

At Caterpillar, Diversity Plays Important Role in Company's Success

Diversity Newsletter

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With projected 2010 sales and revenues of \$40.5 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines. Caterpillar products and components are manufactured in 23 countries around the globe, and more than 50 percent of its employees are outside the United States. One of the ways in which Caterpillar maintains its position as a global leader is through careful inclusion of an incredibly diverse team of employees, suppliers and dealers. In Caterpillar's view, diversity is not only necessary from a purely business perspective, it is the right thing to do.

Any company wishing to thrive must, of course, recruit and retain a highly talented workforce. But for a company such as Caterpillar that conducts operations throughout the world, that workforce must also encompass an element of diversity so its employees can understand each region's language, customs and culture. Caterpillar in-house attorney William Purnell explained that creating a team with a rich mix of gender, culture and race is crucial to recruiting and developing the best people around the world.

The question becomes, how does a company help its thousands of employees from every possible background feel included, understood and respected? At Caterpillar, the answer is in its approach to diversity.

Wes Blumenshine, a Caterpillar in-house attorney who also serves as the Legal Services Division's Diversity Champion said, "At Caterpillar, we create a rich and uplifting environment where we look into people, not at them. We pay attention to a person's heart, mind and soul; not their race, gender, sexual orientation, age or other dividing line."

As Caterpillar's CEO Doug Oberhelman tells his employees, diversity is a critical corporate strategy that complements the company's core values of teamwork, integrity, commitment and excellence. For the people of Caterpillar, diversity is not about checking a box, hitting a certain percentage, or merely appearing diverse in front of its customers; it is about creating a culture of inclusion that leads to a team that can create innovative ideas and solutions, thereby giving Caterpillar an enormous competitive advantage.

Purnell and Blumenshine spoke about the legal department's role in the company's expanding footprint in Asia, including China and India, as well as in Europe and Russia. The legal department is on the forefront of learning about legal rights in those countries and

developing local relationships, while understanding the high-risk level involved given the financial and human resources involved in these endeavors.

Purnell commented, "Being a global company means being a part of the intricate web, which connects us all. That web is comprised of both employees and customers from every possible background. A modern company must educate its employees about how to work with the various elements of that web, so that we all understand how to communicate and work effectively with those who are different from ourselves. At Caterpillar, we know how important it is to create an open and engaging culture, in which everyone's opinions are valued, regardless of their differences. To create this, Caterpillar creates inclusion at every level."

Caterpillar's Global Diversity Council, Diversity and Inclusion Office, diversity champions, employee affinity groups and other initiatives work together to create Caterpillar's inclusive culture through the sharing of ideas, measuring of diversity in leadership positions, creation of training on diversity-related issues, an extensive mentor program, and much more. In the past couple of years alone, Caterpillar has received numerous diversity awards and recognition. These have included being ranked No. 9 on the "Top 50 Employers" list by *Women Engineer* magazine, named a "Top Supporter of Historically Black Colleges and Universities" by *US Black Engineer and Information Technology* magazine, recognized by the Human Rights Campaign for gay, lesbian, bisexual and transgender commitment, and ranked No. 8 in *CAREERS & the disABLED Magazine's* annual "Top 50 Companies" list.

"We have more work to do, but I know that as we continue on our path of diversity and inclusion, our actions will speak louder than our words. I hope that in time, diversity is second nature for us all – it will be something that is not managed, but lived," said Purnell.