

Business

As big corporations say ‘black lives matter,’ their track records raise skepticism

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Corporate America — including Wall Street and Silicon Valley giants — is now pledging to play a bigger role in combating systemic racism across the United States, but an examination of companies’ track records shows that they have repeatedly stopped short of major overhauls during prior opportunities for change.

The new corporate posture has spread across firms from nearly every industry in the past few weeks as companies rushed to respond to nationwide protests. One of the most provocative statements came from Jamie Dimon, chief executive of JPMorgan Chase, kneeling with staff at a branch of the United States’ largest bank. Dimon, wearing shorts, sneakers and a mask, was adopting the once-controversial [protest pose](#) of former quarterback [Colin Kaepernick](#), still [blacklisted](#) from the NFL for calling attention to [police brutality](#) against African Americans.

Finance, tech and retail firms are proclaiming [support](#) for a protest movement that has galvanized the American public amid a pandemic that has disproportionately claimed [black lives](#) and [livelihoods](#).

Pushed by employees in some cases, and in others by a fear of losing customers, corporations are being forced to examine their roles in perpetuating inequalities in hiring, pay and promotion, fostering toxic workplace cultures and consumer discrimination. Their track records have raised skepticism about whether they will indeed introduce the kind of change that would make this moment a turning point for racial equity.

“There’s a lot of performative allyship going around,” said Y-Vonne Hutchinson, chief executive and founder of diversity consulting firm ReadySet. “Nobody’s asking for a CEO to take a knee. You take the knee after you change your policies.”

The image of Dimon, hands clasped over his right knee, was meant to convey his “support for social justice,” said JPMorgan Chase spokeswoman Patricia Wexler. “Our leaders and our company have done a lot more than kneel, investing hundreds of millions of dollars in combined philanthropic and business resources to address some of the most persistent challenges facing the black community,” she said, highlighting the bank’s programs to help black-owned businesses, build affordable housing and hire people with criminal records.

After George Floyd was killed in the custody of Minneapolis police last month, hundreds of companies blanketed social media with statements denouncing discrimination and professing their commitment to racial justice.

Jack Dorsey, chief executive of Twitter and Square, declared Juneteenth (June 19) a corporate holiday to commemorate the end of slavery, a move more companies are making. Reddit founder Alexis Ohanian, who is married to tennis star Serena Williams, resigned from the board to make way for the first black director in the company's history. Bank of America promised to spend \$1 billion over the next four years to address “[economic and racial inequality accelerated by a global pandemic](#).”

Walmart, the country's largest retailer, pledged to [stop locking up](#) “multicultural” hair and beauty products in display cases, and Sephora committed to devoting at least 15 percent of its shelf space to black-owned beauty brands. Toymaker LEGO suspended marketing for police-themed sets after video emerged showing an officer kneeling on Floyd's neck for more than eight minutes.

Public opinion on policing and racial equity has [shifted rapidly](#) since the 2014 protests against police killings of unarmed black men in [Ferguson](#), Mo., and New York.

[Polls](#) now show a large bipartisan majority of Americans support the protests. That's a dramatic departure from three years ago when few of the companies speaking out now voiced support for the NFL player protests, and [President Trump called for a boycott](#) over players kneeling during the pregame national anthem. NFL Commissioner Roger Goodell now says the league was wrong for not listening to players.

But activists, employees and diversity consultants say they question how much corporate promises to “do more” will help upend a system of economic disparity in which a typical black family has just [one-tenth the net worth](#) of a typical white family.

Part of closing the racial wealth gap, they say, means ensuring opportunities for black workers to enter and rise in lucrative industries such as finance and tech, whose leadership has long been dominated by white executives and board members.

“I appreciate your Black Lives Matter post. Now follow that up with a picture of your senior management team and your board,” said Brickson Diamond, chief executive of diversity consulting firm Big Answers and former chief operating officer of the Executive Leadership Council, a nonprofit focused on increasing the number of black executives.

After watching thousands of protesters march past his Manhattan apartment, James Gorman, chief executive of Morgan Stanley, held a conference call with some of the bank's highest-ranking black executives, and announced the promotion of two black women to positions on its operating and management committees.

This period “will not be easily forgotten in history, and it shouldn't be,” [Gorman said](#). “God willing, it will be seen as a turning point in race relations.”

But like many of the country's largest and most prestigious banks, Morgan Stanley has struggled to increase diversity within its ranks. Only [2.2 percent](#) of its senior executives were black last year.

Just [4 percent](#) of JPMorgan Chase's top executives are black, despite years of public, high-profile efforts to increase its diversity. Wells Fargo saw the percentage of [black senior executives](#) fall from [8 percent in 2015](#) to 3.5 percent in 2019.

And at Bank of America, which paid a [\\$4.2 million settlement](#) last year after being accused of discriminating against black, Hispanic and female job applicants, about [5 percent](#) of senior leaders are black. The company denied allegations of discrimination.

Goldman Sachs, which just announced a fund to support groups that address racial injustice and economic disparity, had paid \$9 million in 2019 to settle federal allegations of racial and gender pay bias. The firm said at the time that it [disagreed with the government's analysis](#) and was committed to equal pay for employees.

The dearth in diversity extends across the corporate world. Of the companies in the Standard & Poor's 500-stock index, 187 did not have a black board member, according to a [2019 analysis](#) by Black Enterprise magazine.

African Americans comprise a fraction of the senior leadership at the largest tech firms — 3.1 percent at Facebook, 3.6 percent at Google, 4.4 percent at Slack, 5.3 percent at Twitter and 2.7 percent of executives at Microsoft, according to company data. Amazon did not disclose the demographics of senior leadership, but their report shows that 8.3 percent of U.S. managers are black. (Amazon founder and chief executive Jeff Bezos owns The Washington Post.)

The numbers are lower in the world of venture capital. One percent of venture funding went to black start-up founders in 2018, according to a study conducted by Silicon Valley Bank and others. And 1 percent of decision-makers at the top 100 venture capital firms were black in 2018, according to an annual survey by the Information, a tech news site.

In addition to hiring and pay disparities, banks have come under fire for allegedly discriminating against minority customers. Some have settled claims in recent years for targeting black and Hispanic home buyers with risky, expensive loans. Homeownership, one of the most important ways to build wealth, has remained [virtually unchanged](#) for African Americans since 1968.

“These are some of the same banks that ripped so much wealth from black and Latino communities during the foreclosure crisis,” said Maurice BP-Weeks, co-executive director of the Action Center on Race and the Economy, a nonprofit focused on racial and economic justice.

Corporate statements supporting Black Lives Matter stand empty, he said, without meaningful actions such as directing profits back into black communities, eliminating racial pay disparities, increasing hiring from black

neighborhoods and promoting black employees. “All of these things would show that this is more than just platitudes.”

The American Bankers Association said in a statement that the industry “condemns discrimination of any kind in the lending market, the workplace and beyond” and that banks of all sizes are committed to “enhancing diversity, equity and inclusion within the industry” and addressing “racial injustice and inequity in the country.”

JPMorgan Chase has battled allegations of discrimination against black financial advisers and customers, most recently in recordings [obtained by the New York Times](#) in 2019. The bank [has said](#) it was reviewing how it does business “so that we could gain a deeper understanding of what more we can do to root out racism and discrimination anywhere it exists.”

At Wells Fargo, which paid [\\$10 million last year](#) to settle a lawsuit filed by the city of Philadelphia accusing the bank of steering [black and Hispanic borrowers](#) into riskier, more expensive mortgages, a committee of senior executives is meeting daily to develop recommendations for addressing societal inequalities facing black employees and customers. The bank denied allegations of discriminating against minority borrowers.

“As a white man, as much as I can try to understand what others are feeling, I know that I cannot really appreciate and understand what people of color experience and the impacts of discriminatory behavior others must live with,” Charlie Scharf, chief executive of Wells Fargo, [wrote to employees](#).

Feeling emboldened by what they hope to be a [transformative moment](#), black employees are more willing to speak out about their experiences of discrimination in the workplace and pressure managers for change.

Black tech workers are publicly voicing complaints that their companies are relying on their “free labor” to help with hiring and recruiting. At social media platforms, employee groups set up to support members of color are asked to double as a voice for black users, an unpaid job they nonetheless feel called to fulfill.

Since the protests began, this second job has become even more fraught, according to interviews with group leaders from tech firms in the Bay Area and New York City. SoFi, the venture-backed finance company, and others have tasked black employees with deciding where corporate donations should go and attending company listening sessions about race. Asked for comment, SoFi pointed to its statement on Twitter that said it commits to “fighting for diversity and inclusion.”

“You cannot stunt on social saying that you don’t tolerate racism at your organization then leave the labor of fixing your race problem [to] fall on your black employees,” Raki Wane, who previously led Twitter’s resource group for black employees, Blackbirds, and now works in policy communications at Instagram, posted on Twitter.

To signal its support for the movement, Amazon put a “Black Lives Matter” banner on its home page and at the top of Prime Video. Later, Bezos posted angry customer emails about the banner to his Instagram

account. “Dave, you’re the kind of customer I’m happy to lose,” Bezos wrote in one caption.

To critics, these public statements masked the harmful impacts Amazon’s products and practices have had on the black community, including profiting from the [sale of white supremacist propaganda](#) as well as selling facial recognition technology to police departments, which the company recently [announced](#) it would suspend for one year.

Black tech workers are even sharing stories alleging bias at Slack, which established a reputation as a welcoming environment when CEO Stewart Butterfield sent four black female engineers onstage to accept an award on his behalf for the fastest-growing tech start-up in 2016. But this month, the same black engineers confronted Butterfield on Twitter about their experiences at Slack.

Duretti Hirpa, an engineer who helped start an internal group for employees of color, shared that she had been told her work was considered an extracurricular activity when it came time for promotions, despite the company publicizing her group as evidence of its inclusive culture. When Butterfield responded that he was sorry her diversity work was not valued, Hirpa tweeted back, “Alas, you’re just a CEO in the position of power to change that!”

Black employees working for consumer brands are speaking out as well.

At Adidas, Julia Bond, a 25-year-old assistant designer for men’s apparel, said the protests helped inspire her to email senior executives on June 3 seeking a “public apology for the racism and discrimination that they have openly enabled and perpetuated across the brand.”

A couple of months after joining the sports apparel firm last year, Bond said she was given a design packet that included an image of a man wearing a T-shirt with a Confederate flag. Seeing that image at work “was really traumatizing,” Bond recalled. “If our highest design inspiration [includes] a Confederate flag, how are we ever going to reach black consumers?”

In an Instagram [post](#), another Adidas designer alleged a co-worker had used the n-word. And in an email to senior leadership posted on [social media](#), Aaron Ture, an employee who works for Reebok, which is owned by Adidas, said that he recalled Karen Parkin, head of global human resources at Adidas, dismissing a question about internal racism during a 2019 meeting as “noise we only hear in North America.”

Parkin on Friday sent a message to employees promising to improve company culture to “ensure equity, diversity and opportunity.” As the company’s human resources executive, she wrote, “it was my responsibility to make clear our definitive stance against discrimination, and this I did not. Should I have offended anyone, I apologize.”

Adidas [said](#) that the company would require at least 30 percent of all open positions in the United States to be filled with black and Latino employees and invest \$120 million in programs for the black community over the next four years.

Bond said speaking out has made her “extremely nervous.” But there’s “strength in numbers,” she said. “I think everybody can feel that. The numbers are showing up, and that’s what’s emboldening this wave of change.”

Adidas said the company has promised to “continually and actively” fight racism.

After L’Oreal Paris recently posted a message saying “Speaking out is worth it,” model Munroe Bergdorf accused the cosmetics company of hypocrisy. She said L’Oreal dropped her from a campaign in 2017 for speaking out against racism and white supremacy following the deadly neo-Nazi rally in Charlottesville. L’Oreal responded by rehiring her to serve on its newly formed UK Diversity and Inclusion Advisory Board, the company posted on Instagram.

“I regret the lack of dialogue and support the company showed Munroe around the time of termination,” L’Oreal Paris Brand president Delphine Viguiere wrote. “We should have also done more to create a conversation for change as we are now doing.”

Employees at other companies are pushing for the removal of leaders for behavior they say perpetuates racism — some with quick success.

More than 100 employees at Estee Lauder are demanding the ouster of the founder’s son and heir, Ronald Lauder, from the board — asserting that his political contributions to Trump are damaging the company’s relationship with its black employees and with the black community at large. In response, the company [said](#) it would double the amount it spends on contracts with black-owned suppliers and recruit and promote more black workers.

CrossFit’s founder and CEO, Greg Glassman, was forced to [retire](#) over multiple remarks he made about Floyd’s death, including a recording of him on a conference call saying: “We’re not mourning for George Floyd — I don’t think me or any of my staff are.” In a statement, Glassman said he had “created a rift in the CrossFit community and unintentionally hurt many of its members.”

The CEO of the Wing, a private club for women to work and socialize, and the editors in chief of Refinery29, a fashion and beauty blog, and Bon Appétit magazine, which is owned by Condé Nast, all resigned in recent days after black and brown employees described a work environment rife with pay disparities and discrimination.

“It’s a crucial moment,” Diamond said. “My biggest fear is we are going to get to a place real soon where the establishment says, ‘Well, that was uncomfortable. No more, thank you. Now let’s get back to work.’ ”

Correction: An earlier version of this article incorrectly stated that JPMorgan Chase CEO Jamie Dimon posed for a photograph with mostly white staff. The bank said the majority of the staff in the photo were people of color, and the article has been amended.