



NONE OF US
IS AS GOOD
AS ALL OF US

HOW McDONALD'S PROSPERS BY
EMBRACING INCLUSION AND DIVERSITY

PATRICIA SOWELL HARRIS

McDONALD'S GLOBAL CHIEF DIVERSITY OFFICER

FOREWORD BY McDONALD'S CEO JIM SKINNER

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This book is dedicated to the hundreds of thousands of my colleagues who bring diversity to life at McDonald's every day . . . to my late father and mother, who made me who I am and would be proud of who I have become . . . and to my son, Dwayne, and granddaughter, Cydnie, who represent the promise of a better future.

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FOREWORD



*M*cDonald's has an unwavering commitment to inclusion and diversity in our workforce, among our franchisees, and with our suppliers—in the United States and everywhere else in the world where we do business. I'm proud that our company values diversity so highly, and I am delighted that Pat Harris has taken on the task of sharing the evolution of diversity at McDonald's because it is a story that all of us can take to heart and learn from.

The first lesson that struck me in our story is that the road to becoming a diverse company is not a straight one. There are many bumps and potholes to negotiate and twists and turns that can, and sometimes do, take you off the right path. Like anyone, we have had our share of barriers and obstacles, but we have learned to keep our eye on the goal and persist through the hard times.

We have also learned that diversity is a sound business strategy—the smart thing to do if you wish to serve a diverse customer base. Frankly, there is nothing wrong with combining altruism with a very practical approach to diversity, and for those who say that it is easier to embrace diversity when you are the biggest and best in your industry, I would argue that the cause and effect is just the opposite. I believe that our diversity strategies are among the business practices that have helped us to become the acknowledged leader of the quick-service restaurant industry.

And, finally, as Pat makes clear in these pages, inclusion and diversity are not a destination you reach, they are a journey you take.

There might be many milestones you pass along the way to mark your progress, but the real benefits come from a constant effort to do things better tomorrow than you do them today. You might achieve diversity goals from a numbers standpoint but still miss the mark, because the true measurement of your success is how you leverage diversity for the benefit of your business and your people.

As McDonald's CEO, I am proud to introduce this book to you, and I do so with a salute to all the women and men within our system who have made such an encouraging and inspirational story possible.

—Jim Skinner
McDonald's Chief Executive Officer

MESSAGE



*A*s a long-time franchisee and member of the McDonald's "system," I was delighted to learn that Pat Harris was writing this book on the evolution of diversity within McDonald's. I know from firsthand experience that the opportunities McDonald's has provided to people of all races and ethnic backgrounds have been extraordinary and that this is a remarkable story well worth sharing with the rest of the world.

As the chair of Ronald McDonald House Charities (RMHC), I was even more pleased when Pat told me she has decided to donate all profits from this book to our organization. I am happy to accept this truly generous gesture on behalf of all the children around the world who benefit from RMHC programs.

As you might know, RMHC is a public charity founded in 1984 in memory of Ray Kroc, McDonald's founder. In partnership with our local chapters, we have donated more than \$460 million to date to programs that improve the lives of children and their families in neighborhoods worldwide.

Perhaps our most recognized initiative is our Ronald McDonald House program, which operates throughout the world, providing comfort to families with seriously ill children. The first Ronald McDonald House opened in Philadelphia in 1974, and today there are more than 285 Ronald McDonald Houses in 30 countries.

McDonald's commitment to be a good neighbor and contribute to the communities that support our business is based upon the same

values and principles that underlie our commitment to diversity. Pat sums it up aptly by using Ray Kroc's own words as the title of this book—"None of us is as good as all of us."

—Linda Dunham
Chair, Ronald McDonald House Charities

TIMELINE: KEY DATES IN MCDONALD'S DIVERSITY HISTORY



- 1957** June Martino is elected Secretary/Treasurer of Franchise Realty Corp., which becomes part of McDonald's Corporation in 1960.
- 1960** Lillian McMahan becomes the first woman franchisee of a McDonald's restaurant.
- 1966** June Martino is the second woman allowed on the floor of the NYSE (Queen Elizabeth was the first) when McDonald's stock is listed.
- 1968** Herman Petty of Chicago becomes McDonald's first African American restaurant owner. For the first time, women are allowed to work as crew members at company-owned restaurants.
- 1969** June Martino retires and becomes honorary lifetime member of McDonald's Board of Directors. Bob Beavers joins McDonald's licensing department to recruit African American franchisees.
- 1970** The Black McDonald's Operators Association (BMOA) is formed in Chicago, electing Ed Wimp as its president.
- 1971** Women are introduced to company-owned restaurant management ranks. Henry Garcia becomes first Hispanic franchisee in Los Angeles.
- 1972** The Chicago BMOA holds its first convention.

- 1973** McDonald's begins its formal association with Burrell Advertising, an African American marketing firm founded by Tom Burrell.
- 1974** McDonald's begins its annual Employee Satisfaction/Commitment surveys.
- 1975** Ted Tongson becomes first Asian American franchisee in Paris, Texas. Sandy Brooks named first female Regional Vice President.
- 1976** The National Black McDonald's Operators Association (NBMOA) is formed in Philadelphia, electing Ralph Kelly president.
- 1977** McDonald's "Big Brother" mentoring program for African American employees is launched at a symposium in Atlanta. The McDonald's Hispanic Operators Association (MHOA) is formed and holds its first official meeting in Albuquerque, NM.
- 1979** Dr. Ron Brown, an African American consultant, is retained by McDonald's to assist in our affirmative action programs. Women's Career Development training classes are launched.
- 1980** McDonald's hires African American Mel Hopson to head Affirmative Action department.
- 1982** McDonald's creates "McJobs" program to hire and develop disabled employees.
- 1984** Bob Beavers becomes first African American named to McDonald's Board of Directors. Ron Damper becomes McDonald's first national African American supplier, providing tea to local restaurants.
- 1985** Franchisee Richard Castro launches the Hispanic American Commitment to Education Resources (HACER) scholarship fund.

- 1986** McDonald's introduces McMasters, a program to recruit older workers.
- 1988** Women Operators Network (WON) is formed, electing Darlene McKeller as its first president.
- 1989** McDonald's is one of the founding members of the Women's Foodservice Forum.
- 1990** Terry Savage, nationally renowned financial expert, becomes first woman elected to McDonald's Board of Directors. McDonald's Women's Leadership Network (WLN) for women employees is formed.
- 1991** Mike Sewell, a McDonald's crew member with Down Syndrome, appears in an inspiring Super Bowl commercial.
- 1992** Rodney King riots in Los Angeles cause \$2 billion in damage but leave McDonald's restaurants virtually untouched.
- 1994** McDonald's WON receives the Catalyst Award for advancing women and promoting leadership within the organization. The WLN holds its first national conference for women employees.
- 1996** Enrique Hernandez, Jr., former chairman and CEO of Inter-Con Security Systems, is the first Hispanic elected to McDonald's Board of Directors.
- 1998** Walter Massey, African American then-president of Morehouse College, is elected to McDonald's Board of Directors.
- 1999** National Leadership Council of franchisees is formally established, including Executive Committee representation from each owner/operator diversity association. Ed Sanchez is named president of the Latin America Group. Jeanne Jackson, former CEO of Walmart.com (now

- president of Direct to Consumer for Nike.com), is elected to McDonald's Board of Directors.
- 2000** Pat Harris is named to head Diversity Department, replacing Mel Hopson, who retires. McDonald's is named *Fortune* magazine's Most Admired Company for Social Responsibility.
- 2001** Hispanic Gloria Santona becomes General Counsel of McDonald's Corporation. McDonald's USA names Hispanic Henry Gonzalez president of East Division, Hispanic Ralph Alvarez president of Central Division, and African American Don Thompson president of West Division.
- 2002** African American Bill Lamar becomes head of U.S. Marketing for McDonald's USA. Jack Greenberg, McDonald's CEO, is presented the Trailblazer Award by the Women's Foodservice Forum. McDonald's launches its first "Diversity Best Practice Symposium," sharing its diversity programs with 39 outside corporations.
- 2003** Jan Fields is named president of McDonald's USA Central Division as Ralph Alvarez becomes U.S. Chief Operating Officer. Reggie Webb, African American owner/operator, is elected chairman of McDonald's National Leadership Council. African American John Rogers, founder and CEO of Ariel Capital Management (now Ariel Investments), is elected to McDonald's Board of Directors. The Asian McDonald's Operator Association (AMOA) helps establish the Asian & Pacific Islander American Scholarship Fund (APIASF). *Fortune* magazine names McDonald's the "Best Place for Minorities to Work."
- 2004** McDonald's forms Diversity Advisory Council, headed by Pat Harris, Chief Diversity Officer. Ralph Alvarez becomes president of McDonald's USA. McDonald's

- enables domestic partners to be eligible for its benefits package. *Fortune* magazine names McDonald's the "Best Place for Minorities to Work."
- 2005** Karen King is named president of McDonald's USA East Division. Mary Dillon becomes McDonald's Global Chief Marketing Officer. McDonald's Gay, Lesbian and Allies Network (MGLAN) employee network is established.
- 2006** McDonald's receives the U.S. EEOC "Freedom to Compete" award for its diversity and inclusion initiatives. Ralph Alvarez is named McDonald's President and COO and Don Thompson becomes president of McDonald's USA. Pat Harris is honored with the National Restaurant Association's Salute to Excellence Award. Sheila Penrose, then-president of The Penrose Group (now non-executive Chairman of the Board), is elected to McDonald's Board of Directors.
- 2007** McDonald's European Women's Leadership Network holds its first meeting.
- 2008** Ralph Alvarez is elected to McDonald's Board of Directors. McDonald's Asia/Pacific Women's Network holds its first meeting. Susan Arnold, then-president of Global Business Units of The Procter & Gamble Company (now on special assignment for the CEO), is elected to McDonald's Board of Directors. J.C. Gonzalez-Mendez is named president, McDonald's Latin America. Jose Armario is promoted to group president, McDonald's Canada and Latin America.
- 2009** McDonald's selected by *LATINA Style* magazine as one of the Top Twelve Companies of the Year, named one of the best companies for Latinas to work for in the United States.

