



DEI ASSESSMENT REPORT

June 2023

Agenda



Our Remit, Approach



High-Level Findings & Recommendations



Roadmap Forward



The Critical Question



Appendix – Additional Findings and Recommendations

Our Remit



Assess the current state of MWD's organization as it pertains to Diversity, Equity and Inclusion (DEI). Other MWD enablers and obstacles were evaluated given their impact on DEI.



Provide MWD with a specific set of Findings, Recommendations and a Roadmap Forward.

Our Approach

STEP 1 UNDERSTANDING CURRENT STATE

Provision of findings:

- Things that are **working well** and need to be further leveraged
- Things that **need adjustment/enhancement** to deliver better results
- Things that **need to be eliminated**
- Things that do not currently exist but **need to be created**



STEP 2 CREATING THE CHANGE

- Provision of recommendations for **holistic, integrated DEI strategy**
- Provision of a **“Roadmap Forward”**



STEP 3 LAUNCHING FOR SUCCESS

- Creating and communicating the **business case, vision, values, commitment, strategy and action plan**
- Implementation
- Metrics
- Accountability
- Transparency of progress

Positioning MWD for Success in the Workplace and the Communities You Serve

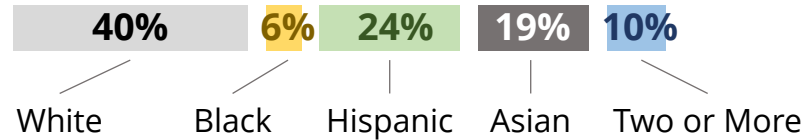
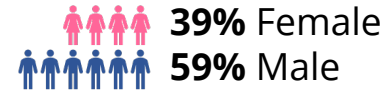
Addressing the Opportunity with a Three Step Approach

STEP 1 THE DIGITAL REVIEW

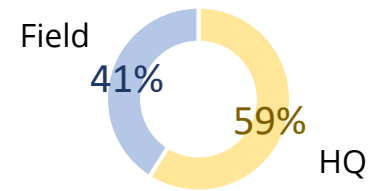
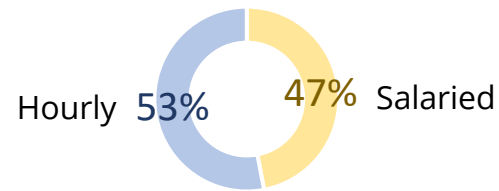
We reviewed policies, processes, programs and data provided to us by MWD pertaining to DEI and broader talent-related areas.

STEP 2 THE DEI SURVEY

754 Survey Responses
1779 Responses



51% 10+ Years of Tenure
22% 21+ Years of Tenure



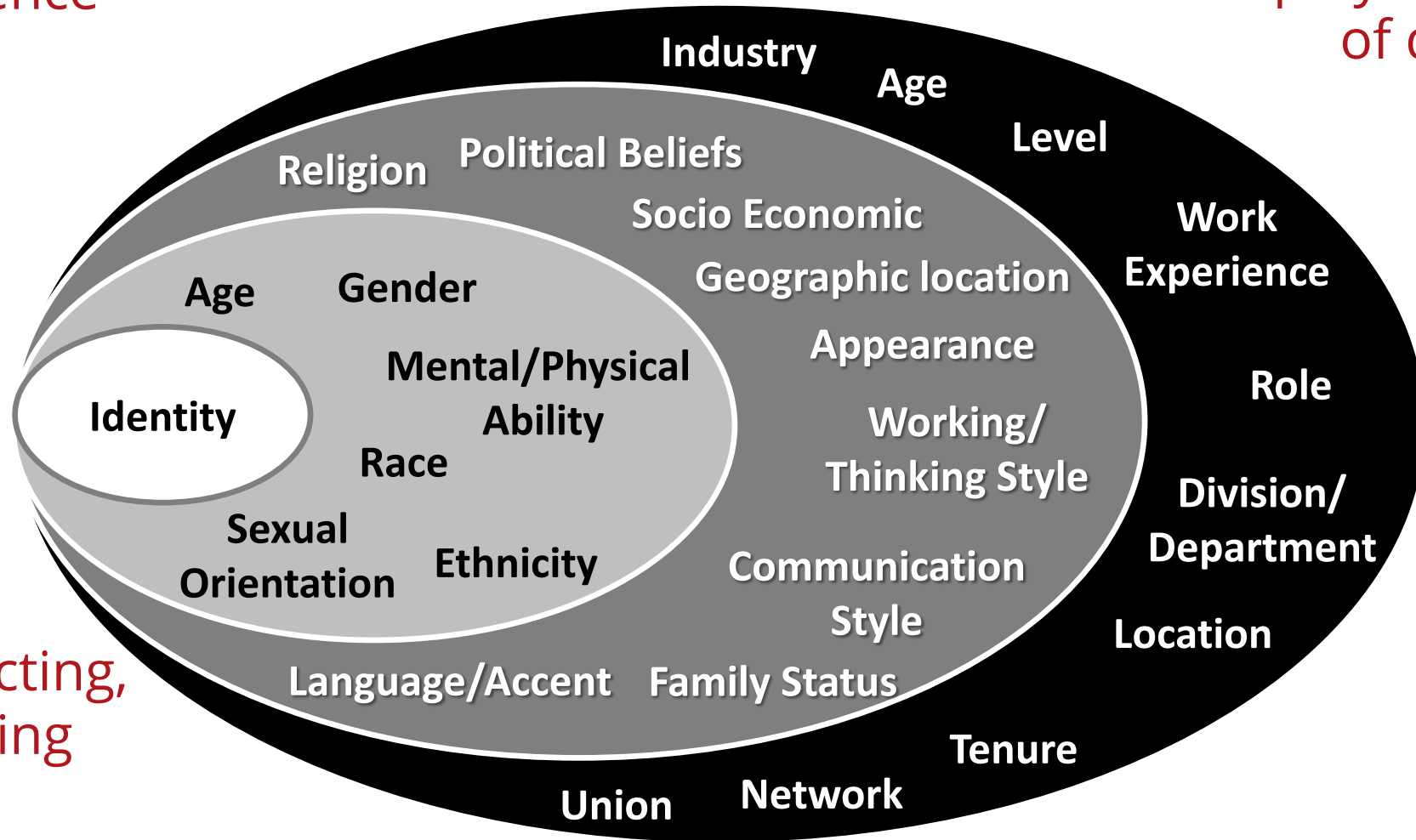
STEP 3 INTERVIEWS & FOCUS GROUPS

We conducted **23 focus groups** and **54 interviews**, talking to **154 total people** across the organization, including two field sites.

Important Grounding: Defining DEI

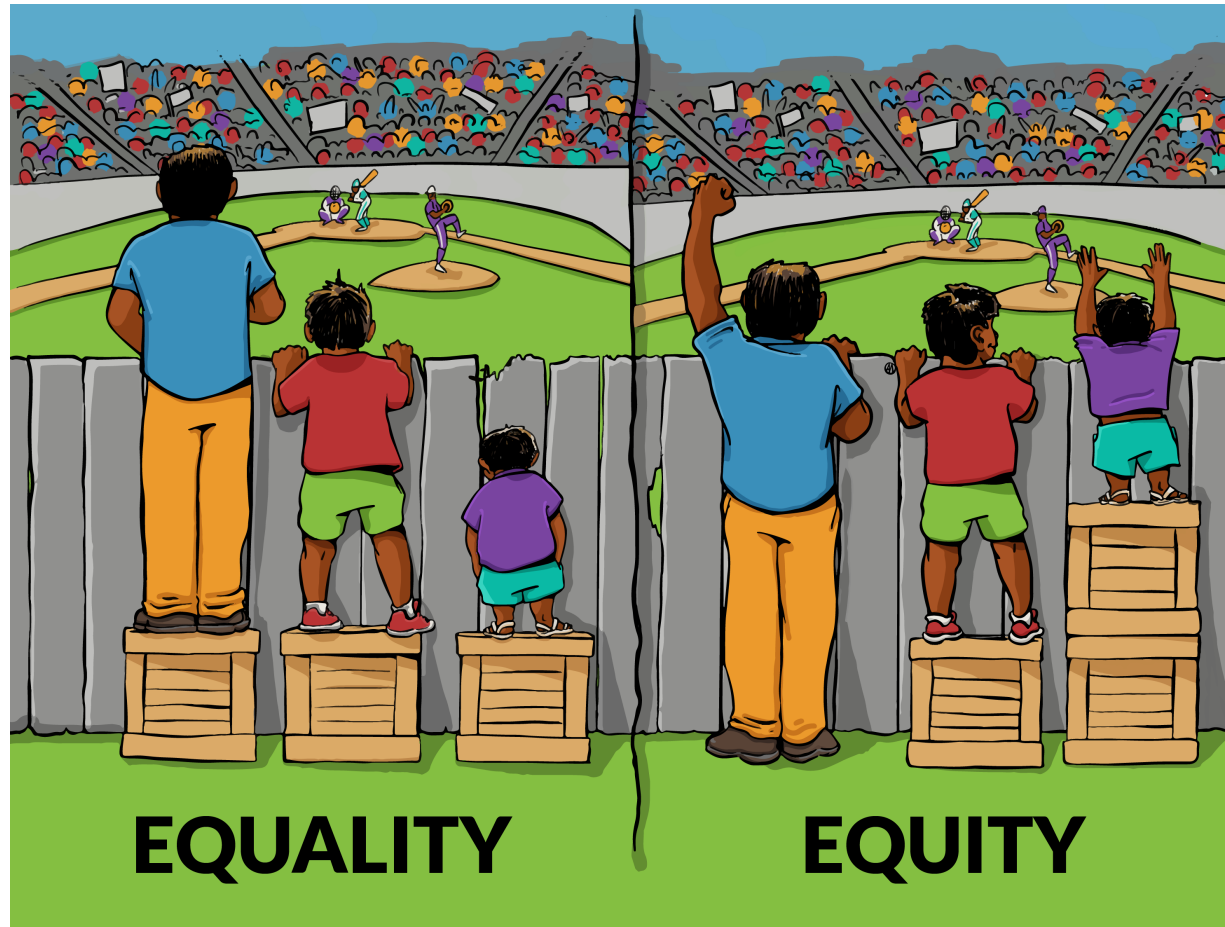
Diversity = difference

Equity = fairness of decisions



Inclusion = respecting, valuing & leveraging differences

Important Grounding: Equality vs. Equity



Equality = Sameness, Equity = Fairness

Making DEI Relevant at MWD

Managing
Risk



Creating
Sustainable
Business Results

Our findings and recommendations address both

Significant Risks MWD is Facing

Current State



A very senior and tenured workforce



58% of the workforce believes MWD respects individuals and values differences



42% believe MWD consistently treats all employees fairly and with dignity



51% of the workforce feels safe expressing their opinion



44% believes that MWD is doing a good job of developing people

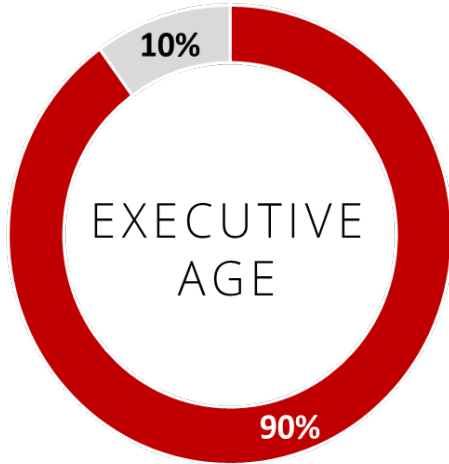


30% believe that career opportunities go to the most qualified person

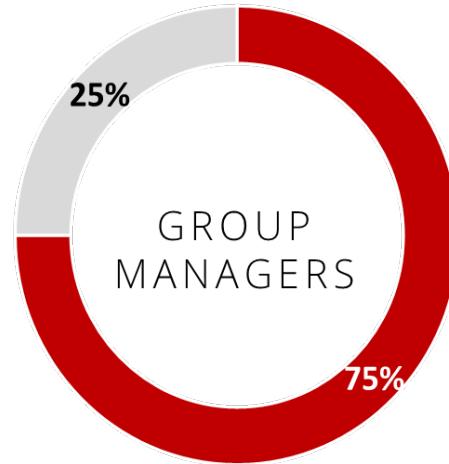


45% believe they would be treated fairly and with dignity if they tried to resolve a dispute at work

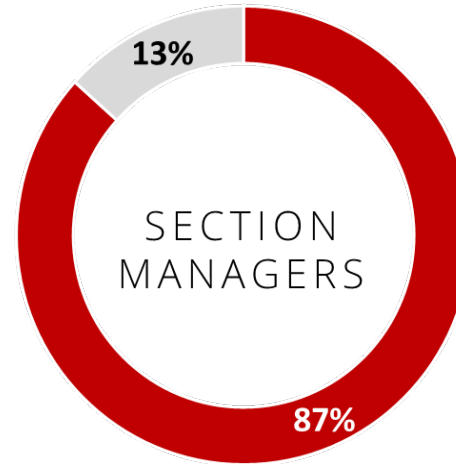
Continuity: Leaders At or Near Retirement



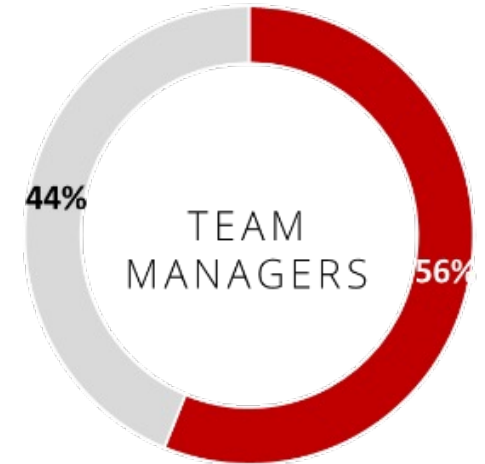
■ Over 50 ■ Under 50



■ Over 50 ■ Under 50



■ Over 50 ■ Under 50



■ Over 50 ■ Under 50

What succession plans currently exist to *replace this potential loss of institutional knowledge* and experience?

Key Findings



1. While there are indicators that DEI is progressing at MWD,
 - a. there is **no collective understanding of what DEI means from an organization perspective**
 - b. MWD lacks a **simplified DEI strategy**, a corresponding tactical and implementation plan, and a corresponding strategic DEI communications plan. This must be leader-led.

Recommendations

1. Develop a DEI Strategy, with **defined metrics and accountability**, to support the broader business strategy.
2. Create an MWD-wide **strategic communication plan** to communicate shared MWD values, vision, and the DEI business case, strategy and tactics, metrics and accountability.
 - Explain the **organizational “why and focus” for DEI** (i.e., protecting the MWD brand and reputation, retaining talent, innovation, problem-solving, etc.).
 - Communicate **ongoing DEI-related results transparently** on a pre-determined cadence.
3. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



2. There is a significant belief regarding a **lack of fairness for employee-related decisions** such as selection, promotions, job assignments, development, use of job descriptions, investigations, etc.
 - a. Further, it appears that **manager and supervisor training is needed** due to inconsistent execution in performance management, hiring, job assignments, etc.
 - b. A general perception exists that there is a **systemic lack of accountability** for issues that arise.

Recommendations

1. Develop, communicate and implement a **comprehensive Equity practice** - designed to mitigate risk, enhance and protect MWD's reputation and brand in the workplace and community. An investment in these programmatic and process enhancements can be offset by reduced costs associated with EEO charges/litigation.
2. Develop and distribute **leader toolkits** tied to employee-related opportunities and issues (i.e., performance management, employee development, employee relations, etc.).
3. Implement **"Building a Civil & Inclusive Workplace" training** for all management levels in order to build a culture of mutual respect.
4. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



3. There is a perception that HR needs further capability to support the MWD business and its leaders. This includes:
 - a. An enhanced People **strategy**
 - b. More **proactive** HR programs and processes
 - c. Involvement and participation at the **earliest stages of work** that impacts the workforce
 - d. **Aligned and leveraged** HR systems
 - e. Provision of **greater analytics and insights** to support the business.

Recommendations

1. Develop HR capability necessary to **proactively advance and support the MWD business strategy**, inclusive of additional field resources, and ensure consistent communication and implementation of HR strategy.
2. Develop and implement a **structured succession planning process**, including the implementation of purposeful development plans for key pipeline talent.
 - Include DEI-related lens and strategies
 - Include a process for identifying high potential talent early in their MWD careers
 - Ensure regular Board awareness on status of the plans
 - Build in accountability measures for successful completion of development plans
3. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



4. Employees across the organization **shared a strong sense of pride in MWD's purpose** and what the organization delivers to the community. However, the perception exists:
 - a. There is a **lack of:**
 - **clarity, understanding and accountability** for MWD's values and standards of acceptable behavior.
 - **role clarity** within the organization:
 - Across DEI, EEO and HR
 - Across Ethics and Legal

Recommendations

1. Conduct a **guided culture/change management work session with leadership** to:
 - a. define/refine MWD values, vision, and consistent standards of acceptable behavior and conduct, inclusive of the business case for DEI.
 - b. create and communicate greater role clarity for the DEI, EEO, HR, Legal and Ethics offices.
2. Create an MWD-wide **strategic communication plan** to communicate shared MWD values, vision, and the DEI business case, strategy and tactics, metrics and accountability.
3. Implement **"Building a Civil & Inclusive Workplace" training** for all management levels in order to build a culture of mutual respect.
4. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



5. In order to truly become “We Are One”, which is both a cultural nuance and an inclusion strategy, employees **need clearly articulated strategies, and tactical and resourcing plans from leadership.**
 - a. There is a strong belief that MWD **has been controlled by the narrative** as opposed to proactively controlling the narrative.

Recommendations

1. Conduct a **guided culture/change management work session with leadership** to:
 - a. define/refine MWD values, vision, and consistent standards of acceptable behavior and conduct, inclusive of the business case for DEI.
 - b. create and communicate greater role clarity for the DEI, EEO, HR, Legal and Ethics offices.
2. Build an **Inclusion strategy around the concept of Leveraging Collective Genius (LCG)**, implementing LCG concepts and programs across MWD.
3. Develop and implement a **repeatable change management strategy**, methodology and implementation plan.

Key Findings



6. The Board of Directors typically **only hears about people issues when there's a disaster** and needs a regular routine tied to people-related issues, opportunities, data, analytics and insights in order to find the **"sweet spot"** between being hands off or being too involved.

Recommendations


1. Build a **People/Culture/DEI component into regular Board meetings** to ensure that the Board is provided regular reports tied to:
 - People/Culture/DEI goals and results
 - Critical issues and mitigation plans
 - Data, analytics and insights

The Roadmap Forward – Sequencing for Success


PHASE 1(TBD):

- DEI Strategy
- Strategic DEI Communications Plan
- Equity Practice
- Civil & Inclusive Workplace training
- Guided Culture/Change Management Work Session with Leadership
- HR Capability Build

PHASE 2(TBD):

- 
- Leverage Collective Genius
 - Leader Toolkits
 - Succession Planning Process
 - Culture/Change Management Work

PHASE 3(TBD):

- 
- Evolve and Enhance work emanating from Phases 1 & 2
 - Culture/Change Management Work

Creating sustainable business results, managing risk, and enhancing MWD's success in the workplace and community

Successful DEI Practice Companies Always Have...



Clearly articulated **values, vision, mission, goals, strategy and a tactical plan for DEI directly connected to the business**, with clear and consistent leadership from the top



A culture where **DEI is woven into the fabric** of how an organization operates



A holistic DEI strategy focused on both **internal** (workforce) and **external** (marketplace, community, partners)



A DEI strategy that permeates an organization's broader **people strategy, operational tactics and the employee life cycle** (i.e., sourcing and recruitment, talent management, succession planning, etc.)



A strategic and tactical **DEI communications plan**



An **Equity practice** to ensure fair and equitable decision-making in all employment-related areas (i.e., selection, promotion, development, compensation, etc.)



Clearly defined and communicated **metrics, reporting routines, and accountabilities**

Next Steps

1 **DECIDE**

- MWD leadership decisions on all TBG recommendations
- Assess resources and budget necessary to move forward
- Communicate

2 **PLAN**

- Develop operational plan and timetable for implementing recommendations
- Communicate

3 **IMPLEMENT**

- Engage internal/external resources necessary to move forward
- Communicate

Embracing the need for change and moving forward with these recommendations will **position MWD for greater results and sustainable success**

But for this to be successful, Liji will need four things that all successful practice organizations give their Chief DEI Officer: **Access, Influence, Authority and Budget**

The Critical Question Before You

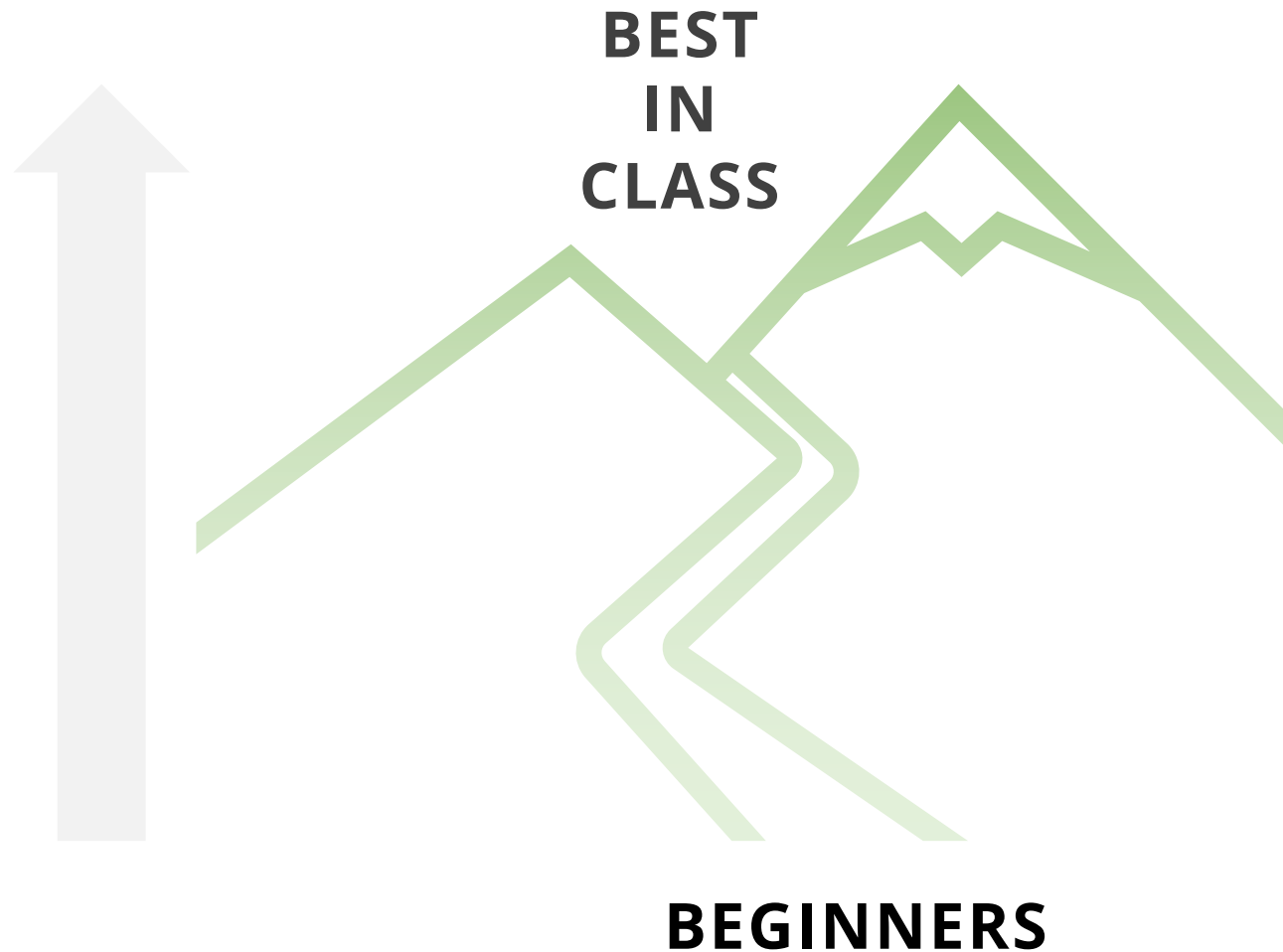
Is Leadership, inclusive of the MWD Board of Directors, Executive Leadership, and the management ranks, fully committed to the change required for success?

If so, MWD leaders have decisions to make -

- to move forward or not with each finding and recommendation
- about resourcing implementation
- about building in an accountability model

This is a **legacy opportunity** for MWD's Leadership and the Board

Successful Work in DEI and Culture Change is a Journey...



How does MWD want to be recognized, internally and externally:

- for doing good work?
- for being a successful practice company?
- for being a gold standard organization that lives its values and others choose to emulate?

A hand is shown in the upper left, hovering just above a body of water. The water is calm, reflecting the hand and the sunset sky. The background shows a sunset over a lake or sea, with mountains in the distance. The overall mood is serene and contemplative.

APPENDIX

Our Findings in four key categories

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE

LEADERSHIP

PEOPLE



MWD Transformation
Opportunity Areas

Our findings go beyond DEI, and link to cultural and business-related building blocks

And here's how we looked at each category...



The following slides present additional findings and recommendations, all of which MWD can review and take into consideration

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE 

LEADERSHIP 

PEOPLE 

4

MWD Transformation
Opportunity Areas

What's Working

1 | **Diversity**
Increased diversity
across the
organization

2 | **Resources**
Additional resources
focused on DEI

3 | **ERGs**
Good early work on
ERGs and
community
outreach

What's Working, but has Improvement Areas

- ## 1 Gender

Gender representation at the Executive and Group Manager level is strong, though there is an opportunity for **improvement at the Section, Team and Unit Manager levels**
- ## 2 Race/Ethnicity

Non-white representation across all management levels is consistent with or above the available labor market for the MWD geography, though there is an **opportunity to expand sourcing and recruitment nationally**
- ## 3 Understanding

No collective understanding of what DEI means from an organization perspective – a perception also exists that MWD focusing on DEI is **more divisive than unifying**
- ## 4 Community

Some good community work in disadvantaged communities, though more work can be done to **tell these positive stories**
- ## 5 DEI Council

Greater clarity required on the **role of the DEI Council**

What's Not Working

- ## 1 Fairness

There are significant perceptions about a **lack of fairness for employee-related decision making**, such as selection, promotions, job assignments, development, use of job descriptions, investigations, etc.
- ## 2 Accountability

Accountability in the DEI space; more **walk the talk** by senior leaders
- ## 3 Receptivity

There's a question mark on the receptivity of the organization to DEI work. Many are not sure if DEI work is fully understood enough to accept the change

What's Missing

- 1 Strategy**
A one-page DEI strategy with a corresponding tactical and implementation plan that **everyone can connect to** and share with others.
- 2 Processes**
Processes that ensure **fairness in and consistent application** of employee-related decision-making
- 3 Connection**
Getting people to understand that **DEI is about their lived experience** and contributing to building the MWD's shared culture



Our Recommendations

1. Develop a DEI Strategy, with **defined metrics and accountability**, to support the broader business strategy
2. Create an MWD-wide **strategic communication plan** to communicate shared MWD values, vision, mission, and the DEI business case, strategy and tactics, metrics and accountability
 - Explain the **organizational “why and focus” for DEI** (i.e., protecting the MWD Brand and reputation, retaining talent, innovation, problem-solving)
 - Communicate **ongoing DEI-related results transparently** on a pre-determined cadence
3. Measure DEI Return on Investment (ROI) through development of a **standardized metrics dashboard**, analytics, and further inclusion of critical DEI insights and best practices
4. Evolve the ERGs to **Business Resource Groups (BRGs)**, engaging them in the business of MWD and DEI efforts across the workplace, marketplace and community



Our Recommendations

5. Build an **Inclusion strategy around the concept of Leveraging Collective Genius** (LCG), implementing LCG concepts and programs across MWD to focus on maximizing each employee's unique talents
6. Develop, communicate and implement **a comprehensive Equity Practice** - designed to mitigate risk, enhance and protect MWD's reputation and brand in the workplace and community

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE

LEADERSHIP

PEOPLE

4

MWD Transformation
Opportunity Areas

What's Working

1 | **Workforce**
Talented, educated
workforce

2 | **Ownership**
Action-oriented,
with lots of
ownership for the
work

3 | **Challenge**
Challenging, high-
quality work and
growth potential

What's Working, but has Improvement Areas

1

Engagement

Employees believe that the culture appears to be focused on the engagement, empowerment, development and promoting of staff more than in the past, but this needs to be a core value, supported by consistent action

2

Inconsistency

The culture differs from function-to-function and from manager-to-manager and there doesn't seem to be an overarching "We Are One" MWD-wide culture

3

Communications

Need a consistent internal communication strategy; some get information while others do not

4

Conflict

Stakeholders sometimes are pulling against each other vs. building with the same values



What's Missing

1 | **MWD Standards**
Standards for acceptable behavior/conduct, and common, consistent practices to bring **accountability** for unwanted behavior

2 | **Positioning**
Proactive internal/external positioning for MWD

3 | **Safe Space**
Consistent practices, routines and safe space for open, honest dialogue and 360 feedback

4 | **Values**
Employees knowledge of MWD's core values



Our Recommendations

1. Define, implement and communicate **consistent MWD standards for acceptable behavior and conduct** based on the foundation of defined shared values
 - Hold people **everyone accountable, particularly managers**, through performance management for consistent execution of MWD's people practices and the implementation of DEI strategy and initiatives
2. Implement **"Building a Civil & Inclusive Workplace" training** for all management levels, inclusive of union leadership, in order to build a culture of mutual respect
3. Create a quality, highly rated **MWD employee lifecycle beyond hiring** (i.e., onboarding, training, coaching, mentoring, developing, 360 feedback, and managing performance)

DIVERSITY, EQUITY, AND INCLUSION

ORGANIZATIONAL CULTURE

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PEOPLE

4

MWD Transformation
Opportunity Areas

What's Working

1

Committees

Simplifying the Board committee structure

2

Experience

Knowledge and experience of many leaders and Board members

3

Quality

Continuity of system knowledge and experiences that ensures the delivery of quality work products

4

Pride

Shared sense of purpose and what the organization delivers to their customers/ community

5

Tenure

Protects the loss of institutional knowledge

What's Working, but has Improvement Areas

- 1 Talent**
There's a need for **more empowering and promoting** the best talent, and holding people accountable who just skate by
- 2 Messaging**
There's a need to **highlight the good** going on in the business, not just the challenges or what's wrong
- 3 ER Issues**
Working managers do not have time to manage and/or they do not know how to **manage the day-to-day people issues**
- 4 Training**
Further manager and supervisor training is needed due to **inconsistent execution** in performance management, hiring, job assignments, etc.
- 5 Big Picture**
Many managers do not **understand the bigger business picture**, how the business works beyond their area
- 6 Managing**
Large reporting relationships in the field; small crews with the largest working territory and old equipment
- 7 Analytics**
The BOD receives **HR reports on hires, attrition and demographics, but not what they need on retention efforts or succession planning**; there is a lack of analytics, insights and interventions/strategies

What's Not Working

1

"We Are One"?

In order to truly become "We Are One", which is both a cultural nuance and an inclusion strategy, employees **need clearly articulated strategies, as well as tactical and resourcing plans from leadership.**

2

Accountability

A general perception exists that there is a **systemic lack of accountability** for issues that arise

3

Trust

Historically, there has been a **lack of trust in senior leadership** because only good news was presented to the organization; employees took this as all about making senior leadership look good

4

Awareness

The BOD **only hears about people issues when there's a disaster**, and needs a routine "state of the union" on people issues to find the **"sweet spot"** between being hands off or being too involved

What's Missing

- 1 Communications**
Greater transparency from leadership; clear and consistent communications across the organization, with the opportunity for two-way communications
- 2 Celebration**
More celebrating MWD successes rather than just hearing about failures
- 3 Role Sort**
Role sort clarity for HR, DEI & EEO; Legal and EEO; and C-Suite and the GM's Liaison Team
- 4 Field/HQ**
A belief that too many decisions are made at HQ **without collaborating with the field** to understand the real business prior to project design and budget allocation
- 5 Talent Development**
Leaders and employees believe there needs to be more focus on **talent development**



Our Recommendations

1. Conduct a **guided culture/change management work session for leadership** to define/refine MWD values, vision, inclusive of the business case for DEI
2. Develop and distribute **manager toolkits** tied to employee-related opportunities and issues (i.e., performance management, employee development, employee relations, etc.)
3. Invest in HR staff necessary to **proactively advance and support the MWD business strategy**, inclusive of additional field resources
4. Develop and implement a **repeatable change management strategy**, methodology and implementation plan



Our Recommendations

5. Build a **People/Culture/DEI component into regular Board meetings** to ensure that the Board is provided regular reports tied to:
 - People/Culture/DEI goals and results
 - Critical issues and mitigation plans
 - Data, analytics and insights

DIVERSITY, EQUITY, AND INCLUSION

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MWD Transformation
Opportunity Areas

What's Working

- 1 Pride**

Strong sense of pride in MWD's purpose and what the organization delivers to the community.
Employees know their work affects their families and friends, and this is the glue holding MWD together
- 2 Continuity**

Historically, the continuity of the workforce
- 3 Advantages**

Recognition of the advantages employees receive (pension, pay, benefits)

What's Working, but has Improvement Areas

1

HR Strategy

There is a perceived lack of HR/People strategy

2

Interviews

The interview policy and process is good, but the **practice needs to be improved to ensure objective and fair selection**; the perception exists that an internal candidate has been preselected and the interview process is only a check-the-box exercise

3

HR Programs

HR programs and processes tend to be reactive rather than proactive

4

HR Involvement

HR needs more involvement and participation at the **earliest stages of work** that impacts the workforce; HR is often brought in much later in the process

5

Hiring Barriers

A lack of **ability to fill positions** from external sources

6

Development

A belief that the Management Academy looks good on paper, but **participation needs to be open to everyone**

7

HR Systems

HR systems are not aligned and leveraged; there is a **lack of analytics and insights to support** HR and the business

What's Not Working

- 1 HR Support**
Not enough support from HR
- 2 ER Processes**
ER processes need more consistency, and managers need more counsel on the process; managers said HR doesn't have or doesn't provide the toolkits they need
- 3 Performance Mgmt.**
Lack of or broken processes **for terminating employees for poor performance**
- 4 Advancement**
Promotions, job audits and interim assignment processes perceived to be **inconsistent and subjective**, lacking clarity, and too dependent on managers; perceived to be devoid of HR involvement

What's Missing

- 1 Resources**
Employees believe that more resources are required to better support the organization
- 2 Field HR**
Field HR representation
- 3 Tools**
Managers need more tools to manage; currently, the perception exists that the only available training is how to coach, but **not how to manage, develop, and how to manage conflict** and difficult conversations
- 4 EEO**
Greater understanding of the EEO framework and process
- 5 Succession**
A formalized **succession planning** process with routines in place to update the BOD, inclusive of a DEI lens
- 6 Forecasting**
Forecasting, job shadows and hiring in advance of known transfers and retirements for continuity of capability
- 7 Security**
Greater presence of a **Security Officer in the field**, and access to a female security officer
- 8 Mentoring**
Implementation of company-wide formal mentoring process

Our Recommendations

1. Consistent communication and implementation of HR strategy
2. Evaluate and invest in updates for the current HR systems platform and its capability to drive data integrity, people analytics, equity fairness, and DEI metrics tracking/reporting
3. Develop and implement a structured succession planning process, including the implementation of purposeful development plans for key pipeline talent
 - Include DEI-related lens and strategies
 - Include a process for identifying high potential talent early in their MWD careers
 - Ensure regular Board awareness on status of the plans
 - Build in accountability measures for successful completion of development plans

Our Recommendations

4. Design and implement new **talent visibility/assessment programs** providing additional mechanisms to include and advance diverse talent pools
5. Create a strategy and tactical plan to research, source and **recruit top U.S.-based talent** with the skill sets to support MWD's core mission
6. Aggressively plan and prepare for tenured retirements.
 - Ensure **sustainability of institutional knowledge** and expertise through planful transfer of knowledge and expertise from seasoned, tenured employees to less tenured employees through **purposeful coaching and mentoring**
 - Strategically **engage pre-retirement employees and alumni** in incentivized mentoring programs to transfer knowledge

EXAMPLE

Coca-Cola Strategic DEI Framework

2020 Vision: Recruit, develop and advance women, and achieve true diversity.

Our Mission: The Coca-Cola Company **will mirror the rich diversity of the marketplace we serve**, and will be recognized for our leadership in Diversity, Inclusion and Fairness in all aspects of our business, enhancing the Company's social license to operate.

Objective: Leverage the diverse ideas, talents, and capabilities of our organization to create maximum value for our business and for our employees.

Goals:

- Leverage diversity to achieve superior results across our business
- Drive the ongoing recruitment, development, advancement and retention of diverse talent throughout all levels and functions of the Company
- Create, foster and sustain a positive diversity, inclusion and fairness climate across our business

Strategic Framework

<u>Workplace</u>	<u>Marketplace</u>	<u>Community</u>	<u>Partners</u>
Being as diverse in people and thought as the markets we serve	Winning in the marketplace , by appealing to diverse consumers and customers with our brands	Enhancing the lives of the diverse communities we serve	Maximizing supplier diversity opportunities, and engaging with our customers to provide value-added consulting