

The Ugly Truth: Diversity in Fortune 500 Companies Unmasked

Career Development



Some people enjoy reading novels or self-help books. Others devour historic drama, mysteries, poetry, or magazines. As for the authors of this article? We enjoy reading company policies. They may seem dry, but from a legal perspective, these policies can provide truly interesting insights about today's business world. Lately, we have been voraciously reading the diversity and inclusion statements of Fortune 500 companies.

These statements are usually targeted toward a company's investors, clients, or regulators. They're often lofty, idealistic statements meant to portray positive values that stakeholders can feel good about. But we like to look one level further as these statements are often shiny, buzzword-laden masks that are used to hide the ugly truth: many companies lack the diversity they claim to value. We especially enjoy reading a company's statement side-by-side with a list of the company's board of directors. This allows us to see whether or not a company actually practices what it preaches.

When you compare a company's diversity and inclusion statement to its actual practices, you expect to see some level of internal consistency. However, after reviewing hundreds of these statements from public and private companies, we have discovered some huge discrepancies.

And of course, we have the proof. We will anonymously quote from policies of three Fortune 500 companies and summarize the state of women on their boards.

Fortune 500 Company 1

Code of Ethics Policy (excerpts):

The Code of Ethics contains values, standards, and rules of behavior that are binding upon the

Company, its officers and its employees at all levels (in this Code and for the sake of convenience — "the Employees"), and constitutes the value and normative identification card that reflects the values of the Group and the commitment of the Employees to conduct themselves according to it.

Dignity and equality:

- We are committed to conducting ourselves with equality towards all employees, irrespective of their race, age, gender, color, sexual orientation, ethnicity, disability, religion, political affiliation, membership in an association, or family circumstances, with regard to hiring and with regard to work procedures such as promotion, rewards, access to training, task allocation, pay, benefits, discipline, termination, and retirement.
- We work to ensure that our employees work in a pleasant and dignified environment that is safe and without harassment, coercion, or abuse of any kind.
- We require courtesy and respect among the Employees, and that each respect the other.

Facts: 6 members of board of directors, 0 of which are women

Fortune 500 Company 2

Diversity & Inclusion Policy:

Best Talent. Diverse Experience. Inclusive Culture. Shared Success. [Fortune 500 Company 2] is dedicated to being a high-performing organization built on the foundation of a diverse and inclusive workforce, with individuals and teams working to blend a wide range of talents, experiences, and perspectives in pursuit of shared purposes. A culture that strengthens this foundation is essential to unlock individual potential and build business success. Our employee-driven Diversity Enrichment Council & Network along with our Women's Leadership Network are key elements in our commitment to diversity and inclusion. The Diversity Enrichment Council & Network and the Women's Leadership Network are committed to increasing awareness of the meaning and importance of diversity and inclusion throughout the organization and supporting networking, development, recruitment, and retention of diverse employees.

Facts: 27 members of board of directors, 0 of which are women

Fortune 500 Company 3

Diversity Policy:

[Fortune 500 Company 3] family of companies and its employees are proud to be active members of the communities in which we do business. *Building Communities the [Fortune 500 Company 3] Way* is the blueprint of our commitment to support and invest in those communities:

We hire, retain, and develop the best employees so that we may provide our guests with the unsurpassed customer service that is the foundation of [Fortune 500 Company 3] success. We actively search for a diverse pool of candidates to provide us with the depth of talent, skill, and potential to meet our goals. We provide mentoring, development, and tuition reimbursement programs to ensure that everyone has the opportunity to build the best career possible.

We share our financial success with our communities by donating one percent of our profits to civic and charitable causes. Specific portions of that donation are dedicated to supporting minority causes, providing our senior citizens with a helping hand, and supporting other local community interests. Our employees also give back to the community by volunteering countless hours of service.

We work closely with our suppliers, contractors, and other vendors, including certified minority-owned, women-owned, disabled, and disadvantaged business enterprises, to provide us with goods and services. We mentor disadvantaged businesses to help them further develop into successful enterprises.

Building Communities the [Fortune 500 Company 3] Way is derived from our Code of Commitment — our public pledge to our guests, employees, and communities that we will honor the trust they have placed in us. We do so by investing in our communities — by offering employees a great place to work, sharing our success through charitable giving, and promoting supplier diversity. Through our ongoing efforts, we continue to help make our communities the best possible places to live and work.

> Facts: 9 members of board of directors, 0 women

Of course, these companies may care about diversity. And any company's efforts to promote diversity at any level are commendable. But until these companies show their commitment to diversity at the highest levels of company leadership, their words are just that — words. These words are used to mask the ugly truth: that by excluding women from their boards of directors, these companies are perpetuating the glass ceiling. Women can be well-qualified or highly achieved, but still find themselves shut out from rising any higher than this artificial "ceiling."

And these are just a few of the companies that can be unmasked with mere minutes of light reading. If we want to see parity on boards within our lifetimes, we must continue unmasking companies and holding them accountable for championing diversity at all levels of leadership. Please share your own findings with the Women Serve on Boards movement at @BoardsWomen using #F500Unmasked hashtag. Together, we can bury this outdated mindset where it belongs: in the past.

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Olga V. Mack is a fellow at CodeX, The Stanford Center for Legal Informatics, and a Generative AI Editor at law.MIT. Mack shares her views in her columns on ACC Docket, Newsweek, Bloomberg, VentureBeat, Above the Law, and many other publications.

Mack is also an award-winning (such as the prestigious ACC 2018 Top 10 30-Somethings and ABA 2022 Women of Legal Tech) general counsel, operations professional, startup advisor, public speaker, adjunct professor, and entrepreneur. She co-founded SunLaw, an organization dedicated to preparing women in-house attorneys to become general counsels and legal leaders, and WISE to help female law firm partners become rainmakers.

She has authored numerous books, including Get on Board: Earning Your Ticket to a Corporate Board Seat, Fundamentals of Smart Contract Security and Blockchain Value: Transforming Business Models, Society, and Communities. She is working on her next books: Visual IQ for Lawyers (ABA 2024), The Rise of Product Lawyers: An Analytical Framework to Systematically Advise Your Clients Throughout the Product Lifecycle (Globe Law and Business 2024), and Legal Operations in the Age of AI and Data (Globe Law and Business 2024).

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