It's Not a Black Problem.
It's an Everyone Problem.

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Seizing the Moment

Typically, companies stay away from open and broad discussions around racial justice; they just don't get involved. But the killing of George Floyd by Minneapolis policemen in May 2020 was a different moment. Corporate CEOs and boards were trying to figure out what they could do. They saw the nation and large parts of the world consumed by an alarming level of unrest. My phone was ringing nonstop with companies looking for advice: "How do I diversify my company?" "What is the problem?" "I think I get it, but can you give me more insight?"

These companies were trying to do the right thing, and I wanted to help. I touched base with other people who were in the same situation. Darren Walker, the President of the Ford Foundation, and others, were getting calls as well. A lot of the African American leadership were getting calls from their peers asking for help.

I realized that these calls would continue, and if we didn't seize the opportunity, we would lose the opportunity. If we did not grab the chance to turn this desire to help into something more proactive and permanent, we would be missing our chance at finally achieving real change.

The Birth of the BDAA

I reached out to the network that I have and from those discussions, we formed the Board Diversity Action Alliance (BDAA). The BDAA is interested in supporting all diversity, but we thought it was important to put our initial focus on Black directors. As such, our preliminary goal was to increase the numbers of Black directors. If you have one, get two; if you have zero, get one. But that initial goal was a bit simplistic and not necessarily realistic, so we also tried to do some benchmarking, looking to see how companies are performing today when it comes to board diversity. It turned out, surprise, surprise, there's no place to go for this data. There is not a central place where you can find out the answer to the question, "How many African American directors are there on boards?" Basically, there is a dearth of reporting. We realized it's just not about asking to increase the numbers, it's also about recording the data and then continuing to track it to see how corporations are doing. We then decided to add formalized data tracking and the promotion of additional accountability measures to the BDAA goal sheet.

The numbers are definitely very important.

I've long been against quotas, but I also have looked at the results of activities in California and in the UK, where quotas are helping to transform the diversity of boards. But we also understood that there was another aspect we needed to address in order to truly be successful, and that is encouraging companies to educate their own boards about diversity and inclusion. It's not just about getting the numbers and then counting, it's also about putting a process and environment in place to ensure we do not fall behind in the future.

Ultimately, we are focused on the numbers, plus an infrastructure behind them that allows stakeholders to keep track of how a company is doing to assure that we can improve how we're working and how companies are working. It's not just about a company getting a "one and done" token diverse member. It's about getting one or two or three, coupled with data and assistance that will lead to progression and a maturing of corporate boardrooms and companies around diversity, equity, and inclusion, for the long term.

The Challenges of Change

Achieving the aforementioned goals is not impossible, but there are many hurdles ahead. One of the biggest is the hesitation to engage on the part of company leadership; this is for a number of reasons.

The biggest sticking point for many CEOs and other company leadership is the fear of failing. "If we commit and don't do this, what's the downside? What are the ramifications?" Second is the issue of time. Most CEOs need to get approval from their boards of directors and governance committees to instigate such changes; if you're a public company, you have the committees to handle, and it's probably a really good idea that you get these guys involved, but this definitely slows the process. The third is the question of whether or not the talent is actually out there. I often hear this complaint, "We've been trying this for a while, and we can't find anyone."

How have I responded to these concerns? First, the BDAA effort is not about shaming. If you don't want to be engaged, just don't be engaged. I'm not interested in chasing people who don't buy in. If you don't want to sign, you don't have to sign. I think it's a good idea that you do sign, but if you don't want

to sign, no problem. I think your customers, your shareholders, and your employees will have far more impact than I can possibly have by shaming you if you don't pick up where the whole nation is heading, which is towards a diverse, inclusive, and equitable society. Change takes effort and time; I am not saying it will be easy, but I truly believe that companies that choose not to engage will be left behind.

The oft used excuse regarding talent or lack thereof is simply untrue. I am a broken record on this. If you define the talent requirement as, "you had to have been a CEO," or that "you currently have to be a CEO," many boards would have zero members. I get the same question from a vast majority of the people I speak with: "Can you find me a diverse director?" And I say "Okay, what's the spec?" And their response is "Well, we need a sitting or past CEO." And my response is "You don't need me to tell you the number or the names of the African American sitting and past CEOs. There are not that many of them, so you could actually call them all in probably an hour and a half, and you will find that they're all taken up; they're either not interested, or they have two or three boards already."

The problem that many companies and boards have is that they are defining the job specifications in an incorrect way that is not only inhibiting the achievement of true diversity, but is also overlooking candidates that could bring a lot of value to the organization. I will also mention that most company boards are not made up of 100% CEOs, so it makes little sense to me when companies are looking to fill board seats that the search criteria first starts with, "I would like to have somebody who's a CEO or CFO." Boards and companies have to change the specifications. The talent is out there, but you have to make sure that you are inclusive in your specifications and open to looking beyond the normal pipeline. And let me be clear - this is not about lowering standards. Are the only viable African American candidates out there those who meet the standard of having been either a CEO or CFO? Of course not. That can't be true. So, it's really, really important to look at how your board and your company truly define what a "good candidate" looks like and make adjustments to account for the changes they want to make.

The Commitment

I want to focus again specifically on the BDAA, and the commitment we are asking of signatories/"member corporations." Member corporations are committing to having at least one African American director on their board. If a company already has one, our desire is further diversification, but at least one. We want to make sure companies aren't making this a token; they shouldn't stop at just one diverse board member.

The second thing that these organizations are committing to is working with other partners in the Alliance, as well as working with the people and organizations who are trying to develop methods of tracking and collecting data. We want to increase the disclosure of self-identified race and ethnicity of directors on corporate boards. This is not something that is currently systematically tracked, which is a surprising thing. Greater disclosure is a good thing.

Finally, we want signatories to work on expanding their thinking and level of accountability for diversifying their company beyond the board. The talent is there. Find talented people who meet gaps that you have in your governance structure or in your future strategy and put them on the board. A lot of

the calls I get are first-grade calls. "How do I get one person?" they want to know.
No, we're in high school now. The question should be not only "How do I get?" but also, "How do I keep? How do I nurture?" The place to start is close to home, with your employee base and management team and by working with your shareholders. It starts with your communities.

The BDAA is asking companies to contribute more broadly than they have before. And so much of what the BDAA is able to achieve will be based on the actions of the signatories. An organization like the BDAA can only shine the light on the facts. We can give you hints and tips about how to improve, but we don't have the desire or the power to force you to change.

A Tidal Wave

The protest movement of this last year has been one of the largest and broadest in U.S. history. I don't need to say much about the pandemic; the most marginalized people are the ones most affected. We are confronting an amazing conflagration of events in the world and in America. We are living through a fundamental cracking of portions of our society, a breaking of the social contract that individuals have with their governments, that individuals have with each other, and that individuals have with their companies. This is all happening, and we don't yet have a good, solid discourse around that. Our government is definitely not presenting a path to a viable solution, and all of this is affecting the most vulnerable people, the poorest, and also the people who do some of the most important jobs that we all rely upon to live.

"This idea about inclusive capitalism is a tidal wave coming."

We also have mass unemployment, which is a huge stress on our social systems. The social systems are under stress because their funding is under stress. Then we have this unbelievable continuation of murder of Black people by police, and parts of the U.S. and the world are literally burning. The United States is at a turning point, we can make it and go forward, or break it; I have never felt this clear about the choices that we're dealing with in our country. We are at a precipice; if we don't change the discourse and the approach to how we integrate with each other, we are going to have to lay forth a new way for keeping the peace, a new way for caring for our citizens, a new

way of protecting ourselves if you are rich or have any privilege, because we have let loose, I think, a level of discomfort and unhappiness that has to be quelled somehow or the other.

And this idea about inclusive capitalism is a tidal wave coming. Everyone is watching: employees, communities, governments, and definitely shareholders. They are all closely watching companies to see how they are going to manage their way through this phase.

I don't see things going back to "how they were." I don't think the "let's let it quiet down a little bit; it'll blow over, like the other events have blown over" logic is going to work this time. We're not there. We are definitely on a course for something big.

We, as individuals, as business leaders, as companies, are going to have to pick a point of strength and push hard to get an active set of solutions laid out. And we're all going to have to get involved in things we didn't engage with before, or we didn't get really actively involved with before. We're going to have to look at social structures, we're going to have to look

at the not-for-profit, arts-based institutions to figure out how we help them survive, even more than we did before. We're going to have to look at policing in our communities. This idea that there's going to be this other group of people, "the government people," this higher order, who are going to fix all of these issues is long gone. We are way down the path and I think too broken for that.

Everyone has an ownership here. It is not a Black problem. It is everyone's problem.

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