

Federal Reserve Bank of Kansas City 2014 - 2016 Diversity and Inclusion Strategy

Introduction

As an organization responsible for serving the public interest, the Federal Reserve Bank of Kansas City places a high priority on ensuring the diversity of its region is reflected in its workforce, business activities, and community partnerships. The Bank is best positioned to maintain the public's trust and confidence when its leadership team, employees, boards of directors, advisory groups, suppliers, and community partners reflect the diversity that characterizes the Tenth District.

Diversity leads to creative approaches and innovative solutions that are required to meet the Bank's current and future challenges. Accordingly, the Bank recognizes that an emphasis on diversity strengthens its ability to attract and retain the talent necessary to effectively carry out its important responsibilities. The Bank defines diversity as the ways in which people differ including race, color, religion, sex, national origin, age, disability, sexual orientation, genetic information and the myriad of human traits, beliefs, and experiences that make each person unique.

Vision Statement

The Federal Reserve Bank of Kansas City will be known as an inclusive organization where diversity is respected and leveraged to effectively serve our region. Our commitment is to create a workforce that is reflective of the diverse pool of qualified candidates in our relevant labor markets. This commitment to diversity extends to the composition of our board of directors and advisory groups, our leadership team, and the community partners and suppliers we support.

2014 – 2016 Strategies

The Bank will continue to create an inclusive environment where all individuals have the opportunity to contribute and reach their highest potential. As we consider the Bank's progress towards achieving its vision, opportunities exist to further enhance minority and female representation, particularly within the Bank's professional positions and management succession pipeline. Additionally, there are opportunities to increase the number of minority- and women-owned businesses that supply the Bank with goods and services. Recognizing these opportunities, the Bank will focus its 2014 – 2016 diversity efforts by pursuing the following strategies in alignment with its values of integrity, service, and personal growth and development:

People – The Bank seeks to attract, retain and develop a workforce that is representative of the labor pool of qualified candidates for its positions, at all levels, in the markets in which it operates.

1. Recruitment

- a. Pursue a diverse pool of qualified applicants by recruiting at minority-serving colleges and universities and engaging minority student groups at regional universities to communicate career opportunities.
- b. Participate in urban career fairs targeted towards minority and female job seekers.
- c. Advertise job openings through minority-and female-oriented magazines and web sites, and enhance partnerships with professional and diverse community organizations.
- d. Leverage social media and other online tools to ensure the Bank's employment opportunities are broadly communicated to minority and female candidates with leadership potential and interest in a management career path.

2. Retention
 - a. Retain a diverse workforce by fostering an inclusive work environment exemplified by meaningful workforce engagement and professional development.
 - b. Offer orientation, coaching, and the transfer of institutional knowledge through mentorship, training, and other initiatives that facilitate successful transitions to Bank employment and high achievement at all staff and leadership levels.
 - c. Provide comprehensive professional and leadership development programs as well as a structured succession planning process.
3. Board of Directors and Advisory Councils
 - a. Partner with member banks, the Board of Governors, and other constituencies to assemble board of directors reflective of the diversity in the region.
 - b. Leverage community relationships and partnerships to identify a diverse cross-section of industry leaders to ensure broad input and perspective on key policy and service issues.

Practices – Ensure business practices and policies provide opportunities for diverse suppliers to engage and support the Bank’s business activities.

1. Procurement
 - a. Encourage the acquisition of goods and services from diverse suppliers, including small, minority-and women-owned businesses, through the use of policies and procedures that ensure fair inclusion and utilization of minority-and women-owned businesses in procurement activities.
 - b. Leverage diverse community partnerships, various online directories, and other related resources to identify minority-and women-owned businesses that may be able to supply goods and services to the Bank.
 - c. Conduct good faith effort determinations of suppliers to assess practices for promoting diversity and inclusion in their business practices.
2. Technical Assistance and Outreach
 - a. Provide technical assistance, participate in diverse business opportunity fairs, and conduct other outreach programs to small, minority-and women-owned businesses.
 - b. Partner with diverse community organizations to communicate the Bank’s procurement activities among diverse suppliers.

Partnerships – Promote mentorship and financial education opportunities to minority and economically-disadvantaged populations through partnerships and programs.

1. Student Mentoring Programs
 - a. Sponsor the student board of directors program throughout the District to provide minority and urban high school students with mentoring and financial education.
 - b. Provide paid summer internship opportunities to urban youth by hosting Summer@theFed financial education camps in the Kansas City office.
2. Financial Education Programs and Partnerships
 - a. Partner with school districts and community partners to deliver financial education to minority youth and urban populations.
 - b. Provide economic and financial education and curriculums to K-12 educators that can be utilized in public school classrooms.

Strategic Support

External Relationships

The Bank recognizes the need for strong community partnerships to accomplish its diversity strategy. To this end, we cultivate strong working relationships with community, professional, and educational organizations that benefit from our partnership and, in turn, can provide support for the Bank's diversity strategies.

Internal Support

Achieving the Bank's diversity strategy requires the engagement and support of its leadership and staff. We have established the following teams to provide detailed direction and accountability for diversity results:

The *Office of Minority and Women Inclusion (OMWI)* director is responsible for oversight of the diversity and inclusion strategy and related practices. The director regularly reports progress toward the vision to the Bank's Management Committee and other stakeholders.

The *Diversity Strategy Steering Committee* is comprised of members of senior management and other officers who advise the OMWI director on diversity issues. This committee is responsible for providing the necessary leadership, guidance, and resources to ensure diversity efforts are well supported and its strategies are achieved.

The *Employee Diversity Council* promotes an inclusive work environment by recognizing the diversity of the Bank's workforce and reinforcing employee awareness of diversity and inclusion issues and their importance to business outcomes.

Employee Education and Communication

The Bank utilizes several forums to educate employees on its commitment to diversity and inclusion and expectations of staff and management. Specifically, employee education efforts focus on underscoring the importance of diversity to the success of the Bank and clarifying the link between inclusive behaviors and organizational success. Diversity and inclusion education is included in new employee orientation, professional development courses, and management training curricula.

The Bank uses various communication tools to highlight its diversity commitment to employees and the general public. These communication channels include articles in Bank publications, such as *Bank Notes* and *TEN Magazine*, diversity and inclusion links on the public website and intranet site, and the Bank's annual OMWI report to Congress. The Bank also seeks opportunities to create increased public awareness about its growing business activities and the diverse talent required to support growth and innovation.

Accountability

The Bank's Management Committee is responsible for establishing the diversity and inclusion strategy, clarifying the link between diversity and organizational success, and ultimately ensuring performance results. Officers and managers are responsible for carrying out the strategy in their specific areas of responsibility and reinforcing a culture of inclusion in which diversity is respected and leveraged to achieve the Bank's mission and serve its stakeholders. All employees are responsible

for recognizing the importance of diversity to the success of the Bank, and creating an inclusive work environment.

Measurement

The Bank has established systematic processes to measure progress towards achieving its diversity and inclusion strategies. Areas of measurement include:

People

1. Recruitment
 - a. Minority and female workforce representation by job group
 - b. Workforce representation as compared to workforce availability data
 - c. Minority and female hiring rates
 - d. Diversity-related recruiting activities (e.g., minority campus visits, urban career fair participation, ads placed in minority job boards/publications, community partnerships)
2. Retention
 - a. Minority and female separation rates
 - b. Employee feedback on work engagement issues
 - c. Participation in mentorship programs
 - d. Management succession planning and workforce planning metrics
3. Board of Directors and Advisory Councils
 - a. Composition of head office and branch board of directors
 - b. Composition of Bank advisory councils

Practices

1. Procurement
 - a. Sourcing opportunities provided to minority and women-owned suppliers
 - b. Annual dollar spend to minority and women-owned suppliers
 - c. Good faith effort determinations
2. Technical Assistance
 - a. Outreach and technical assistance activities
 - b. Number of community partnerships and collaborations

Partnerships

1. Student Mentoring Programs
 - a. Number of programs coordinated
 - b. Number of students reached
2. Financial Education Programs and Partnerships
 - a. Number of partnerships
 - b. Activity-based results