

CHAPTER

1

The Tale

Mirror, Mirror on the Wall,
Are We Doomed to Lose Them All?

A Too Familiar Tale of Recruitment and Retention

ONCE UPON A TIME IN THE MYTHICAL LAND of Corporate America, there existed a financially successful corporation whose divisions, workers, and products were spread around the world. This mythical corporation was called Lessons Learned Corporation, Inc. (LLC).

LLC heard about the workforce 2000 statistics announced by the Hudson Institute and decided that it would position itself strategically to meet the demands of a changing marketplace and workforce, whose new entrants would be primarily women, POC, and immigrants. In order to respond to marketplace demands created by these changing demographics, this particular company decided to launch a plan to recruit the best POC in the country from the top MBA schools. All executives were charged with helping the company achieve this goal.

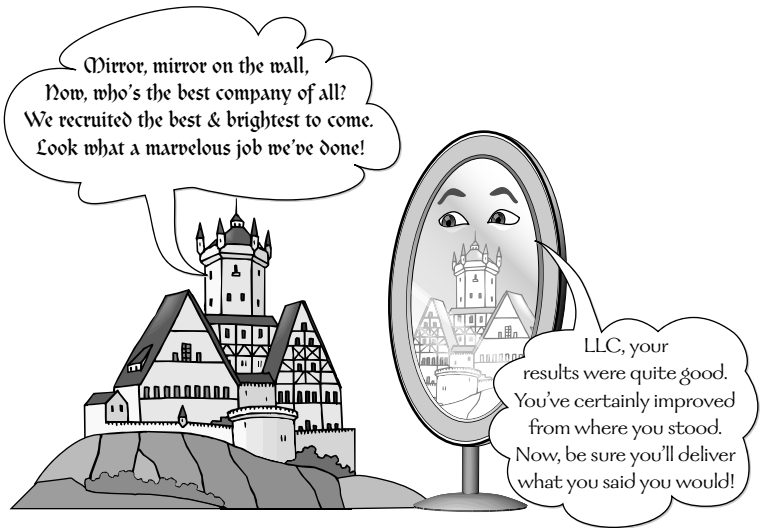


One of the current MBAs, Carrie DeLoad, was assigned to organize this comprehensive recruiting effort. Carrie was charged with ensuring that the proper relationships were forged and contacts made to facilitate this initiative.

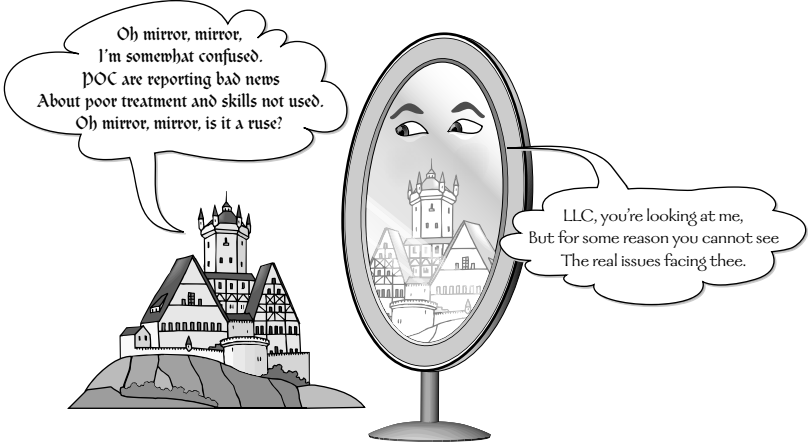
Carrie DeLoad organized recruiting events for the corporation across the country. There were presentations, receptions, and luncheons hosted by top company executives; scholarships, awards, special events for on-campus minority clubs; gifts of company product; private invitations to interview from company executives; campus mailings; and newspaper ads. All were designed to attract a larger than normal turnout of POC.

With the promise of challenging and high-visibility assignments, high salaries, sign-on bonuses, relocation, and other perks, the potential for cross-training, and top executive positions within ten years, LLC was successful in hiring forty MBAs of color, 40 percent of the one hundred MBAs the company hired over a two-year period.

The following is the profile of these MBAs who were POC: top MBA schools, top rankings of their classes, and previous corporate experiences. They were corporately polished. **THEY HAD CREDENTIALS!** The company was incredibly excited and reported their numbers far and wide throughout the land of Corporate America. Of course, Carrie DeLoad was pleased with such wonderful results.



A few months later a cry came out of the land that some of the new hires were not happy. Some of the recently hired POC MBAs were claiming that they had been given mediocre assignments. Others were not treated well by their managers. In many cases they were the last to be promoted in their peer group of new hires. Additionally, they were not being given recognition for a job well done. Some were even thinking of leaving and called to inform Carrie DeLoad.



Having heard the news, Carrie immediately contacted the division executives where these MBAs were working. The executives were in disbelief! How could this be? They had not heard anything of the sort, but they would investigate. The executives sought out the POC MBAs to discuss the situation, and the POC gave examples of the disparate treatment they had endured from their managers.

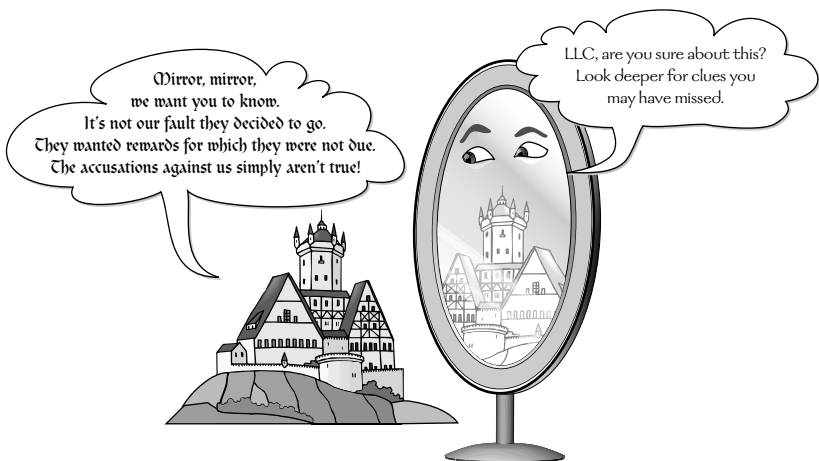
The executives shared these examples with the managers of these POC, who disclaimed and disavowed any knowledge of disparate treatment. In fact, the managers were indignant and appalled that such claims could be alleged. However, in the face of evidence, they did admit that some POC had been promoted last and/or had not been placed in the high-visibility assignments. Nonetheless, there was a reasonable explanation for these acts. These POC needed more seasoning, and they needed to learn to operate more strategically. “Did you want us to promote them before they were ready?” they asked.

Equipped with the managers’ explanations, the executives reported back to Ms. DeLoad and to the executive team at LLC that there were a few bumps in the road, but all was well. Besides, they argued, “White males were unhappy with some of their assignments too, and the company should not place an inordinate focus on any one group.”

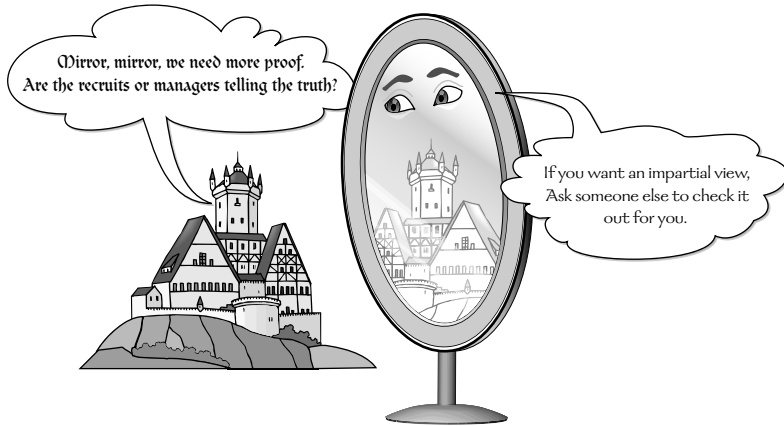


However, the bits and pieces of information that some POC shared directly with Carrie DeLoad were inconsistent with the explanations that their managers had provided. So Ms. DeLoad suggested that formal feedback sessions be conducted. During the feedback sessions, POC were cautious but forthcoming enough to share some experiences and scenarios that concerned the company. Acknowledging potential problems with how the POC had been treated, the company admonished its division executives to correct and monitor these situations.

Again, for a short time it appeared that all was well. Then one by one, POC MBAs with some of the finest credentials began to leave LLC. During exit interviews, these MBAs gave the following reasons to the company for their departure: (1) they wanted to join the family business; (2) they were leaving because a spouse or significant other was elsewhere; (3) the city where they were working just did not provide enough cultural enrichment; and (4) another company contacted them and made an offer that they could not refuse. Since the reasons that the POC offered for their departure were reasonable, the LLC management never thought to probe for further information.



Nevertheless, executives wanted to prevent more POC exits from happening. When asked about preventative measures, Carrie DeLoad suggested that LLC hire an outside consulting firm to conduct post-exit interviews. The goal would be to get in-depth information on the reasons for the departures of POC. “What a great idea!” said the company executives.



The feedback that the people of color provided to the consulting firm was startlingly different from the feedback these same people of color had provided to LLC upon departure. Had these MBAs been untruthful in their conversations with LLC? No, but they had been evasive. The consulting firm indicated that the people of color simply had not told the entire truth in order to preserve relationships and avoid burning bridges.

Yes, they may have joined the family business, but it was because they were disillusioned over their reception, treatment, and assignments at LLC. They may have relocated to be with a significant other or spouse, but it was because of their frustration with their current situation that they even considered the move. The city where they were working may not have been a cultural Mecca, but they were building networks and finding ways to enrich their personal lives. Yes, a recruiter or a company may have contacted them, but they would never have considered the offer had they been happy with their current assignments.



They had come to LLC committed to building a future. They had left shortly thereafter, disillusioned and disappointed by the lack of response from executives to whom they had communicated their plight.

The final report issued by the consulting firm confirmed the real reasons for the departures. The POC expressed the following reactions:

1. They were disheartened by their managers' personal reactions to them: giving them mediocre assignments, not valuing or rewarding their contributions, and promoting them last out of all their peers, even after outstanding performance. They discovered some managers had a history of this type of behavior with more than one person of color.
2. They were upset that the promise of developmental assignments, opportunities for cross-functional training, and true mentors never materialized for them.
3. They knew that once they pointed out the above issues, they would be labeled as complainers. Furthermore, they felt that, with this label, they would not be successful in the future.

When the company gave the managers the specific feedback, the managers explained, "These individuals were not as sharp as we first

believed. They just were not meeting performance expectations. Besides, we think that they are overly sensitive and prone to emotional over-reaction.”

The company leaders accepted these explanations and proceeded with business as usual, feeling that they had ultimately weeded out the hiring mistakes that any company is prone to make. Meanwhile, the feedback from POC continued, the rationales and excuses prevailed, and the exodus persisted until all but a few POC were gone.

Follow-up studies indicated that POC had landed positions with Fortune 100 companies, at higher levels, and with higher pay. The same POC who had departed LLC had taken their chest of credentials and skills, moved elsewhere, and been successful.



There was much wringing of hands and gnashing of teeth as LLC wondered, “What happened? How could such good intentions go awry? How could we have selected so many people who were inappropriate for their roles?”

In a brief moment of introspection, some asked whether there was any merit to the allegations of disparate treatment. Alas, the answer from many of those who had been accused was, “No, we didn’t do anything wrong. Turnover is a fact of corporate life.”

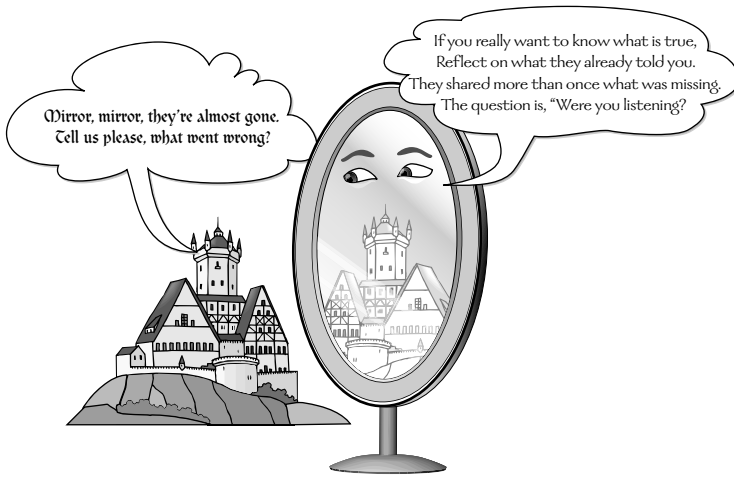
Nonetheless, LLC was not accustomed to defeat and decided that it would try again. This time, however, LLC vowed to be more strategic. They would allow other companies to bear the cost of the on-campus MBA recruiting. LLC would take its POC talent from other companies throughout the mythical land of Corporate America.

They were successful in the second recruiting effort, hiring a significant number of highly skilled POC from other organizations. Determined to retain them this time, LLC held conferences to allow POC to meet top LLC executives. They formed a task force of POC whose purpose was to recruit and retain other POC. They set goals for the development of POC.



To their dismay, history began to repeat itself. Complaints about mediocre assignments, biased treatment by managers, and lack of promotions resurfaced—and so did the exodus! One by one POC left LLC, and each gave one of the following reasons for his or her departure: (1) it was an offer that I just could not refuse; (2) I am relocating to be near a spouse or significant other; and (3) the location just is not culturally nurturing.

An uproar swept through the corporation. Division executives were asked to explain what happened, and reports on POC attrition were provided for each location. Managers with responsibility for POC made

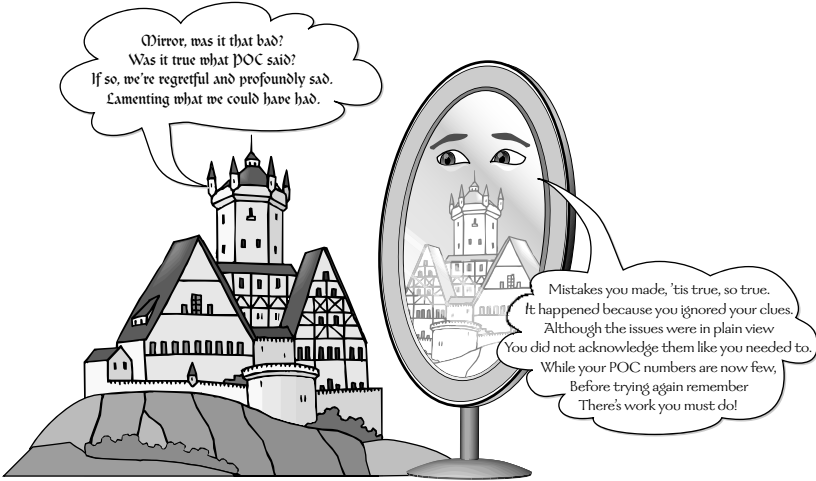


presentations to executive committees. Finally, the company acknowledged that the environment was not nurturing for POC. Nevertheless, there were no repercussions for any of the managers involved.

LLC's management was discouraged, but it accepted that this was "just not meant to be." Times had changed, and LLC could not launch another massive recruiting effort for POC. The company was simply outmatched by its competitors because it could not offer the same compensation or benefits. Besides, to implement another plan would be too expensive, and the company currently was suffering from a downturn in its financial results. It was a critical time, and LLC needed to focus on the bottom line.

Alas, LLC was convinced that its managers had given their best efforts to diversify its workforce by hiring POC. The LLC executives were comforted in their disappointment by being in great company. Other large organizations throughout the land of Corporate America were having similar issues in retaining POC.

Several years later, LLC still wondered why so many of its retention strategies had failed. For example, why had POC on the recruiting and retention committee not taken a greater interest? Why had these POC not personally reached out to persuade others to stay? In fact, some POC on the committee had left as well!



Five years after the massive diversity recruiting efforts, the company still had a dismal retention rate for POC, a problem that it had been unable to resolve. After scores of meetings, reports, and presentations, LLC was still wondering, “How could such good intentions go awry?”

