

Building on a Commitment

An Interview with Paige Ross, Global Head of Human Resources, Blackstone and Christopher James, Chief Operating Officer, Blackstone Tactical Opportunities

EDITORS' NOTE *Paige Ross is the Global Head of Human Resources at Blackstone. In this role, she oversees human resource management globally for the firm. She brings more than 25 years of experience in talent development and strategic planning across a multitude of industries and geographies. Prior to joining Blackstone, Ross served as the Managing Director of Talent Management at Centerbridge Partners with a focus on leading Talent Management across the portfolio companies. She has also held senior human resources leadership positions at Pfizer, Avon and PepsiCo. Ross earned her BA at Stony Brook University and PhD in Applied Organizational Psychology at Hofstra University.*

Christopher James is a Senior Managing Director of Blackstone and Chief Operating Officer of Blackstone's Tactical Opportunities group. He is a member of the Investment Committee for Tactical Opportunities and Blackstone Growth funds. Prior to launching Tactical Opportunities in 2012, James managed a number of the firm's business development efforts and strategic initiatives across asset classes and investment products. Since joining Blackstone in 2006, he has led the organization of a number of new Blackstone investment products as well as the execution of the firm's initial public offering and the firm's investments in GSO, Pátria Investimentos and Strategic Partners. He has served on the boards of past Blackstone portfolio companies and currently serves on the boards of Blackstone TORO Holding Trust and CDL. James received a BS from Duke University and a JD from Harvard Law School. He currently serves on the Board of Trustees of Prep for Prep and Riverdale Country School.

FIRM BRIEF *Blackstone (blackstone.com) is one of the world's leading investment firms. It seeks to create positive economic impact and long-term value for its investors, the companies it invests in, and the communities in which it works. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Its \$649 billion in assets under management include investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis.*



Paige Ross



Christopher James

How has the human resources role evolved and how important is it for the role to be engaged in business strategy?

Ross: At Blackstone, our business strategy is our Human Resources strategy. Our Human Resources department is intrinsically connected to all business planning. Our HR team focuses on attracting, recruiting, and developing employees throughout the entire employee life cycle, all in support of meeting business objectives including diversity, equity and inclusion (DEI).

Will you provide an overview of your role and key areas of focus?

James: I'm the Chief Operating Officer and a founding member of Blackstone's Tactical Opportunities (Tac Opps) business, which is the firm's opportunistic investment platform. Tac Opps provides flexible capital solutions across asset classes, sectors, and geographies. Our mission is to deliver attractive risk-adjusted returns to our investors. In my role, I help manage the business, including our team, our investment process, and our relationship with our investors.

How do you describe Blackstone's culture and how critical is culture to the success of the firm?

James: Blackstone has a culture of meritocracy, excellence, openness, integrity, and innovation. Those are the values that Steve Schwarzman and Pete Peterson founded the firm on 35 years ago, and they still ring true today. I've been with Blackstone for over 15 years and have in many ways "grown up" here. One of the key reasons I've had such a satisfying experience is because of those values and that culture that is the bedrock for Blackstone and working at our firm.

Will you discuss Blackstone's focus and commitment to diversity, equity and inclusion?

Ross: DEI is critically important to our culture and makes us better investors. At Blackstone, we are committed to increasing diversity and the scale of our portfolio – over 200 companies that employ nearly half a million people – allows us to have massive impact. We're proud of our efforts to date but know there is still work to be done.

Will you highlight Blackstone's diversity and inclusion strategy?

Ross: Blackstone has four main priorities in relation to diversity, equity and inclusion. Recruitment of diverse talent; retention and engagement efforts; value creation through responsible investing; and giving back to underserved communities.

First, we believe true impact starts early at the recruitment pipeline. We expanded the number of schools we recruit from to 44 schools, including Historically Black Colleges and Universities (HBCU). This shift has drastically altered our talent pipeline and first-year analyst class with 45 percent of our

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2020 global analyst class identifying as female, up and 44 percent of our 2020 U.S. analyst class identifying as racially diverse. Within the firm, we have four affinity networks dedicated to supporting the recruitment, retention and advancement of women, diverse professionals, LGBT+ individuals and veterans. I'm proud to share that these groups are not siloed within the company, but rather celebrated and embraced by all employees. This is thanks to the fact that our senior most leaders champion diversity, equity and inclusion as a business priority, not a requirement by Human Resources.

Second, we work to ensure we have strong engagement and retention. In addition to our affinity network programming, we offer talent development and mentorship opportunities for employees at all levels.

Third, we are focused on creating value at our portfolio companies. For example, we recently announced a commitment to increase board diversity and to find career opportunities for under-resourced populations.

Finally, we also partner closely with the Blackstone Charitable Foundation to give back to communities where we live and work. Recently, their flagship LaunchPad program – dedicated to making entrepreneurship accessible for all college students – announced a \$40 million commitment and partnership with UNCF to focus on colleges and universities that have a majority diverse population or are serving under-resourced communities.

How important is it for Blackstone to build a diverse and inclusive workforce in order to bring diverse perspectives and experiences to the table when making business decisions?

James: It is extremely important to have a diverse and inclusive workforce – it is what makes us better investors, helps us avoid risk and deliver better outcomes for our investors. At Blackstone, we see our people as our most important asset and building and maintaining a positive, diverse and inclusive culture has been critical to the company's success. We're working every day to continue to build on that commitment. Recently, we announced an expansion of our Environmental, Social and Governance (ESG) team, with five newly-created senior positions across the U.S., Europe and Asia. With our new hires, we are adding new resources and capabilities within the business units, like Tac Opps, and also building out a corporate ESG structure which will deepen our existing ESG integration across our investment process and asset management.

How valuable has it been to have the commitment of Blackstone's senior management in its diversity, equity and inclusion work?

Ross: Having 'buy in' is crucial for success. Thankfully, at Blackstone we have unwavering support from our senior leadership team on all our diversity, equity and inclusion and environmental, social and governance (ESG) initiatives. The perfect example of this is our Career Pathways Program which aims to expand employment opportunities for people from under-served communities. This program requires strong partnership across HR and the business and portfolio operations and is championed by Blackstone's Global Head of Private Equity, Joe Baratta, and Marcus Felder, VP in Portfolio Operations.

What was the vision for creating Blackstone's Diverse Professionals Network and how do you engage Blackstone's workforce in its efforts?

James: Blackstone launched its Diverse Professionals Network (DPN) in 2015 to improve the recruitment and retention of underrepresented minorities at Blackstone as well as create an inclusive community of diverse employees within the firm. Our DPN provides a space for our employees to come together and discuss their experiences, develop relationships and networks that foster a sense of inclusion and, ultimately, weave these aspects into the firm's culture.

Engagement with the DPN happens throughout Blackstone. Senior leadership of the firm has strongly endorsed the DPN and its mission, and there are over 900 employees representing a variety of ethnicities and backgrounds. The widespread support and enthusiasm for the DPN has been crucial to the success we've had.

What do you tell diverse talent about the opportunities that exist to grow and lead in the industry?

James: First, I acknowledge that our industry has had a relatively poor history sourcing and progressing diverse talent. There are long-standing structural dynamics in our society that have facilitated failures here.

However, there are positive changes happening in the industry to remedy these failures. Importantly, there is now broad awareness of how far we need to go and the big efforts we need to undertake to enhance diversity in financial services. Coming out of the confluence of events last year – the murder of George Floyd, rising social unrest and the pandemic – you are now seeing allyship across many different groups to really address diversity and inclusion in our industry.

There is aggressive leadership from many enterprises on this, including Blackstone. We've made a sustained commitment to improve our diversity and progress our diverse employees into positions of leadership.

What advice do you offer young people beginning their careers during this challenging and unprecedented time?

Ross: I'd urge everyone to think of every job as an opportunity to learn. Be open to different opportunities and build your network. Careers are zig zagged, not a straight line – you never know where you'll end up. ●

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