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Is Chief Diversity Officer Becoming the Most Perilous Job in the C-Suite?

What's been described as a 'Karen' backlash at Uber shows how challenging the role can be

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hree years after the 2020 killing of George Floyd prompted an outpouring of corporate pledges to reduce workplace bias and recruit more employees from diverse backgrounds, chief diversity officers — a burgeoning group of executives at the core of fulfilling those promises — face significant headwinds.

While some employers had deeply rooted principles of inclusion built into their operations well before 2020, many companies rushed to create the CDO role in reaction to the groundswell of protests surrounding Floyd's murder. In some cases those companies have yet to define the position fully or set clear expectations, corporate consultants say. Lack of funding, ambiguous levels of authority and/or inconsistent commitment levels may be complicating matters.

There are other challenges as well, even for the most organized and proactive of companies: The economic downturn is spurring layoffs in recruiting departments. Many on the political right want to remove diversity strategies they see as discriminatory maneuvers to give jobs to less qualified applicants. And by definition, the job means a lot of uncomfortable and emotionally charged conversations requiring very particular people skills. It's no wonder there's unusually high turnover and burnout among these executives, consultants say.

"Nuance is everything in this job," said Tina Shah Paikeday, who helps companies find chief diversity officers as the global head of the Diversity, Equity & Inclusion Practice at executive search firm Russell Reynolds Associates. These executives should "in some senses, be a chameleon and really understand who the audience is, meet them where they are, while making sure that all voices are being brought along — no matter what side of the spectrum they're on."

Reports of a recent uproar at Uber highlight just how tricky the job is. Uber put Chief Diversity and Inclusion Officer Bo Young Lee on a leave of absence earlier this month after employees complained she had been insensitive to people of color during two events, The New York Times said, citing internal emails and Slack messages.

One event Lee moderated titled "Don't Call Me Karen" — alluding to a name that has become <u>a symbol of racism and white privilege</u> — came across as a lecture on how calling someone Karen can be hurtful to some white women, <u>the Times said</u>. Uber's public relations department did not respond to a request for comment from The Messenger, nor did Lee.

Although the concept of a CDO predated Floyd's death by decades, when the unarmed Black man died at the hands of police on Memorial Day 2020 — a tragedy that went viral after being captured on video — it spurred a paradigm shift. By last year, 74% of companies in the S&P 500 Index had a chief diversity officer, up from 48% in 2018, according to an <u>analysis by Russell Reynolds</u>.

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"In short, DE&I has evolved from a legal requirement to a critical business driver," McKinsey & Co., the corporate advisory firm, wrote in research it published last year.

But turnover in these DE&I leadership roles has been high because companies don't always integrate their work into day-to-day priorities; the goals set for them may not be connected to business objectives; the job is just emotionally exhausting; or a combination of all three.

Last year, the average tenure for a CDO at an S&P 500 company was just 2.5 years, and it was even lower — 1.75 years — in 2020 and 3.1 years in 2018, according to Russell Reynolds. That may mean CDOs have the shortest tenure of any C-suite title. A 2019 analysis by Korn Ferry showed the <u>average for five other C-suite roles</u> at the 1,000 largest U.S. companies by revenue was 4.9 years, with the shortest being 3.5 years for chief marketing officers.

While chief diversity officer was the fastest-growing title among C-suite hires in 2020

and 2021, appointments to this role dipped 4.5% in 2022, according to a <u>LinkedIn analysis</u> of promotions or hirings reflected in users' profiles.

That could be explained by a tougher job market in general, though data from Revelio Labs, a workplace analytics company, suggest employees who work in DE&I capacities are being disproportionately affected during downsizing. An analysis of 600 companies that laid off workers since late 2020 showed attrition rates for DE&I roles outpacing attrition rates for other roles, Revelio said in February.

Because leading a company's diversity efforts is a new role for so many, there often is no playbook. Working on reducing bias about race, culture, sexuality and gender can require difficult conversations, and the CDO's efforts can come across differently depending on how sincere employees feel the commitments are, said Jeffrey Siminoff, who led DE&I efforts at Morgan Stanley, Apple and Twitter and now advises companies as a senior vice president at the advocacy group Robert F. Kennedy Human Rights.

"There's often a perception gap between what employers think they're delivering and what employees are actually feeling," Siminoff said. "It's on companies and organizations that say they care about these things to find ways to reinforce those commitments in ways that feel authentic to employees."

How employee programs are perceived also seems to depend on who is included in the discussions.

"Some of the DEI 'sessions' are so cringe," one Reddit user wrote last week about their workplace. "Our team of 20 were discussing the hardships and experience with African Americans but no one in our group was African American. Like 90% Asian and 10% white, we were just speaking on their behalf I guess?"

An <u>Edelman Trust Barometer survey</u> conducted in April suggests companies have a long way to go, at least when it comes to employee perceptions. Only 18% of associates and 28% of mid-level employees feel their company is making "a lot of meaningful progress" to address racial inequities in the workplace, compared with 60% of executives. And 62% of people in the U.S. overall believe companies are doing a mediocre or worse job living up to their promises to address racism, up from 54% a year ago, according to Edelman.

McKinsey pointed out that it's particularly important that CDOs succeed because the stakes are so high. Employees, as well as customers, will hold companies accountable, especially if their promises seem like lip service. Some organizations have been publicly called out for trying to leverage DE&I programs for marketing purposes, the consulting firm said.

Research published in the Harvard Business Review last year suggests that some CDOs wouldn't disagree with such concerns. Todd Corley, who oversees DE&I at the workwear company Carhartt, and two other researchers interviewed more than 40 DE&I leaders in 2019 and then again in 2021. "Unfortunately, while some of these shifts appear promising, we found that overall, the CDOs we spoke with felt that attempts to combat racial injustice had largely been performative and had not

fostered long-term organizational change," the HBR researchers wrote.

In Lowell, Mass., the municipality's first-ever chief diversity officer resigned last year after just a few months, <u>telling local press</u> she was left out of critical decision-making and the city may not have been "ready."

Attitudes toward DE&I programs reflect the U.S.'s political division. Some 78% of Democratic and Democratic-leaning workers say a DE&I focus in the workplace is a good thing; just 30% of Republicans and those who lean Republican agree, according to a Pew Research Center survey taken in February.

DE&I may become even more of a hot-button issue after the <u>Supreme Court rules</u> on whether race can be considered in college admission decisions, according to both Siminoff of Robert F. Kennedy Human Rights and Paikeday of Russell Reynolds. Though the two cases before the court are about higher education, they may have broader implications as companies make not only hiring decisions but choices about suppliers and charitable giving programs, Paikeday said.

In the meantime, chief diversity officers must navigate a host of taxing issues.

"There's an emotional load that those leaders tend to bear," said Siminoff. "It can be a little bit lonely, a little bit isolating if you don't have the full support of the organization around you."

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