Diversity Makes Good Business Sense

In an era when demographics, mores and economies shift faster than a CNN news feed, Belk executives have intensified the company’s efforts to embrace and increase the diversity of its associates, customers and communities.

A Diversity Council has been meeting since late 2004 to create and implement programs aimed at making Belk more reflective of the communities it serves.

“This hasn’t just started,” says Steve Pernotto, executive vice president, human resources. “It was a realization that our markets and our industry are going through significant changes: more women are working, which means greater household income but less time for shopping. There’s been a huge migration of Latinos, Hispanics and Asians into the country. The African-American population has increased. These changes have resulted in more differentiation than ever before in the retail landscape. It’s important for Belk to understand the differences and market to them.”

“The company has been working on diversity for a long time,” points out David Stovall, Central Division chairman and co-chairman of the Executive Diversity Council. “We’ve just intensified our efforts.”

The Executive Diversity Council, spearheaded by Belk Chairman and CEO Tim Belk and co-chaired by Stovall and Steven Hunter, senior vice president, store and corporate systems, created this vision statement:

Every associate will value and work to enhance diversity in our workforce because it is good for our people, our business and the communities we serve. Diversity management will be an important part of our business culture and strategic plans. By understanding, respecting and appreciating peoples’ differences, we will create an environment that will be positive and motivating for our people and enable us to better meet the needs of all of our customers.

The Council’s objectives are to improve the quality of work life for associates; enhance customers’ shopping experience, a business imperative; and ensure that the associate population more closely reflects the customer population.

A Working Committee plans implementation of these mandates. “They set the strategies, and we figure out how to practically execute them,” says Pete Mirandi, vice president and director, tax, and the Committee’s chairman. “There are a lot of ideas flowing back and forth. The executives complement our members and give us good perspective.”

The first challenge, say Council members, was to define diversity. “At first, we just concentrated on ethnicity and gender. Now we’re concentrating on diversity of thought,” says Hunter. “We need people who both look and think differently – people who challenge us with new ideas. We need to attract people because they’re talented and reflective of the communities we serve.”

“(This effort) says, ‘we’re looking toward a multi-racial, multi-ethnic future and preparing for that internally,’” says Dianne English, executive director of the Community Building Initiative, a Charlotte, N.C.-based organization that focuses on racial and ethnic inclusion. “The challenge is not only in recruiting a diverse workforce, but in retaining one, in asking, ‘how can we make this a great place to work?’ When people can say that, it definitely comes across to the customer base you serve.”

The effort starts with an education and awareness campaign. A poster program showcasing Belk’s diverse associate population with messages about inclusion will debut in all Belk locations later this month.

At the same time, the Working Committee will pilot an “on-boarding” program for new associates. Mirandi says the expanded orientation program will help new hires become as productive as possible, as quickly as possible.

At the corporate office, “it encompasses everything from ensuring they have a LAN password and a phone to providing them with a sponsor to get them adjusted to the Charlotte area and Belk,” he says. Elements include a welcome program with the Chamber, the relocation partnership with Allen Tate Realtors; and peer and supervisor “sponsors” who will help assimilate new associates into their departments, duties and goals.

At the division and store level, the program “builds on the same concept,” says Nina Love, Western Division vice president and regional store manager, “by giving our management new hires the tools they need – business cards, relocation information, network sign-ons. We’ll pilot at the ASM level because they’re our future leaders. We’ll make sure they have a peer to train them and connect them with mentors to build a network.”

Mirandi says future diversity efforts may include developing partnerships with organizations such as black and Hispanic MBA groups for recruitment, and creating diversity recognition programs. “The whole emphasis is on becoming a place that attracts great people, no matter continued on page 10

Executive Diversity Council

Tim Belk, chairman and CEO
David Stovall, co-chair, Central Division chairman
Steven Hunter, co-chair, senior vice president, store and corporate systems
John Herina, Northern Division senior vice president, director of stores
Cathy McGuire, vice president, human resources development and executive recruitment
Dave Penrod, Southern Division senior vice president, director of stores
Steve Pernotto, executive vice president, human resources
Ralph Pitts, executive vice president, legal and tax
Paul Thum Suden, executive vice president, private brands
Amy Wooden, executive vice president, merchandise planning and allocation
Linda Zwern, Western Division chairman

Diversity Council Working Committee

Pete Mirandi, chair, vice president and director, tax
Audrey Abron, human resources planning administrator
Sam Alcala, director, store and corporate systems
Ann Drayton, store manager, Belk of Lake City, S.C. #594
John Edmondson, allocator, center core
Steven Hunter, senior vice president, store systems development
Nina Love, Western Division vice president, regional store manager
Cathy McGuire, vice president, human resources development and executive recruitment
Lee O’Rourke, Northern Division vice president, regional store manager
Susan O’Rourke, Southern Division vice president, regional store manager
Cira Robles Rossi, merchandise coordinator, Belk of Charlotte, N.C. #452
Tre Stalling, store manager, Belk of Whiteville, N.C. #593
Peggy Watts, vice president, counsel
Cathie Wrona, buyer, bridge jewelry and watches
where you come from, because that’s what makes us successful," he says. “In order to compete and succeed, we must develop a foundation of inclusion. The faces of our customers are changing and we need to attract people who reflect those faces.”

“It’s just a smart thing to do,” says English. “Companies that aren’t prepared for the changing demographic will be left behind, or will be left adjusting to a smaller segment of their markets who are willing to do business with them.”

English and Belk’s Diversity Council members cite the “hyper-growth” of the Hispanic and Latino populations in the Southeast (200 percent or more in six Southeastern states, according to research firm MDC Inc.), in particular, but also the growth of the African American population and the aging Baby Boomer generation.

Council members acknowledge that Belk’s diversity efforts will never be complete. “This is a journey,” says Hunter. “You can’t just check items off a diversity list and say, ‘Bingo! We’re done!’ As a company matures, diversity initiatives become more effective, associates become more aware of inclusion, and you begin to look at what’s on people’s inside versus their outside.”