OB in Action Case Study

LeasePlan Effectively Manages Diversity[82]

Shortly after joining LeasePlan USA as its head of sales and marketing in 2003, Mike Pitcher met with representatives of the vehicle-leasing company's top customers. To his surprise, most were women.

Women also outnumbered men among LeasePlan's 450 employees. Yet the vast majority of top managers at the company, a subsidiary of Netherlands-based LeasePlan Corp., were men.

Soon after, LeasePlan began an effort to transform its corporate culture—rooted in the old-boy network of fleet managers—and promote more women. Executives hired a consultant to offer women career counseling, revised the company's pay plan to stress performance over longevity, and displaced some longtime managers. Today, three of the eight top executives are women, up from one in seven two years ago.

Women employees say LeasePlan is a more supportive and collaborative employer. Mr. Pitcher, now the company's chief executive, calls the initiative a strategic investment rather than the "the politically correct thing to do."

"LeasePlan doesn't build anything," he says. "Our sustainable competitive advantage is our people."

Such efforts require sustained commitment at the top, says Sheila Wellington, clinical professor of management at New York University's Stern School of Business. Executives "need to make it very clear that this isn't the flavor of the month," says Ms. Wellington, a former president of Catalyst, a research firm for focusing on women's workplace issues.

Ms. Wellington says executives must hold middle managers accountable for supporting and promoting female subordinates, particularly at smaller companies. . . .

LeasePlan executives launched their initiative in 2006. They hired Pathbuilders, Inc., an Atlanta human-resources consultancy that focuses on women, to craft a program that includes a skills assessment, career guidance, and tips on communicating and building a "brand." The program, which taps about 30 women each year, also features networking events and a panel discussion with female executives from other firms.

The broader effort to transform the corporate culture distinguishes LeasePlan from other companies trying to promote women, says Maria Goldsholl, chief operating officer of Mom Corps, a staffing company specializing in flexible employment for women . . . .

The program also appears to be boosting job satisfaction and engagement among LeasePlan's women employees. In a 2006 survey, 35% of women agreed the "management supports my efforts to manage my career." The following year, 47% of all female employees and 71% of program participants agreed. The percentage of women who said they think positions at LeasePlan are awarded fairly increased to 30% from 22%.

Gerri Patton, director of client activation, says the program helped her become more confident and outspoken. The 23-year LeasePlan veteran encourages her female subordinates to apply. "I wish I would have done that program 10 or 15 years ago," she says. "There's no telling where I would be . . . The sky would have been the limit.

SOURCE: Excerpted from C Tuna, "Initiative Moves Women Up Corporate Ladder," *The Wall Street Journal*, October 20, 2008, p B4.

Questions for Discussion

1. What is the business case that is driving LeasePlan's interest in managing diversity? Discuss.
2. Compare and contrast the extent to which LeasePlan is using principles from affirmative action and managing diversity. Explain your rationale.
3. To what extent are LeasePlan's efforts consistent with recommendations derived from Alice Eagly and Linda Carli? Discuss.
4. Which of R Roosevelt Thomas Jr's eight generic diversity options is LeasePlan using to manage diversity? Explain.
5. While LeasePlan's diversity initiative is clearly working, what recommendations would you make for improving their program? Explain.