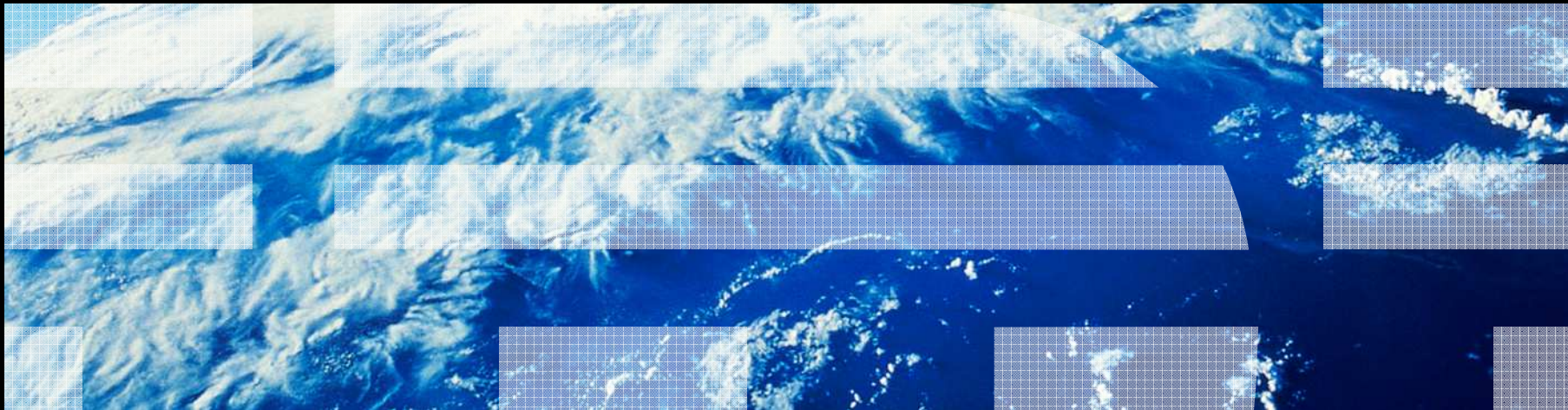


The Diversity Imperative for C-Level Executives:

Why Diversity Makes Good Business Sense

Ron Glover
Vice President, Diversity & Workforce Policy



IBM's History of Inclusion

Women

- 1899 First Women Employees Hired
- 1935 Women Hired as Systems Service Professionals
"Same Kind of Work for Equal Pay" T.J. Watson Sr.
- 1972 CEOV. Learson focused on Advancement of Women
- 2011 First Woman CEO appointed – Virginia Rometty

Minorities

- 1899 First Black Employees Hired
- 1944 First Corporation to Support U.N.C.F.
- 1946 First Black Professionals Hired
- 1953 IBM's First Written Equal Opportunity Policy –
Hiring "Regardless of Race, Color or
Creed..." "T.J. Watson, Jr

GLBT

- 1984 Non-discrimination on the Basis of Sexual Orientation
Publicly Stated
- 1996 Domestic Partner Benefits
- 2002 U.S. Equal Opportunity Policy – "gender identity and
expression" were added
- 2002 Global Equal Opportunity Policy – "orientation,
gender identity and expression" were added

People with Disabilities

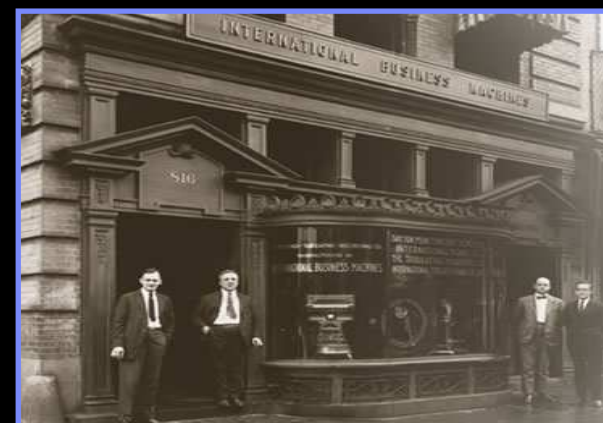
- 1914 First Disabled Employee Hired
- 1940s Significant Training Programs, Hiring
- 2010 Accessible Workplace Connection Tool

Leaves

- 1956 3 Months
- 1988 3 Years

General

- 2005 U.S. and Global Equal Opportunity Policy –
"genetics" was added



Diversity 3.0™ - Our Journey, Our Future, Our Evolution



Diversity 1.0

- Compliance with the law
- Achievement of numeric goals
- Liability avoidance
- Auditability
- IBM's Basic Beliefs



Diversity 2.0

- Elimination of barriers
- Geographic constituencies
- Local meritocracy
- Awareness of differences between constituencies
- Respectful/inclusive internal environment
- National/local culture basis
- Flexible Work Options
- Work/Life Balance
- IBM's Values



Diversity 3.0™

- Diversity 1.0 + 2.0 foundation
- Leveraging differences for
 - Innovation
 - Collaboration
 - Client Success
- Cultural competency
- Global adaptability
- Global & locally appropriate constituencies
- Work/life Integration™
- Values based Employee Experience

A Commitment Prior to Federal Legislation

| IBMs COMMITMENT | FEDERAL LEGISLATION |
|---|--|
| Women | |
| 1899 First Women Employees Hired | 1963 Equal Pay Act |
| 1935 Women Hired as Systems Service Professionals "Same Kind of Work for Equal Pay" T.J. Watson Sr. | |
| 1972 CEOV. Learson focused on Advancement of Women | |
| Minorities | |
| 1899 First Black Employees Hired | 1956 Williamsburg Conf. (Religious/Racial CEO Forums) |
| 1944 First Corporation to Support U.N.C.F. | |
| 1946 First Black Professionals Hired | 1964 Civil Rights Act |
| 1953 IBM's First Written Equal Opportunity Policy – Hiring "Regardless of Race, Color or Creed..." T.J. Watson, Jr | 1975 National Hispanic Scholarship Fund |
| People with Disabilities | |
| 1914 First Disabled Employee Hired | 1973 Rehabilitation Act |
| 1940s Significant Training Programs, Hiring | 1992 Americans with Disabilities Act |
| Leaves | |
| 1956 3 Months | 1993 Family and Medical Leave Act |
| 1988 3 Years | |
| Gays / Lesbians | |
| 1984 Non-discrimination on the Basis of Sexual Orientation Publicly Stated | 2002 IBM Endorsed Employment Non-discrimination Act (ENDA) |
| 1996 Domestic Partner Benefits | |
| 2002 U.S. Equal Opportunity Policy – "gender identity and expression" were added | |
| 2002 Global Equal Opportunity Policy – "orientation, gender identity and expression" were added | |

Why Diversity & Inclusion are critical to our business

Global Marketplace

Our customers, suppliers and strategic partners are increasingly global and multi-cultural

We must position ourselves to communicate with and market to a diverse population

Workforce Effectiveness

Our workforce is Diverse

We are 430,000+ employees in 170 countries and growing. Our people represent every part of the human family and must work across almost every conceivable human difference

Global “War” for Talent

The competition to attract and retain top talent is increasing

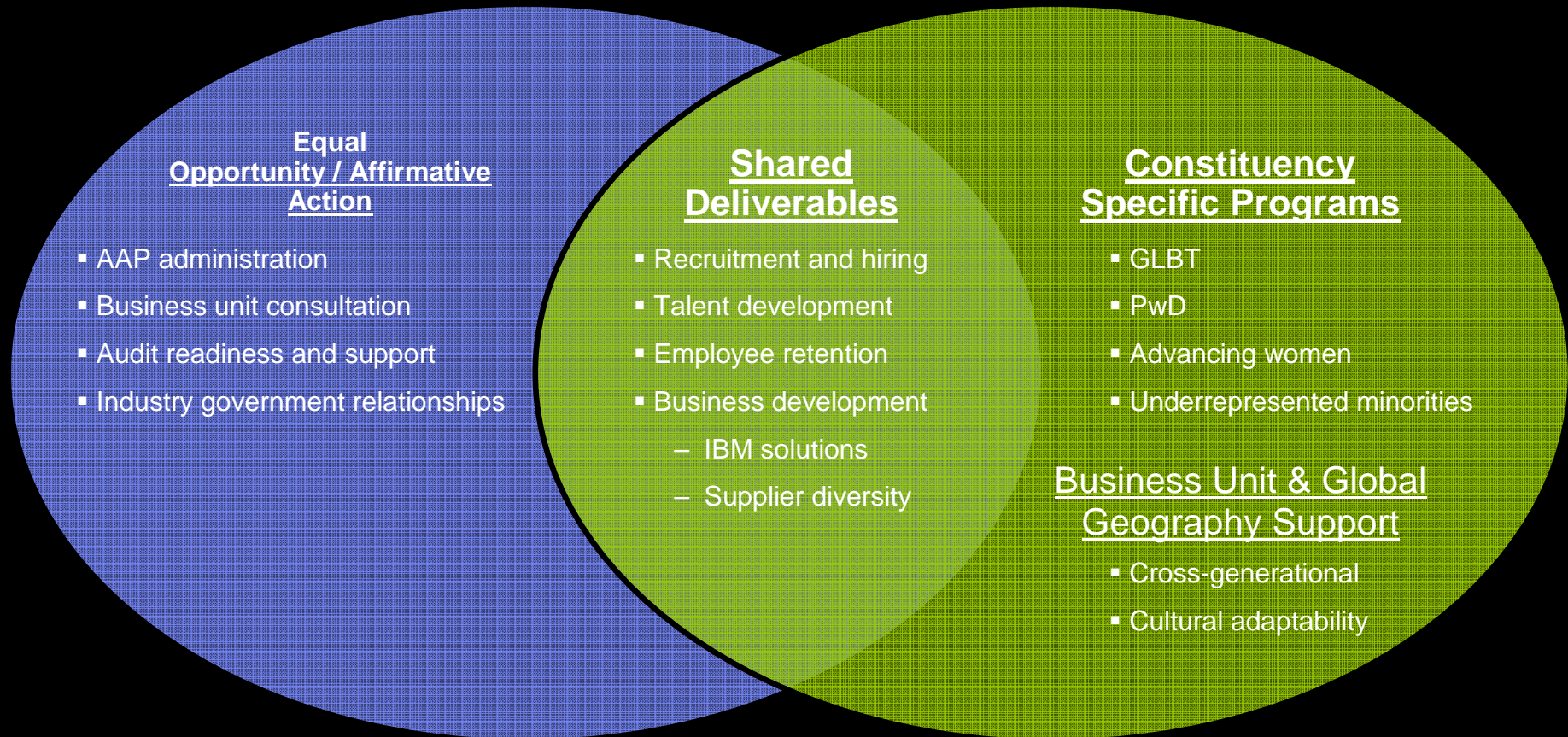
We distinguish ourselves by creating an inspiring environment in which people can be authentically themselves and can fully express their potential

Making Diversity our Advantage

Our competitive advantage is through leadership in building innovative solutions to our customers most difficult problems.

IBM needs diverse perspectives and talent to ensure and enhance creativity and innovation

Leadership and The Diversity Continuum



Equal Opportunity/Affirmative Action Administration

- **IBM Under FAAP Agreement**
 - Covers 23 Establishments
- **EO Team of HR Professionals assigned to each Establishment ensuring good faith effort execution of our EO and Affirmative Action Programs:**
 - Recruiting and Outreach
 - Training and Education
 - Employment Personnel Activity (hires, promotions, terminations)
 - Other activities to increase diversity in the workplace



Uniting For Success - Our Extended IBM Team that Brings it all together...



Business and Technical Leadership Development across the Constituencies

Women

Building Relationships and Influencing

- Leadership program for high potential women
- 800+ participants WW. Results: Higher promotion and retention rates

Technical Women Pipeline Program

- Sponsorship program: 100 Emerging Technical Leaders



GLBT

- SVP Executive Review - Out Leadership Pipeline
- Mentor matching: Out Executives and high potential GLBT employees
- Improve GLBT employees' sense of safety and inclusion

US Minority

- Black Executive Talent Reviews
- Underrepresented Minority Technical Program
- Hispanic US Leadership 2014
- Asian cross border mentoring
- Webcast "Asians without Borders"
- MCW forums

PwD

- Executive Insights Forum - Employees and SVP sponsors discuss career and employment experience.
- Veteran/PwD hiring campaign for Dubuque onshore Delivery Center

The Future is Here...Diversity Recruitment Channels

Social Networking & IBM Virtual Communities

- Women@IBM LinkedIn (WW)
- PwD Communities
- Adelante con IBM
- TalentVine
- New to Blue

Conferences, Advertising & Job Boards

MBA & Business Schools

- General Manager Leadership Rotation Program
- National Black, Hispanic, and Women MBA Associations
- GBS Consulting by Degrees



Referrals and Events

- Major Market rehires to GMU
- GMU Virtual Job Fair
- Increased Referral Bonus for Diverse Hires (India & Europe)
- Global Delivery Hiring Events for women (India)
- Executive level referrals

Organizations & Agencies

- INROADS, GEM, Entry Point/AAAS
- Sponsors for Educational Opportunity (SEO)
- Executive Talent Mapping (NE/SW, NA, India)

Diversity Network Group Timeline

- **(1995) Eight diversity task forces commissioned. Recommendations resulted in formation of DNGs based on 4 fundamental questions:**
 - What would make employees feel welcomed and valued?
 - What would help maximize employee productivity?
 - What would help to maximize the relationship of IBM with their constituents in the marketplace?
 - Which organizations should we partner with to better understand the needs of your constituency?

- **(1997) 8 DNGs**

- **(2012) 236 DNGs worldwide**

Thank you for the
many contributions



What is a Business Resource Group (BRG)?

IBM Business Resource Groups (BRG) consist of IBM employees who voluntarily come together with the ultimate goal of enhancing the success of IBM's business and people, by helping their fellow IBMers succeed. BRGs are asked to ensure programs and initiatives are aligned to support at least one of the **four** IBM business and talent workstreams.

BRG Workstreams

1. Recruitment and Hiring
2. Talent Development
3. Employee Retention
4. Business Development



BRG Transformation

| From DNG | To BRG |
|---|---|
| <ul style="list-style-type: none"> ▪ Local groups aligned to constituency /communities ▪ Professional Development | <ul style="list-style-type: none"> ▪ Local groups <i>aligned to global business and talent objectives</i> <ul style="list-style-type: none"> – Recruiting/Hiring – Talent Development – Employee Retention – Business Development |
| <ul style="list-style-type: none"> ▪ Community Outreach Programs | <ul style="list-style-type: none"> ▪ Community outreach <i>aligned to corporate objectives</i> |
| <ul style="list-style-type: none"> ▪ DNG Newsletters ▪ Social/Networking events | <ul style="list-style-type: none"> ▪ <i>Utilize Connections tool</i> <ul style="list-style-type: none"> – Best practice sharing – Internal/External event calendar – Social/Networking events |
| <ul style="list-style-type: none"> ▪ Market Development | <ul style="list-style-type: none"> ▪ <i>Innovation</i> <ul style="list-style-type: none"> – Gain cultural understanding/sensitivity to reach and expand into new markets – Explore potential business programs/opportunities |
| <ul style="list-style-type: none"> ▪ Funding allocated based on program request | <ul style="list-style-type: none"> ▪ Funding allocated based on <i>program scope and broader internal/external impact</i> |

2012 and Beyond – Challenges and Opportunities

Execute the Diversity Strategy in support of :

- The evolution from Diversity Network Groups to Business Resource Groups
- Integrating US Constituency councils to leverage resources and improve results
- Improving IBM's ability to respond and innovate for new and emerging issues (i.e. Tribalism, Religion, Experience, Dependent Care)

Key results in 2012:

- Global Business Collaboration
- Extend use of social media to create Community for Executive Women
- Execute on the results of the Women's Research Study at IBM to reignite our success in accelerating women into leadership roles
- Specific targeted programs in the area of Diversity of Thought, ensuring leadership readiness to respond to Religion in the workplace



