TrueBlue Inc. Success Story

DIVERSITY: THE BOARD LEADS THE WAY

In connecting approximately 750,000 people with work at 150,000 clients every year, this is one of the company’s core values: Be respectful by embracing diverse views and experiences, and knowing that finding successful solutions comes from working together.

TrueBlue’s current board of nine directors consists of the following:

- Four women and five men
- One-third racially diverse (two African American, one Asian)
- Tenure ranging from 1 to 10 years
- Ages ranging from 49 to 70
- Very diverse experiences and backgrounds

Female directors serve as the chairs of the Compensation Committee and the Innovation & Technology Committee, and an Asian American serves as the lead independent director and also chairs the Corporate Governance Committee.

Steve Cooper, who currently serves as the board chair, explains why diversity has become a company-wide commitment, led by the board: “In today’s world, it is not enough to employ a workforce with varying backgrounds and views. We also need to welcome the differing experiences and perspectives we all bring when we work together. Embracing diversity and fostering an environment of inclusion brings out the best in everyone and delivers optimal results to our stakeholders.”

The type of diversity now embraced at the board level, however, has not always been the norm. The board had previously consisted of a racially diverse director and a female director. But during the mid-2000s, TrueBlue went through several years of acquisitions and geographic expansion. By January 2010, the board was composed of seven males and one female, all Caucasian.
While TrueBlue’s definition of diversity goes well beyond simply gender and ethnicity, the board recognized at the time that its own diversity did not reflect what existed across its employees and customers, even along just these two dimensions. The board’s geographic diversity was also lacking, with all but one board member living in the Pacific Northwest. It was at this time that diversity at the board level become a strategic objective for TrueBlue.

THE DRIVE FOR DIVERSITY: BOARD RECRUITMENT

To compete in the dynamic, global world the board felt it must lead the way by better reflecting all constituencies with a wide variety of skills and backgrounds and new thinking, insights, and perspectives about consumers, markets, and business practices.

Steve Cooper, director and CEO at the time, embarked on a journey with the rest of the board to make diversity a key point of focus for board recruiting. The board not only engaged a premier search firm that focused on diversity, but also worked directly with a diverse recruiter at the firm who led the recruiting efforts and presented a robust selection of highly qualified, diverse candidates.

As a direct result of the steps taken to achieve the stated objective, six of the seven directors who have joined the board over the last nine years (Jeff Sakaguchi, Bonnie Soodik, Colleen Brown, Bill Goings, Kim Harris Jones, and Kristi Savacool) are either female, racially diverse, or both, and the full board reflects significant additional diversity across multiple dimensions. As Colleen Brown explains, “Of paramount importance in my decision to join the board was TrueBlue’s clear and continuing commitment to a more diverse and inclusive environment at all levels of the company, starting with the board.”

THE ONGOING EFFORT

The board recognized that diversity for the sake of diversity will fall short of expectations, and that what matters is a breadth of perspective that is provided by a board which remains truly diverse across multiple dimensions. Focusing on diversity is no longer a special effort or exercise for the TrueBlue board; rather, it has become ingrained into the culture and truly represents “business as usual.”

Several things have contributed to the board's continuing success in achieving board diversity:

- An unwavering commitment to establishing a highly accomplished, diverse board that is able to compete on a global scale, on the part of the board leadership triumvirate: board chair (Steve Cooper); Nominating and Corporate Governance Committee chair and lead independent director (Jeff Sakaguchi), and CEO (Patrick Beharelle).

- Engagement of a top-tier search firm, Russell Reynolds, with searches for TrueBlue being led by a highly experienced recruiter who is diverse (Charles Tribbett III). This has consistently resulted in a robust pool of highly qualified, diverse board candidates.
Willingness on the part of the full board to engage in a meaningful, thorough, and rigorous process designed to ensure success and which encompassed open and honest feedback, independent opinions, and ultimately a robust new director on-boarding program.

CASCADING THROUGHOUT THE ORGANIZATION
Achievement of diversity at the board level led to the creation of a more diverse and inclusive culture throughout the organization. In 2012, the company’s formal diversity and inclusion (D&I) program was established, and the creation of the D&I’s governing body, the TrueBlue D&I Council, followed shortly thereafter.

The D&I Council comprises business and support function leaders and enjoys the full support of the board and executive leadership. Board members and executives regularly participate in D&I Council meetings and events, and D&I Council leadership routinely reports to the board on important initiatives and overall progress on achieving the program’s mission, which is, “To foster a diverse and inclusive culture where every employee has an opportunity to contribute and grow while meeting the changing needs of the marketplace.”

EMPLOYEE RESOURCE GROUPS
TrueBlue Employee Resource Groups (ERGs) are voluntary, employee-led groups based on shared characteristics and life experiences. They provide opportunities for support and enhanced career and personal development. ERGs seek to maximize employees’ engagement and contribution to business objectives by attracting employees who can identify with the company from the beginning through networking, shared communication, and cultural awareness. Board members periodically lead discussions with the groups to better understand employee experiences and further set the tone for diversity and inclusion.

SUSTAINABLE VALUE
Starting at the board level, TrueBlue has successfully developed, communicated, and implemented a strong diversity and inclusion strategy and cascaded it down through
A wide range of perspectives and experiences has enhanced TrueBlue’s results of operations.

the organization. The board has made the D&I program a high priority by continuing to lead by example and maintaining oversight of and involvement with the program.

These actions have helped enable the organization to create an impactful, far-reaching diversity and inclusion program that delivers sustainable value.

**IMPROVED RESULTS.** TrueBlue's customers across the United States and the globe are extremely diverse. The increasing diversity in its own ranks drives greater understanding of customer needs, better communications with customers, and ultimately better results for the business.

**ENHANCED DECISION MAKING.** The varying backgrounds, experiences, and viewpoints of board members brings greater perspective to the conversation, resulting in better strategic decision making that contributes to the enhanced ability to overcome challenges. The board's appreciation of differing perspectives continues to grow over time.

**INNOVATION & RISK MITIGATION.** Similarly, the wider vantage point enjoyed by the TrueBlue board as a result of its diversity facilitates a generation of better ideas and the better identification of potential operational and other business risks.

**COMPETITIVE ADVANTAGE: HUMAN CAPITAL.** It’s no secret that happy employees mean happy customers. With a culture built around respect and inclusion, TrueBlue is a company that employees want to work for, and they are fully engaged in the pursuit of pleasing customers.

TrueBlue takes great pride in being known as The People Company, making peoples’ lives better, and providing outstanding customer service. As Lead Independent Director Jeff Sakaguchi commented, “By having a board that embraces diversity across multiple dimensions—of which gender, ethnicity, work experience, functional skills, even religion and political alignment, are just a subset—the board can provide the level of governance and strategic guidance that will help the company continue to grow and thrive in today's diverse, global economy.”