany the scorecards and be posted in the Commission's Web site members-only section.

The volunteers and staff of the Commission will continue to work to increase the pace of improvements. Each employer who 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, Chairman, 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 C. Feliciano, Partner, Baker & Hostetler LLP
Ronald B. Richard, President, The Cleveland Foundation
Hilton O. Smith, Senior Vice President, Community Affairs, Turner Construction Company
Anthony Stallion, M.D., Staff Surgeon, The Children's Hospital, and Chairman of Diversity Council, Cleveland Clinic
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
Kathleen Obert, Chairman and CEO, Edward Howard & Co.
Ari Maron, Partner, MRN, Ltd.
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.

Investment and Growth Task Force (cont.)
Brenda Y. Terrell, Ph.D., Founder & Principal, Terrell & Associates
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, Chairman, President & CEO, Jo-Ann Stores, Inc., Co-chair
Charmaine Brown, Manager of Diversity & Outreach, Forest City Enterprises
Eral Burks, President, Minority Executive Search, Inc.
Margot Copeland, Executive Vice President & Director – Civic Affairs & Corporate Diversity, KeyCorp
Jose C. Feliciano, Partner, Baker & Hostetler LLP
Sari Feldman, Director, Cuyahoga County Public Library
Robyn N. Gordon, Director, Diversity Management, NASA Glenn Research Center at Lewis Field
Donet Graves, Partner, Buckley King LPA
Winnie Mason, Director, Cultural Affairs & Human Resources, The MetroHealth System
Cheri Webb, Senior Vice President, Human Resources, Huntington National Bank
Vanessa Webbs, Diversity Management Analyst – NASA Glenn Research Center at Lewis Field

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.
Alexis Clark-Amison, President, Northeast 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 Regional Transit Authority
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

Executive/Senior-Level Officials and Managers: Individuals who plan, direct and formulate policies, set strategy and provide the overall direction of enterprises/organizations for the development and delivery of products or services, within the parameters approved by boards of directors or other governing bodies. Residing in the highest levels of organizations, these executives plan, direct or coordinate activities with the support of subordinate executives and staff managers. They include, in larger organizations, those individuals within two reporting levels of the CEO, whose responsibilities require frequent interaction with the CEO. Examples of these kinds of managers are: chief executive officers, chief operating officers, chief financial officers, line of business heads, presidents or executive vice presidents of functional areas or operating groups, chief information officers, chief human resources officers, chief marketing officers, chief legal officers, management directors and managing partners.

First/Mid-Level Officials and Managers: Individuals who serve as managers, other than those who serve as Executive/Senior-Level Officials and Managers, including those who oversee and direct the delivery of products, services or functions at group, regional or divisional levels of organizations. These managers receive directions from the Executive/Senior-Level management and typically lead major business units. They implement policies, programs and directives of executive/senior management through subordinate managers and within the parameters set by Executive/Senior-Level management. Examples of these kinds of managers are: vice presidents and directors, group, regional or divisional controllers; treasurers; human resources, information systems, marketing, and operations managers. The First/Mid-Level Officials and Managers subcategory also includes those who report directly to middle managers. These individuals serve at functional, line of business segment or branch levels and are responsible for directing and executing the day-to-day operational objectives of enterprises/organizations, conveying the directions of higher level officials and managers to subordinate personnel and, in some instances, directly supervising the activities of exempt and non-exempt personnel. Examples of these kinds of managers are: first-line managers; team managers; unit managers; operations and production mangers; branch managers; administrative services managers; purchasing and transportation managers; storage and distribution managers; call center or customer service managers; technical support managers; and brand or product mangers.

Professionals: Most jobs in this category require bachelor and graduate degrees, and/or professional certification. In some instances, comparable experience may establish a persons qualifications. Examples of these kinds of positions include: accountants and auditors; airplane pilots and flight engineers; architects; artists; chemists; computer programmers; designers; dieticians; editors; engineers; lawyers; librarians; mathematical scientists; natural scientists; registered nurses; physical scientists; physicians and surgeons; social scientists; teachers; and surveyors.

Technicians: Jobs in this category include activities that require applied scientific skills, usually obtained by post secondary education of varying lengths, depending on the particular occupation, recognizing that in some instances additional training, certification, or comparable experience is required. Examples of these types of positions include: drafters; emergency medical technicians; chemical technicians; and broadcast and sound engineering technicians.

Sales Workers: These jobs include nonmanagerial activities that wholly and primarily involve direct sales. Examples of these types of positions include: advertising sales agents; insurance sales agents; real estate brokers and sales agents; wholesale sales representatives; securities, commodities, and financial services sales agents; telemarketers; demonstrators; retail salespersons; counter and rental clerks; and cashiers.

Administrative Support Workers: These jobs involve non-managerial tasks providing administrative and support assistance, primarily in office settings. Examples of these types of positions include: office and administrative support workers; bookkeeping; accounting and auditing clerks; cargo and freight agents; dispatchers; couriers; data entry keyers; computer operators; shipping, receiving and traffic clerks; word processors and typists; proofreaders; desktop publishers; and general office clerks.

Craft Workers (formerly Craft Workers-Skilled)**:** Most jobs in this category includes higher skilled occupations in construction (building trades craft workers and their formal apprentices) and natural resource extraction workers. Examples of these types of positions include: boilermakers; brick and stone masons; carpenters; electricians; painters (both construction and maintenance); glaziers; pipe layers, plumbers, pipe fitters and steamfitters; plasterers; roofers; elevator installers; earth drillers; derrick operators; oil and gas rotary drill operators; and blasters and explosive workers. This category also includes occupations related to the installation, maintenance and part replacement of equipment, machines and tools, such as: automotive mechanics; aircraft mechanics; and electric and electronic equipment repairers. This category also includes some production occupations that are distinguished by the high degree of skill and precision required to perform them, based on clearly defined task specifications, such as: millwrights; etchers and engravers; tool and die makers; and pattern makers.

Operatives (formerly Operatives-Semi-skilled)**:** Most jobs in this category include intermediate skilled occupations and include workers who operate machines or factory-related processing equipment. Most of these occupations do not usually require more than several months of training. Examples include: textile machine workers; laundry and dry cleaning workers; photographic process workers; weaving machine operators; electrical and electronic equipment assemblers; semiconductor processors; testers, graders and sorters; bakers; and butchers and other meat, poultry and fish processing workers. This category also includes occupations of generally intermediate skill levels that are concerned with operating and controlling equipment to facilitate the movement of people or materials, such as: bridge and lock tenders; truck, bus or taxi drivers; industrial truck and tractor (forklift) operators; parking lot attendants; sailors; conveyor operators; and hand packers and packagers.

Laborers and Helpers (formerly Laborers-Unskilled)**:** Jobs in this category include workers with more limited skills who require only brief training to perform tasks that require little or no independent judgment. Examples include: production and construction worker helpers; vehicle and equipment cleaners; laborers; freight, stock and material movers; service station attendants; construction laborers; refuse and recyclable materials collectors; septic tank servicers; and sewer pipe cleaners.

Service Workers: Jobs in this category include food service, cleaning service, personal service, and protective service activities. Skill may be acquired through formal training, job-related training or direct experience. Examples of food service positions include: cooks; bartenders; and other food service workers. Examples of personal service positions include: medical assistants and other healthcare support positions; hairdressers; ushers; and transportation attendants. Examples of cleaning service positions include: cleaners; janitors; and porters. Examples of protective service positions include: transit and railroad police and fire fighters; guards; private detectives and investigators.

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Notes:

Commission on Economic Inclusion

2006 Employers Survey on Diversity: **Errata**

Page	Section	Correction
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9	Executive Summary paragraph 3	Change "26 % were minority individuals (14.7% African American, 6.8% Hispanic, 3.2% Asian and .06% Native American)" to: "28.1% were minority individuals (17% African American, 6% Hispanic, 4% Asian, 0.9% other)"
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