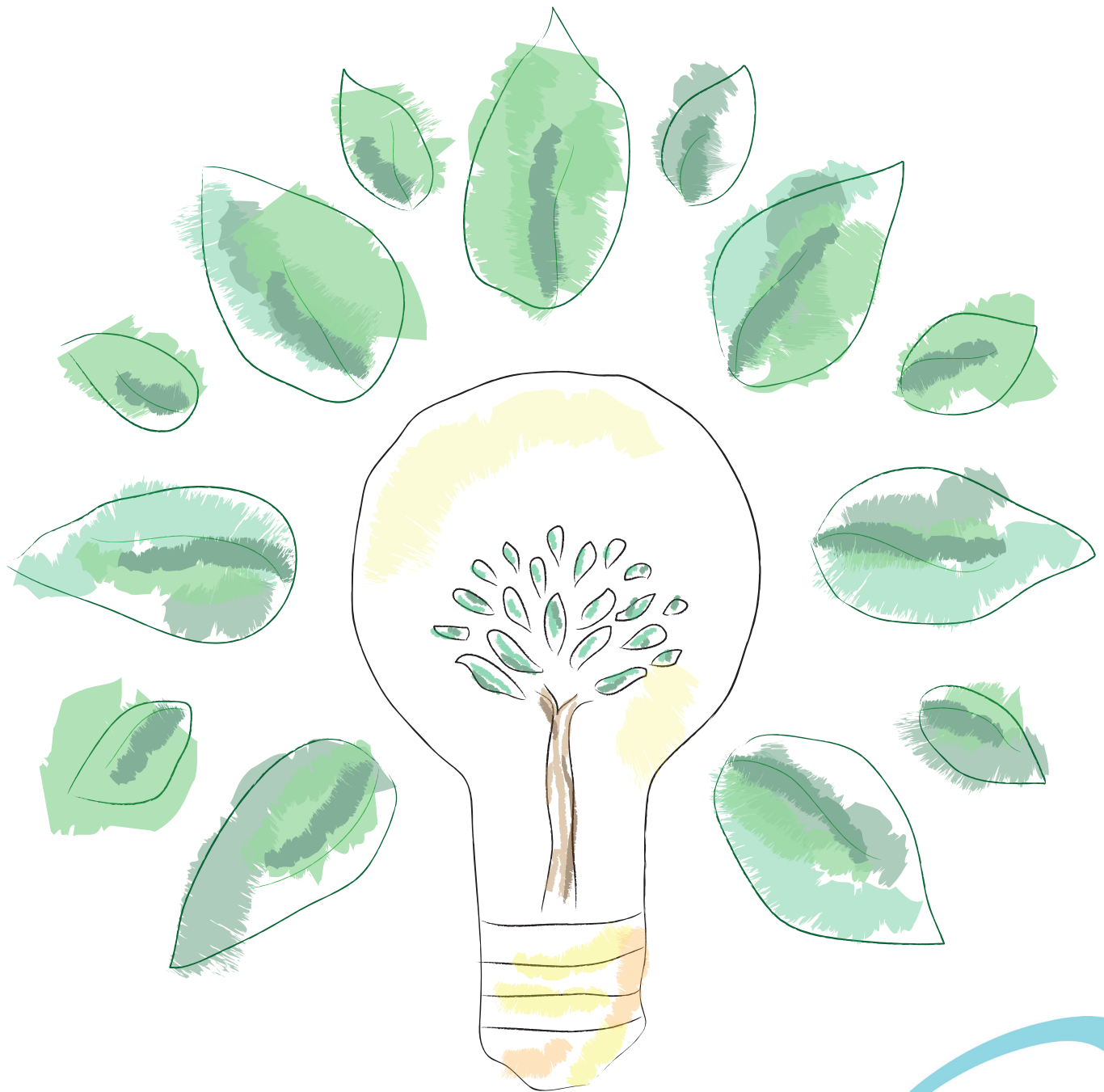


# LATINO TALENT PROGRAMS COME OF AGE

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For the past decade, the amount spent by companies on Latino marketing campaigns has risen dramatically as companies work to get Latinos to eat in their restaurants, shop in their stores, and buy their goods.

As the population of the U.S. Latino community continues to grow, companies are viewing this demographic group as a catalyst for economic growth. Current figures indicate that the Latino consumer spend in the United States is approximately \$1.4 trillion and growing at a rate of approximately \$500 billion per year.<sup>1</sup> In 2013, U.S. companies spent nearly \$8 billion on major media targeted toward Latino consumers, according to the Association of Hispanic Ad Agencies.<sup>2</sup> These

Latino campaigns have resulted in sleek new ads and sophisticated approaches for courting Latino consumers. But this investment in Latino consumer efforts has only recently sparked talent initiatives targeting Latino professionals. Corporations have realized that the people who know the Latino consumer psyche the best are Latinos themselves. And this awareness has resulted in the identification of a new problem, a lack of internal Latino talent.

Companies with large Latino marketing campaigns often have few Latinos in their marketing or sales organizations. Insurance companies, for example, are aggressively targeting Latinos to purchase their insurance products, but then are challenged to respond to interested Latino consumers when they do not have enough Latino agents who are bilingual, or at least bicultural, to serve this client group. Additionally, companies who have successfully obtained large economic contributions from Latino consumers but have few Latinos in senior leader roles are increasingly concerned that they will be viewed as exploiting the demographic.

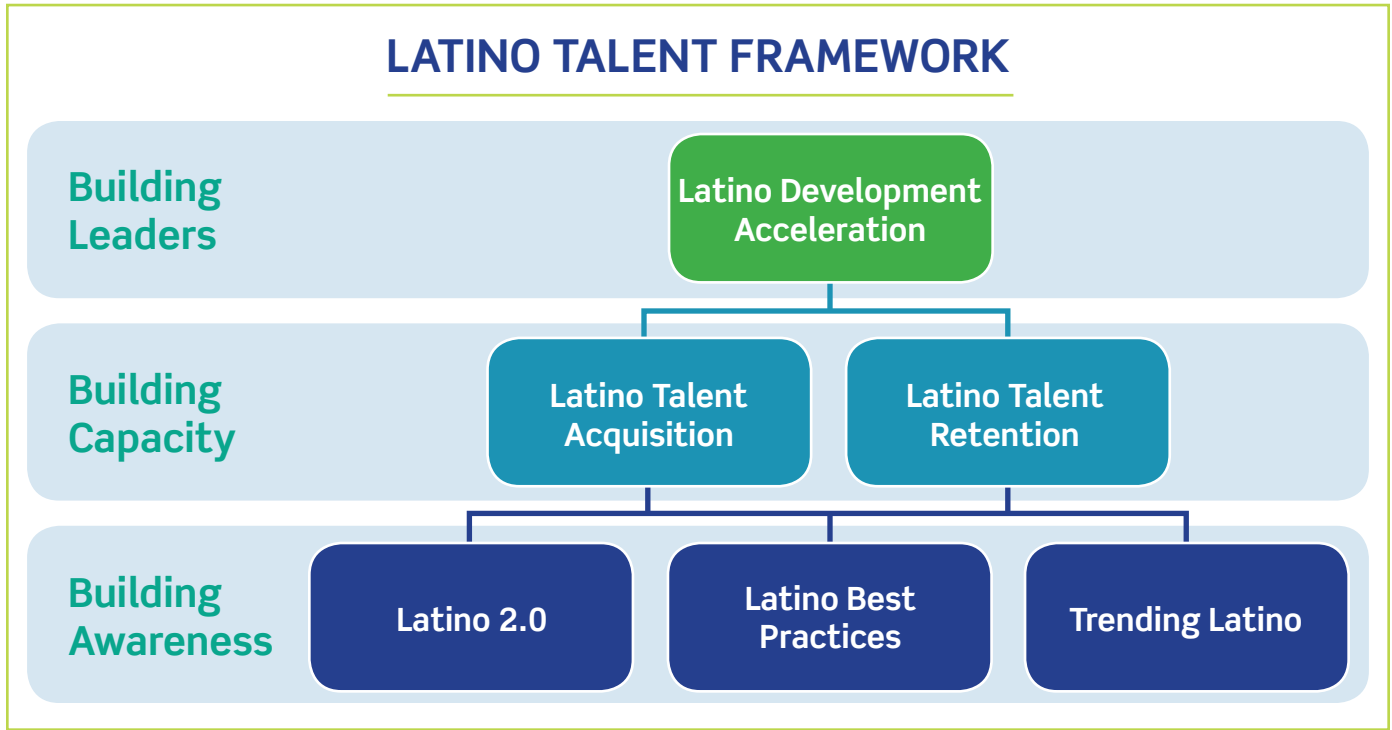
These are just two of the reasons that proactive companies are aggressively launching internal Latino talent programs. These companies are looking to create talent programs that are just as rigorous and sophisticated as their consumer-facing efforts. The result has been more innovative efforts to recruit, retain, and develop

Latino professionals. Meanwhile, a few companies have had Latino talent programs in place for years. Their advanced start translates into a tremendous advantage—widening the gap between those that have strong Latino talent programs and those that do not. As the gap widens, it will be increasingly difficult for companies to catch up with those who were quicker to react.

What are proactive companies doing to recruit, retain, and advance Latino talent? This paper highlights key aspects of successful Latino talent programs and provides an initial framework for those companies that wish to better tap into the Latino talent pool.

### LATINO TALENT FRAMEWORK

A key ingredient of any successful Latino talent initiative is the development of a strategic framework that outlines the key components of a Latino talent strategy within a company. This framework should formalize efforts to connect with Latinos from a talent perspective. The Latino Talent Framework, created by the author of this paper, conveys a common approach used by companies looking to formalize their initiatives.<sup>3</sup> It demonstrates that organizations looking to better connect with Latino professionals must compartmentalize their efforts, establish a foundation, and ultimately look to accelerate the advancement of their Latino leaders.



STEP ONE:  
BUILDING AWARENESS

Before launching Latino marketing campaigns, companies first conduct market research to learn more about the habits and characteristics of Latino consumers. Such insights allow them to target their marketing messages, avoid potential mistakes when connecting with Latino consumers, and understand the nuances associated with different segments of the Latino community.

But surprisingly, human resource professionals tasked with connecting with Latino professionals often launch talent efforts without any knowledge about the Latino community. Without key information about Latino professionals, companies will struggle to develop programs that are effective.

Latino 2.0

Latino 2.0 is the effort by companies to increase knowledge about the Latino community, including common Latino terms, the latest Latino demographic statistics, and cultural tendencies within the organization. Human resource departments at companies from a wide range of industries such as Union Pacific, Yum! Brands, and Viacom have held training sessions and workshops designed to educate them about the Latino demographic. Union Pacific created a booklet that contained some of the insights learned during the training sessions and shared the booklet with recruiters who attended Latino job fairs.

Some companies rely on nonprofit partners to keep them abreast of such information. Ecolab and Denny’s have hosted training sessions put on by the Multicultural Foodservice and Hospitality Alliance (MFHA) to educate their leaders about terminology, consumer characteristics, and industry best practices relevant to Latinos.

Latino Best Practices

It is difficult for companies to indicate they are doing “the best we can” with regard to Latino talent programs if they do not know what “best we can” looks like. Gaining insights into what other leading companies are doing helps companies quickly get up to speed on their Latino talent programs. The talent acquisition leadership team at Viacom, a media company based in New York City, held a session in late 2013 reviewing what other companies were doing to better recruit Hispanic professionals. Having current knowledge of competitor efforts allows Viacom to constantly refine its recruiting strategy to ensure its efforts are on par with those considered “best in class.”

COMMON LATINO TERMS

- >>HISPANIC A person of Spanish, Mexican, or Spanish Caribbean descent who was born or has lived in the U.S. many years (U.S. citizen, permanent resident, temporary immigrant). Many find this term offensive, as they believe it is a word the Anglos invented for them (1960).
- >>LATINO Any person of Latin American, Spanish, or South American descent. This term is currently the one most acceptable to Latinos working in corporate America. “Latino” includes Hispanics living in the U.S. as well as those who reside in Latin America. Thus “Latino” is a more inclusive term than “Hispanic.”
- >>CHICANO An American citizen of Mexican descent, typically with a heritage from the Southwest or West. The term carries multiple meanings in the U.S. but is generally associated with academics or progressives and is not widely accepted or used.
- >>QUISQUEYANO A person of Dominican descent.
- >>CUBANO A person born in Cuba, or a person of Cuban ancestry born in the U.S.
- >>PUERTO RICAN A person born in Puerto Rico, or a person of Puerto Rican ancestry born in the U.S.
- >>NUYORICAN A Puerto Rican living in, or from, New York City.
- >>BORICUA A Puerto Rican or person of Puerto Rican descent.

LATINOS BY THE NUMBERS

Population Size	Approximately 52 million, representing about 17% of the U.S. population; an estimated 30% of the U.S. population by 2050
Place of Origin	63% Mexican, 10% Puerto Rican, 4% Cuban
Average Age	Latinos, 27; Anglos, 45
Place of Birth	60% born in the United States; 40% born outside the United States
Place of Residence	48.7% of all U.S. Latinos live in California or Texas
Language	47% Spanish dominant; 28% bilingual; 25% English dominant
Education	15% have an undergraduate degree; 4% have a master's degree
Corporate Leadership	7.3% of corporate executive and director-level roles are held by Latinos; 18% of the Latino population is in management or professional jobs (Source: Hispanic Association on Corporate Responsibility)
Annual Earnings	13% of Latinos earn over \$50K per year; 35% of Anglos earn over \$50K a year
Entrepreneurship	Latinos are becoming entrepreneurs at three times the rate of Anglos
Market Size	Estimated at \$1.4 trillion in 2014; growing at a rate of approximately \$100 billion per year

## Trending Latino

By studying trends in the Latino community, companies ensure that their efforts are current and relevant. Latino professionals are beginning to assert their Latino ethnicity with more confidence than ever before. This is partly due to a growing number of Latino professionals who view their heritage as an asset in the workplace.

This trend is pushing corporations to highlight their Hispanic ERGs, top Latino executives, outreach into the Latino community, and internal Latino leadership development efforts. For example, Federal Express has a recruiting brochure that identifies its top 20 Latino executives as a way to convey to Latino candidates that a strong career trajectory is possible at the company.

Another trend is the dramatic rise in outreach toward Latinas. Latinas are outpacing their male counterparts in both educational attainment and entrepreneurship, according to the Pew Hispanic Center.<sup>4</sup> This is resulting in a growth in corporate sponsorship of programs targeting Latinas such as the Latina Leadership Institute, the Mujeres de HACE program of the Hispanic Alliance for Career Enhancement (HACE), and the Women of ALPFA programs. Corporations are supporting these events to enhance their brand awareness and reputation in the Latina professional community.

At the Latino Leadership Summit held at Harvard University in March 2014, a panel of Latino leaders and corporate executives indicated that their Hispanic heritage served as an asset for the following reasons:

- Involvement in Latino organizations allowed them to expand their external network of contacts.
- For some, their experience of being born

and raised in Latin America helped them have a broader, more global perspective.

- Involvement in Latino ERGs helped in their development.
- They have leveraged their network of Latino professional contacts to help their company hire top Latino talent.
- Their deep insight into the Latino demographic has helped them provide Latino consumer insight to their company's marketing department.
- They have served as cultural advisors to co-workers, helping them gain more insights on the Hispanic demographic.
- They have used their Spanish-speaking ability to help their firms serve /connect with Spanish-speaking clients.
- Their experience as Latino executives helped them nurture and mentor young Latino professionals of diverse backgrounds.

Offering Latino 2.0 sessions, studying external best practices, and remaining current on trends are essential in establishing a solid foundation of knowledge and awareness about the Latino demographic. Without such insights, companies lack the necessary platform on which to build the other components of a Latino talent framework.

## STEP TWO: BUILDING CAPACITY

Once companies have increased awareness about the Latino demographic, they are better able to create strategies to recruit and retain Latino talent. Instead of relying on traditional recruitment models, new, more targeted Latino talent initiatives are necessary. State Street, a financial services organization based in Boston, recently had human resource and diversity leaders

participate in strategy sessions to create a steady pipeline of Latino talent for the firm. One result of these sessions was to establish a partnership with ALPFA, the largest Latino professional organization in the country. This strategic partnership includes stronger support of ALPFA chapters across the country, a more visible presence at the ALPFA national convention, and the placement of two Latino executives from State Street on ALPFA's national board of directors. ALPFA is now a key source of top Latino talent for State Street.

While recruiting top talent is essential in building Latino talent capacity, companies must take steps to avoid what is often referred to as the "great courtship, terrible marriage" scenario—losing these employees soon after they have been hired. A 2013 study of Latino employee resource groups by the Hispanic Association on Corporate Responsibility indicates that Latino ERGs are playing a growing role in helping to retain Latino professionals. The study reveals that participation and membership in the Hispanic ERGs at the 30 companies that were part of the study have outpaced the growth in their other ERGs.<sup>5</sup>

This increased growth means that Latino ERGs can serve as effective vehicles to increase retention of Latino professionals. UPS, a transportation and delivery organization based in Atlanta, actively leverages its Hispanic ERG, called Crecer, to help the company retain top Latino leaders. By demonstrating that UPS values their Hispanic heritage, holding professional development programs designed specifically for Latino professionals, and allowing Latino ERGs to interact with top corporate executives, UPS retains a high percentage of Latino professionals.

Juan Perez, a senior executive at UPS and executive sponsor to its Latino ERG, highlighted a specific example of how the ERG helped with retention. Recently a high-performing Latino professional at UPS was at risk of leaving the organization because his wife accepted a new job that required their family to relocate. Latino executives, having met this individual through his work with the Latino ERG, advocated on his behalf to help him find a role at UPS in the new location. With this help, the employee was able to remain at UPS. "This employee's work with the Hispanic ERG raised his visibility and credibility within the company and ultimately helped UPS retain him," adds Perez.

A review of any current issue of *Latino Leaders* magazine or *Hispanic Executive* magazine shows numerous profiles of

## LEADING LATINO PROFESSIONAL NONPROFIT ORGANIZATIONS

- » ALPFA (formerly known as the Association of Latino Professionals in Finance and Accounting)
- » ASSOCIATION OF HISPANIC ADVERTISING AGENCIES (AHAA)
- » HISPANIC ALLIANCE FOR CAREER ENHANCEMENT (HACE)
- » HISPANIC ASSOCIATION ON CORPORATE RESPONSIBILITY (HACR)
- » HISPANIC IT EXECUTIVE COUNCIL (HITEC)
- » NATIONAL HISPANIC CORPORATE COUNCIL (NHCC)
- » NATIONAL SOCIETY OF HISPANIC MBAS (NSHMBA)
- » SOCIETY OF HISPANIC PROFESSIONAL ENGINEERS (SHPE)
- » UNITED STATES HISPANIC CHAMBER OF COMMERCE (USHCC)



high-performing Latinos working in corporate America. Companies are leveraging these publications to highlight their Latino leaders as a way to of publicly acknowledging their accomplishments and thus enhancing their ability to retain them.

### STEP THREE: BUILDING LEADERS

It is not enough for companies to recruit and retain Latino professionals if they are concentrated in low levels of an organization. With a solid foundation of awareness and increased capacity, companies can then focus their efforts on building Latino leaders, the third tier of the Latino talent framework. Building leaders requires a dedication to accelerating the advancement of Latino professionals. A growing number of companies have established leader and executive development programs designed specifically for their Latino professionals.

#### McDonald's

McDonald's Hamburger University, the company's Global Center for Training Excellence, houses McDonald's internal operations training and leadership development offerings, two of which are designed specifically for Latinos. These courses were designed by Latinos, cater to Latino professionals, and are facilitated by Latino leaders. The courses, called Hispanic Advancement I and Hispanic Advancement II, are each two days in length. The focus of these courses is to teach traditional leadership development concepts, but with a Hispanic point of view.

#### Intel

Blue Print, Intel's nine-month program designed specifically for Latinos, discusses traditional leadership development concepts but also addresses key issues faced specifically by Latino employees. The program has facilitated discussions on topics such as Latinos' sense of identity, feelings of isolation, and perceived tokenism. Additionally, Blue Print includes sessions with top Latino executives at Intel who provide a candid and transparent perspective on how Blue Print participants can leverage their Latino heritage as a source of strength.

"Our first Blue Print program was held in 2007. Since then we have close to 900 Blue Print alumni, and we have retained 98 percent of them within the company. We also have data that shows that Latino professionals who go through our Blue Print program are receiving promotions

at a faster rate, have more mentors, have a larger professional network, and have greater clarity about their future career path at Intel," says Ernesto V. Felix, leader of global diversity education at Intel.

#### Verizon

Verizon, a telecommunications company based in Basking Ridge, NJ, runs two Latino development sessions each year. These sessions are three days in length and help the company's Latino professionals turn their heritage into a competitive advantage. The course defines how critical the Latino demographic is to business success at Verizon, teaches participants how to collaborate on joint initiatives more effectively, helps them expand their circle of influence, and empowers them to leverage their Latino heritage for greater professional success.

"Before building an internal Latino development program, companies must review their culture and diversity strategy," states Magda Yrizarry, chief diversity officer at Verizon. Yrizarry adds, "I don't believe there's one custom approach for Latino professional development. Each company is at a different stage in its diversity and inclusion journey, and there are also different learning and development philosophies. What professional development is delivered and how is very dependent on a company's culture and strategy. These factors have to be considered as an approach is established."

Companies that do not have their own Latino leadership development program are turning to universities for help. Programs such as the Latino Leadership Institute at UCLA, the Hispanic Executive Development program at Southern Methodist University, and the Latina Global Executive Leadership Program at the University of Southern California are designed to meet the growing demand for Latino affinity-based leadership development curriculums and generally include assessments, assigned executive mentors, and courses on Latino history and culture.

Latinos often state that their experience in corporate America is different than that of their non-Latino counterparts. A 2013 Harris Interactive poll found that over 75 percent of Latinos feel people with their background are discriminated against by not being hired or promoted for a job and by being called names or insulted. If this is true, then the development needs of Latinos are different, as Latinos have to deal with issues non-Latinos do not have to face.

## SUMMARY

Forward-thinking companies are tasking their human resource and diversity functions to build robust Latino talent programs. Such programs address the demand for greater numbers of high-performing, high-potential Latino professionals. While this pool of talent has existed for many years, companies in the past have been in-

## LATINO LEADERSHIP DEVELOPMENT PROGRAMS

### » LATINO LEADERSHIP INSTITUTE

ANDERSON SCHOOL OF MANAGEMENT  
UNIVERSITY OF CALIFORNIA—LOS ANGELES (UCLA)  
*5-MONTH PROGRAM*

### » HISPANIC EXECUTIVE DEVELOPMENT PROGRAM

COX SCHOOL OF BUSINESS  
SOUTHERN METHODIST UNIVERSITY (SMU)  
*3-PHASE PROGRAM OVER 12 MONTHS*

### » LATINO LEADERSHIP INITIATIVE CENTER FOR PUBLIC LEADERSHIP

KENNEDY SCHOOL  
HARVARD UNIVERSITY  
*1-WEEK PROGRAM*

### » HISPANIC LEADERSHIP DEVELOPMENT PROGRAM

ANDERSON SCHOOL OF MANAGEMENT  
UNIVERSITY OF NEW MEXICO  
*4-MONTH PROGRAM*

### » LATINA GLOBAL EXECUTIVE LEADERSHIP PROGRAM

LATINA LEADERSHIP ACADEMY,  
MARSHALL SCHOOL OF BUSINESS  
UNIVERSITY OF SOUTHERN CALIFORNIA (USC)  
*11-MONTH PROGRAM EXCLUSIVELY FOR LATINAS*

effective in identifying or connecting with talented Latino professionals.

Following the approach taken by their peers in sales and marketing, human resource and diversity functions are realizing the need to have a formal Latino talent strategy. Using such tools as the Latino Talent Framework, companies are avoiding some of the mistakes and missed opportunities of the past.

Companies that were ahead of this Latino talent trend, like the ones identified in this paper, are reaping the benefits. The ability to build awareness, capacity, and leaders is allowing them to gain access to the best and brightest when it comes to Latino professionals and executives. McDonald's Corporation is one example of a company that has had Latino talent programs for many years. McDonald's has one of the strongest Hispanic ERG organizations in the country, has several Hispanic leadership development programs, and has a significant number of Hispanics at all levels of the organization, including executive leadership. These are a result of the company's Latino talent efforts.

According to Gustavo Viano, McDonald's

director of global inclusion and diversity outreach, much of McDonald's recent sales growth can be attributed to leveraging Latino talent within the company. "While many of our employees may not be experts in marketing to Hispanics, they are experts in being Hispanic," says Mark Moreno, a vice president and general manager at McDonald's. Moreno and Viano say the success of their Latino talent programs helps with McDonald's "Hispanic business vision," which brings together employees, franchisees, and suppliers to both enhance McDonald's environment for employees and capture the Hispanic market.

In 2011, ALPFA was looking to identify a corporation to help fund and launch the ALPFA Institute. Latino executives at Walmart met with the CEO of ALPFA and partnered with the organization to establish the ALPFA Institute near Walmart's corporate headquarters in Fayetteville, Arkansas. As a result, Walmart has been able to increase the recruitment of top Latino professionals working at corporate headquarters, which enhances Walmart's ability to connect with its large Latino clientele. This partnership with ALPFA

would have been difficult to establish if Walmart had not already had strong Latino talent initiatives.

Companies that view Latino talent programs as a passing fad, unnecessary, or a distraction do so at their own peril. The Latino demographic is growing and will play a larger role in the workforce of the future. Companies that have had the foresight to see this, and have chosen to act, will have a competitive advantage in the race to attract and retain Latino talent. ■

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*Author's Note: The terms "Hispanic" and "Latino" are used interchangeably in this paper. However, it should be noted that many members of this community now prefer to be called Latinos because this term is more inclusive and better reflects their roots in, and connection with, the people and culture of Latin America.*

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## ENDNOTES

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<sup>1</sup>. *The State of the Hispanic Consumer Market*, Nielsen Consumer Report, April 2014.

<sup>2</sup>. *Advertising Age Hispanic Fact Pack 2013*, <http://adage.com/images/bin/pdf/HispanicFactpack2013UpdatedAug1.pdf>.

<sup>3</sup>. Dr. Robert Rodriguez Advisors LLC Consumer Analysis, [www.drradvisors.com](http://www.drradvisors.com).

<sup>4</sup>. Pew Hispanic Research Center, *Statistical Portrait of Hispanics in the United States*, 2012, <http://www.pewhispanic.org/2014/04/29/statistical-portrait-of-hispanics-in-the-united-states-2012>.

<sup>5</sup>. Hispanic Association on Corporate Responsibility, 2013 *Employee Resource Group Study*, [http://issuu.com/hacr/docs/2013\\_hacr\\_erg\\_study\\_final](http://issuu.com/hacr/docs/2013_hacr_erg_study_final).

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