A DIVERSITY REPORT FOR THE ADVERTISING/MARKETING INDUSTRY

NOVEMBER 2019
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ABOUT THE AUTHORS

ANA
The ANA (Association of National Advertisers)’s mission is to drive growth for marketing professionals, for brands and businesses, and for the industry. Growth is foundational for all participants in the ecosystem. The ANA seeks to align those interests by leveraging the 12-point ANA Masters Circle agenda, which has been endorsed and embraced by the ANA Board of Directors and the Global CMO Growth Council. The ANA’s membership consists of more than 1,600 domestic and international companies, including over 1,000 client-side marketers and nonprofit fundraisers and 600 marketing solutions providers (data science and technology companies, ad agencies, publishers, media companies, suppliers, and vendors). Collectively, ANA member companies represent 20,000 brands, engage 50,000 industry professionals, and invest more than $400 billion in marketing and advertising annually.

For more information, visit www.ana.net, follow us on Twitter at @ANAmarketers, or join us on Facebook at www.facebook.com/ANA.

AIMM
The ANA’s Alliance for Inclusive and Multicultural Marketing (AIMM) was established in 2016 with the mission to create a powerful voice that elevates multicultural and inclusive marketing to promote business growth in an increasingly diverse marketplace. Comprised of senior-level, client-side marketers, media/publishers, research and data companies, advertising agencies, and trade associations, AIMM brings together the collective voice of the general, Hispanic, African-American, Asian-American, LGBTQ+, and People with Disabilities markets. AIMM provides resources and information that allow marketers to better understand how to target multicultural and inclusive segments so that they can in turn make more informed decisions about their investments, priorities, and growth opportunities.
THE BUSINESS CASE FOR DIVERSITY

There is a strong business case for diversity.

According to McKinsey, there is a direct correlation between diversity (defined there as a greater proportion of women and ethnically/culturally diverse individuals) in the leadership of large companies and two measures of financial outperformance: profitability (measured as average EBIT margin) and value creation (measured as economic profit margin).

McKinsey found companies in the top quartile for gender diversity on executive teams were 21 percent more likely to outperform on profitability and 27 percent more likely to have superior value creation. Meanwhile, companies in the top quartile for ethnic/cultural diversity on executive teams were 33 percent more likely to have industry-leading profitability. This suggests that inclusion of highly diverse individuals — and the myriad ways in which diversity exists beyond gender (e.g., ethnicity, LGBTQ, age/generation, international experience) — can be a key differentiator among companies. Furthermore, McKinsey found that more diverse companies are better able to attract talent.

MEASURING DIVERSITY AT ANA MEMBER COMPANIES

In November 2018 the ANA/AIMM released “A Diversity Report for the Advertising/Marketing Industry.” This was intended to add our voice to the industry conversation around diversity.

That report said, “To accurately know the current state of diversity/gender equality and the progress we are making (or lack thereof), a public measurement is required. The ANA is committed to such a public measurement and will repeat and update this study in a year.”

As promised, we are back with the updated study. The background for this 2019 report is identical to the 2018 work:

• Discussions about diversity/gender equality issues in the advertising and marketing industry have been ongoing for some time. But to accurately know the current state of diversity/gender equality and the progress we are making (or lack thereof), we must measure it.

• We look to measure everything else in our industry, but when it comes to knowing whether we have diverse talent, such measurement — at least what has been shared publicly — is lacking. As the saying goes, “You can’t manage what you can’t measure.”

• If we are going to truly challenge ourselves to improve diversity/gender equality, then we need to face this squarely and accurately — with real measurements. We need to publicly track ourselves with real data from client-side marketers, agencies, publishers, media companies, researchers, suppliers, and vendors.

Just as we did in 2018, in 2019 three recent ANA studies help provide an understanding of diversity at ANA member companies:

1. **ANA Member CMOs**: Gender and ethnic diversity of the CMO/CMO-equivalent at 820 ANA member client-side marketer company members.

2. **ANA Overall Membership**: Gender and ethnic diversity of the overall ANA membership, representing 15,306 individuals who provided gender identity and 13,781 who provided ethnic diversity information.

3. **ANA Board of Director and AIMM Company Marketing Departments**: Gender and ethnic diversity among the U.S.-based marketing departments of 26 ANA board and AIMM member companies. Nineteen ANA board members and seven AIMM members participated, representing 13,078 marketers in total. This analysis includes information on sexual orientation and disabilities. There is also learning on key action steps that have helped improve diversity within marketing departments.
MEASURING DIVERSITY AT ANA MEMBER COMPANIES

1. ANA MEMBER CMOs

This analysis identifies the profile of the CMO/CMO-equivalent at 820 of the ANA’s client-side marketer company members as of April 2019.

ANA client-side marketers continue to make strong progress in achieving gender balance among CMOs, but in stark contrast, there remains significant work to do in attaining ethnic diversity.

In gender equality, 47 percent of the top marketer positions are female, up from 45 percent last year. Meanwhile, 53 percent are male, down from 55 percent.

However, only 12 percent of CMOs and equivalents are diverse, down from 13 percent last year.

- African-Americans/Blacks comprise 3 percent of ANA member company CMOs, but are approximately 14 percent of the total population.
- Asians comprise 5 percent of ANA member company CMOs, and are 6 percent of the total population.
- Hispanics/Latinos comprise 4 percent of ANA member company CMOs, but are 18 percent of the total population.

Population estimates per the United States Census Bureau.
2. ANA OVERALL MEMBERSHIP

The ANA asks member company marketers who create accounts to voluntarily and anonymously answer questions to identify their gender and ethnicity. For the three-year period between March 2016 and February 2019, 15,306 marketers responded to the gender question and 13,781 to the ethnicity question.

ANA client-side membership is overwhelmingly female and white.
- 68 percent are female (up from 67 percent in the 2018 study); 32 percent are male (down from 33 percent).
- 75 percent are white (up from 74 percent).
- Meanwhile, 9 percent are Asian (versus 10 percent in 2018), 8 percent are Hispanic/Latino, 6 percent are African-American/Black, and 2 percent are Other. Those latter three categories are unchanged.

There is more gender and ethnic diversity among the ANA overall membership than among CMOs at ANA member companies. But representation of ethnic marketers among the ANA overall membership, as well as CMOs, remains too low.
3. ANA BOARD OF DIRECTORS AND AIMM MEMBER COMPANIES DIVERSITY SCORECARD

A third study measured gender and ethnic diversity among the U.S.-based marketing departments of ANA board member companies and AIMM member companies (those were all client-side marketers). This study, called a “diversity scorecard,” had four questions:

- **Gender identity:** Broken out by five different job levels. Job level descriptions and job title examples were provided to help with consistency among respondents.
- **Ethnicity:** Also broken out by five different job levels.
- **Orientation/Ability question:** “Do your employees have the opportunity to self-identify as being either LGBTQ or a Person with a Disability?”
- **Open-ended question:** “Are there any key action steps that have helped your company improve diversity within the marketing department?”

Twenty-six companies completed the diversity scorecard — 19 ANA board member companies and seven AIMM member companies (again, all client-side marketers), representing 13,078 marketers in total. (In 2018, 17 ANA board member companies participated, representing 9,677 marketers.) The scorecards were submitted to the ANA between July and October 2019, asking for data as of June 30, 2019, or as close to that timing as possible. Individual company metrics have been kept confidential and “rolled up” to report aggregate results.

THE ANA BOARD OF DIRECTORS
The ANA is committed to having a diverse board, and considers factors including gender, ethnicity, industry category, and region. The ANA board of directors has 41 members at this writing (November 2019).

- Gender: 23 women, 18 men
- Ethnicity: 31 White, 6 Hispanic, 2 African-American, 2 Asian

It remains a priority to further increase the ethnic diversity of the ANA board.
GENDER IDENTITY

The gender identity for the marketing departments of participating ANA board and AIMM member companies skews highly female: 64 percent female and 36 percent male. Note that female increased by one percentage point and male decreased by one percentage point versus the 2018 report.

The above is consistent with the results in the ANA Overall Membership report: 68 percent female and 32 percent male, which also increased by one percentage point for female and decreased by one percentage point for male compared to 2018.

At the senior level, the gender balance of participating ANA board and AIMM member companies now skews more female: 52 percent female and 48 percent male (versus 46/54 female/male in the 2018 report). The increase of representation of women at the senior level is consistent with the profile of ANA member CMOs, now 47 percent female and 53 percent male, versus 45/55 female/male in 2018.

All job levels skew female — senior level, mid-level upper end, mid-level lower end, entry-level professional, and admin/clerical/support.

It should be a “red flag” that entry-level professional and mid-level lower end are both almost two-thirds female. Why aren’t more young men entering (or remaining in) the marketing industry?
ETHNICITY
The ethnicity in the marketing departments of participating ANA board and AIMM member companies overall is 70 percent White (Non-Hispanic), versus 69 percent in the 2018 study.

Broken down by segment, marketing departments overall are 10 percent Asian, 8 percent Hispanic/Latino, 7 percent African-American/Black, 2 percent Multiracial, and 4 percent Other/Not Listed. Senior-level employees at participating board and AIMM member companies are generally less diverse than other levels.

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Senior Level</th>
<th>Mid-Level/Upper End</th>
<th>Mid-Level/Lower End</th>
<th>Entry-Level Professional</th>
<th>Admin/Clerical/Support</th>
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<tbody>
<tr>
<td>African-American/Black</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Asian</td>
<td>10%</td>
<td>8%</td>
<td>9%</td>
<td>10%</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>8%</td>
<td>8%</td>
<td>7%</td>
<td>9%</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>White (Non-Hispanic)</td>
<td>70%</td>
<td>72%</td>
<td>70%</td>
<td>72%</td>
<td>69%</td>
<td>72%</td>
</tr>
<tr>
<td>Multiracial</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Other/Not Listed</td>
<td>4%</td>
<td>6%</td>
<td>8%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
</tr>
</tbody>
</table>

Some columns add up to more than 100 percent due to rounding.
The ethnic composition for the marketing departments of participating ANA board and AIMM member companies is consistent with that of the ANA Overall Membership report. (We recognize that the ethnicity categories were not exactly identical between the two studies.)

![Ethnicity Chart]

It is important to note that compared to the overall U.S. population (per the census), ethnic diversity is lagging, especially for African-American/Black and Hispanic/Latino.

- African-Americans/Blacks comprise 7 percent of the marketers at participating ANA board and AIMM member companies and 6 percent of the ANA overall membership, but are approximately 14 percent of the total population.
- Hispanics/Latinos comprise 8 percent of the marketers at participating ANA board and AIMM member companies and 8 percent of the ANA overall membership, but are 18 percent of the total population.

Meanwhile, Asians comprise 10 percent of the marketers at participating ANA board member companies and 9 percent of the ANA overall membership while representing about 6 percent of the total population.

*Population estimates per the United States Census Bureau.*
LGBTQ AND DISABILITIES

In answer to the question “Do your employees have the opportunity to self-identify as being either LGBTQ or a Person with a Disability?“:

• 15 of 26 companies provide employees the opportunity to self-identify as being LGBTQ.
• 22 of 26 companies provide employees the opportunity to self-identify as being a Person with a Disability.

KEY ACTION STEPS TO IMPROVE DIVERSITY WITHIN THE MARKETING DEPARTMENT

Respondents were asked the open-ended question, “Are there any key action steps that have helped your company improve diversity within the marketing department?” There was substantial feedback here, with responses focused primarily in the areas of having an overall inclusion strategy, recruiting diverse talent, and retaining diverse talent.

OVERALL INCLUSION STRATEGY

• A global inclusion strategy was adopted to enable greater levels of engagement with our employees around the world and drive growth with consumers and customers. This holistic approach to inclusion in all its forms is a driving force for how we lead, develop, and grow as individuals and as a company.
• Potential talent is not looking for just any organization to join; they want to know that the organization is inclusive of them and their experiences. We are intentional about sharing a holistic story by highlighting employees from all walks of life.
• The marketing team has diversity goals around retention, representation, advancement, and inclusive experience/leadership. These focus areas are brought to life through programming focused on connectivity and belonging for those new to the company and community.
• We established a Diversity & Inclusion council for enterprise marketing in partnership with Human Resources and the D&I team with strategies centered on building a pipeline of diverse talent, developing and retaining diverse talent, and creating an inclusive culture.
• A Diversity & Inclusion council, specifically for the marketing organization, meets regularly with executive sponsors, talent acquisition, talent, and marketing team representatives to identify programmatic approaches to attract, retain, and develop diverse talent.
• Our CEO signed the CEO Action for Diversity and Inclusion pledge to publicly reaffirm our commitment to diversity and inclusion and to take measurable action in advancing diversity and inclusion in the workplace.
• Implemented a Marketing D&I Learning Plan which is designed to ensure that all marketers have the needed foundational knowledge and skills to recognize unconscious biases and collaborate across differences to build an inclusive marketing culture and marketers capable of developing deeper insights for the diverse customer population we serve.
• We celebrate diversity of all kinds; it is embedded into our culture and how we show up.
MEASURING DIVERSITY AT ANA MEMBER COMPANIES
3. ANA BOARD OF DIRECTORS AND AIMM MEMBER COMPANIES DIVERSITY SCORECARD

RECRUITING
“Hiring for diversity just isn’t HR’s responsibility, but is the responsibility of the organization as a whole.”

Overall
• We have made it a point to work with recruiting/HR department to source diverse candidates for all positions.
• To attract diverse talent from the outside, specific candidates are targeted.
• Intentional recruiting at campuses with strong and diverse presence and reaching these talents early in their job explorations.
• Junior-level marketing positions in the management development program are recruited by our talent management team with a key focus on recruiting for a gender-balanced class.
• We have a specific program that brings in talent prior to their internship and provides them an immersive experience designed to expose them to work opportunities, career systems, and our community.
• Candidates are interviewed by a diverse panel.

Diverse Candidates Are Required
• We partner with Human Resources to ensure that any open positions in which we are hiring have a diverse candidate slate as part of the recruiting process.
• We are demanding to see a diverse candidate slate in any interview process.
• Require diverse slates of candidates on hiring for all marketing roles.
• For officer-level, we ask our recruiting team to strive for a diverse slate for interviewing. Comment: Think of this as similar to the Rooney Rule in the NFL, requiring teams to interview ethnic-minority candidates for head coaching and senior football operation jobs.

Senior Leadership/Board Engagement
• Every open position at director level and above is reviewed with our Leadership Committee before a hiring decision is made, inclusive of all departments within the company.
• Senior leadership compensation/bonus is tied to employee diversity metrics.
• Our Board of Directors regularly reviews our progress in diverse hiring.
Employee Engagement

- Our referrals campaign encourages employees to refer candidates from their networks.
- Activation through internal Employee Resource Groups.
- Staff from all regions and ERGs provide input to refresh career page.

Diversity Job Boards, Networks, Career Sites, Events

- Talent-mapping and diversity sourcing from various diversity job boards as part of the targeted approach to attracting passive candidates.
- We have partnered closely with The Consortium. This non-profit organization is the nation’s largest diversity network and links top-tier students, MBA programs, and corporate partners. Since our marketing opportunities require an MBA, this organization has been key for us getting diverse talent in the door.
- Recruiting partners include Management Leadership for Tomorrow, JumpStart MBA, and Reaching Out MBA.
- Attend conferences such as NSBE, Grace Hopper, AMA, and numerous other external diversity conferences and events. (These particular conferences go beyond marketing.)
- Attend conferences and events geared toward attracting diverse students for internships and entry-level positions (MBA and undergrad).
- Use niche diversity career sites such as Fairygodboss and Mogul.

Website and Social Media

- Company microsite for marketing department showcases talent diversity and related content.
- Leveraging social media and sharing employee testimonies has been key to helping improve diversity within our marketing department.
- Addition of job posting videos with intentional blend of gender and ethnic diversity.

Other

- Increase in outreach to veteran community and disability groups.
- The company created the first brand camp, bringing diverse MBA students to the campus for three days of networking and learning more about the life of a brand manager.
- We (Verizon) continue to grow our AdFellows program. We just welcomed the third class of Fellows and three new brand partners to the program — American Express, Anheuser-Busch, and Walmart — to help us grow the program and give more young, diverse voices a seat at the table both on our internal and agency teams. There are 35 in the current class. The goal is to place 90 percent of the Fellows in full-time jobs.
RETENTION
“Retention is just as important as recruiting. It’s important to create an environment for work where everyone feels valued and heard. Once we get the talent in the door, we understand it is our responsibility to help foster inclusive mindsets amongst our talent of our diverse consumers and co-workers.”

Senior Leadership Engagement
• As our diverse employees grow in their careers, we ensure senior leader sponsorship is in place for coaching and development.
• Senior leaders are held accountable for building diversity in their organizations with specific representation targets.
• We work with senior leaders to set performance objectives intended to improve diversity representation in the marketing function.
• Opportunities are identified for nomination of high-potential women and URMs (underrepresented minorities) to exclusive developmental opportunities such as doubling down on mentoring programs to pair individuals with leaders.
• It is extremely important for our leaders to be vocal about why a commitment to diversity and inclusion matters, not only to our company as an employer but also to our marketing business priorities, and its relevance within the communities we serve.
• We maintain an Executive Diversity Advisory Group comprised of executives from all lines of business, and their role is to provide the business and leadership direction necessary to advance the company’s D&I strategy while ensuring alignment with business priorities.
• Include D&I as a topic during marketing leadership discussions, including readings such as the “The Inclusion Paradox” by Andrès Tapia.
• We ask employees to bring their true and authentic selves to work as a part of our culture and have aligned our Leadership Behaviors to support this.
Training

• We offer unconscious bias training for all employees; this is especially helpful during the hiring process to ensure hiring managers remove potential biases from their decision-making process.

• We conduct trainings (e.g., unconscious bias training) to promote awareness of diversity factors in the marketing function (and related functions).

• We enroll our marketing talent in leadership development programs specifically designed to improve the leadership capability of diverse populations.

• External resources used for training include High Lantern, Own the Room, and The Marketing Academy.

• Outside speakers are welcomed into the organization to share their personal stories and inspiring messages for triumph, and underscore how we can all support each other through our unique backgrounds.

• The Diversity & Inclusion team meets with each management team of every division and key function (marketing included) to provide training and discuss their specific diversity representation. An action plan to improve diversity in a specific area is then created.

Employee Engagement Groups

• Affinity networks create a sense of community.

• Our Employee Engagement Groups host events where external experts share how we can better market to, connect with, and engage with black, Hispanic, and millennial consumers.

• Employee networks help create more personal and professional connections within our global work environment. The ability to connect with others who are focused on similar topics allows for more transparent communication between all employees, including participating leaders.

• For marketing, the functional network is the “XYZ Circle” [real name removed]. This network creates opportunities for professional development and networking with company leadership including the chief marketing officer, division presidents, and head of our consumer insights group. The network serves as an advocate for diverse marketers, creating opportunities for dialogue.

• Diversity and Inclusion Business Groups create structure and opportunities for employees of all race/ethnicity, color, national origin, disability, age, sexual orientation, gender identity/expression, etc. to maximize organizational and individual potential. In so doing these groups promote a diverse and inclusive culture. General membership and leadership roles are voluntary and open to all employees. Current groups include: Women in Technology, LGBTQ, Disabilities, Hispanic, African-American, and Asian/Pacific Islander.
Encourage Diversity at the Senior Level

- Actively targeting external diversity talent for senior-level positions.
- We conduct analytics on the “bench strength” for senior marketing roles to evaluate diversity representation. This helps ensure that diversity considerations are at the forefront of our talent planning discussions and helps us make talent decisions that improve diversity representation.

Diversity of Agency Partners

- Set new expectations with external agencies on the importance of diverse hiring and have seen a dramatic increase in diverse representation.
- We are having diversity discussions with our agencies, which we view as an extension of our team.

Other

- Our process around talent reviews and performance calibrations is to ensure we have robust, regular talent discussions across all levels, and that we conduct performance management calibrations to ensure consistency in rating performance.
- Career days throughout various locations facilitate continued internal placement and career progression.
- We plan intentional assignments in a way that accelerates the growth of the talent and moves our diverse talent to destination roles at a rapid pace.
- Our diversity and inclusion strategy recognizes the importance of attracting, hiring, and retaining veterans and military spouses/domestic partners, all of whom are vital to mission success.
CONCLUSIONS/KEY ACTIONS

As was the case in our 2018 study, the data collected in these three 2019 reports is incredibly consistent.

• At the senior leadership level, female representation is now likely at an all-time high. In fact, according to one of our data points — based on ANA board and AIMM member companies — 52 percent of senior-level marketers are now female. And in the analysis of the CMO/CMO equivalent at ANA marketer company members, female representation is now 47 percent. In both cases, female senior-level marketer representation increased since last year’s study.

• Women comprise the majority of the marketing industry’s workforce — 64 percent according to the ANA board and AIMM member study and 68 percent in the analysis of the ANA overall membership. Both figures are increases since last year.

• All job levels skew female in the ANA board and AIMM member study. It should be a “red flag” that entry-level professional and mid-level lower end are both almost two-thirds female. It is important to point out that gender “equality” means equal representation between men and women. The industry needs to understand why more young men are not entering (or remaining in) the marketing industry, and then take action.

• Ethnic diversity is poor from the senior level on down, especially for African-American/Black and Hispanic/Latino. The qualitative feedback received on key action steps that have helped improve diversity within the marketing department should be strongly considered.

As stated upfront, to accurately know the current state of diversity/gender equality and the progress we are making (or lack thereof), a public measurement is required. The ANA is committed to such a public measurement and will repeat and update this study in a year.

We plan to expand participation among ANA board and AIMM member companies. In 2018, 17 such companies participated, representing 9,677 marketers. In 2019 there were 26 companies, representing 13,078 marketers. We’ll increase this in 2020 as we encourage greater participation from our members in contributing their diversity scorecard information, which will remain completely confidential and aggregated with other companies for reporting.

The ANA will make this call to the industry in second quarter 2020.
In the meantime, other current ANA initiatives that focus on gender and ethnic diversity are outlined below.

- **CIIM (Cultural Insights Impact Measure™)** is a new metric that identifies the impact and effectiveness of cultural insights in ads and programming and how these have the potential to affect sales lift. Created in partnership with NBCUniversal and AIMM member companies, AIMM’s CIIM evaluates advertising creative in various categories. Scores attributed to creative and programming tested are based on a 100 index, with the intent to gauge the extent in which culture may lift brand growth against an overall industry norm. The initial findings from CIIM — which includes a survey of 10,000 individuals across demographics including Hispanics, African-Americans, Asians, LGTBQ+, the disabled community, and White (Non-Hispanic) — found that cultural relevance is a key driver of brand affinity, purchase intent, and content likeability.

- The ANA Educational Foundation published a study titled “The Diversity Disconnect: Charting More Inclusive Pathways to Growth” in early 2019. The study found that while many universities and corporations invested heavily in diversity and inclusion efforts, students and new hires still didn’t feel a sense of belonging in those environments, citing several key reasons such as microaggressions and cultural illiteracy. The study further argued that better diversity outcomes could be driven by more inclusive practices and proposed launching an inclusion index to measure progress on these efforts. Since the publication of the study, the AEF has worked with leaders across marketing, advertising, HR, diversity, and academia to shape the approach of and methodology behind this inclusion index. Quantitative results from this study are scheduled for release in Q1 2020 to identify the disconnects and create opportunities to bring the industry together on more inclusive practices that link directly to growth outcomes.

- Despite strides made in recent years to accurately portray women and girls in media, gender bias persists throughout advertising and entertainment. The average age, race, and body type of women depicted in media today still represent only a small fraction of the female population. SeeHer is the ANA’s leading movement for gender equality in advertising and programming. Launched in 2016 in partnership with The Female Quotient, SeeHer is now the leading global movement for gender equality in media. To help marketers benchmark success, SeeHer developed the Gender Equality Measure (GEM), the first research methodology that quantifies gender bias in ads and programming. GEM shows that content that portrays women and girls accurately dramatically increases purchase intent and brand reputation, increasing return on investment by as much as 30 percent.

*IBM and Nestlé are two ANA member companies which are taking leadership positions on gender equality and diversity. Both have given the ANA permission to share some of the work that they are doing.*
At IBM, diversity and inclusion has always been part of our DNA. IBMers know that inclusive teams produce greater innovation, agility, and performance, and have stronger engagement — all leading to, of course, better business results and societal impact.

Our SVP and CMO, Michelle Peluso, is the executive sponsor of the Women’s Initiative across the company and a D&I ambassador who is constantly on a mission with her leadership team to foster a culture and environment where people feel confident in bringing their full selves to work. This includes looking at diversity from every stage of an employee’s journey through the company — attracting, recruiting, retaining, developing, and promoting the best talent. And because it is a formal business imperative, this also means holding each other accountable to the goals we’ve set, building the most high-performing teams, comprised of talent from all backgrounds.

To achieve our goals, we have formed a Marketing D&I Council led by one executive sponsor, supported by a cross-functional squad of diverse individuals, including talent acquisition leaders, talent partners, HR focals (i.e., HR business partners supporting our leaders in marketing), and executive succession and development specialists. This Council meets weekly to brainstorm based on what we’re seeing in the external market and sharing internal best practices from across the business. In an environment focused on openness, trust, and respect, our leaders have expanded transparency into all D&I-related activities, enhancing our scorecards and linking compensation of senior executives to scorecard results.

The D&I Council is largely focused on three areas: executive recruiting, pipeline recruiting, and retention.

**Executive Recruiting:** Our goal is to both attract diverse talent externally and promote diverse talent internally by:

- Holding monthly meetings to discuss job mobility globally for our executives and pipeline, with a focus on women and underrepresented minorities (URMs). We monitor our numbers, forecast opportunities, and always require a diverse slate. If a candidate is not selected, we take extra care to provide thoughtful and actionable feedback as to why a person would or would not be promoted. This has yielded positive representation of women across leadership in marketing and an uptick in underrepresented minorities.
- Formally reviewing our pipeline and executive talent twice a year in peer-to-peer comparison sessions, discussing succession planning with no forced distribution ratings, reviewing compensation, and differential investments for our most valued female and URM employees.
- Facilitating mentoring and sponsoring relationships.
Pipeline Recruiting: We aim to attract and promote diverse talent already in our pipeline by:

• Relaunching our marketing career page and our CMO showcases with the “Be Equal” campaign, which focuses on gender diversity.

• Maintaining strong relationships with organizations and schools that can provide a pipeline of diverse talent. We have a partnership with strategic sourcing organizations for URM, which is dedicated to sourcing support, with the outcome of specific URM talent mapping in our target hiring market geographies. (Talent mapping is the identification of URM marketers and potential matches to opportunities at IBM.)

• Standardizing processes to mitigate bias, requiring anyone hiring at IBM to be trained and certified as having an internal “License to Hire.” The certification ensures managers are aware of their own biases, and are ultimately up to the task and high standards for hiring an employee at IBM.

• Maintaining active memberships across marketing-focused URM professional networking groups (Prospanica, National Black MBA, etc.), and attending and presenting at URM-focused career and networking events, like Mogul X and conferences for university/graduate-level hiring (NSBE, Grace Hopper etc.). We also post opportunities on diversity-focused external career sites (Fairygodboss, Mogul), and host in-person and virtual career sites targeting diverse and intellectually mixed candidates (Bluewolf, HeartShare). Our global network of BRGs (business resource groups) helps increase visibility of our open roles, and many of them host on-site hiring events in targeted geographies with URMs as the primary focus.
Retention: We aim to retain and accelerate our culture of diversity and inclusion by:

- Analyzing our exit survey databases and following up with every woman and URM who left to understand what circumstances led to their departure and if they felt that some part of their exit could have been handled differently. This data has been used to improve our overall D&I strategy.

- Hosting Career Days to bring visibility and mobility to our employee base. We rolled out informational career days across strategic sites in the U.S., with a focus on learning about IBM, peer mentoring, executive speed networking, and job visibility. There has been strong executive presence across all of these events and encouraging participant feedback.

- Providing leadership development to develop, promote, and retain diverse talent. In our first year of the program, we saw female and URM participants being nominated to go through prestigious executive development programs like executive presence and communication training with external vendors such as Own the Room and High Lantern and internal leadership training for high-potential employees. A number of women and URMs were also selected for a new external development opportunity at the Marketing Academy for the Scholarship or Fellowship Programs. Both of these programs are nine months long, with intensive boot camps and access to various companies’ CMOs.

- Offering unconscious bias training to bring self-awareness to our employees about biases they inherently possess and teach them how to use it to bring inclusion to their teams. We also hold Positive Leadership workshops, so our executives can be role models and demonstrate the right behaviors in a psychologically safe environment that empowers teams and individuals to be their authentic selves in the workplace.

We think about diversity the way we think about innovation: both are essential to the success of our business. At IBM, we stand on the backs of giants who have shown that, from space travel to AI, inclusive teams have the potential to solve the world’s most complicated problems. Even though there is always more for us to do to get better, we are better for our clients and for the world when we embrace diversity.
The core of marketing is communicating and connecting with the consumer. Nestlé’s consumer base is diverse — our products can be found in 97 percent of American kitchens. To continue to connect with our consumers and bring them products they love, we know our marketing teams must also be diverse at every career level. Diversity in the marketing community can drive broad social impact, as shown through #SeeHer and #SeeAll programs that break down gender and ethnic stereotypes and drive positive models of careers and opportunities for everyone.

Nestlé USA Chief Marketing Officer Alicia Enciso has leveraged her own experience growing up and working in Mexico to bring insights into multicultural consumers, contribute to industry-wide improvements in representation, and create a new perspective on building brands that See ALL in Nestlé marketing. “Marketing is the beating heart of our business and drives our closeness and connection to all our diverse consumers. It’s critical that our teams leverage and empower underrepresented talent across gender, race and ethnicity, and LGBTQ status.”

We approach diversity holistically, striving to recruit, retain, and promote employees of all backgrounds to drive our business forward. From encouraging career development to advocating for employee workplace rights, an open, inclusive, and collaborative culture is key to driving an effective marketing team. As Nestlé USA CEO Steve Presley says, “Diversity and inclusion are right for our talent, right for our culture, and right for our business, and help us build for the future.”

**RECRUIT**

**Leveraging Partners:** With diversity-focused talent partners like The Consortium and Prospanica, we’re able to engage diverse talent early in their educational and professional journey. Through these partnerships, 45 percent of undergraduate and MBA campus candidates came from diverse backgrounds. By combining that attraction with diverse interview panels of current employees, we’re ensuring leaders of tomorrow reflect our consumers and our community.

**Equipping Candidates:** Our Diversity Leadership Symposium brings together college students from diverse backgrounds for an intensive on-site program. Participants join career development sessions, network with business leaders, take part in a hands-on culinary experience, and interview for internships, co-ops, and trainee opportunities with a chance to return to school with a job offer in hand. Exposure and skill-building help close the gap for diverse students and make corporate opportunities accessible, while interview opportunities create a direct line from development to hiring.
Ensuring Pay Equity: Nationwide, American women are still paid a lower average salary than their male counterparts, a problem that is exacerbated for women of color. A 2018 analysis found that salaries for female and male employees have reached a 1:1 gender pay equity at Nestlé USA. We have shared this information publicly with two purposes in mind: to attract strong female marketing talent to our company, and to encourage other businesses to follow our lead on equal pay. In 2018, we increased the portion of women hired for management roles by more than 50 percent.

RETAIN

Promoting Workplace Flexibility: While workplace flexibility adds value across our employee base, groups with diverse and valuable perspectives have been constrained from growth in marketing careers due to inflexible working environments, whether that’s new parents, military spouses, or those with elder care responsibilities. Our Parental Support Program offers up to six months of leave for primary caregivers regardless of gender, including 14 weeks of paid leave and options for phased/part-time return. Leave does not impede advancement or growth, and breastfeeding mothers returning to work have guaranteed access to dedicated breastfeeding rooms. Broader flexibility programs support employees who need to adapt when, where, and how they do their work, from flexible hours to job-sharing. Flexibility, support, and empowerment have helped us retain strong diverse marketing talent throughout their careers.

Fighting Unconscious Bias, Building Community, and Advocating for Employees: Alongside providing unconscious bias training for Nestlé managers, we advocate for diverse groups within our company and in the national dialogue. Internally, we support Employee Engagement Groups as they develop programs and events to help employees thrive, from organizing involvement in LGBTQ Pride events to hosting panels on marketing to diverse consumers. Externally, we have voiced strong support for national employee protections, such as the Equality Act, letting our employees know that we support them beyond our bottom line.

PROMOTE

Building Diversity in Talent Pipelines: To develop internal talent, Nestlé invests in a strong pipeline approach for leadership with a focus on diversity. When identifying strong pipeline talent, we create paths to leadership through specific development assignments, helping take ambiguity and bias out of the professional development process and equipping a diverse generation of high-potential talent with the practical experience required to progress in their careers. In conjunction with these assignments, we employ a hemisphere-wide leadership monitoring program with a strong emphasis on women in leadership, where cross-country mentorship also helps develop greater multicultural opportunities.
Developing People Leaders: We are developing leaders from all backgrounds to drive our company forward. Our SPARK training sessions focus on employees’ individual skills and experiences to help them understand how they can tap into their leadership potential. All marketing employees across the organization have taken this training, promoting courage in seeking new opportunities and creating a level playing field for leadership development.

OUTCOMES

- **Strong representation of women in senior leadership:** Women represent 50 percent of Nestlé’s senior marketing leadership and 70 percent of marketing roles at manager level and above. One-third of marketing roles at or above manager level are held by ethnic minorities.

- **Diverse pipeline of talent for development:** Since 2017, 41 percent of our summer associates have been from an ethnically diverse background. Forty-five percent of marketing undergraduate and MBA campus candidates came from diverse backgrounds.

- **High employee engagement and retention:** Eighty-seven percent of diverse employees participating in employee engagement groups report feeling more engaged at work as a result of their participation.

- **Pay equity:** Salaried employees, including our marketing department, have reached a 1:1 gender pay equity at Nestlé USA.

While diversity and inclusion have been a long-term journey at Nestlé, the past two years of U.S. programming have unlocked new opportunities to attract and build the best marketing talent in our industry. Our journey to empower diverse marketing professionals is never done, and our engagement throughout the industry is critical to continue to learn and improve our programs and culture. Follow our progress at: [https://www.nestleusa.com/about-us/diversity-and-inclusion](https://www.nestleusa.com/about-us/diversity-and-inclusion).
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