

In-House Counsel Spotlight on Diversity Initiatives

From Diverse Furnishings to Furnishing Diversity **A Close-Up Look at Steelcase Inc.'s Commitment to Diversity**

By Sandra Giannone Ezell and Andrea L. Moody

Nearly 100 years ago in Grand Rapids, Michigan, a furniture company specializing in file cabinets and safes was founded with an unwavering pledge to integrity. Today, that company, Steelcase Inc., has evolved into a global leader in the office furniture industry, known for providing innovative furniture, architectural and technology customer solutions. Even with its international presence and its more than 13,000 employees and 600 dealer locations worldwide, Steelcase remains devoted to its founding principle of integrity. Not only is integrity intrinsic to the way in which Steelcase conducts business, but it is also the cornerstone of Steelcase's community involvement. It is, therefore, no surprise that Steelcase has become a dedicated leader advancing inclusion, equal opportunity and fair treatment. It is this dedication that makes Steelcase an ideal candidate to showcase in *In-House Defense Quarterly's* series of articles spotlighting diversity initiatives of in-house legal departments.

Change Starts from Within

Steelcase's commitment to diversity is a story that begins within the walls of the corporation. This commitment is one that emanates from the highest ranks of its leadership—its President and CEO, Jim

Hackett. Hackett displays a sincere understanding that some have been systemically excluded and recognizes that a path must be forged to address it. He explains, "The more I learn, the more I realize that discrimination persists because the system reinforces biases, even among good people with good intentions. For if you're not one of the people who experiences discrimination, you don't feel the need or urgency to address it."

Fortunately, Hackett has this urgency and has personally answered the call to address equality and diversity. He has served two terms as chair of the Employers' Coalition for Healing Racism, a volunteer group of associations and employers formed in conjunction with the Grand Rapids Area Chamber of Commerce that, as he describes, provides "a program whereby a participant can identify his or her infection or wound of racism, find the means of healing the infection or wound and replace them with a genuine belief in the reality of the oneness of mankind." He has also co-chaired Steelcase's Diversity Forum, a forum held annually for global Steelcase leaders to build awareness of the company's diversity efforts, share ideas to create diversity initiatives, facilitate connections within Steelcase to influence its diversity efforts, and to empower leaders to put their own personal signatures on diversity efforts.

Steelcase's diversity initiatives do not end with its CEO's personal involvement. To the contrary, the recognition of the need for and participation in diversity-based programs are a part of the framework at Steelcase. Whether it is within the corpo-

ration or within the community at large, Steelcase has held steadfast to a belief in furthering diversity initiatives.

The following are but a few examples of the ways in which Steelcase has committed itself to breaking down barriers. For nearly 30 years, Steelcase has provided its employees with diversity training and requires it for all new leaders. Steelcase implemented its Supplier Diversity Program, and for nearly 20 years through this program, Steelcase has focused on promoting the growth and development of minority-, women- and veteran-owned suppliers. Steelcase works with its Tier 1 suppliers to increase their diversity business relationships with diverse vendors. For a decade, Steelcase has financially supported and hosted a Summit on Racism, an annual workshop that fosters dialogue among focus groups on the commitment to becoming a racism-free community. In addition to providing financial support for the Institute for Healing Racism, a 10-week program that examines the history and pathology of racism in America and explores ways to heal the wounds of racism, Steelcase has also held these programs at the company and has had more than 50 percent of its executive managers in attendance. Annually, Steelcase holds a Diversity Forum for its employees aimed at building awareness, sharing ideas, and empowering leaders regarding diversity efforts.

Steelcase's commitment to diversity initiatives has not gone unnoticed. Steelcase has been the recipient of many accolades and awards recognizing its outstanding efforts to foster a diverse climate of inclusion and understanding. Such awards include the Vision Award (Grand Rapids Area Chamber of Commerce), Best Practices Award (U.S. Department of Labor), America's Most Admired List (*Fortune* magazine), the Corporate One Award (Michigan Minority Business Development Council), Advocate of the Year Award (Michigan Minority Business Development



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Council), EVE 2000 Award (U.S. Department of Labor), Western Michigan Corporation of the Year Award (Michigan Minority Business Development Council), and World's 100 Best Managed Companies (*Industry Week* magazine).

Steelcase's Call to Action

It is the daily incorporation of its CEO's belief that Steelcase's "commitment to diversity is a commitment to equity [and that] more enlightenment comes from working to understand and appreciate the differences we all have," that led its former Senior Vice President, Chief Legal Officer, and Secretary, Jon Botsford, to pledge Steelcase's support to those principles spelled out in Roderick Palmore's, "A Call to Action: Diversity in the Legal Profession," a document reaffirming a commitment to diversity in the legal profession by decisively holding law firms responsible for their hiring and retention of diverse counsel.

Lizbeth O'Shaughnessy, Steelcase Vice President, Chief Legal Officer, and Secretary, explains that the prospect of being a part of the solution to "an injustice that simply must be addressed" excited her. In fact, she remembers that this initiative was a "uniting force for the legal department as a whole because everyone understood the gravity of the situation and the importance of exerting the power we have to improve this situation." Shayon Smith, Steelcase Corporate Counsel, explains that after learning of the Call to Action campaign and Steelcase's dedication, as a member of the legal department, she was "encouraged and optimistic that Steelcase and its law firms could make a profound difference in increasing diversity in the legal profession." Not only was the excitement that came with the prospect of effectuating change evident among the legal department, it was also shared by CEO Jim Hackett. Hackett not only pledged his unwavering support to the Call to Action, but he has taken an active interest in the activities of the legal department to accomplish the goals it sets forth. Hackett has explained that, "for me, the urgency is to be part of a generation that can change the future path of Steelcase and our community."

For Steelcase, being a signatory to the Call to Action campaign was about more than making a public display to the legal community and other corporate citizens that it supported diversity initiatives. Certainly, all one has to do is browse Steelcase's



Lizbeth O'Shaughnessy, Vice President, Chief Legal Officer, and Secretary

website to understand that Steelcase has a rich history of donating time and resources to worthy causes. Instead, this was yet another vehicle through which Steelcase could actively cultivate change in the community. And while Steelcase had been an avid supporter of many educational and community-based programs addressing diversity, John Brown, Senior Corporate Counsel, felt that getting involved in the Call to Action campaign, prompted Steelcase "to develop a more formal initiative to specifically address diversity in the legal community."

"More of an Art Than a Science"

And so it is with the goals inspired by the Call to Action campaign in tow, cou-

pled with its own dedication to effectuate change in the legal community that Steelcase began its own Call to Action campaign. Steelcase began by closely reviewing all of its legal service providers to determine the makeup of those lawyers. Steelcase was alarmed to see a deficit in the number of minority and women attorneys representing Steelcase compared with the number of minorities and women in the legal profession. It was this discrepancy that, John Brown says, helped to mold Steelcase's own Call to Action. Rather than provide an ultimatum for its legal providers, Steelcase's desire was to help its outside counsel with diversity efforts and facilitate an interactive process between Steelcase and its legal providers.

Understanding that effectuating change is, as Brown describes it, "more of an art than a science," Steelcase took a creative approach to addressing diversity with its service providers. "It was important to us that we refrain from merely mailing out form letters mandating change and that be the sum and substance of our effort," explains Lizbeth O'Shaughnessy. With this in mind, Steelcase began with a letter-writing campaign to its outside counsel underscoring Steelcase's commitment to diversity. "We explained in these letters our belief that legal service providers possessing more people with different backgrounds would help Steelcase better solve problems," O'Shaughnessy recounts. "Our goal," explains John Brown, "was to actually partner with our law firms to determine how *together* we could best access the talent pool of diverse attorneys."

Beyond Quotas, Statistics and Deadlines

It is with this ideology that Steelcase began an open dialogue with its outside counsel. "We started with conveying very clearly that, while having diverse counsel was not the only factor, it was just as important as any other factor in evaluating whether to hire, maintain, or disassociate with firms,"

If you would like to comment on this approach or share your own, please contact Sandra Giannone Ezell at sandra.ezell@bowmanandbrooke.com.



Shayon Smith, Corporate Counsel

explains Steelcase's John Brown. Next, Steelcase relayed its understanding that effectuating change is a fluid process and underscored that this initiative was "more than just about numbers." Although Steelcase requested each firm's statistics, Steelcase did not issue a timetable to see results or provide a quota to meet. Shayon Smith explains that, "we made it clear that it's not just about improving your statistics. It's about obtaining and retaining diverse counsel and affording those attorneys substantive opportunities to display their talent."

Steelcase requested that its legal vendors provide it with evidence of their efforts to recruit, maintain and retain diverse counsel. More specifically, Steelcase required each of its firms to provide a plan of action to become more diverse. Obtaining these plans and monitoring adherence to these plans were critical components of Steelcase's pledge to the Call to Action initiative because it prevented firms from just providing "lip service." For instance, Smith explains, "if a firm is boasting about its increase in diverse attorneys, then we expect introductions to those attorneys, see assignment of those attorneys to our files, and see that those attorneys are substantively working on our files."

Steelcase continues to assess each firm based on the growth and development that each firm has made in its diversity initiatives over time. An internal determination is then made regarding whether each firm

"is moving in the right direction consistent with Steelcase's goals," explains Lizbeth O'Shaughnessy. Although firms have eagerly participated in the Steelcase initiative, there have been times when Steelcase has been forced to disassociate itself from those firms which, over a significant amount of time, did not take Steelcase's request regarding diversity seriously or made no progress with diversity. John Brown insists, "our goal is not to punish, but rather to further those beliefs that are important to Steelcase." On that point, Shayon Smith adds, "if a firm is not interested in furthering those goals that are integral to Steelcase, then, in effect, it has chosen to dis-

associate itself with Steelcase."

Staying true to Steelcase's original goal of creating an interactive process with its outside counsel, this Steelcase diversity initiative has matured into an information gathering and sharing process—with both Steelcase and its outside counsel learning from each other. To that end, Steelcase hosts conferences, inviting its outside counsel to candidly discuss various aspects of their diversity initiatives, including successes, failures and areas of improvement. As testament to Steelcase's dedication to partnering with its outside counsel, some counsel have become so receptive to their partnership with Steelcase that they have sought strategy guidance from Steelcase regarding various initiatives. "We have actually sat down with firms to assist them with implementing diversity initiatives and have given them examples of programs which focus on diversity in the legal community," recounts Shayon Smith.

Although Steelcase's initial effort was geared at introducing "diversity to outside counsel's radar," the true measure of Steelcase's impact and success with its initiative is the rate at which its outside counsel

now independently creates and participates in their own diversity initiatives without prompting from Steelcase. Steelcase is pleased to report that it has received "tremendous responses and participation" from its counsel. In fact, it is not unusual to receive updates from counsel about new or ongoing diversity initiatives without having requested it. Often, firms have gone above and beyond to showcase their efforts by providing more information than requested. Shayon Smith explains that "firms are proud to report their involvement and improvement in this critical area." She sees this as "a definite step forward towards creating a diverse population of attorneys."

Actions Speak Louder Than Words

Steelcase's focus on diversity did not begin with its pledge to the Call to Action, nor do its efforts end with monitoring the progress of its outside counsel. As John Brown points out, "Steelcase did not ask of its outside counsel what it would not do itself." With this in mind, Steelcase has immersed itself in activities in the community, independent of those initiatives with its outside counsel, to further a more diverse legal community.

Locally, Steelcase has become a corporate partner with the Grand Rapids Bar Association and Floyd Skinner Bar Association in its summer clerkship program. With its goal to increase the number of minority attorneys in the Grand Rapids area, the summer clerkship program offers minority law students an opportunity to participate in summer clerkship/associate programs with Grand Rapids-area law firms and other legal employers. Not only does Steelcase support the program by donating funding, time, and personnel, and by hosting events, Steelcase's legal department is one of the host employers to which students are assigned. Through its participation in programs such as this, Shayon Smith reveals that "we hope to provide exposure and opportunity in areas of the law that have not been tradition-

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ally sought out and occupied by minority or women attorneys.”

Nationally, Steelcase routinely participates in conferences and efforts focused on diversity in the legal profession that are sponsored by national associations, such as DRI, the Minority Corporate Counsel Association, and the American Bar Association. Additionally, Steelcase is a proud sponsor of diversity corporate expositions similar to the exposition held annually in conjunction with DRI's Diversity Seminar, where minority and women attorneys are afforded the opportunity to interview with various in-house legal departments. With its visible national participation, Steelcase hopes to create further awareness for the need to implement diversity initiatives, learn from others, and meet and secure diverse counsel.

Internally, as a part of its annual evaluation of employees, Steelcase evaluates members of the legal department under what is known at Steelcase as the Measurable Annual Performance Plan (MAPP). Under MAPP, each member of Steelcase's legal staff is evaluated on individual efforts to increase diversity in the legal community. Some criteria for this evaluation include reviewing efforts regarding retaining minority- and women-owned law firms, participating in programs that foster diversity in the legal community, and, of course, efforts in working with outside counsel to implement and increase their diversity initiatives. In fact, as testament to the legal department's success with these efforts, other Steelcase departments have adopted their own Call to Action pledge with their service providers and have begun an internal evaluation process.

The Journey Ahead

While Steelcase has made great strides and shines brightly as an example of a company committed to its diversity initiatives, diversity remains a critical business goal. Lizbeth O'Shaughnessy recognizes that changing the legal landscape to incorporate more diverse counsel is not an item to

check off your daily to-do list, but rather “it is a journey requiring dedication, creativity, innovation, and work.”

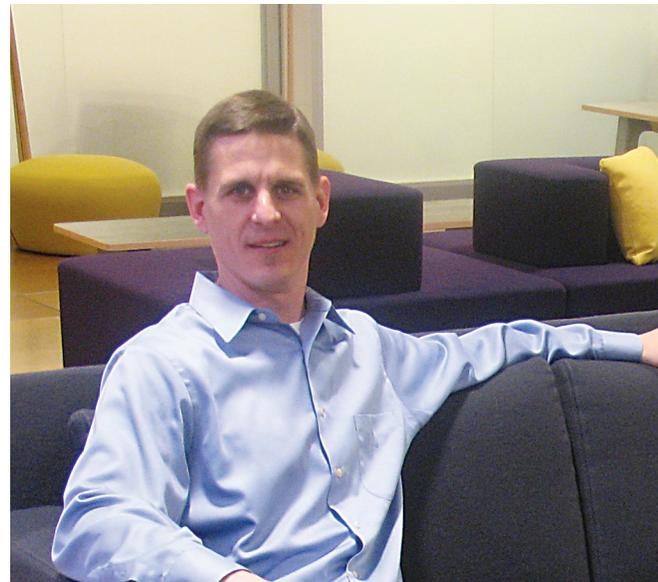
For some, diversity initiatives take a back seat in times of economic adversity. However, despite these turbulent economic times, diversity continues to be a priority for Steelcase. When asked whether she thinks there will be changes in Steelcase's diversity initiatives, given the uncertain economic times, Shayon Smith explains that “there is no question that we have to and will stay vigilant and maintain our focus, especially during these tough economic times. It is these times when bigger and greater contributions are needed as others may be pulling away. I take great pride in the things that Steelcase has done, is doing, and will continue to do. Keeping our focus on furthering diversity is something we will continue to do because withdrawing is not an option.”

As for the future, there continue to be plans on the horizon. And while some of these plans involve building on previous initiatives, others involve implementing new programs. Regardless of its approach in implementing its plans, the one constant is that “the bar must rise every year,” says John Brown.

Under this approach, Steelcase will continue with those past initiatives that have proven successful. It will continue to partner with its legal counsel to identify and implement strategies to bring about the inclusion of diverse attorneys. It will work to continue to seek out minority- and women-owned firms to assist in its representation. It will continue its grass roots efforts, speaking at local middle and high schools in an attempt to expose students early to various aspects of the legal profession. It will continue its participation in the local and national legal communities. It will continue to internally monitor its legal department regarding its diversity initiatives.

Steelcase also plans to implement new initiatives. One plan is to work closely with Thomas M. Cooley Law School, in Lansing, Michigan, home to the second-highest pool of minority students in the Midwest, to tap into a diverse talent pool of incoming lawyers. Steelcase is also working to sponsor a conference in 2009 with other in-house counsel who have signed on to the Call to Action and also those who have not yet formally signed, to discuss implemented plans, results and future strategies.

We, the legal community, thank Steelcase for remaining committed to its jour-



John Brown, Senior Corporate Counsel

ney to foster change by providing creative and innovative ways to address diversity issues. There is no mistaking that Steelcase is a company that holds steadfast to its founding principle of acting with integrity. This founding principle is personified through those at Steelcase, such as Jim Hackett, Lizbeth O'Shaughnessy, John Brown, and Shayon Smith, whose passion, dedication, and excitement for achieving a talented diverse legal community are undeniable. Understanding Steelcase's role in changing the legal landscape has left no doubt in our minds that Steelcase's involvement with and dedication to the Call to Action campaign, has been, in the words of Lizbeth O'Shaughnessy, “a truly enjoyable journey for Steelcase.”

We are looking forward to Steelcase's continued success on this journey.