



## On Staff: Diversity and Inclusion Chiefs — the Hot New Fashion Accessory

By Kathryn Hopkins

January 4, 2019

*H&M, Nike, Macy's, Abercrombie & Fitch and Estée Lauder have all got one.*

When an H&M image on its web site showing a black boy wearing a hoodie with the phrase “coolest monkey in the jungle” sparked global outrage, the retailer decided it was time to hire a diversity and inclusion chief to prove the company was taking the issue seriously and to ensure such an incident was not repeated.

H&M isn't the only company to make such a move after a faux pas. In April, Nike Inc. unveiled Kellie Leonard as its first chief diversity and inclusion officer. The hire came at a pivotal time for the sportswear giant, which has courted controversy over its alleged treatment of women in the workplace.

Just a month earlier, Trevor Edwards, the former Nike brand president who was viewed by many as the natural successor to chief executive officer Mark Parker, resigned amid reports that he protected male subordinates who engaged in behavior that was demeaning to female colleagues.

Abercrombie & Fitch Co., which has been dogged over the years by allegations of religious, size and race discrimination, has had three diversity chiefs, with ceo Fran Horowitz stating she is “proud of how far the company has come on this journey” while acknowledging there is no finish line.

The latest is Gucci, which on Friday revealed plans to hire global and regional directors for diversity and inclusion as part of its efforts to get greater diversity within the company following the controversy over its “blackface” sweater.

Elsewhere, other companies have been hiring this role over the past few years as part of a wider movement to keep themselves in check, although exact titles can vary. This includes Macy's Inc., Walmart Inc. and Target Corp., to name a few.



Cosmetics titan Estée Lauder Cos. Inc., meanwhile, is practically an old hand, having had its chief inclusion and diversity officer, Marilu Marshall, in place since 2005.

“Here at Estée Lauder, inclusion and diversity is not a trend. It’s not even what we do. It’s who we are. It’s part of the DNA of our company,” said Marshall, who reports directly to executive chairman William Lauder. “The fact that I was named chief diversity officer in 2005 was simply a way of formalizing what we had already believed was important in our company.”

While controversies like those engulfing Gucci and H&M may dominate the Instagram and Twitter-sphere, fashion, retail and beauty aren’t the only sectors increasing their focus on diversity and inclusion. Companies across the board are joining in, such as Apple Inc., Uber, Pinterest and Google.

In fact, recruiter Indeed found that since the beginning of 2015, there has been a 68 percent rise in diversity and inclusion postings on its web site. In the last year alone, they are up by a third.

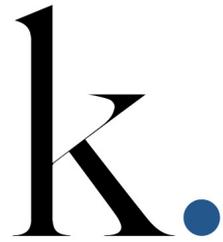
The recent spike in these roles over the past few years can be partly explained by the U.S.’ extremely tight labor market, with a 4 percent unemployment rate, according to Indeed. Increased competition for workers means companies need to appeal to as many candidates as possible and show they’re diverse and inclusive.

“I think storytelling is really important in how do you differentiate yourself from another company that a candidate may be looking at, because it really is a market where the candidates have a choice,” Paul Wolfe, senior vice president of human resources at Indeed, said.

Kisha Jones, assistant professor of psychology at Pennsylvania State University, added that the political climate and movements such as #MeToo, Times Up and Black Lives Matter have also played a crucial role.

Consumer-facing businesses are starting to realize that these issues are important to consumers, who want to see companies reflect their commitment to diversity and inclusion both in their marketing campaigns (think Nike’s “Just Do It” ads featuring former San Francisco 49ers quarterback Colin Kaepernick) and in the workplace.

“I think there’s a lot of tension around diversity — whether racial diversity, gender diversity — that is at the forefront so people are thinking about it and companies realize that these are things that are spilling over into the workforce, too,” she said.



Having more diverse teams reduces the chance of blunders like Gucci's and the H&M hoodie in question because there are more eyes scrutinizing each product before it reaches the public.

Gucci president and chief executive officer Marco Bizzarri admitted last week that the company's lack of diversity was partly to blame for the turtleneck-style top, which covers the bottom half of the face with a cutout and larger red lips around the mouth.

Jones said in the past, some companies had this role in a vice president's position, but adding it to the c-suite or making it a leader role like at H&M "creates some accountability because someone in that role will have to report to the ceo" and is a move by the board to demonstrate it is taking the issue seriously.

This was the case at Nike, which previously had the role in a vice president position that was occupied by Antoine Andrews. But when he followed Edwards out the exit door, the sportswear maker replaced him with Leonard and gave her an elevated c-suite title.

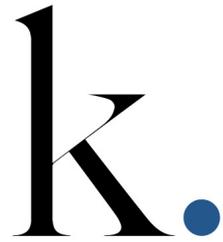
"Just the presence of that sends a signal that diversity is something they're taking seriously," Jones said. "We need some time to see how people are able to function in that role and what they're able to accomplish, but I think that it's a great start. It's important."

As for what they actually do, diversity and inclusion chiefs tend to have a three-pronged approach, focusing on hiring, training and company cultural practices and working across all departments.

This involves trying to improve the diversity of the company's hiring pipeline covering race and gender, making sure the workplace is supportive for workers from different backgrounds and fostering an inclusive workplace culture.

Michael C. Bush, ceo of diversity data company Great Place to Work, thinks there's been a shift in the job remit over the past seven years or so from a role that solely tracked representation to one that makes people from all walks of life want to stay at the company in question.

"It was really about how many of these do you have and how many of those do you have and so on. Those efforts have largely failed to produce any change in the numbers as well as any change in attrition rates for people who are not fully represented in the workforce. They moved into jobs and ended up leaving. It felt more like they were there because they were a number," he said.



“Over the past five to seven years there’s been this movement where you rarely see the word diversity without the word inclusion and this was where people were beginning to think about how to change the experience so that a person feels like they matter, feels like they’re valued and feels like they’re going to get opportunity to promotions,” he added.

But as more companies add this fashionable position, does the role actually have any teeth or is it in danger of just being a public relations move?

In the case of H&M, Annie Wu, a longtime staffer who was moved into the new role of global leader for diversity and inclusiveness at the beginning of last year, believes the fact she reports directly to ceo Karl-Johan Persson proves that the company is taking her role seriously.

“We meet really regularly,” she said from H&M’s New York office. “It is a constant conversation.”

That includes scrutinizing the company’s entire design process so as not to repeat “sweater-gate,” rolling out diversity and inclusion awareness raising workshops and ensuring there is a level playing field for all employees.

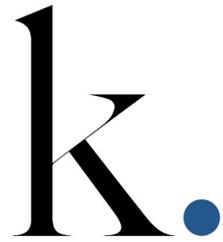
Twitter Ads info and privacyWu also has the difficult task of policing the company’s diversity and inclusion policies across the 71 countries where H&M has a presence. To help her, she recently beefed up her team, hiring Viacom veteran Ezinne Kwubiri as head of inclusion and diversity for North America as diversity can mean different things in different countries.

“What diversity means here in the U.S. can mean something completely different in Poland. It can mean something completely different in Sweden, so we have to continue to understand that,” said Kwubiri, echoing a point made by Bizzarri last week when discussing how the blackface sweater got through Gucci’s controls.

At Estée Lauder, Marshall manages this in two ways. First, a global diversity council was formed 10 years ago, cochaired by Lauder and ceo Fabrizio Freda and made up of 21 members, which she says proves how important the subject is to the top echelon.

The second is that her strategy for inclusion and diversity is implemented by a “volunteer army” of people around the world who are passionate about the subject.

“I have a team of four and there is no way we could possibly do what we have done without having this volunteer army,” she said. “In order to be globally relevant and locally relevant we tailor our strategic plans to fit a particular country or business unit so, for example, the



strategic plan that we have for Malaysia is quite different to the strategic plan we have for South Africa. But they are both tailored to the unique cultural aspect of those countries.”

This aligns with experts’ views that if this role is to work, it needs to have full support from the top and given the necessary resources. “It absolutely has to be sponsored from the top and not just in an annual memo about it that can be ignored. The top has to bring it up in conversations. They have to walk the talk,” according to Kyle Rudy, senior vice president at executive search firm Kirk Palmer Associates.

Kenya Wiley, founder and ceo of Fashion Innovation Alliance, a collective focused on public policy, added: “While it’s important for companies to hire chief diversity and inclusion officers, it’s also critical that fashion and beauty brands provide D&I teams with a decent budget and other resources to effect meaningful change. Without adequate resources, diversity and inclusion initiatives are set up for failure from the start.”