

Chapter 6

Diversity and  
Inclusion Officers

The importance of the Chief Diversity and Inclusion Officer roles and the diversity and inclusion office is growing. The functional office of diversity and inclusion has been elevated to the “C-Suite” within most companies today, and diversity and inclusion officer functions have grown over the course of the past five years and are expected to be elevated even further as the need for dynamic competencies has broadened and the impact and scope of these officers has expanded.

For today’s diversity and inclusion officer, leadership and business acumen are fundamental to success. Whether the officer is elevated internally or hired from outside, the job is demanding. It requires access at the top and competency to be a change agent. The job of the diversity and inclusion officer also requires more than a desire to impact the workforce at all levels. Most senior diversity and inclusion officers are involved in setting business goals. Diversity and inclusion is critical to the accomplishment of goals and, if used appropriately, to surpass competition.

The diversity and inclusion officer should be strategic in nature. This officer is the personification of the company’s identity as an employer of choice. The diversity and inclusion officer also provides important linkages with other functional areas such as marketing, legal, and HR. It requires leadership, judgment, management, mentorship, and results-orientation. D&I officers are leaders by example who empower stakeholders without micromanaging them.

In this chapter, we will explore the following questions:

- What are the typical competencies and responsibilities of a diversity and inclusion officer?
- To whom does the diversity and inclusion officer usually report?
- What are the typical title, compensation, and career length of a diversity and inclusion officer?
- What type of interaction does the diversity and inclusion officer have with the CEO and Board of Directors?
- How has globalization affected the role of the diversity and inclusion officer?

# Reporting and Structure

Today, diversity and inclusion officers are reporting at a higher level than ever before. Many are reporting directly to CEOs, presidents, or EVPs rather than being situated further down the leadership chain under the HR umbrella. Even if it is not a direct report, we still see the influence and involvement of those at the top.

No matter the report, the most successful diversity and inclusion leaders report on the progress of initiatives to the corporate board of directors and top management. They do this on a regular basis, generally through the Executive Diversity and Inclusion Council.

## Diversity and Inclusion Officer Competencies

Diversity and inclusion officer competencies have dramatically expanded. Successful diversity and inclusion officers must be change agents with business acumen. The capacity to influence and impact an organization and to be a catalyst and a strategist is emphasized by most companies deemed successful.

Diversity Best Practices surveyed leading diversity and inclusion officers, asking them to rate their strength throughout several key competency areas. The following chart highlights the results:

Competency	Index Score
Leadership	9.615
Influence with executive suite	9.487
Support of CEO or top others	9.461
Driving changes	9.333
Focusing on results	9.231
Building trust and integrity	9.077
Building strategic partnerships	8.897
Building and maintaining relationships	8.872
Communications skills	8.743
Business Acumen	8.667
Organizational awareness	8.513
Cross cultural sensitivity	8.205
Global experience	6.62

The survey also found that the average corporate D&I officer:

- has spent 10 years in his or her company
- views the role as a career if responsibility is broad and the diversity and inclusion executive's function is more universal (not HR restricted)

- holds the position anywhere from 1 to 16 years

The diversity and inclusion officer post is increasingly seen as a career. Overall, diversity and inclusion officers who take a great deal of pride in their work are seen as change agents. When given access to and championed by the “C-Suite,” many executives have found this to be a rewarding career.

## Diversity and Inclusion Officer Compensation

A Diversity Best Practices survey of more than 150 diversity and inclusion officers found the average diversity and inclusion officer salary to be approximately \$225,000, comparable to average C-Suite salaries. (Among more than 150 diversity and inclusion officers surveyed, more than 40 earned more than \$300,000 per year (base and bonus).)

Senior Diversity and Inclusion Officer Compensation Level	Percentage of survey responses
Salary base \$300,000+, with a bonus in the range of \$100,000	23.3%
Salary base \$200,000 - 300,000, with a bonus in the \$75,0000 range	46.4%
Salary base \$100,000 - 200,000, with a bonus in the \$50,000 range	30.3%

## Diversity and Inclusion Officer Titles

Diversity and inclusion officer titles are tied to authority and responsibility. There has been an increase in recent years in the naming of diversity and inclusion officers at the senior level.

A Diversity Best Practices survey of D&I officers found that 34.7 percent of companies bestowed the position of diversity and inclusion officer with a title of senior vice president or above.

The most common titles included:

- Vice President – 64.7%
- Chief Diversity Officer – 23.5%
- Director – 17.1%
- Senior Vice President – 8.8%

# Functional Responsibilities

Diversity and inclusion officer functions are becoming ever more expansive. Indeed, the word *integration* is understood clearly by effective diversity and inclusion offices. Functional requirements of diversity and inclusion officers include:

- Strong Leadership
- Business Acumen
- Good Judgment
- Effective Management
- Active Mentorship
- Results Orientation
- Short- and Long-Term Visionary
- Team-Oriented

The diversity and inclusion officer role throughout best-practice companies cuts across functions ranging from strategic roles and business planning both in the United States and globally, to include recruiting and retention, pipeline development, compliance, markets, communications, external relations and partnerships, events and sponsorships, global diversity and inclusion, and supplier diversity. The best diversity and inclusion officers are aligned with senior management as they are involved in enhancing business performance.

The senior diversity and inclusion officer understands how and why functional integration is so important to demonstrating the value of the diversity and inclusion function. Many of the senior diversity and inclusion officers have previously worked in HR on recruiting and retention. Many have placed a strong emphasis on work/life functions, especially when retention measurement is a major component of the diversity and inclusion portfolio. Some have legal backgrounds with experience in EEO law and compliance.

The senior diversity and inclusion officer has responsibility beyond HR and the workforce, however. The senior diversity and inclusion officer brings credibility to, and an understanding of, the functions reviewed here, including market share, marketing, communications, culture and business growth.

The responsibilities of the senior diversity and inclusion officer are significant, if diversity and inclusion is included in business plans and programs. The skill set for the diversity and inclusion leader is for an intelligent, visionary, results-driven individual—a team player who serves as advisor, change agent and manager of results. Those best positioned for success are those who report to the top and command respect from the CEO and the Board of Directors.

By contrast, diversity and inclusion programs that report through HR still may succeed but won't have the force of an integrated program or the influence necessary to have maximum impact throughout the various lines of business.

Responsibilities of diversity and inclusion officers may include:

- Counselor and advisor
- Business strategist
- Staffing support at all levels
- Workforce development and succession planning
- Creation of diverse talent both at headquarters and in the business units
- Training and education
- Compliance
- Policies, especially as they apply to women and a diverse and inclusive workforce, work/life, and leadership
- Recruiting
- Innovation
- Diversity Council and affinity group relations
- Marketing and marketplace development
- Communications
- Sponsorships
- Partnerships
- Community and philanthropy
- Supplier diversity and inclusion
- Global business
- Ethics
- Government contracting
- Other issues (e.g. labor relationships to safety to the environment)

# CEO and Board Involvement

Leadership of the diversity and inclusion officer and executives is deeply connected. Effective CEOs and top officers review, participate in, and ensure that compensation of top executives and managers is linked to success against diversity and inclusion goals.

The value of the diversity and inclusion officer is recognized by leading CEOs and Boards of Directors. Diversity Best Practices reviews indicate that out of 100 D&I officers surveyed, at least 75% report to the board on a regular basis.

Frequency of Board and Diversity and Inclusion Officer Meetings:

- Reporting once per year: 30%
- Reporting every six months: 18%
- Reporting every quarter on some issue: 26%
- Reporting periodically: 13%
- Reporting on some things quarterly and major presentation annually: 8%

When it comes to board engagement, the focus is on who tracks performance. When a board tracks performance, its corporation gets in line. When a board does not track performance, diversity and inclusion performance typically falls far to the bottom of the priority list.

Eight Areas Reflecting Board Leadership and Oversight:

- Representation
- Engagement
- External diversity and inclusion advisory board
- Internal diversity and inclusion executive council
- Chief diversity and inclusion officer
- Guiding principles and governance
- Bonus system
- Board training for diversity and inclusion

# Globalization and the Role of the Diversity and Inclusion Officer

Globalization is reshaping the responsibilities as it deeply impacts business strategies. The diversity and inclusion function will play an increasingly significant role in the support of globalization efforts. Some core global issues facing diversity and inclusion officers include:

- Setting corporate-wide diversity and inclusion policies that are consistent worldwide
- Navigating the legal obstacles of implementing diversity and inclusion initiatives throughout different countries
- Allocating the right staff and budget while building a talent pool within different cultures that will garner business results and community support
- Using a mix of local diversity and inclusion councils and employee resource groups
- Developing the right tools, techniques, and training programs
- Building the base for communications and marketing support programs utilizing goals and solid measurements
- Ensuring that diversity and inclusion awareness training classes are tailored for the business case in each country
- Translating domestic diversity and inclusion programs for use globally and learning from global initiatives to enhance and strengthen the U.S. program
- Building community support
- Tying the program to philanthropy support
- Nurturing governmental ties with the local community to enhance global diversity and inclusion efforts
- Measuring programs to ensure accountability
- Reviewing the tracking system and ROI and adapting as warranted

# Conclusion

In this chapter, we:

- Discussed the typical competencies and responsibilities of a diversity and inclusion officer.
- Analyzed the reporting structure of the diversity and inclusion officer.
- Noted the typical title, compensation, and career length of a diversity and inclusion officer.
- Examined the type of interaction the diversity and inclusion officer has with the CEO and Board of Directors.
- Investigated the effect of globalization on the role of the diversity and inclusion officer.

Diversity and inclusion officers are charged with helping to create an atmosphere where all people feel welcome and valued. To that end, the challenge of today's diversity and inclusion officer is to ensure that employees of all backgrounds and beliefs are able to come together for the common purpose of seeing the company succeed nationally and globally. Additionally, the diversity and inclusion officer is essential in helping to position the company's products and services as number one in the eyes of consumers.

Business growth results from diversity and inclusion and innovation sets best companies apart from their competition. If diversity and inclusion is the vehicle by which many companies are attempting to reach and surpass their workplace and marketplace goals, then the diversity and inclusion officer is at the helm.