

# Free research paper on exxonmobil diversity

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## **ExxonMobil: Diversity**

### Introduction

ExxonMobil is one of the largest publicly traded oil and gas companies in the world, with business that covers the whole range of oil and gas related activities inclusive of exploration, extraction, sale, transportation of petroleum products, natural gas and petrochemicals. Presently, the company has in excess of 23 billion barrels of oil in proved reserves across six continents; besides, it is the largest oil refiner in the world with 37 refineries across 21 countries with the capability of producing 6.2 billion barrels daily, (ExxonMobil, 2012). With a workforce of more than 80,000 employees, the company has both a diverse group of employees and clients with a variety of social and cultural characteristics. Diversity is a multidimensional concept that encompasses core attributes, primary attributes such as race, ethnicity, gender and sexual orientation, secondary attributes and organizational attributes or identities that individuals attain in relation to their work environment or affiliations, (Vault & INROADS, 2006). Exxon Mobil is a company that has stated its commitment to managing diversity, stating that managing diversity involves understanding why people are different, not ignoring differences and using the understanding to foster a climate that enhances prospects for both business success and personal growth, (ExxonMobil, 2012).

### **Corporate Website Analysis**

ExxonMobil does not mention diversity in either its Mission or Vision Statement although it has multiple publications in the website which identify

diversity and inclusion as a key competitive strength that is critical to maintaining the company's position as the leading energy and petrochemical company in the world. The fact that diversity is not in either its mission or vision statement is indicative that diversity is not a key priority comparative to other aspirations such as making profits. The company's goals of financial success priority are clearly stated in its mission statement; 'to that end, we must continuously achieve superior financial and operating results while simultaneously adhering to high ethical standards,' (ExxonMobil, 2012). Nonetheless, there are multiple literatures and even a whole web page describing the company's commitment to diversity.

The company has yearly publications titled Corporate Citizenship Reports that describes its corporate citizenship performance. In its 2009 report, the aspect of gender and ethnic diversity are addressed with the report stating that the company's greatest strength is the quality and diversity of their employees who differ in gender, race, nationality, religious beliefs, sexual orientation and age and who operate across multiple languages and cultures. They also re-state their Global Workforce Diversity Framework goal adding that diversity and inclusion of skill, thought, knowledge and culture makes the company more competitive and resilient and better at managing the ever changing and complex energy environment, (ExxonMobil, 2009).

Diversity is adversely covered on the company's employment opportunities and policies website, (ExxonMobil, 2012). Beginning with stating its diverse business base, the website notes that they are committed, through a range of activities, investments and programs, to maintain a diverse workforce that represents the many geographies they operate in. They also note that, they

have developed a Global Workforce Diversity Framework which attract, develop and retain highly competitive workforce, (ExxonMobil, 2012). The company also note that they support a range of diversity-based education programs such as National Society of Black Engineers, Society of Hispanic Professional Engineers, the Hispanic Heritage Foundation and the National Action Council for Minorities in Engineering to name but a few. The website has a single photograph on its diversity page, depicting two white males, one white female and one black female, (ExxonMobil, 2012). The visual depiction is representative of diversity in the aspect of gender and race although contextually, they affirm that of all its employees, 31% and 69% are located in the United States and internationally respectively. Its graphical representations on the website also indicate the global distribution of women hired by region which were; 44%, 52%, 43%, 44%, 35%, 36% and 42% for the World Wide total, Asia Pacific, Latin America, Europe, United States, North America (Excluding United States) and Africa/Middle East respectively, (ExxonMobil, 2012).

## **Secondary Research**

Multiple external sources affirm ExxonMobil's commitment to diversity, Patricia and Day (2008) note that Exxon Mobil has an Equal Employment Opportunity (EEO) policy. The EEO policy focuses on developing and supporting educational programs and recruitment sources and practices that facilitate the participation of minorities and women, developing and offering work arrangements to help meet the needs of a diverse workforce in balancing family and work obligations, establishing company training and developmental efforts, programs that support diversity in workforce,

practices, thereby enhancing the representation of women and minorities. Their policy also aims at fostering a work environment free from racial, sexual or any other form of harassment and to make reasonable accommodations that would enable qualified disabled individuals to be part of their workforce.

However, Patricia and Day (2008) are critical of ExxonMobil's commitment to diversity noting that even though it states in policy, its commitment to diversity, it does not in any way ban discrimination and harassment based on both gender identity and sexual orientation until the company includes the classifications in its global policy. Its inability to come out strongly on its commitment to sexual and gender discrimination, made the company get a zero rating by the Human Rights Campaign (HRC) which is the leading advocate for the Lesbian, Gay, Bisexual and Transgender (LGBT) rights in the United States between the years 2003 and 2011, (HRC, 2011). Patricia and Day (2008) also argued that, over 84% of Fortune 500 companies have adopted into policy, written non-discrimination policies that ban the harassment and discrimination based on sexual orientation. Additionally, 34% prohibits discrimination on the basis of gender identities; nonetheless ExxonMobil has not done the same.

Other than issues related to sexual orientation and gender identity, the company has also faced EEOC litigation related to Age Discrimination in Employment. In a 2006 court proceeding, the company was accused of discriminating against Morschauer, Skaggs and a class of other individuals by the policy that individuals over the age of 60 were not allowed to pilot any of its corporate airplanes, (Find a Case, 2011). However, Exxon was able to

successful defend against the case with the court findings indicating that the corporation's practices were congruent to the commercial operations of the FAA's age 60 rule. Although EEOC appealed the ruling, the appeal was also overturned hence the Exxon's age-based mandatory retirement still applies to its company's pilots, (Find a Case, 2011).

## **Analysis**

Evidently, there is inconsistency between the espoused and enacted values with regards to identity. It is evident from secondary research that LGBT workplace discrimination and discrimination on the basis of gender have not been adequately addressed in terms of an elaborate policy framework. From the company's website, it affirms its commitment to creating workplace that enables the maximum contribution of all its employees. It also affirms its commitment to prohibiting all forms of discrimination inclusive of those based on gender identity in all its establishments across the world. Three key issues are evident; that ExxonMobil's commitment to prohibiting discrimination on the basis of gender identity and sexual orientation is questionable, that there are costs and benefits of fully implementing its diversity policies and that a large proportion of Exxon Mobil's competitors have fully committed to their stipulated diversity related ideals.

According to Patricia and Day (2008) the company does not explicitly bar discrimination on the basis of sexual orientation and gender identity. It is also evident that the company does not for example provide same sex partner benefits in locations where it is not required by law to do so. Patricia and Day (2008) document that ExxonMobil remains the only Fortune 50 company whose policy is not inclusive of sexual orientation, besides

shareholders have continuously voted against the restoration of sexual orientation to policy. The age related incident may be qualified not as a case of non compliance to diversity, but as a company policy which is part of the company's right as a legal entity.

## **Recommendations**

ExxonMobil should fully commit to the diversity aims very well stated in the company's website and its various reports especially with regards to discrimination on the basis of gender identity and sexual orientation.

Researchers have indicated that corporations who prohibit discrimination based on gender identity and sexual orientation tended to have a competitive advantage with regards to recruiting and retaining employees from the largest talent pool. ExxonMobil should adopt equal treatment for gay and lesbian employees and females since national polls have indicated support for equal workplace rights for all irrespective of sexual orientation, (Vault & INROADS, 2006). The company should adopt an elaborate, corporate wide policy that enhances efforts to prevent discrimination, ensure respectful and supportive atmosphere for all employees and resolve amicably, all complaints arising internally.

The company should also make efforts to join other Fortune 500 companies who have adopted a myriad of policies that guarantees equal opportunity for all employees, (Vault & INROADS, 2006). It is also evident that there is inconsistency and ambiguity between the company's commitment to diversity and actual practical implementation hence, the company should endeavor to clarify its issues, adopt policies dealing with the key issues of sexual orientation and gender identity that have specifically received

complaints and adopt a consistent approach of dealing with such issues. The company should also list classifications on its EEO policy as required by the Federal law. The listings should include; race, sex, religion, color, citizenship status, physical or mental disability, national origin and veteran status.

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