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Renu Thomas
Senior Vice President,
Technology and Operations
Disney/ABC Networks/Group

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SILICON VALLEY AND DIVERSITY

By Ted Childs

I initially wrote this piece as a response to the October 4, 2014 *New York Times* (NYT) editorial entitled "Silicon Valley's Diversity Problem." The article was an indictment of Silicon Valley's lack of performance in the diversity space, not just in technical jobs, but in all jobs.

Silicon Valley's firms are modern day growth engines, and they have earned a spotlight on their diversity performance. They are not, however, deserving to be the sole recipient of this negative attention.

Silicon Valley is getting more attention than they deserve for what they have not done. While guilty as charged, more established companies have done in the past what they are not doing now. I will say more about that later, but it is this collective vacuum of leadership that is contributing to our declining national performance in both the development and employment of gender and minority STEM talent.

The opening paragraph of the NYT editorial, in referring to Silicon Valley, said that "Most of their employees are white and Asian men. Among technical employees, few are women, and even fewer are Latino or African American."

Noteworthy is a paragraph dedicated to Dr. Freeman Hrabowski, president of the University of Maryland, Baltimore County (UMBC) and student performance leader in technical career paths in the east. But the inability of these students to be sought out in Silicon Valley, however, is shameful. For the record, UMBC has the highest number of minority students go on to achieve a STEM related PhD of any university in the United States. Freeman is a dear friend, and it is particularly gratifying to see the results of his work highlighted in such a prestigious forum.

With clarity, the NYT Editorial frames a picture of the skills the IT industry needs, and where the Silicon Valley goes to seek those skills, as well as the apparent lack of interest in going where diverse students populate classrooms.

I would hope that the eastern United States, particularly the HBCU network, would be seen as a critical resource — as most of the people in the nation live east of the Mississippi. There are, however, women, Black, Hispanic and Native American students in the western United States. If they have not been deemed worthy of employment, then in my view they were not wanted. While we have had a half century of, "periodic" national interest in students of color, in the Silicon Valley, the message has been interpreted as "Students of color need not apply."

Vacuum of leadership

This is yet one more example of a sometimes regional, sometimes national vacuum of leadership.

The 15 HBCU's with an accredited school of engineering represent four percent of America's engineering colleges, but produce 30 percent of her Black STEM graduates. The organization that represents their collective interests is AMIE, Advancing Minority Interests in Engineering. Companion to

AMIE are four organizations that represent college students majoring in STEM, and comprised of college chapters around the nation: AISES/ Native American; NSBE/Black; SHPE/ Hispanic and SWE/Women. This is a collective "talent well" where when you retrieve the bucket, you will be assured of the quality and taste of the water you get.

I reference the vacuum of leadership comfortably because we still get the same questions today that we got in the '60s and '70s regarding affirmative action and life/work issues. Even in the Silicon Valley, where we have had senior line executives who were graduates of HBCU's, and where we now see women in senior executive roles. Our nation, not the Silicon Valley, but America, is in a talent crisis, and these issues have not made it to the crisis solution agenda.

While the NYT editorial, and other recent articles make it timely to single out Silicon Valley, there is a growing number of available minority and women technical talent. The nation has an insatiable appetite for their skills, and quite honestly, if Silicon Valley is not interested, it is their loss.

No doubt, Black, Hispanic, Native American and women STEM talent will be employed somewhere. We have, however, much work to do to increase the pipeline of talent, and to match that talent to job opportunities — and it is in our national interest to get on with it. Our global competitors are producing more technical talent than the United States — and technical talent wins economic wars.

Situation Perspective

The following comments represent my perspective, and others should not be painted with my brush. I have tried to frame a picture that is not limited to the Silicon Valley, a situation that is national in reality, opportunity, and responsibility, but a challenge that is global in risk, necessity, and potential reward.

Although I have been disappointed in the written commentary that has appeared in response to the NYT editorial, in particular from a Black perspective, we cannot just identify Silicon Valley as a key symptom of a national problem without framing a picture of a broader set of issues in which the Silicon Valley, and national business leadership must decisively engage.

Under the Diversity Microscope

Although part of the Information Technology industry, when it comes to diversity, the Silicon Valley is not, nor has it ever been a leader. Excluding the founders of HP, diversity in general, and people of color in particular—Black, Hispanic and Native American — have not been part of the talent vision of late 20th Century west coast industry leaders. The inspection

they face today is simply chickens coming home to roost.

You cannot be successful in today's business world, be a U.S. based company and avoid being placed under the diversity microscope. If people of color representing the U.S. population have not been part of the journey, it is silly to complain that today, they are not found at the destination. It is, however, also fair to ask, "Where have the inspectors been who today find it fashionable to criticize." The firms in question did not get bad recently; their performance has been consistent.



J.T. (Ted) Childs, Jr., principal,
Ted Childs LLC

A look at Silicon Valley fairly captures the contemporary social challenges and opportunities for U.S. business leaders, and we can speculate on the contribution that community might have made to our national diversity business performance. Had they done so, much more employment progress might have been possible on the employment goal line.

Their contribution, however, has not been a factor. The goal line is elusive and not in sight. Rest assured that a few women and minority CEOs, a Black President, and a legitimate woman [presidential] candidate in waiting, are not examples of "mission accomplished," or justifiable hope.

Poverty, income, housing and healthcare inequality, and the failure of our public schools to produce the talent we need to compete in the global marketplace are modern day examples of Senator Moynihan's "benign neglect." Our business community owns a good piece of the responsibility for these failures. Leadership that is driven by greed, getting every dollar they can, are planting the seeds of tomorrow's tragedy.

Corporate Leadership

I worked at IBM for 39 years, and after 15 years in the role, retired in 2006 as Vice President for Global Workforce Diversity. During my tenure, I was actively engaged in the company's view of, and response to the national and global technical talent challenges, and the aggressive approaches to developing and leveraging talent from diverse communities.

My generation of IBM executive was able to do this not because of our personal, internal moral compass, but because of the course set by the founders of the company in the early 20th Century. We inherited an expectation and obligation to be leaders in the diversity space.

The IBM founders defined their expectations. The HR team, led by Walt Burdick, delivered on those expectations. For a 17-year period, beginning in 1969, IBM's general counsel was Nicholas Katzenbach.

For reference, Nick was the United States Deputy Attorney General who was sent by President Kennedy to Alabama during the Civil Rights struggle. Accompanied by U.S. Marshals, on the school steps, he confronted, and intellectually disarmed Alabama Governor George Wallace on the issue of school integration.

These two executives (Burdick and Katzenbach) formed the moral conscience of the company. In today's Corporate America, HR leaders do not lead on these issues, and legal staff are formidable adversaries to diversity progress.

The current leadership of IBM, and other U. S. based global companies would not have sparked that interest. And, unfortunately, using the air cover of a focus on global talent, particularly women, and needs of the business, they have proven unable to sustain the focus they inherited — a focus of interest in, and commitment to, America's ethnic minority communities, particularly Black and Hispanic.

Frankly, this generation of corporate America's leadership will preside over a business and social decline by ignoring the necessary investment in, and development of diverse talent, particularly the failure of our public schools. They saw the need as declining, and the costs as unaffordable in the face of growing global competition. Executives who evaluate others on their ability to think and act strategically should get an "F" for both.

In 1983-84 I left IBM on a paid leave of absence to serve as the executive assistant to Dr. Benjamin L. Hooks, executive director of the NAACP. While I served in that role, Dr. Hooks had an experience that helped frame my view of the behavior of our business community.

Dr. Hooks was invited to address the Business Roundtable, a membership group of America's top 200 CEOs. He had addressed them on previous occasions, and formed some relationships that he valued.

That day, in a private discussion with a CEO with whom he had developed a respectful relationship, Ben expressed his personal frustration with the lack and pace of progress. He felt that the 1964 Civil Rights Act, and the social disruption and legislative debates of the 60's had made these issues a priority on the agenda of the national business, government and institutional leadership.

The CEO's response was "Ben, you have to understand that we only discuss your issues when you are here." Ben was stunned. That comment was reflective of the prevailing CEO view, then and now, and the interpretation of his comment was 'we have been there/done that. You rioted and we gave you jobs. You marched and we gave you voting and civil rights. That is yesterday's agenda.'

Today's Agenda

Well, what is today's agenda? Are today's riots "Occupy Wall

Street" and "the streets of Ferguson?"

What are today's marches? In 1965, it was led by a Nobel Laureate; in 2015 it was led by a Black President. Whether it is "Choice" or equal pay for women, access to housing or health care, income inequality, the right to vote, equal education, even if it is separate, fairness in employment standards if you have a disability, or marriage equality, there is still a list of issues not receiving the necessary attention to address, and the people who can do so still won't step up. We cannot forget that throughout U. S. history, in any civil rights struggle, those who seek, must get from those who have.

When seeking talent, if you do not go where people are, you are assured of not finding them.

What "those who have" must accept is a cold fact: even if they step up to address these issues, even if some pay more taxes, including corporations, those with the most money today, will have the most money tomorrow — but they will be making an investment in the ability of the nation to be competitive, and for them, and their heirs to continue to be at the top of the money pile. They will still be rich, but others will be able to contribute, and survive.

The leaders of today's business growth engines and our established old line firms were either not yet born, or not yet in business during the '60s. Our growth engine businesses did not yet exist.

It is clear that the teachable moments of, and evolving from the 60's have not led to coaching, sharing, or the accountability necessary for our times. Marketing strategies, "some" procurement practices, "some" ethical practices have been passed down through management generations. Approaches to effective talent management, the development of the women and minority talent that was joining the workforce — those approaches were not developed, and the recognition of the need for aggressive hands-on involvement in addressing our decaying school systems at the source did not happen — such challenges were not seen as tactical or strategic.

What has proven to have sustainability is our corporate leadership's "benign neglect." It is why I believe that "The Black experience in Corporate America has come and gone." The hiring that took place in the '60s through the '80s yielded a talent pool that produced a pre-turn of the century executive population. Those executives began to retire in the '90s, and there has never been a pipeline of talent to replace them — "been there/ done that."

The Silicon Valley, however, cannot make such a claim. They

have neither been there, nor done that. The test will not be their apparent discovery of women, or the Black, Brown and Red mine of talent. The test will be what they do after they have stirred the pot to respond to current media attention.

One Company's Journey: IBM

The focus of current leaders on global women is appropriate given the global talent landscape and marketplace, but as an expansion of the historic focus. Abandoning the historic focus is not. The IBM history is strong and firm:

- 1899, CTR Corporation, the predecessor to IBM, hired its first three women — Emma K. Manske, Nettie A. Moore, and Lilly J. Philp — 20 years before women got the right to vote in the United States
- 1899, the company hired its first Black man, Richard MacGregor, 36 years after the signing of the Emancipation Proclamation and 10 years before the founding of the NAACP
- In 1914, Thomas J. Watson, Sr. joined CTR, and the company hired its first disabled person. Mr. Watson became the CTR president in 1915, and changed the name to International Business Machines, IBM, in 1924.
- In 1935, IBM hired its first professional women, 25 college seniors recruited for Systems Service. In an interview with the New York Sun Newspaper, Mr. Watson, Sr. said that “Men and Women will do the same kind of work for equal pay. They will have the same treatment, the same responsibilities and the same opportunities for advancement.” This was an equal pay commitment forty years before legislation.
- In 1943, IBM named Ruth Leach its first woman vice president
- On November 29, 1944, IBM became the first corporation to make a cash contribution to the newly founded United Negro College Fund
- In 1946, IBM hired Black salesmen to sell the company's products to the Black College community
- On September 21, 1953, IBM President, Thomas J. Watson, Jr. wrote what I believe was corporate America's first Equal Opportunity Policy Letter.

Years after his retirement, I interviewed Mr. Watson and asked him, “Why did you write that letter, one year before the Brown Decision and 11 years before the Civil Rights Act? You could not have been under any political, or activist pressure to do so.

Mr. Watson said, “Ted, no one has asked me that question.” He told me a story that I found riveting.

He explained that he was negotiating with the governors of Kentucky and North Carolina to build plants in their states.

These were two deeply southern states anchored in the social mores of the old south. Tom said that he told both governors that he would not tolerate “separate but equal racial policies” in his facilities. He said he did not think the governors believed him.

Because of strategic reasons, and the planned growth of the company, he wanted to have locations in the south. He wrote the letter to the IBM management team, stamped it confidential, and arranged to have it leaked to the press.

Realizing that he was serious, both governors sent word to “bring the payroll and manage your people anyway you want to.”

Further in our conversation, I asked Tom Jr. what was the basis of his father, and, later, his commitment to equal opportunity.

He told me that his father had in his early life been poor and remembered it. He spoke of his father living in poor circumstances, and having had to stuff newspapers in his clothing to keep warm. He also shared with me his father's human relations philosophy. He always referred to Watson Sr. as Father, and said that “Father told me, Tom, always take care of the people, and they will take care of us.” It was clearly Tom Jr.'s interpretation that this guidance was a reference to all people, not just white men.

- In 1968, IBM established its Equal Opportunity Department, and hired George Carter from the Peace Corps as the director — IBM's first Black executive; and established the Minority Supplier Program which has progressed to now being one of the handful of supplier diversity staff that spend more than a billion dollars a year with diverse suppliers
- In 1971, Patricia Roberts Harris was named to the IBM Board of Directors, the second Black, and first Black woman, to be named to a Fortune 500 Board. Earlier that year, Leon Sullivan was named to the General Motors Board. In 1977, Ms. Harris was joined on the IBM Board by William Coleman. Dr. John Slaughter, American Express Chairman and CEO Ken Chenault, and Rensselaer Polytechnic President Shirley Ann Jackson have followed. Since 1977, there have always been at least two Black members on the IBM Board of Directors.

- In 1972, IBM was a founding member of the Hispanic Scholarship Fund

- In 1974, IBM CEO and chairman, Frank T. Cary, joined fellow CEOs from Exxon, General Electric, General Motors, HP, Intel and others to become founding members of NACME, the National Action Council for Minorities in Engineering. Those business leaders understood the importance of engineering talent to competing in a 20th Century marketplace. For IBM, the NACME relationship has included IBM Executive Vice President Nicholas Donofrio serving as NACME Board Chair, IBM Senior Vice President Rodney Adkins serving as

a board member, and former IBM Board Member, and first BEYA (Black Engineer of the Year Award) winner, John Slaughter serving as NACME CEO and president.

- In 1976, the partnership of IBM's Frank Cary and GM's Tom Murphy, in support of Rev. Leon Sullivan led to the first set of Sullivan Principles which ultimately led to the dismantling of Apartheid employment practices in South Africa.

A core example of IBM's lineage of respect for, and association with Black technical talent is the company's relationship with the annual BEYA event as both a sponsor and source of employee honorees. In 2000, thirteen years after Dr. Slaughter, then chancellor of the University of Maryland, won the initial Black Engineer of the Year Award, the BEYA went to IBM Fellow, Dr. Mark Dean, holder of three of the initial 9 patents for the PC, and the third Black inducted into the Inventors' Hall of Fame after Dr. Percy Julian and Dr. George Washington Carver.

Dean was followed in 2001 by Dr. Shirley Ann Jackson, IBM Board Member, first Black and first woman to chair the U. S. Nuclear Regulatory Commission, and current president of Rensselaer Polytechnic Institute (RPI); followed in 2007 by IBM Senior Vice President, Rodney Adkins. And of course Nancy Stewart, having retired after a 30-year IBM career, was selected as the 2005 National Women of Color Technologist of the Year.

Interpretation of That Journey

While the comments above about IBM may be interpreted as an endorsement that is not the intent, but it does reflect a superb heritage. That brand led by the Watsons on the issues of the racial and gender challenges faced by America, helped lead the way to visionary corporate leadership in the 20th Century.

To be fair, it is clear that on a broad array of social issues, the national leadership within the IT industry came from IBM. That is not the case today, not because of "Mission Accomplished," but because of a disconnect between leadership's assessment of contemporary social challenges, and their role in addressing them.

While the right thing to do, absent social disruption that threatens the ability to do business, corporate America does not see value in sustaining the historic business community link to addressing deep, inner-city challenges and their strategic business future.

Uniquely different and favorable about IBM is their recent leadership focus on using technology to improve student performance in America's public schools, particularly inner cities. Critical and important, their performance in that area has been exemplary.

The IBM history is, however, one example of visionary leadership and hands on involvement. It is a history created in one

company by two generations of family leadership. They created a culture in their vision, and imposed their will on that culture for seventy years. They did so with such force that the immediate generations that followed them believed they were doing the right thing, and were loyal to their teachings.

They did not, however, have the impact on the business community that some in the external community may have hoped. Admired, yes, but limited following. Before the turn of the century, even some of those who held the key leadership roles at IBM felt such commitments were an impediment to good business performance, not a contributor to long term talent management and business success.

The Watsons' behavior never became the accepted benchmark for business conduct, and addressing the social challenges of the day. The business leaders in charge of the U. S. business community following the '60s civil disruption, Tom Watson, Henry Ford II, Coy Eklund, Reg Jones, Tom Murphy and their generation did their best, but they could only impose their will for a moment, could only make decisions for their time, not for all time.

The leaders of today's business growth engines, Apple, Google, Microsoft, Amazon, Walmart and others, are not leading on these issues, and the ultimate assessment will be the judgment of history — they, and the leadership of our older traditional businesses, will have presided over a business decline sparked by ignoring the necessary investment in, and development of diverse talent. What our corporate leaders have not done hurts—it hurts because they are too smart not to know the impact of their inaction, and that may be interpreted as "they don't care."

Vacuum of Leadership

There is an old adage, "Those who know how will always work for those who know why." The common thread of "those who know why" is access to information, and they must be pressed hard on the question, "What did you know, and when did you know it?" Fifty years ago, our leadership — government, institutional, and particularly business, began to receive a series of messages that defined, with what we now know was precision, the challenges we face today, and greed has prevented them from taking action. Four key examples of that information flow are as follows:

1. In 1967, President Lyndon B. Johnson established the 11 member National Advisory Commission on Civil Disorders following the 1967 race riots to investigate the causes of a series of social disruptions in our major cities. Led by Illinois Governor, Otto Kerner, and known as the Kerner Commission, one comment, then and now, rings clear — "Our nation is moving toward two societies, one black, and one white — separate and unequal."

A 2014-2015 example of the reality of that prediction is the current discussion about the disconnect, city by city, between our Black community and their local police departments.

That disconnect was a symbol of our environment in the 60's, speaks to continuing challenges of our inner cities as places to live, develop talent, and do business.

2. On April 26, 1983, the report, "A Nation at Risk-The Imperative for Educational Reform" was presented to President Ronald Reagan. Its signature statement was "If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war."

3. In 1987, the Hudson Institute issued its report, "Workforce 2000," a vision of America's future workforce; and followed it up with a sequel, "Workforce 2020." In his endorsement of the sequel, former Republican U. S. Senator and Secretary of Labor for President Ronald Reagan, William E. Brock said that "This book is excellent. It's a wake-up call in the same way "A Nation at Risk" sounded the alarm for education reform back in 1983. Hudson Institute is once again way ahead of the pack in describing how fundamental changes are altering the workforce of tomorrow. Just like Workforce 2000, its enormously popular predecessor, Workforce 2020 is the essential guide to understanding what our future workforce will look like. Business, government, and the general public will profit from the authors' sharp-eyed analysis."

4. PISA, the Program for International Student Assessment does a ranking of students in more than 60 nations every two years in three categories: math, science and reading. In the last two rankings, the United States has not been in the top 10 in any of the three categories, and Asian nations comprise half of the top ten in each category—in the most recent ranking, Singapore was number 1 in all three areas. Today, many of our major cities have a high school drop-out rate exceeding 50 percent. Given they are urban communities, the majority of those students will be Black and Hispanic. The students who represent us in PISA like competitions will be from the communities in which we make our most substantial investments. We are flushing our Black and Brown students down a hole; and the students in our highest investment communities, often White, cannot compete with their international peers. This trajectory means that it will be those peers for whom they are destined to work — students who have a higher proficiency in math and science, and speak multiple languages.

The Opportunity

President Lyndon Johnson said "You will find meaning only by sharing in the responsibilities, the dangers and the passions of your time."

While today's business leaders are working hard to merchandise their indifference as behavior driven by the global demands of today's marketplace, history will judge them to have failed the real demands of their times, and the long term strategic needs of the United States of America, not the only, but still a key global marketplace and source of talent.

Their failure to see, develop and leverage the full resources of our U. S. talent pool — people of color, the disabled and women, are the seeds of assurance of tomorrow's non-competitive America — today's greed for tomorrow's decline.

In one of his last business interviews Tom Watson Jr. was asked what did he think was his most impactful decision on IBM's future, and he responded, "I guess hiring all of the engineers."

In the spirit of our diversity discussion, we need a new generation of CEO leadership who will bring that intensity of focus to our talent development and hiring practices — not to show up at awards events, but to be personally engaged.

One example of such leadership is Mike Mahoney at Boston Scientific. Last fall, Mr. Mahoney invited the Deans of the 15 Historically Black College and University (HBCU) accredited colleges of engineering to visit him and the Boston Scientific team at their Minnesota Campus.

Why? Because it was explained to Mahoney that those 15 schools represent 4 percent of America's engineering colleges, but produce 30 percent of her Black engineering college graduates.

That meeting took place in October, and was hosted by Mr. Mahoney. Thirteen of the 15 deans attended, led by "Dean of Deans" Eugene DeLoatch of the Morgan State University School of Engineering.

Mahoney, and his team established "street cred" with the HBCU engineering community. He talked about his business, talent needs, and desire to have the talent on their campuses in his workforce.

Equally important, the Boston Scientific senior leaders listened to the Deans. That two day meeting has been followed by a series of individual calls with the deans to begin a step by step process toward the ultimate goal: jobs for students, and continuous access for their company to a rich talent pool.

This is not a declaration of "CEO overcoming." It is, however, a telling leadership example of 21st Century CEO perspective, vision, behavior and execution, not of writing a check, but hands on engagement.

The Responsibility — Listen, Look, and Take Action

The generation of white leaders who led the late 20th Century technological juggernaut, the creators of what we call the Silicon Valley, have not seen the diversity of the talent pool as an enhancement to building their businesses, nor did they have a sense of social responsibility to sustain the work initiated by the captains of industry of the '60s.

Why should they?

The lessons learned from civil rights battles of the '50s and '60s, and follow-on 60's social disruption were not passed down as good for future business leaders to know; and, for the creators of the Silicon Valley, business has been very good. They see our '60s social and business challenges, if they even know about them, as a "been there/ done that" phenomenon.

They do not see the demographic shifts in America as their challenge, or problem, not as a tactical or strategic issue. This is a pay me now or pay me later situation, and we approach a period when it will be too late.

I say to those leaders, "We are a nation experiencing rapidly changing demographics. Those changes are no longer predictable. They are here. We are an America that is within 30 years of being 400 million people, 50 percent white, but 50 percent or 200 million people of color.

Do you think you can get the talent and customers you need to sustain your businesses from a declining percentage of the white population?

Can you ignore that soon to be 200 hundred million people of color?

Can you ignore a population who will be central to our ability to relate to one another, and critical to our competitive necessity to relate to the people who populate the nations of the heritage of Americans — global customers?

To those who believe that this population transition is just a U.S. phenomenon, it is not.

In 2045, there will only be seven nations in the world with 200 million people, and we will have 200 million people of color.

Those seven nations, in order of their projected population size, are India / 1.6 billion; China / 1.3 billion; the United States / 390 million; Nigeria / 354 million; Indonesia / 292 million; Pakistan / 267 million; and Brazil / 224 million.

Note the nations — this "of color happening" is not a U.S. event — to those who preach global, this is global. Our global white population will decline substantially.

A comparison of the population shifts between the continents tells the story.

Between 1950 and 2050, Africa grows from 8.8 percent to 23.4 percent of the world population, and Europe declines from 21.7 percent to 7.2 percent of that same pie.

The big contributor in Africa will be sub-Sahara, which will grow 133 percent from 2010 to the 2050-2060 window when they will be 2.7 billion people.

The big population story of the 21st Century is shaping up to be the global population reversal of whites and blacks, and the Indian baby boom.

In 1950 whites and blacks were respectively 27.9 percent and 8.9 percent of the world population. By the 2050-2060 window, those figures will almost reverse as blacks surge to 25 percent and whites shrink to 9.7 percent.

Action:

Do not take this presentation of facts as an attack on our national or global white communities. They are critical to what has been achieved, and our future. Those who have heard me speak, or with whom I have worked know that I see Global Workforce Diversity through three lenses: Culture, Talent and Marketplace.

The message is that the U. S. and global demographic transitions must be seen through those rapidly changing lenses. All over the world, the people are going to look different.

From a U. S. perspective, we have to leverage the concept of the "Melting Pot." We are the only place with people from everywhere else, and that is a marketplace and talent advantage that is enormous, if used to advantage.

Whether it is the U. S. or globally, the high population growth areas are ripe for poverty. The common denominator of 1789 France, 1917 Russia, Nazi Germany, the U. S. riots of the '60s, and the current 99 percent vs. 1 percent debate in the United States is income inequality leading to poverty.

We are on track for people from multiple groups, worldwide, to conclude that the glue that bonds them is poverty— being on the short end of the stick when it comes to income, housing, health care and opportunity.

That is the substance of my strong view that corporations' charitable giving should only address the environment, health and education, particularly reading, math and science. They have limited resources, and we have limitless survival related needs.

Those three areas demanding educational focus represent the greatest examples of opportunity to enhance shareholder value directly linked to the long term survival of our businesses.

Poverty represents the greatest threat to our greatest needs: workers and customers. Our business community must be at the forefront of defeating poverty where it currently exists, and warding it off where it looms as a possibility. It cannot do it alone, but their resources, and voice can spark action, and establish expectations anchored in accountability.

Regarding my 2045 projections, for those who believe that 30 years is a long time, what were you doing in 1985, what

has happened in your life since then, and do you feel like it was yesterday, or 30 long years ago?

Summary

I say to our senior white male business leadership, "Prior generations of leadership, who you now represent, have had as their business anchor, the ability to do business with people who looked like you. When you had to do business in "countries of color," you sent "you" there to do, and manage it. Now it is important to build a talent pool, and leadership team who look like "us," and "us" ain't who it used to be, and never will be again." And for those who interpret my

vestments of company dollars that have a link to shareholder value are in the environment, health and education. Where we live and do business, and how we honor the "Founding Fathers' commitment to a quality public school education are critical to the survival of our society. Left to government, all three are destined to fail, and what will be your shareholder value then— nothing."

Why am I so indicting of our business leadership?

Because failure must equate to a grade of "F." They have failed in the defining of shareholder value, and that collec-

tive error in judgment has caused them to miss the value point of where to invest shareholder dollars for not just short term return, but long term survival. When it comes to the people of America, our business leaders have had nearly fifty years of consistent warnings directed at them, messages that should have been consistently on board room agendas, and, yet, per Dr. Hooks's example, they have fought for a few minutes per year of calendar time.

The Kerner Commission, "A Nation at Risk," "Workforce 2000" have all been validated — their predictions have come true. The bi-annual PISA results simply validate that the hole is getting deeper. To our leaders, the question, "What did you know, and when did you know it?" is relevant. The examples frame a picture of listening and not acting — the picture is of a nation's government, business and institutional leadership paralyzed by an inability to interpret, think and take action. They have received multiple, impactful messages that speak to the very

survival of our nation, and have not had the capacity to both take action and ensure that follow-on generations of leadership stay the course. When will I think they are serious about responding to our challenges? When two things happen: (1) at least, quarterly, each board includes an accountability discussion about diverse talent in all of the countries where that firm does business; and about what that business is doing to address the environment, education and health; (2) in addition to business results, every executive within two levels of the CEO has substantial income at risk for the failed development of diverse talent. Motivated by affirmative action/corporate responsibility? This is not urgent. Driven by the need for strategic, survival behavior? It is a shareholder value necessity.



views as being overly zealous on behalf of people of color, my reference to them is to appropriately shed light on the changing demographics of America. We must, however, keep clearly in front of us that the largest group of poor people in the United States are white, and they do not all live in the hills of Appalachia. We no longer have a "those people" who can be assumed to be people of color — the 99 percent are real, and they represent all of the groups that make up America.

If strategic investment is the door through which business leaders look to ensure shareholder interests and the sustainability of their businesses, hear me clearly, "Other than investments in your product and physical assets, the only in-