

Enhancing Cooperation Between Employers and Guardsmen/Reservists

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Witness:

Mr. Dennis Donovan

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Executive VP of Human Resources,

Testimony

Good afternoon. My name is Dennis Donovan, and I am the Executive Vice President of Human Resources for The Home Depot, Inc.

I would like to thank Chairman Isakson and Senator Murray for inviting The Home Depot to participate in this Subcommittee's hearing on cooperation between employers and guardsmen/reservists.

Founded in 1978, The Home Depot is the world's largest home improvement specialty retailer and the second largest retailer in the United States, with fiscal 2004 sales of \$73.1 billion. The company employs approximately 325,000 associates and has more than 1,950 stores in all 50 states, the District of Columbia, Puerto Rico, 10 Canadian provinces and Mexico. Headquartered in Atlanta, Georgia, we're extremely proud to call the Chairman of this Subcommittee our Senator.

At The Home Depot, we feel that our support of the military sets the standard for corporate America. It is our belief that we must honor our military heroes where it matters most, not only in our thoughts and prayers, but also in our business practices, human resource policies, corporate giving and volunteer efforts.

It is in our value proposition to take care of the people who are defending our country. We do not view our military support as a cost, but rather as an investment. It is not a burden. It is our responsibility, and one that we live up to proudly each and every day.

The Home Depot's commitment to the men and women who serve our country is unquestionably strong and very close to the heart. Since 2002, The Home Depot has had approximately 1,800 associates called to active duty for the current Iraqi conflict.

The Home Depot has implemented an extended and enhanced leave of absence benefit for our deployed associates.

Beyond making sure these associates have a good job when they return home, The Home Depot equalizes pay between their military salary and what they would have made at The Home Depot as well as extends health benefits to all of our deployed associates and members of their families.

We feel it is important to take care of our associates while they are away protecting our freedoms, so the company has extended these benefits to our associates for the duration

of the Iraqi conflict.

It is extremely important to us that these men and women are given the opportunity to continue receiving their benefits and have their pay equalized if their military position pays them less than what they would be earning if they were not a reservist or guardsman.

These individuals should not have to forgo benefits or income because of their decision to defend our nation.

Our company's support of the U.S. military and the men and women serving our country goes far beyond what we offer our own deployed associates. The Home Depot has been a long-time proponent of hiring separating military, veterans and military spouses.

On September 21, 2004, The Home Depot joined forces with the U.S. Departments of Defense, Labor and Veterans Affairs to launch Operation Career Front, an unprecedented program designed to provide career opportunities for America's military personnel who are interested in transferring their unique skills, knowledge and abilities into a successful second career.

I was in Washington, D.C. with Bob Nardelli, our Chairman, President and CEO; Elaine L. Chao, the Secretary of Labor; Dr. David S.C. Chu, the Under Secretary of Defense for Personnel and Readiness of U.S. Department of Defense; and Anthony J. Principi, the former Secretary of Veterans Affairs to launch this tremendous initiative.

In addition to providing employment opportunities for active, reserve, National Guard or veterans, The Home Depot also has a program for military spouses and dependents. With our network of stores throughout the country, The Home Depot works with its military associates to provide transfers in the cases of reassignment of duty stations, retirement or separation.

Operation Career Front is a program that enhances the company's hiring efforts within the military community. In 2003, The Home Depot hired 10,000 veterans, and in 2004 the company hired more than 16,000 former military personnel. I could not be more proud to tell you that we plan to exceed that number in 2005 as we already have hired more than 13,000 veterans through September.

Our effort, Operation Career Front, supports America's military job seekers, including veterans, separating active duty service members, national guard members, reservists and military spouses.

To support the initiative, the U.S. Department of Defense provides a link on its Web site to enable military members and their families to apply for employment with The Home Depot, and it lists The Home Depot as a prospective employer on its job search Web site.

The U.S. Department of Defense also makes information available to interested military

personnel and their families outlining the process to apply for careers with The Home Depot through their Military Transition Assistance and Family Centers.

The U.S. Department of Labor makes Operation Career Front information available to more than 2,000 One-Stop Career Centers throughout the nation. The U.S. Department of Labor also supports the initiative utilizing the Local Veterans Employment Representatives (LVERs) as well as Disabled Veteran Opportunity Program (DVOP) specialists located at One-Stops and Transition Assistance Centers across the nation.

The U.S. Veterans Affairs Department's Vocational Rehabilitation and Employment (VA VR&E) division makes Operation Career Front information available to veterans with service-connected disabilities through its representatives located in state offices across the nation.

The Home Depot has also hired a significant number of former military into our Store Leadership Program. The Store Leadership Program provides individuals who are dynamic and driven with a strong foundation of strategic and technical skills, placing them on the fast track to store manager positions.

Since the inception of the program in 2002, the company has enrolled 1,147 individuals. Of those enrolled, 529 of them are former junior military officers, with 125 of the JMO's being Academy graduates.

The Home Depot is always looking for the best, brightest talent available, and we have found that the former junior military officers that have joined our company possess tremendous leadership characteristics that have made them invaluable hires.

We have found that these men and women have transferable experience because they have been put in a position where they have had to deliver results, and where they must act strategically as well as tactically.

In addition, our experience shows us that junior military officers have the ability to drive excellence and lead through inspiration. Also, they have the self-confidence and the know-how to engage customers.

The company also is a participant in the Marine Corps Corporate Fellows Program. For the past several years, an officer from the U.S. Marine Corps has been assigned to The Home Depot for a one-year rotation working closely with the company's senior leadership team. The company benefits from the military leader's experience, and the officer is able to transfer his or her learnings at The Home Depot back to the Marines. We are proud to say we have our fourth Marine Corp Fellow, Lt. Col. Jim Izen, currently at The Home Depot.

The company also collaborates with the military to share best business practices. On November 16, 2005, The Home Depot is scheduled to host the Army Strategic Leadership Program for the third time. More than 25 senior officers and personnel will be

in Atlanta to meet with Bob Nardelli and the members of the Senior Leadership Team to discuss and share ideas around leadership, logistics, information technology and supply chain management. On November 18, I am slated to meet with officers and personnel from the Air Force to share best practices.

Taking care of our communities through corporate philanthropy and volunteerism is one of the company's core values. Our commitment to the military community is no exception.

In 2003, we launched Project Homefront, a program designed to help military families with home repairs while their loved ones were away serving on active duty. The company pledged \$1 million and one million volunteer hours from our associates to complete these home repairs during 2003 and 2004.

In July 2004, The Home Depot donated \$1 million in tools and materials to support U.S. military efforts in Iraq. Nearly 100,000 tools and materials, including shovels, table saws, concrete mixers, safety scaffolding, power generators, light bulbs, jackhammers, and thousands of letters from associates at The Home Depot to troops were loaded on nine tractor trailers in San Diego and taken by the U.S. Army and U.S. Marine Corps transportation to U.S. military installations in Iraq.

The Home Depot's support of the military has not gone unnoticed as the company has received numerous awards and recognition for our efforts and initiatives.

The company received the Employer Support of the Guard and Reserve's Freedom Award in 2004 and The Home Depot was the recipient of the Employer Support of the Guard and Reserve's Homefront Award in 2003.

In addition, The Home Depot received the No. 1 Ranking in the "Top 10 Employers for Military Personnel" by G.I. Jobs magazine in November 2004.

In June 2005, Bob Nardelli received the Most Distinguished American Award from the Marine Corps Law Enforcement Foundation.

Recently, the company received the 2005 Veterans of Foreign Wars James R. Van Zandt Citizenship Award, a commendation from The American Legion, the USO (United Service Organizations) Patriot Award, the PSC Private Sector Leadership Award for the Partnership for Public Service, and the Military Officers Association of America's Distinguished Service Award.

I would like to close by saying we view our support of the military as our responsibility to our country and as a valuable investment in our company's future. It is something we take very seriously at The Home Depot, and we will continue to support those who are defending our rights and protecting our freedoms.

Chairman Isakson, Senator Murray, thank you again for inviting The Home Depot to participate in this Senate Subcommittee Hearing.