

The View from the Front Lines

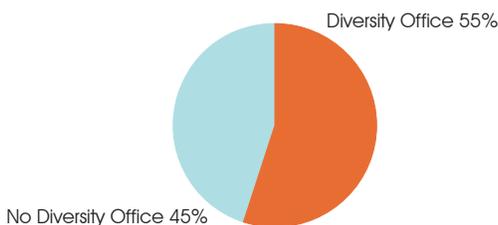
Results from *The New York Times* survey of 265 diversity insiders

Twenty-first century companies are competing in an intense race for diverse talent and customers, both domestically and abroad. Leading companies all understand one fundamental truth: diversity and inclusion are essential for business success. The concept of “diversity” was virtually absent from the business vocabulary a mere few decades ago. Today’s successful diversity commitment requires an evolution into an ever-growing movement toward cultural change and business growth. It is not enough to be diverse; real advancement comes through inclusion. Employees and consumers of all backgrounds are demanding equality and social progress, and companies who ‘get it’ will reap the rewards of higher revenue, greater employee satisfaction, and a growing customer base.

If diversity and inclusion are paramount to the equation of becoming an elite corporate player, one would expect all companies to be pushing diversity and inclusion initiatives across the board. To find out the real truth behind diversity’s corporate doors, The New York Times recently conducted a study in partnership with Virtcom Enterprises surveying 265 diversity and HR professionals. CEO Diversity Leadership readers are granted a summary of what the experts have to say about what diversity actually looks like from the “front lines.”

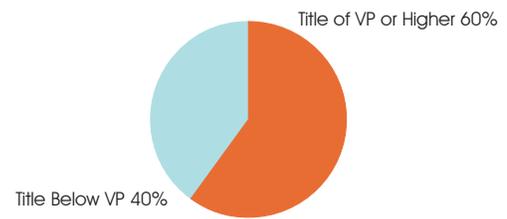
Corporate Diversity Resources and Commitment

Corporate Diversity Office



Corporate diversity has made vast strides but large opportunities for growth remain. Out of 265 respondents, the slim majority said their company had a diversity office or department. Yet, 45 percent of participants’ companies did not.

Diversity Office Leadership



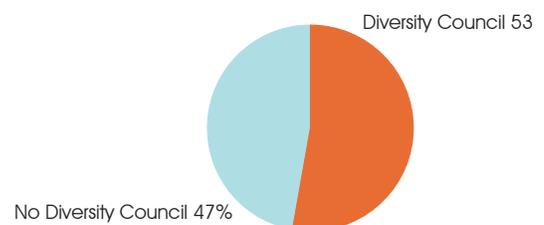
Diversity leaders rank high on the corporate ladder. One in 6 diversity office heads hold the rank of Vice President or higher, with the breakdown as follows: C-Suite 22 percent, V.P. 19 percent, Senior V.P. 10 percent, Executive V.P. 9 percent. Of the 40 percent ranking at Assistant V.P. or lower, 24 percent hold the title of Director.

Annual Diversity Budget



Diversity budget depends on revenue size. The average company diversity budget, according to surveyees, is \$500-700K per year, with budget dollars highly dependent on revenue size. Almost half of companies with revenues exceeding \$5B have diversity budgets over \$1B, and over half of companies with revenues below \$5B have budgets below \$250K.

Diversity Council

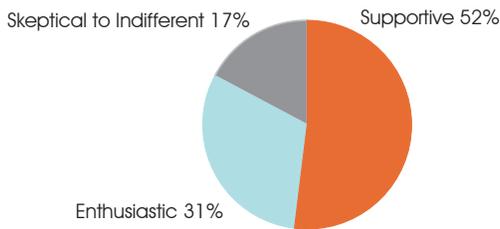


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Just over half of companies have a diversity council. The numbers are about split when it comes to the presence of a diversity council, with 57 percent of companies that do holding a slim margin over the 47 percent that do not. Of those that do, less than 10 percent have global diversity councils.

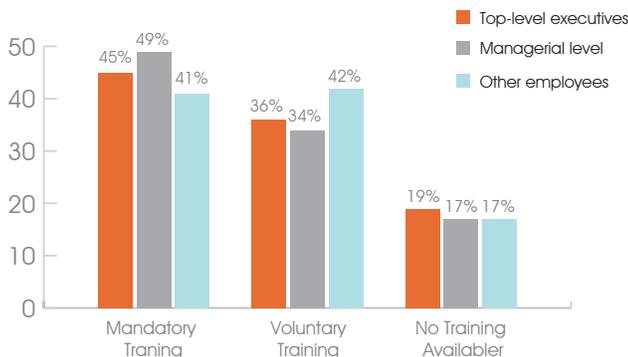
Top 10 Companies' Diversity Activities		
1	Diversity metrics/measurement	53%
2	Community outreach or philanthropy	53%
3	Accommodations for disabled workers	52%
4	Same-sex partners benefits	51%
5	Religious/cultural/holiday accommodations	49%
6	Supplier diversity	48%
7	Mandatory diversity training	40%
8	Affinity Groups	38%
9	Mentorship/coaching programs	38%
10	Accommodations for working parents	26%

Perception of Corporate Commitment to Diversity Initiatives



Corporate commitment is more supportive than enthusiastic. The majority of respondents feel their corporate commitment to diversity initiatives is supportive, while 31 percent say it is enthusiastic. Almost 2 out of 10 feel their company's commitment is either indifferent or skeptical.

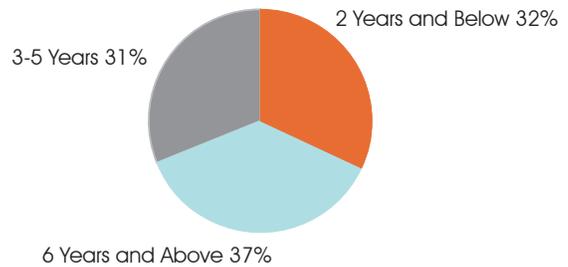
Levels of Diversity Training



If training is available, it is available for everyone. Across all levels, from the CEO to line employees, most companies have mandatory diversity training, and over 80 percent offer at least voluntary to all workers.

Diversity Office Profile and Activities

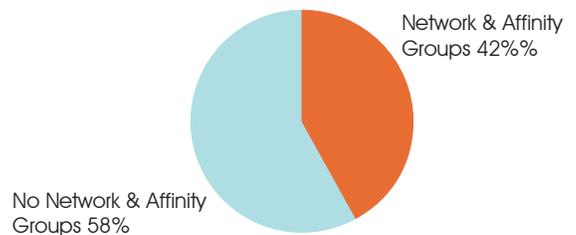
Age of Diversity Office



Diversity offices are fairly new to company structure. On average, most diversity offices have only been established for 3 to 5 years. Given a closer breakdown, however, the majority of companies are at least six years old: 6 years and above – 37 percent, 3 to 5 years – 31 percent, and 2 years and below – 32 percent.

Measurement and outreach are companies' top areas of focus; working parents lowest. Interestingly enough, when asked about the top responsibilities of Chief Diversity Officers, participants rated philanthropy the lowest at 20 percent. Linking diversity initiatives to corporate philanthropy could further strengthen companies' diversitimpart.

Network & Affinity Groups



Less than half of companies have network & affinity groups. While many corporations do not have employee networks, and those that do tend to have groups that are self-started and organized, leading companies are increasingly taking an active interest in the leadership, management, and organization of their network and affinity groups.

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Corporate Focus on Supplier Diversity	
Minority-owned	53%
Women-owned	53%
Disabled-owned	52%
Veteran-owned	51%
GLBT-owned	49%

Minority and women are top target groups when it comes to supplier diversity. Not surprisingly, companies consider Women and Minority Business Enterprises (WMBEs) the primary focus in attracting and retaining suppliers. Only one in four respondents rated GLBT-owned businesses as a high priority.

Future Trends and Challenges

According to Hewitt Associates, by 2010, the U.S. workforce will see a 29 percent increase in the 45 to 64 age group and a 14 percent increase in the workers ages 65+. At the same time, 32 million jobs will be vacated in the next ten years, while only 20 million new jobs will be created. These rapidly shifting employment trends will have a profound impact on the labor market in terms of recruitment and retention. However, if companies begin to think about the abundant community of diverse and qualified individuals in the U.S. and abroad as potential and powerful assets, a new and virtually untapped talent pool opens up that is incredibly lucrative for corporations. With current statistics stating that 70 percent of new U.S. workers are women and minorities, 75 percent of new workers globally are from Asia, one out of eight working-age Americans have disabilities, and over one million seniors ages 75+ are continuing to work, companies who think creatively and act proactively in regard to diversity and inclusion will continue to advance in their global workplace and marketplace growth well into the future. ■



Diversity is Central to the KPMG Culture

At KPMG, we value diversity and champion it at the highest level through our firms' senior partners. Diversity makes us a more vibrant, interesting place to work, and gives us one of the most genuinely inclusive workforces you will find anywhere. It also makes us more responsive as an organization, helping us better understand and serve member firms' clients. In fact, the diversity of our people and the diversity of thought and skills that this brings is central to the KPMG culture and way of working.

Some member firms provide networking forums for minority groups including women and people from a wide range of ethnic groups. And all firms actively look for different approaches, skills, experience and opinions when they are recruiting. Once you've joined us, we continue to make sure that opportunities remain open to all, regardless of background. Whatever your gender, ethnicity, age, disability or sexual orientation, you can succeed at KPMG.

What's Special about KPMG?

Think about an organization where you bring two things together and make it very special. One is the people. No question about it. Our people around the world are some of the brightest people at what they do. They're also very good people. They're enjoyable to work with. And match those great talented people up with a tremendous, tremendous set of clients. Tax, advisory, or audit. Our people have the opportunity to work with the greatest companies in the world. Learn what they do. Understand what

drives them. Their cultures. Their uniqueness. And bring that back into their own career perspective at KPMG. So when you think about KPMG, think about the blend of our people and our clients, and the opportunity it creates for talented people to learn, to have enriched careers, and exciting opportunities.

A Special Message from KPMG Chairman Timothy P. Flynn

When I think about what people can expect at KPMG, a number of things come to mind. Most importantly, I think about an enriched career. Think not just about work, but think beyond just work. Think about the communities you live in, and the social responsibilities. Think about the diverse world we're in today. Be it ethnicity or gender diversity. Think about an organization that respects all of that, and is very inclusive. Think about a place that your career can take you anywhere around the world. Think about a place that will be challenging and dynamic. The opportunities in front of us are tremendous. And the challenges and opportunities we provide our KPMG stakeholders are really are only limited by one's imagination. We are an organization that is demanding, no question about it. But we are also an organization that allows gives back to our communities. That allows our people to have work life balance, and that recognizes in the world today, people want more out of their careers than just work. They want a balance between family, community, friends, and challenging career and at KPMG we have the flexibility and the opportunity to make all of that happen.