

Directors, Prepare for More: Tracking, Reporting, and Incentivizing DE&I

Editor's Note: This research report was produced jointly by Pearl Meyer and Women Corporate Directors

Over the last decade, diversity, equity, and inclusion (DE&I) has been elevated as a critical issue for boards and management teams. Several catalysts have accelerated this focus, including new pay equity laws in the US at the state level; the #MeToo movement; media attention on the gender pay gap and broader income inequality; and waves of social unrest. As this topic takes center stage now in the boardroom, Women Corporate Directors Foundation (WCD) and executive compensation consulting firm Pearl Meyer set out to understand the extent to which directors are engaging in discussions about DE&I and tracking various relevant measures.

A recent survey conducted by WCD and Pearl Meyer shows a consistent theme: more. Directors are more involved than they've been in the past when it comes to DE&I discussions. Companies are measuring more metrics related to DE&I and communicating more about their progress across additional channels in a sophisticated way. Directors and management teams are playing a greater role in integrating DE&I into the entire organization. It should be noted these findings also show that DE&I is not simply a hotbutton topic that boards are reacting to as a result of external pressures, such as media coverage or social unrest. Rather, it is a critical topic that directors and corporate leaders have been discussing for years, and they are now taking greater strides to measure and accelerate progress.

The data show DE&I practices are evolving rapidly; yet, companies are at different maturity points in their DE&I journey. Organizations will be developing more sophisticated measures and tracking systems, improving communication, and reporting and holding executives accountable for progress on DE&I. These survey findings, complemented by perspectives from WCD members and Pearl Meyer senior consultants, can help inform, guide and accelerate action as boards and management teams look more holistically across the organization to address DE&I and build cultural norms and operational structures to help achieve their goals.

About Pearl Meyer

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organizations to the Fortune 500.