

Kanarys Webinar Series:

Learning Lab Part 1: How The Coca-Cola Company became a Best-in-Class Fair and Equitable Workplace



Today's Featured Speaker



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Not Where Any Company Wants to Start



What caused our lawsuit?

- A belief that the company's workplace was discriminatory
- A belief that management decisions were not equitable
- A belief that senior leaders and HR were not listening or fairly managing employee issues and concerns
- Four separate employees, filing four separate cases of discrimination
- Coke's response: complete and utter denial; bunker-like defensive mentality
- Consequences: class-action litigation, 20 months of press, pain and polarization, and ...
- A \$192.5mm settlement, and a court-imposed Task Force

What was this Task Force?

- Seven people appointed by the Federal court to oversee the litigation settlement.
- A four-year term; Coke asked the court for a fifth year.
- Empowered by the court to ensure we were acting in good faith and implementing all the agreed-upon “fixes” to our policies, practices, processes and programs.
- Empowered to take over the Company’s HR function and enact all the prescribed fixes if they believed the Company was not acting in good faith.

And what did class counsel, Cyrus Mehri, tell us?



“...I didn’t sue you because of diversity or lack thereof; I sued you because you weren’t always inclusive, and you most certainly weren’t fair.”

How Did We Get it Done?

In its class-action litigation, Coke learned the issues it faced went beyond diversity

Inclusion

- Belief that programs and practices were not fully accessible
- Belief that issues and concerns were not being heard

Fairness

- Belief that decisions were not equitable, particularly with regards to promotions and compensation

Coke started with less than optimal conditions

January, 2001

- Workplace Fairness
 - No routines or processes in place to evaluate whether programs and practices were inclusive and fair; in fact, they weren't...Coke was absolutely discriminating
 - Guess what our adverse impact studies uncovered with regards to performance management?
 - And guess what that caused?

How did we not only recover, but ultimately thrive, in both Federal court and the court of public opinion?

- Our image and brand mattered most, so: “the gold standard”
- Extensive review of “the 4 P’s”: our policies, processes, practices, and programs.
- We developed, implemented and successfully managed a best-in-class Alternative Dispute Resolution (ADR) process.
- We built a Workplace Fairness practice designed to surface, diagnose and resolve issues **before** they became problems.
- We communicated all of this broadly, both internally and externally.

So let me take you through now how we did this

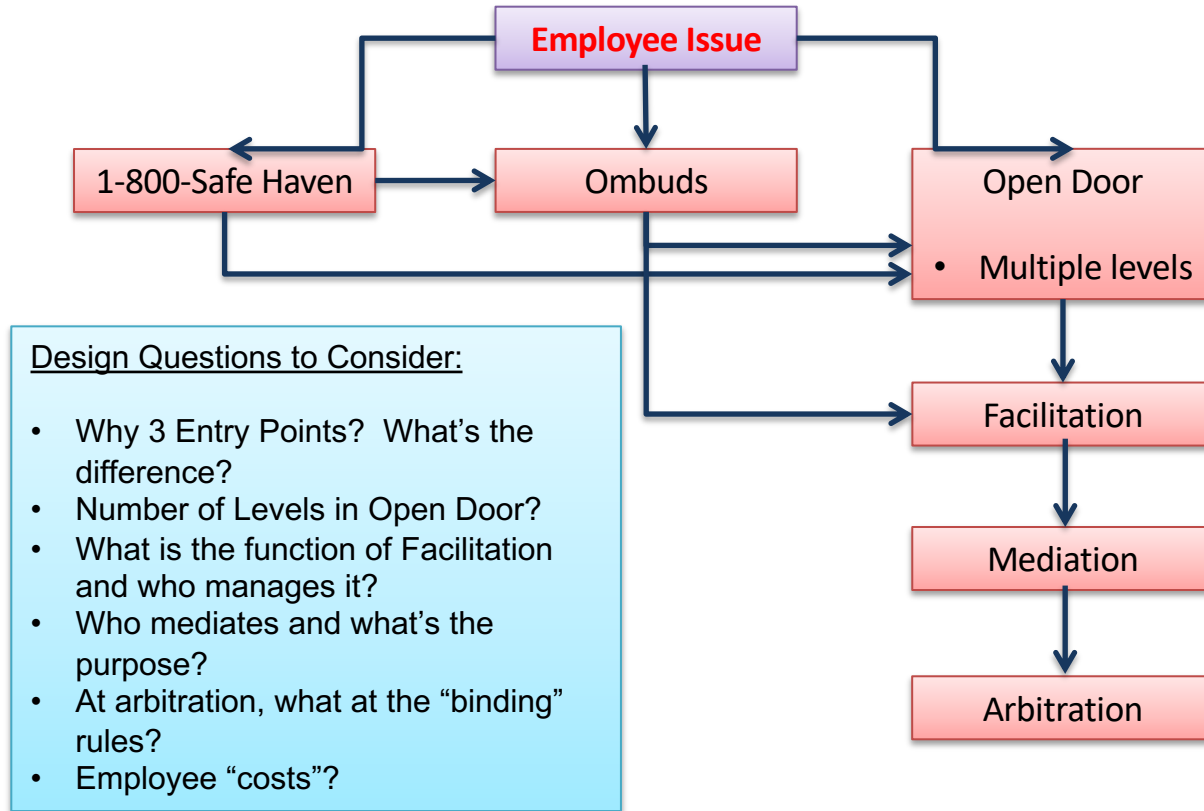
We started with specific intent

- Create the mindset:
 - Diversity, inclusion and workplace fairness
 - Build the foundation first - - workplace fairness
 - Workplace Fairness: program and data monitoring
 - “Triage vs. forensics”
 - Use data – language of leaders
- Create the systems and infrastructure (including HR capability)
- Create the business routines; sync this in with existing business processes and calendars
- Create the metrics and reporting routines
- Communications, communications, communications

To ensure fairness, we developed a wide range of monitoring and reporting tools and created our Workplace Fairness practices in 2001

Compensation	<ul style="list-style-type: none"> • “Triage” assessment of <u>proposed</u> distribution of merit awards, annual incentives and long-term incentives (stock options, etc.) • Annual pay equity study
Talent Acquisition	<ul style="list-style-type: none"> • Weekly activity reports on candidate and interview pools, plus weekly selection analysis • Monthly review of selection, hire and promotion results • Senior-level review and decision making on critical roles – Director level and above
Performance Management	“Triage” assessment of <u>proposed</u> distribution of performance ratings
Talent Management	“Triage” review of <u>proposed</u> nominations for succession planning and separately for the Company’s key assessment and development programs
Restructuring	“Triage” assessment of <u>proposed</u> restructuring impacts (separations)
Workforce Demographics	<ul style="list-style-type: none"> • Develop and communicate detailed workforce demographic data to senior leaders, Diversity Councils and HR. Includes details on: <ul style="list-style-type: none"> – Population and trends over time – Analysis of relative promotion and termination rates – Analysis of population and trends by business unit and salary grade – New Hire analysis
Employee Solutions (Coke’s ADR program)	Proactive, multi-entry, multi-vehicle program to identify and resolve employee issues and disputes <u>before</u> they become external discrimination charges

The Coca-Cola Company ADR Process





Thank you for joining!



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