

## **State Street**

State Street is the world's leading provider of services to institutional investors. Our clients are some of the world's most sophisticated and influential investors and have a broad array of complex and specialized servicing requirements.

We are a global and culturally diverse company operating in 27 countries and across more than 100 geographical markets, so maintaining a diverse and inclusive workforce reflects our values and moreover makes good business sense.

It's our view that engaged and productive staff, and an inclusive culture that helps employees feel valued and strengthens their connection and commitment to the company, is vital to both the short- and long-term success of our company. This manifests in many ways including improved financial performance, increased productivity, lower turnover and higher employee morale.

Our global mindset translates into a range of initiatives which fall under the umbrella of a program called Global Inclusion, all aimed at directing activities designed to drive change in the company relative to gender and ethnic diversity and other factors affecting corporate culture.

The initiative, with a dedicated global staff, is overseen by the Global Inclusion Advisory Group, comprising representatives from State Street's senior global leadership and is supported by a Working Group of key business leaders, three regional committees and five business unit implementation teams.

They work in close partnership with our Global Human Resources team and many of these initiatives are incorporated into our official policies and procedures, including policies specifically designed to address gender imbalance and provide equal opportunities to women.

### **Initiatives driving diversity and inclusion**

- State Street has 31 global employee networks including affinity groups based on gender, ethnicity, physical and mental ability, race, sexual orientation, spiritual practices and family status. Seven of these groups are Professional Women's Networks. Network groups held more than 150 events in 2008 with more than 13,500 attendees.
- There are three networking groups in Australia including Australian Women's Exchange (AWE), which was formed in November 2005. Since then the AWE has focused on providing opportunities for female staff to develop and build a strong network, both internally, and externally via a sponsorship with the Women in Finance Association.
- We have flexible work/life offerings including flexible work arrangements, employee assistance programs, employee benefits programs, parental leave, financial assistance for adoption and support for new mothers returning to work. Forty-seven percent of employees globally say they already have some type of flexibility in their role. Seventy-two percent of female Australian managers say they have some form of flexibility in their role.
- Embodying State Street's commitment to employee engagement and a culture of inclusion, each employee is required to set at least one development goal related to the Inclusion & Diversity initiative as part of their 2009 performance plan. This underscores the important role each employee has in creating and sustaining an environment in which employees are valued and engaged.

### **HR policies and procedures**

- Female managers have access to flexible working arrangements.

- Our remuneration framework for all roles is based on the assessment of knowledge, skills and competencies, which has resulted in pay parity between the genders.
- Our recruitment and promotional policies are competency-based, ensuring decisions are made on an objective basis.
- We provide eight weeks maternity leave on full pay or 14 weeks maternity leave on half pay.
- We have an anti-discrimination and harassment policy.
- Sex-based harassment training is conducted at induction for all staff and refreshers are provided every two years.
- We have a breast-feeding in the workplace policy.
- We also have an external benefits provider (API) that can provide nanny referrals in Australia.
- We have an Employee Assistance Consulting service, which provides confidential counselling services to employees on work or personal matters.

### **Case Studies:**

Melissa Marzulli, head of Structured Products at State Street, works a compressed work week of four days a week. Melissa chose to have Mondays off, as it suits the business best – her manager in Boston is not yet online on Mondays, as it is Sunday there.

She manages a team of seven people, and a number of her team members have also taken advantage of flexible working arrangements.

### ***How and why it works:***

In part time/compressed work week programs, it's important to be reasonable about the day or time chosen and to make sure it suits the business.

- A top performer should be able to work with his or her boss to accommodate the request for flexible time. And the employer should want to do this too. Losing good people can be very expensive.
- A job share can broaden the capabilities of the role, which can work well for the group as a whole.
- Flexibility in communication is important. For example, Melissa's team has weekly group meeting on alternate days to ensure team members who are job-sharing stay informed.
- As a manager of the group, Melissa stays in contact with the office via blackberry on Mondays.
- Constantly checking that the arrangements are not causing any issues through open and transparent communication is the key.
- Melissa is also flexible, and if an issue arises or there is an important business imperative, she will change her day off to accommodate this.