

Acredula

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Bricker & Eckler LLP's *Acredula* is available to clients and friends of the firm, and highlights information of particular importance to boards and executives. The information contained in this newsletter is not to be construed as legal advice or opinion.

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Acredula is the Latin word for "owl," connoting wisdom. This newsletter is intended as wise counsel for boards and executives.

At Bricker & Eckler, historic ties to diversity continue today

Bricker & Eckler Partner Mike Flowers recently visited with G. Richard Wagoner, President and Chief Executive Officer of General Motors Corporation, when he gave the keynote address to the "Building a Better Board" conference co-sponsored by Bricker & Eckler LLP and The Ohio State University at the Fisher College of Business. One topic of common interest to both Mike and Mr. Wagoner, as well as to Bricker & Eckler and General Motors, is diversity. Their conversations during this visit have resulted in this month's featured article.

Bricker & Eckler and Mike Flowers have had a long interest in diversity. John Eckler of Bricker & Eckler was married to Mary Rickey, daughter of Branch Rickey. Just as Branch Rickey brought the first person of color into intercollegiate baseball with Charles Thomas and Ohio Wesleyan in 1904 and into major league baseball with Jackie Robinson and the Brooklyn Dodgers in 1947 to begin to reflect the demographics of

Editor's Note

the baseball community, Bricker & Eckler has strived to make the composition of our firm reflect the demographics of our community.

Mike was the first person of color to serve as chair of the 56,000-member Business Law Section of the American Bar Association (ABA). In this role, Flowers supervised the Section's endorsement of Diversity in the Workplace: A Statement of Principle. By endorsing the Statement of Principle, the Section of Business Law joined with the chief legal officers of nearly 300 of the largest United States corporations who have pledged their commitment to diversifying their workplace. The Statement of Principle also challenges law firms that serve these companies to actively work toward and promote diversity within their workplaces.



John P. Beavers
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The future of American business depends upon racially and ethnically diverse student bodies

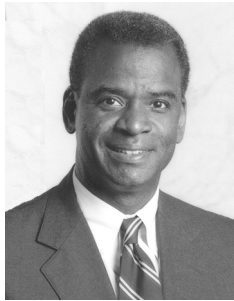
Michael E. Flowers

In today's increasingly diverse and interconnected economy, businesses must rely on educational institutions to

provide graduates not only with knowledge of their field, but also with the skills necessary to excel in a culturally diverse

workplace. Diversity in academic institutions is essential to teaching students to work effectively with individuals from a multitude of cultural, ethnic, racial, and religious backgrounds. Many major public universities depend on affirmative action admissions standards to achieve this type of diversity within their institutions.

Recently, several universities have been forced to defend these admissions practices in court. In its court battle, the University of Michigan has gained a powerful ally. In an unusual move, General Motors filed an amicus brief on July 17, 2000, supporting the University of Michigan's pro-diversity admissions standards. Since it employs a large number of graduates from the University of Michigan, General Motors has a significant stake in the outcome of this case. General Motors believes that the future of American business and the American economy depends upon academic institutions' freedom to select racially and ethnically diverse student bodies. This article will explore General Motors' rationale supporting its belief that the success of American business depends upon universities admitting and graduating diverse student bodies.



Michael E. Flowers
Partner,
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"Immersion in a multiracial academic environment enhances students' knowledge of different cultures and their understanding of perspectives that are influenced by race," stated General Motors. With this amplified understanding, these students will be better prepared to serve a diverse clientele and work cooperatively in culturally diverse environments, it noted.

According to General Motors, cross-cultural competence affects the ways in which businesses perform major tasks, including:

- **Creating and selling products.** When creating and selling products to a diverse population, businesses that are able to identify and cater to consumers' cultural market preferences will prosper; those lacking the sensitivity and knowledge to meet these diverse market demands will not.
- **Recruiting and retaining employees.** Companies that value diversity by being nondiscriminatory in their hiring practices and sensitive to the multiracial issues of current employees will be more successful in attracting and retaining top-notch workers.
- **Forming and maintaining business relationships.** Hiring graduates from cross-cultural learning environments can help companies establish and maintain positive relationships with global partners, as these graduates will be better equipped to establish trust across racial and cultural lines.

Complex and Creative Thinking

In today's global economy, businesses need employees who are capable of complex, creative, broadminded thinking, said General Motors in its brief.

"To excel and lead, employees at all levels must be able to consider opportunities from multiple perspectives and to devise imaginative solutions," it cited. General Motors asserted that students learn these complex thinking skills by being exposed to multiple ideas and challenging debate in a safe, academic environment.

"Students emerge from a diverse academic experience with greater tolerance and ability to interact with persons of other cultures, far less parochial views, and more highly developed cognitive abilities," stated General Motors.

In support of its theory, General Motors cited a study conducted by the Civil Rights Project of Harvard University and

"Students emerge from a diverse academic experience with greater tolerance and ability to interact with persons of other cultures, far less parochial views, and more highly developed cognitive abilities."

Cross-Cultural Competence

With technological advances creating a global economy and the population of the United States becoming increasingly diverse, American businesses must hire leaders with the ability to interact with and understand the views of people of different races and cultures in order to succeed, said General

Motors in its brief. That skill is often referred to as cross-cultural competence. General Motors cited that cross-cultural competence is "the most important new attribute for future effective performance in a global marketplace." As a result, it is essential for academic institutions preparing students for the business world to adequately equip them with this skill, it noted.

the Gallop Poll that surveyed students of Harvard Law School and the University of Michigan Law School in 1998 and 1999. The study revealed that racial and ethnic diversity significantly enhanced the learning experiences of the majority of the students polled. Students reported improved cross-cultural understanding, increased opportunities for cognitive development, and enhanced relationships with members of other races. According to General Motors, these results demonstrate "that racial and ethnic diversity, and an academic atmosphere that fosters appreciation of such diversity, enhance the skills that are so essential to top performance in the heterogeneous workforce of the twenty-first century."

Productivity and Economic Opportunities

If universities cannot continue to diversify their campuses, the pool of candidates from which businesses can choose upper level managers and professionals will certainly diminish, General Motors noted. As a result, businesses would be deprived of well-trained minority candidates and the advantages of having a mix of races and ethnic groups in their upper ranks. According to General Motors, this would "strike a harmful blow to our nation's economic well-being."

General Motors maintains that racial and ethnic diversity within management enhance productivity and economic opportunities by:

- Improving recruiting, retention, and morale of minority workers;
- Maximizing the company's ability to tap into more diverse segments of the consumer market through product development, marketing, and advertising;
- Improving identification of global opportunities and developing strong relationships with racially and ethnically diverse business partners; and
- Encouraging the production of more innovative products and ideas.

CEOs of Fortune 500 companies agree that workplace diversity enhances both efficiency and profitability, reported General Motors. In the April 27, 2000 issue of *General Motors Diversity Management*, Jack Smith, General Motors chairman, stated that diversity in the workplace is much more than a human issue - it's good business. In the 1998 edition of *Executive Council*, former chairman and CEO of the Chrysler Corporation, Robert J. Eaton, concurred that workforce diversity is a competitive advantage.

"Our success as a global community is as dependent on utilizing the wealth of backgrounds, skills, and opinions that a diverse workforce offers, as it is on raw materials, technology, and processes," Eaton said.

M. Douglas Ivester, former chairman and CEO of The Coca Cola Company, agreed.

"We see diversity in the background and talent of our associates as a competitive advantage and as a commitment that is a daily responsibility," Ivester stated in *Executive Council*.

In the March 26, 1990 edition of *Fortune*, James R. Houghton, former chairman and CEO of Corning Inc.,

was also of the same opinion, stating "any business climate in which broadly different individuals may succeed will be a climate where the whole organization prospers."

Only a diverse workforce comprised of people who have learned to work productively and creatively with individuals from a multitude of cultural, ethnic and racial backgrounds can uphold America's competitiveness in today's global economy.

Local and National Importance of Diversity

Many major public universities are joining the University of Michigan in its effort to diversify academic environments. This past June, The Ohio State University's Diversity Action Committee submitted its final report for a diversity action plan. In its report, the committee stated that it is deeply committed to diversity because:

- A diverse environment tests, shapes, and educates students to more fully realize their potential;
- Students entering the 21st-century workforce must be prepared to interact successfully with people from all backgrounds and races; and
- Businesses must be able to recruit talented individuals who can excel in diverse settings in order to succeed.

The committee recognized that The Ohio State University has a duty to create an environment in which students are exposed to all races and ethnic groups. In its report, the committee noted that the nation's colleges and universities have endorsed pro-diversity admissions and hiring practices for the following reasons:

- Diversity provides students with the opportunity to learn from classmates who differ from them;
- Diversity challenges stereotypes, encourages critical thinking, and improves interracial communication;
- Diversity prepares students for citizenship in an increasingly complex and heterogeneous society; and
- Diversity enhances the nation's economic competitiveness by effectively developing and using the skills of all citizens.

The committee encouraged The Ohio State University to "aggressively and publicly defend the principles of affirmative action in admissions, financial aid, and hiring decisions." The committee also urged the university to participate actively in the national efforts to increase diversity in higher education.

Conclusion

In its brief, General Motors maintained that only a diverse workforce comprised of people who have learned to work productively and creatively with individuals from a multitude of cultural, ethnic, and racial backgrounds can uphold America's competitiveness in today's global economy.

"Only with the contributions of the best and brightest of every race, ethnicity, and culture can American businesses continue to create the world's most innovative products, manage the world's most productive workforces, and expand their operations across the globe," General Motors stated.

General Motors believes that only institutions of higher learning can provide the exposure to diversity that graduates need to thrive in the business world. Major universities agree that they hold the key to cultivating diversity in future business professionals. With universities and American businesses uniting to bring greater diversity to college campuses and the workplace, our society will benefit greatly from teaching our nation's youth tolerance, compassion, and understanding for people of all races, ethnic groups, and cultures.

To read General Motors' brief in full, visit www.acca.com/gcadvocate/gm/cover.html. For more information on The Ohio State University's Diversity Action Plan, visit www.osu.edu/diversityplan/.

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A Bricker & Eckler Initiative

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