

## Can Diversity Officers Really Change the Culture at Sneaker Companies?

By FN Staff

May 15, 2019

In April 2018, Nike hired Kellie Leonard as its first chief diversity and inclusion officer. Soon after, it named a former Mercedes executive to help support Leonard in a move to stem cultural issues roiling the Beaverton, Ore.-based company's workplace.

Months later, Under Armour similarly hired Tchernavia Rocker as its new chief people and culture officer.

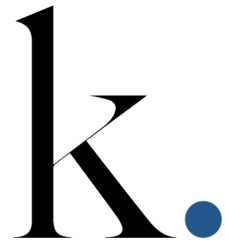
Such jobs, with titles varying slightly from one form to another, have become one of the most in-demand positions in the sneaker business, often in the wake of public controversy.

After complaints surfaced in the past year about toxic cultures and a lack of opportunities for women and people of color, many sportswear companies that have been traditionally run by white males — think Nike, Under Armour and Adidas, to name a few — have set out to make the upper echelons of their companies far more diverse in 2019.

But creating true corporate diversity goes way beyond naming a person to a top position, said industry observers. In order to succeed and create change, these executives will need all the necessary tools.

"The conversation shouldn't simply be focused on the titles. It's more important to consider where the person reports and what authority they're given," said Kyle Rudy, SVP of Kirk Palmer Associates. "If the position doesn't report in to the CEO or have a strong dotted line to the CEO, it may not be taken seriously within the organization. And the job has to have not just verbal support from the CEO and board, but it has to have actions from the CEO on a consistent basis to support it."

With a CEO's backing, Rudy said the scope of a diversity officer's responsibilities could extend beyond hiring and retention. He or she would also have considerable clout in helping



to shape marketing campaigns, choosing supply chain partners and other areas of the business.

However, experts cautioned that expectations for the position must be realistic.

No individual alone can clean up a toxic work environment, hire diverse talent and create measurable financial goals for the team — not to mention, they're often tasked with executing a plan on an accelerated timeline.

“When it comes to diversity, it's important to have a short-term and long-term view. ‘Inclusion’ is change management work,” said Tina Shah Paikeday, who leads the diversity and inclusion consulting services for Russell Reynolds Associates. “It takes a long time to change behaviors.”

Shah Paikeday co-authored a report last year that revealed why diversity and inclusion initiatives often fail and how companies can make meaningful changes.

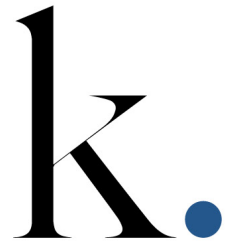
One key takeaway was that the most successful diversity officers are multitaskers with a broad skillset — people who can execute on plans, are strong storytellers and have the ability to communicate both internally and externally.

“Every person coming into these jobs, whether from inside or outside the company, has to immediately build collaborative relationships,” said Rudy. “When given an uncomfortable topic, such as racial diversity, sometimes building those relationships might be difficult. To succeed, the person has to be an excellent builder of relationships and wants to take action.”

Companies across the footwear and fashion space have been prioritizing diversity and inclusion initiatives. After luxury brand Gucci sold a sweater evoking blackface, the company announced a four-pronged plan to address hiring and awareness. Meanwhile, Tapestry Inc. (parent of Coach and Stuart Weitzman) has made a commitment to increase the number of minority leaders based in its North America office. And this month, Macy's Inc. is expected to launch a leadership development program called Mosaic aimed at reducing attrition at the midcareer level.

Nike, meanwhile, has had to take some drastic steps after its cultural issues became public last year.

At the direction of chairman and CEO Mark Parker, the company implemented mandatory training for all managers and employees. It also said it would hold its leaders accountable, develop diverse talent and offer accelerated training programs.



The company, which annually reveals the gender and ethnicity percentages of its employee base, said in its 2017 sustainable business report that it has “not made fast enough progress on representation with women or underrepresented minorities. We also released our new updates on representation of women and underrepresented minorities at our vice president level. As a result of this data, we’re now more than ever focused on accelerating representation of diverse employees at our senior most leadership levels, starting with women and underrepresented minorities.”

Experts said that by taking similar steps, athletic companies — or firms of any type — can start to make lasting changes.

“You have to give resources to these diversity teams — and make sure it is a team,” said Rudy. “Otherwise, it is a bunch of theories, policies and words that never get put into action.”