



insights

Bridge Partners LLC
8 East 41st Street
7th Floor
New York, NY 10017
Tel: 212-265-2100
Fax: 212-685-3010
www.bridgepartnersllc.com

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CONTENTS

| | |
|--|---|
| Diversity Recruitment: Shattering the Myths | 1 |
| Q&A: Ethel Batten, Alcatel-Lucent | 3 |
| Q&A: Karen Brown, Rockwell Collins | 4 |
| Q&A: David Lord, ESIS | 5 |

CONTACT

Larry Griffin — Partner
Tory Clarke — Partner

DIVERSITY RECRUITMENT: Shattering the myths

We Don't Need to Focus on Diversity Recruiting – We Are Already Diverse

You do. There is no growing organization today that cannot make a strong business case for focusing on diversity recruitment. We have discussed the business case for diversity in more detail in previous editions of Insights but, whether it's to have your employee base better reflect your customer base, to increase creativity, or to uphold shareholder/investor expectations related to corporate social responsibility, having an inclusive workforce is a must.

You may see diversity in the organization when you “crunch the numbers” but do you have the very best possible talent at the senior-most levels of the organization? If your leadership team is less diverse than your employee population, you probably do not.

Senior Management are 100% Behind the Diversity Recruitment Initiative....but Let's Not Focus on it for this Search

If you don't feel comfortable being open to line management about a focus on bringing an inclusive slate of candidates to the table for a specific role, then they probably aren't 100% behind the diversity recruiting initiative. This isn't to say they don't want to recruit the best candidates, minority or otherwise. It may however mean that they don't fully understand the initiative, or that they have had a less favorable experience previously.

The questions range from “Why do we need to do something different?” to “Why do we have to do this for the open role in my team?” to “Isn't



diversity staffing the same as affirmative action, or reverse discrimination?” Or bolder statements such as “It never works – the talent isn't out there” or “Diversity recruitment means the process always takes longer.”

All of these issues need to be addressed – and all should be blown out of the water by a solid business case for diversity and a strong diversity recruiting team/partner.

The Talent Isn't Out There

Yes it is – you just don't know how to find and attract it. Diversity recruiting requires effort and focus.

Obstacles to effective diversity recruiting include a weak diversity knowledge base and outreach effort; a recruiting team/partner that “hopes to come across” minority candidates, rather than

(continued on page 2)



actively pursuing that talent; and a focus on the path of least resistance - recruiting candidates who are already looking for their next career move, rather than those who may be “below the radar”.

Covering these key issues one by one:

- Building an understanding of where to find high caliber minority candidates, and how to build a positive relationship with them, is a process not a one-off event. It is necessary to build your brand as an employer of choice and invest time in understanding the market.
- Effective recruitment of senior level diversity executives requires focus and commitment. Often recruiters who sit within an organization’s staffing team, or within a search firm without a specific diversity focus, have the best of intentions but are not in a position to prioritize diversity. As with any other area of your business, you are best-served by using the experts.
- Reach out and find your candidate – if your ideal candidates won’t come to you, you need to go after them. Posting jobs through publications or organizations that target minority executives is an effective channel – but it is not a method to be used in isolation. High caliber senior executives who are not actively looking for a career move are also not reading job-postings every day.

“Proactively reaching out to diverse candidates is not a luxury, nor is it an occasional ad in a diversity publication”¹

We Hear “No” Too Often

This means one of two things: you aren’t selling well enough, or your company/this role isn’t where the candidate wants to be. Both can be fixed.

With more and more companies actively recruiting high caliber minority candidates, the laws of economics dictate that they are fast-becoming “buyers” with a lot of choices. There is high demand for strong, visible candidates – minority or otherwise.

If you find that you are losing qualified candidates during the recruitment process, either someone else is offering a better opportunity (with regard to a role, career development, or company culture), or you are not showcasing the best of what you have. If your organization doesn’t represent you well, candidates won’t see it. Top candidates want top jobs, regardless of their cultural, ethnic, or religious background or gender.

SUCCESSFUL DIVERSITY RECRUITING

Create a **long-term recruitment strategy** that looks at where your organization will have success in attracting and retaining high caliber minority executives, as well as how you might develop relationships with organizations and individuals who will support your goals.

Educate your employee base, especially senior management. Define goals and metrics, emphasize your business case for diversity, and ensure genuine buy-in/understanding throughout the organization.

Demonstrate the diversity of your company. Not just by advertising but at every event and in every interview. Integrate diversity into your “brand” and invest in the community, mentoring and volunteerism programs.

Nobody’s perfect. Don’t be embarrassed if you haven’t yet achieved every stated diversity goal. Honesty and transparency are very appealing to candidates – be direct about where minority candidates might be able to support your diversity initiatives.

Choose your team or partners carefully. Diversity recruitment is a skill, it requires focus and dedication. Act as you would with any other corporate initiative and bring in experts with a track record of commitment and success.

The more competition there is for a candidate, the more effort is required to attract and hire them. You have to sell them during the process and then also be able to “roll out the big guns” to close the deal. Not only do you need to offer the most appealing compensation package and the most appropriate role, but you also need to use the interview process to understand personal motivations and to create opportunities. This is particularly important when recruiting minority candidates as part of a diversity recruitment initiative. Do they want to be the “pioneer”? Do they want to act as a mentor? Some candidates do, some do not. You need to understand which “buttons to press”.

...and always be respectful of a top candidate’s requirement for a thoughtful decision-making process – just because they don’t turn cartwheels, it doesn’t mean they “aren’t committed” or “they don’t want us enough”.

(continued on page 3)

Diversity Recruiting is Owned by the HR Department

The human resources department may be the internal driver of diversity recruiting initiatives, they may be the “face” of diversity staffing...but they should not be considered solely responsible – the organization as a whole has to own the initiative.

Hiring managers should be involved in the diversity recruitment process early and often. Every time. The recruiting department can't do it alone – managers must be committed to the process and they must devote extra time and effort to make it work.

During the recruitment process every interviewer ought to reflect the entire organization, every interviewer should be able to speak openly regarding the organization's diversity initiative. From our perspective, Bridge Partners LLC has found that our success is not only based upon our ability to recruit potential candidates but also on our client's ability to communicate a clear, concise message to all potential candidates regarding position requirements, culture and expectations. This message needs to be consistent throughout the interview process and supported at all levels.

We Don't Have a Problem Hiring Strong Minority Executives – We Just Can't Keep them

It is impossible to entirely prevent promising executives from moving to other organizations but it is possible to make it a tough decision for them. There are many factors involved in retaining high caliber executives within an organization, be it a new hire or a fast-track executive who has been (or will be) promoted into a key role but one of the most effective is effective on-boarding and mentoring.

An effective formal mentoring relationship will identify high-performers, determine what motivates and inspires them and focus energy on retaining them. It will help high-potential executives to exchange critical information, build a strong network, develop an understanding of internal politics/corporate culture, and interact with individuals outside their sphere of influence.

Research shows that mentoring relationships can be particularly effective for women and people of color, or for people who are “different” in any particular environment ². Mentoring is necessary in developing a new generation of leaders and the need for a mentoring



program can be especially acute for minority employees.

One of the best measurements of retention and/or mentoring initiatives is to see your internal talent, particularly women and minorities, receive promotions, gain responsibility and take on higher profile roles throughout the company.

Building a Diversity Recruiting Program Takes Time, We Should Be Patient to See the Results

Yes it does – but that doesn't mean the program shouldn't be held to the same standards and metrics that any other corporate initiative would be.

Goals and metrics need to be clear and there needs to be a transparent calculation of return on investment. If the purpose and goals of each program aren't clear, it is extremely difficult to assess what constitutes the success, which in turns makes it difficult to get buy-in across the organization.

Another challenge is that of constructive criticism. No program can evolve without being continually challenged and, in some organizations there is a resistance to criticizing diversity programs out of a fear of being labeled as intolerant. “By isolating diversity programs from criticism and treating them “differently” we are actually hurting rather than helping them.” ³

FOOTNOTES:

¹ “Blink & Diversity Recruiting” – Dave Lefkow, June 2005 – ere.net

² Catalyst Study - Women of Color in Corporate Management: Three Years Later - 2001

(50% of women of color without mentors received promotions, 61% of those with one mentor and 71% of those with multiple mentors were able to climb the ranks. The Catalyst study also found that women of color are more likely to stay with a company if they have positive relationships with their mentors.)

³“Diversity Recruiting Is A Failure: It's Time To Raise The Bar!” – Dr. John Sullivan & Dr Sally Baack



ETHEL BATTEN

VICE PRESIDENT OF GLOBAL DIVERSITY, COMPLIANCE & POLICY, ALCATEL-LUCENT

Does your company have specific metrics for measuring the success of its diversity recruiting programs?

Following the merger between Alcatel and Lucent, in late 2006, we are still transforming the strategy and approach to diversity and recruiting for the merged company – we are looking for consistency with regard to calibration and measurement of competencies, levels and specific initiatives. Globally we are able to track and measure the career paths of women very successfully. Within the US, as a Federal contractor, we have expertise and focus on tracking equity with regard to minority employees but this has not yet been rolled-out globally. Our global diversity initiatives are more geared towards human rights issues.

How do you develop diversity at the more senior levels of the organization?

Right now we are driving diversity at the senior level through our Leadership Development team, focusing on our existing management. Our top leadership is infused with women on a global basis – our CEO is female, as are many of her direct reports. We do not have as many people of color at that very top level and, although we do have a good representation of people of color one level below that in the organization chart, we could certainly drive to do better. It's challenging for the leadership to focus on this outside of the US but it will continue to be a key focus.

Is there a general acceptance of the business case for diversity?

The message and statement is out there but the depth of acceptance of diversity initiatives varies between the US and Europe. As a truly global company, we have an understanding of diversity in different contexts but there isn't the same depth of acceptance in Europe yet that we currently have in the US. One of the things that will come to pass is that technology and the media will enable people to see that global diversity initiatives can directly affect them. Diversity initiatives will be made more personal. There will be an increased sense of "wow, I never knew", which will have the effect of an awakening, reflecting that which we have seen in previous decades in the US. Globally it will probably be driven by the immigration issue and diversity will become a 'burning platform' outside of the US. If companies are smart, they will move towards that before they are forced to, particularly the multinationals. There's no avoidance of the issue, it's coming our way and we all need to get ahead of it.

When recruiting "active" candidates (i.e. those who are actively looking for a career move), does your organization include channels that are specifically focused on diversity - job posting websites, diversity career fairs etc?

In the US we do participate in partnerships and initiatives such as the Black MBA Association.

When your organization identifies a high caliber diversity candidate for a role, do they often find a need to compete for them? And how successful are you?

Before the merger we tended to recruit many of our senior management team from the telecoms sector. Right now we're not a significant external recruiter as we have a great talent pool from the combined companies and the really strong external minority candidates are in a position to choose where they want to go next... unfortunately, immediately after a merger (as with many companies in a similar situation), we're not that attractive to outside candidates from the sector. Our best chance of continuing to develop a diverse management team going forward will be to recruit talent from outside the industry, where there are great skill-sets that could be applied to our businesses.

Do you always include a representative of the diversity team in the interview process for a minority candidate? Or a senior level minority executive?

It depends on the person and the recruiting effort. For example, my official role in the recruiting process is to prepare the reports and to ensure compliance but if a candidate shows a desire to meet with a senior African American executive, I will absolutely become a part of that interview team. It's not a formal part of the recruitment process but we will certainly try to accommodate candidates' requests.

Do you have a long-term initiative that focuses on developing relationships with future potential candidates, even when there is not a specific immediate opportunity?

Before the merger our human resources leadership team was very high on developing longer term relationships. We had days when future potential candidates were invited to interface with our senior management team over a breakfast or lunch. Post-merger that's not something that we do right now. We are not actively recruiting and the organization chart is being recalibrated – we have a lot of very good people, so it will be a while before we have an active need to develop an external

(continued on page 4)



pipeline again. That said, we are very aware that if you have an immediate need and have no previous relationship with a candidate, it is more difficult to attract them – I can certainly see the value of a longer-term initiative.

Do you have an on-boarding/mentoring program for your employees?

We do have an on-boarding process but at this time it is only formalized at the less-senior levels, where new hires can join groups and socialize with co-workers.

Do you have internal affinity groups and do they have any impact on your company's diversity efforts?

We have several affinity groups in North America that came from the Lucent legacy and a growing number globally. We have had a number of discussions about affinity groups with regard to our diversity initiatives, specifically for the business-to-consumer areas, where we can capitalize on our employee knowledge and experiences to build our understanding of marketing and sales.



KAREN BROWN
CORPORATE DIVERSITY DIRECTOR, ROCKWELL COLLINS, INC



How does your company measure the success of its diversity recruiting programs?

Our diversity recruitment strategies have been successfully designed to seek out individuals with different perspectives, viewpoints, beliefs, backgrounds, race, gender and ideas. From these venues, we

have hired and retained top talent whose contributions will add to the company's future success. We measure our success by our ROI – number of hires from minority organizations, associations, colleges and universities

Do you feel your organization views their diversity recruiting initiatives as successful?

Yes. We have seen the change in the demographics of our organization

How often is the program reviewed or modified - is there a forum for comment/discussion about success/constructive criticism?

Our recruitment model is reviewed each year and is strategically aligned to accommodate more effective ways for implementing approaches for improving diversity. On a monthly basis, our progress is measured, reviewed and discussed.

What are the drivers behind your organization's diversity efforts?

The driver behind our diversity effort is our forecast to grow exponentially over the next several years. As a result, we need the many of the best and brightest talent to provide the needed innovative ideas and service to our customers.

Diversity is a core value of our company and we are all

working towards embedding diversity in all of our efforts and daily actions. Rockwell Collins understands that a diverse team outperforms a non-diverse team and not only is diversity the right thing to do; it is also the best way to succeed. Our customers are changing, becoming more global, and we need to understand how to deliver to their needs.

When undertaking an inclusive recruitment initiative including passive candidates, do you use an executive search firm? If so, do you believe there is an added benefit if that firm has a specific expertise in diversity inclusion?

Yes. We know that this an added benefit, given that we demand a diverse slate of candidates.

When your organization identifies a high caliber diversity candidate for a role, do they often find a need to compete for them? And how successful are you?

Yes we compete for them given that we wish to hire the best. Our opportunities and company culture result in many candidates joining our organization and, given the war for talent, often we are successful

Do you always include a representative of the diversity function in the interview process for a minority candidate? Or a senior level minority executive?

We strive to represent diversity to all candidates interviewing for roles with our company. Such efforts are demonstrated at conferences, career fairs, onsite round robins, interviews, through our Ambassador Program, etc.

Do internal affinity groups have any impact on your company's diversity recruiting efforts? If yes, how?

Our Employee Networks provide a great avenue for employees to get involved with others in both the

(continued on page 5)

company and community. In addition, they provide opportunities for people to be introduced to new ideas and concepts. Candidates have often inquired about affinity groups and many times engaged with them during their site visits. Affinity groups complement our recruiting outreach strategies through active participation.

They impact our recruiting efforts in more than one way. Employee networks are a great recruiting marketing tool, potential candidates know even before they start that there is a resource group that will help them become acclimated with the company and the community. The Employee Networks members also become advocates for Rockwell Collins and are great resources to understand what we need to change to recruit and retain diverse candidates.

They are engaged and integrated in our on-boarding program from orientation throughout the entire first year of a new hire's tenure, they participate in recruiting events, career fairs, and onsite round robins and serve as ambassadors. They are an integral part of getting and ensuring connection in the communities.

Do you have a long-term initiative that focuses on developing relationships with future potential candidates, even when there is not a specific immediate opportunity?

Some of the long-term initiatives we currently have in place are:

- Sponsor and partner with national and local organizations, associations, colleges and institutions
- Work with our employee network members to tap into their personal networks

How do you "on-board" new employees to ensure that they assimilate successfully into the organization? If you have a formal on-boarding or mentoring program, is it tailored to new minority employees?

In 2007 we revamped our on-boarding program. Several improvements occurred including:

- Created pre-hire communication which helps the new employee, their family and their leaders prepare for their arrival
- Created a 1-day orientation program which all new employees attend on their first day which focuses on our culture, history, etc.
- Designated a sponsor (existing employee) to each new employee, their tasks include: calling prior to day 1 to welcome the new employee to Rockwell Collins, meeting them after the first day orientation class and escorting

them to their location, helping the new employee to become familiar with the company's facilities, culture and the local community, meet with them on a weekly basis for six months to assure that they are acclimating

- Implemented checklists for sponsors and leaders to assist with logistics and conversations before and after the new employee starts
- Established on-boarding program consistency across all U.S. locations
- Established an employee road map that new employees can refer to in order to learn of activities and should or might want to consider participating in during their first year. Activities include required and voluntary training, career development, company involvement, etc.
- Monthly brown bags and quarterly information cafes are hosted to focus on benefits, training, navigating the organization, community events/activities, organization clubs, etc.

q&a

DAVID LORD



David Lord is Founder and Principal of Executive Search Information Services (ESIS), where he helps companies improve executive recruiting effectiveness, and assists in selecting and engaging executive search resources. David is facilitator of the Executive Search Information Exchange (ESIX), a network

of executive talent officers from 70 leading corporations who meet regularly in New York and on the West Coast, sharing information on best practices in executive recruiting worldwide. And he is founder of the Executive Search Academy, a 2-day program on best practices in corporate executive recruiting, held twice a year in New York.

Do you find that companies effectively measure the success of their diversity recruiting programs?

I think most large US-based corporations are tracking their performance in diversity recruiting at the executive level, but still have a long way to go in making those measurements really effective. For example, most companies track percentages of women and people of color who are considered and hired. But they often do not link the

performance of those who are hired with the sources of hire in a way that would allow the company to understand more about how successful diversity candidates are identified, recruited and retained.

Here's some bad news/good news: This year we surveyed 44 Fortune 500 companies, across industries, on how they manage executive recruiting activity and found that only about half of the group evaluates its VP or Director of Executive Recruiting on specific performance criteria, such as success in diversity recruiting. However, among those who do, diversity is the top criterion used (closely followed by overall customer satisfaction and time to fill).

For the recruitment of "active" minority candidates, do they utilize channels that are specifically focused on diversity - job posting websites, diversity career fairs etc?

Executive recruiting is aimed at passive, not active candidates, so most job sites and career fairs are not likely to be useful. However, there are resources focused on diversity, such as the National Black MBA Association, that are useful in networking for diversity talent at the executive level.

When undertaking an inclusive recruitment initiative do your clients use executive search firms that have a specific expertise in diversity-inclusion. If not, how do they ensure that their search partners are producing inclusive slates of candidates?

Most companies make inclusion an issue in all of their executive recruiting, so they're always looking for that capability, and their chief tactic for success is to require in the engagement letter that the search firm will present a diverse slate of candidates. But in doing so, I'd say most of the time they are not using diversity specialist search firms. They first want their search firms to know the

industry and relevant function exceptionally well, and it's difficult if not impossible for a search firm to specialize in diversity within a specific industry or function.

Do corporations typically understand the competition for high caliber diversity candidates? How do they address that challenge?

I think more and more are getting it, and those who do will attack it in several ways: they appoint diversity officers to strengthen the concept throughout the organization; they make "development hires" of diverse candidates who may lack experience but have high potential; they invest in people's careers and make their successes visible.

How do staffing departments ensure that they successfully hire the candidates they want, in the face of competition?

They do it with the full support of the organization. When top management is committed, staffing gets the resources it needs to hire the best to manage staffing, measure performance and hold people accountable for success in recruiting for diversity, which translates into more compelling offers, more acceptances and better hires.

How do companies push diversity staffing initiatives beyond the remit of the hr team?

They hold line managers accountable for success in recruiting for their teams; again, this typically is driven by the CEO.

Do staffing departments develop long-term relationships with future potential candidates, even when there is not a specific immediate opportunity?

Not many companies have gotten to this yet, because they're still focused on immediate needs, but a few are beginning to give recruiters the time and resources to build relationships over time that will eventually pay off.

How do staffing departments effectively address the issue of retention of high-caliber minority candidates?

They make diversity recruiting a long-term strategy rather than a short-term solution, so that inclusion becomes a key part of the corporate culture. Then they do the same things they do to retain all of their best people. Again driven by top management, they provide professional development, advancement opportunities, competitive pay and benefits ... and they have a "bad manager identification program" to get at the biggest reason people leave a company: because they don't respect their boss.

A SAMPLE OF SEARCHES RECENTLY CONDUCTED BY BRIDGE PARTNERS, LLC

VP Vendor Collaboration
Macys Inc

Controller & Chief Accounting Officer
Sodexo, Inc

Director Diversity
Wyeth Pharmaceuticals, Inc

Director Private Label Development, Europe
Foot Locker, Inc.

Director Compensation
UPMC

Chief Executive Officer
Wellspring Foundation

VP Development
Jackie Robinson Foundation

Divisional VP Quality Assurance & Product Evaluation
Macys, Inc.

Regional Director Human Resources (Europe)
Foot Locker, Inc.

SVP Merchandise Planning, Allocation & Replenishment
Borders Group, Inc.



SELECT CLIENT LIST

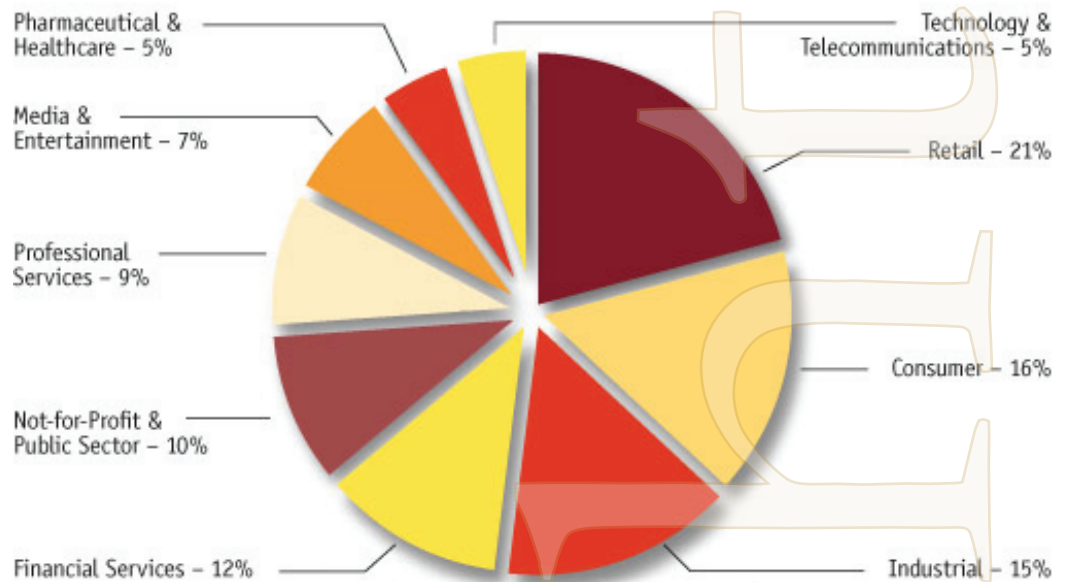
ADVO, Inc.
American Eagle Outfitters, Inc.
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Brown Shoe Company, Inc.
Borders Group, Inc.
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Children's Place Retail Stores, Inc.
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CVS Corporation
Federal Reserve System
Foot Locker, Inc.
General Electric Company
GNC Corporation
Jackie Robinson Foundation
Jimmy Choo
Karabus Management
Lucent Technologies, Inc.
Macy's, Inc.
Medco Health Solutions, Inc.
Merrill Lynch & Co., Inc.
Prudential Financial, Inc.
Schering Plough Corporation
Sodexo, Inc.
Starwood Hotels & Resorts Worldwide, Inc.
Sullivan & Cromwell LLP
Tommy Hilfiger Corporation
University of Medicine & Dentistry of New Jersey (UMDNJ)
University of Pittsburgh Medical Center (UPMC)
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The Walt Disney Company
Wyeth Pharmaceuticals, Inc.



Bridge Partners LLC Executive Search Consultants

8 East 41st Street, 7th Floor
New York, NY 10017
Tel: 212-265-2100
Fax: 212-685-3010
www.bridgepartnersllc.com

INDUSTRIES WE SERVE



ABOUT BRIDGE PARTNERS LLC

Bridge Partners LLC is a retained executive search with an unrivaled ability to successfully and efficiently execute senior 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 our approach to executive search is based on high-quality, research-driven search execution. Bridge Partners LLC is dedicated to a client-driven process and we believe that process is maximized by partnering with the client organization on a relationship-driven, long-term basis. We maintain 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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