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Building Diversity Into the Talent Pipeline for Senior Operating Roles: Results of the 2020 HR@Moore Survey of Chief HR Officers

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Center for Executive Succession
Department of Management
Darla Moore School of Business
University of South Carolina

BUILDING DIVERSITY INTO THE TALENT PIPELINE FOR SENIOR OPERATING ROLES

Results of the 2020 HR@Moore
Survey of Chief HR Officers

 **Center for
Executive Succession**
Darla Moore School of Business

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HR@MOORE
Survey of Chief HR Officers

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*Many thanks to the Center for Executive Succession
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EXECUTIVE SUMMARY

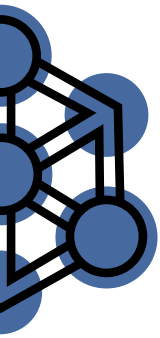
Organizations seek to build diverse pipelines of talent comprised of individuals who can rise to attain senior operating roles (i.e., positions running large businesses within the corporation.) The 2020 HR@Moore Survey of Chief HR Officers sought to assess the level of diversity in terms of women and racial minorities in these pipelines, identify the obstacles to increasing the number of diverse candidates and strategies for successfully building diversity in these pipelines.

Our results show a lack of diversity in these pipelines with 60% white males, 22% white females and no more than 5% in any other sex/race categories. CHROs primarily pointed to supply problems as the biggest obstacles to increasing the number of women and racial minorities, but they also noted significant internal obstacles such as insufficient attention to developing these talent pools and bias in hiring and promotion decisions. They proposed focusing more on intentionally developing candidates internally and exerting meaningful effort to hire externally as the most effective strategies to increasing the numbers of diverse candidates in these pools.

Based on all of the responses, we focus recommendations on six areas: Setting the tone from the top to manage and measure the pipeline, building the pipeline through broader recruiting sources, using development to refine/expand the pipeline, managing promotion processes to ensure flow through the pipeline, leveraging external recruitment to fill the pipeline, and using retention strategies to prevent leakage in the pipeline.



OVERVIEW



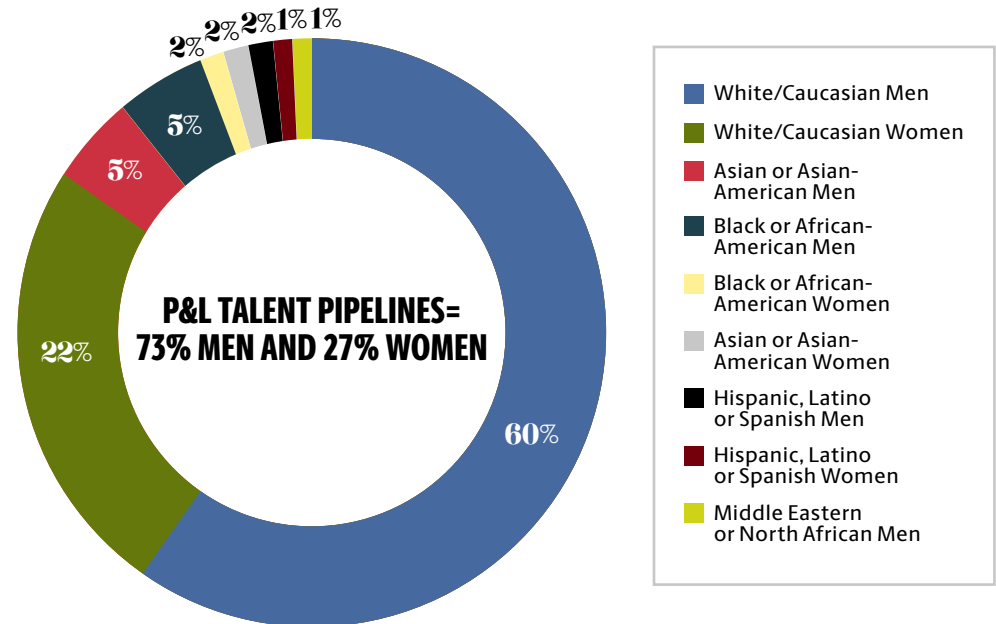
The 2020 HR@Moore Survey of Chief HR Officers sought to explore the diversity of the talent pipeline for Senior Operating Roles (roles having profit and loss responsibility for a business within the corporation). These roles are often thought to provide evidence of an individual's ability to potentially run the corporation as the Chief Executive Officer, and thus are steps within the CEO succession process. However, organizations have faced significant challenges in getting sufficient numbers of women and racial minorities into these roles. Thus, the survey sought to (a) determine the current diversity of the pipeline being groomed for these roles, (b) the major obstacles that firms face in increasing the numbers of women and people of color into them and (c) the strategies they have found effective for increasing the diversity of the composition of this pipeline.

**This study was supported by the Center for Executive Succession in the Darla Moore School of Business at the University of South Carolina. Any errors of omission or commission are the responsibility of the authors.*

Current Composition of the Talent Pipeline

We asked CHROs to indicate the number of people of varying characteristics in the talent pipeline for senior operating roles. Across the top were women and men and down the side we presented a number of different racial categories (e.g., Black, Hispanic/Latino, Asian, Middle Eastern, Other). **Figure 1** depicts the averages in each of those categories.

Figure 1
Race and Sex Composition of Talent Pipelines for P&L Roles



CURRENT COMPOSITION OF THE TALENT PIPELINE

Men comprise 73% of this pool with women the remaining 27%. When broken down by racial category, white men made up the largest group (60%) with white women a distant second (22%). Asian and African-American men each comprised 5% of the pool, followed by Hispanic men, Asian women, and African-American women each making up 2% of the pool.

How does this composition compare to the organizations' goals for diversity? When asked, only 8% of CHROs said that they currently exceed or far exceed their goals, with 16% saying they are currently meeting their goals, as shown in **Figure 2**. This means that 76% fall short or far short of their diversity goals for this pipeline.

While these results are disheartening, **Figure 3** shows that when we asked CHROs how their current diversity level in this pipeline compares to 5 years ago, 76% said that the diversity has increased or greatly increased over the past 5 years. Thus, while organizations may still be behind where they would like, some progress has been made.

Figure 2
Diversity of Senior Ops/P&Ls Roles vs. Goals

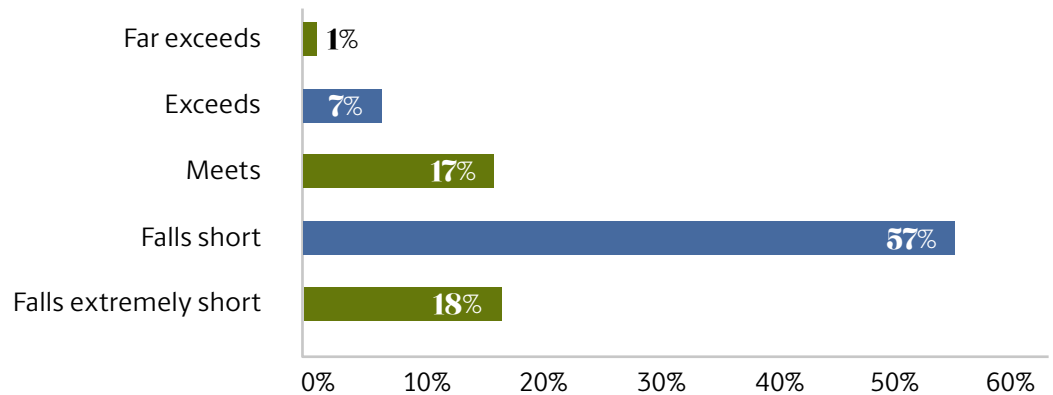
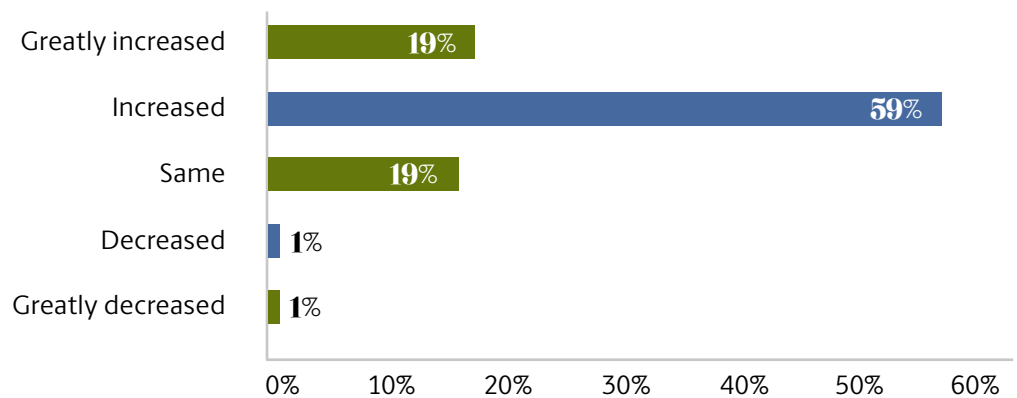


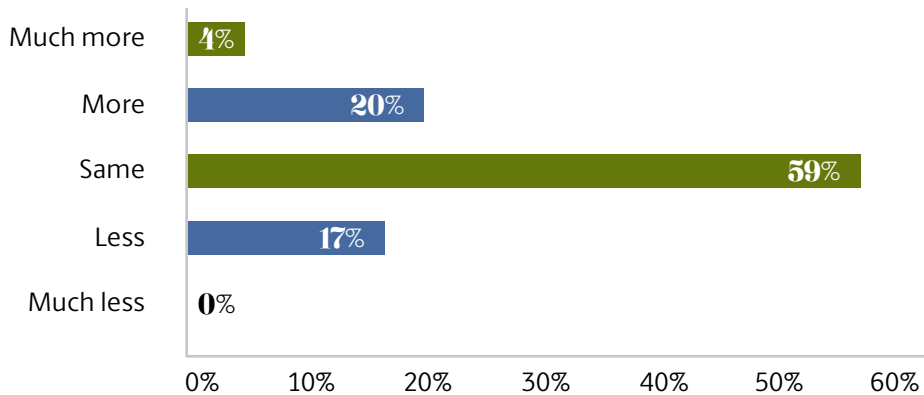
Figure 3
Current Diversity of Senior Ops/P&L Roles vs. 5 years ago



CURRENT COMPOSITION OF THE TALENT PIPELINE (cont.)

It is possible for organizations to create a more diverse Executive Leadership Team (ELT) where diverse members are not treated as equal contributors to decisions or listened to by their colleagues. Thus, we also asked about the inclusiveness of the ELT. To assess the influence of underrepresented groups, we asked CHROs “When the ELT makes operating decisions, how much impact do the perspectives of women and racial minorities have relative to non-minorities?” The results shown in **Figure 4** reflect a somewhat balanced influence. CHROs reported that 17% had less or much less impact, 24% had more or much more impact and 59% had equal impact.

Figure 4
Relative Impact of Women and Racial Minorities
(vs. Non-Minorities) on Critical Decisions in ELT



BUILDING DIVERSITY IN THE PIPELINE

Obstacles to Building Diversity. We explored CHROs' views of the greatest obstacles to increasing the number of women and racial minorities in the talent pipeline for senior operating roles. These answers were coded to reflect the general categories. **Figure 5** compares the answers for women and racial minorities using these general categories and **Tables 1 and 2** present some example answers regarding the major obstacles to increasing the number of women and racial minorities, respectively.

As **Figure 5** illustrates, having a dearth of supply throughout the talent pipeline serves as the most frequent obstacle followed by a lack of talent in the external market or industry. In other words, for both women and minorities, CHROs claim that the biggest hurdle is a lack of supply. However, the lack of internal supply does seem to stem from failures of the organization in terms of not enough focus on developing the talent and bias in hiring and promotion decisions.

What is most interesting is where the obstacles differed between women and racial minorities. Interestingly, a number of CHROs cited "Unwillingness to apply/take career risk" and "Work/family challenges" with regard to women, yet none of them noted those challenges regarding racial minorities. On the other hand, they were far more likely to mention "Lack of CEO/ELT/Board commitment," "Challenges in retaining talent" and "Location" with regard to racial minorities than women. In addition, three CHROs cited "Identifying qualified candidates" as an obstacle with racial minorities, but none did so with women.

TABLE 1: OBSTACLES FOR WOMEN

Ensuring we have the right roles available that don't require relocation or we get those relocations done early. Offering best in class family leave benefits.

We are making progress in this regard so I would never suggest there are barriers that are impossible to overcome. The largest barrier has been to get women in the right key roles early in their careers so they have the right building blocks for large P&L roles.

The biggest concern is that recruiting senior leaders in P&L roles with industry experience (which is necessary in my business) leads to a pool of non-diverse leaders; our "grow your own" work is taking time to progress through the talent pipeline.

Pipeline in the organization. We have become better at identifying and promoting middle management women into senior roles, but getting the pipeline from junior management to middle management is challenging.

Providing them experiences earlier in their careers that can lead to senior operating roles. Valuing inclusion of all styles. Accepting experience from outside our industry.

Men in leadership roles are unconsciously incompetent in understanding what the real inclusion issues are and therefore do not realize that they are members of the insider group and therefore, as a result of their birthright, have access to power and privilege.

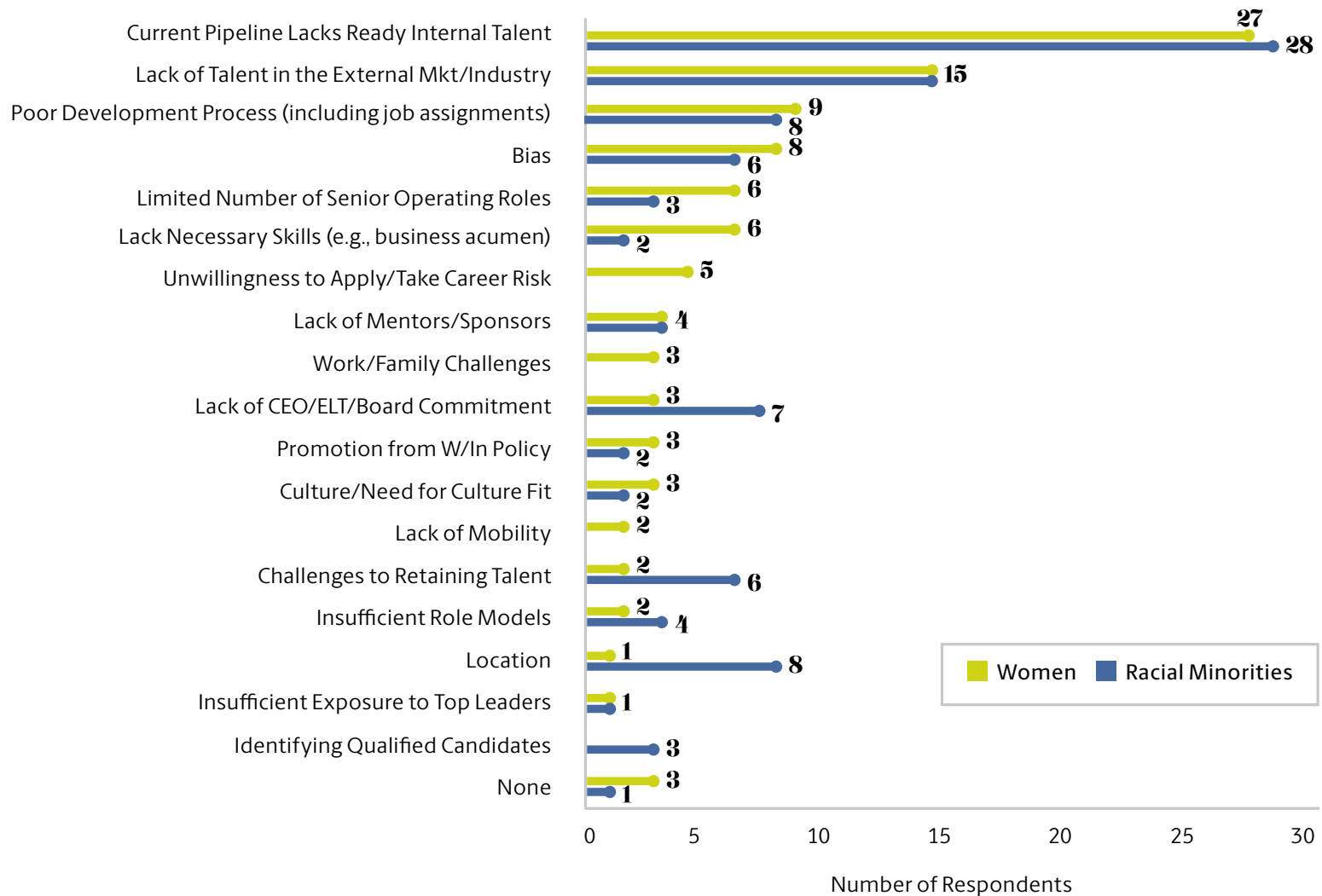
Sponsorship and taking risks; Most men don't have the experience either. Need to just force the dialogue and begin assessing why we are so risk averse on non-majority candidates as Corporate America.

Absence of pipeline depth internally as women have gravitated to staff roles in our company. Lack of interest in considering talent that doesn't have deep financial services experience is another barrier. Most importantly, future P&L leaders need to be global citizens and this becomes much harder to cultivate for women given our range of markets and need for them to be on the ground in various geographies.

Willingness to take risks equally on men and women. Women feeling comfortable declaring their ambition and career interests. Some gaps in the talent pipeline.

BUILDING DIVERSITY IN THE PIPELINE (cont.)

Figure 5
Obstacles for Increasing Diversity in Senior Operating/P&L Roles



BUILDING DIVERSITY IN THE PIPELINE (cont.)

TABLE 2: OBSTACLES FOR RACIAL MINORITIES

Racial bias in the hiring process, lack of structure in the development processes.

The historical culture of the company has impacted current demographics. There was no interest in, perhaps desire for, a diverse workforce. We continue to be very committed to “promote from within” talent management.

Again, the existing talent demographics are a huge problem in our current environment.

Lack of pipeline of candidates. Hot candidates/talent has many options.

Company has not focused on diversity and inclusion in terms of internal talent development and succession planning.

The primary obstacle is the very low number of racial minorities who are in the field/educated in the profession.

Diversity today is completely defined as female and particularly white females. Discussion boards, articles and other references speak only to gender diversity. This often leaves minorities on the sidelines.

Traditional points of view on promotions from within/learning the business from ground up and lack of racial minorities in that pipeline.

No obstacles — it helps to have so much diversity at the top.

We're not building a significantly sized funnel and not retaining HiPo people of color talent beyond 5 years.

Very limited pool of diverse talent in the geographies where we operate.

Very few successful CEOs who are POC and in most cases, boards also lack diversity, especially when it comes to current or ex CEOs; lack of formal sponsorship, likely due to a fear of a failure, executives are reluctant to stretch POCs early into big roles so they tend to fall behind their white peers.

Today we are not hiring enough people of color in our entry level roles, and we are also not promoting enough of them.

Failure to develop a pipeline 10 years ago.

Our process of identifying and accelerating the development of minorities was likely affected by unconscious bias.

Lack of willingness to take risks on them. Gaps in the talent pipeline. I agree with the literature that racial minorities need to prove their potential more often than their white counterparts.

BUILDING DIVERSITY IN THE PIPELINE (cont.)

Strategies for Building Diversity. We also asked two open-ended questions about what strategies CHROs had found effective for increasing the number of women and racial minorities in the senior operating role pipeline. Again, these were coded into general categories. **Figure 6** compares the answers regarding women and racial minorities and **Tables 3 and 4** provide example answers to these questions.

What stands out in **Figure 6** is that CHROs reported significantly more strategies regarding women than minorities. In fact, twice as many CHROs did not answer the question (22) than failed to answer the question for women (11). In addition, eight CHROs specifically said they had no successful strategies as compared to only three for women. Finally, in the two most frequently cited categories for both groups, intentional development and external hires, far more CHROs cited the strategy for women (19 and 17 respectively) than for racial minorities (9 and 12 respectively).

TABLE 3: STRATEGIES FOR INCREASING THE NUMBER OF WOMEN IN THE PIPELINE

Senior team reports out at exec staff 2x year and to board on percent of women in their organizations and we have shown progress every year for a decade on percent of women.

We consistently measure and report on representation, leadership gap and promotion % for women and POC. We are doing a lot of work on Inclusive Hiring practices and Racial Competency. Introducing a lot of STRUCTURE around all of our talent processes to reduce bias.

Early exposure to P&Ls — both to attract and to assess.

Primarily through external hires as internal development efforts have been below average in terms of focus, investment, and priority.

Mentoring, short-term team assignments and limited success in rotational assignments.

Identifying our high potential women, focused development at middle management levels with exposure to the senior executives and sponsorship for promotions.

A tap on the shoulder/encouragement/show confidence.

Yes, partnership with White Men as Full Diversity Partners and an entirely innovative methodology designed to understand the true root cause of systemic barriers to inclusion.

Focus the discussion on job competencies, not previous experiences.

Accelerated development. More direct intervention in talent decisions deeper in organization.

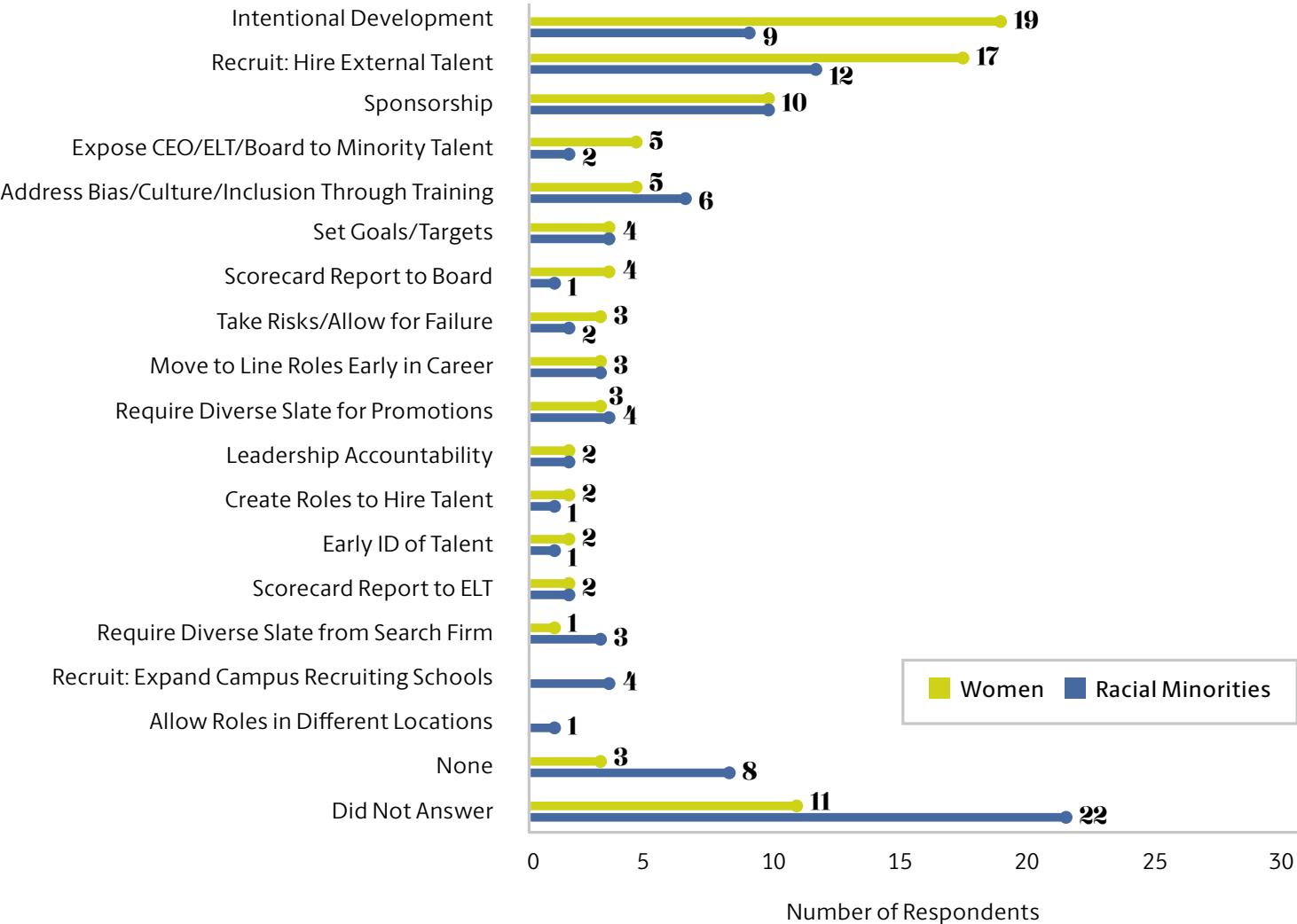
We have 40% of our operating roles filled by women--the key is to identify these women early and then reverse engineer the kind of experiences they need to get to be in consideration and then intentionally write a plan (and hold leaders accountable) to get them those experiences; it is also important to get them regular, formal and informal time with board members and be ready to flex and support their personal needs as they move through important life stages.

Two things- First, we strategically hired women into key P&L roles when we felt we did not have ready now internal talent regardless of gender. Second- we had a maniacal focus on developing/ growing female leaders across the org by placing them in roles they weren't necessarily "ready now" for so they could gain the experience their male counterparts had. This didn't happen overnight- it took 5-7 years for these practices to really payoff in terms of changing what our pipeline of talent for P&L leaders looked like. You need complete support from your CEO to change the P&L pipeline "look" paradigm.

Put them in. Support them. Get sponsorship for their success.

BUILDING DIVERSITY IN THE PIPELINE (cont.)

Figure 6
Successful strategies to increase diversity in Senior Operating/P&L Roles



BUILDING DIVERSITY IN THE PIPELINE (cont.)

TABLE 4: STRATEGIES FOR INCREASING RACIAL MINORITIES IN THE PIPELINE

Not yet. Last year we adopted gender goals to achieve gender parity in leadership roles and we found that this has had an immediate impact on people decisions. We plan to adopt goals based on race/ethnicity and we believe that will also lead to change. We do all of this in an environment where we are also tackling the parts of our culture that have not been helpful, addressing system bias, conducting awareness and training on accountability, empowerment and inclusive leadership.

Allowing roles to be located at a second main office with geographic location in very diverse areas.

Keep close to candidates so they don't want to look at other opportunities.

Use diverse recruiting firms. Stronger partnership with HBCUs.

Make it a priority and hold people accountable. Many have placed emphasis on financial measures but the reality is the process must be owned by someone committed to moving the needle and requires CEO and senior leader engagement.

Targeting pipeline building and recruiting. Recruiting non-traditional candidates from other industries.

Setting aspirational targets. Executive sponsorship. Defined development programs tailored to women/POC.

Targeted recruitment of minorities focused on addressing succession gaps. Unconscious bias awareness efforts, employee business resource group leadership opportunities, and formal mentoring/sponsoring processes. Leadership accountability.

Challenge search firms to provide diversified slates of candidates for any externally hired executive. Increasing CEO exposure to senior level diverse leaders in the business and assisting in their development.

Hiring diverse officers has definitely led to hiring greater diversity at the next 2 levels down.

We found you have to be even more aggressive in taking chances on POC talent that may not be ready now but you have enough data points to gain a level of confidence that you know they will succeed. This is done all the time with Caucasian talent, but it's accepted or not questioned. With POC, it's critical senior leaders insert themselves into who is going where etc., otherwise you may not see intended results.

Sponsorship and doing it. And put support around the talent.

Sponsorship and talent development. Discussion at the board.

We have worked at changing our selection, development and promotional processes to neutralize unconscious bias. We have made inclusion the centerpiece of our cultural change process, and rewarded people accordingly.

Being deliberate about hiring directly into those roles and accelerating development of those in the pipeline.

RECOMMENDATIONS

As noted earlier, CHROs perceive a lack of supply to be the biggest hurdle to overcome in improving diversity in the talent pipeline for senior operating roles; however, a growing focus on diverse leadership teams will mean demand for scarce talent is only likely to grow. This combination of forces requires organizations to rethink their traditional HR practices designed to select, develop and retain talent. After compiling and synthesizing the responses of CHROs to the questions regarding both the obstacle to and strategies for increasing the number of women and racial minorities in the talent pipeline for senior operating roles, we developed the following set of recommendations.

SETTING THE TONE: MANAGING AND MEASURING THE PIPELINE

Messaging from the Top. Success in building diversity in the talent pipeline for senior operating roles begins with unconditional and public support from the top of the organization. The unconditional nature stems from the fact that the decisions necessary to build the diverse pipeline requires investments and risks. Rhetorical support will not sufficiently ensure the allocation of energy, time and resources required for success. We have spoken with a number of CHROs who privately express their concern

that even if the CEO and board say the right words to analysts and press, their decisions and actions clearly do not support those words or communicate to the organization a meaningful commitment to building a diverse workforce.

What Gets Measured Gets Managed. One theme that clearly emerges from the results emphasized the importance of creating a measurement system that rewards and evaluates leaders for focusing on diversity and ensures that the system is more than just words. It begins with setting goals for the diverse composition of all levels of the organization and making those goals public. Without the public affirmation of goals, they can easily be ignored or disregarded when not met. Once publicly stated, organizations must measure the composition of the workforce relative to those goals and communicate that information to the ELT and the board. Finally, with goals stated and metrics communicated, performance must be managed by holding accountable those who do not effectively deliver. This could mean tying part of top executives' pay to the organization's performance on diversity metrics or specifically holding individual leaders accountable for the diversity of their staff and the diversity within their pipelines.

Diversity/Inclusion/Implicit Bias Training.

A number of CHROs in our sample noted that bias creates an obstacle to increasing the number of women and racial minorities in the talent pipeline and also that they were using diversity/inclusion/implicit bias training as a tool to increase that diversity. While not denigrating such efforts, the fact that these efforts have been tried and yet the problems remain suggest that they have limited effectiveness. Perhaps new and more innovative approaches could be leveraged.

For instance, one CHRO told us that when she told the ELT that they would undergo "implicit bias" training, their initial response was "So you're suggesting we're all closet racists?" While implicit bias is real, the terms can elicit defensiveness from those who most need to hear the message, and defensiveness does not open the heart to new ideas. Perhaps such training should focus on decision heuristics (i.e., shortcuts) that can result in bad decisions. Illustrating such heuristics in non-staffing decisions can demonstrate how easily they can lead to dysfunctional decisions. Once open to the idea that heuristics can mislead, trainees can see how the same heuristics can result in incorrect hiring and promotion decisions, particularly as they apply to women and racial minorities.

RECOMMENDATIONS (cont.)

Expanding their recruiting to Historically Black Colleges and Universities (HBCUs) has enabled them to recruit more minority applicants into their organizations.

RECRUITMENT: BUILDING THE PIPELINE

Expand Recruiting Sources. A number of organizations over the years have sought to become more efficient in their on-campus recruiting, particularly through narrowing the number of universities from which they recruit and building deeper relationships with those universities. While effective, many traditional universities have a limited number of minority candidates from which to choose, particularly coming from STEM or business majors. However, a number of CHROs in our study noted how expanding their recruiting to Historically Black Colleges and Universities (HBCUs) has enabled them to recruit more minority applicants into their organizations. Such recruiting still requires building deeper relationships with those universities, and thus some additional resources. However, given the significant numbers of black students at such universities, this is a potentially effective strategy to leverage at the beginning of the pipeline. But because the number of students at these schools

is also limited and often in high demand, organizations will need to reach-out to other non-traditional schools or sources (e.g., military veterans) that have large numbers of individuals from underrepresented groups.

Identify and Inspire Women who Aspire to Operating Roles. A few CHROs noted that some of the women in their organization who have the skills to take on operational roles seem to lack confidence to actively pursue such roles. At the entry point to the talent pipeline, perhaps seeking to identify graduating women who aspire to operating roles could at least select in those who might be more likely to later seek out such roles.

DEVELOPMENT: REFINING/EXPANDING THE PIPELINE

Identify Talent Early. Related to trying to identify women applicants who aspire to operational roles, once hired, the organization needs to begin assessing and identifying the women and racial minorities who have potential to take on operational

roles almost from day one. This may require greater attention, and more frequent assessment of almost all women and POC over their first 1-4 years in the firm. Because these candidates face obstacles not faced by white males, paying special attention to them to assess their potential may help to identify significant numbers of candidates that, if left to normal processes, might be overlooked.

Develop Early and Often. Again, because of the unique obstacles faced by women and POC, organizations should offer significant development opportunities to those suspected of or already identified as being high potential talent. Job rotations, special assignments and the like may help both develop and further assess those individuals early to better position them for success later in their careers.

PROMOTION: FLOWING THE PIPELINE

Don't Wait for Volunteers. Again, because a number of CHROs noted that women often are less likely than men to feel qualified enough to apply for certain roles, organizations must not rely on volunteers. Internal job postings work well for filling roles, but not necessarily for finding the most qualified for the role nor the ones for whom the role will be most beneficial as part of

RECOMMENDATIONS (cont.)

their career progression. Instead, aggressively recruiting women and underrepresented groups to apply for critical roles can work to overcome some individual obstacles that discourage otherwise qualified candidates from attempting to take on those roles.

Require Diverse Promotion Slates.

Requiring diverse promotion slates constituted one clear and consistent practice noted by CHROs as part of their efforts to increase diversity in the talent pipeline. This practice recognizes that slates often stem from a person's network, and their network may lack diversity. Requiring managers to seek out diverse candidates to consider both expands beyond their personal network and exposes them to talent with which they may not have been previously familiar.

Risk. Support. Repeat. Having encouraged women and racial minorities to take on certain roles, the organization must willingly take on the risk that they may fail. This is not special treatment. As one CHRO noted, the organization takes risks on white males, but seems to be hesitant to do so for women and underrepresented groups. Building a more diverse pipeline requires specifically recognizing the risks, but these are not putting people into "sink or swim"

situations. Once in those roles, organizations should then provide each person support to maximize the probability that they will succeed.

Today It Truly is a Small, Small World.

To increase the talent pipeline for senior operating roles firms must recognize that women and underrepresented groups face unique geographical constraints. Women, and particularly mothers, may not relish the thought of uprooting family every 2-3 years to move for a new "developmental" role. However, as we have learned through the pandemic, one can successfully perform many roles virtually. Rather than require women to physically move for such roles, they can stay in their geographic home while traveling and leveraging technology for communication.

For racial minorities, placing them in roles that require them living in communities where they might be almost alone in terms of people that look like them will seldom be attractive. So, providing opportunities for them to work in geographies where they can more easily develop friends and networks can make those developmental roles more attractive.

Focus on Skills, Not Experiences. A number of CHROs noted that the use of experiences as part of a promotion criteria have deleterious effects on women and racial minorities. If bias or obstacles of any kind have prevented these individuals to be placed in positions to gain those experiences, then the use of experiences simply perpetuates the problem. However, in almost every case, the experience itself means less than the competency gained through that experience, and people can develop competencies in multiple ways. So eschewing experiences in favor of the deeper competencies the experiences signal may increase the number of women and POC in the pipeline.

For instance, demanding relocation may inhibit some, particularly women, from taking on roles that leaders assume are necessary to gain certain competencies. In some cases, frequent relocation around the world may instill necessary skills; in others, frequent moves may result from habit or tradition, but may not provide the knowledge, skills and abilities necessary to be successful. Thus, organizations seeking to grow diversity in these pipelines need to distinguish between what is essential and what is for appearance.

RECOMMENDATIONS (cont.)

Evaluate Evaluations. Several CHROs noted that managers' own (conscious or otherwise) bias may lead to lower evaluations on both performance and potential scores. This can lead to both higher attrition and lower than appropriate opportunities for important job assignments. Organizations need to monitor the distribution of employee performance and potential scores by manager.

“Force” Promotions. Sometimes taking the decision-making authority out of a manager's hands might most effectively increase the number of women and underrepresented groups in the talent pipeline. No matter how much training and diverse slate requirements exist, individuals may still let biases get in the way. So, a few CHROs noted the occasional need to “force” promotions beyond the usual promotion process. This may circumvent bottlenecks in the firm, where a disproportionate percentage of women and POC seem to get stuck.

EXTERNAL HIRES: FILLING THE PIPELINE

Search as a Process, not an Event.

As previously stated, CHROs describe a supply problem as the primary obstacle for building more diversity in the talent pipeline. While a number of steps described above can help build the pipeline over time, the

immediate need requires focusing on hiring externally. However, effectively recruiting externally requires constant, rather than event-driving search. CHROs in our study noted they continually monitor the market to see diverse talent.

Create Roles to Make Hires. Part of the constant external search entails not waiting for open positions to hire. Once their firm identifies high potential diverse candidates, CHROs do not wait for a relevant position to open, knowing that a good, high potential candidate can quickly be hired by another firm. Rather, they work to create a new position into which the candidate can be hired.

Require Diverse Slates from Search Firms.

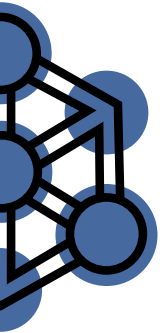
Just as CHROs describe requiring diverse slates for promotions, many also noted requiring diverse slates from external search firms. Again, this forces those firms to go beyond their easily accessed networks to seek out diverse talent. In addition, a few CHROs also mentioned using search firms that may be primarily or substantially made up of search consultants from underrepresented groups. One would expect such firms to have broader and deeper networks of racially diverse talent.

Invest early. Organizations are finding that investing resources, including employee time, in middle schools, high schools and colleges exposes students who may never have considered particular careers or industries. The exposure creates enthusiasm for both establishing higher professional goals and loyalty to the organization.

RETENTION: PREVENTING LEAKAGE IN THE PIPELINE

Get Them Exposure. A number of CHROs noted the need to get women and underrepresented groups exposed to the top of the organization including the ELT, CEO, and board. This exposure creates two positive outcomes. First, it lets the firm's leaders see the talent that exists in underrepresented groups within the organization, thus, opening their minds and hearts to better support those individuals. Second, the exposure communicates to those candidates that they are valued such that they have a bright future within the firm. This may tell them they need not seek external opportunities if they wish career advancement.

CONCLUSION



In today's corporate environment, almost all organizations would say that they seek to build greater diversity, particularly in their talent pipeline for key executive jobs. Yet great variance exists in the level and types of efforts they have exhibited toward achieving this goal. Our survey reveals some of the obstacles firms face and the strategies they have found effective for pursuing greater diversity in the talent pipeline for senior operating roles.

One overarching recommendation underlying the specific ones noted above is that achieving this goal will require substantial investment in time, energy, and money. For instance, the combination of high demand for women and underrepresented minority talent with the scarcity of supply (number one obstacle on the list) will likely lead to intense competition for that talent, with ensuing rises in salaries for that talent. Then, in order to maintain internal equity, firms may need to raise salaries for other talent, resulting in extensive financial costs. At the same time, filling positions with diverse talent (either internally or externally) may mean reaching for individuals who don't have the necessary experiences and positions normally found, taking risks on them and providing them with resources and support to maximize the probability that they will succeed, again resulting in increasing costs.

Thus, firms that seek to increase the diversity of the talent pipeline will do so only with significant investments. However, those that succeed should find their investments both financially valuable for the organization while also achieving important benefits for society.



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The Center for Executive Succession serves as an independent, objective source of knowledge regarding C-suite succession practices. The center provides a forum for corporate leaders to shape the future direction of succession practices, which are increasingly one of the board's top governance priorities. Our partners have the opportunity to contribute to cutting edge research that challenges the status quo and is empirically driven to further success in C-suite succession planning. For more information or to inquire about potential membership, please visit our website or contact us at sc.edu/moore/ces.

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In 1998, the school was named for South Carolina native Darla Moore, making the University of South Carolina the first major university to name its business school after a woman.

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