

A Culture of Belonging

An Interview with Lori Costew, Chief Diversity Officer and Director, People Strategy, Ford Motor Company

EDITORS' NOTE *Lori Costew is Ford Motor Company's chief diversity officer and director of people strategy. She assumed this role in June 2019. Before being appointed to this role, she held positions within Ford leading human resources for the organization's mobility division, as well as for The Lincoln Motor Company. Costew joined the automaker in 1993 and for nearly three decades has leveraged her expertise in positions supporting marketing, UAW negotiations, equal employment planning and organizational development. In addition to her leadership role at Ford, Costew is also an accomplished author of two award-winning novels that provide inspiration and tools against bullying. Costew has a master's degree in human resources from The Ohio State University and a certification in executive coaching from the Hudson Institute.*



Lori Costew

learning through our CEO Action Pledge Day of Understanding and Ford's global diversity, equity and inclusion week. The team encourages participation in the activities of our employee resource groups, such as the National Day of Prayer, Black History Month and Asian American Pacific Islander Heritage Month events. All of us at Ford must strive to be curious and engage in collaborative, courageous learning. Caring for each other is a critical enabler to achieving our Ford+ plan.

How do you define the role of chief diversity officer and how important is it for the role to be engaged in business strategy?

The chief diversity officer, and the human resources team overall, help lead and shape the employee experience, while being responsive to the needs of our diverse community. However, operations must own the outcomes; this is not a "human resources problem to solve." Listening deeply in multiple ways is critical. After the murder of George Floyd, we knew we had employees in pain, and this required us to listen – to really listen – to understand their experience inside and outside of Ford. We had

to address bias and make sustained change. We also embarked upon the most comprehensive global diversity, equity and inclusion audit ever undertaken. Starting in the U.S., we leveraged quantitative data, qualitative data and deep ethnography studies to truly understand the unique barriers faced by women and underrepresented employees. My responsibility includes taking these learnings and following human-centered design principles to build sustainable solutions into our talent systems and processes to ensure Ford is a place where every employee can thrive.

Will you provide an overview of Ford Motor Company's diversity and inclusion strategy?

Diversity, equity and inclusion are all equally important, yet different terms. Diversity is about different experiences, backgrounds and thinking styles, inclusion encompasses people feeling welcome, valued and supported, while equity involves providing a fair playing field. Belonging is at the intersection of diversity, inclusion and equity, which is encompassed in our north star, "We are family. We celebrate our differences. We all belong." Creating a sense of belonging requires us to understand each other and truly celebrate our differences.

COMPANY BRIEF *Ford Motor Company (corporate.ford.com) is a global company based in Dearborn, Michigan. The company designs, manufactures, markets and services a full line of Ford trucks, utility vehicles, and cars – increasingly including electrified versions – and Lincoln luxury vehicles; provides financial services through Ford Motor Credit Company; and is pursuing leadership positions in electrification; mobility solutions, including self-driving services; and connected vehicle services. Ford employs approximately 186,000 people worldwide*

How do you describe Ford's culture and how critical is it to maintain the culture as the company undertakes its transformation?

At Ford, we believe in the power of creating a world with fewer obstacles and limits, where people have the freedom to build a better life and pursue their dreams. We acknowledge that as a company, we must come together to do more. We must step up our advocacy for racial and social equity, and double down on our actions to achieve our long-term commitment to change. Creating and sustaining a diverse, equitable, inclusive (DEI) environment where everyone belongs means taking a top-down, bottom-up, middle-out approach, which requires a holistic lens to bring all employees along on the journey. The DEI team provides tools, resources and insights, plus experiential

“At Ford, we believe in the power of creating a world with fewer obstacles and limits, where people have the freedom to build a better life and pursue their dreams.”

“Ford prides itself on being a model of goodwill. Ford Fund, our philanthropy arm, has donated more than \$2 billion over the past seven decades to communities in need, and Ford is a leader in supplier diversity.”

To achieve a growth mindset, all of us must practice empathy and be open to listening and learning. In addition, if we are to build successful products, services and experiences that consumers of all backgrounds will love and want, we must incorporate customer expectations into how we design, market and sell. We know we are on a journey – one in which every single one of us contributes toward creating an environment where all employees feel respected, valued and heard.

How ingrained is diversity and inclusion in Ford’s culture and values?

Ford has a long history of doing the right thing. Whether it be Henry Ford offering a \$5 a day wage to all employees regardless of demographic, making iron lungs for polio victims, or our recent pivot during the pandemic into the production of ventilators and other types of personal protective equipment, Ford prides itself on being a model of goodwill. Ford Fund, our philanthropy arm, has donated more than \$2 billion over the past seven decades to communities in need, and Ford is a leader in supplier diversity. At this time of social upheaval and change, Ford is committed to making progress in diversity, equity and inclusion throughout every part of our organization.

Fostering a culture of belonging takes more than just paying attention to representation or having an awareness of employee demographics. It means caring for each other. Especially for leaders, self-awareness is a critical first step. It’s important that our leaders pay attention to who they spend their time with, the diversity of their inner circle, and where they turn for career advice. They also must acknowledge their natural biases and be cognizant not just of who they mentor, but who they choose to sponsor.

Companies must create an environment of psychological safety in which people feel they can openly challenge and disagree, so that everyone has the opportunity to share their voice and not be talked over or ignored. Creating rich, meaningful development discussions in which leaders invest time in learning about the aspirations of the diverse talent in our organization can ensure a fair playing field.

Is it critical to have metrics in place to track the impact of Ford’s diversity and inclusion efforts?

Yes. Measurement of our progress and transparency of those metrics and actions are critical for the full impact of our diversity, equity

and inclusion efforts to take hold. Ford is making a long-term commitment across all dimensions of diversity, equity and inclusion with multiple accountability measures. Sponsorship has to start at the top. Our CEO, Jim Farley, chairs a monthly governance forum with the company’s executive leadership team that covers all areas of the business. Corporate officers have a DEI objective on their performance reviews, and all skill teams are progressing action plans based on results of the audit. With data transparency, our diversity, equity and inclusion data is being shared more than ever, including in the 2021 Integrated Report and Bloomberg Gender Equality Index. In addition, we just launched aspirational goals to ensure career progression for qualified women and underrepresented employees in our U.S. facilities.

While diversity is the right thing to do, you have also said that it is a business imperative. What do you see as the impact of diversity and inclusion on business performance?

Decades of research conducted by consulting firms, universities and think tanks show inclusive companies with broad diversity are more innovative, have more engaged employees and make more money. Members of Gen Z in particular are attracted to companies that have a meaningful purpose and are inclusive. Ford will not be able to attract and retain great talent if candidates don’t see us as diverse and feel we are inclusive.

The investment community has also put a heightened focus on diversity, equity and inclusion, so comprehensive reports like our 2021 sustainability and financial report are effective in highlighting areas of emphasis and progress, as well as the value generated for investors and shareholders. This includes providing a more holistic view across multiple focus areas such as human rights, supplier diversity, philanthropy and employee metrics. Greater transparency into how our company operates and performs will help keep us accountable and create a culture that is diverse, equitable and inclusive, as we step up our commitment to advocating for social and racial justice.

How valuable has it been to have the commitment of Ford’s board and senior management in its diversity and inclusion efforts?

Ford’s leadership understands that the circumstances of the past year – a global

pandemic, a volatile economy and demands for social and racial justice – have greatly impacted the Asian American Pacific Islander, Black and Hispanic communities in the country disproportionately. This has accelerated the need for us to lead and create an environment where all employees, especially our Asian American Pacific Islander, Black and Hispanic employees, feel empowered, supported and inspired to be their authentic selves. We report progress and updates monthly to our board. Our CEO is incredibly passionate about embracing diversity, equity and inclusion, and holds all of us accountable for creating a culture of belonging.

You joined Ford in 1993. What has made Ford so special for you and a company where you have wanted to spend so much of your career?

I can’t believe I’m saying this, but I recently celebrated 28 years with Ford after starting at Lima Engine Plant. I love the transformation space. I have been so fortunate to be part of a big enterprise that has enabled multiple careers for me in human resources and other areas. I’ve led human resources for Lincoln and our mobility business, and have been involved in business development, marketing and even the business incubator space. I love working with smart, passionate employees at all levels who are making an impact every day on people’s lives.

Despite having nearly 190,000 employees around the globe, we are a family company. Our team cannot do it alone, so I feel fortunate to have many passionate volunteers who care deeply. Globally, the automotive industry is heavily male-dominated and it is majority white in the U.S. Every day, we are committed to helping our team gain a better understanding of the lived experiences of our non-majority employees. The diversity, equity and inclusion space can feel overwhelming at times, yet if everyone could start with just one thing – just one action toward creating a more inclusive work environment – such a small step can have a big impact. You would be amazed at the simple power of a smile and the act of deeply listening during a discussion.

I have real hope, as this is the first time I’ve seen this level of consistent dedication to diversity, equity and inclusion. Today, we are more focused than ever in ensuring we are building a business and a community in which everyone belongs and true equity is possible. ●