

Community Healing: Tales of Troubled Cities

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By Steve Taylor

Racial and ethnic tensions can drive a corporation out of a city, even at the expense of sizable investments and a long history. Instead of walking away, however, some organizations have decided to take action and, by working to heal their communities, have relieved some of their workplace problems.

A notable example is Whirlpool Corp., which for nearly a century has had its headquarters in the southwestern Michigan communities of Benton Harbor and St. Joseph. The two cities have very different racial demographics. According to the U.S. Census Bureau, Benton Harbor, the larger at about 11,000 residents, is 92 percent black while 90 percent of St. Joseph's 8,400 residents are white.

The cities lie on opposite sides of the St. Joseph River where it flows into Lake Michigan. "That river was a lot wider than the 100 yards we look at," recalled David Whitwam of his days as CEO and chairman of Whirlpool. In an interview in July 2010 for the *Herald-Palladium* newspaper in St. Joseph, he added, "There was a racial divide, an economic divide and cultural divides between the communities."

Residents of each city reportedly felt unwelcome in the other. And prospective Whirlpool employees sensed the tension.

In 2000, Whitwam startled a local audience when he declared during a speech that the situation was making it difficult for Whirlpool to recruit and retain a diverse workforce. He said the situation was so serious that the company might move its 3,000-plus employee headquarters to another city.

First, however, Whitwam pledged he would work personally and use the company's financial resources to try to relieve the tensions by promoting face-to-face contact among residents of the two cities.

"Over the next couple years we engaged about 2,000 citizens in various formats," Whitwam said, "where people could come together and talk about their differences. ... There were some really, really emotional meetings as people really challenged a lifelong set of biases on both sides of the river."

Citizens Engaging Each Other

At about the same time, the mayor of Rochester, N.Y., was encouraging citizens in a similar fashion. His city knew its share of racial conflicts, with the same effect on local businesses. Mayor William Johnson appointed a task force on race and ethnicity that proposed putting people of different races and economic status together to try to break down misunderstandings. After the 9/11 terrorist attacks, the program expanded to include people of differing religions.

“It’s more than just a project,” said Johnson. “It changed the way people approach each other, and they went back and embedded this approach in their daily lives.”

Rochester’s Bausch & Lomb Corp. encouraged its managers to participate. Clayton Osborne, the company’s recently-retired vice president for talent management, learning and diversity, said the effort at community healing paid off inside the company. “On the manufacturing floor when there were conflicts between employees—differences in race agenda— some of the [program’s] techniques of bringing people together to discuss issues helped resolve those issues.”

Johnson’s program attracted participation from Wegmans supermarket chain CEO Danny Wegman, who said, “The rewards are spectacular. It takes us out of our normal routine. Insanity is doing the same thing and expecting better results. Well, if we want better results, we better do things differently.”

Wegman partnered with Rochester City Councilman Wade Norwood to devise a student mentoring project for children of various racial, ethnic, social and economic backgrounds.

The Rochester Institute of Technology (RIT) bought in to the effort as well and “continues to pair biracial partners to spend a predetermined amount of time together over months,” said M. Renee Baker, executive director of faculty recruitment and retention. “It started with our top-level executives, but now it involves all staff and faculty.”

Sandra Whitmore, the university’s director of diversity initiatives and operations, said that “If you’re looking to increase diversity within [your organization], you have to have some relationships with the community.” Now, she says, “RIT’s community is more open and welcoming.”

Mosaic Partnerships

Johnson’s project became known as **Mosaic Partnerships**, a program administered by the Rochester consulting firm Idea Connection Systems, Inc. (ICS). Since then, partnership programs have been established in Milwaukee and in Greensboro, N.C.

ICS CEO Robert Rosenfeld said Mosaic Partnerships can do more than improve recruiting and retention. He claimed that employees learn to compete better in a global economy. "In the U.S., the emphasis is on networking," he stated, where in other countries, business leaders develop deeper personal relationships in which "you really get to know, in depth, how someone thinks and feels. [You know] his children, his likes and dislikes," he explained.

In today's business world, he added, "We must deal multiculturally, and you can't unless you [do] it personally in your life."

A New Headquarters for Whirlpool

In July 2010, Whirlpool announced that it would build a new, \$86 million headquarters complex as part of a consolidation of 15 owned and leased facilities into three centralized office campuses.

The site: an industrial area of Benton Harbor now featuring abandoned, rust-belt buildings.

"Thanks to collaboration with our four local government bodies, and with the State of Michigan, we will further strengthen our commitment to the Benton Harbor-St. Joseph communities," said Jeff M. Fettig, Whirlpool's current chairman and CEO.

The decision was influenced by a \$19 million tax credit from the state, but the company acknowledged that a better atmosphere in the two cities has aided recruiting, especially from universities. "That's a group that's extremely diverse," said Tim Reynolds, SPHR, Whirlpool's vice president for talent and organizational effectiveness. "That's a dramatic change over a 10-year period of time. ... I look at that as a considerable improvement."

The decade has seen setbacks, and no one says racial tensions have disappeared. But Whitwam told *SHRM Online* that since the company decided to help heal divisions outside its walls, "People are working together much better. It's broken down lots of barriers ... creating a quality of life that's better not just for Whirlpool employees but everyone."

Looking for the Metrics

So how does a company or other organization measure whether community problems are causing internal difficulties?

"Those metrics that are really important are how many first-choice candidates say 'yes.' Of those who say 'no,' what percentage said 'no' because of the community?" said Jeff Noel, Whirlpool vice president for communications and public affairs. "You look at your ability to retain, and those you regret having left. That's another metric."

Noel suggested that a company track how many suppliers are willing to visit

vs. how many ask company representatives to call on them. And he said to look at public school performance, "because if you have great public schools you have a great workforce."

"Those are the things I would say to my CEO," Noel advised. And when problems are identified, "You have to make a statement that says, 'Companies are not islands.' "

"It's an ongoing gratification," said Whitwam, who remained in the community when he retired from Whirlpool in 2004 and serves as president of a local redevelopment authority. "We're driving a widespread transition in the community," a transition that started, he insisted, not from a desire to do good. "It was strictly to have the kind of communities that would help us recruit and retain the kind of talent we needed as a company."

Steve Taylor is a freelance writer based in Arlington, Va.

