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Donna Jennings is the Senior Vice President, Chief Human Resources Officer for Adtalem Global Education, a leading workforce solutions provider in the healthcare and financial services industries. With more than 25 years of experience in helping global companies thrive, Ms. Jennings is responsible for the attraction, development and retention of talent for Adtalem, which has more than 7,000 employees worldwide.



DEI is something that all employees are accountable for improving, but driving that accountability starts in the boardroom and is implemented, measured and reported by the C-suite. Corporations that embrace gender diversity on their executive teams, for example, were more competitive and 21% more likely to experience above-average profitability, and had a 27% likelihood of outperforming their peers on longer-term value creation, according to a McKinsey report.

With that said, the alternative—a lack of diversity among a company's leadership team and organization—can pose multiple risks that leaders must be highly intentional about addressing.

Talent Risks

In a remote world, companies are no longer competing just with businesses in their backyard, and that means top talent has thousands of companies from which to choose. The millennial and Gen Z generations, which make up 46% of the full-time U.S. workforce, are the most diverse in history. It should come as no surprise that younger job seekers want companies with a diverse and inclusive workplace. To effectively compete for that talent, you must have a brand, leadership team and work environment that reflect the value of DEI. And every great company knows that ensuring employees feel valued, respected and that they belong brings a myriad of other benefits, including reduced turnover, increased productivity and more highly engaged employees.

Operational/Competitive Risks

If a company's top leadership team doesn't reflect the demographics of its customer base, then it's likely there will be an inherent gap in how the company serves its customers. This can inhibit a company's competitiveness and bottom line and deter future investments. When faced with the demands from investors and public pressure, companies are risking their shareholders' trust (and their funds) by remaining silent on issues of social justice and equitable representation.

Reputational Risks

With the immediacy of social media, companies that fail to meet growing expectations on DEI—from employees, shareholders or the general public—are subject to enormous amounts of scrutiny and ultimately a loss



in trust. Customers, or even potential talent, may question whether a company's values are misaligned with their own values and take their business or skills elsewhere.

At the end of the day, the boardroom and C-suite drive a company's culture and, ultimately, accountability. Companies that truly foster an inclusive workplace and allow every member to feel valued, represented and heard will attract and keep the best talent and better serve the needs of an increasingly diverse customer base.



DUANE HUGHES
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Duane Hughes spearheads Orrick's Inclusion & Client Relations program and is a member of the firm's executive leadership team. His unique multidisciplinary background spans economics and finance, international business and corporate law. Mr. Hughes has served as Business Unit COO and Managing Director with each of J.P. Morgan Chase and Morgan Stanley. He started his career in Wall Street law firms Shearman & Sterling and Simpson Thacher & Bartlett, with an interim stint at Lucent Technologies. Mr. Hughes holds JD, MBA and MA degrees from the University of Pennsylvania and a BA degree summa cum laude from Howard University.



Adept risk management and diverse leadership go hand in hand. Not only do corporate leaders manage known risks, they also prepare, to the extent possible, for unforeseen or hard-to-predict market conditions—or VUCA. Coined by the U.S. military, VUCA stands for volatility, uncertainty, complexity and ambiguity. Failure to respond creatively to VUCA conditions is one of the biggest risks faced by board members and C-suite

executives. The global pandemic classically exemplifies a VUCA condition. Causing tragic loss of human life and widespread pain and suffering, not to mention fundamental economic disruption, the pandemic encouraged corporate leaders to re-examine the robustness of their business processes. This stress test can, in turn, lead to innovation.

And this is where diversity and inclusion come in. The VUCA conditions created by the pandemic, combined with the shock waves caused by the murder of George Floyd, have forced corporate leaders to face their business models and the persistent effects of social imbalance at the same time. In rising to this challenge, companies with diverse leadership teams have enjoyed a natural advantage. Why? Social diversity in the boardroom and C-suite

encourages decision makers to innovate. In her article, "How Diversity Works," Katherine Phillips, explains that: "When group members notice that they are socially different from one another, they ... assume they will need to work harder to come to a consensus, and the hard work can lead to better outcomes." Put simply, Phillips states, "Diversity jolts us into cognitive action in ways that homogeneity simply does not."

And it is no accident that the NASDAQ agrees. Home to some of the world's most innovative companies in the world, NASDAQ has proposed and the SEC has approved a requirement that certain listed companies have at least two diverse directors, including at least one woman and one member of an underrepresented minority or the LGBTQ+ community, or explain their non-compliance in a public disclosure. At the same time, corporate boards around the world are expanding the field of viable board candidates beyond those with traditional CEO/CFO backgrounds. Now, more and more, candidates with risk, operations, marketing, HR, and law and regulatory backgrounds are getting their due consideration. Everything else held equal, this increased diversity will enable leaders to respond more resourcefully to VUCA circumstances. This wider tent is also creating a more socially diverse talent pool for corporate boards. All this to say: The more inclusive we are in the corporate suites of today, the more inventive we will be in facing the inevitable crises of tomorrow.