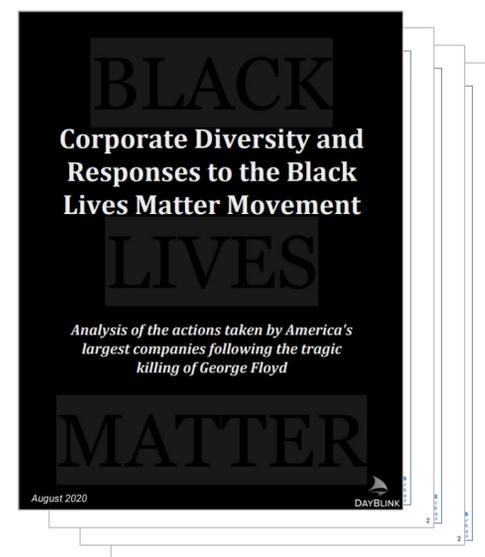


Corporate Diversity and Responses to the Black Lives Matter Movement – A Look Back

Over a year after the murder of George Floyd and the rapid rise of the Black Lives Matter movement, we reflect on how large corporations have (or have not) adapted to changing expectations. Within the bounds of our legal system, George Floyd’s murder was acknowledged with his murderer’s conviction and the erection of a statue where he passed, along with a large settlement to his family.¹ However, we have not seen the same justice or recognition from the corporate world.² We continue to follow the successes and challenges of the business landscape as they make changes to the way they operate and interact with diversity.

In our [initial assessment](#), we rated companies across the following dimensions: Executive Representation, Professional Development and Recruiting Equity, Cultural Recognition and Inclusivity, Community Equality Advancement, Supplier Diversity Development, and Funding and Donations. While we have seen little improvement in the Fortune 100 across these areas holistically, we have seen some progress in the area of Executive Representation.

In 2020, both TJ Maxx and Humana elected diverse board members. Earlier this year, Rosalind Brewer became CEO of Walgreens, and Thasunda Brown Duckett was selected as CEO for TIAA. Brewer and Duckett are just the second and third Black and female CEOs in the Fortune 500’s 66-year history. Other organizations have begun to take additional measures to ensure diversity is included throughout their lifecycle, as demonstrated in the examples below from 2020.



Unionization at Google
Google has re-evaluated its Employee Value Proposition (EVP) and a subset of workers have unionized to provide structure and longevity to activism at the company.³



Allstate’s Diversity Push
Allstate hired only minority, women, and veteran-owned banks for its latest bond sale, and committed to doubling volume of diverse firms in its portfolio in 2021.⁴



Coca Cola’s Diverse Legal Counsel
Coca Cola now requires outside law firms it works with to give a portion of work to Black attorneys, or face a 30% of penalty.⁵



Carlyle Group’s Board Investment
Private equity firm, the Carlyle Group, now ties borrowing cost for portfolio companies to board diversity, along with a target of >30% board diversity within two years of ownership.⁶

Employer Spotlight – The NBA

In 2020, the National Basketball Association (NBA) pledged \$300M to the Black community through the establishment of the NBA Foundation. The league showed continued support for the movement through customized jerseys with social justice messages and postponed playoff games in solidarity against the killing of Black lives. At the 2021 Atlanta All Star Game, HBCUs took the center stage. The court was designed by artists from HBCUs, the Star Spangled Banner was sung by an HBCU graduate, and the referee crew was all HBCU alumni. The game generated \$3M for HBCUs, and created a national platform for the Universities. Similarities can be drawn between the NBA, and the operations of America’s largest corporations.⁷

First, both groups operate at scale, giving them the ability to influence change.

Second, change occurs for both groups when key leaders speak out. In the NBA, leaders like Chris Paul, LeBron James, and Kyrie Irving demanded change. Similarly, CEOs will need to lead by example for corporate culture to truly shift away from the current systems that enable continued social injustices.

Third, and most importantly, both groups have shown to make the most impact when they focus on creating shared value, defined loosely as: “the concept of making social change by focusing on the things your business has expertise and resources in.” The NBA used its sport and platform to maximize its impact on social injustice; corporations can leverage their respective expertise to do the same.

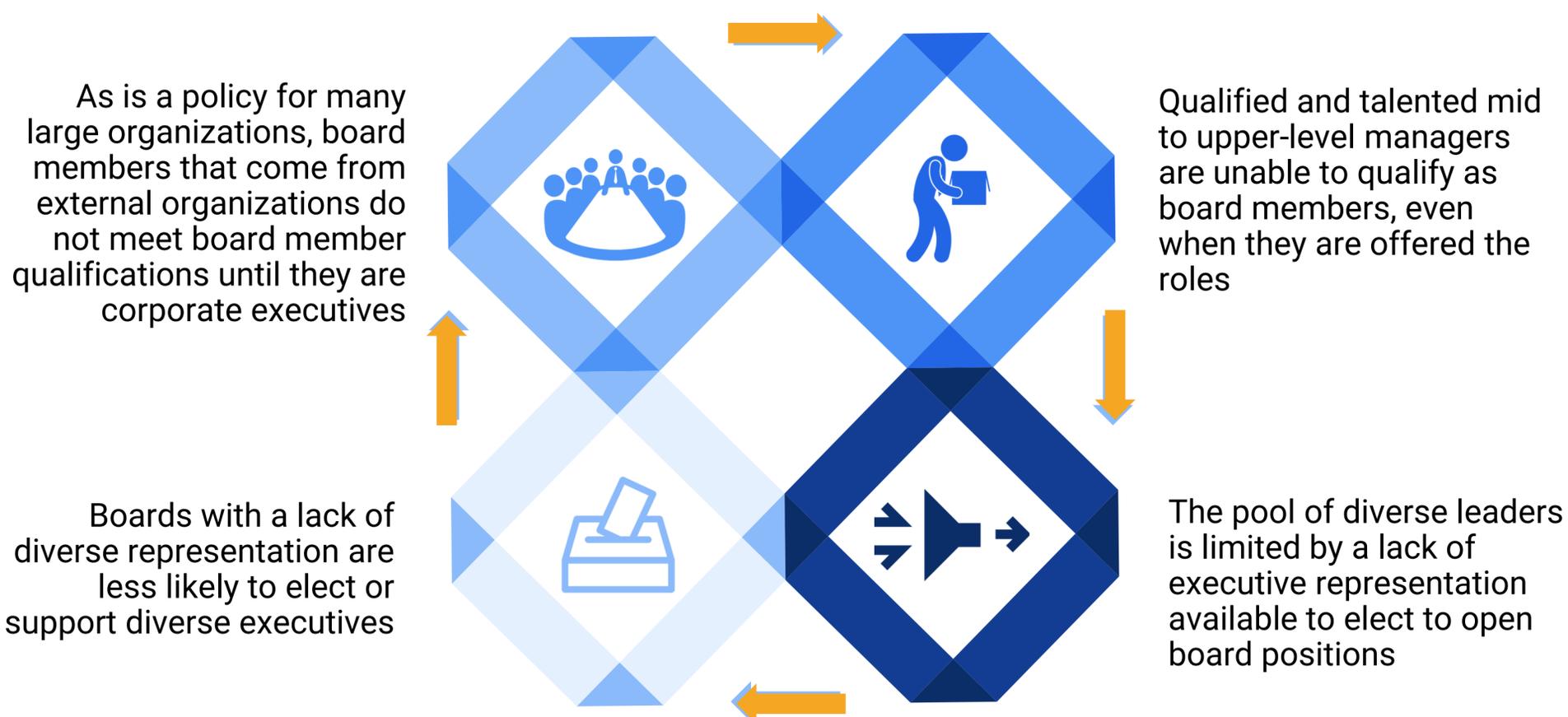
¹<https://www.voanews.com/usa/race-america/memorial-remain-minneapolis-site-floyd-arrest>
²<https://apnews.com/article/minneapolis-pay-27-million-settle-floyd-family-lawsuit-52a3957716152c8d1f6eb411c831c7>
³<https://www.nytimes.com/2021/01/04/technology/google-employees-union.html>
⁴<https://news.bloomberglaw.com/business-and-practice/coke-gc-tired-of-good-intentions-wants-law-firm-diversity-now>
⁵<https://www.insurancebusinessmag.com/us/news/breaking-news/allstate-makes-massive-diversity-push-239731.aspx>
⁶<https://www.bloomberg.com/news/articles/2021-02-17/carlyle-inks-4-1-billion-credit-line-linked-to-board-diversity>
⁷<https://www.nba.com/news/at-the-nba-all-star-game-hbcus-will-take-center-stage>

The Challenges That Persist

While the aforementioned changes are indicative of progress, they are by no means the vast, sweeping changes to the way large companies have always operated we hoped for. Last year, nearly every Fortune 100 company put out a statement condemning racism and proclaiming the need for more equity in the workplace, yet it appears none have made significant visible strides.

Further, few companies even disclose diversity metrics. In research conducted by Fortune, just sixteen companies out of the Fortune 500 voluntarily contributed any diversity and inclusion data. Just twenty-two Fortune 500 companies publish a full breakdown of the percentage of minorities and the racial pay gap.¹ While numbers are improving, it's difficult to be optimistic about representation when companies are reluctant to even share baselines.

In February, the NY Times reported an article on a Salesforce leader who was invited to become a member of a publicly traded company's board of directors. The reporter discusses the vicious cycle that ensues:²



There are countless barriers to improving representation, especially when it comes to Board Diversity including stringent qualification standards that make it difficult for non-executives to join boards. Regardless of how difficult change may be, without action, the statements shared last summer are just words.

Fortune 500 companies have the power to truly make a difference to the way Corporate America operates. They can set new standards, and make unpopular decisions to right decades of wrongs. However, at the current pace, change will continue to take years and even generations to achieve equity- both in the workforce and within society as a whole.

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