

Gartner Research

# What CEOs Should Know When Hiring a Chief Diversity Officer

Human Resources Research Team

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Initiatives: [Working with the CEO/Board/C-Suite](#)

This research provides CHROs with insights they can present to their CEO for hiring a chief diversity officer, including why and when most CEOs hire CDOs, what goals CDOs help accomplish and what successful CDOs look like.

## Overview

Diversity and inclusion (D&I) issues — such as pay equity and sexual harassment — are growing more important to CEOs, boards, employees and customers. While some CEOs adopt a reactive approach to D&I, the best CEOs proactively invest in D&I. CHROs who partner with their CEOs to strategically evaluate their need for dedicated D&I support and hire a chief diversity officer (CDO) before a crisis can mitigate risks and create competitive advantage in today's global market.

## Key Findings

- Over 12% of S&P 500 organizations have appointed a CDO in the past five years; of those appointed, more than 50% were in a newly created role.[1]
- Even though CDOs work within the enterprise to accomplish their objectives, most CDOs (46%) report to the CHRO or chief culture officer, while only 3% report directly to the CEO.[2]
- Because CDOs do not directly own the outcomes of D&I strategy as other functions do, if a CEO decides to hire a CDO, the executive must have extensive experience with influencing enterprise change.

## Recommendations

CHROs influencing CEOs on whether to hire a CDO should:

- Benchmark your CDO hiring and structuring options against other CEOs to determine best practices.
- Understand and prioritize ambitious D&I goals to determine your need for the spokesperson and enterprise coalition-building capabilities of a CDO.
- Consider what successful CDO profiles look like to find the right candidates based on demonstrated diversity, inclusion and equity leadership, communications, influence and change management skills.

## Why CEOs Care

CEOs' investments in D&I issues continue to increase because of personal and business commitments and consumer and shareholder pressure. The number of D&I mentions in company earnings calls has increased as CEOs and boards become more aware of D&I's growing business outcomes.[3] However, consumers are also hyperaware of organizations' stances on D&I issues, pressuring CEOs to more carefully consider D&I's role in their organizations. Press coverage and public conversation call on CEOs to respond when their organizations, and especially executives within them, are involved in controversial issues.

To make progress on D&I outcomes and avoid public controversy, CEOs can hire a CDO to take action on enterprisewide D&I priorities. When making this decision, CEOs should ask three questions:

- What are other CEOs currently doing about CDOs?
- How does having a CDO help me accomplish ambitious D&I goals?
- What should I look for in a successful CDO?

## What Other CEOs Are Currently Doing About CDOs

*CEOs increasingly hire CDOs when they need executive support for D&I to accomplish enterprise-level goals.*

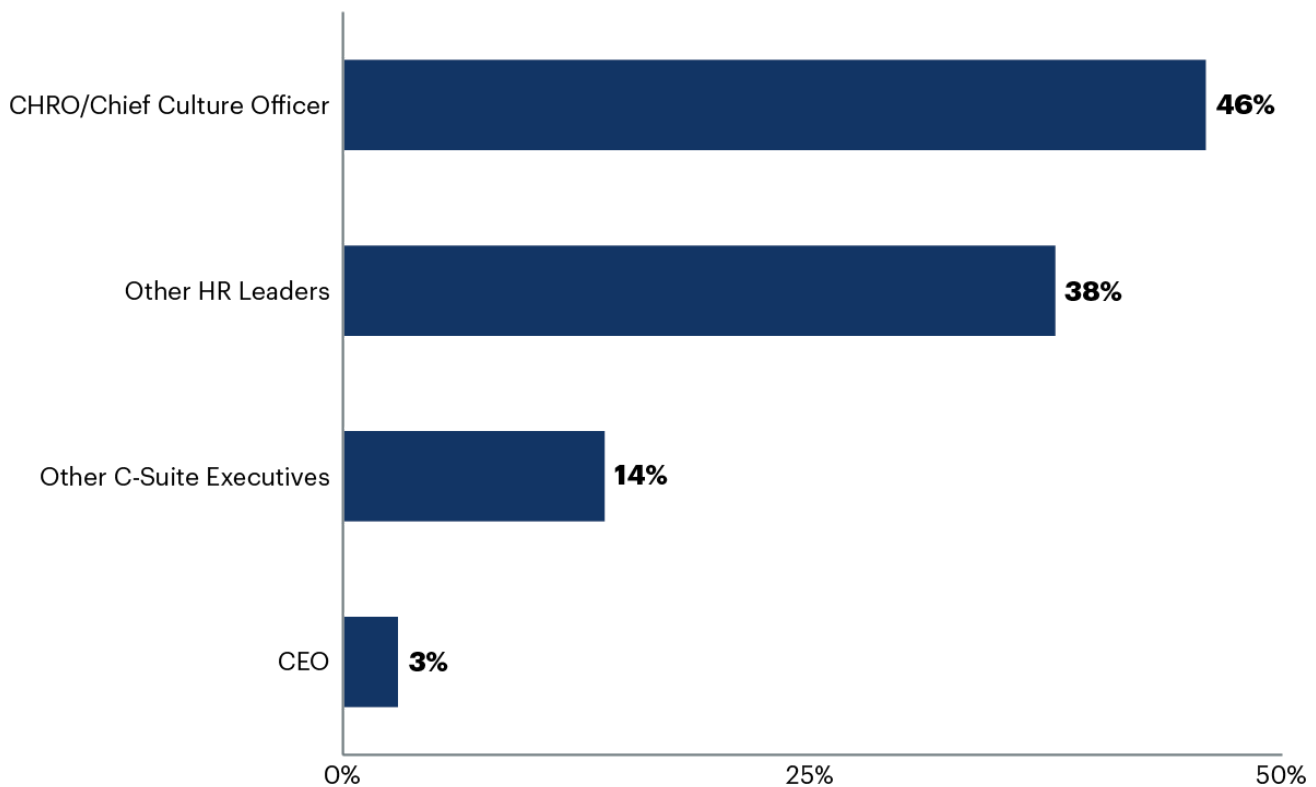
Over the past 10 years, the number of Google searches for “chief diversity officer” has continued to increase.[4] Additionally, research shows over 12% of S&P 500 CEOs appointed a CDO in the past five years; of those appointed, more than 50% were from the establishment of a new role.[1] While many CEOs wait and hire a CDO in reaction to pressing D&I issues or pressure from many stakeholders, the best CEOs proactively hire a CDO to execute enterprise-level D&I initiatives.

Even though the decision to hire a CDO is a CEO-level decision, only about 3% of CDOs report directly to the CEO. Instead, many CDOs (46%) report into the CHRO or chief culture officer (see Figure 1). The remaining CDOs report to other HR leaders (38%) or other C-suite executives (14%). [2] Despite the CDO reporting structure, their responsibilities span the entire organization to accomplish enterprise-level goals, rather than HR-specific goals.

### Figure 1: CDO Reporting Structures

## CDO Reporting Structures

Percentage of Organizations



n = 63

Source: Gartner 2016 Diversity and Inclusion Agenda Poll

Note: Total does not equal 100% due to rounding.

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The percentage of CDOs reporting to different organizational stakeholders.

## How Having a CDO Helps Accomplish Ambitious D&I Goals

*When CEOs hire CDOs to accomplish ambitious or strategic enterprisewide D&I goals, they ensure CDOs receive dedicated executive support.*

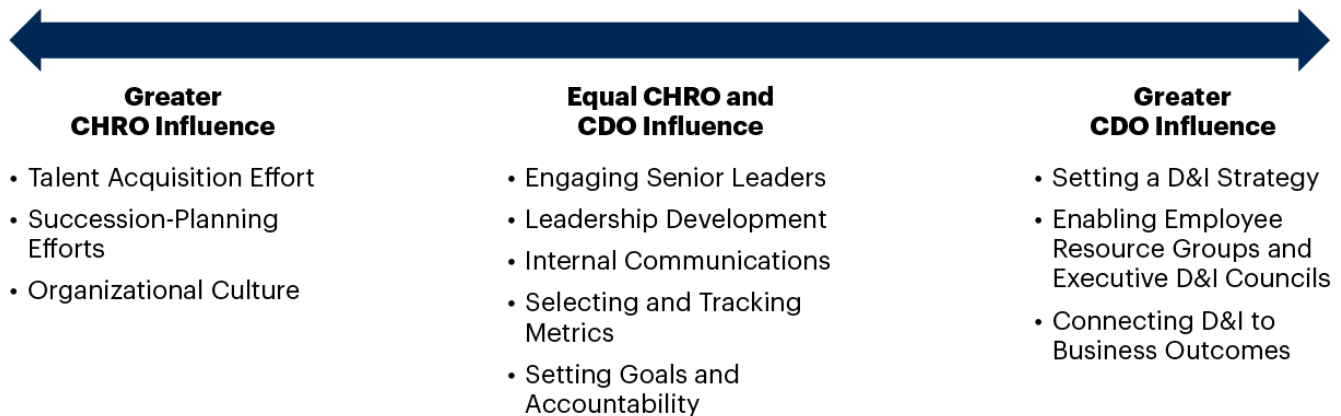
When organizations do not have a CDO, leaders often deprioritize ambitious D&I goals, such as increasing diversity in leadership or improving gender parity because other goals are more heavily weighted in compensation decisions or are easier to measure and achieve. For example, many organizations without a CDO include D&I in the CHRO's responsibilities since the CHRO role often overlaps with CDO responsibilities. Yet, CHROs are the primary owners of other important HR tasks, such as talent acquisition, succession planning and organizational culture, and splitting their focus may result in partially executed D&I and HR outcomes.

On the other hand, when organizations hire a CDO, they have a dedicated executive to set the D&I strategy, create and manage employee resource groups (ERGs) and executive D&I councils, and connect D&I to business outcomes to ensure the CDO accomplishes ambitious goals.

CHROs have direct ownership over talent efforts, while CDOs have more direct ownership of D&I-specific outcomes (see Figure 2). Both roles are important to the successful execution of D&I; however, hiring a CDO allows that executive to focus on accomplishing ambitious goals to make the workforce more diverse and inclusive.

**Figure 2: Spectrum of D&I Responsibilities Based on Influence**

**Spectrum of D&I Responsibilities Based on Influence**



Source: Gartner (February 2019)

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Defines how CDOs’ priorities are unique and provides a clear outline of how D&I leaders support the business differently than CHROs.

To illustrate, a mining organization shared that they hired a CDO after setting an ambitious D&I goal of achieving gender balance by 2025. The CEO needed an executive working strategically within the business to remove barriers to gender parity by ensuring business units had equal hiring and promotion opportunities for women. Through hiring a CDO, the organization has seen an increase in female representation and a reduction in the gender pay gap.

**What to Look for in a Successful CDO**

*Most CEOs hire a CDO to build partnerships throughout business units and influence enterprise-level D&I outcomes.*

Once CEOs decide to hire a CDO, they must define what makes CDOs successful. One CDO in the gas and energy industry described the role as:

**” ... the custodian of the diversity experience. This role is about more than program management and preserving HR. You need a future-forward aspect of the role. D&I is strategically working its way into other areas of the company and the CDO is the ‘custodian of the experience.’”**

Since CDOs do not own many direct outcomes throughout business units or functions, CEOs must select a CDO with the experience and skills to successfully advance D&I at the organization as the “custodian of the experience.” Most CEOs search for CDOs with 10 or more years of experience leading D&I, equity and cultural initiatives. Additionally, CEOs need CDOs with an understanding of business needs, strong communication, influence, relationship-building skills, change management skills and a global mindset (see Figure 3). These capabilities ensure CDOs can influence D&I change at the organization and accomplish ambitious goals set and championed by the CEO.

Figure 3: Sample CDO Job Description

Sample CDO Job Description

Chief Diversity Officer	
<b>Experience and Educational Qualifications</b>	<ul style="list-style-type: none"> <li>• Minimum 10 years’ experience as a senior-level diversity leader</li> <li>• Ability to travel (projected 20% to 30%)</li> </ul>
<b>Brief Roles and Responsibilities</b>	<ul style="list-style-type: none"> <li>• Report directly to a C-suite executive.</li> <li>• Serve as the company’s chief advisor and D&amp;I spokesperson.</li> <li>• Advise and oversee D&amp;I recruitment efforts.</li> <li>• Advise and oversee global initiatives such as Diversity Council, employee resource groups and compliance efforts.</li> <li>• Partner with marketing and communications to review employer brand.</li> <li>• Partner with business units to develop unit-level resources and competencies needed to drive business strategy.</li> <li>• Build cross-company resources that enable sharing of insights for the diverse marketplace.</li> <li>• Represent the organization as a diversity speaker at approved events and meetings.</li> </ul>

Source: Gartner (February 2019)

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Some of the most common requirements CDOs need to support D&I roles and responsibilities.

According to executives, the best CDOs:

- Don’t shy away from risks and seemingly large problems. CDOs should get ahead of and identify challenges or controversies, offer recommendations and be in the position to quickly take action.
- Exercise courage and challenge the status quo on issues most vital to the D&I role. CDOs should predetermine the criteria to assess which challenges to undertake.
- Carefully choose which D&I challenges to draw attention to and when. When CDOs consistently challenge leaders, processes and priorities, they can burn through credibility.

By hiring the right executive with the right skills to build D&I initiatives, CEOs see more strategic D&I outcomes accomplished at their organizations.

## Conclusion

To create competitive advantage in today's global market, CEOs continue to consider the impact of hiring a CDO in their organizations. While hiring a CDO is not necessary for a more diverse and inclusive organization, in an environment where many CEOs are frustrated with the minimal progress made on D&I and are taking heat from many stakeholders for reacting too late, the role of the CDO is more than just symbolic; it is critical.

## Recommended by the Authors

- ["D&I Foundations: A Chief Diversity Officer's First 100 Days"](#)  
This research helps CDOs new to their organization or role understand the critical tasks they need to complete in the first few months in their position.
- ["Making a D&I Statement"](#)  
This resource highlights examples of impactful D&I statements CEOs can use as prompts for leading organizations' public D&I communications.
- ["D&I Jobs Description Database"](#)  
This research provides sample job descriptions compiled from multiple sources and details typical qualifications for D&I roles.

## About This Research

This research is drawn from our Diversity and Inclusion Leadership Council as well as research on CEOs, boards and C-suites. Collectively, we surveyed hundreds of heads of function and analyzed data on S&P 500 companies to understand how organizations are investing in diversity and inclusion leadership.

## Endnotes

[1] This statistic was determined by analyzing the hiring rate of CDOs at S&P 500 companies.

[2] 2016 Gartner Diversity and Inclusion Agenda Poll.

[3] [AlphaSense](#). (Paid subscription required.)

[4] "Chief Diversity Officer Analytics," Google Analytics. 13 Dec. 2018.

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[Diversity & Inclusion as a Strategic Partner of HR: An Interview with Ameren's CHRO and CDO](#)

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