

# Ambassador of Diversity

How has the chief diversity officer's role evolved? Three leading CDOs—from Morgan Stanley, Starbucks, and Thermo Fisher Scientific—describe their work and its challenges. By Nathan Penn



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It used to be a pretty obscure role, one that didn't have an acronym like CFO or CMO. Many firms, by their own admission, assigned it a spot far down their org charts. But today, chief diversity officer is among the higher-profile jobs—not only in senior leadership but in business culture itself, where it stands at the center of a strained but important shift as consequential as any that companies have faced in recent decades.

Diversity officers first began appearing in the late 1980s, with a narrower mandate: legal compliance with Equal Employment Opportunity Commission regulations. Their job was largely to protect companies against civil-rights lawsuits, says Dorian Boncoeur, an assistant professor of management and organization at Notre Dame's Mendoza College of Business. But in the early '90s, researchers at business schools began documenting the links between racial and gender diversity and firm performance, leading to the transformation of the CDO role as we know it today: equal

parts diplomat, influencer, sociologist, and moral compass—an ambassador of a movement. Industry analyst Josh Bersin has called the position “the toughest job in business.”

If it is, slightly more than half of Fortune 500 companies now have such roles. Significant growth took place even before George Floyd's murder: a LinkedIn survey of people holding DEI-related titles between 2015 and 2020 found 107 percent more “heads of diversity,” 75 percent more “directors of diversity,” and 68 percent more “chief diversity officers.”

But how do CDOs make a difference? How has the role changed and grown recently? *Briefings* brought together three leading CDOs: Dennis Brockman, senior vice president, global chief inclusion and diversity officer at Starbucks; Dr. Jennifer Farmer, vice president for global diversity and inclusion at Thermo Fisher Scientific; and Susan Reid, global head of diversity and inclusion at Morgan Stanley. They discussed mindset shifts, employees' expectations of leadership, and the need to sometimes be a disruptor.

**BRIEFINGS:** *The author and diversity consultant Pooja Sachdev says, “The number of people who can do this job, in my view, is small. It is small because you need such a breadth of skills for it.” What skills do you need to be an effective CDO?*

**REID** (Morgan Stanley): A CDO needs to have a strong awareness of social and cultural identities. Conversations can go wrong, even if you're knowledgeable—we're all human—and you can end up doing more harm than good. You have to have incredible problem-solving skills and comfort in challenging norms. You have to be able to consume lots of information: you're constantly reading, listening to podcasts, attending meetings. A CDO has to have extreme humility. You don't know what you don't know, and you don't know everything.

**FARMER** (Thermo Fisher Scientific): I believe a common set of leadership skills allows CDOs to be successful. They must be strategic executors of DEI strategy, analytical storytellers, and change agents for DEI.

**BROCKMAN** (Starbucks): The role of a CDO, and the work we lead, is ever evolving. At its core, my role is to be an unwavering advocate for inclusion and equity on behalf of our partners (employees) and our communities. I must ask the tough questions, reject status quo, and hold us accountable at the highest level.

**REID:** I often say the biggest role we need to play is to facilitate a mindset shift. Programs are great, but programs come and go.

**FARMER:** Sometimes you have to be a disruptor to challenge the status quo. A lot of the work is about getting people to think differently, challenging leaders and colleagues across the company. DEI can be

very emotional for a lot of people, so change management is critical.

**BRIEFINGS:** *Experts have observed that there's no widely accepted credentialing or training program for aspiring CDOs. How well defined is the role today?*

**REID:** I don't necessarily subscribe to the idea that you have to have specific credentials to become a successful CDO. It's a job where you need skills you can develop in many ways. I do worry about the rush that many firms have been in to build the function, particularly in the last two years, and I hope that we've all been thoughtful about who we're putting into those roles.

**FARMER:** Some companies have been on the DEI journey for a very long time. They value it, they see it as a cornerstone to the organization's success. At those companies, the role is more defined. At other companies that are very early in their journey, the CDO's role is to go in and build.

**BROCKMAN:** Some might think that

we aren't doing our job. And I am not alone in this work. Our twelve Partner Networks are partner-led business-resource groups that promote a culture of inclusion and contribute to the success of our partners and our business.

**FARMER:** The pandemic, a heightened focus on racial and social justice, and increased demands from employees, customers, and investors have caused us to expand our view of DEI. The pandemic has challenged us: How do we do DEI work from a virtual setting? Five years ago, no one had to deal with gender pronouns, but today, people come into the organization with an expectation that “you're going to address me by my gender pronoun.” And no one could have predicted the response to the George Floyd incident.

**BRIEFINGS:** *How was Mr. Floyd's murder experienced by your organization and the people in it?*

**FARMER:** George Floyd's murder, for many, was a breaking point.

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the role of a chief diversity officer is internal facing only. If you're a company where that's the case, you have some work to do. Our focus is to advance a culture of equity and inclusion for our partners (employees), customers, and communities. If one of these pieces is missing,

There was a huge need for people to release all of the pressure they'd been carrying around and express themselves. A lot of employees were expecting to hear from their leaders, but we found in talking to leaders that they worried they'd say the wrong thing. We developed a racial-

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inequities toolkit to provide managers and leaders with information, tools, and resources to help facilitate these important discussions. We brought together the senior leaders in the company to help them understand what was happening.

**REID:** George Floyd's murder was felt very deeply. You saw the act, and it was really difficult for people to wrap their heads around it. The reaction from employees was very strong, very emotional. Even though I was sitting in my home office, I felt the impact viscerally. Morgan Stanley came with a strong response by launching the Institute for Inclusion to bring our employees, communities, and clients together in a shared commitment to creating a more equitable society.

**FARMER:** Thermo Fisher's role in helping to solve the pandemic led to the Just Project, which is named after a trailblazing Black scientist, Dr. Ernest Everett Just. This multi-pronged effort helped address the coronavirus crisis, which has disproportionately impacted communities of color. We donated several million dollars in instruments, kits, and testing infrastructure to bring free COVID-19 testing programs to HBCUs [historically Black colleges and universities]. In addition, this has been an opportunity to bring great talent into our organization. We've made a commitment over the next three years to hire at least 500 interns and graduates from HBCUs.

**REID:** With initial funding of \$25 million, the Institute for Inclusion invests in underserved communities, advances equity through philanthropy, and promotes workplace D&I. It encompasses projects like our Community Development



Finance program, which helps provide affordable housing in low- and moderate-income communities nationwide, and our HBCU Scholars Program, which covers the full cost of attendance at three HBCUs. Our Experienced Professionals Program recruits and trains promising young professionals for jobs at Morgan Stanley. In 2020, its inaugural year, there were 800 applications for 20 spots.

**BROCKMAN:** I do not believe that George Floyd's senseless and tragic murder is behind us. I believe he has become our guardian angel—a guiding light for the future of corporate America and leaders across the country. The loss of his life, and the lives of so many BIPOC individuals, has required companies to rethink their approach to inclusion, diversity, and belonging. We have the power to reframe and normalize diversity. Actions that nurture

and embrace our exquisite cultural intricacies prove our commitment to real change, not an award-winning performance.

**BRIEFINGS:** *At some companies, there's been a backlash against DEI initiatives. How do you change the minds of people who have diametrically opposing views?*

**REID:** It's one of the biggest challenges we face: How do you successfully drive DEI efforts without white colleagues, specifically white men, feeling blamed? We have to make sure we're not speaking divisively and underscore that everyone has a part to play in creating a more equitable culture. Allyship is important. If we have an issue with a person's behavior, it should be addressed in a manner that maintains dignity and prioritizes accountability.

**FARMER:** It's a huge challenge. Let's just be honest: there are some people who will never get it, because

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**magnitude of the challenge?**

**REID:** In a world where you have to work with a budget, and a specific staff, and there are only so many hours in the day, you have to apply an urgency-matrix thinking to where you spend your time and efforts. There are lots of issues to solve for, but you have to make a very difficult decision. If I decide that I'm going to be investing deeply in, for example, women, that may mean that I don't necessarily have the same number of resources to invest somewhere else.

**FARMER:** The work, in many cases, can be described as modern-day civil rights. It's tough. It's about ensuring that every single person in this company feels they belong and has a fair chance to succeed. I don't think there's any secret that DEI tends to be sometimes severely underfunded and underresourced. You need to prioritize what's most impactful to the organization. Otherwise you get burned out, because there's so much to be done.

**BROCKMAN:** I was a young man when I first encountered the realities of systemic discrimination. Segregation and disparities in health, wealth, housing, and employment weren't

anomalies; they were life. The efforts of civil-rights leaders influenced so much in our society. Today, we are welcoming a new era of civil-rights activists and community leaders, including many Starbucks partners. I believe in the power of civic engagement and its role in social change. Our partners (employees) have catalyzed change around the world. They have demonstrated anything is possible when guided by a mission to inspire and nurture the human spirit. As a company, we've made great strides, but we cannot lose momentum and must accelerate the change necessary to combat racial and social inequity.

**REID:** For a long time in the diversity space, there was a mindset that said, “The problem is too hard to solve.” That prevented us from making progress. Now we've moved to a place where we're saying, “The problem is hard to solve, but we need to try something, and we need to experiment, and we'll see what works and what fails.” We'll stop doing what fails, and what works we'll keep doing—and we'll do more of it. ■

*Questions and answers have been edited.*