

50

BEST COMPANIES FOR DIVERSITY

Meet the corporations that have committed to take action so that African American stakeholders can reap the benefits of inclusion

THE EDITORS



HUNDREDS OF BUSINESS LEADERS AND SENIOR EXECUTIVES GATHERED AT THE hot-ticket corporate event in early October: The 2018 Executive Leadership Council Recognition Gala. At the black-tie affair, the leading organization for black global senior executives celebrated, as its president & CEO Otha “Skip” Spriggs III stated, “the exceptional work of executives and companies that are champions of inclusion.”

That night, the spotlight shone brightly on JPMorgan Chase & Co., recipient of this year’s ELC Corporate Award. “JPMorgan Chase has long believed in the power of diversity and inclusion. We know that the diversity of our people makes us stronger and better as a company and as individuals,” Valerie Rainford, head of Advancing Black Leaders & Diversity Advancement Strategies, told attendees in accepting the honor on behalf of her company. “More than knowing it, JPMorgan Chase is taking intentional action to embed diversity in every level of our organization. We’re doing this by implementing a targeted strategy focused on attracting, hiring, retaining, and advancing black talent firmwide. Critical to the success of any bold strategy of this kind is the commitment and support of JPMorgan Chase’s leadership team. But no one has been more committed to increasing black representation at JPMorgan Chase than our Chairman & CEO Jamie Dimon.”

Fittingly, Chase can also be found on the 2018 **BLACK ENTERPRISE** 50 Best Companies for Diversity list. The financial services giant has demonstrated its worthiness on just about every measure. Embracing recruitment and promotion practices as well as mentorship programs, among other attributes, have clearly made it one of the employers of choice for multicultural professionals. Two of its senior executives—consumer banking CEO Thasunda Duckett and investment banking Vice Chairman Rodney Miller—are prominent list makers on **BE**’s Most Powerful Executives in Corporate America roster. Two high-powered African American business leaders sit on its board of directors. And over the past few years, the nation’s largest bank has made multimillion-dollar investments in black-owned businesses from Detroit, Michigan, to Paris, France.

Chase serves as an exemplar of how we measure inclusion on our list: Companies that back up their diversity talk by creating specific, measurable pathways to ensure significant African American representation among its workforce, senior management team, board of directors, and its pool of leading suppliers (see list criteria on this page).

BLACK ENTERPRISE and ELC have created this roster at a time when a number of corporate chiefs have focused on applying D&I initiatives to boost the competitive metabolism of their organizations. In fact, more than 400 such leaders have signed the CEO Action for

Diversity & Inclusion pledge. Dimon and CEOs of 36 other companies on our roster—ADP, Bank of America, PepsiCo, General Motors, Macy’s, and Xerox Corp. among them—are signatories.

Another recent development:

Using the political process to mandate diversity. In today’s #MeToo era, California recently enacted new legislation requiring publicly traded firms within the state to have at least one woman on its board of directors by the end of 2019, or face stiff penalties for noncompliance.

Although a number of D&I proponents applaud efforts to bring women, LGBT communities, and other underrepresented groups under the corporate tent, others like ELC’s Spriggs maintain that African Americans are actually losing ground—especially in the C-suite. The most noticeable indicator has been the absence of black CEOs operating the nation’s largest publicly traded corporations. Today, there are only three black Fortune 500 CEOs versus seven African Americans who held these positions in 2012. Actually, the trio—Marvin R. Ellison, chairman & CEO of home improvement retailer Lowe’s Cos. Inc.; Roger W. Ferguson Jr., president & CEO of financial services giant TIAA; and Kenneth C. Frazier, chairman & CEO of pharmaceuticals leader Merck & Co. Inc.—all manage companies on our list.

Even though committed companies may be included among the 50 Best, that doesn’t necessarily mean that they don’t have to contend with internal racial incidences. Take GM. *The Detroit Free Press* recently reported that nine African American workers at its Toledo, Ohio, plant allegedly found nooses hanging from the ceilings and have sued the company for allowing acts of racial discrimination to go unchecked. The article reports, however, that GM took corrective action to address such hostile behavior and halted production to review zero-tolerance policies regarding discrimination and harassment.

In evaluating respondent surveys, our editors found one consistent element: Opportunities for African Americans and other ethnic minorities tend to coincide with diverse leadership. For example, Lowe’s, a list newcomer, tapped Ellison, the former CEO of JC Penney, as its new chief executive in July. In recent months, he’s recruited another African American as a member of its executive management ranks, and now three African Americans (including Ellison), sit on its board of directors. And the dedication to building a leadership pipeline has become evident: The company sent 22 of its best and brightest African American talent to participate in ELC leadership training. 

HOW WE CHOSE THE 50 BEST COMPANIES

BLACK ENTERPRISE’s editorial research team, in partnership with the Executive Leadership Council, sent surveys to the nation’s top 1,000 publicly traded companies to get an in-depth look at the ethnic and gender composition of these corporations, as well as understand various programs designed to foster and maintain an inclusive working environment. The annual survey is centered around efforts focused on African Americans, but also includes other ethnic minority groups as defined by the U.S. Census Bureau. Any information provided by companies on diversity efforts targeted toward women, LGBT, the disabled, and veterans was used as secondary, supporting data for inclusion on the list.

BE performed a quantitative and editorial assessment of all corporate respondents and measured each company’s diversity efforts using the following criteria:

1 **BE** measured companies against each other using data from four key categories: employee base, senior management, board of directors, and procurement. Based on a quantitative and editorial analysis, each company received a score. Senior management and board of directors’ categories were given a higher weighting based on company impact across the board. Procurement was also a major factor while employee base was given a lower weighting.

2 We also reviewed the status of companies across all **BE** diversity and corporate leadership lists, including The Top Companies for Supplier Diversity, The 300 Most Powerful Executives, Top Executives in Corporate Diversity, as well as companies who have chief diversity officers and/or designated diversity departments.

3 We also considered those companies in which the CEO takes an active role in diversity practices.

50 BEST COMPANIES FOR DIVERSITY

Accenture plcChicago, IL
www.accenture.com**BUSINESS TYPE**Consulting & Professional
Services**ADP Inc.**Roseland, NJ
www.adp.com**BUSINESS TYPE**Management & Software
Services**Aflac Inc.**Columbus, GA
www.aflac.com**BUSINESS TYPE**

Supplemental Insurance

**Allstate Corp.**Northbrook, IL
www.allstate.com**BUSINESS TYPE**

Insurance

**Ameren Corp.**St. Louis, MO
www.ameren.com**BUSINESS TYPE**

Utilities

**American Express Co.**New York, NY
www.americanexpress.com**BUSINESS TYPE**Financial Services,
Insurance, Travel**Aramark**Philadelphia, PA
www.aramark.com**BUSINESS TYPE**Food and Facilities
Management Services**AT&T Inc.**Dallas, TX
www.att.com**BUSINESS TYPE**Telecommunications &
Multimedia**Bank of America Corp.**Charlotte, NC
www.bankofamerica.com**BUSINESS TYPE**

Financial Services

**Cigna Corp.**Bloomfield, CT
www.cigna.com**BUSINESS TYPE**

Insurance

**The Coca-Cola Co.**Atlanta, GA
www.coca-colacompany.com**BUSINESS TYPE**

Beverages, Consumer Goods

**Comerica Inc.**Dallas, TX
www.comerica.com**BUSINESS TYPE**

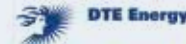
Financial Services

**Consolidated Edison Inc.**New York, NY
www.coned.com**BUSINESS TYPE**

Utilities

**DTE Energy Co.**Detroit, MI
www.dteenergy.com**BUSINESS TYPE**

Utilities

**Duke Energy Corp.**Charlotte, NC
www.duke-energy.com**BUSINESS TYPE**

Utilities

**Eli Lilly and Co.**Indianapolis, IN
www.lilly.com**BUSINESS TYPE**

Pharmaceuticals

**Entergy Corp.**New Orleans, LA
www.entergy.com**BUSINESS TYPE**

Utilities

**Exelon Corp.**Chicago, IL
www.exeloncorp.com**BUSINESS TYPE**

Utilities

**Fannie Mae**Washington, DC
www.fanniemae.com**BUSINESS TYPE**

Financial Services

**FedEx Corp.**Memphis, TN
www.fedex.com**BUSINESS TYPE**

Air Delivery & Freight Services

**Ford Motor Co.**Dearborn, MI
www.ford.com**BUSINESS TYPE**

Automotive

**General Mills Inc.**Minneapolis, MN
www.generalmills.com**BUSINESS TYPE**

Consumer Goods

**General Motors Co.**Detroit, MI
www.gm.com**BUSINESS TYPE**

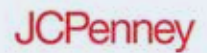
Automotive

**IBM Corp.**Armonk, NY
www.ibm.com**BUSINESS TYPE**

Technology

**J. C. Penney Co. Inc.**Plano, TX
www.jcpenney.com**BUSINESS TYPE**

Retail



50 BEST COMPANIES FOR DIVERSITY

JLL

Chicago, IL
www.us.jll.com

BUSINESS TYPE

Real Estate



Johnson Controls Inc.

Milwaukee, WI
www.johnsoncontrols.com

BUSINESS TYPE

Technology



JPMorgan Chase & Co.

New York, NY
www.jpmorganchase.com

BUSINESS TYPE

Financial Services

JPMORGAN CHASE & CO.

The Kellogg Co.

Battle Creek, MI
www.kelloggcompany.com

BUSINESS TYPE

Consumer Goods



Lockheed Martin Corp.

Bethesda, MD
www.lockheedmartin.com

BUSINESS TYPE

Aerospace/Defense



Lowe's Cos. Inc.

Mooresville, NC
www.lowes.com

BUSINESS TYPE

Home Improvement



Macy's Inc.

Cincinnati, OH
www.macys.com

BUSINESS TYPE

Retail



Marriott International Inc.

Bethesda, MD
www.marriott.com

BUSINESS TYPE

Lodging



McDonald's Corp.

Oak Brook, IL
www.mcdonalds.com

BUSINESS TYPE

Restaurants



Merck & Co. Inc.

Kenilworth, NJ
www.merck.com

BUSINESS TYPE

Pharmaceuticals



MGM Resorts International

Las Vegas, NV
www.mgmresorts.com

BUSINESS TYPE

Resorts & Casinos

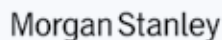


Morgan Stanley

New York, NY
www.morganstanley.com

BUSINESS TYPE

Financial Services



Nationwide Insurance Co.

Columbus, OH
www.nationwide.com

BUSINESS TYPE

Insurance



Pacific Gas and Electric Co.

San Francisco, CA
www.pge.com

BUSINESS TYPE

Utilities



PepsiCo Inc.

Purchase, NY
www.pepsico.com

BUSINESS TYPE

Beverages, Consumer Goods



PNC Financial Services Group Inc.

Pittsburgh, PA
www.pnc.com

BUSINESS TYPE

Financial Services



Prudential Financial Inc.

Newark, NJ
www.prudential.com

BUSINESS TYPE

Financial Services



Southern Co.

Atlanta, GA
www.southerncompany.com

BUSINESS TYPE

Utilities



State Farm

Bloomington, IL
www.statefarm.com

BUSINESS TYPE

Insurance



TIAA

New York, NY
www.tiaa.org

BUSINESS TYPE

Financial Services



Toyota Motor North America Inc.

Plano, TX
www.toyota.com

BUSINESS TYPE

Automotive



UPS

Atlanta, GA
www.ups.com

BUSINESS TYPE

Air Delivery & Freight Services



Verizon Communications Inc.

New York, NY
www.verizon.com

BUSINESS TYPE

Telecommunications



Wells Fargo & Co.

San Francisco, CA
www.wellsfargo.com

BUSINESS TYPE

Financial Services



Xerox Corp.

Norwalk, CT
www.xerox.com

BUSINESS TYPE

Business Services & Equipment



PepsiCo Inc.

CEO: Ramon Laguarta

PepsiCo continues to increase opportunities for African Americans enabling them to reach full leadership capability.

According to the company, Mosaic, the employee resource group focused on African American talent, sponsors a nine-month U.S.-based mentoring program, "Mosaic Mentoring" for exempt associates seeking to expand their leadership capabilities and personal development.

PepsiCo also has partnerships with external organizations that provide its African American associates with professional and personal development opportunities. Earlier this year, PepsiCo sent 30 African American associates to **BLACK ENTERPRISE'S** Women of Power Summit and over 60 African American employees to the Executive Leadership Council's Mid-Level Manager's Symposium.

PepsiCo also offers programs specifically geared to female employees: the Leadership Investment for Tomorrow program, The Transformational Leadership Program, and Pinnacle, all of which have a specific focus on including and engaging women of color.

In addition to making our list of Best Companies for Diversity, PepsiCo's Global Chief Diversity and Engagement Officer & SVP, Talent Management, Umran Beba was featured on our Top Executives in Corporate Diversity list.

PNC Financial Services Group Inc.

CEO: William S. Demchak

In an effort to increase corporate diversity, PNC Financial has a few programs set up to foster inclusion. The company recently added two new programs with a particular focus on advancing African Americans in senior roles at the company. In one, the company identifies and develops a pipeline for black employees who are high potential in the middle to senior levels. The delegates attend symposiums and are provided with tools, exposure, and training that prepares them to eventually lead lines of businesses at PNC. PNC's Executive Leadership Council program provides professional sponsorship specifically for African American executive development and leadership. It provides networking resources designed to assist and support current and future corporate executives by enhancing their professional growth through leadership coaching and development. Each candidate is provided a sponsor that develops the candidate and provides continuous growth throughout his or her career. The company notes that this program is the only one of its kind in the U.S.

In 2015, PNC's Corporate Diversity Council, comprising executives from various lines of business across the organization, introduced the Talent and Diversity Trends Tool. The tool is designed to support managers' effort to build more diverse teams and help them accept more responsibility for driving a diverse and inclusive culture. It measures hiring, promotions, turnover, and development plans.



TIAA

CEO: Roger W. Ferguson Jr.

TIAA believes that a diverse and inclusive workforce is one of their greatest strengths and a key measure of the success of the company. To help minimize unconscious bias, a "Journey to Inclusion," training is offered to every employee at TIAA. The company notes that so far more than half of the organization has completed this training.

One of the firm's main aims is to support African American development, sponsorship, and participation in key programs used to strengthen its leadership ranks. As part of the firm's annual talent review process, senior leaders from across the firm meet to discuss key talent in their areas and systematically evaluate their employees, looking at the diversity of top talent and, where appropriate, assign mentors and sponsors.

Diversity representation metrics are part of an enterprise balanced scorecard, signaling to the entire company that the diversity of the workforce is a key performance factor. In addition, diversity representation metrics are included in TIAA's quarterly operating review and discussed as part of the performance briefings for each line of business. Those metrics are incorporated into performance plans and influence mid-year and year-end performance evaluations, leading to deeper accountability and commitment.

Supplier diversity is also important to the company and TIAA makes a "concerted effort" to invest in supplier diversity. The percentage of its ethnic minority supplier spend has increased almost double year over year. The firm proactively seeks out African American suppliers by utilizing the National Supplier Development Council and attending National Minority Supplier Development Council conferences.

Prudential Financial Inc.

CEO: Charles Lowrey

Prudential has a long-standing commitment to recognizing the unique experiences and contributions of black and other ethnic minorities. That's why the company includes specific accountability for improving the representation of underrepresented minorities and women in executive positions by linking progress in this area to executive compensation. Accountability is now required of leaders at every level of the company.

The company is also a founding partner of My Brother's Keeper (MBK), an initiative launched by the Obama's White House in 2014, designed to ensure that America's boys and young men of color can reach their full potential. Prudential's support includes \$3.8 million in grants establishing the MBK Alliance, a new nonprofit organization supporting MBK communities by implementing holistic interventions that enable successful life outcomes for young men of color. The company also put \$10 million in impact investments to provide increased capital for minority communities and to support innovative education and job skills training programs.

Prudential's Black Leadership Forum ERG aims to enhance the development of Prudential's black employees and support the company's diversity efforts (i.e., recruitment, retention, and multicultural marketing).

—Lisa Fraser

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