

THE CHIEF DIVERSITY, EQUITY AND INCLUSION OFFICER:

Results of the 2021 HR@Moore Survey of CHROs

Patrick M. Wright Anthony Nyberg Donald Schepker Ken Carrig Spenser Essman



CES ADVISORY BOARD

Tim Richmond: Chair

Executive Vice President and Chief Human Resources Officer AbbVie

Ken Carrig: Executive Director SunTrust Bank (retired)

Lucien Alziari

Executive Vice President and Chief Human Resources Officer Prudential Financial, Inc.

Melissa H. Anderson

Senior Vice President & Chief Human Resources Officer Albemarle Corporation

Marcia Avedon

Executive VP, Chief Human Resources, Marketing & Communications Officer Trane Technologies

Dennis Berger

Chief Culture Officer Suffolk Construction

Lisa M. Buckingham

Former Executive Vice President and Chief People, Place and Brand Officer Lincoln Financial Group

L. Kevin Cox

Chief Human Resources Officer General Electric

Mike D'Ambrose

Chief Human Resources Officer Executive Vice President, Human Resources The Boeing Company

James (Jim) Duffy

Executive Vice President and Chief Human Resources Officer CIT Group, Inc.

Darrell L. Ford

Executive Vice President and Chief Human Resources Officer UPS

Anita Graham

Executive Vice President and Chief Human Resources Officer & Public Affairs VF Corporation

Tim Hourigan

Executive Vice President, Human Resources The Home Depot

Pam Kimmet Chief Human Resources Officer Manulife

Christine Pambianchi

Executive Vice President and Chief People Officer Intel Corporation

Carol Surface

Executive Vice President and Chief Human Resources Officer Medtronic

SENIOR STRATEGIC ADVISORS:

LeighAnne Baker Cargill, Inc. (retired)

Kevin Barr Terex Corporation (retired)

Celia Brown Willis Group Holdings (retired)

Rich Floersch McDonald's (retired)

Mirian Graddick-Weir Merck & Co., Inc. (retired)

Susan Peters General Electric Co. (retired)

Cynthia Trudell PepsiCo, Inc. (retired)

UNIVERSITY OF SOUTH CAROLINA FACULTY ADVISORS:

Patrick M. Wright - Director Thomas C. Vandiver Bicentennial Chair Professor

Donald J. Schepker - Research Director Associate Professor Moore Research Fellow

Anthony J. Nyberg Distinguished Moore Fellow Professor, Chair of Management Department

Robert Ployhart Bank of America Professor of Business Administration

Audrey Korsgaard Professor Director, Riegel and Emory Human Resources Center

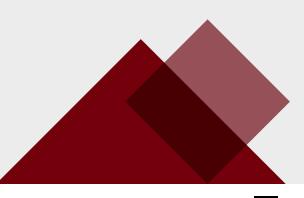


Many thanks to the Center for Executive Succession partner CHROs for their support of our research

EXECUTIVE SUMMARY

n response to the racial unrest and increased focus on social justice, organizations increased their emphasis on diversity issues in 2020. To understand one way in which organizations responded to this focus, we explored how the Chief Diversity, Equity, and Inclusion Officer (CDO) role changed and the background characteristics of those in the role. The results indicate that the role increased in both internal and external visibility during this time, and that a large percentage of companies elevated the talent in the role.

A majority of respondents indicated that the CDO role has become more influential and visible. In addition, about one-third of respondents indicated that they had upgraded the talent in the role, divided almost equally between internal promotions and external hires. Almost 3/4s of CDOs report to the CHRO. The vast majority of those in the role have at least 3 years experience in diversity related roles, and a majority have at least 3 years experience in HR.



OVERVIEW

Given what appeared to be significant changes in the role of the Chief Diversity, Equity and Inclusion Officer (or Chief Diversity Officer; CDO) and the characteristics of the people who occupy the position, the 2021 HR@Moore Survey of Chief Human Resource Officers (CHROs) sought to explore these changes. We surveyed approximately 375 CHROs and 151 of them completed the survey for a 40% response rate.

FIGURE 1

Changes to DEI Officer Role Over Past Year

						7	3%	The role b within the
					58%	The role b within/to		more influ uite
					54%	The role bec outside the		
		3	3%	We created a	a new role			
	17%			omeone interr talent in the ro				
	16%			one externally t ent in the role	to			
5%		ted the previ port to the C						
4%		ed the previo o a C-suite ex						
4%		nd person ha unchanged	s rema	ained				
1%	The role be within the	ecame less ir company	nfluent	tial				
0%	10%	20%	30%	40%	50%	60%	70%	80%

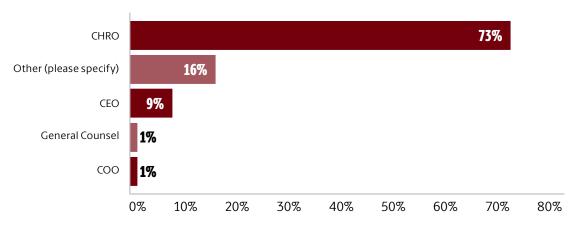
The CDO Role

We asked CHROs to report how the CDO role had changed over the previous year and asked them to check each item that applied. Not surprisingly, the results revealed that the role has changed significantly over the previous year in response to a broader societal focus on racial justice. As can be seen in Figure 1, 73% of CHRO respondents noted that the CDO role became more influential within the company, 58% said it became more influential within/to the C-Suite, and 54% said it became more visible outside the company. In addition, 33% said they had created a new CDO role over that time and a third indicated that they had upgraded the talent in the role either by internal promotion (17%) or outside hire (16%). Only 4% indicated that the role had remained relatively unchanged.

THE CDO ROLE (cont.)

Given the elevation of the role within the organization, **Figure 2** shows some interesting results regarding to whom the CDO reports. In 73% of cases, the CDO reports to the CHRO, while 16% of CDOs report to another executive ("Other" e.g., not the General Counsel or Chief Operating Officer) and only 9% to the CEO. We were unable to assess if those CDOs reporting to the CHRO were promoted to being a CHRO's direct report from not having previously been a direct report; however, we believe that this was not the case. If true, this suggests that while the CDO role has been elevated in the previous year, the elevation consists more of visibility and influence in the organization and less around changes in the formal reporting structure.

FIGURE 2



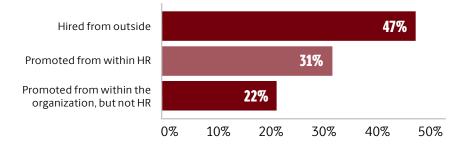
Position DEI Officer Reports To



THE CDO ROLE (cont.)

FIGURE 3

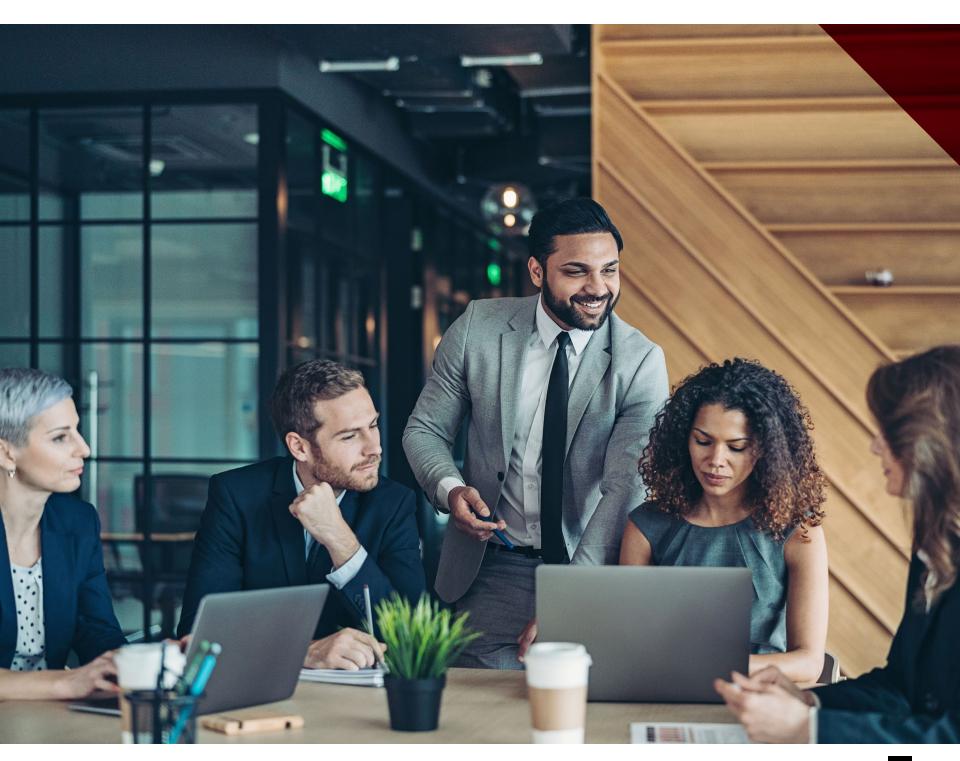
DEI Officer Background



We also asked how the current CDO had come into their role and found that 47% had been hired from outside, 31% promoted from within HR and 22% promoted from within the organization but not from HR (see **Figure 3**).

To get a sense of the background of the CDOs, we asked CHROs to note whether or not that individual had a number of different educational achievements or experiences asking them to check all that applied. As can be seen in **Figure 4**, in terms of experience, these individuals have significant backgrounds in previous diversity related roles with 63% having at least 3 years in those types of roles. Also, the majority (53%) had at least 3 years experience in HR. Only 16% had at least 3 years experience in other support functions and only 8% had worked at least 3 years in a diversity-related non-profit.

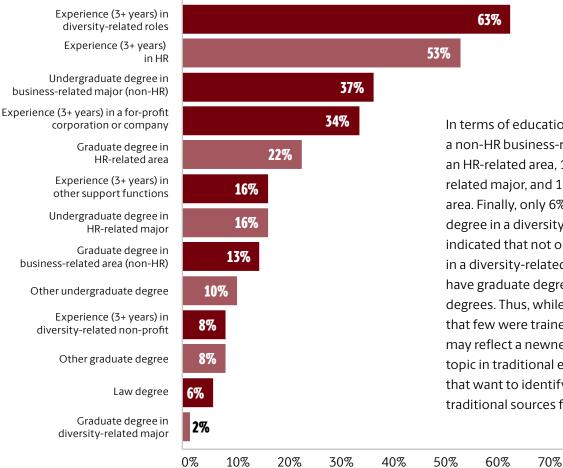
One interesting observation from the data is that only 1/3 (34%) had at least 3 years experience in a for-profit organization, and only 8% in a diversity-related non-profit. Thus, 47% of CDOs do not have 3+ years of HR experience, and at best, 8% of them worked in a diversity-related non-profit. This suggests that possibly many of the CDOs worked in non-profits or consulting firms prior to joining the organization. It may indicate a lack of emphasis in prior years regarding this position in many organizations, and may suggest that firms needed to be creative in whom they brought into this role. This should be explored more deeply in future research on this role.



THE CDO ROLE (cont.)

FIGURE 4

DEI Officer Background, Education and Experience



In terms of education, 37% had undergraduate degrees in a non-HR business-related major, 22% a graduate degree in an HR-related area, 16% an undergraduate degree in an HRrelated major, and 13% a graduate degree in a business-related area. Finally, only 6% had a law degree and only 2% a graduate degree in a diversity-related major. Interestingly, respondents indicated that not one CDO possessed an undergraduate degree in a diversity-related major. It seems that most of the CDOs have graduate degrees, with most of them being MBA or MHR degrees. Thus, while most have higher level degrees, it seems that few were trained specifically for this type of work. This may reflect a newness of the position and a lack of focus on the topic in traditional educational settings, suggesting that firms that want to identify potential candidates will need to tap nontraditional sources for finding talent.

CONCLUSION

Clearly the social unrest following the murder of George Floyd caused organizations to increase their efforts to promote diversity, equity and inclusion. Part of this effort focused on elevating the CDO role in terms of talent, influence and visibility. Those in the role have strong educational backgrounds in business and HR, and work experience in diversity and HR. It is too early to determine if the elevation of the role will result in visible improvements in diverse representation of talent throughout the organization, but the increased influence of those in the role provides an optimistic outlook.





TEAM OF AUTHORS



PATRICK M. WRIGHT

Thomas C. Vandiver Bicentennial Chair Director, CES

patrick.wright@moore.sc.edu



ANTHONY J. NYBERG

Professor Distinguished Moore Fellow Chair, Management Department

anthony.nyberg@moore.sc.edu



DONALD J. SCHEPKER

Associate Professor Moore Research Fellow Research Director, CES

donald.schepker@moore.sc.edu



KENNETH R. CARRIG

Executive Director, Center for Executive Succession

kencarrig@gmail.com



SPENSER ESSMAN

Assistant Professor Bauer College of Business University of Houston

sessman@central.uh.edu



The Center for Executive Succession serves as an independent, objective source of knowledge regarding C-suite succession practices. The center provides a forum for corporate leaders to shape the future direction of succession practices, which are increasingly one of the board's top governance priorities. Our partners have the opportunity to contribute to cutting edge research that challenges the status quo and is empirically driven to further success in C-suite succession planning. For more information or to inquire about potential membership, please visit our website or contact us at sc.edu/moore/ces.

This research was supported by the Center for Executive Succession, Darla Moore School of Business, University of South Carolina. All conclusions and/or errors, however, are solely the responsibility of the authors. The Darla Moore School of Business at the University of South Carolina is home to a world-class faculty and 12 major research centers. It is committed to educating leaders in global business and to playing a central role in the economic growth of the state by bringing the world to South Carolina and South Carolina to the world.

Founded in 1919, the Moore School has a history of innovative educational leadership, blending academic preparation with realworld experience through internships, consulting projects, study abroad programs and entrepreneurial opportunities. The Moore School has grown into a thriving site of academic excellence with an enrollment of more than 5,300 undergraduate students and more than 700 graduate students. The school offers a wide range of programs in nine undergraduate concentrations, seven master's degrees and two Ph.D. degrees as well as executive education programs and consulting services to the business community.

In 1998, the school was named for South Carolina native Darla Moore, making the University of South Carolina the first major university to name its business school after a woman.

Center for Executive Succession 1014 Greene Street Columbia, SC 29208 803-777-7819

ces@moore.sc.edu sc.edu/moore/ces

sc.edu/moore

The University of South Carolina does not discriminate in educational or employment opportunities on the basis of race, sex, gender, age, color, religion, national origin, disability, sexual orientation, genetics, veteran status, pregnancy, childbirth or related medical conditions.

