

PE Hub

By: Mary Kathleen Flynn
PUBLISHED: 14 February, 2024

PEOPLE

Blackstone aims to 'disrupt historic hiring patterns'

Led by Marcus Felder, Career Pathways launched in 2020. Since then, 50 of Blackstone's portfolio companies have welcomed 6,000 untapped talent hires.

Marcus Felder joined Blackstone in 2020 to lead Career Pathways, a program that provides the firm's portfolio companies with tools and resources to recruit, retain and advance employees from diverse and historically underrepresented communities.

Before joining Blackstone, Felder worked at the Posse Foundation, a nonprofit that identifies and equips young leaders from nontraditional backgrounds for success in college and beyond. While there, he helped colleges and universities recruit, enroll and graduate military veterans – "a remarkable applicant pool that many universities fail to fully tap into," he once wrote. "My work there showed me that you couldn't just enroll a student and then walk away if you wanted to set them up for success. Instead, you had to stay connected with them throughout their college careers, supporting them by creating a strong sense of community and providing meaningful mentorship opportunities."

What drew Felder to his role at Blackstone was the firm's commitment to designing Career Pathways "to follow the entire talent journey." In March, Felder will be a featured speaker at NEXUS 2024, a summit hosted by PE Hub and other PEI Group publications.

As part of PE Hub's ongoing series of Q&As with private equity thought leaders, we asked Felder for an update on Career



Marcus Felder, Blackstone

Pathways.

Blackstone piloted Career Pathways with six portfolio companies in 2020. What's the program's mission and how has it grown since then?

Blackstone Career Pathways aims to strengthen our companies by broadening the networks from which our portfolio companies recruit, develop and advance high-quality talent at both the entry and mid-levels.

Joe Baratta, Blackstone's global head of private equity, founded the program in 2020 while serving on the national board of Year Up, an organization dedicated to closing the opportunity divide. He had

a clear vision: to meaningfully disrupt historic hiring patterns and help our portfolio companies source quality talent from the widest possible pool, including graduates of minority serving institutions, talent without four-year degrees, veterans and refugees. Since inception, nearly 50 participating portfolio companies have welcomed more than 6,000 untapped talent hires.

What role do talent acquisition and retention play in value creation for PE portfolio companies?

At Blackstone, we believe that talent is a key value creator. Strategically deploying talent is a pivotal factor in achieving sustained growth and optimizing returns. With more than 230 portfolio companies employing 700,000+ people globally – equivalent to one of the largest Fortune 500 employers – we seek to build stronger companies that create lasting value for our investors.

We approach talent at every stage of the deal lifecycle and use a company's investment thesis as our true north to build fit-for-purpose, diverse teams. Blackstone Career Pathways is grounded in the belief that outstanding business outcomes are directly correlated to the innovative problem-solving that comes from building teams with individuals from diverse backgrounds and experiences.

We are continuing to expand the program across our portfolio of companies

PE Hub

to meet our companies' ambitious hiring plans and aim to have the high-quality talent required to deliver the value creation thesis.

What are the biggest challenges PE portfolio companies face when it comes to recruiting, retaining and advancing employees from diverse and historically underrepresented communities, and how does the program help them meet the challenges?

Our experience the past three years has allowed us to develop a repeatable success model that serves as a blueprint for our portfolio companies. We have also started to expand the program to select third-party general partners that are included in Blackstone's GP Stakes platform, which focuses on the acquisition of minority ownership interests in the management companies of leading private equity firms.

There are five steps that any company interested in pursuing a similar strategy can follow:

Assess: Understand a company's starting point with a diagnostic lens to meet them where they are and develop a tailored

talent strategy.

Mobilize: Identify new talent sources from underrepresented groups alongside college recruitment, and adopt skills-based approaches to help build talent pools inclusive of a wider range of applicants.

Recruit: Recruit quality talent from historically untapped pools and train managers in practices like skills-based hiring to accurately assess and foster a sense of belonging from initial onboarding.

Develop and advance: Sponsorship and mentorship programs, coupled with de-biased talent management practices, are pivotal to fostering an equal opportunity advancement process.

Measure and communicate: Tracking and reporting metrics like the number of hires and promotions of talent in entry- and mid-level roles and impact of hires on overall employee engagement is essential to understanding how inclusive practice adoption leads to improved business outcomes.

We also find real value in experience-sharing with our portfolio companies and the many others who support similar programs. Last year, we hosted our second annual Blackstone Career Pathways Summit with more than 100 attendees

across portfolio company CEOs and HR leaders, partner organizations such as Year Up, thought leaders such as Jobs for the Future and corporate champions like Walmart and IBM. This allows us all to accelerate learning and momentum, and find new ways to partner with each other to amplify our collective efforts.

What's the future for Career Pathways?

We're excited about the progress we've made and what lies ahead. We're actively expanding the number of companies participating in the program across Blackstone's portfolio, with new cohorts planned in 2024. In addition to onboarding new companies, we are focusing on how we can continue to retain and advance talent within participating companies, with an emphasis on maintaining strong retention and development and advancement. We're also excited about our deepening partnership and collaboration with our many ecosystem partners. We're confident all of these efforts will continue to strengthen our portfolio companies and drive lasting value for our investors.