

By Vadim Liberman

Do Companies Truly Value Their Diversity Directors?

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We all know that corporate America has committed itself to diversity, to make the workplace a better place for all. At least we think we all know this. At least we say we think we know boils down to some bitter truths that we're simply reluctant to admit: that many companies' commitment to diversity—at least as evidenced by the stature of their diver-

sity directors—is not very deep?

No one would ever admit this, of course, and diversity involves so many variables—geographic, economic, etc.—that it's difficult to categorically determine, rhetoric aside, whether a particular company is taking the issue seriously. Which is why the position of the diversity director is a leading indicator of how diversity itself may be regarded within a company. Is the diversity director respected to the full?

To many observers, the answer is clearly no, despite diversity's entrenchment as a settled issue that no longer draws much grumbling or controversy. For the most part, critics charge, companies still aren't giving their diversity executives the authority they deserve.

And yet we've all heard high-minded CEOs and other senior executives sermonize about diversity as if it had the strength to cure any corporate cancer, and as if that view were both universally

Who Should Be The CDO?

In scouting diversity candidates, many companies look first to the HR department, which seems a natural. But doing so may be selling the position short. "Probably around 50 percent of HR professionals don't have the business-based background to really understand the language of business," charges Herndon, Va., HR consultant Cornelia Gamlem, who insists that diversity executives have an understanding of marketing and economics. Adds Clayton Osborne of Bausch & Lomb: "There are a lot of diversity directors who did not come to their work having the right knowledge base."

Cheltenham, Md.-based diversity consultant Mary-Frances Winters warns against hiring an attorney for the position. "I don't have anything against lawyers, but when you put someone with a legal background in this job, they're going to come at it from the perspective of keeping the company out of legal trouble." As such, attorneys often err on the side of caution, which can hinder moving forward with open and honest dialogue. On the other hand, CSX Corp. diversity chief Susan Hamilton sees no problem with having an attorney in the position—hardly a surprise since she is one herself. —V.L.

held and a top corporate priority. If they are all beginning to sound like broken records, maybe it's because something really is broken.

To be sure, there are a good number of Fortune 500 companies that aggres-

sively practice diversity management. Their diversity executives say they feel valued. But they nonetheless concede that many other companies still fail to appreciate their top diversity executive. Only about 10 percent of diversity chiefs get the recognition they deserve, estimates Susan Hamilton, assistant VP of diversity at CSX Corp.

"I've worked with diversity managers who say they aren't listened to," says consultant Mauricio Velásquez of Herndon, Va.-based Diversity Training Group. "They tell me about their efforts, and I tell senior management, who think that what I've just told them is brilliant! I then tell management that their diversity people have already been telling them the same thing and that they just haven't been listening."

Why aren't diversity heads getting more respect? What are organizations—and even diversity officers themselves—doing wrong? The answers may surprise you, because when it comes to diversity, nothing is black or white.

What Does a CDO Do, Anyway?

It's a little gray, at least when it comes to companies defining the role of the diversity chief. Though many businesses know that they want someone in charge of diversity efforts, they're not necessarily sure what they want her to actually do. Job descriptions often list overly general duties. One diversity executive quoted in *The Diversity Executive: Tasks, Competencies, and Strategies for Effective Leadership*, a 2001 Conference Board report written by Miami Beach-based HR consultant Michael Wheeler, defines her job as "creating and implementing workplace policies and management practices to maximize talent and productivity for overall organizational effectiveness." Isn't that what most managers do?

Because such job descriptions are so broad, it's also no surprise that companies expect a lot from diversity directors. A lot of what? It's hard to tell.

Though the Conference Board report goes on to name ninety-six possible corporate-diversity activities, many businesses find themselves at sea when trying to decide which they expect a chief of diversity to do, much less how they expect her to do them. For instance, the report mentions duties such as evaluating managers' performance and participation in multicultural events. Even after an evaluation is successfully completed, most companies don't know what to do with the resulting information, Wheeler explains.

Without a clear job profile, many companies become disillusioned with those they hire to manage diversity. Granted, companies are often disappointed by people they hire for *any* department. But when a marketing head fails to live up to expectations, the organization blames only the individual; when it's a diversity director, a company frequently becomes disenchanted not only with the executive but with diversity itself. It becomes difficult to respect someone when she's doing something you don't understand—all of which causes you to question the utility of the position in the first place.

Things were simpler back in the 1980s and early '90s when organizations were hiring diversity directors (though they went by titles such as "compliance officer" or "EEO manager" back then) primarily to handle EEOC, affirmative action, and compliance issues. Today, diversity is, well, more diverse. Diversity executives must review ads so that they properly target various groups; educate employees about policies such as domestic-partner benefits; meet with community leaders to help decide which nonprofits to fund; scrutinize speeches, surveys, and evaluation forms to ensure that diversity is included; conduct research to guarantee that the company is using suppliers and vendors that are also diverse; help develop budgets that allocate money for diversity-related endeavors; create systems by which to measure diversity's impact on the bottom line; and work on matters related to recruit-

ment, training, and other HR issues.

Yet while the definition of diversity may have evolved, some companies have not. "It's a big mistake when organizations continue to make the diversity manager also in charge of EEO compliance," Mauricio Velásquez argues. Not separating these two jobs implies that the diversity role exists to satisfy legal requirements rather than to serve its real purpose: to manage and exploit the company's diverse talent. Clayton Osborne, Bausch & Lomb's VP of human resources, estimates that almost one-third of companies still view the position primarily in terms of compliance and affirmative action.

Not everyone sees that as a problem worth addressing. "I spend 50 percent of my time strictly on diversity matters, 25 percent on EEOC matters, and 25 percent on compliance," says CSX's Hamilton. "It's the right balance for our company. It works for us, and that's all that matters."

What's the Business Case?

A corporation isn't going to convince anyone that it values its diversity director if she is forced to work out of a backwater office and has a budget that barely covers office supplies and a staff composed of two interns. And yet, "across the country, diversity officers are understaffed and underbudgeted," Hamilton says. Often, diversity is either housed in or associated with human resources, a field that historically receives less funding and attention than more "core" functions. And even if CDOs are level with other C-suite execs on an org chart, "almost universally, diversity executives do not have the same power as the marketing or sales director," says San Diego-based diversity consultant Sondra Thiederman.

Why? "It's due to the perception that they are not contributing to the bottom line," Thiederman says. Most organizations, Hamilton adds, "view diversity as fluff."

If such a perception exists—and many diversity consultants agree that it

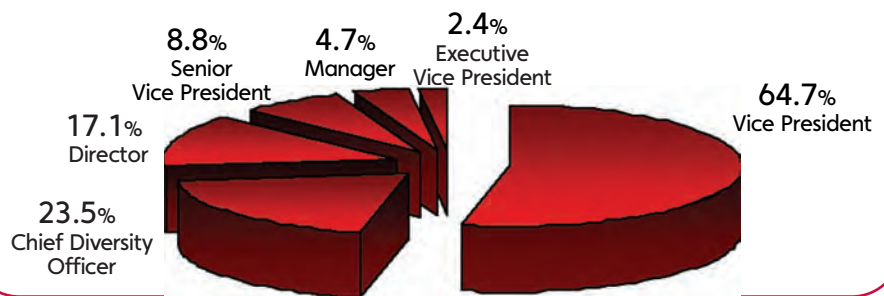
does—then maybe it's not only the fault of CEOs and top management who "just don't get it." It could also be said that diversity officers themselves don't get it: They get no respect because half of them are going about their jobs wrong, according to Herndon, Va., HR consultant Cornelia Gamlem.

At many firms, diversity is still viewed as something that has only a tenuous

still the right thing to do. The two do not negate each other," Thiederman says. But what about a CEO who isn't yet convinced of the business case who hires a diversity executive because it's the moral thing to do, or because it makes for good PR? In those cases, it's the diversity officer's job to educate her CEO about how diversity can impact the bottom line. "If a diversity

How Do You Say "Diversity Director"?

In a number of ways, it turns out. Here are the most common titles to describe a company's top diversity post, according to a 2004 survey of 170 Fortune 500 companies by consultancy Diversity Best Practices. (Some executives have overlapping titles—such as vice president, director of diversity—which is why the total exceeds 100 percent.)



impact on the bottom line, much like employee satisfaction. But rather than creating a business case for diversity, which is what they should be doing, many diversity officers are moralizing the issue. They are still attempting to advance diversity because it's the right thing to do, because it makes for good corporate citizenship. But promoting it this way is a mistake, says Kenneth Sole, a Durham, N.H.-based management consultant who specializes in diversity. "This approach involves scrutinizing, chastising, and sometimes punishing people. When people feel preached to, they are not motivated to change their behavior." Moralizing diversity, he adds, guarantees that people in diversity leadership will become devalued and held in low esteem.

"Diversity executives need to recognize that making the business case does not weaken the reality that it's

professional isn't doing a good job of marketing the job, then it's surprising to me how he can blame the employer for any lack of respect," says Mauricio Velásquez.

Lowered Expectations

A diversity officer's failure to make the business case for diversity may signal a larger problem. Weldon Latham, a Washington, D.C.-based senior partner at law firm Davis Wright Tremaine, comments: "If a diversity executive can't persuade the company to recognize diversity's benefits, then I doubt that he'll be able to convince management of anything."

Still, why aren't more diversity chiefs making more of a business case? "There are some diversity directors who are more interested in protecting their corner office than in making the business case," says Luke Visconti, co-founder

What Color Is Diversity?

As diversity directors and their companies struggle to infuse their businesses with a rainbow of different backgrounds, there's one department that remains devoid of many colors. Ironically, it's diversity itself.

A profession geared toward making corporate America more inclusive remains a clique of African-Americans, particularly black women. So

why doesn't the rainbow flow into a melting pot teeming with more white testosterone? The answer is simple. "Organizations are searching for someone

who looks the role," explains HR consultant Cornelia Gamlem. It's a look that hasn't changed much since it first hit the corporate scene decades ago.

Years ago, when diversity centered more on compliance and workforce representation and companies were hiring people to fill the position of EEO/affirmative-action manager, they tended to look for people who were anything but white males. Today, companies still prefer to hire women and minorities. "This job was specifically created for anybody *but* the dominant group," explains diversity consultant Mauricio Velásquez. Part of a diversity chief's job is to add volume to the voices

of workers who haven't traditionally been heard in business, and corporations still believe that female or ethnic diversity officers have more credibility with such employees. For example, Deborah Dagit, Merck's executive director of diversity and work environment, is four feet tall and walks with a cane. "When someone from a disenfranchised group sees me," she says, "they already have the feeling that I can relate and understand what it's like to be in a society that marginalizes people who are different."

Yet such empathy carries a very real potential for backlash. Though women and minorities may have greater credibility with other women and

minorities, they may not get similar respect from the white men who almost certainly outnumber them, particularly in corner offices. There's the possibility that white people in the company will view a minority diversity executive as someone with an axe to grind, explains diversity consultant Sondra Thiederman.

So why not put a white man in the job? Doing so could even improve the stature of the role, so that it's no longer "that job for a black woman." "Putting a white man in this position will show that the company is really serious about diversity issues," Gamlem says. But Dagit isn't so sure. "Do HR departments headed by a white male have a

of DiversityInc, a Newark, N.J.-based publisher and career center. "The question is: Does the CEO tolerate this? If the CEO feels that diversity doesn't have substance, then he won't mind a person who doesn't have substance in that role." Adds Roosevelt Thomas, a Decatur, Ga.-based consultant and president of think-tank The American Institute for Managing Diversity: "If it becomes clear that not much is expected of a diversity director, then that becomes the reality of the job. You can argue that they should be change agents, but I'm not certain that diversity directors always take the job *expecting* to be change agents."

For others, the reality is less a lack of passion for the job and more a lack of knowledge of how to do it correctly.

A number of diversity execs are unable to make a business case because, Gamlem charges, "they are scared of metrics and don't understand how to work with them," which explains why many find it easier to moralize issues. But even when diversity heads make a business case, they talk in terms that are too broad, she adds. They speak broadly about the changing demographics of the United States rather than building a business case for the company for which they work.

Finally, if a diversity chief feels undervalued, it may be because she made a mistake by accepting a job at a company that defines diversity management as racial-representation and lawsuit management. "A lot of candidates don't size up the leadership commit-

ment to diversity," remarks Mauricio Velásquez, "so they later get deeply disappointed and complain." Candidates need to ask and organizations should be prepared to answer questions such as: How do you define diversity? What are your diversity goals? What diversity initiatives has your company been involved with? How open is your company to change?

Where to Stick It

How much influence do you *really* want to give your diversity director? You may already have answered that question by where your company has put her. Perhaps the most important sign of respect given to diversity officers is if they report directly to the chief executive—at least that's what



higher stature?" she asks. "I don't think so." Regardless, finding a white male to lead diversity is like discovering money on the street: You'll find some if you search hard enough, you'll be happy to find it, but that doesn't mean there's a lot out there. Not to mention that it may also be thought of as counterfeit—just as a black diversity chief may enjoy more credibility with line workers and mid-level managers than with top management, a white male may face the reverse problem. "Minorities in the organization might look at him and say, 'He's not one of us,'" Thiederman remarks.

Such racial (and gender) profiling is unfair, says Frank McCloskey, Georgia

Power's VP of diversity for the past five years. "If we don't stop sending the message that white men are not qualified and need not apply for the chief diversity officer position," he declared in a recent speech, "we will never make the progress we all want." In the meantime, McCloskey, who is white, belongs to the racial minority when it comes to diversity directors.

One reason for the paucity of white men in diversity, Thiederman argues, is that for many years, women and minority diversity professionals had engaged in white-male bashing, spurring a legion of white males who now refuse to forgive their attackers or who simply

feel too guilty or uncomfortable working with them. Second, many white men lack an inherent passion for the work, often because they lack life experience dealing with issues swirling around diversity.

Most significantly, white males shrink from the position because they deem it a dead-end job. "Diversity, like communications and HR, is a support role in most companies," says Clayton Osborne, Bausch & Lomb's VP of human resources. "Because such roles aren't viewed as valuable to the company and critical to its success, white men don't want the job. It's not perceived as having enough power and influence."

If that's the case, why would a black person want

a job perceived this way? "A diversity role is not viewed in the same way by minorities and women as it is by white men," Osborne answers. "Minorities see it as a way of helping other minorities." Kenneth Sole, a management consultant, disagrees. "No one really wants this job," he says, "but minorities are more willing to accept it" because it's one of the easiest, most established ways for them to get access into a company. It's a job that's stereotyped for them, says Susan Hamilton, CSX Corp.'s assistant VP of diversity. Still, "if I were a minority," adds Hamilton, who is white, "I'd think twice about taking this job because I'd want to break new ground in another area." —V.L.

most consultants will tell you. But they're wrong, sort of. It's not reporting that matters most—it's access. The two are not synonymous. Sixteen percent of diversity executives report directly to their president or CEO, according to The Conference Board's report. However, a diversity officer can report to the CEO but still lack access to information or the decision-making process. So even though more and more CDOs are reporting to their CEOs, they aren't necessarily driving change.

Those CEOs who remain skeptical about diversity—and there are many—may position a diversity chief where her authority can be minimized: in the HR department. "When diversity is stuck in HR," Gamlem explains, "it's

more likely to be focused on just people-management and compliance issues and will have less influence on other areas of a company."

Regardless of whether that's true, the *perception* of diversity as an HR function will permeate the company. Though diversity certainly encompasses retention, recruitment, talent management, and other traditional HR tasks, it *should* have implications for other operations throughout the company as well. But it can be more difficult for a diversity head to implement changes with all due speed if she constantly must go through her HR boss. Perhaps DiversityInc's Visconti sums it up best: "An HR person—at an HR conference, of all places—once told me: 'Don't give anything to HR if you want

it to be accomplished quickly.'"

Which is why many consultants, including Visconti, advocate rescuing diversity from the clutches of HR and making it a separate department so that a diversity head can have better access to the CEO. In fact, 19 percent of Fortune 1,000 firms already do that, according to Washington, D.C.-based consultancy Diversity Best Practices. By giving the CDO her own department, businesses ensure that she can interact more easily and readily with not just the CEO but also other C-suite execs. For instance, she may want to talk to the chief marketing officer about multicultural initiatives. By saving diversity from HR, a company elevates the position of diversity director and gives it greater gravity.

Marketing, R&D, sales, and other areas don't need to justify their existence, so why does diversity?

Do Not Remove

Hold on. Diversity does *not* need to be rescued from HR, say some prominent diversity chiefs. When a company undervalues diversity, the reason isn't simply that it resides within the confines of HR. The real problem is that the company likely undervalues HR itself. But when a company appreciates its HR department, it will also likely hold diversity in greater esteem. Indeed, some of the most highly admired diversity heads at major firms can be found inside HR departments. Many of them will argue that when you have diversity as a separate department, others in the organization will view it as just that. "I've had companies tell me that if you make the diversity officer this independent player," explains Weldon Latham, "the person gets totally isolated and no one pays attention to him, and everyone gives up on diversity then."

"Even the word 'separate' is the opposite of integrated," points out consultant Kenneth Sole.

Indeed, Ted Childs, IBM's recently retired VP of global workforce diversity (which is housed with the company's HR department), notes that over the course of his career, he has needed only a handful of relationships outside of HR to have necessary influence. CSX's Hamilton, who also works in her company's HR department, concurs: "If I were sitting separate and apart, I don't think I would have the buy-in that I now get from the staffing group, the comp-and-benefits peo-

ple, and others in HR. Those are the people I work closest with."

Regardless of where you place a diversity chief, many propose rotating executives through the position. "I don't believe that diversity ought to be a career," Sole says. "Someone should do it for a specified time and then hand the role over to someone else so that it gets into the heads and hearts of every manager. That way, every executive will eventually become a diversity executive."

Not only would rotating people build more champions of diversity at a company—it would broaden executives' skill sets. "Most CEOs have been rotated through a number of functions and have a number of disciplines under their belt," DiversityInc's Visconti explains. "Likewise, I think this could be another part of that. It's a way of rounding out an executive." What's more, by continually moving workers through the job, companies can instill diversity virtues in more and more people until the role becomes obsolete.

Deborah Dagit, Merck's executive director of diversity and work environment, sees the job evolving a bit differently. "It's getting increasingly difficult to have diversity reside only in HR. I suspect that companies that are really utilizing diversity to accelerate market share, customer satisfaction, and other business metrics will eventually move toward having a senior diversity person in HR, as well as one who's embedded in the marketing/sales side. It's too much to ask of one person to

be steeped in both the HR and marketing/sales fields. There may need to be two diversity directors who will have to work with each other."

Take This Job and . . .

. . . love it? With the potential lack of respect, power, and influence, why would anyone want to be a CDO?

Many don't. "Fifty percent of the time, it's a dead-end job, in that a person becomes fairly disgruntled when diversity isn't valued much at an organization," Roosevelt Thomas explains. "Diversity is a very politicized term that many people don't want anything to do with." That feeling can be mutual—some organizations don't want anything to do with their own diversity directors. "Some companies put a person in a diversity department to get rid of him," says Bausch & Lomb's Osborne. "And when diversity is viewed more as a support function and less as a critical operating one, people will not want to go into it anyway."

It can be tough, Dagit concedes—diversity gets unjustly scrutinized, more so than other disciplines. Marketing, R&D, sales, and other areas within a company don't need to justify their existence, so why does diversity? "It's the only function where every time you start a conversation, you have to start by explaining the value it adds to a company," Dagit says. "It's not fair. We should be past that point."

Despite all this—the lack of respect, the underbudgeting, the confusion over status and responsibility—people *do* continue to enter the field, for any of several reasons: most likely, because they are (a) committed to making progress in the field, (b) up for a challenge, or (c) black females (see "What Color Is Diversity?" on page 20). And for the foreseeable future, diversity will remain a department that companies will continue to keep around. But until chief diversity officers and their companies start doing a better job of managing diversity, it will remain a backwoods department. ☪