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# The Chief Diversity Officer in 2019

Insights and perspectives on D&I

In collaboration with

**druthers**
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Colorintech was founded by technologists and engineers who believe in a fairer tech industry. Frustrated by a lack of diversity, we're on a mission to make Europe the most inclusive tech hub in the world.

We believe the future of tech will be a collaboration of people from different backgrounds, experiences, gender, races and perspectives building products that serve everyone. To do this, the industry needs to think and look different to how it does today.

We want to disrupt the past and help the underrepresented become aware, create access to skills and opportunities and develop a network of like-minded individuals.

By pushing the boundaries and getting the ecosystem comfortable with talking about diversity (and lack thereof), sharing data, benchmarking against sectors and providing access points for underrepresented talent, we think we can change the industry for the better.

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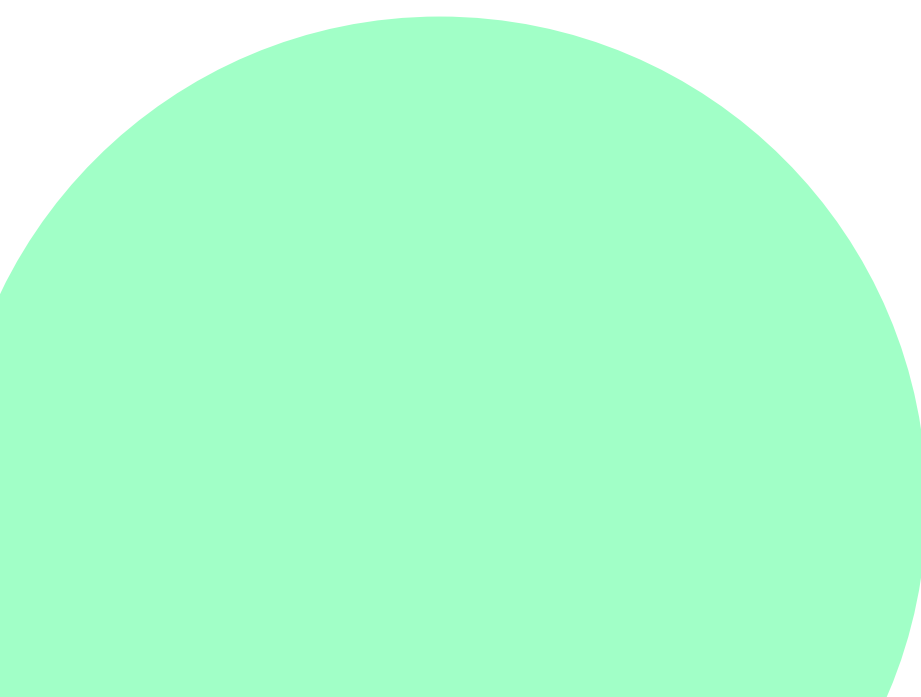press@colorintech.org

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# FOREWORD by Colorintech

**Ashleigh Ainsley**
Co-founder at Colorintech

As the technology industry becomes an increasingly influential actor in our society, new innovations from artificial intelligence to virtual reality increasingly challenge our conceptions of representation. When ethnic minorities are excluded from the decisions that shape these views, we push divisiveness to the forefront of our lives. Exclusion becomes mainstream and we foster an environment where xenophobia, racism and discrimination are acceptable outcomes from our designs, products and workplaces. The boardrooms of Britain's leading companies do not currently reflect the ethnic diversity of either the UK or their key stakeholders, including customers, suppliers and employees, that are critical to success of their businesses. Leadership has a role in changing this and to do this the individuals charged with leading this change need to be supported.

Through our work driving forward the agenda for a more inclusive business ecosystem we have encountered a range of professionals working towards this aim. Unfortunately we have found many individuals of these are often hamstrung by their organisations, and leaders on this mission. We were not satisfied these stories were told, nor there was sufficient spotlight on these individuals and the change we are collectively trying to make. We wanted to ensure the stories were told, and industry has clear guidance on how to move forward to progress environments that are diverse, foster inclusion and engender belonging for all underrepresented communities.

Our work spans geographies. We want to foster collaboration and knowledge transfer from many of the learnings we observe from over a decade of work pursuing similar aims in the USA. There is no reason the UK and Europe cannot lead on best practice and we through our research aim to forge guidance on how to do this for all.

Whilst it is clear more work needs to be done, we are forthright in our belief in the ability for Europe to become the world's most inclusive technology hub.

# FOREWORD by Druthers Search



**Kirsty Trafford-Own**
Co-founder & Director
at Druthers

We are delighted to have partnered with Colorintech on this important research piece, and hope together, we can make positive change in the tech sector.

The positive association between gender and ethnic diversity, and financial performance has been widely reported. It's becoming common knowledge that diversity and inclusion (D&I) are imperative for any business; resulting in companies being 33% more likely to achieve better than average profits (McKinsey, 2018), as well as demonstrably improving employee engagement and staff retention. We know that challenging the status quo is hard, but we also know that when we start to create those challenges, great things happen.

Yet still, within the UK's technology sector, women make up only 17% of the workforce, and there is currently zero British BAME representation on the boards of the UK's top 16 tech companies (Colorintech, 2018).

At Druthers Search, we proactively challenge the misconception that hiring diverse talent means lowering the bar, or box-ticking. We partner with our clients to actively level the playing field.

We strongly believe that to accelerate D&I, boards must be leading from the front and be actively engaged in D&I strategy to cultivate a true sense of belonging within their workforce.

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# Creating a fair and inclusive global tech industry

**Rev Jesse Jackson**
President & Founder at
Rainbow PUSH Coalition

In 2014, Rainbow PUSH revealed that iconic tech companies like Google, Apple, Yahoo, Oracle and Applied Materials waged an 18 month battle with the government to prevent the release of their employment diversity and inclusion data (the EEO-1 report). We successfully challenged and pressured these - and 25 leading Silicon Valley companies - to be transparent, open up their books and let the world see their data which unquestionably documented the systemic and woeful lack of representation of African Americans, Latinos women and people of color in the leadership and employee ranks of the tech industry. The Rainbow "push" spurred a new 'diversity and inclusion' movement in Silicon Valley as company after company - Google, then Twitter, then Facebook, then HP and each of the 25 companies we challenged - disclosed the previously 'hidden' data, and "pledged to do more" to desegregate the ranks of their companies.

Many hired new CDO's to 'lead the effort" to desegregate their companies. While some progress has been made, many firms and the industry as a whole have barely moved the needle. Many organisations are dropping the ball and back-sliding. Few CDO's have any real authority or power to make change. Some have turned "diversity" into a press release, a diversion from making real change. Today, we typically see between 2-4% of Black and Latino employee representation and even fewer people from those communities in company C-suites and boardrooms. This is not just a US problem, but a global one that extends to the UK as well where many of these companies base their international operations. Companies need to do more. UK corporations are lagging behind on the battle for equity amongst minorities and this report tells us there is much to be done

The 'lock out' of Blacks and Latinos crossed the pond. It's not right to be all-white in tech; we need color in tech.

But we will keep pushing forward. And along with Colorintech, make this a global movement for equity. It's a central part of today's civil rights agenda. We crossed the bridge at Selma. We will cross the bridge in Silicon Valley.

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# Introduction

In the following pages, we present the highlights from our interviews with some of the most experienced consultants and CDOs in the UK and around the world. We focus on how they believe they can be empowered to successfully transform business at its core.

We interrogate three themes. Firstly, how CDOs view their roles and positions, secondly, the support they believe they need to thrive and finally, their advice for those thinking about hiring a CDO, or already have one in place.

# Top line recommendations

**For Founders, C-Suite executives and leaders in companies who already have a CDO**

- Allocate budget and resource to D&I.
- Marry D&I with your strategic objectives.
- Help your workforce to value D&I principles.
- Think globally and locally.

**For companies that do not have a CDO:**

- Recruit one.
- Recruit widely.
- Start early.

**For stakeholders who are looking to engage with D&I leaders:**

- Set selective, realistic objectives and KPIs
- Measure, iterate and improve
- Live and breathe your values

# The history of the Chief Diversity Officer

CDOs have been brought into businesses from a variety of original specialisms (often HR, People or Talent Management roles) and for many perceived or quoted reasons. There is a disparity between companies that have recruited CDOs into exclusive positions, and those who have expanded the responsibilities of current staff in other roles.

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## This role is about partnership

**Verna Myers**
VP Inclusion Strategy at Netflix

A range of interviewees noted that CDOs are identified as necessary at distinct different stages in a company's life cycle. Their impact was greatly influenced by the breadth of their role's operations and how early in that business's life cycle the role was initiated. With reference to the genesis of their roles, many CDOs referred to the range of reasons that D&I was brought to the table in their organisation. These varied from simply proactive, enlightened leadership, to opportune observations or reactive responses to media scrutiny.

Widely reported evidence that diversity breeds business success (McKinsey, 2015) has played a hand in bringing D&I onto the agenda, but the value of an inclusive culture in business has not been fully realised in the UK. This is despite reports suggesting that profit margins are almost double with at least 25% females on an Executive Committee, for example (Forbes, 2018).

Vocal support and willingness from company boards has still not fully translated to an inherent and all-encompassing culture of inclusivity, sufficient resourcing, strategic prioritisation of D&I, or a truly representative workforce in the UK. There has been a 23% rise in the establishment of practitioners with Diversity in their job titles in the last 12 months with over 60% of CDOs having started their role in the last 3 years. Often these roles are the first in a company's history. Despite this investment, none of the 14 UK unicorns (companies with a reported valuation of over $1bn) employ someone working on diversity & inclusion full-time (correct at the time of publication).

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The absence of D&I in the industry provides a threat to the vitality of the tech community with business leaders such as Jacqueline De Rojas, president of techUK, noting that "We live in interesting times, where your university place, your mortgage, your job interview is all decided by an algorithm and that algorithm does not necessarily cater for all of us. This has real tangible consequences for businesses who risk producing products, services and solutions that do not meet customer expectations, or scale effectively. In all board level discussions, we are concerned with producing the best product for all possible markets."

In light of this, the role of the CDO becomes more imperative given its links to business performance.

Successful CDOs come in many forms. They must be able to live and breathe the cultural shift they want to see, not just advocate it. They also need to be willing to challenge and be unpopular, fundamentally driving inclusivity.

## Our Inclusion, Diversity and Social Equality (IDSE) strategy is a key focus area for the firm's People Strategy

**Jenny Baskerville**
Director, Co-Head of Inclusion,
Diversity & Social Equality at KPMG UK

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# Four notable archetypes of a CDO

## The informal CDO, or helpful well-wisher

CHARACTERISTICS

- These people are often fuelled by a desire to support any D&I initiatives they can.
- They usually lack institutional support, meaning they will often have to attend events in their personal capacity, or using their annual leave.

WHERE THEY ARE FOUND

- They may be found leading Employee Resource Groups (ERGs), or within individual business units.

## The blinkered inclusionist

CHARACTERISTICS

- These members of staff are known for promoting an agenda of inclusion for all, when their actions typically favour a singular, narrow cause (often supporting women, ethnic minorities, the LGBTQ+ community, or those with disabilities).
- They tend to derive satisfaction from aligning themselves to a particular issue and will support it with a combination of institutional and personal resource.

WHERE THEY ARE FOUND

- They may be found in the form of senior leaders, who may go out and speak at conferences on D&I.

## The one-woman-band

CHARACTERISTICS

- The CDOs of medium-sized organisations who have a bold vision, without the power to initiate and execute a strategy for getting there.
- These CDOs may resort to internal-focussed events narrowing down on "inclusion" given the organisational paralysis preventing them from acting on their ambitions.

WHERE THEY ARE FOUND

- You may find them banging their heads against brick walls, as they struggle to secure senior buy-in, or approval for brand alignment or resource.

## The empowered CDO

CHARACTERISTICS

- These are rare CDOs with a team and a budget to drive change within their organisation, and potentially the wider industry.
- Their influence spans product, culture, recruitment and partnerships, and is supported through a direct connection to the senior leadership team.

WHERE THEY ARE FOUND

- You'll mostly find the empowered CDO leading a broad function in a rapidly growing company, or jettisoned into major public organisation following a scandal.

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# The state of diversity in the tech sector

Technology has and will continue to provide solutions to some of society's greatest challenges, and the British technology landscape can provide some of the answers for the lack of diversity at the top of industry. It is imperative that our companies become equitable places to enable the technology ecosystem of Britain to drive equality at the forefront of innovation.

One of our interviewees commented on how the tech industry used to be more technical, with the creation of many new roles in the industry in recent years. The space is changing and now requires more creative and people-centric roles alongside more varied technical roles, which is naturally creating a more diverse workforce.

While this is a more positive observation, the fact remains that the UK's top technology companies' boards are broadly white and male and over 50. In our sample of the UK's top 16 technology companies, of the 152 board positions, only four were held by someone from an ethnic minority background. Of the 39 positions held by a woman, only one of these was from an ethnic minority background.

In the US, 17% of tech leadership positions are held by ethnic minorities. This figure is just 2.6% on UK tech boards. Women in leadership positions fare better in the UK where they occupy 26% of board positions in tech companies compared to 20% in the US.

Hiring a CDO who occupies a position at C-Suite level is a crucial first step in improving this situation in the UK.

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## We have no way of measuring what our pipeline is like and no way of measurement of where people are dropping out of the process

**Anonymous**
Head of Diversity & Inclusion

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# The UK's position in the global D&I landscape

Notably, with regard to Facebook, Amazon, Apple, Netflix and Google (FAANG), only Facebook, Amazon and Apple have a European diversity executive, while they all have a Global equivalent. This could partially explain why Europe is on a less positive trajectory towards a representative and inclusive workforce than the US. Though it doesn't necessarily imply causation, it raises the question of why Netflix and Google do not have a D&I leader for Europe and how it's impacting the workforces of these companies and those they influence.

**Only 3 of a the FAANG**
have a Europe D&I leader

In the US, six out of the top 10 highest valued start-ups and private companies have a CDO or equivalent. In the UK, that figure is zero, suggesting that even in our growing sectors, the picture is not changing rapidly. This threatens the UK's future in tech products, in business and for equity in society.

**6 out of 10**
of the most valuable US private companies have a CDO

**None**
of the UK Unicorns have anyone working on diversity full-time

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# The barriers CDOs face that threaten the pace of change

Our interviewees referred to some key blockers stopping the development of a truly diverse and inclusive workforce in the UK:

**Being dependent on others**    Often the speed at which they can operate is significantly hampered by others' willingness or incentive to support.

**Resource**    A huge factor in the success or failure of D&I in a business is the amount of budget and staff allocated to it.

**Lack of C-Suite positions**    When a CDO is truly embedded in a company's board, and they have sufficient influence on company strategy, there is much more room for success. A culture shift from the top is of enormous importance to effecting change across the business.

**Incremental, sporadic attention to D&I**    Following on from the previous point; where companies take innovative, strategic approaches to D&I, their success rate is higher than when they adopt irregular initiatives.

**Unconscious bias**    Continual monitoring of unconscious bias in the workplace will support the disruption of it, but it is still a prevalent problem in the progress of D&I.

**Availability of peer learning**    CDOs need the support of a network of others in similar roles, which is not always accessible.

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|---|---|
| **Diversity fatigue** | Many people are frustrated with the idea of D&I; what it is and why it is important. There is a risk that some have started to switch off. Additionally, some have very set ideas on D&I and what it is and they're unlikely to have their opinion changed. |
| **Fear of asking questions** | Many do not advance their awareness or appreciation of D&I due to fear of asking the wrong question. This leaves a knowledge gap which in turn fosters unconscious bias. |
| **Finding the right balance between agility and effective metrics** | The disparity between wanting to be agile and avoid cumbersome processes and policies is in contrast with the need for consistent measurement of D&I across systems and processes. |
| **Starting too late** | When a company reaches more than 10,000 employees, changing the culture and D&I landscape is a far harder task than in a smaller company. |
| **Limiting scope** | D&I is often thought about as an extension or something tangential to an organization's people strategy, where in fact, Empowered CDO's noted their ability to drive impact increased when they were able to work across business units, teams and functions. |

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## When I got into this space, I got overwhelmed by how much there was to do

**Amy Lynch**
Head of Diversity & Inclusion UK at
Thoughtworks

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# Recommendations

**FOR FOUNDERS, C-SUITE EXECUTIVES AND
LEADERS, IN COMPANIES WHO HAVE A CDO:**

### Allocate budget and resource to D&I

Give resource to your CDO as you would any other area of the business. Despite vocal and passionate support, budgetary limitations often prevent CDOs from making impactful change as opposed to developing a series of initiatives and incremental developments.
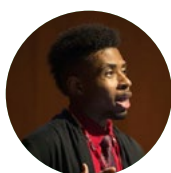
### Marry inclusion and diversity with your strategic objectives

Include your CDO on your executive board and give focus and energy to D&I in your strategy. As we know, companies that are more diverse perform better, so make it a strategic priority. Ensure the board understand the strategic link between D&I and innovation, performance and effectiveness. Initiate conversations and hold yourself and the management teams accountable for progress or the lack thereof.

### Help your workforce to value D&I principles

It's crucial that your workforce not only understands D&I and why it is important to the success of the business, but also that people feel safe to ask questions without fear of making a mistake. It needs to be repeated that D&I is not about replacing one community with another, but about striking balance and being reflective of your customer and client base, and of society. It doesn't mean you don't need or want straight, white men in the mix. There may be a requirement to change your language. Some associate the word diversity with underrepresented people which is getting in the way of progress. It suggests people from majority groups can't be a part of diversity, when in fact, it is everyone's responsibility and it is about creating balanced teams with balanced perspectives to improve success rate.

> ❝
>
> ## Results are not fully dependant on the CDO – it takes everyone
>
> **Ulysses Smith**
> Diversity, Inclusion & Belonging
> Leader at Blend

### Think globally and locally

Can your strategic D&I principles apply locally if you are a global business? What are the differences required in localised settings?

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## FOR FOUNDERS, C-SUITE EXECUTIVES AND LEADERS, IN COMPANIES WHO HAVE A CDO:

### Recruit one

It's imperative to recruit someone whose full-time, dedicated remit surrounds D&I. What's more, ensure you are structurally, culturally and strategically ready to hire someone. Take time to learn your context and to understand your company's particular D&I challenges. Clearly define the expectations and requirements of the role, and prepare the company for it.

### Recruit widely

Our interviewees identified being alone in the charge as a huge barrier to progress. Invest in a team for your CDO. This will enable them to have a broader range of perspectives in their decision-making, to deliver more value, and to be more representative of the whole company. If this isn't possible, ensure the CDO has allies to call upon for idea-sharing and admin, data, brand and communications support.

### Start early

Typically, businesses start looking at the D&I agenda after they have reached 700-1000 employees. Often, this is reactive following the identification of diversity disparity, or problems. When organisations reach more than 10,000 people it's very hard to change a culture, so it is of huge importance to be proactive at the start. The opportunity to create lasting change in UK businesses is ripe. Particularly so in smaller, start-up companies where the cultural landscape is still forming.

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## It's amazing how many companies attempt to work on diversity without an actual strategy

**Joyce Adeluwoye-Adams MBE**
Global Director, Diversity & Inclusion
at King

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## FOR STAKEHOLDERS WHO ARE LOOKING TO ENGAGE WITH D&I LEADERS

**Set selective, realistic objectives and KPIs**

It is important to be tactical when beginning as a CDO. You can look at diversity through so many different lenses, it is important to have clear objectives on what you want to achieve, and not try to achieve everything all at once. It can be helpful to look for some quick wins to build credibility for you and your role, and to get the early adopters on board. Start with 3-5 things that are essential to you, and measure those, so that over time you have a trend and have a story to work on.

**Measure, iterate and improve**

D&I is never complete; it should be treated as a verb not a noun. It's important to consistently measure and monitor the sense of inclusion amongst your staff, be that through surveys or other measures. Ensure surveys are targeted and regular. Ask questions like: Do you feel you're listened to? Would you recommend working here to a friend? How do we deal with conflict? Research also suggests that capturing feedback can lead to a positive attitudinal change towards an inclusive culture.

**Live and breathe your values**

Don't let it be lip service. Ensure you continually trust and support your CDO through your strategy and budget-setting, as well as in a vocal way. Be continually progressive. Think about the way you hire, don't always go through referrals, it won't be the best way to attract the most diverse talent. Consider if your teams reflect your customer or client base; if your product or service is to resonate with a wide audience, it has to have input from a diverse team. Ensure you seek a broad range of views and opinions and horizon scan for new trends and conversations in D&I.

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# Methodology & Definition

This data was gathered through interviews with Chief Diversity Officers or equivalents in companies in the UK and USA. The information in the report reflects the opinions of those leaders in the field

We gathered insight in two ways to take a data-driven look at the CDO role. Firstly, we asked 20 CDOs around the world about their organisations' D&I strategies and practices, as well as their own experiences and perceptions related to D&I in their work environment.

Secondly, we analysed the most valuable tech companies (as of March 2019) to determine which had CDOs. Using proprietary data as well as LinkedIn, we charted the career paths those CDOs have taken.

| **Number of individuals with diversity in their job title** | | |
|:---:|:---:|:---:|
| **9610** | **114** | **680** |
| Silicon Valley | Continental Europe | UK |

It is important to note there are many practitioners working across the diversity landscape with varying job titles. Whilst every company has unique challenges, and thus every role varies in scope and influence, within this report we make a distinction between the title "Chief Diversity Officer" (and its equivalents including, Director of…,Head of… and above etc..) and many of the practitioner titles including "Program leads", "Diversity Recruitment Manager", or equivalents. Our main criteria to this distinction is that the people considered CDO's or equivalent are "Head of", "Director", or above.

# Acknowledgements

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We would also like to thank our colleagues at Druthers Search, who have sponsored this report and supported the data capture.

Finally, we would like to acknowledge all those who are pushing the D&I agenda forward around the world, who are crucial to establishing a diverse, inclusive workplace and society.

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