

BLACK

**Corporate Diversity and  
Responses to the Black  
Lives Matter Movement**

LIVES

*Analysis of the actions taken by America's  
largest companies following the tragic  
killing of George Floyd*

MATTER

## Introduction

### *Corporate Racism and the Black Lives Matter (BLM) Movement*

It is impossible to separate Corporate America from the foundation of oppression that it was built upon. After all, it was slavery that fueled America's first big business - the cotton empire. Despite the Emancipation Proclamation in 1863 and the 13th Amendment, which formally abolished slavery in 1865, Black Americans continued to face oppression in the form of Jim Crow laws until the Civil Rights Act of 1964. However, many forms of racism, such as redlining and disenfranchisement prevailed and still continue to impact our society today. The consequences of these practices remain pervasive today, and their effects continue to define the experiences and opportunities of Black, Indigenous, and People of Color (BIPOC).<sup>1</sup>

With such a storied past, it's no surprise that the terms "diversity" and "inclusion" have remained prevalent in conversations surrounding race. Today, these conversations have culminated into a modern-day civil rights movement known as, "The Great White Awakening".<sup>2</sup> The death of George Floyd at the hands of the Minneapolis Police Department and the subsequent increase in support for the Black Lives Matter (BLM) Movement has presented large corporations with the opportunity to act on their commitments to diversity and inclusivity.

In the 60 days following George Floyd's death on May 25th, 2020, many of America's largest companies made statements and distributed messages outlining their commitments to creating a more equitable business world, improving their diversity and inclusion, and enacting change through real and lasting action.

To better understand corporate America's response to the BLM Movement, Dayblink analyzed all Fortune 100 websites and social media accounts to identify the most prominent themes. Roughly 80% of the Fortune 100 responded to BLM in some form, most notably via social media posts, letters to employees, website responses, and updates to corporate Diversity and Inclusion (D&I) pages. Interestingly, many of the 20% that did not post responses were companies in non-customer-facing industries (i.e. energy providers, pharmaceuticals, etc.).<sup>3</sup>

This knowledge begs a rather difficult question: **Are these statements being used as a marketing strategy rather than a true call to action?**<sup>4</sup>

### *Our Approach*

In reviewing the statements made by the Fortune 100 companies, DayBlink examined which organizations created SMART (Specific, Measurable, Achievable, Realistic, and Time-Bound) action plans to achieve their goals. Our objective is to hold businesses accountable for keeping - and acting upon - their promises. To do so, we have outlined specific measures that we will track over the next six to twelve months to gain insight into the Fortune 100 companies' success in following through on their commitments.

#### Sources

<sup>1</sup><https://www.nationalgeographic.com/culture/holidays/reference/juneteenth/>

<sup>2</sup><https://medium.com/@todddwhitley/the-great-white-awakening-ca3aa38a09db>

<sup>3</sup>Primary Research Conducted by DayBlink Consulting

<sup>4</sup><https://hbr.org/2020/07/woke-washing-your-company-wont-cut-it>

After analyzing the statements released by the Fortune 100, we identified 6 core themes:



This paper will review corporate action pertaining to each theme, spotlight companies that did a particularly great jobs addressing each issue, and will provide a benchmark differentiating good companies from great ones. The first theme we cover highlights the necessity of strong leadership- enabling change from the top down.

## Executive Representation

Creating workplace diversity through targeted recruiting efforts is not a new concept. The Equal Employment Opportunity Commission (EEOC) has created many laws to mandate and protect workplace diversity some of which include The Civil Rights Act, The Equal Pay Act, The Age Discrimination Act, and The Americans with Disabilities Act. These laws define the bare minimum requirement pertaining to business ethics and social responsibility.

Despite legislation mandating equal opportunities in the workplace, the US Chamber of Commerce reported workforce statistics for 2019 indicating that Black workers comprised just 8.9% of workers in the high-earning “management professional occupation category,”<sup>1</sup> despite making up 13.4% of the US population.<sup>2</sup> Furthermore, the statistics outlined below indicate a major lack of minority representation at the Corporate Board and Executive levels.

Through our research and study, DayBlink identified the Executive level diversity statistics of the Fortune 100



DayBlink estimates that the average Board of Directors is comprised of **17%** diverse talent



DayBlink estimates that the average C-Suite is comprised of **15%** diverse talent

A study conducted by Harvard Law in 2018 of Board of Director makeup identified a number of other statistics



Harvard Law estimated **19.5%** Board Diversity in the Fortune 100



Harvard Law estimated **16%** Board Diversity in the Fortune 500



Harvard Law estimated **11.1%** Black Board Representation in the Fortune 100



Harvard Law estimated **8.4%** Black Board Representation in the Fortune 500

## Sources

<sup>1</sup>[https://www.uschamber.com/sites/default/files/americas\\_opportunity\\_gaps\\_-\\_by\\_the\\_numbers\\_white\\_paper\\_2020\\_full.pdf](https://www.uschamber.com/sites/default/files/americas_opportunity_gaps_-_by_the_numbers_white_paper_2020_full.pdf)

<sup>2</sup><https://www.census.gov/quickfacts/fact/table/US/PST045219>

Note: Diversity statistics listed reflect research conducted by DayBlink and include Racial and Ethnic Diversity

We found that the average board and C-Suite diversity representation for the Fortune 100 was roughly 17% and 15% respectively. This aligns with a study conducted by Harvard Law in 2018 which cited 19.5% board diversity in the Fortune 100 and 16% board diversity in the Fortune 500. To expand, the study stated that only 8.4% of Fortune 500 Board seats were filled by Black Americans.<sup>1</sup>

Today, corporations are realizing they have a duty to do more than the bare minimum when it comes to promoting equitable representation for minorities in the workplace. In our analysis, we found that top statements from the Fortune 100 outlined strategies focusing on external management-level recruiting and internal diversity promotion.

### Most / Good / Great Companies

Most	Good	Great
		
<p>Most companies tout the benefits of leadership diversity without taking tactical action within their own organizations. They may highlight increased diversity statistics at lower levels, but often fail to make any real changes at the Executive or Board Level.</p>	<p>Good companies acknowledge the need for greater diversity in leadership and identify means for increasing long-term representation through the training of development of lower-level employees. While they have created plans to implement more equitable representation in the long-term, they lack plans to take immediate action within their leadership team and board of directors.</p>	<p>Great companies reflect on their current racial and gender makeup and actively work to acknowledge and correct leadership inequity. They recognize the necessity of diverse leadership and actively seek out minority talent within the organization to step into managerial and executive roles. Great companies create policies and frameworks to maintain equitable representation at the highest levels for the long term.</p>

#### Sources

<sup>1</sup><https://corpgov.law.harvard.edu/2019/02/05/missing-pieces-report-the-2018-board-diversity-census-of-women-and-minorities-on-fortune-500-boards/>

## SPOTLIGHT - Reddit

Social media company, Reddit, is the first example of organizations making tactical changes to enable more equitable representation at the highest level of leadership. Alex Ohanian, co-founder of Reddit, stepped down from his position on the Reddit Board of Directors on June 5th. He stated the following regarding his resignation: *"I've resigned as a member of the Reddit board, I have urged them to fill my seat with a black candidate, and I will use future gains on my Reddit stock to serve the black community, chiefly to curb racial hate. I'm starting with a pledge of \$1M to Colin Kaepernick's education organization, Know Your Rights Camp."*<sup>1</sup>

Ohanian's resignation comes as the company faces intense backlash regarding the handling of its ongoing racial discrimination accusations pertaining to hate speech on the site. Reddit has been called hypocritical for supporting the BLM Movement while failing to enact a content policy to shut down hateful rhetoric.<sup>2</sup> Recently, Reddit took action and updated its content policy to explicitly address hate and implemented an enforcement plan.<sup>3</sup>

*It starts with a statement of our vision for Reddit and our communities, including the basic expectations we have for all communities and users.*

**Rule 1** explicitly states that communities and users that promote hate based on identity or vulnerability will be banned. There is an expanded definition of what constitutes a violation of this rule, along with specific examples, in our [Help Center article](#).

**Rule 2** ties together our previous rules on prohibited behavior with an ask to abide by community rules and post with authentic, personal interest. Debate and creativity are welcome, but spam and malicious attempts to interfere with other communities are not.

While there are still additional steps Reddit can take to further improve their policies with respect to racism and hate speech on the platform, Ohanian is one of few Board members willing to give up power to enact change in the form of representation at the Board Level.<sup>4</sup> Although this is not a solution to the challenges Reddit continues to face, it serves as a step in the right direction and displays a willingness to implement change for the better.

On June 10th, just five days after Ohanian stepped down, Reddit honored his request by bringing on Michael Seibel, partner at Y Combinator and CEO of the startup accelerator program, as his replacement on the board. Not only does this highlight a step in the right direction, but it also indicates the feasibility of immediate and tactical action at the highest levels of leadership. A multi-billion dollar company was able to turn over a Board seat to a Black leading venture capitalist and tech mind in under a week. We hope to see other members of the Fortune 100 follow suit in coming months to jump start what has historically been an incredibly slow moving process.<sup>5</sup>

## Sources

<sup>1</sup><https://www.cnn.com/2020/06/05/tech/alexis-ohanian-reddit/index.html>

<sup>2</sup><https://www.businessinsider.com/alexis-ohanian-reddit-board-resignation-announcement-notify-ceo-steve-huffman-2020-6>

<sup>3</sup>[https://www.reddit.com/r/announcements/comments/hi3oht/update\\_to\\_our\\_content\\_policy/](https://www.reddit.com/r/announcements/comments/hi3oht/update_to_our_content_policy/)

<sup>4</sup><https://redditblog.com/2020/06/10/reddit-welcomes-michael-seibel-to-board-of-directors/>

<sup>5</sup><https://www.theverge.com/2020/6/10/21285835/reddit-board-replacement-alexis-ohanian-michael-seibel-y-combinator>

## Professional Development and Recruiting Equity

As previously stated, our research indicates that minority representation is lacking within the executive offices and company boards of Fortune 100 companies. While actions, such as personnel changes, can be taken to correct these inequities in the short-term, companies must also improve their recruiting and development practices to increase minority representation and foster long-term organic growth within the organization.

The Fortune 500 employs over 28 million people, which provides the scope to increase statistical workforce diversity.<sup>1</sup> By implementing targeted recruiting strategies and planned internal growth initiatives, these companies can drastically reduce the equity gap that currently exists in Corporate America. Nearly 40% of Fortune 100 companies shared statements that included plans to increase their diversity recruiting and representation strategies.<sup>2</sup> These statements vary in their levels of specificity – some are vague and make general promises while others are tactical and contain SMART goals

For many companies, recruiting is an area that seems the most tangible and easy to act upon. In response to the BLM Movement, many companies pledged to increase recruiting at HBCUs and provide enhanced support to students in their local community. It is important to keep in mind, however, that this pipeline of talent can not be easily manipulated at will.

If the largest companies in the country determine that recruiting top-tier talent at HBCUs is the best way to improve their recruiting strategy, there naturally will be a shortage of candidates. This can be addressed, in part, by expanding the list of schools to recruit from (i.e. lesser-known HBCUs or diversity programs at public universities). It is crucial for companies to understand that recruiting is only half the equation. In order to generate a larger pool of qualified talent, companies must be willing to invest in the development of diverse, youth student populations. By doing so, they can establish relationships with more diverse student groups, provide a more equitable recruiting opportunity, and grow their future pool of candidates.

In addition to recruiting, it is crucial to train and mentor BIPOC employees so they can succeed in future leadership roles. There are several means companies can use to support the professional development of entry and mid-level diverse employees. One practice is standing up Employee Resource Groups (ERGs) - voluntary, employee-led groups which aim to foster diverse and inclusive workplace aligned with the group they aim to serve. These groups have become very common, and are found in roughly 90% of Fortune 500 companies.<sup>3</sup> A study conducted by the London School of Economics and Political Policy in 2018 found that involvement with ERGs can “enhance one’s sense of embeddedness within the company,” which has a positive influence on reducing voluntary turnover.<sup>4</sup> In other words, increased employee involvement in ERGs may decrease turnover, allowing for a larger percentage of minority talent to advance into leadership roles.

### Sources

<sup>1</sup><https://fortune.com/fortune500/>

<sup>2</sup>Diversity statistics listed reflect research conducted by DayBlink and include Racial and Ethnic Diversity

<sup>3</sup><https://www.greatplacetowork.com/resources/blog/what-are-employee-resource-groups-ergs>

<sup>4</sup><https://www.slideshare.net/DavidClark119/stemming-the-turnover-tide-analyzing-the-impact-of-erg-involvement-on-voluntary-turnover>

## Most / Good / Great Companies

### Most



Most companies discuss putting greater effort into diversity-focused recruiting and hiring. They have ERGs in place, however, they are not actively used or lack strong executive involvement. Statements shared were often vague and did not specify how professional development and recruiting will be changed to better support minority employees and candidates.

### Good



Good companies develop actionable plans to increase recruiting efforts, reduce implicit bias, and foster an inclusive environment to retain diversity. They look at diversity efforts as a value-add, recognizing the many benefits that come with diversity hiring and promotion practices. Benefits include increased workplace innovation and efficiency due to diversity of thought and experience.

### Great



Great companies take a calculated approach to increasing representation. They recognize the many challenges minority applicants face and invest in youth populations to grow their pool of diverse applicants. They look beyond traditional hiring spheres and provide specific measures to create more equitable recruiting and development practices.

## SPOTLIGHT - Alphabet

American multinational conglomerate, Alphabet, has taken a thoughtful and actionable approach to revising their Recruiting and Representation strategy. In a note from Alphabet CEO, Sundar Pichai, the company outlines its plans for change and reform with the following promises:<sup>1</sup>

**(1) They promise to invest in the youth:** Alphabet is committing nearly \$3 million to help close the racial equity gaps in computer science education and increase Black+ representation in STEM fields. They're increasing their exploreCSR awards to 16 more universities to address racial gaps in CS research and academia, and supporting Black in AI with \$250,000 to help increase Black representation.

**(2) They pledge to increase representation at upper levels:** Alphabet is working to improve Black+ representation at senior levels and committing to a goal to improve representation by 30 percent by 2025.

**(3) They are creating an inclusive environment and culture:** Alphabet is pledging to address representation and focus on hiring, retention, and promotion at all levels...“we’re working to create a stronger sense of inclusion and belonging for Googlers in general and our Black+ community in particular.”

Alphabet highlights tactical action for both now and the future, demonstrating what it takes to be a change leader in the diversity recruiting space.

### Sources

<sup>1</sup><https://blog.google/inside-google/company-announcements/commitments-racial-equity>

## Cultural Recognition & Inclusivity

Historically, companies have tried to bolster their D&I efforts by implementing various internal growth and development initiatives. Some of the most common methods include training and development programs, mentorship programs, and employee resource groups. For example, some companies have recently expanded their onboarding requirements to include unconscious bias training and peer-to-peer mentoring.

Despite the popularity of these internal growth and development initiatives, however, measuring their efficacy has always proven to be difficult. While many companies offer these programs and appear to support D&I at the surface, few are able to successfully instill these values into their culture and facilitate employee engagement. By fostering an inclusive and welcoming environment, employees are better positioned to excel in their careers.

In response to the BLM Movement, many companies are searching for new ways to improve and expand their internal offerings as they face an overwhelming call for corporate action. For some, this means adding new programs to raise awareness. For others, this means recognizing and celebrating holidays not addressed historically in the US, such as Juneteenth. However, creating a true culture of diversity and inclusivity means taking the time to recognize and address shortcomings, foster a sense of openness and transparency, and encourage employees to engage in difficult conversations.

### *Most / Good / Great Companies*

Most	Good	Great
		
<p>Most companies have diversity and inclusion programs; however, these programs may serve to “check the box” and often have little impact on company policies and employee engagement.</p>	<p>Good companies actively use their diversity and inclusion programs to support employees internally through formal mentorship programs and employee resource groups. These actions manifest in the form of home-grown diverse talent serving in management and leadership positions.</p>	<p>Great companies master well-established programs through an emphasis on continued efforts to address inequality through internal initiatives. They encourage employee development, foster both formal and informal discussions about racism, and provide the opportunity for employees to provide feedback on their experiences in the workplace.</p>

## SPOTLIGHT - Merck

Merck, led by CEO Ken Frazier (one of just three Black CEOs in the Fortune 100), is an example of a company that continues to demonstrate a strong commitment to a culture of diversity and inclusion.<sup>1</sup> Following the death of George Floyd, Frazier stated on CNBC:

*“Even though we don’t have laws that separate people on the basis of race anymore, we still have customs, we still have beliefs, we still have policies and practices that lead to inequities.”<sup>2</sup>*

Frazier was one of the first Fortune 100 CEOs to respond publicly to the death of George Floyd. In doing so, he embodied Merck’s core values and successfully differentiated Merck from the status quo. While most CEOs spent days, if not weeks, crafting politically correct statements and assessing the potential business implications, Frazier chose to address these difficult issues on a national platform. These actions not only demonstrate Frazier’s character as a leader, but also validate Merck’s commitment to diversity and inclusion.

Under Frazier’s leadership, Merck has successfully positioned itself to address systemic racism and inequity in the workplace - an effort that began long before the rise of the BLM Movement. The company offers 10 Employee Business Resource Groups (EBRGs) ranging from the League of Employees of African Descent to the Merck Rainbow Alliance. These groups help to support talent acquisition, share business insights, foster leadership development, and provide networking forums and mentoring opportunities for minority employee groups. This year, two of Merck’s EBRGs received the 2020 *Above and Beyond Award* by Diversity Best Practices for the work they do driving diversity, equity and inclusion within both their company and community.<sup>3</sup>

Merck also has a comprehensive leadership development and manager education initiative that consists of four key programs: Foundations of D&I Training, Inclusive Leadership Executive Development, Diversity Leadership Program, and Unconscious Bias Education. Each program is designed to educate rising leaders in the company and facilitate conversation about the most difficult D&I issues.

Through these extensive efforts, along with prominent support from leadership, Merck has instilled the values of diversity and inclusion throughout the organization and has fostered an open and accepting culture where employees of all backgrounds can thrive.

### Sources

<sup>1</sup><https://fortune.com/2020/06/01/black-ceos-fortune-500-2020-african-american-business-leaders/>

<sup>2</sup><https://www.cnbc.com/2020/06/01/merck-ceo-george-floyd-could-be-me.html>

<sup>3</sup><https://www.3blmedia.com/News/Merck-EBRGs-Receive-Diversity-Best-Practices-Awards-Their-Impact-Community-and-Workplace>

## Community Equality Advancement

The majority of large corporations are involved with their communities, typically through activities like food drives, volunteering, and hosting community-centric events. However, community involvement can (and should) stretch beyond the traditional meaning of the word “community.” In today’s ultra-connected world, community involvement not only requires inter-organizational communication, but also a willingness to utilize a company’s social and financial capacity to engage a broader audience.

In response to the BLM Movement, many corporations pledged greater involvement within their local communities. For some organizations, this simply means hosting additional volunteering events or increasing the size and frequency of their monetary donations. However, for standout companies, this means utilizing their business expertise to create shared value for members of underserved communities.

The optimal course of action for a company depends on the industry in which it operates, but leaders should understand how their company’s strengths can be leveraged in order to create shared value and guide systemic change.

### *Most / Good / Great Companies*

Most	Good	Great
		
<p>Most companies contribute to their communities by donating to national organizations, sponsoring local businesses and nonprofits, and volunteering. These actions are helpful in the short-term, but may not make a long-term impact and can therefore be seen as performative.</p>	<p>Good companies encourage regular community involvement from their employees and often sponsor Volunteer Time Off (VTO). These companies make thoughtful donations to local organizations who work to improve circumstances for the underserved communities in the surrounding area.</p>	<p>Great companies use their expertise, connections, and resources to help underserved communities. They often take actions requiring significant investments of time and capital, which yield systemic changes with long-term impacts. Great companies are vocal in their support of equity for minority groups across all platforms.</p>

## SPOTLIGHT - Johnson & Johnson

In an open letter to the company's employees worldwide, CEO Alex Gorsky pledged "to identify and announce other partnerships that we believe will make the biggest difference in advancing social justice."<sup>1</sup> In the case of Johnson & Johnson (J&J), this means focusing on "the urgent need to address inequities in medical care." Gorsky highlights the disproportionate impact that the COVID-19 pandemic has had on minority communities and how Johnson & Johnson is looking for ways to help.

In a separate discussion, Michael Sneed, the company's Chief Communications Officer (CCO) weighed in on how J&J will address the high COVID-19 mortality rates in the Black community.<sup>2</sup>

*"According to the Centers for Disease Control and Prevention (CDC), younger Black Americans are living with or dying of many conditions typically found in white Americans at older ages, including heart disease and high blood pressure.*

*Tragically, we've also seen how disproportionately Black Americans have been affected by the current pandemic. According to the CDC, they have represented 33% of hospitalized patients, compared to 18% in the surrounding community. Death rates are also notably higher. There are many systemic reasons for this inequity, including adequate access to care, affordability of care and education."*

In addition, he mentions programs to better collect and analyze data, allowing for increased access to testing services for communities of color. J&J has also entered a partnership with CareMessage, a nonprofit that uses technology to fulfill essential needs of underserved populations. Qualified providers across the country can receive free access to a COVID-19 messaging platform. This enables them to send critical information to over three million BIPOC patients – more than 11 millions messages had been sent as of June 19, 2020.<sup>2</sup>

Health disparities for BIPOC are not limited to the COVID-19 pandemic. A 2019 study conducted by the CDC found that Black, American Indian, and Alaska Native women are two to three times more likely to die from pregnancy related causes than White women, with this number increasing to four to five times with women older than 30.<sup>3</sup> In response to these statistics, J&J endorsed the Black Maternal Health Momnibus Act of 2020 in March of this year. This bill aims to fill gaps in the existing legislative framework to address Black maternal health in America.

J&J's actions, both prior to and during the BLM movement, combine tactical and strategic measures, flexing their strengths and expertise to contribute to society. Similar contributions from companies are crucial and have already begun to take shape across multiple industries. For example, Nike's proactive removal of the Redskins name and apparel from its website (prior to the team's formal name change announcement) and Ben and Jerry's use of its platform on social media to spread knowledge about the history of racial injustice in America. These organizations have invested both time and capital and have risked their reputations among certain consumer groups with the purpose of bettering society as a whole.

### Sources

<sup>1</sup><https://www.jnj.com/latest-news/a-message-from-johnson-johnson-ceo-alex-gorsky-about-recent-events-in-the-united-states>

<sup>2</sup><https://www.jnj.com/latest-news/conversation-with-michael-sneed-on-racial-inequity>

<sup>3</sup><https://www.cdc.gov/media/releases/2019/p0905-racial-ethnic-disparities-pregnancy-deaths.html>

## Supplier Diversity Development

High-revenue companies often try to support minority communities by standing up Supplier Diversity programs to contract work from diverse vendors. Legislation such as the Civil Rights Act of 1964 and Executive Order 11246 by President Johnson in 1967 set the stage for providing equal access to opportunities in contracts. The rise in Supplier Diversity programs came with the establishment of the Office of Minority Business Enterprise. These legislative changes require government agencies to contract with minority-owned businesses and track their spending against established goals. As a result, private sector companies followed-suit, increasing their participation in Supplier Diversity programs to align with changing business norms. Supplier Diversity programs have become one of the more established methods major corporations utilize to support minority groups.<sup>1</sup>

Nearly 100% of Fortune 100 companies have Supplier Diversity programs, but only about 30% mentioned an improvement to these programs in response to the BLM Movement. While some Federal and State Agencies reward companies for using diverse suppliers through financial benefits such as tax breaks, in many cases, these portals and programs are formalities to check the “Supplier Diversity Program” box. In addition, companies generally do not publicize their diversity spend, making it difficult to hold them accountable for supporting minority-own companies.

The current movement to increase equity for BIPOC employees and businesses aligns well with the existing Supplier Diversity programs when they operate as initially intended. These programs give minority businesses opportunities to prove their services are not only worthwhile, but also equally, if not more, valuable than other large suppliers.

### Most / Good / Great Companies

Most	Good	Great
  	  	  
<p>Most companies market their Supplier Diversity portals as an opportunity to gain access to the contracted services requested by the company. In most cases, however, these portals are out of date or do not have opportunities listed, making them an unrealistic option for minority-owned companies to gain business as a minority-owned company.</p>	<p>Good companies are making a concerted effort to bring in diverse talent and companies to provide services. In many cases, this is between 5-15% of their contracted spend annually.</p>	<p>Great companies are taking a stand and making drastic change. Not only are they entirely revamping their Supplier Diversity programs, but they are also re-evaluating their largest and most valuable contracts to determine if minority-owned businesses can fulfill those responsibilities.</p>

#### Sources

<sup>1</sup><https://suppliertynews.com/2018/02/01/introduction-to-supplier-diversity/>

## SPOTLIGHT - Microsoft

Microsoft has been recognized since its inception as an incredibly charitable organization. While the company has historically lacked diversity, it is looking to make swift and drastic change. In Microsoft's Diversity and Inclusion report from 2019, we learn that 4.4% of Microsoft's global workforce across all brands, including retail and warehouse workers, identify as Black. In addition, less than 3% of its US-based executives, directors, and managers are Black<sup>1</sup>. There is undoubtedly room for improvement and internal leaders would be the first to tell you that.

Microsoft has published targeted SMART goals to hold itself accountable for enacting change and improving equity among the BIPOC community.

Specifically related to contracting and diversity spending, or the company's "ecosystem," Microsoft made the following commitments.<sup>2</sup>

1. *Double the number of Black- owned approved suppliers over the next three years and spend an incremental \$500M with those existing and new suppliers*
2. *Request and incorporate diversity profile information in RFP evaluations to encourage Black representation progress in our top 100 suppliers, which account for over 50% of our indirect spend*
3. *Double the percentage of our transaction volumes through Black-owned banks and external managers over the next 3 years*
4. *Create a \$100M program that will make its initial investment in collaboration with the FDIC to target Minority Owned Depository Institutions (MDIs), enabling an increase of funds into local communities (businesses, restaurants, housing, etc.)*
5. *Establish a \$50M investment fund focused on supporting Black-owned small businesses*
6. *Increase the number of Black-owned partners in our US community by 20% over the next 3 years*
7. *Create a new \$50M partner fund that will help with access to capital providing loans to support partners through their startup phase, as well as \$20M of financing to existing and new partners to support their cashflow needs, and \$3M in training programs*

Not only is Microsoft creating targets to increase spend on diverse suppliers, but it is also re-evaluating existing processes to ensure the needs of vendors are being met, enabling them to succeed. The company is pledging to provide financial support to the community of Black and African American-Owned businesses to improve their employees' skills and make their companies more desirable targets for future business engagements.

These efforts help differentiate Microsoft from the status quo, and can serve as an example for other large corporations on how to take a structured, long-term approach to tackling these deep-rooted issues.

### Sources

<sup>1</sup><https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RE4aqv1>  
<sup>2</sup><https://blogs.microsoft.com/blog/2020/06/23/addressing-racial-injustice/>

## Funding and Donations

The most common way we saw Fortune 100 companies address the BLM Movement was through funding and donations, primarily to groups dedicated to creating a more equitable society for BIPOC. Over 50% of organizations chose to donate to at least one charitable organization, resulting in roughly \$2 billion worth of contributions from the world's largest companies.

While these donations are incredibly valuable and help improve the lives of BIPOC, it is crucial that companies are diligent about making targeted and informed contributions. In early June, it was found that millions of dollars were donated to the incorrect Black Lives Matter Foundation in California.<sup>1</sup>

The majority of the donations (by instance) were made to these six organizations in the US:



**National Association for the Advancement of Colored People (NAACP):** The vision of the National Association for the Advancement of Colored People is to ensure a society in which all individuals have equal rights without discrimination based on race through efforts in politics, education, economics, social life, rights and regulations, and outreach.<sup>2</sup>



**Equal Justice Initiative (EJI):** The Equal Justice Initiative is committed to ending mass incarceration and excessive punishment in the US, challenging racial and economic injustice, and protecting basic human rights for the most vulnerable people in American society.<sup>3</sup>



**National Urban League (NUL):** The National Urban League aims to help African-Americans and others in underserved communities achieve their highest true social parity, economic self-reliance, power, and civil rights. The League promotes economic empowerment through education and job training, housing and community development, workforce development, entrepreneurship, health, and quality of life.<sup>4</sup>



**The Bail Project:** The Bail Project, Inc. is a non-profit organization designed to combat mass incarceration by disrupting the money bail system. Over the next five years, The Bail Project will open dozens of sites in high-need jurisdictions with the goal of paying bail for tens of thousands of low-income Americans, all while collecting stories and data that prove money bail is not necessary to ensure people return to court.<sup>5</sup>



**Donation to Education:** Donating to educators is a great way to support youth development in the Black community. Many donations have gone to well-known historically Black colleges and universities, such as Howard, Spelman, and Morehouse, however there are 107 HBCU's in the US, all in need of funding.

### Sources

<sup>1</sup><https://www.marketwatch.com/story/people-donated-millions-of-dollars-to-the-wrong-black-lives-matter-foundation-read-this-before-you-give-to-any-charity-2020-07-01>

<sup>2</sup><https://www.naacp.org/>

<sup>3</sup><https://eji.org/>

<sup>4</sup><https://nul.org/>

<sup>5</sup><https://bailproject.org/>



**National Action Network (NAN):** National Action Network is one of the leading civil rights organizations in the Nation. Founded in 1991 by Reverend Al Sharpton, NAN works within the spirit and tradition of Dr. Martin Luther King, Jr. to promote a modern civil rights agenda that includes the fight for one standard of justice, decency and equal opportunities for all people regardless of race, religion, ethnicity, citizenship, criminal record, economic status, gender, gender expression, or sexuality.<sup>1</sup>

The \$2 billion recently donated by Fortune 100 companies is a large sum that will undoubtedly make a positive impact on each of these organizations. However, corporations should continue to make recurring donations to both larger, all-encompassing organizations as well as smaller, more targeted local companies. In addition, aside from financial contribution, corporations should consider whether they can also have a positive impact through the donation of time and other invaluable resources.

### *Most / Good / Great Companies*

#### Most



Most companies donate a lump sum to one of the six organizations listed above as part of their promise to improve the lives of BIPOC.

#### Good



Good companies contribute to multiple groups at both the local and national level. They promise multi-year donation plans to ensure ongoing funding without the risk of overwhelming the organizations.

#### Great



Great companies supply funding in unique ways outside of monetary donations. In addition to long-term donations to targeted organizations, they offer their time to be a part of the solution. They also match their employee's contributions to instill a sense of personal responsibility.

#### Sources

<sup>1</sup><https://nationalactionnetwork.net/>

## SPOTLIGHT - Abbvie

Abbvie, a Pharmaceutical Research and Development company, made strong promises to its employees and customers about the change it is willing to undertake. The statement included the following:

*Abbvie believes our clinical trials should reflect the global population as we aim to help patients live healthier, longer lives. We are committed to researching and bringing treatment options for groups of patients who have historically been underserved, for whom in some cases no prior therapies existed.*

*Abbvie has invested more than \$120 million in philanthropic programs since 2013 that purposefully support Black and marginalized communities in the United States. We are addressing the achievement gap in our partnerships with Communities In Schools who are working to improve graduation rates, reduce dropout rates, and boost college and career readiness. We're building a brand-new middle school with a 21st century learning environment to improve student success. We made a donation of \$5 million to the NAACP and EJI to address issues in our criminal justice system, and we've made an additional commitment of \$50 million over five years to help secure quality education, jobs, healthcare and justice as well as a 2:1 match for employees who wish to support organizations working to help address racial equality and social justice issues.<sup>1</sup>*

Abbvie highlights that there are a number of ways to donate and support BIPOC communities. No one way of donating is better than the next, but being a consistent contributor of your money will help to lift up organizations that help BIPOC to gain greater equality and equity in our society.

## Conclusion

The 2020 Black Lives Matter Movement has brought attention to the importance of actively working to achieve greater equity for BIPOC in our society. The status quo is no longer enough. While the focus of this paper is to analyze the actions taken within the corporate landscape, it would be insufficient to ignore that this is a problem deeply ingrained in all facets of our society.



### CRIMINAL JUSTICE

Black Americans make up **34% of the incarcerated population**, despite making up only 13% of the overall population



### EMPLOYMENT

Black **unemployment rates have been double the populations overall** unemployment rates for the past four decades

## Sources

<sup>1</sup><https://www.abbvie.com/our-commitment-to-racial-justice.html>



#### ENTREPRENEURSHIP

This year, the number of self-employed **Black Americans dropped by 41%**, compared to 32% for Latinx Americans, and only 17% for White Americans



#### HEALTHCARE

Black Americans account for **22% of coronavirus cases** in the US despite representing only 13% of the population



#### EDUCATION

**60% of Black students** attend a high-poverty school where the average per pupil cost is \$1,500 less per student than the national average

These statistics are just a fraction of the full story, but they send a powerful message: **Our system was designed for White people to succeed, at the expense of minorities.**<sup>1</sup> Despite the progress that has been made since The Emancipation Proclamation in 1863, our country still has a long way to go to dismantle the system of oppression it was built upon. Last year, the Fortune 500 tallied a record \$13.7 trillion in revenues, roughly two-thirds of the U.S. economy. Of this pool, 47.7% of the revenue belonged to the list's top 50 firms, a trend that has steadily increased since 1995.<sup>2</sup> These companies have the power and influence to enact lasting change and opportunity for minorities in America. We look to these companies to lead the charge.

### Accountability

DayBlink Consulting is committed to being a part of this change. We previously released a statement of our own in response to the BLM Movement:

*America is at a crossroads.*

*As a small business, DayBlink is not only a professional service team for management consultants and entrepreneurs, we're a family that always strives to do the right thing. We also understand that we have a voice and responsibility in the communities within which we live and operate.*

*Over the past few weeks, the entire firm has gathered numerous times to discuss the challenges facing the social justice issues in America. We have come to know two important things. Firstly, sharing and listening moves us all to a more common understanding. Secondly, that common understanding is a critical step in the right direction. Though there are numerous lenses to perceive what's going on and potential actions that can be brought to bear, we're united in our strong belief that the systemic injustices facing the black community are wrong and must be changed.*

#### Sources

<sup>1</sup>[https://www.uschamber.com/sites/default/files/americas\\_opportunity\\_gaps\\_-\\_by\\_the\\_numbers\\_white\\_paper\\_2020\\_full.pdf](https://www.uschamber.com/sites/default/files/americas_opportunity_gaps_-_by_the_numbers_white_paper_2020_full.pdf)

<sup>2</sup><https://fortune.com/fortune500/2019/#:~:text=This%20year's%20Fortune%20500%20marks,employ%2028.7%20million%20people%20worldwide>

*However, discussion and a common understanding are not enough. Our team will continue to meet, educate ourselves, and explore areas where DayBlink can improve our firm, as well as actions we can take externally. In the coming weeks, we will specify the actions we are taking, and we look forward to collaborating with our community members to do our part to bend the arc of our shared universe toward justice.*

While we are a small company, we believe that we can have an impact on these issues both through our own efforts, and through the supporting larger organizations looking to make strategic changes. This paper is just the start of our effort to hold companies accountable to the promises they have made to BIPOC.

So, we've done our homework, but what is next? How can we hold the most powerful organizations in the world accountable? How can we measure their improvement in these six target areas in addition to continued growth in Board and Executive Level Diversity?

### Measures of Success

**It is our promise to the readers of this paper, that we will continue to provide a watchful eye in holding the Fortune 100 accountable.** We aim to do this in a number of ways, with an understanding that change cannot occur overnight.

Over the next six to twelve months, DayBlink will revisit this topic and repeat the research that we completed in June 2020, with the following key questions and success factors in mind:

What Are We Hoping to Find?	How Will We Measure Success?
<p><b>Tangible Change</b> An increase in minority leadership to align with the percentage of minorities that make up the population</p>	<p><b>Board and Executive Level Diversity</b> Have Fortune 100 organizations made leadership changes to incorporate BIPOC in management-level positions? We are looking for BIPOC to be hired or promoted into strategic roles, beyond the stereotypical Diversity and Inclusion Officer position</p>
<p><b>Prominent Allyship</b> The opposite of being racist isn't being "not racist;" it's being "anti-racist." Companies must realize the burden they bear is not simply to eliminate actively racist policies, but to actively and prominently share and promote practices and actions that create a more equitable workplace</p>	<p><b>Continued Conversation at the Forefront</b> Are these topics still seen as relevant to the Fortune 100 down the road? Is the BLM Movement still being discussed on the company website and social media and by leadership? If we can all agree that change takes time, we should also agree that the conversation should remain a top priority beyond the duration of a news cycle</p>

What Are We Hoping to Find?	How Will We Measure Success?
<p><b>Commitment</b>            There's no "right answer" to reducing and eventually eliminating systemic racism. It will take years, and even generations to change course; racism has been the status quo in the US for hundreds of years, and it will take time and coordinated effort to enact change. Companies should recognize that this will not be a trend and there will be no quick fix</p>	<p><b>Persistent Contribution of Time and Money</b>            Have organizations continued to show support for organizations in need in the form of ongoing donations of time or money? One time donations are incredibly valuable to organizations, but continued effort creates longer lasting impact</p>
<p><b>Increased Transparency</b>            Greater availability of diversity statistics related to representation in leadership and supplier diversity</p>	<p><b>Visibility into Diversity &amp; Inclusion Statistics</b>            Are companies owning there diversity challenges and providing public transparency into the efforts made to improve? The only way to truly change is to first identify the core issues within the business</p>

By keeping track of these items, DayBlink believes we can measure improvements to Corporate America made as a direct result of the current BLM Movement and the untimely death of George Floyd.

***Each measure, taken alone, is imperfect and incomplete, but our goal is to use the measures outlined above to determine which, if any, Fortune 100 companies have taken action to align with the statements they made while the BLM Movement was the trending news story.***

BLACK

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MATTER

## Glossary and Key Terms

TERM	DEFINITION
Anti-Racist	A person who opposes racism and promotes racial tolerance.
BIPOC	BIPOC is an acronym that stands for Black, Indigenous, and People of Color.
Diversity	Diversity incorporates all of the elements that make individuals unique from one another, and while there are infinite differences in humans, most of us subconsciously define diversity by a few social categories, such as gender, race, age and so forth.
Equality	The right of different groups of people to have a similar social position and receive the same treatment.
Equity	The notion of being fair and impartial as an individual engages with an organization or system, particularly systems of grievance.
Inclusion	Inclusion is defined separately from diversity as the achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization's success.
Shared Value	Shared value is a business strategy designed to solve social issues profitably. It does this by leveraging the resources and innovation of the private sector to create new solutions to some of society's most pressing issues. In doing so, it creates a more prosperous environment in which to operate, making business more sustainable and resilient.
Systemic Racism	Systemic Racism refers to how ideas of white superiority are captured in everyday thinking at a systems level: taking in the big picture of how society operates, rather than looking at one-on-one interactions.
SMART Goals / Actions	SMART is the acronym for Specific, Measurable, Achievable, Realistic, and Time-Bound goals and action plans.
Unconscious Bias	Unconscious bias refers to the attitudes or stereotypes that affect our understanding, actions, and decisions in an unconscious manner.

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# ABOUT DAYBLINK

Paving the path to justice and equality in the workplace extends further than statements of solidarity and monetary support of community organizations. The real work lies in our actions – as employees, as peers, as neighbors, as humans. For business leaders, there are no longer sidelines to stand on; it is incumbent upon each one of us to take an active role in making our organizations – and our communities - united for generations to come.

At DayBlink, we assist organizations in having these complex and difficult conversations, enabling common understanding, and developing sound solutions for the future.



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