



Harvard Business Review

REPRINT H05UHK
PUBLISHED ON HBR.ORG
SEPTEMBER 11, 2020

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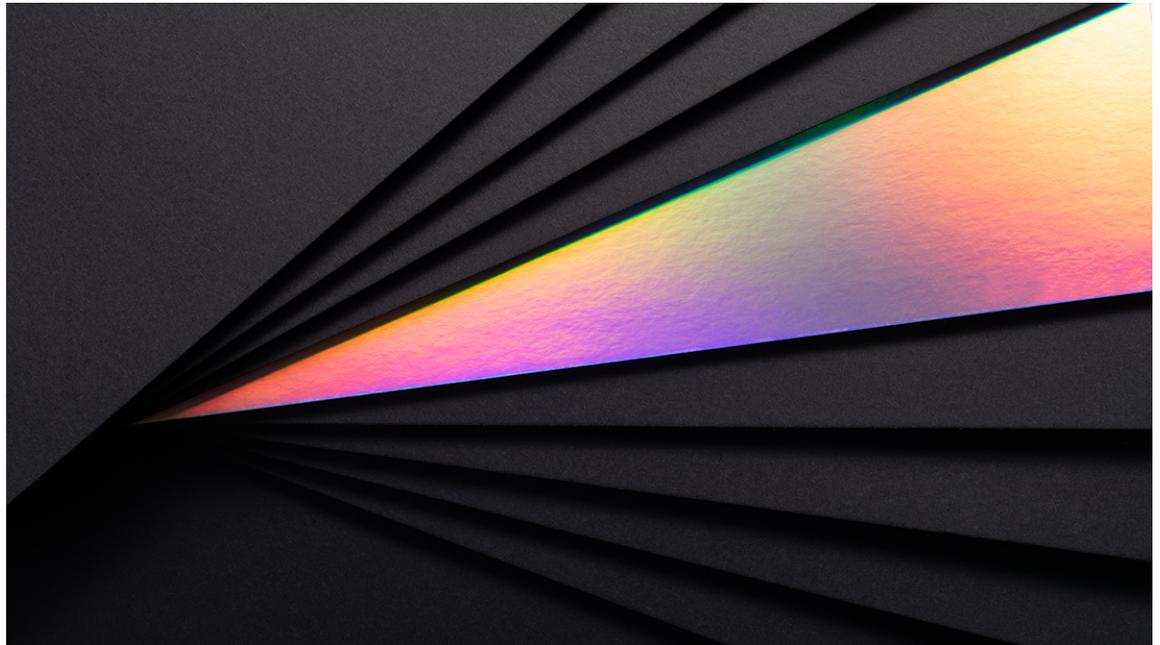
by Mita Mallick

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Do You Know Why Your Company Needs a Chief Diversity Officer?

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With the murder of George Floyd on May 25, 2020, followed by months of Black Lives Matter protests, through to the shooting of Jacob Blake on August 23, leaders in the United States and around the world have finally begun to recognize the racial inequities embedded deep in the systems in which we operate each day: neighborhoods, schools, stores, banks, courts, housing markets — and workplaces.

Many organizations have reacted with not just statements of support but promises to change the way they operate. As a result, many are suddenly searching — internally and externally — for their first chief diversity/equity/inclusion officer. Here are six questions leaders should ask themselves before making that important hire.

Why now?

Many organizations are feeling pressure from employees, customers, investors, and suppliers to get serious about DEI. But what, specifically, has changed for your company? Why are you now ready to hire a CDO, when you weren't a year ago or three years ago? Are there a new CEO, a new CHRO, and other new leaders in the C-suite? Or did the existing executive team decide to make this a priority? Are you coming out of a crisis or trying to prevent one? Whatever the case, be up-front and honest with candidates on why you're ramping up your DEI efforts and where your organization is on its inclusion journey.

What are the job requirements?

“The candidate should have 12 to 15 years of DEI experience, an advanced degree, and a track record of building and implementing an organizational inclusion roadmap.” If your CDO job posting reads like that, you are in for a rude awakening. It's a war for top DEI talent right now, according to the [Glassdoor Jobs & Hiring Trends for 2020 Report](#). Chief economist Andrew Chamberlain commented, “In 2020 and beyond, we expect to see a wave of hiring for leaders and managers that will help carry forward the mission of building a more diverse and inclusive workforce.”

Remember that this is a newer area of focus for most of the business world: Corporate America started using [diversity training](#) only in the 1980s, to protect against civil rights lawsuits. This is a growing field that hasn't always had the staffing, funding, and commitment it deserves. So instead of looking for direct senior DEI leadership experience, consider people with broader backgrounds but all the right skills: the ability to influence and be a change agent, to design strategy and deliver results, to create metrics and drive accountability, and to communicate effectively across all levels of the hierarchy. Those with marketing, sales, or communications backgrounds might be a great fit. Also consider people who have been informal D&I champions or, more specifically, have served as an executive sponsor for an employee resource group. You don't have to be a career HR professional to do this work.

Walmart's chief culture, diversity, and inclusion officer, Ben Saba-Hasan, had a long track record as an IT leader before he stepped into his current role. Tony Prophet, the chief equality and recruiting officer at Salesforce, has a background that includes marketing and operations. Damien Hooper-Campbell, Zoom's recently appointed and first-ever chief diversity officer, has spent time in finance. And Renée Tirado, the former global head of diversity, equity, and inclusion at Gucci, was once a chief operating officer.

Where does the role sit?

If your answer is three levels below the chief people officer, with little to no interaction with the CEO, then stop your search now. The CDO should report directly to the CEO or to the head of HR with a dotted line to the CEO. Either way, a close partnership with HR, legal, and corporate communications, with full access to and support from the entire C-Suite, will be critical. Your new hire must have a seat at the senior leadership table if you want to see meaningful change. You can obtain buy-in by asking those executives to be part of the interview and selection process.

The Recording Academy, the organization behind the Grammy Awards, recently hired Valeisha Butterfield Jones as its CDO. A member of the executive team, she will report directly to the Academy chairman and president. Maurice Stinnett is Warner Music Group's first-ever head of global equity, diversity, and inclusion, reporting to CEO Steve Cooper. Similarly, Hooper-Campbell will be working directly with CEO Eric Yuan.

What size budget and team will you provide as support?

A new CDO cannot come in, wave a magic wand, and transform an organization into [an anti-racist one](#) overnight. Depending on the size of your company and your vision, the person will need dedicated resources. In addition to generously compensating him or her for taking on this challenging role, you'll need to set aside more budget and create a dedicated team. Do not expect your new hire to do all strategic and operational work or personally train hundreds of employees on issues like unconscious bias. If you can't commit to this, you're probably not ready to hire a chief diversity officer.

In small organizations, you might first bring in a CDO as an individual contributor, to do a listening tour with employees and assess the current landscape. As this individual builds a strategy, he or she will need a commitment of at least \$500,000 to begin implementing best recruiting practices, improving trainings, and building external partnerships. Eventually, he or she will also need to make additional hires.

In large organizations, with enterprise-wide initiatives, budgets will start in the \$2 million range. CDOs will need a dedicated team of five people or more, depending on the size of the employee base, who bring varied knowledge and experiences, from partnering with diversity recruiters to create inclusive candidate experiences and pipelines to building supplier diversity programs. Strategic partnerships with groups such as the Executive Leadership Council, which hosts an annual leadership development experience for Black mid-career professionals, and the National Society of Black Engineers might also be useful.

Remember that building an end-to-end inclusion ecosystem takes money, talent, and commitment.

What metrics will you use to track success?

When we think about the role of a CDO, our biases start to kick in: He or she will host events and panels, encourage courageous conversations, lead employee resource groups, intervene when racism, sexism, or homophobia rear their heads, and speak externally. But these can't be the only measures of success.

So how will you track progress? Will you set workforce diversity targets with your legal team? Will you review key policies and practices, such as pay equity, paid parental leave, and bereavement leave, and commit to becoming an industry leader by signing onto pledges like the CEO Action for Diversity & Inclusion Pledge? Will you tie executive compensation and recognition to those goals? Will you create a board of senior leaders to monitor DEI initiatives?

We know that what gets measured gets done. Be clear about what success in year one will look like. Maybe it is achieving a strong understanding of your workforce demographics and setting representation goals. Perhaps supplier diversity targets are set in year two.

Will the CDO have influence over your products and services?

Today 40% of the U.S. population is non-white (Black/AA, Hispanic/Latinx, or Asian), and according to Nielsen, they have a [spending power of \\$3.2 trillion](#). One key focus area of the CDO should be to help build a workforce that represents the multicultural consumers your business serves. Equally important is understanding how your products and services show up in the marketplace.

Do you sell dark shades of foundations or bandages? Do you prominently feature brown, Black, or racially ambiguous people in your marketing? Do you translate your content into Spanish or offer Hispanic-led programs? Do your products avoid cultural stereotyping? Do you work with diverse suppliers and vendors? The most effective CDOs are involved in not just HR but also innovation, operations, and marketing to ensure that their companies are authentically serving a diverse customer base inclusively and equitably.

If you think through these issues before hiring a CDO or promoting someone into the role, the person you choose is less likely to become a figurehead or a check-the-box exercise. You will set the new hire and the organization up for success and drive the impact and change you want to see.

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