

Chapter 7 **Diversity**

Promoting differences: The right thing to do

I don't like the limelight. My faith teaches me to live a plain and simple life. So I've felt uncomfortable when the compliments start to fly and the congratulations are laid on thick and heavy.

A notable exception came in 2004 when my wife Joan and I were jointly awarded the Arthur M. Walters Champion of Diversity Award from the Louisville Urban League. Joan and I have supported this organization for more than 50 years. Many times in my business career, the Urban League referred capable African-Americans to us for employment.

When we got the award, I asked two people to stand up and be recognized: Alonzo Crumes and Carroll Price. These two men, both African-Americans, were sales managers for Vermont American in the early 1970s. They were the first people of color to have that responsibility in this part of the country, and they were successful at it. If they had not been as successful, the company would not have been as successful. During my remarks upon accepting this award I said, "If these two guys hadn't sold the hell out of Vermont American merchandise, Joan would be here by herself tonight!" You're only as good as the people around you.

I am a radical on diversity. When I was Vermont

Backstory: The Arthur M. Walters Champion of Diversity Award

The Arthur M. Walters Champion of Diversity Award of the Louisville Urban League recognizes outstanding achievement by an individual, business or organization in the promotion of diversity within the Louisville community. The nominees for this award are examined for the extent to which they:

- Make an effort to cultivate relationships with people of different racial, ethnic, religious, gender, cultural and socio-economic groups;
- Examine their own corporate philosophies and initiatives or individual attitudes and behaviors to become more aligned with principles of diversity and inclusion;
- Initiate corrective action to eliminate discriminatory policies and or practices;
- Take a positive stand for equality and empowerment of the disadvantaged within our community;
- Publicly display visual evidence of support for efforts to encourage inclusion, eliminate discrimination/prejudice and/or promote diversity;
- Support an agency, fund, or program that actively works toward the empowerment of disadvantaged groups within our community;
- Actively promote diversity and inclusion within political arenas;
- Seek to learn about the importance of diversity and inclusion;
- Demonstrate a commitment to supporting minority-owned businesses;
- Teach educational programs that promote inclusion and appreciation of diversity;
- Set positive examples toward promoting diversity by both actions and words on a daily consistent basis.

American CEO, I marched with Martin Luther King, Jr. In fact, I kept his picture hanging in my company office (right alongside Gandhi's). This was the 1960s and it turned a few heads! I will not tolerate anything less than a proactive approach to diversity. This includes all kinds of diversity – political, racial, gender, nationality, sexual orientation, etc.

In 1966, I integrated an all-black group, the American Bridge Association, at a national bridge tournament in Louisville. There were 1,500 players from all over the hemisphere. Fourteen hundred and ninety nine of them were black, and there was me. They could not play in the exclusively white American Contract Bridge League, but they welcomed me, a white man, into their league. I got acquainted with educated, cultured African-Americans from all across this country. I had broken the color barrier in a game. But a decade earlier Vermont American integrated the work force at a time when it was not all that common.

Business goals and personal values should not be mutually exclusive. As a Quaker, I believe there is that of God in everyone. That has helped to drive my views on diversity – especially when it came to the hiring of women and African-Americans at a time that many if not most businesses weren't really giving them much of a chance to come into the mainstream.

In the 1950s at Vermont American all the material handlers were African-American. There were no blacks in production or managerial positions. Our plant superintendent brought in his neighbor, a white man, to fill a vacant position as a material handler. The African-American on the union committee said we couldn't hire a white man for a black man's job without being able to hire

a black man for a white man's job. That opened up the channels of communication on the issue. Without waiting on its leadership to take action, the union committee held a meeting at the union hall. Afterward they announced: "OK, let's integrate the place."

Chinese philosopher Lao-Tsu, speaking about 600 B.C., said, "To lead the people, walk behind them." The best work is done when people can say, "We did it ourselves."

Later, I wanted to place blacks in managerial jobs. But not everybody in the company saw things the way I did. Some objections arose from the union and the white-dominated management, but they were spotty and restricted to very few. Most people simply lacked the courage to make such a change.

One executive approached me and objected to integrating management ranks. "I just cannot live with this," this executive said. I responded, "Well, Bill, we're going to miss you. I hate to see you leave." He ended up staying on.

Earlier I mentioned Alonzo Crumes. (Gene Cowley was a big supporter of Alonzo's and, in fact, a champion of our racial diversity program at Vermont American.) Alonzo handled sales in Kentucky, Southern Indiana and Southern Ohio. Soon after we hired him, we lost the biggest account in the territory – a clear case of racial prejudice.

I went in with him and he solved a technical problem for this account. Then I did an illegal thing: I quoted half-price on a tool for this customer. You're supposed to quote the same price to equal customers, unless there's a cost differential to justify a difference. My strategy in quoting half-price was to smoke out whether we had lost the

business at that company for any reason other than racial discrimination. They told us we weren't competitive which was obviously untrue, went to our competitor and paid twice as much for that tool. We proved it was racial discrimination.

The moral of the story is, sometimes it is necessary to do the illegal because it is clearly ethical.

Other companies did stick by Alonzo. One of them was Graft-Pelle, a distributor of hoists, electrostatic sprayers and valves. Universal Woods is still doing business with that company today.

We could have changed Alonzo's work assignment, but we didn't. When he was ostracized, we stuck by him. The distributor in Louisville also stuck by him and made sales calls with him. He sold on his merits, and managed to get an average penetration of the market because he was extremely capable. He could really solve problems and was a very good engineer. He was also the first African-American machinist in Louisville.

Sticking by him was the right thing to do – and good business.

Of course, a good diversity program transcends gender barriers, too. That brings up the story of Multi-Metals.

We acquired several companies during our tenure at Vermont American. One of them was Multi-Metals, acquired for \$36,000, in the mid-1950s. That company, now part of Robert Bosch Tool Corp., grew into a \$20-million-a-year business. It is still based in Louisville and was probably one of the best acquisitions we ever made.

Multi-Metals is a powder metal operation. The plant is well ventilated, but the work is tough and the employees are filthy by the end of the day. Tungsten carbide is 25

percent heavier than lead so the work is physically demanding. For many, many years no women were employed on the factory floor. I was unhappy about that, but the wages and benefits were such that it just did not make sense.

Then early one spring in the late 1970s, I called the president of Multi-Metals and asked, "Are you going to need temporary replacements for vacationers this summer?"

"Yes," he replied.

"Are you going to give preference to students related to employees as usual?"

"Yes."

"OK, one of them is going to be our daughter!"

You could have cut the silence with a knife. But two other women had already been hired by the time our daughter, Margie, arrived to work.

Flashback: Ahead of our time on diversity

"There's only one way to do business, and that's the right way. That kind of thinking really permeated Vermont American more than anything else did. The company was proactive in searching for minorities, when it wasn't very commonplace. We had a couple of women general managers as well as black general managers. There had to be a process over time to get things changed and we changed them. There was consistency all the way across the board."

— *Tim Shea*
Vice President of Finance and
later President
Vermont American

Integrating Louisville's private clubs

Since I joined the Quakers, I have devoted my life trying to do what's right on the job and off. But sometimes that brings me into conflict with others. Sometimes my actions made me a thorn in the side of the ruling establishment in Louisville.

In the late 1950s, a black African from South Africa spoke to our Louisville Friends Meeting (Quakers) about the oppression of apartheid in his country. While he was in Louisville, he was denied service at the coffee shop in the downtown YMCA.

I went to the YMCA director and raised all kinds of hell. He reacted unsympathetically: he told me to take my membership to the all-black Chestnut Street YMCA. So I went to Arthur Kling, a Jewish businessman, and told him my story. Arthur ended up sponsoring me as the first gentile of Louisville's Jewish Community Center.

One good turn deserves another: Arthur and I then sponsored Charlie Richardson as the first black member of the center.

In 1972, I was a member of the Pendennis Club, made up of the city's movers and shakers in business and politics. The trouble was, all of them were white and Christian. Any attempt to bring a black or a Jew into membership was routinely rebuffed, and it took only one member's objection to make it stick. Quakerism teaches equality among all of God's children, no matter what their religion or color. That principle extended to privately owned and run clubs. Some of us at the Pendennis Club set out to change things.

Barry Bingham Jr., then editor of Louisville's *Courier-Journal* newspaper, tried to sponsor department store owner

Dann Byck as a member. The Pendennis membership turned him down flat simply because Dann is Jewish.

Bingham, Maury Johnson, the CEO of the old Citizens Bank and Trust Co., and I quit the Pendennis Club and formed the Jefferson Club that was opened on the top of the just-opened Citizens Bank building. We put on the board of directors Woody Porter, an African-American funeral home director; Sam Greenebaum, a Jewish attorney; and Lewis Hirsch, the Jewish CEO of Paramount Foods.

After the Pendennis/Jefferson Club incident, I got a probably well-deserved reputation as a troublemaker. Consequently, private clubs around town avoided me like the plague. Maury Johnson tried to sponsor me as a member of the Louisville Boat Club, but I was blackballed. They were afraid I'd bring in black guests to play tennis.

Of course, they were right.

Soon I would get my chance, but not at the Louisville Boat Club. The showdown came around 1972 at Standard Country Club, whose membership was all Jewish. Jack Shapero and Ronnie Abrams, two Jewish businessmen in Louisville, sponsored me, but I was blackballed there, too, until a conscientious physician, Dr. "Bubby" Ortner, drew a line in the sand.

I'm told Dr. Ortner called a meeting of the board and told them that he knew my wife, Joan, whom he had had as a student at the University of Louisville School of Medicine. He vouched for me, and said he would resign unless the board capitulated. The board caved in and I became the first gentile member of the club. Early on I brought in members of the Charlie Richardson family, African-Americans, to play tennis at the club.

My efforts to break down racial barriers in Louisville

were not universally embraced. Maury Johnson nominated me for the board of Citizens Fidelity Bank, but I was turned down due to my racial views. I paid a price, but was glad to do so.

Lincoln Foundation

I feel strongly about providing equal opportunities for young people, especially those who are facing poverty or economic disadvantage. The Lincoln Foundation of Louisville is one such organization dedicated to helping disadvantaged youth who need a boost. I've supported it for nearly 50 years.

I was the foundation chairman, and Mansir Tydings was executive director. Several members of the board were part of Moral Rearmament, an international evangelical group that held the patronizing attitude, "We need to do something for the poor blacks."

I was not a founding board member of the Lincoln Foundation. The organization had started many years before I became involved. I became chairman in the late 1950s, when we shifted from a philosophy of white folks doing for poor blacks to "we're in this thing together." We felt that black folks could just as well help disadvantaged whites. Many on the board saw this as heresy. Over the past four decades, the foundation has insisted that all its programs will serve the disadvantaged, no matter what the color of their skin. Also, the board must be diversified. Whites and blacks have held the chair. This is definitely one outfit in town that doesn't know anything about color. The camaraderie is wonderful. We're all friends.

Mansir wanted to change the focus to people working with people, and take religion out of the mix. I backed

Backstory: Moral Rearmament

Moral Rearmament was an international movement founded as the Oxford Group by Frank N. D. Buchman, an American Lutheran minister and evangelist of Swiss descent, and a group of Oxford students in the 1920s. In the late 1930s, as European nations re-armed for war, Buchman called for "moral and spiritual re-armorment" as the way to build a "hate-free, fear-free, greed-free world." The Campaign for Moral Re-Armament was launched in 1938. The movement had Christian roots and spawned such programs as "Up With People" during the 1960s and 1970s. It is based around what it calls "The Four Absolutes" – honesty, purity, unselfishness, and love. It became clear at the start of the new millennium that the words "moral re-armorment" were no longer appropriate in today's world, and in 2001 the movement adopted the new name of Initiatives of Change.

Mansir. But this proposal ran counter to two board members' vision for the foundation. They threatened to sue me, alleging that I misappropriated the endowment of the foundation, which came from the old Lincoln School. Of course, that was hogwash.

Then a strange thing happened. One of these board members died suddenly. I guess the other member saw this as divine intervention! He quickly dropped the idea of filing suit.

Mansir Tydings was a genius and a man of principle. He was fearless in standing up for what he believed. One day he took an African-American to his Presbyterian church in Anchorage. Church members were mortified, and Mansir really caught the devil. He even had crosses burned on his lawn at his home in upscale Anchorage, Kentucky. So I invited him to attend our Friends' Meeting and he became a pillar of our Meeting.

Mansir did what he did as a dedication of service. He had enough money that he didn't have to worry about how much he was earning. He had the smarts to be the CEO of the old Liberty Bank of Louisville. His family possessed a significant ownership in the bank and he could have carved out a career there – and I believe he would have been very successful and earned a lot more money doing that. But he chose instead to be the business manager of the Lincoln School, helping young people get an education and otherwise move up in society. I'm not sure he ever understood that you could accomplish a lot of the same objectives in the private sector. When the Lincoln School was taken over by the state, he became executive director of the Lincoln Foundation.

One current project of the Lincoln Foundation is to

take a group of seventh or eighth graders and shepherd them through high school with enrichment programs on weekends and in summertime to give them a leg up. If they finish the program, they are guaranteed a college education. The foundation doesn't pay for it. It uses established scholarship programs at participating schools that include Bellarmine University, University of Louisville, Murray State University and Centre College in Kentucky.