Report to the Senior Executive Council, Department of Defense

TASK GROUP ON INCREASING DIVERSITY IN DOD'S FLAG AND SENIOR EXECUTIVE RANKS

Report FY03-9

- **Recommendations related to a strategic approach to increase the representation of under-represented groups in the Department's senior military and civilian ranks.**

March 1, 2004

Report Documentation Page

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INCREASING DIVERSITY IN DOD'S FLAG AND SENIOR EXECUTIVE RANKS

BACKGROUND: For a number of years, the U.S. military forces and the civilian management structure of the Department of Defense have played leading roles in American society with respect to infusing and integrating talented women and minorities into their management and leadership ranks. Much of the success that DoD experienced over the years is admired and held up as a practical example of successful minority integration policies. The private sector pursued similar efforts to integrate the workplace as mandated by the law. Over time, however, successful companies in the private sector have adopted serious efforts to create diverse workforces and environments of inclusion that are tied directly to strategic business goals. These actions are viewed as a competitive advantage in a diverse and changing marketplace. Therefore, the Department of Defense, given its own unique, strategic requirements for a diverse workforce and leadership, can benefit from reviewing best practices and lessons learned from companies considered diversity leaders.

OBJECTIVE: The Defense Business Board (DBB) was asked by the Assistant Secretaries for Manpower and Reserve Affairs from each of the military services, and by the Under Secretary of Defense (Personnel and Readiness), for assistance in developing strategies to achieve broader diversity in the general and flag officer and Senior Executive Service ranks. Under-represented groups, for the purpose of this examination, are members of the following minority groups as defined by the Office of Management and Budget (OMB):

- Black or African American
- Hispanic or Latino/a
- Asian American or Pacific Islander
- American Indian or Alaskan Native

The ultimate objective of this work is to identify best practices from the private sector that contribute to a proactive, strategic approach to recruiting, developing, retaining and promoting minority personnel, and to adapt these best practices to recommendations that are applicable to the DoD's military and civilian structure. DoD can demonstrate its continuing commitment to enhancing minority representation in its senior military and civilian ranks by drawing on these recommendations to develop specific initiatives tailored to the individual needs of the Services and to the Department as a whole.

TASK: The original terms of reference for this work, and a subsequent revision, charged the DBB with delivering the following (see **Exhibit A**):

1. A comprehensive review of private sector best practices for increasing minority representation in senior management ranks. This review should identify what has been successful and unsuccessful over the past 20 years in the private sector in increasing percentages of under represented groups in executive ranks. Further, the review should identify best practices along four critical dimensions:

   - Recruitment/Accession
   - Development/Nurturing
   - Retention
   - Promotion

2. Specific recommendations on which private sector best practices may be most applicable to DoD given its unique structure and constraints. These recommendations should include guidance on how best to implement such practices, identification of the significant change management initiatives and leadership required, and active measurements to monitor progress along all four dimensions cited above. Recommendations should take into account separate considerations for diversity in the flag officer ranks of the military branches (USA, USAF, USN, and USMC) and the Senior Executive Service (SES) population for all of DoD.

To further clarify the task, it was determined that the work would not:

- Undertake a comprehensive review of the Department's current programs designed to achieve broader diversity in its senior military and civilian ranks, although several interviews were conducted with Departmental liaisons to gain an understanding of the Department's current programs and policies;
- Engage in definitional clarifications of the term "diversity";
- Deliver judgments about the value of diversity as it relates to DoD;
- Treat women as a separate underrepresented group but rather include women in the current race/ethnic categories that are currently tracked according to OMB, and as cited earlier. (This notwithstanding, many of the DBB's recommendations for the military and all of the SES

recommendations are applicable to advancing women to more senior positions.)

PROCESS: The Chairman of the DBB appointed the following Task Group to conduct this work:

Task Group Chairman: Frederic W. Cook
Task Group Members: Madelyn P. Jennings,
                  W. Norman Johnson, Rear Admiral, USN (Ret.)
Task Group Staff: Kelly S. Van Niman (Executive Secretary), Ivan Thompson (Deputy DBB Director) and Thomas B. Modly (Executive Director)
DoD Liaison: Clarence A. Johnson, Principal Director, Office of the Deputy Under Secretary for Equal Opportunity

The Group conducted the study through the following investigative efforts:

- Conference call with Dr. David Chu, Under Secretary of Defense for Personnel and Readiness to explore current issues and directions
- Conference call with liaisons assigned by each of the military branches and OSD covering both military and civilian issues;
- Identifying diversity issues at each military branch and OSD (military and civilian)
- Familiarization with various studies and papers dealing with diversity in the Defense Department;
- Identification of certain high profile private sector corporations and not-for-profits and inviting them to assist us by discussing their experiences and lessons learned (see **Exhibit B** for interview outline)
- Meeting with the Assistant Secretaries for Manpower and Reserve Affairs to explore issues and report progress
- Review and analysis of current DoD statistics with respect to minority penetration in the flag officer and SES ranks; and
- Assimilation and distillation of all information gathered to produce this report

The Task Group thanks the following corporations and not-for-profit organizations for their valuable assistance and input:

Corporations	Not-For-Profits
Alcoa	BOLD Initiative
AOL Time Warner	Cabot Advisory Group
American Express	Catalyst
AT&T	Center for Creative Leadership
Avon	National Academy of Public Administration
Corn Products Int'l	R. Thomas Consulting and Training
Eli Lilly	The Brookings Institute
Gannett Company	TFF Study Group (Franklin Thomas)
Lucent	Tuskegee Airmen's Association
McDonald's	
Merrill Lynch	
Orange, SA	
RR Donnelley	
Towers Perrin	
United Technologies Corporation	
Xerox Corporation	

EXECUTIVE SUMMARY: The DBB has prepared a series of specific recommendations to increase the representation of minorities and other underrepresented groups in the military's flag officer ranks and in the SES. These recommendations, although tailored to specific challenges posed by the SES and the Services, coalesce around three broad themes that define what the DBB recommends, as a whole, should guide the Department's approach to this issue. Those three themes are as follows:

1. Leadership and Accountability are Critical Requirements for Further Success.
2. Broader, Requirements-Driven Approach to Diversity Is Needed.
3. Diverse DoD Workforce Must Be Prepared to Compete for Promotion Based on Merit.

The Task Group regards the following specific recommendations as most important:

Leadership and Accountability Are Critical Requirements for Further Success.

- Continually affirm the commitment of the DoD's top leadership to the strategic importance of diversity to DoD.

- Reactivate and reenergize Defense Equal Opportunity Council (renamed **Defense Diversity Board**) under DepSecDef, with top military and civilian membership.

- Hold leaders of line organizations accountable for progress on measureable diversity objectives.

Broader, Requirements-Driven Approach to Diversity Is Needed.

- Move to a more advanced, requirements-driven approach to diversity planning by expanding the categories of underrepresented groups beyond those minimally mandated to include those from different ethnic backgrounds, religions and countries of origin. Such groups should include those where the military and civilian sectors of DoD would like to have greater representation based on real requirements such as future threat assessments and the available, qualified population.

- Recognizing the fact that Hispanics are the now the largest minority group in the United States, and that their representation in senior military ranks is relatively small, there is an important need for further emphasis and energy in the recruitment/accession, purposeful development, retention and promotion of Hispanic/Latino military officers.

- Use the pending "retirement bubble" in the civilian ranks to accelerate the expansion of a diverse candidate pool in the feeder groups to SES and in the SES itself.

Diverse DoD Workforce Must be Prepared to Compete for Promotion Based on Merit.

- Make efforts to increase the talent pool of qualified diverse candidates for promotions through the adoption of applicable private sector best

practices in the recruitment/accession and purposeful development of highly talented people of all backgrounds.

- Promotions should remain based on ability, performance and potential.

REPORT STRUCTURE: The findings, conclusions and recommendations of this report are organized as follows:

I. Current Situation -- This section contains a review of the current representation of male minorities in the flag and general officer ranks (O7-O11) and the pipeline of officers (O1 to O6 ranks) in relation to their representation among all employed males ages 45-64 and 18-44, respectively, living in the United States with four-year college degrees. For DoD civilians, this chapter compares the minority representation (male and female) in the SES and the civilian pipeline (GS-9 to GS-15 ranks) with their representation among all employed civilians (male and female) ages 45-64 and 18-44, respectively, living in the United States with four-year college degrees. All data are according to the 2000 Census.

II. Private Sector Best Practices -- This section includes the results of the Task Group's private sector research into diversity practices at leading U.S. corporations based on interviews with CEOs, human resource heads, diversity executives, and the heads of organizations that provide diversity services and programs for corporations.

III. Recommendations -- This chapter contains the Task Group's recommendations for the DoD drawn from our private sector research but adapted and expanded to include the Task Group's views as to how the DoD, civilian and military, should proceed to build on its current success and advance to the next stage of diversity planning.

IV. Next Steps -- The final chapter offers the Task Group's advice for implementation, including the Secretary of Defense showing public support and commitment to diversity and our three themes, reactivating and reenergizing the Defense Equal Opportunity Council, (renamed the Defense Diversity Board), and charging such Board with reviewing our recommendations and developing a detailed implementation plan.

Exhibits

A -- Terms of Reference and Focus Revision
B -- Private Sector Interview Questionnaire
C -- DoD Statistical Summary
D -- DoD Statistical Evaluation -- Military
E -- DoD Statistical Evaluation -- Civilians
F -- BOLD Initiative
G – Diversity Training Resources
   a) Applied Psychological Techniques, Inc.
   b) The Aspen Institute
   c) The Brookings Institution
   d) Center for Creative Leadership
   e) Development Dimensions International
   f) The Diversity Channel (develops training courses)
   g) National Academy of Public Administration
   h) Personnel Decisions International
   i) R. Thomas Consulting and Training
   j) Simmons College (Women training for SES)
   k) Society of Human Resource Management

The private sector best practices detailed in this report have produced substantive results by their implementing organizations. We believe that adaptation and implementation of these practices to the DoD context can also yield appreciable advances in minority representation in senior leadership positions throughout the Department if purposeful and measurable commitment is applied to the task.

Respectfully submitted for the Defense Business Board,

Frederic W. Cook
Task Group Chairman

March 1, 2004

INCREASING DIVERSITY IN DOD'S FLAG AND SENIOR EXECUTIVE RANKS

I. CURRENT SITUATION

DoD DEMOGRAPHICS

In accordance with the law passed by Congress and as mandated by the Office of Management and Budget (OMB), all federal agencies categorize their employees into five racial/ethnic groups: Whites, Blacks or African Americans, Hispanics or Latinos, Asians or Pacific Islanders (hereafter "Asians"), and American Indian/Alaskan Native (hereafter "AI/AN"). While the OMB directive applies to the DoD's civilian workforce, including SES, the U.S. military is excluded from this OMB mandate. Nonetheless, as directed by the Secretary of Defense (i.e., DoD Directives and Instructions), the DoD has elected to categorize its military personnel, including flag officers, by the same five groupings.

Racial/ethnic representation in DoD may be viewed across several dimensions. Most instructive to this study, however, is the analysis of two specific ratios relating to minority groups in the flag officer/Senior Executive Service ranks and their immediate sub-groups, i.e., feeder groups. These two ratios are:

- Flag/SES Representation Index
- Pipeline Representation Index

The DoD data from which these ratios are drawn are shown on **Exhibit C**.

Flag/SES Representation Index

The Representation Index (RI) is an indicator of the current state of minority representation in DoD. This index compares the percentage of flag officers and SES members represented by a minority group to the percentage of that group that is represented in the college-educated population (employed civilians, ages 45-64 as per the 2000 Census). (Note, although the U.S. Census data captures non-U.S. citizens living in the U.S., who are ineligible to be military officers and DoD employees, foreign-born residents only comprise approximately 6.6% of the total population, and therefore, their inclusion does not significantly change the conclusions drawn in the analysis.) The use of the college-educated population as

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a baseline for comparison was selected to refine the comparative data to only include the most relevant eligible population (a four-year degree (or its equivalent in the case of SES) is required to be a senior military officer or an SES member). The 44-64 age group was used as the most relevant age population with respect to those serving in flag and SES positions. An example of this index is as follows: If minority group "A" represents 10% of the US college-educated population (ages 44-64) and also represents 10% of the flag officer ranks, then the current RI for that minority group would be 1.0.
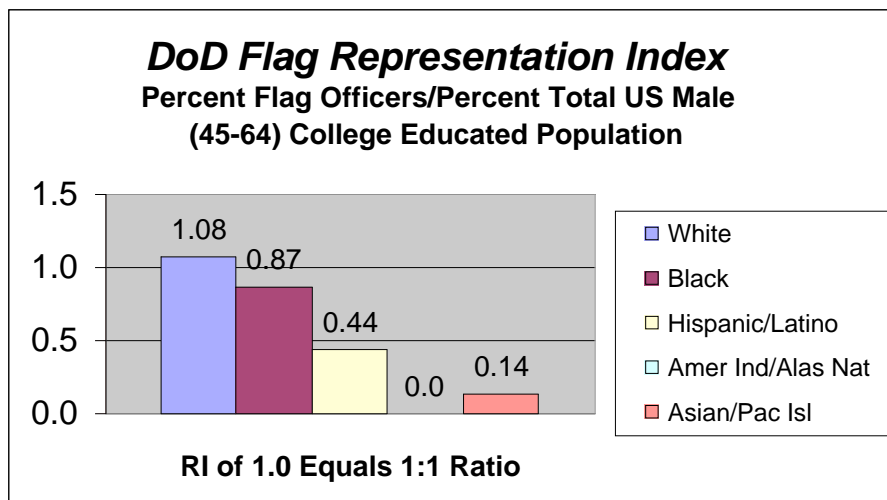
Pipeline Representation Index

The RI for the pipeline examines how well DoD minority representation is tracking with demographic changes in the United States for the population of military and civilians who will eventually rise to flag and SES positions. This index recognizes the 25-30 year accession process required to achieve a flag or SES designation and measures how well represented the current "pipeline" is within the sub-flag and sub-SES ranks. An example of this index is as follows: If minority group "A" represents 15% of the US college-educated population (ages 18-44) but only represents 10% of the O-1 to O-6 officer ranks (or 10% of the GS-9 to GS-15 ranks), then the pipeline RI for that minority group would be 0.66. Analysis of the factors driving the RI would provide insight as to whether the Department is leading or lagging in its efforts to populate its future leadership with a proportional number of eligible minorities.

Total Military

Current U.S. law does not permit women to serve in ground combat forces. Consequently, the DBB study for the flag ranks excludes women as a separate category. The statistics that follow are based on male flag ranks and male officers (O-1's to O-6's) in relation to the total U.S. male college-educated population, ages 45-64 and 18-44, respectively.

For the military overall, Blacks have the highest Representation Ratio among minorities in the Flag ranks (RI of .87) followed by Hispanics (RI of .44) and Asians (RI of .14) far behind. No college education data was available for AI/AN. See summary chart below and **Exhibit D** for full backup statistics.

DoD Flag Representation Index
Percent Flag Officers/Percent Total US Male
(45-64) College Educated Population

1.08 White	
0.87 Black	
0.44 Hispanic/Latino	
0.0 Amer Ind/Alas Nat	
0.14 Asian/Pac Isl	

RI of 1.0 Equals 1:1 Ratio

The data behind these Representation Indices are: white males represent 92.3% of flag rank and 85.2% of total male college-educated population (ages 45-64); Black males 5.2% and 6.0% respectively; Hispanic males 1.4% and 3.2% respectively; AI/AN 0.4% and n/a respectively; and Asian/Pac Isl males 0.7% and 5.2% respectively.
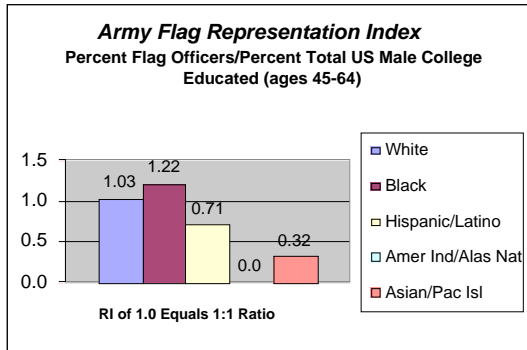
A comparison of the Total Military RIs for the pipeline, i.e., the sub-flag feeder group (officers with the rank of O-1 to O-6), reveals that each minority group has a substantially stronger representation index. This analysis illustrates the success DoD has had in recruiting and retaining minority officers, and bodes well for the Department's ability to improve the representation of minorities in the flag ranks in the coming years.

DoD Pipeline Representation Index
Percent O-1s through O-6's/Percent Total US Male
(18-44) College Educated Population

1.04 White	
1.05 Black	
0.96 Hispanic/Latino	
0.0 Amer Ind/Alas Nat	
0.46 Asian/Pac Isl	

RI of 1.0 Equals 1:1 Ratio

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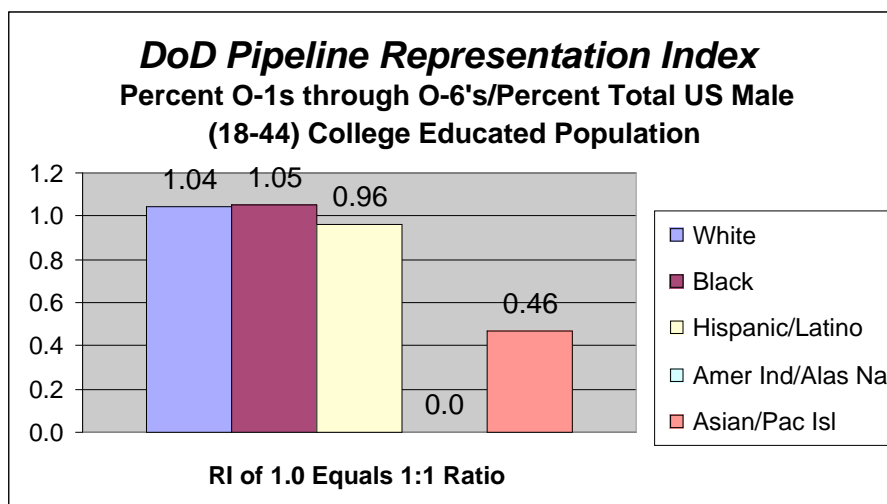
Military Services

Similar trends exist between the Representation Index (RI) for the current flag ranks and the officer pipeline, when analyzing the Representation Indices for the particular Services.

Flag RI	Pipeline RI

Army Flag Representation Index
Percent Flag Officers/Percent Total US Male College Educated (ages 45-64)

Army Pipeline Representation Index
Percent O-1's to O-6's/Percent Total US Male College Educated (ages 18-44)

Navy Flag Representation Index
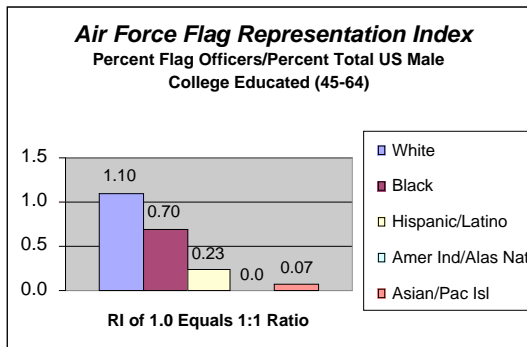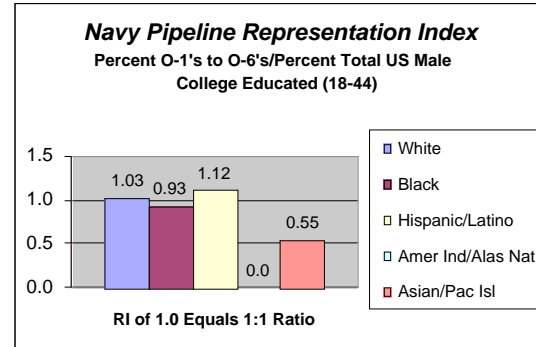Percent Flag Officers/Percent Total US Male College Educated (45-64)

Navy Pipeline Representation Index
Percent O-1's to O-6's/Percent Total US Male College Educated (18-44)

Air Force Flag Representation Index
Percent Flag Officers/Percent Total US Male College Educated (45-64)

Air Force Pipeline Representation Index
Percent O-1's to O-6's/Percent Total US Male College Educated (18-44)

Flag RI   Pipeline RI

Marine Corps Flag Representation Index
Percent Flag Officers/Percent Total US Male College
Educated (45-64)

	White
	Black
	Hispanic/Latino
	Amer Ind/Alas Nat
	Asian/Pac Isl

1.5
1.0   1.08 1.07
0.5   0.39
0.0   0.0 0.0

RI of 1.0 Equals 1:1 Ratio

**Marine Corps Pipeline Representation
Index**
Percent Flag Officers/Percent Total US Male
College Educated (18-44)

	White
	Black
	Hispanic/Latino
	Amer Ind/Alas Nat
	Asian/Pac Isl

1.5
1.0   1.06   1.18
0.5   0.88
                              0.33
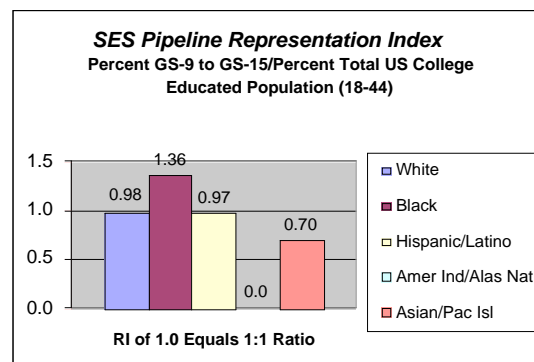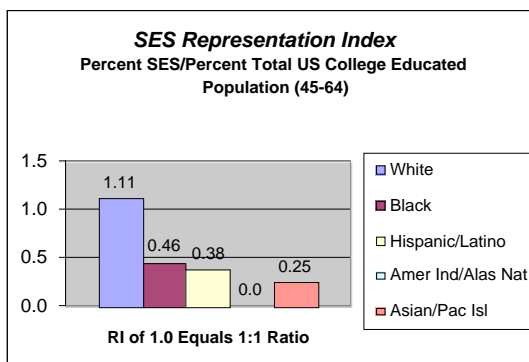0.0   0.0

RI of 1.0 Equals 1:1 Ratio

Full backup statistics for these charts can be found in **Exhibit D**.

DoD Civilians

DoD civilian statistics were analyzed for males and females combined but with the same age differentiations as used for the military analysis (comparing 18-44 year olds with a Bachelor's degree to the GS-9 to GS-15 ranks, and 45-64 year olds with a Bachelor's degree to the SES ranks). At the SES level, all minorities lag behind the overall military in representation. No data were available on AI/ANs from the 2000 Census. Comparison of the SES with individual Services, however, reveals that the SES is ahead of the Navy and Air Force in terms of Hispanic representation, and ahead of all the Services, except the Army, in terms of Asian representation.

As with the military analysis, the SES pipeline analysis illustrates the success the Department has had in attracting and retaining minorities, and bodes well for their future success in improving minority representation in the SES ranks. See **Exhibit E** for further details.

SES Representation Index
Percent SES/Percent Total US College Educated
Population (45-64)

	White
	Black
	Hispanic/Latino
	Amer Ind/Alas Nat
	Asian/Pac Isl

1.5
1.0   1.11
0.5   0.46 0.38
                            0.25
0.0   0.0

RI of 1.0 Equals 1:1 Ratio

SES Pipeline Representation Index
Percent GS-9 to GS-15/Percent Total US College
Educated Population (18-44)

	White
	Black
	Hispanic/Latino
	Amer Ind/Alas Nat
	Asian/Pac Isl

1.5   1.36
1.0   0.98   0.97
0.5   0.70
0.0   0.0

RI of 1.0 Equals 1:1 Ratio

As of 2003, women comprised 19.7% of the total number of career and political appointee members of the SES (231 out of 1,175), far below their 45% representation in the US college-educated population. The majority of these women were White (88.7%), followed by Black women (6.1%), Asian women (2.6%), Hispanic women (2.2%), and AI/AN women (0.4%). The Representation Index (RI) for Asian women is slightly behind the level of representation in the total pool of women in the SES, whereas the RI for Hispanic women is slightly ahead of their level of representation in the total pool of women in the SES. Overall, women have higher RIs than the combined male/female RI's reported in the previous chart.
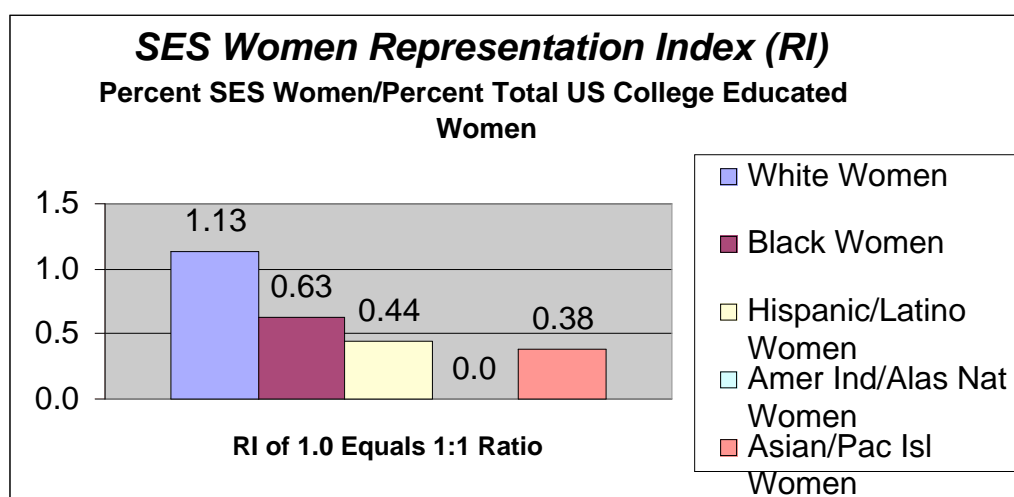
II. PRIVATE SECTOR "BEST PRACTICES"

This section summarizes the results of the Task Group's investigation of private sector best practices to promote minority representation. These best practices were gathered from interviews with CEOs and key human resources personnel from private corporations and not-for-profit organizations. None of the organizations interviewed viewed increasing minority representation as an end to itself. Rather, the most successful organizations embraced the concept of "diversity" as a way to invigorate their organizations through the incorporation of different views—some, but not all, tied to cultural, ethnic, and racial differences in their respective workforces.
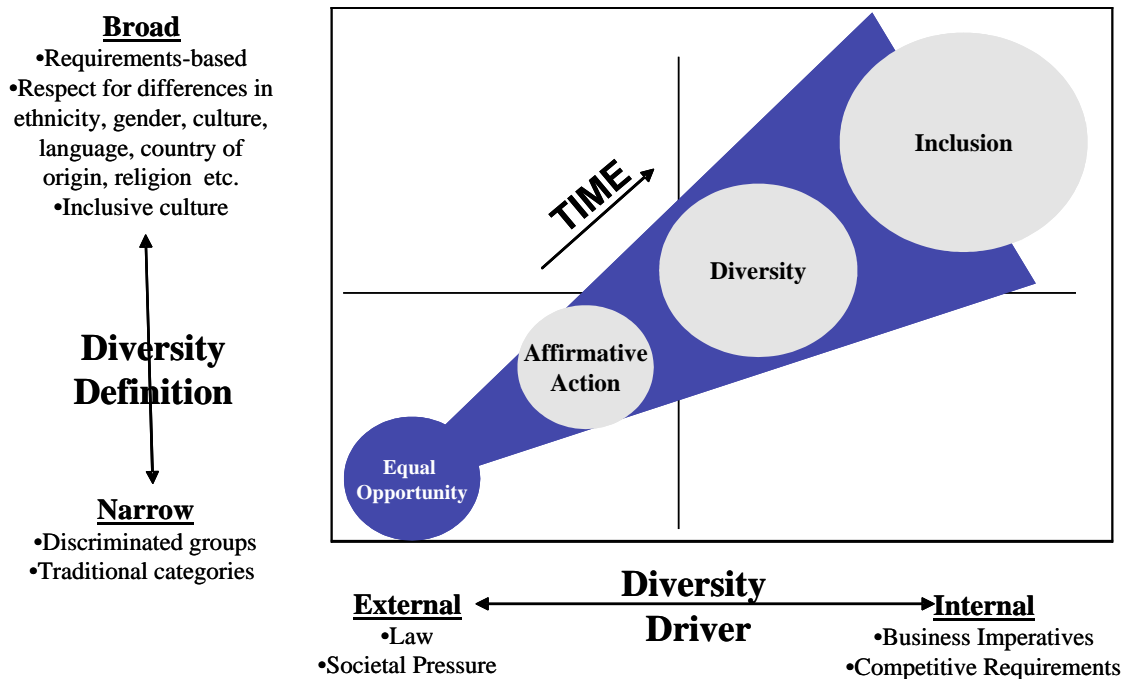
Definition of Diversity

In large measure, the organizations interviewed (hereafter called "best-practice" companies) have moved beyond a traditional definition of diversity limited to narrow categories of gender and race. Rather, diversity is defined by an inclusive culture where differences in people are valued and performance is recognized regardless of background. Thus, diversity has an amorphous and changing definition that includes race, gender, sexual orientation, ethnicity, religion, country of origin, ways of thinking, experience, education and cultural background and even values. The primary challenge encountered by private corporations has been to develop a corporate culture where real requirements drive business decisions AND everyone understands that people who are different can be assets to the corporation. An example of this emerging definition of diversity was provided by the Associated Press:

> "The mosaic of people who bring a variety of perspectives, backgrounds, styles, values and beliefs and are assets to the groups and organizations with whom they interact."

"Best-practice" companies charted the course of diversity progression in their companies from initially focusing on meeting the legal requirement of Equal Employment Opportunity in the 1970s to Affirmative Action in the 1980s to the current focus on the broader incorporation of "diversity" as a "business imperative". This is illustrated in the diversity progression matrix shown below. In practice, as a company moves from one stage to the next, it does not abandon the elements of the previous stage, but rather subsumes the earlier practices into the next stage.

Diversity Progression Matrix

Broad
•Requirements-based
•Respect for differences in ethnicity, gender, culture, language, country of origin, religion etc.
•Inclusive culture

Diversity Definition

Narrow
•Discriminated groups
•Traditional categories

TIME

Inclusion

Diversity

Affirmative Action

Equal Opportunity

External
•Law
•Societal Pressure

Diversity Driver

Internal
•Business Imperatives
•Competitive Requirements

Business Imperative

Today, companies are defining diversity as a business strategy that recognizes that individuals of diverse characteristics, backgrounds, views and experiences provide the company with a competitive edge. Diversity is seen as a business imperative for the following reasons:

- Better business decisions are made when diverse points of view are considered.

- Diversity improves problem solving by bringing more diverse viewpoints to the decision.

- Teams perform better when their members represent diverse backgrounds.

- Reaching out to a diverse population increases the pool of talent available and provides a competitive advantage in the "war for talent".

- Embracing differences is seen as vital to making the company stronger and more productive by helping it to better understand the marketplace and how to better serve its customers.

- Diversity is needed to provide competitive products and services for an increasingly diverse marketplace.

- Creating a culture of inclusion that leverages diversity, leads to high employee morale--improving retention and productivity.

Leadership

Senior leadership commitment in both word and action was the most commonly cited key to success mentioned in the Task Group's best-practices interviews. Interviewees were adamant that the Chief Executive Officer's (CEO's) leadership must be visible to the whole organization, that it must be plain-spoken, clear, convincing, frequent and supported by action. The CEO must incorporate this commitment into the corporate strategy, culture and values. In addition to the CEO's leadership, responsibility for diversity in "best-practice" companies is seen as a line-management responsibility, not as a Human Resources (HR) staff program or initiative.

This notwithstanding, responsibility for staff support of diversity is typically lodged at the corporate level in the HR department. Most "best-practice" companies have a group of professionals in HR, devoted to diversity initiatives, to develop central policies, and provide staff support and expertise on HR-related issues. Typically, the diversity staff is led by a diversity head or chief. This individual must have broad professional experience, both in operations and in human resources in order to have credibility with senior management and workers. He/she must have open access to CEO to send the message of a strong commitment and surety of results. This position cannot be a dead-end job.

Two notable exceptions encountered, however, are companies that have no heads of diversity or central diversity organizations. These companies view diversity as a line management business issue and believe that having a separate diversity organization dilutes accountability.

Regardless of how staff support is provided or where it is placed, all "best-practice" companies regard diversity as a line management leadership issue. This

leadership imperative in several "best-practice" companies is active and visible through:

- **Diversity Councils** -- heads of major business units that meet periodically with the CEO and HR/diversity head to review diversity progress and plan initiatives.

- **Advisory Boards** -- distinguished outside advisors and experts who meet periodically with the business leaders and Affinity Group leaders (see **Organizational Development/Change-Management Initiatives** below) to bring external perspectives and developments to the company.

- **Performance Appraisals and Leadership Assessments** -- that reinforce the importance of diversity by including assessments of creating a diverse culture and recruiting, developing and promoting a diverse talent pool in measuring executives' performance.

Accountability/Measurement

For successful companies, support of diversity is not only a priority, but it is measured and reported on to the top. Management clearly defines and communicates these objectives within the organization. As one of the interviewees stated, "An objective without metrics is not an objective, it's a slogan." Several "best-practice" companies, however, cautioned that an emphasis on numbers in measuring diversity progress is a mistake, "Focusing on numbers gets you quantity but not quality, and will be short-lived."

Some of the most effective methods for measurement and accountability are cited below:

- Identify where there is weak representation in the organization and focus diversity efforts there first.

- Set goals and objectives, not specific numerical targets (latter could lead to reverse discrimination).

- Clearly define specific expectations for your employees.

- Create Management-By-Objectives (MBO) type system where diversity is one of the objectives. Have mid-year and end-of-year reviews. Report annually to the Board of Directors.

- Tie objectives to the organization's Balanced Scorecard (BSC), which captures progress or digression from the bottom of the organization all the way up to the top.

- Integrate diversity goals into strategic planning.

- Conduct qualitative and quantitative analyses. Use the Standard Metropolitan Statistical Area (SMSA) Analysis (shows available workforce statistics) to identify availability but couple that with allowances for the number of minorities in the pipeline and external factors such as the number of opportunities a hiring manager had to hire/promote a minority candidate. (Companies often purchase SMSA statistics.)

- Goal of measurement is to ensure that corporate population at every level reflects the available workforce at that level, profession and community.

- Conduct employee surveys to monitor progress in developing a corporate culture of inclusion and employees' sense of being valued and respected.

Organizational Development/Change Management Initiatives

Organizational development involves building and implementing a corporate culture with practices and processes that support and promote diversity. As one minority CEO stated, "It's not enough to infuse Blacks and other minorities, and women, into the organization. You need to educate and sensitize the organization; you need to address the concerns of the white majority; and you need to do it continuously."

Currently, many corporations are building diversity into their business so that it is not thought of as an initiative that has a beginning and an end. Endorsement from the top (CEO) allows progress to occur. Examples of such practices and processes are the following:

- Develop and clearly articulate a corporate mission statement or value statement that incorporates diversity, and serves as the foundation for a common employee bond.

- Focus Groups: First step before measuring, to assess corporate culture, and discover how the system really works and affects people. Responses must be kept confidential.

- Identify "diversity champions" within each organization.

- Periodically reviewing all print, broadcast, and web materials emanating from the company to assure inclusiveness and exclude biases.

- Oversee and ensure that all seminars, committees and groups within the company are diverse in terms of presenters and attendees.

- Articulate and integrate diversity strategy into company website, with specific mention of diversity policies and programs.

- Affinity Groups: Most affinity groups are based on either race or gender. They are inside groups that are organized by diversity leaders and later sanctioned and funded by the company through "diversity champions." Success factors common to most groups include:

    o Strong support by senior management and access to senior management. Senior management officials attend/participate in affinity group meetings.
    o The affinity group has a communication channel to senior management to express group concerns and issues.
    o An endorsement of the group in terms of management's unspoken "permission to go" even during work hours in some cases.
    o Affinity groups may receive some corporate funding which is bolstered by the group's own fundraising efforts.
    o In those cases where a senior management official was assigned to the group, he/she was usually a volunteer and also screened on the basis of his/her diversity record.
    o Group distinction along ethnic or gender lines. Though not exclusive, the focus of the affinity groups is predominantly from the unique view of the particular race/gender affiliation of the group.

o The affinity groups may partner with senior management, assisting with recruiting efforts and offering their unique insights on how to better achieve the organization's mission.

o Experienced affinity group members offer advice and mentoring to younger members on the company's culture and values, critical career paths, and how to deal with issues that arise.

To expand upon some of the above points, extracts from a report from the Center for Creative Leadership and a description of the affinity program at McDonald's are included. The Center for Creative Leadership is a nationally recognized authority for its research in this area, and McDonald's recently ranked #1 in Fortune magazine's "Best Companies to Work For" due to its diversity practices.

A recent study from the Center for Creative Leadership on affinity groups offered the following:

"We found that African-American managers who network with other African-Americans proportionately more than their numbers in the organization would have enhanced performance…our research shows that for African American managers the additional dimension of networking with same-race individuals contributes to improved ratings…We speculate that by networking with other African Americans, the leaders in our study received emotional support and guidance on how to negotiate the corporate system. We suspect that through various interactions African American colleagues exchanged information about…how to navigate around racial traps and land mines that might lie unmarked under their professional paths. We also believe that by having colleagues with whom they could speak freely about work matters, African American leaders were able to readily ask questions, process information, ponder actions, speculate on ideas, and question and explore others' motivations without having racial overtones fuel misinterpretations. Such freedom of expression, relatively rare in the lives of African American professionals, may give them the edge they need to become more effective overall."

The most significant facet of the affinity groups at McDonald's was their focus on driving business results, to achieve measurable success for the Company, by aligning themselves with the Company's mission and gearing the groups' activities along those lines. Galvanizing employees

around the mission and increasing employee productivity were just as important as, or perhaps even more important than, the group's efforts to help develop, nurture, and support the members of its group. One of the leaders of the African American group said that they were "not just railing against the machine", but working with senior leadership to achieve a win-win. They felt that this was a better motivator for senior leadership involvement/interest than supporting the group because it "was the right thing to do".

Recruiting

A successful recruiting strategy requires a successful marketing strategy. Corporations that market their company as the employer of choice and one that promotes diversity, attract the most talented minorities. These companies demonstrate their commitment to diversity in their marketing materials, especially their recruiting collateral, which display a diverse workforce.

The successful corporations not only do targeted recruiting for minorities at minority associations, career fairs and historically black colleges and universities (HBCUs), they reinforce their commitment to diversity by offering scholarships and/or internships to minorities. Other successful strategies to bolster minority recruiting are as follows:

- Engage corporate affinity groups to actively recruit to their respective minority group.

- Enlist the support of senior corporate executives to spearhead and develop strategic partnerships with minority associations and the Deans/Chancellors of HBCUs to encourage them to refer their most talented members/students.

- Set guidelines which require diverse candidate slates while taking into account availability based on locality and profession.

- Track and measure managers' outreach and identification of minority talent. Tie performance to evaluation and/or bonus, but always insist on quality versus quantity.

- Stimulate corporate change and advance progress in increasing minority representation by hiring from the outside or by targeting minorities.

- Invite college academic deans to visit companies to learn skills needed of graduates.

Training

As with any new practice, success is tied to the level of understanding by the organization. This often requires extensive training of the entire organization, from the top down, and starts with educating the organization that diversity is a core value. See **Exhibit G** for a list of suggested Diversity Training Resources from outside organizations. Some successful approaches undertaken in the private sector are as follows:

- Maximize the use on online training (E-learning)

- Train managers at all levels to judge and grow people based on contribution, not irrelevant factors.

- Provide clear guidelines to managers regarding corporate expectations. Zero tolerance policy from CEO.

- Provide continuous, updated training/seminars on diversity that do not focus on past injustices, but rather talent, growth and economics, and that talent comes in all kinds of packages.

A specific issue for "best-practice" companies is whether they should offer formal training/development activities tailored to women and minorities. Some do, and report it successful. Others sponsor minorities for targeted development programs outside the company. All, however, are sensitive to the issues this raises in the rest of the organization.

Succession Planning and Career Development

A key element cited repeatedly in the Task Group's interviews with "best practice" companies and non-profit organizations which train corporations in how to successfully implement diversity programs was the need to have accurate and thorough succession planning to identify high potential minority candidates. Such planning is seen as critical to the career development and progression of talent (including minority talent) within the organization. Mentoring also was noted as a

critical component of career development. Other specific elements of succession planning and career development are:

- Identify critical jobs at each layer of the organization where success qualifies you for promotion; then inventory minority talent below those critical jobs; and developing minorities to fill those critical jobs.

- Inventory talent for executive development, job exposure and rapid advancement; rate people "ready now" or "ready future".

- Mentor Program Guidelines: Generally same race/gender, but sometimes can lead to backlash so companies design a flexible and multi-dimensional program where those mentored may be assigned multiple mentors; screen and train mentors to be sure that they will be effective.

- Define clear paths to general management and communicate that information to entire organization.

- Monitor managers' coaching skills. Include performance assessment in this regard to merit evaluation and/or bonus.

- Assign special projects or task force leadership roles to high potentials for developmental purposes. Ensure women and minorities are included.

- Offer on-line training at "virtual campuses" to continue development of personal, professional and technical skills.

An important issue discussed with "best-practice" companies was performance appraisal of minority executives. An unfortunate occurrence is where a member of a historically disadvantaged minority group is not provided a challenging assignment because of undue concern for possible failure. A corollary occurrence is when the minority executive does not receive honest performance feedback from his/her supervisor because of concern of being criticized as being biased. No answers were forthcoming from the private sector except acknowledgement of the problem and suggestions for supervisor training in performance management.

Retention

Early identification of high-potential minorities is critical to their retention. Early identification allows them to be placed in six to twelve-month development programs, which can lead to improved performance and promotion to their next job. Other strategies to retain high-potential women and minorities are:

- Use employee surveys to study what makes employees stay, to try to understand work-life issues and what can be done to enhance retention and attract new talent.

- Analyze departure of employees for weaknesses in diversity strategy (exit interviews).

- Observe diverse cultural holidays.

- Sponsor focus groups "tell it like it really is". Responses must be on a confidential basis.

- Broadly announce job opportunities to allow individuals the opportunity to consider lateral/upward moves across business units, thereby expanding their background and experience and increasing overall employee satisfaction and retention.

No best-practice companies mentioned special financial incentives to retain high-potential minority executives, although the Task Group believes such incentives exist. Rather, regarding retention, the companies mentioned how important it is that employees feel that the company is a fair place to work.

Promotion

The more imbedded diversity is as a core value in the corporation, the fewer interventions are required by the human resources staff. As managers develop comprehensive succession plans that identify ready talent, including minority talent, more advancement of women and minorities will occur. Similarly, the appointment of diverse people up the ranks communicates a strong message to the organization and creates important role models for junior employees. In the meantime, some strategies used by corporations that are trying to improve their records for minority advancement are as follows:

- Track and measure managers' records as to the development of talent, including minority talent. Tie performance to evaluation and/or bonus.

- Establish a policy that all key promotions (defined how the company sees best fit to do so) are reviewed by the Executive Committee prior to extending offers to ensure diversity policies are being followed. Practice demonstrates senior management commitment.

- Ensure all employees understand the corporate culture and its requirements for promotion.

- Develop a talent database, and use it as the first source of candidates for all promotions.

- Insist on diverse candidate slate when promotions are being considered.

- Hold open a position in specific cases where a woman or minority candidate is critical to corporate objectives.

- Provide constructive feedback to employees who are not selected for promotion.

Recognition and Reward

Senior management should publicly recognize and applaud successes to demonstrate commitment and provide positive reinforcement for employees. Companies that have successful diversity strategies cited repeatedly the need to recognize and reward positive actions as the way to reinforce all other aspects of the strategy. Specific activities and guidelines suggested were as follows:

- Hold corporate recognition events, distributing plaques and/or monetary prizes; positive reinforcement through recognition

- Communicate progress in particular areas, not numbers.

- Celebrate employees' successes through company's online network.

- Go after "employer of choice" awards; it gives the company something to rally around and celebrate.

Mistakes/Lessons Learned

The Task Group's interviews revealed a surprising level of agreement on lessons learned and essential elements to a successful diversity strategy. The following items were repeatedly cited as "must haves" for success:

- Must have leadership from the top - - diversity is a change-management issue that requires leadership from the top to succeed.

- Must put policies into action and review progress.

- Must make diversity and inclusion part of the organization's mission, values and culture.

- Must launch diversity strategy with strong "business case" to obtain essential buy-in of the organization.

- Must create a corporate culture and support system that is conducive to minority advancement and success.

- Must have accurate succession plan endorsed by senior management.

- Must hire quality individuals who meet real requirements and promote individuals based on true merit.

- Must tie diversity progress/results to compensation to speed progress.

- Must have a diversity leader in HR that has the respect of the organization.

- Must give minorities and women the opportunity to compete for the critical jobs that lead to promotions. Take a risk on deserving people. If they fail, so be it. Keep the queue filled and continue to offer opportunities.

Among the most important "lessons learned" are (1) *don't* hire or promote for numbers; the organization will become cynical with poor promotions, and (2) *don't* make diversity a standalone HR program or initiative; it must be seen as a line responsibility, business imperative and part of corporate strategy.

What's Next?

"Best-practice" companies were asked what they see as the next stage in the evolution of diversity programs and the "end game" for these efforts. Thoughtful responses included the intent to continue to focus on diversity so the organization understands it is part of the corporate culture, and "the way we do things around here." At that point, it was expected that diversity would become self-sustaining as a natural organizational imperative. Some companies cited cases where employees requested diversity facts about the company as sales tools and collateral to aide their success. Touting the company's diversity success became a tool to attract new customers.

Others were less sanguine, and believed that systemic bias by sophisticated people had gone "underground," but that it still existed. Therefore, they believed that a continuing effort to promote the recruitment, development and promotion of historically disadvantaged minorities and women would continue to be needed for some time.

III. RECOMMENDATIONS

Through its best practices research, the Task Group has determined that the private sector companies who successfully moved toward broader inclusion and advancement of women and racial/ethnic minorities in their companies did so because this outcome had been clearly identified and communicated as a strategic priority of the company. Specific programs and tactics in support of this priority were successful primarily because they were promoted through highly visible senior-level commitment. The Task Group believes strongly that DoD can make additional progress with respect to increasing minority representation in its senior ranks by employing/adapting many of these private sector tactics to its unique culture and organizational requirements.   However, just as private sector CEOs set the tone for their respective company's commitment to diversity, a firm and visible commitment from senior DoD leadership, including the Secretary of Defense, is required.

A. GENERAL THEMES

The DBB has prepared a series of specific recommendations to advance diversity goals related to increasing the representation of minorities and other underrepresented groups in the military's flag officer ranks and in the SES.   These recommendations, although tailored to specific challenges posed by the SES and the Services, coalesce around three broad themes that define what the DBB recommends, as a whole, should guide the Department's approach to this issue. Those three themes are as follows:

1. Leadership and Accountability are Critical Requirements for Further Success.

The most important lesson from the private sector is that "diversity" is a core corporate value whose priority must be supported from the top by the continuous words and actions of the CEO. This CEO-level leadership must be backed by measurement and line accountability. Furthermore, responsibility for diversity progress lies not only with the CEO, the Vice President for Human Resources or the company's Diversity Chief. Instead, "best practices companies" clearly communicate what behavior is expected of everyone in the organization and what specific measures on which their diversity progress will be tracked and reported. When evaluating its level of leadership and accountability, the Department should consider the following:

- How does the Secretary of Defense reinforce his commitment to promoting diversity within the Department, linking this commitment to clear motivating factors such as mission criticality and the Department's "war for talent"?
- Is diversity progress tied into the Department's balanced scorecard as it is in private sector "best practices companies?"
- Are the Secretary's goals clear and concise and regularly communicated to everyone throughout the Department? Are they tied to clear, compelling motivating factors including business imperatives, societal and altruistic benefits, mission criticality, etc.?
- Does the Department's senior leadership, i.e., GS-13-15 managers and SES and colonels and flag officers, understand their roles and responsibilities vis a vis those within the Department who bear specific titles related to human resources or equal opportunity?
- Is the Department's senior leadership adequately trained to manage diversity within their organizations so they may be held accountable to the Secretary of Defense for results?
- As in "best practices companies" committed to achieving diversity in their organizations, does the Department also have "support for diversity" as a distinct, stand-alone, performance measure for all its managers?
- Are appointment statistics tracked and reviewed by senior leadership at least quarterly, and are line managers held accountable to develop and implement action plans to improve diversity results?
- Do the senior leaders of each organization require and verify that their managers demonstrate a commitment to diversity when receiving and reviewing candidate slates for hiring, promotion, or training opportunities?

2. Broader, Requirements-Driven Approach to Diversity Is Needed

While the DoD continues to rely on narrowly defined racial and ethnic categories mandated by Congress and OMB, many large private employers have advanced their diversity agendas to include a much broader, requirements-driven approach to developing a diverse workforce. As described by the Associated Press, this emerging view of diversity is "the mosaic of people who bring a variety of perspectives, backgrounds, styles, values and beliefs as assets to the groups and organizations with whom they interact."

In the private sector, this broader view of diversity has been accompanied by sophisticated approaches in support of diversity goals in the form of planning and

programs. Many of the most successful elements of these approaches have been outlined in the best practices section of this report. Most significantly, these approaches are integrated, and look to an employee's entire career process from recruitment, to development, to promotion. Many of the Task Group's specific recommendations that follow are consistent with these approaches in that they recommend focusing on organizational requirements, long-term development, maintenance of standards, and an emphasis on the "positives" of building diverse assets for the organization rather the correction of societal-based "negatives."

When evaluating itself on this general theme, the Department should ask:

- In addition to the Congressionally mandated race/ethnic categories it currently tracks, how can the DoD follow the private sector and refine its diversity focus to a broader, more inclusive set of ethnic backgrounds, religions, countries of origin, etc., as a way to achieve mission success, be truly requirements-driven, and effectively compete with the private sector in the "war for talent"?
- How can the Department adapt the common practice among "best practices companies" that have successfully created a corporate culture supportive of diversity and track more than just diversity numbers, but also, climate indicators such as a culture of inclusion, openness to diverse views and welcoming of differences?
- What change management initiatives must the Department undertake to implement this broader approach?
- Can current EO programs be expanded to reflect this broader focus on diversity, and simultaneously capture essential, cutting-edge activities found successful in "best practices companies" such as succession planning and targeted advertising/recruitment and development, mentoring and private partnering relationships?

3. Diverse DoD Workforce Must Be Prepared to Compete for Promotion Based on Merit.

The third general theme captures the practice of an integrated approach to preparing a diverse workforce for advancement. "Best practices companies" make hiring and promotion decisions based on real requirements. In this regard, the Task Group echoes the *Joint-Service Equal Opportunity Task Force Final Report and Action Plan,* when it states that the goal of the DoD's diversity plans and programs is*:*

"To contribute to readiness through the commitment to create a military culture that strongly fosters, values and requires equal opportunity and treatment. To recruit and retain an Armed Force drawn from all segments of society that reflects the rich diversity of the Nation, and to provide development opportunities and career progression to all members of the Armed Forces. The intent is to accomplish this by helping all, including minorities and women, to meet standards, not by changing the standards."

The objective and result of diversity planning should be to increase the preparation of individuals from diverse backgrounds, including race, to compete for promotions to general and flag officer rank and SES based on ability, performance and potential.

As the DoD evaluates itself with respect to this theme, it should ask:

- What is the goal of diversity planning within DoD?
- Why is greater diversity in senior ranks important to the military and to the SES?
- With respect to promotions to flag officer and SES ranks, do the Department's diversity planning strategies and diversity programs and policies prepare military officers and senior civilians from all backgrounds (including race) to compete for such positions based on their abilities, performance and potential, without being disadvantaged in their quest for such positions because of their individual differences from the majority group?
- Are ability and performance always the qualifying criteria for selection? Are promotions based strictly on merit without reference to quotas, targets or goals for minority representation?
- As is common in "best practices companies" which have an integrated approach to the promotion of diversity, does the Department have the necessary tracking and monitoring systems and policies to ensure that high-potential employees, minority and majority, are given equal access to developmental opportunities?

B. SENIOR EXECUTIVE SERVICE

In 1999, the percentage of career SES minorities in 24 agencies showed DoD in 22nd place out of 24 agencies. As of May 2003, there were only 79 career SES minorities in DoD, which is about 7% of the total career SES population in DoD. The availability of minorities with college education as per the 2000 Census is significantly higher (20.3%) and suggests that DoD has an under-representation issue in the SES that requires attention.

GAO estimates that more than half of the career SES members employed on October 1, 2000, will have left service by October 1, 2007. This "retirement bubble" should be seen by the DoD's civilian leadership as a strategic opportunity to increase the proportion of minority men and women in the upper ranks of civilian employees. As cited in this report's broad recommendations, however, to appropriately take advantage of this strategic opportunity, it must be defined as a strategic priority. "Best practices companies" agree that, unless diversity is considered to be of strategic significance, it is not likely to be treated as important or handled effectively. Ultimately, the most effective way to communicate this commitment is through results. The broader appointment of women and minorities up the ranks communicates the leadership's commitment to diversity and creates role models to foster and develop junior employees.

With respect to specific application of private sector "diversity" best practices to the SES, the following is recommended:

General Recommendations

- **Hold Leaders Accountable.** The top political appointees and military officers supervising SES should be held accountable for a diverse workplace and expected to monitor appointment statistics at least quarterly. Review of data should be accompanied by action plans to improve.

- **Assess Current State**. Many private sector "best practices companies" engage an outside firm to conduct a series of focus group interviews across the organization to assess the climate in support of diversity without bias and to discern exactly what their employees (minority and majority) believe are the barriers, if any, to achieving a diverse workplace. The Department should leverage this best practice and perform a similar assessment to better understand its current state. The

use of an outside firm is recommended to facilitate more candid and accurate responses from participants.

- **Develop Active Partnerships with Outside Organizations Devoted to Promotion of Diversity**. Many "best practices companies" cited the different training and developmental needs of women and minorities, as well as, the need for constant training of the organization's majority, in order to achieve diversity results. Therefore, these companies have partnered with outside organizations devoted to promoting diversity to achieve more immediate results. When assessing its in-house training abilities, the Department should identify where its civilians would be better served through new leadership development programs conducted in partnership with outside consultants (e.g., Simmons College, Center for Creative Leadership, etc.)

- **Review Communications Messages**. "Best practices companies" establish a communications review committee to make sure published materials are held to a high standard and would pass any equal opportunity screen and send a consistent and clear message of the company's support for a diverse workplace. When reviewing its progress in this regard, the Department should ensure that its *web communications*:

  - Include clearly visible information about the Department's commitment to diversity as a core value.
  - Illustrate this commitment through the many career opportunities available to women and minorities at DoD.

Recruitment

- **Targeted Advertising/Recruiting.** "Best practices companies" use targeted advertising/recruiting campaigns to compete for and win the reputation of "employer of choice" among minority communities. When assessing the Department's marketing and recruiting campaigns, the Department should ensure that these campaigns:

  - Are centralized for impact and uniformity of message, and
  - Tell the SES story, including the variety of important opportunities available for women and minorities, and are they targeted to deliver the message of not just jobs, but real careers.

- **Shorten SES Hiring Process.** The private sector can act quickly to hire the best candidates. In its efforts to win this "war for talent" the Department should:

  o Take specific steps to shorten the hiring cycle and increase its ability capture its fair share of top talent.
  o Work toward eliminating OPM review of mandatory qualifications, which slows down the hiring process.

Purposeful Development and Retention

- **Establish A Distinct Performance Element**. Promotion of a diverse workforce is a key distinct performance element in the "best practices companies" interviewed. Under the Department's new Performance Management System, seven key performance elements have been identified, tying back to mission. Currently, promotion of a diverse and representative workforce is included in the specific performance element on leadership and development. In "best practices companies" this diversity performance element would stand on its own to highlight its importance.

- **Ensure Comprehensive Management Training.** As mentioned previously, "best practices companies" ensure that managers are properly trained in how to hire, develop, promote and retain minorities. These fundamental issues extend beyond diversity. The question of the "Performance Management" capability of civilian management has been identified as a problem for the Department in a number of reports, such as those by National Academy of Personnel Administration among others. Recent legislation will require pay increases for SES tied to a new Performance Management system. Critical to the success of such a system will be the training of managers on how to conduct performance appraisals. When assessing its current programs and the need for additional training initiatives, the Department should ask itself:

  o Should a new managerial development program be created?
  o How can the Department improve the quality of performance appraisals and career development coaching?
  o How can the Department effectively measure managers based on the caliber of their assessment/coaching skills and results of their

diversity efforts? (Note, "best practices companies" focus on managerial deficits/issues raised by focus groups.)

    o Should the Department adopt the private sector best practice of making individual development plans mandatory? The Board recommends that they be made mandatory as part of the Performance Management System. Further, individual development programs should tie back to promotability forecasts.

- **Ensure Diverse Participation in Leadership Development Programs.** In conjunction with accurate succession planning and tracking of high potential women and minorities, the executive leadership of "best practices companies" ensure that leadership development opportunities are well-attended by these individuals. When assessing it progress in following this private sector best practice, the Department should try to further leverage the Senior Executive Service Candidate Development Program, the Executive Leadership Development Program and the Defense Leadership and Management Program to promote the development of high potential women and minorities in the Department.

- **Initiate Mentoring Programs**. In "best practices companies" the personal leadership of managers is judged in the area of diversity as part of their performance. One way managers demonstrate this leadership is through mentoring. Mentors are provided training and then matched with individuals who voluntarily sign up for the mentor program. Managers are encouraged to become mentors and given credit for their interest in developing people. The demonstrable success of such programs in the private sector should give the Department significant justification for instituting a similar program for its civilian workforce.

- **Recognize and Reward Leaders.** "Best practices companies" hold corporate-wide events to celebrate individuals' success in promoting and achieving diversity for the organization. This practice serves as both an effective way to reward real action and a very public way to demonstrate the company's commitment to the issue. In developing its future strategies in this regard, the Department should seek to find appropriate award(s) to recognize outstanding leaders and reinforce the Department's commitment to diversity attainment.

Promotion

- **Centralize Monitoring**. "Best practices companies" track every mid-level and upper-level appointment, including review as to the diversity of candidate slates. Many develop talent databases to assist them in this effort. The DoD should ensure that it has sufficient high-level oversight of this process and should evaluate whether the SES promotability system (which is currently decentralized) could be improved if it were monitored and reported on by OUSD/P&R.

- **Use the "Retirement Bubble" to Jump-Start Diversity in the Senior Grades.** "Best practices companies" report that the actual appointment of women and minorities to senior management sends a clear message throughout the organization that diversity is a corporate priority, and it creates role models contributing to the creation of a corporate culture that values diversity. The Department should leverage this opportunity and expand the appointment of women and minorities to the SES, to include making full use of its outside hiring authorities.

C. MILITARY

> *"The most successful integration story in America was written by its armed forces. Launched a few years before the civil rights movement began and affirmative action was invented, the program proved in time that equality is not just morally right, it also produces a superior institution."*
>
> *- Jim Carrier, "A Traveler's Guide to the Civil Rights Movement" (2004)*

In 1948, President Truman issued Executive Order 9981 calling for "equality of treatment and opportunity" in the military. As documented by Jim Carrier, author of "A Traveler's Guide to the Civil Rights Movement," this action led to Secretary of Defense Charles E. Wilson's formal announcement of the abolishment of the last racially segregated military unit in October of 1954. In the fifty years that followed, and particularly since the advent of the all-volunteer military, the military branches have made significant advances toward broadening the representation of minority groups in their senior officer ranks, particularly with respect to Blacks.

A review of the Flag and Pipeline Representation Indices cited earlier in this report illustrates this progress--as well as potential areas for improvement. For example, the current Flag and Pipeline RIs for Blacks overall in the military are both close to 1.0, but the same indices for Blacks vary considerably by Service. While the Pipeline RI for Hispanics is close to 1.0, the current Flag RI for Hispanics is significantly below 0.5, as are both the Flag and Pipeline indices for Asians/Pacific Islanders. These lower indices suggest that a myriad of societal, cultural, and institutional factors that may have been at work, but this Task Group did not devote significant time to researching or identifying such factors. Regardless of the specific experiences of specific minority groups, the Task Group strongly believes that DoD should view the promotion of diversity as a "continuous improvement" process. As such, there are many opportunities for the military to enhance its efforts in this regard and to further advance the progress that has been made, particularly as it relates to representation of Hispanics and other groups that would contribute to a broader, more diverse senior officer corps.

General Recommendations

- **Expand Diversity Categories**. Consistent with this report's general theme for DoD to adopt a broader, requirements-driven approach to diversity, the DBB believes that the military services must define more clearly what the term diversity means to them. Broadly speaking, "diversity" as a corporate value is evolving to mean much more than strict minority or racial representation. Besides race, diversity includes gender, language, religion, ethnic background and country of origin. Mainly, diversity in "best practices companies" is requirements driven. When developing this broader approach to diversity, the Services should:

  o Move from a single diversity focus on groups that have suffered from historic discrimination in the United States to a broader, more inclusive set of ethnic backgrounds, religions and countries of origin that better meet the requirements of the future based on threat assessment and the available, qualified population.
  o Determine what characteristics each Service would like to have more of in its officer corps, and whether the Service should be driven by these characteristics in its recruitment/accession, development/nurturing, retention and promotion activities.

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Unless it is a violation of an important DoD policy, the Task Group recommends each service be allowed flexibility to define the groups in which it is interested in achieving greater diversity in its officer ranks.

Recruitment/Accessions

- **Targeted Recruiting.** Dr. Roosevelt Thomas, a thought-leader in the area of diverse workforces, defines the process of aligning recruiting with the organization's mission, vision and strategy as critical to creating a "requirements-based" organization. Dr. Thomas argues that all entities should strive to be requirements driven so that the impact of individual biases in areas such as race are mitigated, and ultimately eliminated. When reviewing its policies in this area the Services should:

  - o Follow a similar approach, focusing on their specific requirements, and ensuring the appropriate dimensions of quality are considered.
  - o Focus on the proper determinants of quality that support the Services' specific mission, vision, and strategy.
  - o Ensure these requirements are clear to all recruiting authorities.

- **Reestablish ROTC at Elite Schools**. The DBB believes that recruiting/accessions efforts that simply focus on increasing the quantity of minority officers are not sufficient. Instead, the focus in minority, and all other officer recruitment activities, should be on the quality of the intake with respect to those characteristics that best meet the requirements of the Services.

  In an effort to tap into a broader pool of high potential minority candidates and to attract them to military service, the military services should attempt to reestablish ROTC detachments at the "elite" colleges and universities that dropped ROTC in the aftermath of the Vietnam War. These highly competitive schools have made significant strides in increasing minority enrollment over the last 30 years. In developing its focus on quality recruiting programs, the Services should ensure that current ROTC programs produce the quality of officer candidates required for mission success. If not, the Service should seek to reestablish ROTC detachments at elite schools to recruit high-quality students from all backgrounds. Note, success may require an increase in scholarship aid at these schools because their tuitions are higher than at less competitive schools.

Additionally, the Services should ensure they have strong Junior ROTC programs in predominantly minority high schools to encourage qualified students to enroll in ROTC programs at four-year colleges.

Purposeful Development

- **"Diversity" and Performance Management.** Formal performance appraisal through officer fitness reports is an important vehicle for creating an organizational climate that values diversity. As the Services refine their officer appraisal processes, they should ensure their current systems:

  - Assess the officer's fairness and unbiased attitudes toward all those serving under his or her command, including not showing favor to any particular race or minority.
  - Reinforce the element of leadership, offering junior officers an opportunity to confidentially evaluate their superiors through 180-degree reviews. In addition to helping prevent biased officers from unfairly maligning the performance records of officers under their command, this review could also provide good feedback to individual leaders on their skills and perceived biases as observed by the people they are chosen to lead.
  - Train officers to provide accurate, candid and constructive feedback to all officers, including minorities, who want to improve their performance.
  - Protect officers who provide accurate performance feedback to their subordinate officers from unfair charges of bias.

- **Encourage Professional Military Educational Opportunities and Joint Tours**. The Services should undertake efforts to ensure that there is diverse representation in professional military educational opportunities and joint tours to the extent possible.

- **Assign High Potential Minorities to High Visibility Jobs**. "Best practices companies" actively assign high-potential minority employees to lead special projects for senior management as a way to give them broader exposure to senior leadership and provide them opportunities to demonstrate their leadership skills and general abilities. The Services should consider the feasibility of a similar approach, one that assigns

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high potential minority officers to the personal staffs of general and flag officers and/or to special projects in the "front office."

- **Special Focus on Combat Arms.** Since promotion to flag rank is likely to continue to be dominated by those with line combat experience, the Services should take steps to ensure that their:

  o Policies and practices encourage minorities to enter tactical operations fields, and that
  o Non-statutory (assignment) boards are unbiased in assigning individuals to career-enhancing line assignments.

- **Special Focus on Hispanics.** Given the growing proportion of the U.S. population represented by Hispanics, their increasing representation in the enlisted ranks, and their relatively low representation in the flag officer ranks, it is recommended that the Services consider the following in their efforts to increase Hispanic representation and advancement in the senior officer corps:

  o Support the work of the Defense Advisory Council on Hispanic Issues (DACHI) by carefully considering the recommendations in the DACHI report, "Diversity Management: Hispanics, An Under-Utilized Resource" (March 2003) with respect to:
    - Developing a specific action plan for the recruitment, development, retention and promotion of Hispanic Americans.
    - Creating specific marketing strategies for key academic institutions with a large number of Hispanic-American students.
    - Forming partnerships with Hispanic Association of Colleges and Universities (HACU) and other professional Hispanic organizations.
  o Consider establishing ROTC units on Hispanic Serving Institutions (HSIs) if warranted.
  o Consider sponsoring scholarships for highly qualified and motivated Hispanic youth to complete a four-year degree program and then enter the officer corps. This applies primarily to Hispanic youth who may be more inclined to pursue two-year associate degrees than four-year baccalaureate degrees.

o Identify the best and brightest Hispanic NCOs and encourage them to pursue training to become junior officers.

- **Mentoring.** "Best practices companies" design multi-dimensional mentoring programs that match mentors and those mentored based on two objectives: interests and backgrounds/professions and a "match" (although not essential) for race/ethnicity/gender. "Best practices companies" also screen mentor candidates and provide mentoring training that also covers the rationale and organizational strategy for diversity attainment. The Task Group recognizes that informal mentoring is part of the military culture, but recommends that the Services evaluate whether the demonstrable benefits of formal programs, such as those instituted by the private sector, could be replicated in the military context.

- **Affinity Groups.** Many of the most successful private sector companies have found that affinity groups provide valuable input to senior decision makers on corporate strategy, recruiting, retention, marketing, etc., via an open door policy. When assessing the potential for positively leveraging these groups in DoD, i.e., "Rocks" and "AFCOMAP" (Air Force Cadet Officers' Mentoring Action Program), the Services should determine whether senior Service leadership:

    o Provides an open door for these groups and seeks their input to advance the Service's diversity efforts.
    o Grants tacit approval of these groups' activities by supporting the decisions of successful senior minority officers to lead these groups.

Retention

- **Actively Address Attrition to the Private Sector**. Executives at "best practices companies" reiterated to the Task Group that the best inducement for retention of talented minorities is the belief that equal opportunities exist for career-enhancing assignments, professional education, and bias-free promotion. While the private sector can offer special financial inducements to retain individuals with high promotion potential, the military has limited tools in this regard. On the contrary, the military, because of its demanding leadership and technical training, provides a pool of talented, highly trained, and motivated minority

officers from which the private sector aggressively recruits. Arguably, it is good for the nation as a whole for the military to provide such training, however, it does present a retention challenge. In developing a pro-active approach to stemming attrition the Services should:

- o Create an environment that assures minorities that the best and most qualified will have equal opportunities to be promoted and serve their country in positions with greater and greater responsibility and ensure this demonstrated through words and actions.
- o Highlight the success of minority officers as role models for junior officers - - reinforcing the above point.
- o As part of the annual performance review process, ensure junior officers articulate their career goals and aspirations and engage in candid discussions with their reporting officers about their career prospects.
- o Conduct exit interviews with high-performing minorities to determine the reasons for leaving, and identify and communicate lessons learned that might help prevent additional attrition.

- **Keep Talent in DoD.** Despite the Services best efforts, highly talented and top-performing officers (minority and majority) may elect to leave or retire from the military. In this case, it should be required that the departing officer has an interview with a representative of the applicable Service's Assistant Secretary of Manpower and Reserve Affairs or the OUSD P&R to explore opportunities within the civilian ranks of the same Service or elsewhere in DoD. On a selective basis, this could be an important component of accelerating the transformation and diversity of human capital in the senior civilian ranks of DoD.

Promotion

- **Maintain Standards through Preparation**. In private sector "best practices companies" the goal and result of diversity programs is to increase the pool of diverse talent prepared to compete for promotions on the basis of merit, performance and potential. Similarly, since it is military policy for promotions to be awarded to those most qualified based on merit, performance and potential, not on race, ethnic group and gender, the military should focus on preparing minority candidates for

promotion throughout the course of their careers. It is the Task Group's recommendation that such preparation should include the following:

- o Career-enhancing and challenging assignments.
- o Accurate performance appraisals and coaching.
- o Access to professional military education opportunities.
- o Service in joint tours.
- o Service in combat arms leadership positions.

D. MEASURING DIVERSITY PROGRESS

Following best practices in the private sector, the DBB recommends the DoD measure diversity progress by:

- Measuring progress not just against numerical goals for equal representation per se, but towards an inclusive, nondiscriminatory environment that values diversity, pluralism and inclusion, and creates opportunity for officers of different backgrounds to contribute and be recognized and promoted based on their performance and capabilities.

  - o Such measures are assessed qualitatively against time-line standards from Internet-based climate surveys, 360-degree reviews, and exit interviews.
  - o Such measures could include tracking and reporting on the number of opportunities a manager had to hire/promote/train, and confirm that he/she considered diversity in those decisions/selections.

- Reducing the diversity/EO reporting demands on the Services by starting afresh to identifying a small number of essential reports, and scrapping all others.

- Centralizing the gathering and analysis of data within one organization (such as Defense Manpower Data Center).

IV. NEXT STEPS

Following review of this report by the Under Secretary of Defense (Comptroller), a summary will be presented to the Defense Department's Senior Executive Council. Following the Senior Executive Council review, a presentation will be made to the Secretary of Defense and follow-on action will be assigned to a senior DoD official at the discretion of the Secretary. The following implementation steps are recommended as part of any follow-on action:

1. Expression of support for the report's themes by the DoD's senior civilian and military leadership.

   o Consider a public signing and affirmation of the DoD's Human Goals Charter to coincide with the 50th anniversary of Secretary of Defense Charles W. Wilson's declaration of the abolishment of the last racially segregated military unit (October 2004).

2. Oversight of implementation by the Defense Equal Opportunity Council reporting to the Secretary of Defense and chaired by the Deputy Secretary of Defense. The Task Group recommends this council be renamed the **Defense Diversity Board** to reflect the Department's broader, requirements-driven focus.

   o Its members should continue to include the Secretary of the Army, the Secretary of the Air Force, the Secretary of the Navy, the Chairman of the Joint Chiefs of Staff, all five Under Secretaries of Defense, the DoD General Counsel, and the Director of Administration and Management.

   o Its purpose should be to advise the Secretary of Defense on diversity matters, not simply Equal Opportunity matters, both military and civilian, provide advice and recommendations to the Service Secretaries and Defense Agency heads, and monitor and measure progress on diversity initiatives.

   o If requested, the DBB would nominate one of its members, Madelyn P. Jennings, to serve as an ex officio member of the Defense Diversity Board.

3. The Defense Diversity Board should review the themes and recommendations of this report and report back to the Secretary of Defense within a reasonable time the details of implementation.

4. The Defense Diversity Board may wish to consider the formation of a Defense Diversity Advisory Board composed of eminent experts from the private sector who could provide periodic advice and assistance on general diversity matters and on trends in the private sector.

EXHIBIT A
(Terms for Reference)

MEMORANDUM FOR CHAIRMAN, DEFENSE BUSINESS PRACTICE
IMPLEMENTATION BOARD (DBB)

SUBJECT: Terms of Reference – DBB Study on Diversity in the General Officer and Senior
Executive ranks

      Request you form a Task Group to make recommendations to the Department of Defense
on how best to achieve broader diversity in the General Officer and Senior Executive ranks. The
Group's recommendations should consider existing Department strategies in this regard, as well
as best practices from the most successful case studies in the private sector. The ultimate
objective of this work is to provide a proactive, strategic approach to recruiting, nurturing,
retaining, and promoting minority personnel to the most senior military and civilian ranks in the
Department.

      The Task Group should deliver the following:

1. A general overview of the Department's current strategies to achieve broader
    diversity
    in its senior military and civilian ranks.

2. Identification of the key success factors from the private sector that have been
    effective at increasing percentages of under represented groups in executive ranks.

3. Outline of a process/plan to adopt those key success factors within DoD given its
    unique
    structure and constraints.

4. Identification of the significant change management initiatives and leadership
    required.

      Mr. Reginald Brown, Assistant Secretary of Army (Manpower and Reserve Affairs), Mr.
William Navas, Assistant Secretary of the Navy (Manpower and Reserve Affairs), and Mr. Mike
Dominguez, Assistant Secretary of the Air Force (Manpower and Reserve Affairs) will jointly
sponsor the Task Group. Mr. C. J. Johnson, DoD EEOC Director, will be the DoD Liaison.
Mr. Fred Cook will be the Task Group Chairman. Mrs. Kelly Van Niman, Consultant to the
DBB, and Mr. Ivan Thompson, DBB Deputy Director, will be the Task Group Executive
Secretaries. The Task Group will present an interim draft report by November 20, 2003, with a
final report to be delivered no later than the January 2004 DBB meeting.

    The Task Group will be operated in accordance with the provisions of P.L. 92-463, the
"Federal Advisory Committee Act," and DoD Directive 5105.4, the "the DoD Federal Advisory
Committee Management Program." It is not anticipated that this Task Group will need to go into

any "particular matters" within the meaning of Section 208 of Title 18, U.S. Code, nor will it cause any member to be placed in the position of acting as a procurement official.

(Signed _____)
Dov S. Zakheim

(Task Group Revision of Terms of Reference)

September 25, 2003

MEMORANDUM FOR CHAIRMAIN, DEFENSE BUSINESS PRACTICE
INPLEMENTATION BOARD (DBB)

FROM: Fred Cook, DBB Task Group Leader

Frederick W Cook

SUBJECT: Revised Focus of Diversity Task Group

In response to recent discussions with Dr. Chu and other members of the subject Task Group, I have decided to revise the scope and expected deliverables of the Task Group. These changes are intended to address the following concerns/guidance:

- The DBB should avoid engaging in definitional clarifications of the term "diversity."
- The DBB should not deliver judgments about the value of diversity as it relates to DoD.
- The DBB should avoid performing a comprehensive review of current DoD programs designed to address the diversity issue.
- The DBB should not treat women as a separate minority group, but rather use the OMB Statistical Directive 15 definitions of race/ethnic categories for minorities, which include women, i.e., Black or African American, Hispanic, Asian American or Pacific Islander, and Alaska Native or American Indian.

As a result, in place of the deliverables cited in the terms of reference letter, the Task Group will deliver the following:

1. A comprehensive review of private sector best practices for increasing minority representation in senior management ranks. The Task Group will focus its review on professional fields that have either direct, or indirect, relevance to professional fields in the military and/or civilian ranks. This review will identify what has been successful, and unsuccessful, over the past 20 years in the private sector, and best practices along four critical dimensions, all of which combine to form effective programs in this regard:

- Recruiting
- Development/Nurturing
- Retention
- Promotion

2. Specific recommendations on which private sector best practices may be most applicable to DoD. These recommendations will include guidance on how best to implement such practices and use active measurements to monitor progress along all four dimensions cited above. Recommendations will take into account separate considerations for diversity in the flag officer ranks of the military branches (USA, USN, USAF and USMC) and the Senior Executive Service ranks collectively for all of DoD.

EXHIBIT B

1. What are the goals of Co A's diversity program?

2. How is "diversity" defined at Co A?

3. How long has Co A been involved with this effort?

4. How would you rate its effectiveness?

5. What types of things does Co A do to aid its diversity effort with respect to:

       a. Recruiting
       b. Developing/Nurturing
       c. Retention
       d. Promotion?

6. Does Co. A do anything to direct the career paths of minorities/females into line positions that may offer greater promotion potential?

7. What types of things has Co A tried that you would regard as particularly:

       a. Effective/Successful
       b. Ineffective/Unsuccessful?

8. Does Co A do anything specific to promote diversity among the following underrepresented groups among senior management:

       a. Blacks/African Americans
       b. Hispanics
       c. Asians
       d. American Indians
       e. Women
       f. Other?

9. Does Co A use numerical goals or objectives to track progress in achieving diversity?

10. Are executives evaluated on achieving diversity objectives? Are there financial incentives tied to achieving diversity objectives?

11. What do you see as the next phase in Co A's diversity program?

12. Do you have any specific suggestions or advice for the Defense Department in achieving racial representation among flag officers and DOD's civilian senior executives?

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EXHIBIT C

SENIOR RANKING ACTIVE DUTY MILITARY AND DoD CIVILIANS

											TOTAL (Excluding Unknown)
Army											
Flag Officers	1	0.32%	5	1.60%	23	7.37%	274	87.82%	7	2.24%	312
O-1 to O-6	15	0.40%	77	2.06%	315	8.43%	3,188	85.35%	96	2.57%	3,735
Navy											
Flag Officers	1	0.47%	0	0.00%	6	2.80%	204	95.33%	2	0.93%	214
O-1 to O-6	17	0.48%	60	1.69%	138	3.88%	3,236	90.95%	75	2.11%	3,558
Air Force											
Flag Officers	1	0.36%	1	0.36%	13	4.71%	258	93.48%	3	1.09%	276
O-6	19	0.49%	64	1.66%	216	5.62%	3,453	89.78%	78	2.03%	3,846
Marine Corps											
Flag Officers	0	0.00%	0	0.00%	5	6.25%	74	92.50%	1	1.25%	80
O-1 to O-6	1	0.15%	5	0.77%	34	5.26%	590	91.33%	16	2.48%	646
Total Active Duty Military											
Flag Officers	3	0.34%	7	0.79%	47	5.33%	810	91.84%	13	1.47%	882
O-1 to O-6	52	0.44%	206	1.75%	703	5.97%	10,467	88.82%	265	2.25%	11,785
DoD Civilians											
Total SES	9	0.77%	17	1.45%	39	3.33%	1087	92.83%	14	1.20%	1171
GS-9 to GS-15	41	0.52%	212	2.69%	380	4.83%	7089	90.04%	138	1.75%	7,873
US Population											
Ages 20-44	806,000	0.80%	4,478,000	4.42%	13,116,000	12.95%	69,982,000	69.10%	12,894,000	12.73%	101,276,000
Ages 45-64	428,000	0.74%	2,007,000	3.45%	6,026,000	10.36%	45,112,000	77.59%	4,569,000	7.86%	58,142,000
College Educated											
Ages 18-44											
Male	n/a	n/a	853,000	7.63%	782,000	6.99%	9,034,000	80.76%	517,000	4.62%	11,186,000
Female	n/a	n/a	727,000	6.83%	1,022,000	9.60%	8,376,000	78.66%	524000	4.92%	10,649,000
Total Male and Females	n/a	n/a	1,580,000	7.24%	1,804,000	8.26%	17,410,000	79.73%	1,041,000	4.77%	21,835,000
Ages 45-64											
Male	n/a	n/a	232,000	5.20%	268,000	6.01%	3,813,000	85.53%	145,000	3.25%	4,458,000
Female	n/a	n/a	245,000		318,000		2,932,000		113,000		3,608,000
Total Male and Females	n/a	n/a	477,000	5.90%	586,000	7.30%	6,745,000	83.60%	258,000	3.20%	8,066,000

Note: AI/AN = American Indian/Alaskan Native
* Former Army Chief of Staff (Gen Shinseki) retired Aug 1, 2003
Population data from US Census Bureau, 2000 Census
Education Data from US Census Bureau, 2000 Census

EXHIBIT D

(DoD Statistical Evaluation - - Military)

TOTAL MILITARY (MALE)

	WHITE		BLACK		HISPANIC/LATINO		AM.IND/ALAS.NAT.		ASIAN/PAC.ISL.		TOTAL NO.
	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	(EXCLUDING UNK.)
FLAG											
TOTAL FLAG	779	**1.08**	44	**0.87**	12	**0.44**	3	na	6	**0.14**	844
% of Total	92.3%		5.2%		1.4%		0.4%		0.7%		100.0%
Male College Educated (45-64)	3,813,000		268,000		145,000				232,000		4,458,000
% of Total	85.53%		6.01%		3.25%				5.20%		
PIPELINE											
TOTAL O-1 to O-6	146,156	**1.04**	12,814	**1.05**	7,749	**0.96**	1,104	na	6,167	**0.46**	173,990
--% of Total	84.0%		7.4%		4.5%		0.6%		3.5%		100.0%
Male College Educated (18-44)	9,034,000		782,000		517,000		0		853,000		11,186,000
% of Total	80.8%		7.0%		4.6%		0.0%		7.6%		100.0%

ARMY

	WHITE		BLACK		HISPANIC/LATINO		AM.IND/ALAS.NAT.		ASIAN/PAC.ISL.		TOTAL NO.
	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	(EXCLUDING UNK.)
FLAG											
TOTAL FLAG	266	**1.03**	22	**1.22**	7	**0.71**	1	na	5	**0.32**	301
% of Total	88.4%		7.3%		2.3%		0.3%		1.7%		100.0%
Male College Educated (45-64)	3,813,000		268,000		145,000				232,000		4,458,000
% of Total	85.53%		6.01%		3.25%				5.20%		
PIPELINE											
TOTAL O-1 to O-6	44,862	**1.00**	5,766	**1.48**	2,650	**1.03**	339	na	2,181	**0.51**	55,798
% of Total	80.4%		10.3%		4.7%		0.6%		3.9%		100.0%
Male College Educated (18-44)	9,034,000		782,000		517,000		0		853,000		11,186,000
% of Total	80.8%		7.0%		4.6%		0.0%		7.6%		100.0%

NAVY

	WHITE		BLACK		HISPANIC/LATINO		AM.IND/ALAS.NAT.		ASIAN/PAC.ISL.		TOTAL NO.
	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	(EXCLUDING UNK.)
FLAG											
TOTAL FLAG	194	**1.12**	6	**0.49**	2	**0.30**	1	na	0	**0.00**	203
% of Total	95.6%		3.0%		1.0%		0.5%		0.0%		100.0%
Male College Educated (45-64)	3,813,000		268,000		145,000				232,000		4,458,000
% of Total	85.53%		6.01%		3.25%				5.20%		
PIPELINE											
TOTAL O-1 to O-6	37,291	**1.03**	2,915	**0.93**	2,308	**1.12**	315	na	1,869	**0.55**	44,698
% of Total	83.4%		6.5%		5.2%		0.7%		4.2%		100.0%
MALE COLLEGE EDUCATED (18-44)	9,034,000		782,000		517,000		0		853,000		11,186,000

AIR FORCE

	WHITE		BLACK		HISPANIC/LATINO		AM.IND/ALAS.NAT.		ASIAN/PAC.ISL.		TOTAL NO.
	NO.	Representation	NO.	Representation	NO.	Representation	NO.	Representation	NO.	Representation	(EXCLUDING UNK.)
FLAG		Index		Index		Index		Index		Index	
TOTAL FLAG	247	**1.10**	11	**0.70**	2	**0.23**	1	na	1	**0.07**	262
% of Total	94.3%		4.2%		0.8%		0.4%		0.4%		100.0%
Male College Educated (45-64)	3,813,000		268,000		145,000				232,000		4,458,000
% of Total	85.53%		6.01%		3.25%				5.20%		
PIPELINE											
TOTAL O-1 to 0-6	50,615	**1.08**	3,170	**0.78**	1,933	**0.72**	354	na	1,723	**0.39**	57,795
% of Total	87.6%		5.5%		3.3%		0.6%		3.0%		100.0%
MALE COLLEGE EDUCATED (18-44)	9,034,000		782,000		517,000		0		853,000		11,186,000
--% TOTAL	80.8%		7.0%		4.6%		0.0%		7.6%		100.0%

MARINE CORPS

	WHITE		BLACK		HISPANIC/LATINO		AM.IND/ALAS.NAT.		ASIAN/PAC.ISL.		TOTAL NO.
	NO.	Representation	NO.	Representation	NO.	Representation	NO.	Representation	NO.	Representation	(EXCLUDING UNK.)
FLAG		Index		Index		Index		Index		Index	
TOTAL FLAG	72	**1.08**	5	**1.07**	1	**0.39**	0	na	0	**0.00**	78
% of Total	92.3%		6.4%		1.3%		0.0%		0.0%		100.0%
Male College Educated (45-64)	3,813,000		268,000		145,000				232,000		4,458,000
% of Total	85.53%		6.01%		3.25%				5.20%		
PIPELINE											
TOTAL O-1 to 0-6	13,388	**1.06**	963	**0.88**	858	**1.18**	96	na	394	**0.33**	15,699
% of Total	85.3%		6.1%		5.5%		0.6%		2.5%		100.0%
MALE COLLEGE EDUCATED (18-44)	9,034,000		782,000		517,000		0		853,000		11,186,000
--% TOTAL	80.8%		7.0%		4.6%		0.0%		7.6%		100.0%

EXHIBIT E

(DoD Statistical Evaluation - - Civilians)

DoD CIVILIANS

	WHITE		BLACK		HISPANIC/LATINO		AM.IND/ALAS.NAT.		ASIAN/PAC.ISL.		TOTAL NO.
	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	(EXCLUDING UNK.)
SES											
TOTAL SES	1,087	**1.11**	39	**0.46**	14	**0.38**	9	na	17	**0.25**	1,166
% of Total	93.2%		3.3%		1.2%		0.8%		1.5%		100.0%
College Educated (45-64)	6,745,000		586,000		258,000				477,000		8,066,000
% of Total	83.6%		7.3%		3.2%				5.9%		
PIPELINE											
TOTAL GS-9 to GS-15	220,323	**0.98**	31,715	**1.36**	13,075	**0.97**	2,401	na	14,205	**0.70**	281,719
% of Total	78.2%		11.3%		4.6%		0.9%		5.0%		100.0%
College Educated (18-44)	17,410,000		1,804,000		1,041,000		0		1,580,000		21,835,000
% of Total	79.7%		8.3%		4.8%		0.0%		7.2%		100.0%

WOMEN AS PERCENT OF SES

	WHITE WOMEN		BLACK WOMEN		HISPANIC/LATINO WOMEN		AM.IND/ALAS.NAT. WOMEN		ASIAN/PAC.ISL. WOMEN		TOTAL NO. WOMEN
	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	NO.	Representation Index	(EXCLUDING UNK.)
TOTAL WOMEN IN SES (as of 2003)	205	**1.13**	14	**0.63**	5	**0.44**	1	**NA**	6	**0.38**	231
-- % TOTAL SES	88.7%		6.1%		2.2%		0.4%		2.6%		19.7%
COLLEGE EDUCATED WOMEN	8,376,000		1,022,000		524,000		0		727,000		10,649,000
--% TOTAL	78.7%		9.6%		4.9%		0.0%		6.8%		100.0%

(Data as of 2003, including career and political appointees, where total SES (M and F) were 1175.)

EXHIBIT F

BOLD Initiative

The BOLD Initiative is a national organization which employs a comprehensive approach to helping corporate America diversify its leadership to gain competitive advantage in the global economy. Its thrust is four fold, creating:

CEO Action Learning Groups: Provide action learning experiences overtime for CEO's in confidential peer group settings.

Research and Demonstration Projects: Developing research and demonstration projects to provide:

    a. Models on how to diversify business leadership in different industries, at different stages of their development, and in different parts of the country;

    b. Data demonstrating the impact of diversity on organizational performance and the business case for corporate leadership diversity.

Resource Development Networks: Creating strategic alliances and networks of women, minority, and majority business leaders and professional schools and associations to:

    a. Promote the business imperatives for leadership diversity;

    b. Encourage, develop and access diverse candidates for business leadership opportunities.

Community Change: Providing public information and advertising to enhance public appreciation for and the climate around diversity

Governance: The BOLD Initiative is incorporated in New York State, and is organized as a 501 (c) (3) non-profit corporation. Its officers are:

    Honorary Chairman: Paul A. Volcker
    Chairman: Karen Hastie Williams
    President & CEO: Beatrice A. Fitzpatrick
    Vice Chairman, Development: Barbara Scott Prelskel
    Vice Chairman, Community Outreach: Linda Griego
    Secretary: Joan Bok
    Treasurer: Dominic Tarantino

Its General Counsel is Bettina B. Plevan, senior partner, Proskauer Rose LLP. Its outside auditor is Ernst & Young.

EXHIBIT G

(Diversity Training Resources)

a) <u>Applied Psychological Techniques, Inc.</u>

APT was founded in 1995 by organizational psychologists with the goal of helping the Fortune 100 to select, develop and retain their top talent. We are a full-service human resource consulting firm with offices in the New York, Atlanta, Seattle and San Jose metropolitan areas.

Our customer-focused solutions include consultative services and Web-based tools in the areas of assessment and selection; staffing for reorganizations, mergers and reductions in force; human resource process audits; employment litigation support; performance management; organizational surveys; job analysis; and test administration and scoring.

APT offers a wide range of consulting services to meet your company's needs. Our services include:

- Assessment
- Selection
- HR Process Audits
- Staffing for Organizational Change
- Litigation Support
- Performance Management
- Surveys

Contact Information: Kathleen K. Lundquist, Ph.D., President, 1120 Post Rd. 2nd Floor, Darien, CT 6820 {(203)655-7779, (203)655-8288 (fax)}

b) <u>The Aspen Institute</u>

The Aspen Institute is an international non-profit organization founded in 1950. Its mission is to foster enlightened leadership, the appreciation of timeless ideas and values, and open-minded dialogue on contemporary issues. Through seminars, policy programs, conferences and leadership development initiatives, the Institute and its international partners seek to promote the pursuit of common ground and deeper understanding in a nonpartisan and non-ideological setting. The Institute is headquartered in Washington, DC, and has campuses in Aspen,

Colorado, and on the Wye River on Maryland's Eastern Shore. Its international network includes partner Aspen Institutes in Berlin, Rome, Lyon and Tokyo, and leadership programs in Africa.

Contact Information: Walter Isaacson, President & CEO, One Dupont Circle, NW, Suite 700, Washington, DC 20036-1133 {(202)736-5800, (202)467-0790 (fax)}

c) The Brookings Institution

The Brookings Institution is an independent, nonpartisan organization devoted to research, analysis, education, and publication focused on public policy issues in the areas of economics, foreign policy, and governance. The goal of Brookings activities is to improve the performance of American institutions and the quality of public policy by using social science to analyze emerging issues and to offer practical approaches to those issues in language aimed at the general public.

The Brookings Center for Public Policy Education designs and delivers world-class public policy education for government and corporate executives. The Center also offers CUSTOM PROGRAMS for which Brookings works closely with organizations to meet the organization's unique needs. Customized programs can be delivered in traditional classroom-based programs (at Brookings Executive Education Center in Washington, DC, at your headquarters, or at another location); or, through distance learning models that employ interactive videoconferencing technologies and the Internet to connect geographically dispersed groups into an integrated virtual classroom.

Sample Custom Programs for a Major Federal Agency: Brookings partnered with a federal agency to design an educational program for its Senior Executive Service (SES) candidates. The agency asked Brookings to reformat our existing open enrollment seminar for senior executives and to add issue sessions and skills workshops. The program was designed to meet each Executive Core Qualification (ECQ) established by the government.

Contact Information: Strobe Talbott, President, 1775 Massachusetts Ave NW, Washington DC 20036 {(202) 797-6000, (202) 797-6004 (fax)}

d) <u>Center for Creative Leaderhsip</u>

        The Center for Creative Leadership is a nonprofit, educational institution with international reach striving to advance the understanding, practice and development of leadership for the benefit of society worldwide. Center staff members conduct research, produce publications, and provide programs and assessment products to leaders and organizations in all sectors of society.

        The Center is currently engaged in research to develop knowledge and expertise in several leadership practice areas. Topics include "Choices and Tradeoffs of High-achieving Women" and "Leadership Across Differences: Reconciling Ethnicity, Religion, Gender, and Culture." The latter topic looks at how in an increasingly interdependent and diverse world, a major leadership challenge is, and will increasingly be, the need to lead groups of people with very different histories, perspectives, values, and cultures.

        In addition to its extensive research, CCL offers a variety of open enrollment programs, and specifically one focused on the African American Leadership Experience. This program is designed for and staffed by African-Americans. It provides an exceptional leadership development experience rich in personal assessment and feedback, designed to stimulate a process of growth that will help each participant become more successful and productive. In addition, it offers a secure forum for African-American professionals to explore, in a substantive way, those issues that impact their career objectives. Individuals evaluate their own leadership styles, discuss how others perceive their effectiveness, and receive guidance in developing realistic, practical and effective plans for personal and professional growth.

        Organizations often look to CCL to apply its research and leadership development experience to the current and future issues they face through customized course offerings. CCL provides training on innovative and strategic ways of developing leadership capacity to meet the challenges of today's fast-paced, high-pressure environment.

        Contact Information: John R. Alexander, President, P.O. Box 26300 Greensboro, NC 27438-6300 {(336) 545-2810, (336) 282-3284 (fax)}

e) Development Dimensions International

      Founded in 1970, Development Dimensions International (DDI) has served over 15 million people from more than 16,000 organizations around the world. DDI offers Leadership, Individual Contributors and Teams training and development programs. Management courses focus on strategies for high-involvement leadership in an ever-changing work environment. Each course is taught in a very interactive learning environment utilizing skill assessment, small group exercises, large group discussions, video examples and on-the-job application.

      Contact Information: Bill Byham, Founder and President,

f) The Diversity Channel

      Launched in 2000, The Diversity Channel was created to help large organizations deploy enterprise-wide, measurable, sustainable diversity initiatives. The company has recently appointed a new CEO and President, Marius Swart, who will lead the company through this exciting growth period to become a world-class software company.

      The Diversity Channel strives to help today's global organizations respond sensitively and strategically to critical diversity issues through the power of scalable technologies. The Diversity Channel Now is a single, modular, web-based package that delivers enterprise-wide diversity needs, including eLearning and integrated Learning Management System capability, on-demand expertise, live presentations, train-the-trainer programs and diversity metrics. This enterprise-wide Human Capital Management tool is a cost-effective, single-source solution that is easy to implement. It integrates with existing Learning Management Systems, deepens the impact of instructor-led training sessions, and addresses the full range of corporate diversity issues.

      Contact Information: Marius Swart, Chief Executive Officer/President, 3 Bethesda Metro Center, Suite 1400, Bethesda, MD 20814, {(301) 320-1565, (301)652-7180 (fax)}

g) <u>National Academy of Public Administration</u>

The National Academy of Public Administration is dedicated to improving the performance of governance systems-the network of public institutions, nonprofit organizations, and private companies that share in the implementation of public policy. As an independent, nonprofit organization chartered by Congress, the Academy responds to specific requests from public agencies and non-government organizations. The Academy also promotes discourse on emerging trends in governance through its Standing Panels and with external funding.

The Academy has addressed both short-term and long-term challenges facing federal, state and private organizations -- including budgeting and finance, alternative corporate structures, performance measurement, human resources management, information technology, devolution, strategic planning, and managing for results.

The Academy's framework of governance provides a formula for examining public management processes, functions, strategies, and institutions. The framework identifies four dimensions for evaluating systems and structures for meeting public needs: public purposes and strategies, institutional roles and responsibilities, performance capacities, and change.

Contact Information: Morgan C. Kinghorn, President, 1100 New York Avenue NW, Suite 1090 East, Washington, DC 20005 {(202) 347-3190, 202)393-0993 (fax)}

h) <u>Personnel Decisions International</u>

Personnel Decisions International (PDI) is a global consulting firm specializing in talent management. Founded in 1967, PDI is a recognized leader in applying behavioral sciences to help organizations define successful performance, measure capabilities and potential, and develop the skills and abilities of individuals, teams and organizations. PDI has more than 250 expert consultants who are available to speak on workplace issues.

PDI applies distinctive expertise to address critical business needs, helping clients to:
- define the performance and capabilities needed to support business strategies,

- improve talent decisions by accurately measuring performance, readiness, and potential,
- develop leadership capabilities, accelerate change, and drive lasting performance improvement,
- design and enhance talent management systems, and
- optimize organizational and leadership effectiveness to achieve strategic goals.

Contact Information: Lowell Hellervik, Chairman of the Board, President and Chief Executive Officer, 2000 Plaza VII Tower, 45 South Seventh Street, Minneapolis, Minnesota 55402-1608 {(612) 904-7170, (612) 904-7120 (fax)}

i) <u>R. Thomas Consulting and Training</u>

R. Thomas Consulting and Training's (RTCT's) mission is to provide the expertise and direction for the development of diversity competencies that enable organizational leaders to create the culture, systems, and practices necessary to sustain a competitive advantage.

RTCT's definition of diversity is "any collective mixture characterized by differences and similarities." This definition forms the basis of the consulting, education, and training programs it designs. RTCT believes that strategic diversity management is relevant to human resource management **and** general management. RTCT believes that effective strategic diversity management therefore requires the examination of the underlying assumptions, values, beliefs, and practices of the organization to determine which of these help and which hinder the organization's ability to achieve organizational objectives. RTCT's long-term strategic approach includes the three major tasks of **Talking the Talk**, **Thinking the Talk**, and finally, **Walking the Talk**.

Contact Information: Dr. R. Roosevelt Thomas, Jr., Chief Executive Officer, 4153 B Flat Shoals Parkway, Suite 200, Decatur, GA 30034 {(404) 212-5015, (404) 212-5503 (fax)}

j) <u>Simmons College</u>

Founded in 1899, Simmons College offers a liberal arts education for undergraduate women integrated with professional work experience, as well as, coeducational graduate programs in health studies, education, liberal arts, communications management, social work, and library and information science. Simmons also offers an MBA program designed specifically for women. Simmons value the many dimensions of identity — including race, class, ethnicity, and sexual identity — and reflect that in our curriculum, affiliated organizations, and community partnerships.

Simmons College is home to a number of preeminent publications, conferences, and organizations that reach out into the greater Boston community and across the nation to foster learning and community service, promote diversity, and initiate social change.

The Center for Gender in Organizations (CGO) at the Simmons School of Management is committed to improving organizational effectiveness by strengthening gender equity in the workplace. Integral to CGO's approach is the recognition that gender operates with other dimensions of identity such race, class, ethnicity, and sexual identity, in shaping organizational systems and practices as well as workers' experiences. CGO is an international resource to organizations, scholars, practitioners, executives, and managers in the profit and not-for-profit sectors. Visit CGO's web site to learn more.

Simmons' annual Leadership Conference features celebrated women, such as Oprah Winfrey, Barbara Walters, Madeline Albright, and Maya Angelou, who dared to aspire to the top and to lead others with courage, commitment, and conviction. The conference includes thought-provoking presentations by social activists, technology gurus, media figures and business experts of all kinds. Attendees learn both practical and profound new ways to address the everyday challenges of life and work. To learn about the upcoming conference, visit the Leadership Conference web site.

Contact Information: 300 The Fenway, Boston, MA 02115 {(617) 521-2000}; The School of Management, 409 Commonwealth Avenue, Boston, MA 02215 {(617) 521-3840, (617)521-3880 (fax)}

k) Society of Human Resource Management

The Society for Human Resource Management (SHRM) is the world's largest association devoted to human resource management. Representing more than 175,000 individual members, the Society's mission is to serve the needs of HR professionals by providing the most essential and comprehensive resources available. As an influential voice, the Society's mission is also to advance the human resource profession to ensure that HR is recognized as an essential partner in developing and executing organizational strategy. Founded in 1948, SHRM currently has more than 500 affiliated chapters within the United States and members in more than 100 countries.

SHRM provides professional development opportunities and promotes national networking through its Academy, conferences and eLearning programs all with content specifically designed for HR professionals. The education and professional development training are designed to enhance the business acumen of HR professionals.

Contact Information: President/Chief Executive Officer, Susan Meisinger, 1800 Duke Street, Alexandria, Virginia 22314 {(703) 548-3440, (703) 535-6490 (fax)}