



# insights

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## COMMUNICATING DIVERSITY *leadership engagement*

Today, it is standard procedure for a CEO to publicly state their support

of, and commitment to, an organization's diversity initiatives. Not only does this signal the fact that diversity-inclusion strategies are prominent on the radar of corporate leadership, but that diversity is recognized as a key bottom-line driver and an effective tool for retention, recruitment and employee engagement.

Bridge Partners LLC's experience has shown us that communicating diversity to all employees in the context of the "business case" is critical to winning their support as stakeholders. For the sake of this publication, we will assume the business case for diversity is clear; if not, please refer to previous editions of Insights on our website!

In order to be truly integrated into an organization's culture, diversity-inclusion should be viewed as a key component of business success, implemented in the context of the organization's business plan (not just an HR initiative) and functioning for the good of all employees (not just for minority groups).

### CEO COMMITMENT IS CRITICAL....

Undoubtedly, the positive impact of the CEO formally backing diversity-inclusion initiatives and promoting diversity from the top of the organization is significant.



Employees generally put a lot of faith in their CEO/ leader, so his/her formal and informal communications are a prime opportunity to link diversity-inclusion to business success and the bottom line, thereby helping to gain broad-based support.

In the IRC's (Industrial Relations Counselors) 2008 report The Impact of Senior Leadership Commitment on Diversity & Inclusion, an analysis of corporate diversity set out to "...Test the assumption that senior leadership commitment is essential to successfully achieving and managing a diverse workforce..." One of several conclusions was that, in successful companies, "...the CEO is held responsible by the Board of Directors for the company's diversity initiative and his/ her compensation is linked to diversity performance..."

*(continued on page 2)*



### ...AND SO IS THAT OF THE EXECUTIVE LEADERSHIP TEAM

But what happens when the speeches are over and the diversity reports completed? No matter how passionate a CEO is about driving diversity as an economic imperative, they have many other competing initiatives and strategies requiring their attention. How does a senior leadership team fulfill a continuing commitment to broad-based diversity initiatives? Beyond the diversity and human resources teams, who will communicate and champion the business case for diversity throughout the organization?

When a CEO also requires the actionable commitment of his/her executive and management teams, in addition to their own commitment, the positive effect on an organization can be significant – not least in the fact that employees begin to view diversity programs as an integral part of the business strategy, a tool to support their business, as opposed to an initiative driven purely by the HR or diversity functions.

Support of senior management must be clearly and publicly articulated. The IRC 2008 survey also concluded, that companies with the most successful records on diversity and inclusion shared certain features relating to the CEO's management team, including: "...the CEO talks frequently to his/her direct reports (Executive Committee) about diversity, demands regular reports....and holds them accountable for both their personal behavior and for meeting objectives such as developing and mentoring diverse people...when members of the Executive Committee formally commit to, and are held accountable against certain objectives, companies tend to score higher on diversity performance measures...."

#### ENGAGING NON-DIVERSE LEADERS:

In an ideal world, the corporate leadership team will be naturally diverse – as we know, diversity at the most senior levels is a true indicator of the organization's motivation to reflect and capitalize on the diversity of their employee and customer base.

However, while organizations have made great strides in promoting and appointing diverse executives to their senior ranks, it remains the case that the majority of executives reporting directly to the CEO or one level removed from the CEO, in today's Fortune 1000 companies, are white males.

If the key to creating enterprise-wide support and understanding of diversity initiatives is to drive the business case and optimize the impact of the senior management team, then all members of the executive/management team, regardless of gender, ethnicity or other defining characteristics, must understand, support and promote diversity programs and initiatives as a business imperative.

As Ilene H Lang, President & CEO of Catalyst commented in her introduction of the 2009 study *Engaging Men In Gender Initiatives: What Change Agents Need to Know*: "The

preponderance of men in leadership means that their efforts are necessary to advance change in the workplace" – the same applies to broader diversity initiatives - without the support of non-minority executives in corporate leadership positions, diversity initiatives will struggle to gain traction at lower levels of the organization.



Proactive engagement of these individuals (and all senior management) is key – indifference (or worse) can be damaging. It is critical that minority and non-minority leaders fully understand the business drivers for diversity, the positive economic impact of diversity programs on their own businesses, and that they "practice what they preach". Simply stating they are supporters of diversity initiatives will be seen for what it is – rhetoric. What is required is an investment of their time in highlighting the positive results that have been gained through diversity initiatives. Examples might include:

- Public announcements of new customers gained/clients won as the result of a multicultural team;
- Emphasizing how employee diversity has added new product or service insight/knowledge/innovation regarding formerly untapped markets;
- Positive bottom-line results from a new product/service launched to a multicultural demographic;
- Each of the leadership team engaging as the sponsor of an employee affinity group.

*(continued on page 3)*



Another strategy, almost guaranteed to drive results, is tying leadership/management compensation to diversity metrics. In 2000 then-newly-appointed-CEO of Coca Cola, Douglas Daft created something of a sensation (following a federal lawsuit) by stating “What gets measured gets done, and for that reason there will be a series of [diversity] goals, objectives and targets established over the next few months...Everyone in the organization will be held accountable for meeting them. My own success and compensation will be tied to these diversity goals, and the same will be true throughout the management ranks.”

That this was not an isolated strategy is supported by the IRC’s 2008 survey “...at least 42% of surveyed companies also use bonuses to recognize diversity achievements of the Executive Committee. Those in the higher performing group are twice as likely as other companies to tie a larger amount – at least 6% of bonus pay – to diversity...”

**DIVERSITY CHAMPIONS**

Ultimately, while the “carrot and stick” approach to building leadership engagement in diversity programs will drive short-term results, the long-term results are truly going to be seen when these programs spark a genuine passion and excitement for opportunity in the leadership team, and when that passion is communicated to the organization as a whole. There is a lot to get passionate and excited about, so the key challenge is to find the perfect “diversity champions” to act as the communicators – executives whose personalities and personal characteristics will ensure that they are heard within the organization. These individuals may be from a minority demographic and they may not. What they will have in common is self-awareness, curiosity, a willingness to talk publicly of personal and business-oriented experiences, and the drive to keep on promoting diversity-inclusion when business priorities may appear to change.

David Tulin, President of Tulin DiversiTeam Associates and author of Coaching White Male Leaders as Diversity Champions speaks of seeking out individuals who “...relish the learning

curve, co-own the change process and become effective allies and champions for diversity culture change...”

Commenting on the ORC study The Impact of Senior Leadership Commitment on Diversity and Inclusion in July 2009, Patrice Hall VP & Head of ORC Worldwide’s Global Equality, Diversity & Inclusion practice asked the question “What makes a diversity

champion?” in a Diversity Executive commentary “Does being involved in activities, by default, make one a champion? Sure, it helps — diversity and inclusion initiatives cannot — indeed, should not — be driven solely by diversity or HR practitioners. Stakeholder engagement is a critical component of any successful

organizational change effort..... True champions understand their own issues, and they’re not afraid to explore them publicly. They tell stories. When you listen to them speak about diversity, you will hear them describe a situation or life experience that caused them to question what they thought they knew about how the world works. A true champion must be willing and able to understand and represent the views and issues of all employees, not just those with whom he or she has a special connection.....

The final rung in the ladder of creating true champions may be found in a simple act of recognition....It may be that recognizing authentic role models will, over the long term, do as much to achieve our diversity objectives as tying pay to performance....”

**EMPLOYEE RESOURCE GROUPS**

By bringing together disparate employees from across the organization, with different functional titles and levels of seniority, it is possible for Employee Resource Groups to combine thinking, create new ideas and fresh perspectives and enhance a company’s competitive ability by generating business solutions for the organization as well as becoming an attractive potential employer.

The April 2008 edition of Insights explored the value of ERG’s in more depth but it is certainly worth noting that they are a powerful method to engage senior leadership in corporate diversity initiatives. Not only can the leadership executives act as sponsors for these employee groups, but they can also take part in their events and use them as a communications network to showcase business “wins” that can be directly linked to diversity initiatives.

Conversations within the Bridge Partners LLC network showed that Employee Groups that are based on an economic imperative and are an integral part of a company’s business strategy, will flourish - adding business value in part as a communication channel, while also benefiting the employees who participate in them. The most impactful groups will utilize their leadership and executive sponsors to create a clear connection between the business goals of the corporation and the agendas of the groups. They will connect each Employee Groups’ efforts to one another, and to the over-arching corporate strategy.

“The preponderance of men in leadership means that their efforts are necessary to advance change in the workplace” – Ilene H Lang (President & CEO, Catalyst)<sup>1</sup>

**FOOTNOTES:**

<sup>1</sup> Engaging Men In Gender Initiatives: What Change Agents Need to Know



**Your “official” role is business-facing, not one within the diversity or human resources teams, how have you personally become involved in BNY Mellon’s diversity initiatives?**

I have previously served on the company’s corporate Diversity Council. That led to my becoming the global chair of IMPACT, the firm’s affinity group for multicultural employees. IMPACT was launched in 2007 and currently has 11 chapters throughout the U.S. and in London. Our goal is to add two additional chapters this year.

IMPACT’s mission is centered on professional development and networking. What I think is somewhat unique is that we have chosen to create one affinity group for all multicultural employees, versus a more siloed and narrow approach. We work very hard to make sure that our programming, in its totality, is relevant to all of our members.

**How has BNY Mellon’s senior leadership supported the concept of diversity-inclusion as an opportunity to strengthen the organization?**

Our Chairman and CEO, Bob Kelly, clearly sets the tone throughout the company and emphasizes that diversity is an essential driver of innovative, successful, global organizations. He also chairs the firm’s global diversity council and consistently makes the business case for diversity in employee town hall meetings and other forums. Diversity goals are also embedded in the company’s performance review process.

Made up of senior leaders who are chosen for their ability to champion a major corporate initiative as well as their individual, cultural, geographic or business line diversity, the global diversity council is charged with facilitating an inclusive environment where all our employees feel comfortable being themselves and are able to contribute to our company. Broadly, their mission is to visibly advance diversity initiatives through actionable, sustainable and measurable diversity efforts; to create a clear sense of accountability and awareness; to recognize and reward inclusive behavior; to provide direction and support to affinity networks; to facilitate diversity best practices and to advocate for needed tools and resources.

Also, each affinity group has an Executive Sponsor who is a member of the firm’s Executive Committee, representing the company’s most senior leadership body..



# BNY MELLON

**Has the organization involved non-minority senior leadership in diversity-inclusion initiatives?**

Absolutely. Driving change requires broad participation.

IMPACT has enlisted the support of 30 senior managers across the organization that we refer to as IMPACT Ambassadors. This is a diverse group of officers who manage large organizations and are thereby key influencers. The Ambassadors serve as advocates for the group, encourage their staffs to get involved and, most importantly, they help us align our efforts with our divisional or business-specific goals.

**There is a clear business case for diversity in the financial services industry, how is this business case and the benefits of a diverse organization communicated throughout BNY Mellon?**

The company’s goal is to significantly increase its global footprint. Senior management at the firm repeatedly stresses the criticality of a diverse, high performance workforce to achieve our business goals.

**How have affinity groups impacted the company’s ability to get the diversity message across?**

Affinity groups are a central pillar of our diversity initiatives. They bring people together across all levels of seniority, geography, business line, gender and ethnicity and create great environments for interactions that would not necessarily have occurred. Exposure to a diverse group of people in settings other than the day-to-day manager-employee setting has the many positive spillover effects of increasing awareness and building stronger, more diverse teams.

## HOW CHOICE HOTELS HAS ENGAGED SENIOR LEADERSHIP IN SUPPORTING DIVERSITY AND INCLUSION PROGRAMS

*Maria D'Ambrosio - Senior Director Inclusion & Diversity*

Diversity and inclusion are an important business imperative at Choice Hotels. Our leaders demonstrate their support for this every day. They understand how important it is for employees to see that leaders in the organization support diversity and inclusion initiatives.

When leaders are deliberate about diversity and inclusion, employees interpret these behaviors as outward signs of support. We all realize that, as busy as business people are today, they only spend time on things that are vitally important.

We remind our leaders how easy it is to get caught up in the priorities of the moment and forget about connecting with people – In hectic times, it is particularly important to foster inclusion. In order to raise awareness and understanding of how inclusive behavior should look, we have offered our leaders options that will allow them to be purposeful about showing their support for this important cultural initiative. As a result, our leaders have committed to consciously enhancing their support of diversity and inclusion through deliberate actions and behaviors.

### STEPS TO ENGAGEMENT

- Ensure consistent diversity messaging that is tied to the bottom line and places diversity in the context of the overall business strategy.
- Identify and highlight business opportunities that are aligned with diversity & inclusion.
- Ensure a communication strategy that emphasizes that diversity-inclusion initiatives are about everyone in the workplace.
- Leverage existing leadership meetings to create dialog, learning opportunities and visibility around diversity initiatives.
- Ensure Employee Resource Groups have “the right” executive sponsor from the senior leadership team who will proactively support diversity-inclusion programs and integrate ERG activities into the business.
- Recognize and reward internal diversity champions.
- Encourage enterprise-wide understanding of the company’s diversity business goals and the employees’ role in ensuring the organization achieves them.

### A SAMPLE OF SEARCHES RECENTLY CONDUCTED BY BRIDGE PARTNERS LLC

Assistant Chief, Law Enforcement  
Federal Reserve Board

Board Director  
Stonewall Foundation

Chief Financial Officer  
UMDNJ

Chief Human Capital Officer  
Federal Reserve Board

Chief Underwriting Officer, Canada  
Travelers

Commercial Director  
Owens Corning

Director Diversity & Inclusion  
Kaiser Permanente

Divisional VP Merchandising  
TJX

Executive Director  
Pipeline Crisis

Executive Speechwriter  
USAA

General Merchandise Manager  
TJX Companies

Head of Human Resources, France  
Foot Locker Europe

President & CEO  
America Scores

Senior Communications Partner  
USAA

SVP Human Resources  
UMDNJ

VP E-Commerce  
Travelers

VP Human Resources  
Kaiser Permanente

VP Learning & Development  
TJX Companies

VP Womenswear, Europe  
TJX Companies



**How have you been able to evolve diversity initiatives in your agency from being compliance-focused to business-driven?**

Diversity initiatives are not just about hiring more people with different ethnicities or color or gender, it's about hiring a variety of employees at ALL levels who bring a diverse background, skill set, viewpoint and perspective. The first step in acquiring diversity is educating the hiring managers about what diversity is. Once they have an appreciation for why it's important in the workforce, they look for a diverse group themselves. It doesn't have to be forced, and shouldn't be.

**How has the FHFA embraced and supported the concept of diversity-inclusion as an opportunity to strengthen their organization?**

FHFA values diversity. We see it as a way to achieve a broader perspective and input into our work processes and decision making. We realize that diversity is key at all levels of the organization, not just the entry level.

**Have you seen leaders get involved in driving diversity initiatives through your organization, or has it been an issue driven by HR?**

Once hiring managers have been educated on the value of diversity, they become the drivers. HR merely opens that door through education and support from the top.

**There is a clear imperative for diversity in the federal sector, how are the benefits of a diverse organization communicated throughout FHFA? What are some of the techniques and tools used to educate your colleagues about the benefits of a comprehensive diversity strategy?**

It is embraced by and communicated from the most senior levels of the agency. Additionally, the message is made clear by the creation of a stand-alone EEO office that is fully committed to diversity initiatives, outreach, and recognition and appreciation of the diverse groups. A few years ago, one of FHFA's predecessor agencies, OFHEO, also had a Diversity Committee that organized special events, speakers, brown bags, and internal planning discussions about diversity. The programs, which were designed to be both informative and fun, helped to foster greater awareness of the meaning and benefits of diversity agency-wide.

**Are there any areas of the organization where you have seen "quick wins" and been able to develop persuasive case studies that illustrate the benefits of the organization's diversity strategy?**

FHFA significantly improved the effectiveness of its outreach program for recruiting women and minority candidates. We started by developing an outreach plan, we also hired a part-time recruiter to ensure the plan was properly implemented. The recruiter contacted organizations representing the interests of women, minorities, and persons with disabilities to provide them information about FHFA and our hiring objectives. The recruiter also attended several job fairs sponsored by these organizations. These organizations and the individuals they represent are now aware of the opportunities FHFA has to offer. The relationships we have developed with these organizations have been invaluable as we work to attract women, minorities, and persons with disabilities.

*Janet Murphy is the Chief Human Capital Officer (CHCO) at the Federal Housing Finance Agency (FHFA). In her current capacity as CHCO, Janet oversees merit and DEU staffing, classification, position management, personnel security, employee development, compensation, comparability, employee relations, federal and non-federal benefits, processing and payroll. Janet has 28 years of federal experience, most of which has been in the field of human resources. She spent approximately ten years at the Department of Veterans Affairs in various capacities within the Office of Human Resources, and approximately 3 years as a Budget Director, responsible for 12 accounts, totaling over \$221 million.*

## HOPE COOPER

SVP HUMAN RESOURCES - PROGRAMS & PRACTICES, MF GLOBAL INC.



# How state organizations have engaged senior leadership in supporting diversity and inclusion programs.

The importance of weaving a variety of threads into the fabric of an organization is a concept that is not overlooked by the most dynamic leaders in government. Whether for good or bad, state organizations and their leaders are driven to address issues of diversity and inclusion because of the imposition of laws, regulations and/or rules. The real challenge is determining how to develop and maintain within senior leadership an appreciation of diversity and inclusion, and an understanding of the strength that is created in an organization when appropriate attention is paid to such ideals.

The head of an organization sets the tone for the entity. In state organizations, it is the governor who creates the pulse that then resonates through the departments and agencies that comprise government. The importance that a governor places on workforce diversity and inclusion is most evident in the composition of his cabinet and senior staff. These appointees serve as core mission ambassadors and ensure that set priorities are met through thoughtful policy development and program implementation.

Under the stewardship of a recent governor, New Jersey benefited from a leadership team rich in diversity (a mixture of gender, ethnic and racial diversity) that was unprecedented. By virtue of inclusiveness at the top, the state's workforce diversity profile improved. My experience has shown that diversity in the leadership team creates a supportive environment for progress, excellence and inclusion in which individuals voluntarily and excitedly engage in activities that promote a more diverse workforce.

Public sector organizations are also faced with the demand of the constituencies they serve, and in many circumstances those desires and demands lead to the development and implementation of effective diversity and inclusion initiatives. Simply stated the community served becomes the catalyst for a leader to employ strategies aimed at increasing minority representation in the public sector workforce.

Quantitatively, success is easily measured – workforce data can reveal an organization's success in increasing diversity over time. The numbers alone may be enough to keep leadership engaged in diversity initiatives; however, I believe that the true measures of success and the reasons many great leaders remain excited about diversity initiatives are the positive qualitative effects of well planned and implemented programs. When a diversified workforce facilitates better community relations and improves the community's perception of government; when increased representation and visibility in the workforce is the source of encouragement for disadvantaged youth to pursue education and increases academic enrollments; when managers who'd been reluctant to hire atypical candidates, do and then have great experiences which lead to fair and unbiased hiring processes, these kinds of positive steps fuel senior leadership to engage in other activities that have the potential to produce similar positive results.

Senior leadership will voluntarily and enthusiastically support diversity and inclusion programs when certain conditions exist: among these is the existence of a chief executive who is committed to diversity and inclusion; diversity within senior leadership ranks; and the positive results of instituted diversity programs, coupled with the belief that continuing to engage in activities will produce similar successes.

*Hope Cooper was previously Commissioner, NJ Department of Personnel, under the Corzine administration. Prior to this, she was Director of Administration, NJ Department of Personnel*

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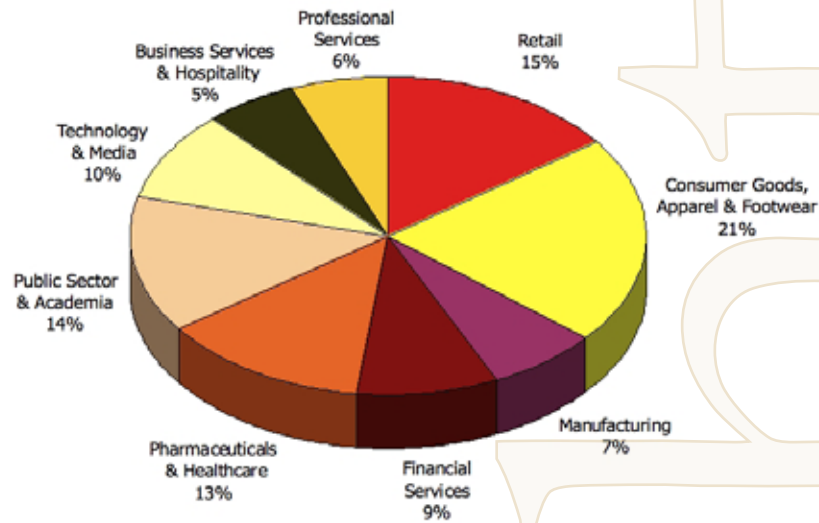
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## ABOUT BRIDGE PARTNERS LLC

Bridge Partners LLC is a retained executive search firm with an unrivaled ability to successfully and efficiently execute senior-level search assignments, bringing to each project a focus on ensuring that our clients are presented with a diverse slate of candidates.

Our reputation has been built on consistently achieving superior results in the execution of our assignments. We are dedicated to a client-driven process and believe that process is maximized by partnering with the client organization on a relationship-driven, long-term basis. Bridge Partners LLC maintains the highest level of ethical standards and integrity with both clients and candidates by placing their interests first and ensuring that our methodology and process is transparent during the entire search process.

## DIVERSITY-INCLUSION

We know diversity is a business imperative. As a minority-owned business, it is an intrinsic component of what we do. It is a core value of Bridge Partners LLC and is embedded in every aspect of our culture and practice.

We provide a higher level of service and raise the degree of expectation regarding inclusion in our candidate slates. We recognize that ability is the top priority, regardless of race, gender or any other defining characteristics and our track record of successfully attracting and placing senior level diversity candidates proves our ability and commitment to building our clients' management strength and social responsibility.

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