



Diversity and Inclusion Strategic Plan 2016–19

December 2016



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Message from the Chair



To all Board employees:

I am pleased to join the [Office of Diversity and Inclusion](#) in sharing with you the Board's first *Diversity and Inclusion Strategic Plan 2016–19*. The plan enhances our ongoing initiatives and actions and provides a more comprehensive, integrated, and strategic focus on diversity and inclusion to enable our organization to establish and sustain a high-performing, diverse, and inclusive workforce.

The Federal Reserve is putting forth this plan because we recognize the value of building and sustaining a diverse workforce at all levels of the organization. I also believe that diversity makes the Federal Reserve more effective in carrying out its mission. When I joined the Board staff in 1976, I was one of relatively few women economists. Since then, there have been significant gains in diversity at the Board and throughout the System. This type of plan helps us organize and develop a systematic effort to advance broader gains in diversity and inclusion.

Through the establishment of a culture that promotes collaboration, flexibility, and fairness, we can ensure sustainability of our diversity and inclusion achievements. The Board recognizes that the goals outlined in the plan are ambitious. We are firmly committed to addressing challenges and achieving our goals as we implement the plan.

The plan details specific objectives and actions that are aligned with the Board's diversity and inclusion standards of organizational commitment; workforce diversity; workplace inclusion; supplier diversity; and sustainability.

I am asking the Office of Diversity and Inclusion to oversee the implementation of the plan, and I encourage all divisions to take an active role in the implementation of the plan.

Our commitment to diversity and inclusion remains a continued priority and is integral to the mission and core activities of the Board that are rooted in a set of core institutional values—namely, serving the public interest; integrity; excellence; efficiency and effectiveness; and independence of views.

A handwritten signature in black ink that reads "Janet L. Yellen". The signature is written in a cursive, flowing style.

Janet L. Yellen, Chair
Federal Reserve Board

Introduction

This *Diversity and Inclusion Strategic Plan 2016–19* reflects the Federal Reserve Board’s (the Board’s) strategic initiative on diversity, inclusion, and equality, which is a shared responsibility of all Board employees.

The implementation of the plan involves a myriad of stakeholders at all levels of the organization and requires the active involvement of leaders and staff throughout the Board.

The diversity and inclusion (D&I) strategy builds on the Board’s mission and values to include standards for organizational commitment, workforce diversity, workplace inclusion, supplier diversity, and sustainability.

D&I Definitions

The Board’s working definition of diversity and inclusion is to foster a collaborative work environment that recognizes, appreciates, and effectively utilizes the talent, skills, and perspectives of every employee.

Broadly defined, *diversity* refers to all of the characteristics that make individuals different from one another; that is, diversity represents the collective mixture of differences around race, color, religion, sex, gender identity, national origin, age, disability, sexual orientation, values, beliefs, experiences, backgrounds, preferences, and behaviors that makes each person unique.

Inclusion is how an organization leverages diversity to create a work environment in which all employees are treated with equity and respect, have equal access to opportunities and resources, and can feel fully

engaged to contribute to the Board’s mission and organizational goals.

D&I Mission

To support the execution of the Board’s mission by ensuring that the organization’s workforce is diverse and that policies and practices support an inclusive culture, not only in a manner that complies with all applicable laws, but also to provide equal opportunity for all employees to realize their full potential and to cultivate business relationships with diverse suppliers.

D&I Vision

A workforce which not only embraces its collective mixture of differences but also recognizes and values how those differences enhance the Board’s ability to meet its overall mission, and a collection of workplace policies and practices which support the cultural tone of inclusion and respect for all employees, forming the bedrock of the organization’s success.

D&I Standards

Section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 charged the Board with responsibility for developing standards for equal employment opportunity (EEO) and for the racial, ethnic, and gender diversity of the workforce and senior management of the agency.

The Federal Reserve Board is committed to building and sustaining a diverse workforce at all levels of the organization that will enable the Board to effectively

carry out its mission. The Board has established five standards for the successful growth of diversity and inclusion:

1. Organizational commitment
2. Workforce diversity
3. Workplace inclusion

4. Supplier diversity
5. Sustainability

These standards—along with strategies and actions the Board will take to achieve them during the plan period—are described in further detail in the next section.

Diversity and Inclusion Standards, Strategies, and Actions

Standard: Organizational Commitment

The Board reinforces its commitment to diversity and inclusion through a variety of communication channels and educational outreach efforts aimed at both internal and external audiences. For instance, the organization will develop and maintain a *Diversity and Inclusion Strategic Plan*—approved and supported by senior leadership—to guide its efforts in this area. The organization also implements policies and practices related to workforce diversity and inclusion in a manner that complies with all applicable laws. The Board’s *Office of Diversity and Inclusion* (ODI) provides regular reports to Board members and senior management on diversity and inclusion efforts, measures, and achievements.

Strategy 1: Through a variety of methods, communicate the Board’s D&I mission, vision, and standards.

Actions

- Implement the 2016–19 *Diversity and Inclusion Strategic Plan* through the collaboration and coordination of the director of the ODI, the Board’s chief human capital officer, and the Board’s division directors.
- Develop and implement an ongoing, comprehensive D&I internal and external communications strategy.
- Prominently post the Board’s *Diversity and Inclusion Strategic Plan* on the Board’s public website and intranet.
- Publish D&I information and current events through the intranet and employee communication channels, such as newsletters and message boards.
- Include progress and challenges on D&I objectives in published reports, such as the *Report to the Con-*

gress on the Office of Minority and Women Inclusion and the Equal Employment Opportunity Commission (EEOC) Annual Program Status Report.

- Include ODI’s activities in the Board’s *Annual Performance Report*.
- Encourage senior leaders to routinely discuss the importance of D&I as a core organizational strategy and provide consistent, visible leadership.

Strategy 2: Strengthen understanding of the interrelationship between diversity, inclusion, and equal opportunity through education and training.

Actions

- Sponsor D&I and EEO workshops, forums, and symposiums to educate and promote discussion on topics that impact today’s workplace, such as unconscious bias, generational and cultural differences, and the employment of persons with disabilities.
- Partner with the Board’s Organizational Development and Learning office (OD&L) to integrate D&I education and training into the Board’s course offerings and leadership-development activities.
- Strengthen D&I and EEO knowledge, understanding, and awareness by making available e-books/articles, videos, case studies, e-learning, and other tools on ODI’s internal web page.

Standard: Workforce Diversity

The Board embraces the range of similarities and differences each individual brings to the workplace, including diversity of thought, experience, and background. The organization attracts, retains, and develops a diverse, agile, and highly qualified workforce to execute the Board’s mission.

Strategy 1: Attract a highly qualified and diverse slate of candidates to sustain the mission of the Board by ensuring that strategic outreach and recruiting processes are accessible to all segments of society.

Actions

- Ensure that outreach and recruitment strategies include a variety of resources, such as social media, professional associations, job postings, and publications, to maximize the agency’s ability to recruit from a diverse pool of applicants.
- Include hiring managers in recruitment activities through participation in career fairs and outreach events.
- Train selecting officials on lawful hiring and the impact of unconscious bias in the recruitment process.
- Ensure that outreach and recruitment strategies are designed to draw from all segments of society, including those who are underrepresented.
- Source intern candidates from a diverse cross-section of society; leverage the Board’s intern programs as an opportunity to transition students into the Board’s regular workforce.
- In general, strive to post vacancies, including Official Board staff positions, internally—and if appropriate, externally—in order to promote diversity and encourage open competition.
- Perform barrier analyses required under the EEOC’s Management Directive 715, and develop and implement action plans to eliminate any identified barrier(s) to EEO.

Strategy 2: Foster an organizational environment that allows each employee to realize their full professional potential in the workplace by leveraging both the talent development and performance management processes toward the equitable advancement and retention of employees.

Actions

- Create opportunities for cross-collaboration and rotational assignments among employees to enrich the employee climate, foster diversity of thought, and inspire innovative solutions.

- Strengthen talent management programs, such as succession planning, coaching, and mentoring programs, to maximize performance and career potential within the organization.
- Integrate inclusive behavioral competencies into training and education offerings as part of the performance management process to support an inclusive culture.
- Identify and address issues that impede employees’ professional development.

Standard: Workplace Inclusion

The Board cultivates an inclusive workplace to ensure that employees are engaged and recognized for their contributions by providing flexible work processes, varied work experiences, and training on behavioral competencies. The organization embraces diversity, recognizing that every employee has unique skills and talents, and works to support and coach employees to maximize their contribution and personal satisfaction through organizational initiatives.

Strategy 1: Leaders are accountable for implementing the D&I strategy in all areas of the organization and can articulate the D&I strategy, including how D&I enables the achievement of the Board’s vision, mission, and goals.

Actions

- Enforce a no-tolerance policy with respect to harassment and discrimination, and reinforce equitable workplace policies and practices.
- Include ODI as an integral participant in strategy meetings on workplace and workforce policies and procedures.
- Ensure division leadership accountability for achieving their specific, measurable, actionable, and timely D&I scorecard objectives.
- Encourage the divisions’ EEO/diversity liaisons to maintain an open dialogue with ODI to identify division challenges and/or opportunities to support an increasingly inclusive work environment.
- Educate and train management staff on effective D&I management competencies for inclusion.
- Model the behavior that alternative viewpoints are respected, valued, and encouraged.

- Leverage division staff meetings to provide D&I learning opportunities.

Strategy 2: Maximize employee engagement to enable individuals to contribute at full potential.

Actions

- Leverage flexible work policies and programs, such as telework/alternative work arrangements, wellness programs, academic assistance, and career development to support employees' individual career satisfaction and productivity.
- Ensure equal access to appropriate developmental opportunities.
- Support participation in employee advisory groups.
- Utilize the Board's Employee Engagement Survey to assess the organization's working environment, identify barriers to maximum engagement, and develop targeted actions.
- Offer benefits and services that reflect employees' evolving work-life.

Standard: Supplier Diversity

The Board's procurement policy, practices, and outreach provide minority-owned and women-owned businesses with a fair opportunity to successfully participate and compete to supply goods and services. The organization assesses vendor performance pertaining to EEO good-faith efforts and supplier diversity.

Strategy 1: The Board's Procurement Office (Procurement) and ODI partner to promote participation of minority- and women-owned enterprises (M/WBEs) in the Board's acquisition process.

Actions

- Procurement conducts vendor outreach business fairs and provides technical assistance to M/WBEs.
- Procurement and ODI participate in supplier diversity national conferences for M/WBEs.
- Procurement collaborates with other federal financial regulatory agencies' procurement functions on

best practices, metrics, standards, and opportunities related to supplier diversity.

- Procurement builds and sustains relationships with key business stakeholders and advocacy groups representing M/WBEs to demonstrate the Board's commitment to equal access and participation in the acquisition process.
- Procurement and ODI meet quarterly to assess and monitor the acquisition of goods and services in order to ensure the full inclusion of M/WBEs in the acquisition process.
- ODI monitors the divisions' supplier diversity scorecard objective and provides feedback with respect to performance.
- Procurement's supplier diversity specialist works with divisions to identify M/WBEs when procuring goods and services.

Strategy 2: Procurement and ODI partner to educate and provide technical assistance to M/WBEs relating to the Board's acquisition process.

Actions

- Develop brochures and a public vendor website to inform M/WBEs of procurement opportunities and how to register their companies to do business with the Board.
- Provide technical assistance in responding to requests for proposals to procurement opportunities.
- Provide capacity-building forums for M/WBEs.

Strategy 3: The Office of Minority and Women Inclusion, within ODI, reviews prime contractors' good-faith efforts in outreach, diversity policies, and subcontracting activities to ensure compliance with the Board's supplier diversity policy and practices.

Actions

- ODI reviews prime contractors' responses to EEO good-faith effort questionnaires.
- Educate prime contractors regarding the Board's supplier diversity policies and performance expectations in subcontracting.

Standard: Sustainability

The Board develops practices and strategies to equip leaders with the ability to manage diversity, measure results, and refine approaches while institutionalizing a culture of inclusion. Management, at all levels, is held accountable for executing the *Diversity and Inclusion Strategic Plan*. The organization utilizes both quantitative metrics, such as applicant tracking data, and qualitative metrics, such as engagement survey results, to assess its diversity and inclusion performance.

Strategy 1: Demonstrate leadership commitment and accountability to promote a diverse and inclusive workplace culture.

Actions

- Comply with applicable laws and rules related to EEO and diversity, and train all employees regarding legal requirements.
- Each division will establish, on an annual basis, a D&I Scorecard to plan, execute, and monitor progress against the division's diversity and inclusion objectives.
- Include a D&I performance objective for managers and officers to address the goals of the *Diversity and Inclusion Strategic Plan*.

Strategy 2: Continue to foster a workplace culture of diversity and inclusion.

Actions

- Leverage engagement surveys and other forms of employee feedback to identify workplace dimensions impacting the organization's D&I efforts.

- Communicate, via internal meetings and electronic media, information relating to workforce D&I practices.
- Leaders routinely discuss the importance of D&I as a core organizational strategy and provide consistent, visible leadership.
- Engage the employee advisory groups to build a sustainable workplace of inclusion.
- Establish inclusive leadership competencies in the Board's performance management process.

Strategy 3: Use data collection and reporting to assist divisions in assessing their D&I efforts.

Actions

- Use workforce analytics to monitor candidate sourcing.
- Develop an outreach strategy to ensure a diverse slate of applicants and continuously monitor progress.
- Provide quarterly reporting and conduct meetings with divisions around D&I workforce actions.
- Leverage both qualitative and quantitative metrics to manage D&I efforts, measure results, and refine strategies on the basis of such data.

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