Initiatives to Promote Diversity and Reduce Systemic Bias in Corporate America

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Introduction: The Genesis of this Report

George Floyd's murder led many in corporate America to ask what they could do to address centuries-old social injustices. For many, the initial response has meant committing to increased diversity, equity, and inclusion within their own employee ranks, boards of directors, and third-party business relationships.

But meaningful change will require more than simply wanting to do the right thing. It will require conscious effort, commitment, and a plan. It also requires strategies that comply with the law to both protect the company and to obtain buy-in from key company stakeholders that will ensure the long-term success of inclusive strategies.

In 2020, supporters of racial equity from some of the nation's best-known corporations approached the Joint Center for Political and Economic Studies – a Washington, D.C. think tank focused on issues affecting Black communities – for ideas on how to effectively counter racial bias in compliance with the law.

Accordingly, the Joint Center asked WilmerHale to create a toolkit for companies intent on diversifying their ranks and addressing systemic bias while minimizing legal risks.

Why Do We Need This?

Today, only four Fortune 500 CEOs are Black – there have been fewer than two dozen in the list's 66-year history. Black professionals hold only 3.2% of senior leadership roles at large U.S. companies. And research suggests the scarcity of Black professionals in companies puts them at a higher risk of social isolation and attrition, worsening the problem. This remains true despite the rapid increase of Black professionals in the workforce.

Absent intervention, we can expect that the COVID-19 pandemic – with the economic stress it has spawned across the country, especially in communities of color – will further contribute to the growing disparities between Black and White professionals.

Our five-part toolkit aims to inform employers of the barriers to equal employment for Black professionals and offers achievable recommendations. It provides insights on understanding bias and aligning incentives to values; best practices for improving hiring, recruitment, and retention of Black professionals in corporate America (from entry-level positions to the boardroom); and guidance on third-party business relationships – all while minimizing legal risk.

Understanding Workplace Bias & Establishing Responsibility for Diversity

Companies can reduce workplace bias by first promoting an organization-wide understanding of how bias impedes professionals from historically underrepresented groups. For example, employees responsible for recruitment and hiring should participate in implicit bias training and learn action-oriented strategies for managing bias.

A second step requires increasing transparency through collecting and analyzing diversity metrics and data about experiences of inclusion or exclusion. To increase accountability, companies should bolster in-house responsibility by, among other things, tying executive compensation to efforts toward progress. Creating a plan to overcome barriers to equal employment opportunities is critical to long term success.

Establishing Initiatives to Improve Diversity and Promote Hiring & Retention

Recruitment and hiring, followed by promotion and retention, are the greatest levers for change. Research on racial discrimination in hiring since 1990 shows that Black applicants experience far greater bias than Whites throughout the hiring process, and hiring rates for Black applicants have not significantly changed.

Broadening the applicant pool through strategic partnerships with educational institutions, organizations, and executive pipeline programs focused on diversity; requiring final applicant pools to include multiple diverse candidates; and establishing a standardized interview and selection process are essential to successfully increasing the rate of Black hires. Once hired, reducing social isolation for Black professionals through formal mentoring programs, employee resource groups, retention equity programs, and increasing the visibility of Black employees within organizations will help retain talent.

Why Expanding Diversity on Corporate Boards is Critical

Diversity at the highest levels of organizations – their boards of directors – has the propensity to drive diversity initiatives. But it continues to lag. In 2019, 37% of S&P 500 companies lacked a single Black director, and in 2020, only 9% of Fortune 500 board members were Black. The exclusion of Black professionals from corporate leadership and boardrooms has a cascading effect on communities of color, further expanding the class and wealth gap. Again, broadening the candidate pool, creatively identifying potential candidates, and supporting and creating opportunities for Black directors to lead is critical.

Promoting Diversity Among Suppliers and Service Providers

It will come as no surprise that companies can, through contracting and retention practices, effectively persuade suppliers of goods and services to prioritize racial equity in hiring and promotions. Corporate clients increasingly request that service providers engage diverse teams or risk not being retained – an approach that could be used far more widely. Other approaches include having concrete spending goals – such as Facebook's commitment of at least $1 billion annually to diverse suppliers, including $100 million annually to Black-owned businesses (from facilities and construction to marketing agencies and more).

Minimizing the Legal Risk of Diversity Initiatives

Finally, the affirmative steps companies take to increase racial equity may cause some employees to file lawsuits alleging reverse discrimination – a risk that will presumably only increase as the percentage of Whites in the U.S. declines. Designing a plan that increases opportunities for Black professionals, while not unduly burdening traditionally overrepresented communities or triggering legal exposure under Title VII and other laws, is a challenge we tackle in this part of the toolkit.

Title VII, for example, permits diversity initiatives designed to expand opportunities for all applicants. Thus, companies should avoid implementing policies that limit, rather than expand, the pool of candidates. Companies should also consider tying compensation to D&I efforts rather than results. The toolkit provides guidance and analysis on strategies that can greatly reduce the risk of successful litigation challenges.

Improving the representation of Black professionals in corporate America requires companies to be committed, strategic, and decisive. Not only is this important for achieving racial equity, but it is essential to improving business performance and operating at maximum efficiency in today's competitive global environment. Corporate America cannot wait to engage in these efforts.

Part I:
The Building Blocks of a Diverse Workplace — Understanding Bias and Aligning Incentives to Values

Despite demographic changes in the workforce and clear evidence that diversity improves business performance, the advancement of Black professionals in corporate America remains stagnant, and in some cases, is reversing. Only four Fortune 500 CEOs are Black,[1] consistent with the finding that Black people hold only 3.2% of leadership roles at large U.S. companies.[2] For decades, corporate America has failed to hire, retain, and promote Black people. The exclusion of Black professionals from corporate boardrooms has a cascading effect on communities of color—worsening the class and wealth gap. As discussed in Part II of this report, *Recruitment, Hiring, and Retention Initiatives*, companies can reduce the potential for systemic bias against Black people by adopting initiatives aimed at recruiting, hiring, retaining, and promoting the development of Black employees (including C-suite leadership). But as a foundational matter, companies can take certain steps to lessen bias in the workplace and align incentives to the company's anti-racist values, including:

- **Understanding implicit bias.** Companies can improve the workplace and support Black employees—consistent with the law—through training and processes to mitigate implicit bias, which manifests in assumptions based on stereotypes of a person's race, gender, age, or ethnicity. Implicit bias training is increasingly being used by companies to raise awareness of employees' implicit biases, provide strategies to reduce the impact of these biases, and change practices to allow for fairer outcomes. Beyond implicit bias training, companies can design and implement performance reviews that evaluate Black employees equitably through clearly-defined performance measures, limits on manager discretion, and 360-degree feedback loops. Companies can also make the individuals responsible for recruiting and hiring aware of potential bias against Black people through targeted trainings and feedback while providing action-oriented strategies for managing bias. Companies should also follow up with individuals responsible for hiring to ensure that trainings are effective.

- **Increase transparency and accountability through the collection of hiring, recruitment, and retention data.** A critical step to remedying disparities in the recruitment, hiring, retention, and promotion of Black employees and leadership is collecting and analyzing data to track trends among Black employees, as well as data measuring employee experiences of inclusion or exclusion. Companies should consider making this data public—to both internal and external audiences—to promote the accountability of senior executives for progress toward diversity goals.

- **Establish responsibility for diversity efforts within the company through executive compensation and performance metrics.** Companies can increase transparency and accountability by establishing responsibility for diversity initiatives within the organization. Companies should consider tying executive compensation to efforts to promote diversity and inclusion initiatives—a measure that both rewards senior executives for efforts towards meeting diversity goals and demonstrates the company's dedication to diversity in the workforce.

- **Identify barriers to equal employment opportunities and create strategies to expand access to opportunities.** A company cannot make a significant or meaningful impact in recruitment and hiring practices without first understanding the barriers Black people face to equal employment. Awareness of these barriers will allow companies to establish short and long-term strategic goals and a roadmap for improving diversity and inclusion efforts.

- **Enhance public awareness of internal diversity initiatives.** Companies that publicly disclose diversity data and commit to efforts to increase the numbers of Black people hired to senior and leadership positions stand a better chance of attracting talent from untapped resources. A number of companies have recently announced commitments to increasing the representation of Black people within the corporate ranks. Such commitments allow stakeholders to hold corporations accountable for diversity and inclusion efforts.

As discussed in *Part V: Minimizing the Legal Risk of Initiatives to Promote Diversity and Reduce Systemic Bias in Corporate America*, companies should design these initiatives to both effectively promote diversity and minimize legal risk.

Understanding Implicit Bias

Because research demonstrates that most individuals hold unconscious assumptions that influence their perceptions of others, implicit biases can create an unfair and destructive workforce environment, whether the behaviors resulting from the implicit bias manifest in actions or in the absence of action.[3] To reduce bias in the workplace, company employees, including **individuals responsible for recruitment and hiring**—interviewers and hiring managers—**should be aware of the presence of bias and stereotypes and how those biases can affect hiring decisions**. This might occur in two ways: first, broadly providing employees with anti-bias or implicit bias training, and second, establishing initiatives to train managers on bias to support the retention and advancement of Black employees.

Implicit Bias Training

Anti-bias or implicit bias training is one method to assist employers in understanding how attitudes, stereotypes, and actions can affect how they engage with Black colleagues at work.[4] Companies should consider the following guidance when implementing unconscious bias training:

- **Structured Around Workplace Situations:** Training is most effective when it includes relevant scenarios that allow employees to make concrete commitments to changed activities and behaviors in the workplace.[5] A company should focus on examples from workplace practices likely to arise as well as actionable steps to prevent bias from affecting decision-making. For example, if a situation arises where a Black employee alleges that they are experiencing microaggressions or discrimination, managers should be equipped with skills to appropriately respond to the employee's concerns.[6] This type of training typically proves more effective than solely focusing on concepts and terminology. Employees are also better able to remember information and themes from training if it relates to what they already know (e.g., organizing training around specific situations that participants encounter in their day-to-day work).[7]

- **Make Training Action-Oriented:** To be effective, bias training needs to teach employees to counteract bias in specific scenarios.[8] Training should not solely teach employees that bias exists, but show them *how* to fight it.[9] Training that equips employees with action-oriented strategies for managing bias has a long-ranging impact on participants.[10] Helpful strategies, for example, include asking the same set of questions to candidates applying for the same role, conducting interviews without resumes to reduce bias in expectations of a candidate's potential ability, and committing to speaking up when someone is being interrupted.[11]

- **Mandatory vs. Voluntary Training**: Providing employees with an option to receive bias training—as opposed to forced training requirements—may reduce the likelihood that an employee will respond with anger and resistance.[12] It may also help employees more easily accept critiques that will reduce bias towards Black people.[13] Voluntary training allows a participant to believe, for example, “I chose to show up, so I must be pro-diversity.”[14] However, a company must balance the benefits of voluntary participation by individual contributors and non-supervisory employees with the gains from ensuring that company leaders participate in the training. Companies might require leadership to participate in mandatory bias training because company leaders are responsible for shaping organization culture, as well as creating a fair and inclusive environment.

- **Assessment of Training Effectiveness**: Companies should regularly assess hiring managers’ understanding of bias in the workplace to ensure that trainings are effective.[15]

- **Make Diversity Education a Part of Company Culture:** Instead of planning a single annual workshop or day of training, companies should implement a diversity and inclusion series of events, celebrations, and programs that promote continued education and awareness.[16] Ensuring that the entire company is aware of culturally diverse events, such as through the use of an online diversity calendar, helps promote a shift in education about diversity from lecture to culture.[17]

Racial stereotypes can negatively affect the experience of Black employees in the workplace, and anti-bias training can help managers and employees understand how their comments and actions may adversely affect their colleagues’ work experience. Recent examples of companies that have adopted implicit bias training into their processes include:

- Starbucks closed more than 8,000 stores in 2018 for training on how to combat racial bias following an incident in which two Black men were arrested after sitting in a store in Philadelphia.[18] Starbucks also provides inclusion training and tools to managers on an ongoing basis to prepare them to foster a diverse and inclusive culture.[19]

- Microsoft provides training about the concept of allyship, which refers to employees in majority groups supporting the workplace advancement of Black employees (or otherwise underrepresented groups). Allyship training can include tools and techniques to address and prevent workplace inequality and marginalization.[20]

Manager Training and Evaluating Employees Equitably

In addition to broad implicit bias training, initiatives that target training and feedback to moderate managerial bias can also support the retention and development of Black employees without legal risk. Performance evaluations are one avenue through which managerial bias may harm Black employees, particularly due to the managerial discretion inherent in the process. Studies on racial biases in the evaluation process have indicated that interpretations of performance are influenced by the races of supervisor and subordinate, and that raters evaluate job performance of Black employees less favorably than that of White employees.[21] **Companies can mitigate potential bias against Black employees by implementing an inclusive and equitable performance evaluation process**. For example, companies may use continuous or 360-degree feedback loops that provide a more complete picture of employee performance through multiple touchpoints. Companies may also limit the discretion of managers during the performance evaluation process, as managers without a significant structure to guide their decisions are more likely to be influenced by implicit bias. This performance evaluation structure could include:

- a rubric with guidelines for evaluations;
- specific performance measures clearly derived from job requirements;
- bias prompts to interrupt potential bias by the manager during the evaluation process, such as prompts to support evaluation ratings with explanations and specific examples from the relevant period, or prompts to not make assumptions about what employees are able or want to do; and
- evaluating each manager's performance ratings of other employees for bias.[22]

Companies should constantly evaluate technologies used in the evaluation process to ensure they do not perpetuate or magnify inequalities and disparate impacts on employees by race. Companies can also use analytic tools to increase transparency and detect unfairness in evaluations, promotions, and pay processes.[23]

Increase Transparency and Accountability through the Collection of Hiring, Recruitment, and Retention Data

Companies can increase transparency and accountability around diversity by **collecting and analyzing data** on the hiring, retention, and promotion of Black employees and leadership over time, as well as data measuring employee experiences of inclusion or exclusion. Without data, it is impossible to assess whether a company's diversity efforts are effective tools or mere window dressing. Tracking personnel transitions allows companies to (1) identify trends in recruitment, hiring, promotion, retention, and pay;[24] (2) compare the data to organizations of a similar size in similar industries; and (3) share the data with key stakeholders.[25] Companies should consider preparing and sharing a Diversity Report, which highlights the company's diversity and inclusion mission, and includes information regarding diversity-related demographics and programs and initiatives.

The identification of relevant diversity metrics (including hiring, promotions, and terminations (voluntary and involuntary)) and collection and analysis of data allow companies to develop goals around diversity and timelines for their efforts to reach those goals.[26] Even for organizations in which Black employees represent a small percentage of the workforce, small samples can be used to identify patterns to be addressed, such as high attrition among Black employees who work in a particular department or report to a particular manager. When analyzing data and structuring diversity initiatives, a company should not revert back to broader categories—such as "employees of color"—as doing so may cause the company to miss the unique experiences within the company of distinct groups.[27] Indeed, disaggregating data on categories of Black employees (e.g., by gender, pay, education, company department) may provide an even deeper understanding of challenges and opportunities for progress.

Inclusion, like diversity, is a critical ingredient to the success of any organization and should also be measured. Diversity and inclusion experts have identified certain categories which represent examples of areas in which individuals' experiences may make them feel excluded.[28] These include, for example, compensation and benefits, respect, work-life balance, and career opportunities.[29] To measure inclusion, companies should ask employees to share specific experiences that have made them feel excluded, as well as how often they have felt that their personal traits prevented them from feeling included in each category.[30] Employees should then specify the category of inclusion in which their experience falls.[31] For example, an employee that is asked to get coffee during a meeting may categorize this experience under "Respect," and someone who was passed over for promotion in favor of a more junior colleague may categorize the experience under "Career Opportunities."[32] Through collecting data that measures inclusion and examining it in conjunction with demographic information, companies may identify experiences that may cause employees to feel excluded and how these experiences vary across different groups.[33] Inclusion data sheds light on the underlying behavior that contributes to or inhibits the benefits of diversity.[34]

Close analysis of metrics provides a clearer roadmap for establishing diversity and inclusion goals and realistic timelines to achieve them.[35] Further, maintaining a record of discrimination-related complaints and outcomes allows companies to develop practices that demonstrate a commitment to equal opportunities.[36] The age-old adage remains true—what gets measured gets done. But while awareness of diversity data and trends is the first step, collecting data and establishing hiring and retention goals is not enough. **Disclosure of diversity metrics and data** promotes transparency by giving employees and shareholders insight into whether companies (and departments within companies) are making progress with their diversity commitments. Disclosure thereby provides a foundation for internal and external stakeholders to hold the company accountable.[37]

In September 2020, more than 30 S&P 100 companies agreed to publicly disclose employee diversity data that reflects the race, ethnicity, and gender of company employees, including senior management (i.e., personnel within two reporting levels of the CEO).[38] This commitment was prompted by the New York City comptroller and three New York retirement systems that mailed letters to the CEOs of 67 S&P 100 companies to request that they adopt a policy requiring disclosure of this data.[39] Specifically, the comptroller asked the companies to publicly disclose their EEO-1 Reports, a federally mandated compliance survey that requires companies to categorize employment data by race/ethnicity, gender, and job category.[40] The report also provides employee numbers for each employment category instead of solely representation by percentage.[41] Consistent with the stated goals of the comptroller, such disclosures allow investors to measure the success of diversity and inclusion practices and facilitates board oversight of the company's human capital management practices.[42] Full public disclosure also helps standardize employment data across companies and industries so investors can assess the representation and progress of Black employees, other employees of color, and women throughout the organization.[43]

In sum, the disclosure of key diversity metrics after collection will allow company stakeholders—internal audiences, regulators, and the public—to access demographic patterns and disparities and hold senior executives accountable for outcomes. Transparency around the progress made toward diversity goals should serve as the foundation for accountability.

Identify Barriers to Equal Employment Opportunities and Create Policies and Strategies to Expand Access

Corporations can also improve diversity and inclusion in the workforce by **identifying barriers to recruitment, hiring, and retention** and **creating policies and strategies that expand access to opportunities** for Black employees. A report published by the EEOC to aid employers in addressing workplace discrimination issues examined policies and practices at various companies that improved hiring and recruitment.[44] The report advised companies to engage in short and long-term strategic planning that identifies barriers to equal employment opportunity, establishes hiring and recruitment goals, and establishes a roadmap for implementing a strategic plan.[45]

Barriers to Reducing Bias in the Workplace

The EEOC enumerated potential barriers to recruitment and hiring experienced by companies, including (1) a failure to know where to appropriately recruit; (2) a failure to advertise widely; (3) recruitment practices that overlook or fail to seek all qualified individuals; (4) overreliance on informal networks of recruitment or word-of-mouth; (5) a lack of formal systems for recruiting; and (6) a limited pool of targeted groups of persons with required qualifications.[46] Senior company leaders must be intentional about identifying the barriers present within their corporations and boldly respond to these hindrances—as the company would any other business challenge.

Any steps taken to identify barriers to recruitment and hiring should include examining potential differences in the way bias in the workplace differently impacts Black men and Black women, as well as other race and ethnic groups.[47] For example, Black women remain severely underrepresented in the workforce, particularly in manager, vice president, and C-suite roles. While Black women comprise 7.4 percent of the U.S. population, they account for only 1.6% of vice president roles and only 1.4% of C-suite positions.[48] Since 1999, there have been fewer than two dozen Black CEOs of *Fortune* 500 companies.[49] Only four have been Black women.[50]

Establishing a Diversity Plan

To combat these barriers, the EEOC explained that it is best practice for companies to establish recruitment and hiring policies that:

- enumerate criteria and procedures for selection of employees;
- identify the individuals responsible for efforts to meet recruitment and hiring goals (i.e., increase the percentage of people of color and other candidates in recruitment and hiring pools); and
- contain a formal statement explaining how diversity and affirmative action are intertwined in the company's hiring and retention practices.[51]

Certain federal contractors are required to maintain formal affirmative action programs, or formal plans intended to recruit and advance qualified underrepresented candidates. These programs help increase equal employment opportunities by, among other things, assessing the composition of the employer's workforce as compared to the composition of relevant labor pools. Affirmative action programs are action-oriented. In connection with these programs, federal contractors assess their recruitment and hiring activities and create comprehensive multi-faceted plans to best recruit and hire qualified individuals from underrepresented groups. While covered federal contractors are required to maintain these affirmative action programs, other companies can choose to voluntarily establish affirmative action programs to recruit and advance qualified underrepresented candidates. Companies may utilize a number of mechanisms to implement such plans:

- scholarships for the education of diverse students;
- work/study programs;
- posting notices on job hotlines and in diverse publications;
- participating in career fairs;
- working with predominantly Black professional associations or organizations that target a diverse demographic (e.g., National Bar Association, National Society of Black Engineers, National Association of Black Accountants, National Black MBA Association, National Association of Securities Professionals, National Association of Real Estate Brokers, etc.);
- targeting HBCUs and other educational institutions with diverse student populations; and
- using recruiters, referral, and search firms that present diverse candidate pools.[52]

A review of current policies and practices at select companies indicates that a strong diversity and inclusion strategy can help attract talent:

- In 2016, Pinterest partnered with Paradigm, a diversity and inclusion training company, to establish a diversity plan that facilitated a 30% increase of engineering roles held by women and an 8% increase for historically underrepresented ethnic groups. The company implemented strategies like unconscious bias training for each employee, and required candidate lists to include at least one person from an underrepresented background and one woman. The company nearly achieved its goals in 2018, with 30% of tech roles being held by women and 7% held by individuals from underrepresented ethnic backgrounds.[53]
- Liberty Mutual established a diversity plan focused on five key pillars—talent (i.e., attraction, advancement, retention), development (i.e., building the company's D&I capability), workplace environment, customer and community, and communications (i.e., D&I messaging and language). The company established internal programming, including

a diversity and inclusion council and employee resource groups, and events focused on identifying a pipeline of potential candidates among college students.[54]

- A part of Verizon's diversity and inclusion strategy includes a partnership with the Center for Talent Innovation to examine factors affecting whether people of color and women advance in, stay in, or leave marketing, media, and communications jobs.[55]

Hiring Diversity Managers

To ensure that diversity and inclusion remain priorities in employee hiring (and beyond, to retention and in executive service on boards), organizations should dedicate an individual or build a team of personnel focused on diversity.[56] Companies readily build sales and marketing teams, event planning staff, and sustainability teams.[57] Diversity managers should be responsible for creating, recognizing, and implementing actions that promote and encourage diversity within the company.[58] Diversity managers also bolster social accountability.[59] If a hiring manager is responsible for explaining a hiring decision, he or she is less likely to act on bias.[60] Having a diversity manager within a company allows for discussion with hiring managers that prompts them to pause and consider all candidates who are qualified and not solely the person that comes to mind.[61] Companies that appoint a diversity manager report 7 to 18% increases in all underrepresented groups[62] in management within five years.[63] These hiring decisions lead to improved decision-making, increased revenue and profits, and more robust innovation.[64]

Establish Responsibility for Diversity Within the Company: Executive Compensation and Performance Metrics

As a foundational step, collecting and analyzing data on the retention and promotion of Black employees and leadership allows companies to develop targeted goals and timelines. Companies can then incentivize senior leaders to have ownership in promoting diversity by **tying performance evaluations and compensation to diversity and inclusion efforts**. This approach treats diversity and inclusion as a business imperative, advances accountability, and provides executives with a financial incentive to become invested in diversity and inclusion initiatives.[65] The role of senior executives in spurring diversity and inclusion within an organization is indispensable. Rewarding executives for taking ownership of diversity and inclusion goals underscores the value a company places on creating a diverse and inclusive workforce.

Fewer than one in five companies offer financial incentives for senior leaders who make efforts towards meeting or exceeding diversity goals.[66] An analysis by Pearl Meyer, a compensation consulting firm, found that only 78 of about 3,000 companies indicated that a portion of their chief executive's compensation was based on making efforts toward fulfilling diversity goals, which is a significant missed opportunity to increase diversity.[67] Yet studies have shown that these programs can be remarkably effective. A study by DiversityInc found that companies that tied more than 10% of executive compensation to diversity initiatives or goals also had 85% more Black, Latino, and Asian employees at the level of CEO and direct reports to the CEO, and 40% more in the level below direct reports, than companies that tied less than 10% of executive compensation to diversity.

But recent public statements show a trend toward tying executive compensation to these efforts. Several major companies have formally incorporated diversity metrics into executive compensation programs. Companies that have formally linked executive compensation to efforts to increase diversity include:

- Wells Fargo, which announced in June 2020 that over the next five years a portion of senior leaders' year-end executive pay will be tied to goals around increasing representation and inclusion of diverse employees in the company.[68]

- Uber, which is considering progress toward its 2022 diversity and inclusion goals when it determines executive pay and evaluates executives' job performance,[69] and announced a plan to factor in company progress on measurable diversity and inclusion goals when evaluating job performance and determining bonuses for its CEO and other senior executives, including the CFO, General Counsel, and Chief People Officer.[70]

- Johnson & Johnson, which rewards employees and executives for specific goals tied to diversity and inclusion.[71]

- Microsoft and Intel, which have announced that 50% of their executives' annual cash bonuses are based on several strategic performance goals, including diversity.[72] Intel further provided an additional incentive to all employees of up to 7% of each employee's total bonus if the company hired 40% people of color and women and achieved a retention rate for people of color and women that at least equaled the retention of White and Asian men. With the help of these incentives, Intel reported that it reached its representation goals ahead of schedule.[73]

Linking diversity efforts to executive compensation can significantly influence the success of diversity and inclusion initiatives. Black corporate executives—such as Mellody Hobson, co-chief executive of Ariel Investments and a board member at the Rockefeller Foundation, J.P. Morgan, and Starbucks—have rallied for companies to renew their focus on the lack of diversity in corporate America. Hobson, too, called for companies to tie executive compensation to diversity metrics and maintains that progress for Black people requires establishing these hard incentives.[74] Similarly, former Xerox CEO and Uber board member Ursula Burns cautions that companies must be more "affirmative about the way [they] approach hiring" and business leaders must proactively lead discussions about social injustices.[75] In short, companies must incorporate diversity goals into management expectations and performance reviews to signal—and act upon—a stated commitment to diversity and inclusion.[76]

Make a Company an Attractive Place to Work by Enhancing Public Awareness of Internal Diversity Initiatives Affecting Black People

Making diversity and inclusion an integral part of a company's external branding is important to showcasing its commitment to racial equity and improving diversity. It can also aid a company's long-term strategy for attracting talent from untapped resources. For example, the Bloomberg Women's Community connects and supports female employees through gender awareness programs, career development, and relationship building initiatives.[77] The company invites companies around the world to participate in the Gender-Equality Index, which selected 230 companies in 2020 that were all committed to advancing women's equality in the workplace.[78] IBM has used employer branding to improve diversity-related recruiting and hiring. The company's diversity and inclusion website highlights key diversity milestones using a timeline from 1899 to present, and the company uses the hashtag "#inclusiveIBM" to promote and demonstrate its inclusive culture on social media sites.[79]

Some companies couple external branding initiatives with **pledges to increase the number of Black executives** hired to senior and leadership positions. For example:

- Amazon reported that it would aim to double the number of Black employees in senior leadership roles, as well as hire 30% more Black people as corporate employees throughout the United States in 2021.[80]
- Wells Fargo committed to doubling Black leadership by 2025.[81]
- Google announced that it would aim to increase representation of underrepresented groups in leadership by 30% by 2025.[82]
- Microsoft pledged to double the number of Black employees in senior and leadership positions by 2025.[83]
- PepsiCo announced a five-year, $400 million initiative that includes increasing Black managerial representation by 30% by 2025.[84]
- Twitter has set a goal of having 25% of its workforce be underrepresented people of color by 2025.[85]
- Pandora publicized specific diversity and inclusion goals, stating that it will increase the percentage of United States employees of color from 35% to 45%, as well as committing to gender, racial, and ethnic promotion parity by 2020.[86]
- McKinsey pledged to double its Black leadership and hiring of Black colleagues by 2024.[87]

- By 2022, Uber has committed to growing the percentage of women at Uber's manager level and above to 35% and growing the percentage of other categories of underrepresented employees to 14%.[88]

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International Business Machines; Johnson & Johnson; JPMorgan Chase & Co.; Kraft Heinz; Lockheed Martin; Lowe's; MasterCard Inc.; McDonald's Corp.; Medtronic PLC; Merck & Co.; MetLife Inc.; Mondelēz International; Morgan Stanley; Netflix; Nike, Inc.; PayPal Holdings; PepsiCo; Pfizer Inc.; Procter & Gamble Co.; Qualcomm Inc.; Southern Company; Starbucks Corp.; Target Corporation; The Coca-Cola Company The Walt Disney Company; U.S. Bancorp; Union Pacific Corp.; United Parcel Service; UnitedHealth Group; Verizon Communications; Visa Inc.; Walgreens Boots Alliance; Walmart; and Wells Fargo.

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