

Sodexo: Michel Landel and Richard Macedonia



RICHARD MACEDONIA
President & CEO
Sodexo Inc.



MICHEL LANDEL
CEO
Sodexo Alliance

About Sodexo

Sodexo is the world's leading food and facilities management services company. Worldwide, Sodexo Alliance employs 324,000 in 76 countries at 26,700 sites with total revenues of €5.3 billion (\$14.8 U.S. dollars), of which \$6.3 billion are in North America. Sodexo is one of the largest employers in the United States, with more than 110,000 employees. Sodexo offers innovative outsourcing solutions in food service, housekeeping, grounds keeping, plant operations and maintenance, asset management, and laundry services to 6,000 corporations, health care, long-term care, and retirement centers, schools, college campuses, government, and remote sites.

Michel Landel at a Glance

- 2005 - Group CEO, Sodexho Alliance
- 2003 - COO, Sodexho Alliance
- 1999 - CEO, Sodexho, Inc.
- 1989 - President, Sodexho, Inc.
- 1986 - President, Remote Site Operations, Africa
- 1984 - Joins Sodexho, Chief Operating Manager, Eastern and North Africa

Education

- European Business School

Awards and Honors

- 2004 - Diversity Advocate Award, *Asian Entrepreneur Magazine*
- 2003 - Diversity Best Practices CEO Leadership Award

Richard Macedonia at a Glance

- 2005 - CEO, Sodexho, Inc.
- 2003 - COO, Sodexho, Inc.
- 2000 - President, Healthcare Services Division, Sodexho, Inc
- 1998 - Division VP, Health Care Division, Sodexho Marriott Management Services
- 1996 - SVP, Marketing and Sales, Marriott Health Care Services
- 1988 - VP and COO, Marriott Senior Living Center Division
- 1982 - VP, Sales, Health Care Services Division
- 1981 - VP, Marketing, Health Care Services Division
- 1980 - National Director of Marketing, Health Care Services Division
- 1975 - District Manager, Health Care Services Division
- 1968 - Joins Sodexho as Unit Manager, Campus Services Division

Education

- 1966 - Indiana University of Pennsylvania

The Sodexo Diversity Vision

"Diversity and inclusion is an inherent part of our culture and business growth. The energy and talent at all levels of the organization is unleashed, resulting in innovative solutions that contribute to a spirit of team, service and progress. With diversity and inclusion as a competitive advantage, Sodexo is an employer of choice and the benchmark for customers, clients and communities domestically and globally."

Most chief diversity officers would be elated to have one leader who "gets it" but Rohini Anand, who joined the company in 2002 to assume the newly created CDO position, can boast that she has two. Both Richard Macedonia, current president and CEO of Sodexo, Inc. and his immediate predecessor and current Sodexo Alliance CEO Michel Landel, are recognized as unwavering diversity champions. These are their stories.

Michel Landel...Visionary...Persistent...Unassuming and Comfortable with Complexity and Ambiguity

Humans are not only different but they are complex. Understanding cultures is probably one of the most difficult things to do. You have to have patience, not make quick judgments, and accept others for who they are." - Michel Landel

Diversity is Hard Work Even For the Pros

Although born to a French father and Russian mother, the Moroccan-raised Landel does not attribute his perspicacious alignment with diversity to his upbringing in varied cultures. "I believe it boils down to education and values," he said. "This is about respect. One can be raised in any environment and not respect differences."

Michel Landel, president and CEO of Sodexo Alliance has passionately committed himself to leveraging diversity and creating a culture of inclusion. A visionary, who clearly understands the competitive advantage of a diverse and inclusive environment in the global marketplace, he has patiently and methodically worked to create a culture of inclusion at Sodexo.

"People behave and react very differently depending on the culture," Landel said. "Rather than viewing such differences as abnormal, people must respect others, expect to be challenged, encourage debate, and not assume that there is only one answer. Humans are not only different but they are complex. "Understanding cultures is probably one of the most difficult things to do. You have to have patience, not make quick judgments, and accept others for who they are."

Having lived and worked all over the globe, Landel speaks thoughtfully about the complexities of the issues and is willing to wrestle with these nuances while resisting the urge for quick fixes as some leaders might be tempted to do.

Commitment: Personal and Tangible

Realizing that these attributes are not easily learned, he advocates for persistence and subjugating one's own ego. "You can't be committed to diversity if you are not willing to humble yourself and if you are not able to live with complexity and ambiguity." Landel said he believes that most people are uncomfortable with ambiguity, a key reason that implementing sustainable diversity initiatives is so difficult. "There are few absolute answers and we don't know what we don't know. You have to constantly be in a listening and learning mode. You have to know yourself, what your weaknesses are, be open to learning about other cultures, and be okay with discomfort."

"I think it is absolutely essential to start with yourself. I believe diversity and learning about diversity is a journey and you learn a little bit more each day but it is never finished." In addition to the self-assessment that he advocates for leaders, Landel added that allocating tangible resources, holding yourself and others accountable, implementing the right organizational structure and fighting resistance are all part of demonstrating commitment. Landel has led Sodexho's business through some very turbulent times. All the while he has held firm to a vision of what could be, even in the face of naysayers, who did not believe that an organization as large as Sodexho with its 110,000 employees in over 6,000 locations in the U.S. alone, could sustain a diversity and inclusion change initiative. Landel strategically positioned diversity in a way that brought Sodexho closer to becoming a recognized leader in diversity and inclusion. He hired Rohini Anand as CDO, reporting to him, to lead the diversity change efforts. Additionally, he named diversity and inclusion as one of Sodexho's six strategic initiatives, thereby integrating diversity into the company's business growth strategy. Both actions sent a powerful message to the organization, but Landel did not stop there. He wanted clear measurement and accountability. Early in the diversity journey, Sodexho developed a state of the art scorecard to measure progress and Landel linked 10% to 15% of every bonus eligible manager's payout to diversity results. And to ensure the executive leadership of the organization took ownership, a full 25% of their incentive was linked to diversity outcomes. Most significantly, he de-coupled the diversity bonus from the financial performance of the company.

So strong is his conviction, he respectfully offers the naysayers an opportunity to work elsewhere when it becomes apparent that their values were not aligned with the company's. "But in general I think people want to do the right thing, he added. We just have to do a lot of training to help them better understand why diversity and inclusion are so important."

For Landel, an age-old adage applies, actions speak louder than words. "The notion of commitment should not be taken lightly," Landel said. "You can't just say the words; there is a lot of action that has to go along with them. You have to weather the storms, address the resistance that is inevitable and just never, ever give up hope. If you are committed, it means that diversity is simply a way of life."

Landel Spearheaded Sodexo's U.S. Journey

It was on his watch that, in 2001, a discrimination lawsuit was filed against Sodexo Marriott Services, Inc. As CEO, he opted against a minimalist approach that would have likely brought the company into compliance but fail to address systemic issues, instead choosing to become best-in-class organization for diversity. Relentless in its determination, the company overcame the unfavorable image that naturally follows a lawsuit and initiated a systematic approach to drive an organizational culture shift to embrace diversity and inclusiveness.

In five short years since the lawsuit, Sodexo, Inc. evolved not only into a model corporate citizen but a standard bearer for excellence in diversity. Established in 1998 as a result of a merger with Marriott Management Services, Inc., Sodexo, Inc. is now hailed among the veritable who's who in diversity. The long list of awards and honors includes *DiversityInc.*'s top 50 list, *LATINA Style*'s top 50 companies for Latinas; *Black Professional Magazine*'s top 25 companies for African Americans; *Asian Enterprise Magazine*'s top 10 companies for Asian Americans; *DiversityInc.*'s top 10 companies for people with disabilities, and *Profiles in Diversity Journal*'s International Innovation in Diversity Award. In 2005, the company amassed a total of 14 diversity awards.

"Diversity was not a popular topic at first but Michel is known for his persistence and month after month he kept putting it on the agenda for leadership meetings," said Anand. "We all know that the leader has to be committed, but Michel is not only committed, he has been passionate and unrelenting in his determination to ensure that Sodexo embodies a culture of inclusion. He drove the work in the U.S, held his direct reports accountable and personally positioned diversity and me in the organization in a way that insured success in implementing the initiatives."

Gearing Up to Launch Global Strategy

A multi-national company with operations in 76 countries and more than 324,000 employees, Sodexo's business epitomizes the meaning of global. An international Diversity Working Group was recently formed to implement the company's global strategy. Anand offered that Landel has the same unyielding determination to make diversity a priority on the global front as he did in spearheading the U.S. and North American effort and she is confident that this will mean they will garner some quick wins worldwide.

"We serve more than 100 cultures every single day," Landel said, "and if you don't understand your customers, you don't compete." He added that Australia and France are taking the lead in adapting the global strategy to local cultures.

Speaking fluidly and passionately about US and global diversity matters, Landel has more than a surface understanding of the key issues. It is obvious that he "gets it" in his head and his heart. In contrast to the notion that diversity issues are vastly different "across the seas" than in the States, Landel said there more similarities than one might think at first glance. Issues such as gender, age, race, religion, work-life balance and immigration know no boundaries.

"Populations are aging everywhere and Continental Europe and the U.K. have a strong need to emigrate workers, due to declining birth rates," he said. "The number of immigrants into Germany, for example, is expected to be in the 3-4 million range annually, so this will impact all of us."

Landel recalled a visit to a public elementary school in the heart of Silicon Valley, California, where he observed several hundred 5-year-olds at lunchtime and was immediately struck by their diversity. In less than a decade's time, this one-time predominately white school was chock full of Asian American, Hispanic, and African American children. "Everybody needs to see this kind of vivid reality. If you don't adapt your organization to those kinds of changes, you can't compete," Landel stressed. An even more significant reality, he added, is that this same scenario could have occurred in France or Germany.

Of no less concern for Landel are gender issues. "In many global cultures, I see a lot of differences in the treatment of women that just don't make sense," he said. "It is our job to make sure that such inequities will not persist. Even though we have to respect each countries' culture, there are some behaviors that we cannot tolerate and when we see them we will do what we can to alleviate and hopefully eradicate the situation."

What Others Say About Landel

True to his unassuming nature, Landel was reluctant to talk about himself very much, prompting Anand to step in during the interview to shed insight on his leadership style. "Every time he visits one of our sites, he personally takes the time to go into the kitchen to shake hands with every Sodexo employee and ask them how they are doing. It doesn't matter how long it takes, he gives every employee his undivided attention," she said. For Landel, valuing diversity means valuing each individual.

According to Emeka Okeani, president, Sodexo Laundry Services Division, "Michel 'got' diversity before everyone else got it. Michel Landel understood the essence of diversity before it became a buzzword. Michel lives diversity—diversity is part of his thinking and it seems, all his mental processes."

Terri Diaz Ellenberg, executive director, Office of Employment Rights said she is impressed with both Landel's and Macedonia's diversity leadership. "I have had the opportunity to work with both Dick Macedonia and Michel Landel in the areas of EEO and Diversity in my roles as a Network Group leader and as the Executive Director of Sodexho's Office of Employment Rights. When people say that change starts from the top, we couldn't ask for more passionate and supportive leaders in this area. Both Dick and Michel lead by example and encourage others to follow."

In Summary

Like a piano virtuoso whose talent is obvious from early childhood, Landel's grasp of diversity is almost innate. Difference is natural and normal to him, allowing him to do the right thing. But just as the virtuoso pianist works to master a Mozart concerto or tune his ear to a piece by Thelonius Monk, Landel is the first to admit that a commitment to diversity requires effort and persistence, two of his many signature attributes. For Sodexho, the next frontier is to make its global strategy as robust and successful as the U.S. efforts have been. With Landel in the lead, it is a sure bet that Sodexho will break new ground and set the benchmark around the world.

Richard Macedonia: Tenacious...Humble...Genuine...Engaged

"As a leader in diversity, I have to allow myself to be vulnerable, which means being open and sincere, willing to learn and recognizing that I don't know what I don't know. You can't fake your position on diversity and inclusion." - Richard Macedonia

A Call to Action

Richard Macedonia doesn't mince his words. He is painfully honest in admitting that the lawsuit filed in 2001 and certified as a class action in 2002 was the triggering event that catapulted the North American operation into full throttle diversity mode. "The class action suit was a call to action like no other," said Macedonia, who was chief operating officer at the time. "We were at a crossroads and had a critical decision to make. Our response was shame on us." We are not just going to assure full compliance, but we are going to become a model citizen. It is the right thing to do. It is the right thing to do for business."

Despite the last four years of impressive diversity accomplishments chronicled in this chapter, Macedonia remains emphatic that compliance is but a first step toward realizing their vision. There is much more work to be done. "I am happy with our state of compliance, but diversity and inclusion have to be a part of our DNA and we are not completely there yet," he asserted.

Macedonia's Personal Transformation

Macedonia took the reigns as CEO of Sodexho, Inc. in September 2005, succeeding Landel, whom he credits for paving the way toward a continued emphasis on diversity. But, unlike Landel, the virtuoso with the natural touch, Macedonia might be considered a grinder, someone who has had to work harder to get to his current comfort with diversity. Consistent with his raw honesty, he freely admitted that he really didn't get it until about three years ago. "In the seat I sit in, I have to be the role model; I have to hold people accountable, but I also have to be vulnerable and I have to listen. And it was in the being vulnerable and in the listening that I had my 'aha' moment."

Two different experiences were transformative for Macedonia. First, when the Sodexho, Inc. African American Leadership Forum (AALF) started about four years ago, its founders asked Macedonia, chief operating officer at the time, to be the corporate sponsor, a role that he readily accepted. "I can't begin to tell you how much I learned, and am still learning from this experience," he said. "There was so much that I just did not know, could not have fathomed if I had not taken an active role with AALF. Macedonia said that as he listened to the experiences of the 12-15 African American leaders on a regular basis, his worldview was totally transformed. It allowed him to understand how different their reality was from his own.

His second "aha" experience came as he was serving as a mentor. In casual conversation with one of Sodexho's African American district managers, the latter mentioned mentoring a significant number of other African Americans. Macedonia's response was to congratulate him, offering that it was quite a compliment to be sought out by so many others. The district manager's reply actually surprised Macedonia inasmuch as the manager said he felt burdened by having to carry the mantle alone because there were so few other African Americans in leadership at the time. Macedonia asked what he could do and the district manager suggested that he become a mentor. "Say no more," Macedonia replied to his colleague, "I'll do it."

When he first met his protégé, Macedonia said he was stunned by the recounting of heartrending stories of racial profiling. While admitting that it was not necessarily easy, Macedonia said that his willingness to be vulnerable and to listen without judgment facilitated the learning. "I can honestly say, I have come a long way in being more culturally competent, but it is a journey and I will never stop learning."

These very personal and intimate relationships with people different from himself helped Macedonia recognize his own privilege, though growing up in a lower-class section of Pittsburgh during the steel industry's heyday could hardly be considered privileged in the literal sense. "I guess you could say my ephiny was the recognition that I am a privileged white male. I would have never gotten that or really understood it at a visceral level if I had not had these experiences." Admittedly, Macedonia said he did not experience much visual diversity during his youth. "My greatest learnings have come as an adult."

Today, as a leader, he said that he is fair but firm, a person that others may characterize as a diversity champion, although he quickly pointed out that he was not deserving of a chapter in this book for simply doing his job and being himself.

Macedonia Doesn't Sit on the Sidelines

One of the attributes that sets Macedonia apart as a CEO "who gets it" is his personal involvement at all levels of the organization. He continues to be the executive sponsor for AALF, but also shares his time with the other four employee network groups including Women's Network Group (WING), Sodexo Organization of Latinos (SOL), Pan Asian Network Group (PANG) and PRIDE, Sodexo's Gay, Lesbian, Bisexual, and Transgender Network Group.

He conducts 12 forums per year with line operators and managers. "These are no-holds barred meetings," Macedonia emphasized. "I want to hear first hand what we can do to make our employees' lives easier. In the morning, I hold a closed meeting with middle managers and in the afternoon I have an open forum with all employees in the region."

In these meetings, Macedonia takes the opportunity to emphasize the importance of diversity. It is critical, he said, that all employees and especially managers understand that this is not a "program of the month." "Middle managers are really good at waiting out the programs of the month, taking a 'this too shall pass' attitude," he said. "I sent out the message very early that [diversity and inclusion] will not pass."

Macedonia said he gets tough questions about diversity during the forum sessions and added that one of the most difficult areas of discussion surrounds sexual orientation. "I get significant pushback about our PRIDE network group," he said. "We do a lot of business with conservative colleges so we put a great deal of thought to our decision to recognize and advocate for the LGBT community." This is one example of where Sodexo's efforts to create a diverse and inclusive environment for all employees has had potential negative impact in the market place. The company has not backed down in its commitment and has gone so far as to provide special educational opportunities to help managers communicate with clients who take issue with our diversity initiatives. While Sodexo values all of its clients, it will not compromise respect for its employees.

Explicit in Macedonia's diversity philosophy is that, while he cannot control what his managers think, value or believe, he can clearly set the expectation of how they will behave while at work. "I tell them if our mission to create a culture of inclusion is not comfortable for you, you should find another job."

Top Down/Bottom Up: A Systems Approach

Another key to Sodexo's success is the top down/bottom up approach, which started under Landel's leadership. Macedonia's belief is that all facets of the system have to be addressed simultaneously for sustained

change to occur. "It is not one thing that creates traction, but rather a combination of strategic efforts, aligned with our overall business strategy," he said.

Macedonia believes that the business case for Sodexo is clear-cut. "Roughly 50 percent of its new-hire population represents a minority or an immigrant to the United States and these percentages will only increase. "That means we are already an extremely diverse workforce. Our thrust, therefore, is to focus not so much on diversity as on inclusion, since we already are diverse." Of equal importance are our 6,000-plus North American clients—corporations, schools, colleges, hospitals and health care facilities who are also very diverse."

Diversity is so important at Sodexo that Macedonia personally chairs the Diversity Leadership Council, which is comprised of the company's top 30 leaders. In their quarterly meetings, they not only review accomplishments but experience in-depth diversity training each time. The goal is to continue to enhance leadership diversity competency.

Moving down the organization, each major business line also has a diversity council led by senior directors of diversity, a position that was recently upgraded. Why the upgrade? Macedonia offered that about six months ago, he and Anand met and concluded that they were the "poster children" for diversity. "It was looking too much like a spectator sport, so we changed the structure," he said. The former director of diversity role is now a senior director of diversity and instead of reporting to HR in the line of business, the position reports directly to the respective market presidents. "We want each market leader to own diversity and inclusion," Macedonia said.

Pivotal to Sodexo's bottom up diversity strategy are the five employee network groups referenced earlier, who help drive the mission, core values, and diversity strategy, especially in the areas of recruitment, retention, and the development of diverse talent.

Another key aspect of the bottom up approach is Sodexo's robust Office of Employment Rights. All employees are encouraged to bring any incident of harassment or discrimination to this group. "My frustration, quite frankly, is that not enough of our employees use this resource," complained Macedonia. "When I hear of incidents and ask if they have been taken to the Office of Employment Rights, too often the answer is 'no.' I want people to bring their concerns to our attention and to do so knowing there will not be any retaliation."

In addition to a very multi-faceted diversity training curriculum, Sodexo has launched two other innovative programs: (1) ESL (English as Second Language) to help increase the overall English language skills of the workforce and (2) the Action Learning Program, an initiative to provide employees at all levels of the organization with the opportunity to earn a college degree while at work. This program combines on-the-job projects with independent study and earned Sodexo Profile in Diversity Journal's International Innovation in Diversity Award in 2005.

Understanding that reward and recognition is key to the success of any effort, Sodexo has two initiatives to recognize employees whose behaviors demonstrate a true commitment to diversity and inclusion. Launched in 2004, the Champions of Diversity program is a quarterly endeavor designed to share the grassroots efforts of employees who have enabled Sodexo to meet its diversity objectives. The second is the Spirit of Diversity Awards program that honors individuals or teams who have gone above and beyond in enhancing diversity and inclusion.

Middle Management Must Be on Board

In keeping with his forthright deportment, Macedonia voiced concern about how to get middle management beyond compliance. "Until diversity and inclusion are a part of their daily behaviors of all of our middle managers, we will always be at risk of stepping backwards rather than forward."

Therefore, Macedonia said he sees his next big challenge as working with the 18,000 managers to help them get even more engaged in the company's diversity and inclusion efforts. "With our new structure, I am hopeful that we can get closer to middle managers and help them understand even more fully why diversity and inclusion are so critical to our future."

What Others Say About Macedonia

Vijay Sharma, vice president, Information Systems & Technology, Education Market and founding chair of the Pan Asian Network Group, had this to say about Macedonia's commitment; "Making diversity a strategic imperative and weaving it into the fabric of a company's culture takes commitment, courage and vision. Dick exemplifies this approach—one conversation with him and you walk away knowing that this is a journey he's deliberately chosen to take Sodexo on because he recognizes the value every individual brings to the company. Dick understands that an environment that nurtures every person translates to sustainable economic growth—for the company and for its people. Professionally this has meant that I can come to work, bring my whole person and know that my contributions will be valued and judged on what I deliver, not on who I am, where I am from or the melanin content of my skin. For me it is personally gratifying, inspires loyalty and a sense of purpose."

Lorna Donatone is president of Spirit Cruises and past chair of the Women's Network of Sodexo. She lauds both Landel and Macedonia for their passion and actions. She says, "The commitment to doing the right thing and developing a smart business strategy based on diversity has come from the top of the organization first with Michel and now with Dick leading the way. Dick has personally shown his commitment with financial resources, his personal time commitment and continued dialogue at the Executive Committee level to ensure that the passion and heart for our diversity strategy stays alive and well. I take great personal pride in being a part of Sodexo, I have been able to grow in my own personal diversity and inclusion journey as a result of our company's commitment. It's been an

exciting time and I look forward to our continued progress. The best is yet to come."

James Taylor, senior vice president, Office of the President and Chair of the African American Leadership Group, recognizes that Macedonia assumed the leadership role at Sodexo at a time of great change and was impressed with his leadership style from the beginning. "A hallmark of any true leader is his ability to lead during times of transition. Dick Macedonia took over at the helm of Sodexo in North America at a time of the greatest change seen by this company during its 40-year history. It was, and is, essential that we have strong and unwavering leadership to drive the messages and lessons of diversity and inclusion into the heart of this company. Dick rose to this challenge as a strong leader, and with the utmost humility. That humility allowed him to learn with openness, to grow to a steadfast commitment and to lead with confidence. Emerging from the challenge gracefully and with strength, Dick Macedonia is a diversity and inclusion leader that was made, if not born."

In Summary

Macedonia may not have "gotten it" until three years ago, but it is obvious that he *really* got it. He stands out as an exemplary diversity leader because he gets intimately involved at all levels of the organization serving as advocate, sponsor, mentor and champion. He listens intently, is utterly honest and not afraid to disclose his shortcomings. He is determined to integrate diversity and inclusion into the very lifeblood of Sodexo.