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Charles A. Tribbett, III
Vice Chairman, Russell Reynolds Associates
Former Co-Lead, Board and CEO Advisory Partners

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Webinar

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Partner, ghSMART
Author - The CEO Next Door

Good afternoon. This is Barbara Van Allen, President of the Club. We will get started in exactly 45 seconds. Thank you.

Introduction

Chairman John C. Williams

Well, good afternoon and welcome to the 614th meeting of The Economic Club of New York, and this is our 114th year. I'm John Williams. I'm the Chair of the Club and I'm President and CEO of the Federal Reserve Bank of New York. So as many of you know, The Economic Club of New York is the nation's leading nonpartisan forum for discussions on economic, social and political issues, and our mission is as important today as ever as we continue to bring people together as a catalyst for conversation and innovation.

Now, the past fall, the Club launched our Focus on Racial Equity programming, where we have been leveraging our platform to bring together prominent thought leaders to help us explore the various dimensions of racial inequity and highlight strategies, best practices and resources that the business community can use to be a force for change. We're not doing this work alone and would like to give special thanks to our corporate partners – BlackRock, Bloomberg, Mastercard, M&T Bank, Wilmington Trust, PayPal, S&P Global and Taconic Capital – as well as the many members, speakers and subject

matter experts that our now and will be engaged in this work.

A special welcome to the members of the Economic Club's 2021 Class of Fellows – a select group of diverse, rising next-gen business thought leaders, and welcome to the graduate students from the Gabelli School of Business at Fordham University and the City University of New York Graduate Center.

Now, it's a pleasure for me now to welcome our special guest today, Charles Tribbett, III. Charles is Vice Chairman of the firm, Russell Reynolds and was previous co-Lead of the Board & CEO Advisory Partners. He's a senior advisor and consultant to corporate boards and CEOs in corporate governance and fiduciary responsibilities. Charles is an expert in CEO and executive succession planning, board succession planning and refreshment, board and committee evaluations, CEO recruitment, board diversity and governance benchmarking.

Now the format today will be a conversation, and we're fortunate to have the partner at ghSMART and *New York Times* and *Wall Street Journal* bestselling author for her book, *The CEO Next Door*, Elena Lytkina Botelho. She'll be doing the honors of moderating the discussion with Charles. We'll end promptly at 2:45, and as a reminder, this conversation is on the record as we do have media on the line. So without further ado, I'm going to pass the mike to you, Elena.

Conversation with Charles A. Tribbett, III

ELENA LYTKINA BOTELHO: John, thank you. John and Barbara and Charles, it's a real honor to be here for this really important conversation. And Charles, I know you've spent your career advising on these issues to this day. Every CEO I advise and every board that we're advising, the topic of racial equity and diversity has never been more prominent. And frankly, we often see some of the most prominent leaders that look very confident and are very confident on a lot of the, wide-range of business issues, really out of their comfort zone when they think about how to take the next step and how to really push the best practices around diversity and equity. And so I'm really personally grateful to be able to be part of this conversation with you today. So thank you.

CHARLES TRIBBETT, III: You're welcome.

ELENA LYTKINA BOTELHO: So, Charles, I will start probably with an obvious question. So you've spent your career advising CEOs and boards, and I imagine the topic of diversity is not a new topic. And I imagine for many years, while there were some who truly invested in that, in the diversity and equity in the boardroom and at the top, there were also lots of folks who kind of just went through their traditional corporate programs. Right? And that was really just, you know, a word on a page.

So do you think now is really different? What are you seeing in the boardrooms? Do you feel like the momentum behind racial equity and diversity at the very top of the organizations, do you think it's different now than what you've seen previously?

CHARLES TRIBBETT, III: That's a great question, Elena. Thank you, by the way, it's nice to be here. I think that there is progress, but I think that the magic word for me is, it's painfully slow progress. I think that the progress, for example, over, let's just take the last year, the last year since the death of George Floyd, and the increase of Black Lives Matter, 145 companies of the S&P 500 have appointed at least one director to the board, to their board since last June, Black directors. But at the same time, LatinoX corporate board members have quadrupled. At the same time, women occupy almost a third of all S&P 500 board seats for the first time ever. So while I am pleased to see progress, Black directors going up, it has not been as proportionally strong as LatinoX, not even women. So it's progress, but it's slow progress.

ELENA LYTKINA BOTELHO: And Charles, so progress, but I would probably say infuriatingly slow progress so really frustratingly slow progress. And it's interesting, you mentioned some interesting numbers. Only one director in some of the 145 companies while quadrupling Latinos. When you see companies making progress on diversity, do you see kind of all populations, all types of diversity getting promoted and expanding on those boards and the C-suite? Or is it more kind of still viewed almost as a fixed pie, so

that if one part of the pie goes up, the other pieces might actually get, fall further behind? What are you seeing?

CHARLES TRIBBETT, III: I see, look, I think if there's a search that we're doing or any of the large six search firms are doing, it's usually a request to add a woman or to add a person of color or a person of color that is a woman. So usually the board may have one slot and if they have one slot, it's going to be filled with either one of those backgrounds, a woman or a person of color. Most of the time it is a White male. While males still are the most dominant members growing in a board for the last ten years. Ten years ago, 75% were White males going on boards. Today, it's roughly in the early 60s so it's gone down.

But at the same time, just take Black men, Black men ten years ago, it was about 5.7%. Now fast-forward to today, it's only roughly 5.6%, so we've gone down slightly. Now, at the same time, Black women have gone up. Ten years ago, it was maybe 1.9%. Today, my statistics show that it's roughly 3, 3.1%. So the increases have been mainly Black women. Hispanic or LatinoX, ten years ago it was about 1.9% and now it's almost the same as Black women, about 3, 3.1%. So you can see that the requests for individuals to come on boards fall in those categories. Black men actually are suffering a little bit more than Black women.

ELENA LYTKINA BOTELHO: So that's interesting. It's striking to me is that it almost sounds like, even to this day, even though we may believe from just the headlines and the press that the world has changed, right, and has been forced to change, it still feels like it's kind of one diversity request and different flavors of diversity kind of falling within that. Is that right?

CHARLES TRIBBETT, III: You also have to remember that there are companies that have retirement ages. And when a director steps down, particularly a Black director steps down, there is a strong interest in replacing that director with another person of color, usually a Black director replacing a Black director. So while the statistics for that company remain the same, we're really just swapping out.

ELENA LYTKINA BOTELHO: Yes, yes. Who do you see as companies that really you think are leading the charge and truly innovating and breaking new ground in this space, when you think both about board, diversity of boards, and also the C-suite?

CHARLES TRIBBETT, III: Well, McDonald's has more than one African American, more than one female and more than one Hispanic. So it's sort of a company as an example that has grown. Target, Target is another one that comes to mind. ___ just joined their board. They have a Latino on their board. They have a woman on their board. It also has made progress. There are some companies that, you know, I won't mention their

names, that just don't have any. So there is progress for a number of companies that need to be made.

My view, Elena, is what gets measured gets done. When you measure out publicly, I applaud BlackRock and Vanguard for moving against directors and companies that lack women. I applaud Nasdaq that require that at least one female or one person of color be on the board. Goldman Sachs, Goldman Sachs is another example of that. You know, no IPOs that they would do moving forward unless a woman or a minority is listed on the slate of directors.

And of course the state of California has made a lot of changes for tech companies. Of the 600 or so tech companies, almost all of them now have a female. They have a lot more to do with respect to African Americans and LatinoX but they all almost have females. So when you measure it, it usually seems to get done.

ELENA LYTKINA BOTELHO: So I will ask, I will follow with your logic of if you measure it, it gets done, which I love as a management mantra. So do you think we need specific targets and goals at the industry level, at the company level? Is that essential, do you think, for really seeing true progress?

CHARLES TRIBBETT, III: I think when you're on a board, you have to hold the

company accountable for diversity. And by measuring it, that's a good way to do it. I established with two of my closest friends – one is a member of your Club, John Rogers, another is Mellody Hobson – we put together an organization called the Black Directors Conference. That conference also has some of the most notable LatinoX directors on it as well. We have it every year. We're going into our 19th year of doing this, and we try to invite just about every Black that is on a Fortune, call it 200, board, to the conference. And those that we miss, we try to rotate them to bring them on the next year.

We have established a perspective of what we call Three P's – People, Purchasing and Philanthropy. So when you're a director, we ask that you think about people, particularly people of color, LatinoX, Asian, African American, as well as women. The only way to get diversity on the board is to make sure you have diversity in the C-suite. And there's some companies that you have to go beyond the C-suite. Because the C-suite may be small, it may only be ten people, and so you have to go a little bit lower in order to create that diversity.

So as a director, you have to ask the question: what's the succession planning that's in store for those that are in the C-suite? Is the CEO beginning to move individuals that are not just White males, but are also training and developing and mentoring those that could become potential candidates for us to go on boards? Is the CEO also allowing

members of his or her C-suite or below that C-suite to go on boards? Because if not, then it cripples, it stymies the ability to have diversity on boards.

The second is purchasing. I'm sorry, you were going to ask...

ELENA LYTKINA BOTELHO: No, go ahead, go ahead. I love your Three P's.

CHARLES TRIBBETT, III: Well, I was going to say the second is purchasing. And it's the view of what we're purchasing, vendors, you're purchasing. When a company is contracting out consultants, when a company is about to do a \$20 billion acquisition, it's not appropriate to have an all-White male investment banking group that they've hired. If you're having diversity on the board and you're requiring diversity in the C-suite and below, surely you should be having diversity for your consultants. It goes beyond consultants. Landscaping, construction, all of the areas that a board, a company is in charge of contracting out should have diversity.

And the final is philanthropy. Every company is involved in philanthropy. But is the philanthropy given to only White organizations or is it given to underserved companies that care for and those that are in need of healthcare, those that are in need of legal attention? There are all of these not-for-profit companies around the country. So I think that on the board, these three P's need to be questions that are asked to the company,

to hold the company accountable, not just for the development and training of people, but also for its philanthropy contributions and for its purchasing contributions.

ELENA LYTKINA BOTELHO: That's a fantastic kind of frame and a really powerful reminder of the responsibility of the board. Right? To really affect decisions of the company and the pipeline of talent, both within the business and even in the external ecosystem for really decades to come.

I'm intrigued also, when you talk about kind of how important it is for the board to be vocal, to be really vocal on this topic of diversity. When I think about the boards I advise and the CEOs I advise, numbers on diversity don't always represent the shared voice. So you've got, and I'm sure it probably resonates – I see you smiling. So there's some boards that on the face of it look great on diversity. They've got African Americans. They've got women. They've got cognitive diversity on the board. But when you're actually in the boardroom, advising on the high stakes issues, it really doesn't feel that the diversity of representation translates into diversity of vocal representation.

And so I'm curious, kind of what do you notice, what's your litmus test that you look at to know, is the board truly translating demographic diversity into really putting it to action or, you know, is it really kind of, is it falling through the cracks somewhere? So I'm curious what you look at to know that there's actual diversity of dialogue and

perspective on the board that goes beyond just the representation?

CHARLES TRIBBETT, III: That's a great question. We all know that a director is a fiduciary to protect the interests of the shareholder. The director approves the strategy on behalf of the shareholder and it's implemented by management. So just as a director is asking the questions about the strategic plan, the future of the company, you can't be an effective fiduciary unless you also ask the question about diversity because diversity enhances the performance of the company. So if I'm a retail company and I'm selling a product and that product is going, you know, 40% to African Americans or 30% to LatinoX, and I have all White males on the board, how can we be effective at properly marketing to that constituent base? Particularly if in the company, let alone on the board, in the company, it's not diverse.

So I think the measurement, the test that you asked, Elena, for me is in the boardroom, assessing directors on the questions that they ask. The director that's silent is not an effective director. It's not an effective fiduciary. A director that only asks a few questions that focus on one area but not a broad-based area, is not an effective director. So I think it's not incumbent upon just an African American director to ask questions about diversity. It's incumbent upon all members of the board to simply ask the question whether or not diversity is part of the framework of the strategy at the company. And that's how I can assess whether or not you have a good director or not.

ELENA LYTKINA BOTELHO: Yes, things we like to look at as well is just who has the power seats on the board? So you may have a diverse board member, but is your Nom/Gov still head up by a ten-year veteran on the board? Right? Is your Compensation Committee headed up by a best buddy of the CEO? Right? I think this notion of shared voice in the boardroom is a real challenge, particularly with diverse board members, and frankly, with all board members. Right? I think I saw somewhere, it was an external research analysis, where in the Fortune 500, 43% of board members didn't feel entirely unencumbered to voice their point of view. And that's not diverse members, that's board members at large.

So I'm curious when you gather, you and Melody and John gather your conferences, what are some of the topics on the minds of the board members that are the Black board members and diverse board members that would enable them to feel they're adding full, to their full potential in the boardroom when they're there? What would be helpful?

CHARLES TRIBBETT, III: Well, you mentioned spot-on the chairs of the committees are very important. And some of the questions that I think come up is what if I'm not the chair of the committee, particularly the Nom and Gov Committee? Or what if I'm not the chair of Compensation? That's not something that prevents you from speaking up even if you're not on the Nom and Gov Committee. As a director, you can still ask the

committee whether or not the individuals that they're looking at for the specification that's been required for the next director is diverse. And you can also, even as an independent director not on the committee, you know, press the chairman to look at individuals and even provide them with names.

So I think we talk about being bold in our meetings, having the courage to ask the questions. Now sometimes it doesn't have to be in the boardroom. Sometimes it can be outside of the boardroom when you're having lunch leaning over to the Chair of Nom and Gov saying it would really be nice if you can diversify that slate or have you looked at this particular individual? He falls, in my opinion, in terms of the qualifications that you're looking for. So it's not always in the boardroom that you need to talk to the CEO or your colleagues about it. It can also be outside of the boardroom. The real issue we talk about is being bold enough to ask that question.

I think the reason we brought everyone together 19 years ago was because being a minority on the board is lonely. You're the only one. If the board is made up of 11 or 13 members and there's only one that's African American and that individual doesn't really know anyone else, it can be lonely. And when those individuals that know each other, that perhaps might be CEOs or White males that know each other and leave on their own planes to go somewhere else and you are left by yourself, you know, what do you do? So we kind of brought people together so that they can get to know each other, that

they can share their ideas and their thoughts, that they can, even pull together businesses where they can work together. And I think that's what's beginning to happen.

And that's actually how the Three P's came about. Helping directors to think about, well, what do you ask? You ask about people. You ask about purchasing. You ask about philanthropy.

ELENA LYTKINA BOTELHO: Yes, what you're describing really resonates, Charles. We've seen boardrooms where you get to that point of critical mass and it's fascinating because it's actually, I mean you and I both do a lot of advisory work around succession, which is probably the most stressful and the time on the boards get really tested, and I often find that actually the most probing insightful questions come from the atypical board members. Right? It's somebody who feels they're a minority on the board, whether it's ethnic minority or demographic minority of different kinds. And it's often those board members that, in one conversation, will ask the most probing sharpest questions and the question is when they come back together in a group, is there enough critical mass and is there culture on the board where it's okay to ask that question?

So there was a CEO succession process we advised them where a minority board

member said, well, I know we've known this CEO candidate for two decades, but have we done a background check? Have we made sure? How do we know that, you know, we're not going to find something surprising? None of the longtime board members would have asked that question, and actually it was a really important additional data point in the conversation. So whether it's a business discussion or whether it's putting an uncomfortable topic on the table, it feels like there's actually a lot of power when the culture in the boardroom supports that type of voicing, voicing of the uncomfortable questions.

CHARLES TRIBBETT, III: You know I also think that, Elena, the qualifications many times are stretched. So let's make sure we stretch them for everyone and not just for certain individuals. So I'll just come up with an example. Most of the time you look for individuals that have a functional expertise or an operational expertise. Well, if the board is looking for an operational executive but if one of the directors comes up with another individual that has functional expertise, for example, maybe they're the head of marketing for Fortune 50 company, and that person happens to be a White male, then why should not other directors that are not White males, diverse candidates, women, also think about a functional executive if you're going to stretch it as opposed to having the board say, no, no, that's off spec. So think it has to be even all the way around that, you know, what is the kind of specification that you want in terms of the next person to come onto the board. It's accountability.

ELENA LYTKINA BOTELHO: I love where you went with this, and I'm actually curious. So to your point around specs and, you know, I don't know about your business, in our work whenever we support a client on an important hiring decision, there's never a perfect candidate. Right? It's always hard. Right? Have you ever seen a client that says, oh, that's a slam-dunk? Right? And it doesn't matter which industry, which location, and that's even before you get to diversity. Right? So what's your sense, kind of, you have your hand on the pulse of supply and demand equation for the boardroom, diverse candidates, particularly African American candidates and then the C-suite, so I'll just ask you an obvious question of how are you feeling about supply and demand of talent in both the boardroom and the C-suite?

CHARLES TRIBBETT, III: I'm so glad you asked the question because the common answer that I get from boards is that we can't find any LatinoX, we cannot find the right qualified African American to go on the board, and that's the reason why we have to go with a White male who fulfills the requirements. That's totally untrue. They're out there.

Don't hold me to the number but it's close. Last year, 38%, almost 40% of Black directors that came on boards came on boards for the first time. They'd never been on a board before. Years ago, that was an impediment, not having board experience. So now there's a loosening up of that, which I'm delighted to begin to see. It also means that the volume of African Americans has broadened. There are more that are capable and

highly qualified to go on boards. Not just qualified financial experts but supply chain and logistics experts, physicians, healthcare companies, head of marketing, even P&L.

There may not be a lot of sitting CEO of public companies that have women and LatinoX and Blacks, but there are certainly now, are women, LatinoX, and particularly African Americans that are growing in number running a billion+ P&L, having operational experience. So they're there. It just takes the right kind of company to find them, but they clearly are there.

ELENA LYTKINA BOTELHO: Yes, well, I'm thrilled to hear you say that so I can tell all my clients that it's a cop-out. Right? And I will call you.

CHARLES TRIBBETT, III: Please do.

ELENA LYTKINA BOTELHO: And the exciting piece, back to your Three P's, right, is when you're adding all these Black directors and diverse directors, women, Latinos to the boards, that, I imagine, also expands the network and the national access to the greater talent pools for more minority candidates, probably both for the board and for the top of the house I imagine.

CHARLES TRIBBETT, III: Oh, It absolutely does. It absolutely does. I mean, look, there

are, once you have diversity on the board, those individuals also are able to feed a lot of other diverse candidates to the board. I mean it doesn't have to come through a search. If a director knows enough individuals, then they themselves can begin to assess those individuals and choose themselves. Most of these searches are done by firms like ours, the majority of them. Also, they want to have an objective and independent consultant recommending somebody. So truly incumbent more upon the consultant to make sure that the slate is diversified.

But I'll tell you what's also changing, it is now, because there are so many White males that are available for any particular board with respect to any particular qualification, boards are beginning to ask the question: I have enough White male candidates. Please provide me with just women or please provide me with just diversity so that I can augment the diverse slate. And that's becoming more common.

ELENA LYTKINA BOTELHO: You're seeing that as a trend?

CHARLES TRIBBETT, III: Yes.

ELENA LYTKINA BOTELHO: Charles, do you see some, as a result, some African American and diverse board members kind of getting "over-boarded." Does everyone still flock to this, like Melody of course is a great example of a really prominent, that's

not to say she's over-boarded, but prominent African American woman who I imagine every board in this country would love to have involved with them. So do you feel like there's a little bit of this kind of five-year-olds playing soccer, everyone getting to the same, you know, handful or a dozen folks that now have been established and maybe companies are missing on more of this young generation or next generation of first-time board members?

CHARLES TRIBBETT, III: It's up to people like me, and even you, Elena, to introduce to companies the up and comers, the stars. It's easy to look in magazines and find individuals that are diverse and women and go after them. And so, yes, they are boarded up. It is very difficult to find a Black woman qualified financial expert from a Fortune 200, 300 company. They're boarded up. So you have to diversify a little bit more.

And so I do think boards have to stretch a little bit the qualifications for diversity. But I also think that when you look at the most high-powered individual that happens to be 42 years of age, that's not on a board, in two to three years you would have wished that you had gotten that person because they now have probably, the CFO of a Fortune 300 company, they've joined a board and they're too hard to get. So I do think you have to take some risk. But those are the same kinds of risks that you used to take and still do with White males.

ELENA LYTKINA BOTELHO: Yes, that's a great, I love that you keep bringing us back to that is that we take risks, no matter what. Right? Every placement is a risk. Right? So it's just about being open to the right types of risks. Also, I imagine you get lots of folks asking you for career advice. And so imagine that there were an executive out there who is thinking of themselves potentially as a board candidate. What advice would you give them? How does one know when they're ready to be a board, a strong board candidate? What do you look for? How do you differentiate kind of between the desire and the readiness to actually be a strong fiduciary?

CHARLES TRIBBETT, III: For women, for minorities, for anyone, I mean I look for leaders. I look for those that are leading their organization. Then I look for those that are qualified to be financial executives. I look for those that are in the highest jobs for procurement, for supply chain, for all of the different areas, for R&D, and I indicate to them that today I even look for lawyers. There are companies facing major litigation right now and really need some top-notch attorneys, general counsels even for major companies that have DOJ experience to go on boards.

I even look at Chief Human Resource Officers. There are a number of companies that are suffering from culture, problems with the culture of their company, for issues that are coming up in their manufacturing plants. And a Chief Human Resource Officer is almost vital to go on that particular board to help out as a fiduciary with the management team.

So I would say don't be discouraged today if you're in any of those roles.

Not-for-profit companies, some of the leading individuals that have diverse leaders, or women, not-for-profit, are excellent targets to go on boards. Hospitals, the head of a major hospital is now a very valuable candidate for us depending on the particular company and what they're looking for. So nothing is really untouched these days.

Now I also think that it's important for you to lay out your qualifications. The broader they are, the more it hurts you. The more specific and narrow that they are in terms of what you really are good at doing, the more it helps me. And so I also think that putting together a resume that articulates that for you to come to me and even a person like you or other members of a board is very important as well.

ELENA LYTKINA BOTELHO: And it sounds like what you're saying is just be really clear what you stand for and who you are. Right? As opposed to kind of positioning yourself as this general board member. Right? So you may be all about, you know, succession, or you may be all around financial acumen, right, but it sounds like being really specific and targeted is really helpful.

CHARLES TRIBBETT, III: I think it is. Well said. Thank you.

ELENA LYTKINA BOTELHO: Charles, I was also intrigued when you talked a bit earlier about the challenge, both at the board level but also in the C-suite. When you look at your clients and the companies that really, truly try to advance diversity, what's harder typically? Are you seeing, is one harder than the other in terms of cultivating talent for the C-suite executive roles or building out the more diverse board? What are you seeing in terms of relative difficulty and trends in both places?

CHARLES TRIBBETT, III: Well, I think it's easier to put a person of color or a woman on a board than into a C-suite. The difficulty that I find in the C-suite and not below the C-suite is that companies don't want to go out. They have a number of individuals – typically they're White males – that are already at the company, ready to elevate to the next level. And so if that continues to happen, then there's no room for you to diversify your C-suite. So I think we begin to encourage CEOs and hiring managers to be bold in diversifying their C-suite and their Executive Committee level.

Unless you go outside, you're not going to have diversity for five, ten years. Today we see enough companies going out there that are making changes, that are actually going out hiring for diversity, which there are individuals to hire into those kinds of roles, if you don't, you actually will be left behind. You could be one of those companies that everybody will point to saying, look at that company, they're not diverse, because you're still waiting for that chance to have an opening. You have to create an opening.

ELENA LYTKINA BOTELHO: Yes, it sounds like what you're saying is that often to create an opening, it means really going outside. Right? Whereas a lot of companies have a real bias towards promoting internally often.

CHARLES TRIBBETT, III: It does. There are a number of, diversity is really good at the entry level from the MBA schools, from the graduate programs. Diversity is really bad at the C-suite. Those individuals at the early levels, at some point they feel they're blocked and they leave the company. So you have this gap and the only way to fill that gap is to outside.

ELENA LYTKINA BOTELHO: You know, with our work what we often find is a couple of things. One is there's a disconnect between every client – I'm sure you have too – every board and CEO we work with will have a transformative business agenda. Right? We all talk about competitiveness, that has changed. The macroeconomic environment has changed. And yet they attempt to do it with all the same people that have grown up in the business. And so there's always a debate around, well, maybe that is their opportunity to introduce diversity. If we're looking for new skill sets, maybe that's a really strong platform to bring in someone externally who is also a diverse executive.

The other thing we're seeing is that historically CEOs could afford to focus just really at the top of the talent in terms of their own time and attention on talent. More and more,

we're seeing them look much deeper into their organizations exactly for the reasons you're describing is that if you a few notches down below the C-suite, often that's where you can find really talented, successful high-potential executives who in a traditional high-potential program will get washed out. They won't get a chance because they're diverse. They look different. They don't go to the same country club. They don't go to the same social events where kind of all the networks are formed. And so going into the lower ranks of their organization, making sure you don't lose that talent sounds like it's important as well.

CHARLES TRIBBETT, III: Look, I get it. I know there are CEOs that are listening saying I can't do that. Charles is right, but that would just shake up my company. And there are others that are presidents and COOs and they're saying, Elena and Charles, I hear what you're saying, but. And my response is you almost have to do that. If you don't do it, you will be left behind. And if the CEO opens the door and diversifies his or her C-suite, it really makes it easier for the members of the C-suite when they do succession planning also to open up and be bold and bring in one or two from the outside as well.

ELENA LYTKINA BOTELHO: Charles, do you have kind of a rule of thumb of what critical mass looks like? At what point, what percentage of the top team, say, or the two top ranks have to be diverse to really kind of reach the tipping point where that becomes the virtuous circle?

CHARLES TRIBBETT, III: I don't know if I have a number.

ELENA LYTKINA BOTELHO: I don't know if there's a magical number. I'm curious.

CHARLES TRIBBETT, III: I haven't looked at it that way. I will tell you that for the CEO to really be supportive of having diversity on the board, but not have any diversity within the top 100 ranks of the company is wrong. It's an embarrassment. So if you're going to push for diversity on the board, clearly you need to open up and create diversity within your senior management team.

ELENA LYTKINA BOTELHO: When you think about what it will take to accelerate impact here, both for African American executives and board members and really for more diversity at the top of the world's leading companies and non-profit institutions, so if you could have your magic wish, do you have kind of a prescription? I heard you earlier talk about targets are really important because what you measure gets done. Are there any, what would be your kind of punch list of the most important opportunities? You talked about your Three P's. You get your magic wish, what would it be?

CHARLES TRIBBETT, III: I think I get your question. When I'm doing a CEO search, the board shares with me, here are the qualifications, Charles, that we're looking for. And almost all the time, one of them is diversity. So when I'm interviewing a candidate, if a

candidate wants to become the CEO of a company, I'm going to ask them their question about diversity. Is your group diverse? Why and why not? Are there individuals that you have been successful on, from succession planning, that you have moved up and developed that are women, that are LatinoX or that are African American?

I would say that if the answer is zero, that probably is a, it may not be the full impediment to becoming CEO of that company, but if there are other individuals that are candidates that are on an equal footing with that person, that have progressed in diversity, then that person that has not probably will lose out. So my view is for leaders that want to continue to elevate, the more you demonstrate that diversity is part of what you have accomplished as a leader, the better off you are, the more you will elevate up. The more boards actually will applaud you and be very favorable toward the CEO in promoting you.

ELENA LYTKINA BOTELHO: Yes, it resonates for me, something you said earlier where you don't need to be a diverse board member and executive to actually promote diversity. You just need to ask the question. Right? And it sounds like what you're saying maybe is any spec actually should have, part of the question should be does this individual build diverse teams?

CHARLES TRIBBETT, III: Absolutely.

ELENA LYTKINA BOTELHO: Is that right?

CHARLES TRIBBETT, III: Absolutely.

ELENA LYTKINA BOTELHO: What are the common mistakes you see out there is that one thing, and again this is your space so tell me – I might actually be wrong in my impression – to me, what's really changed in the last couple of years is the intent has become much more genuine for a lot more companies, but the how, you know, many are still finding their way. And so what are some of the common mistakes you see that, you know, you'd like to see a course correction on to ensure more diversity at the top?

CHARLES TRIBBETT, III: That's a great question. Look, I think that there are many individuals today that would like diversity to occur at their company but are not courageous enough to open the door to allow it to occur. And, by the way, when you don't allow it to occur, you have a certain culture, and it's not a diverse culture. It doesn't, it's not respectful because it's not diverse.

So what I'd like to see is that you step up as a leader and actually create the opening for diversity to occur. It's one of the most important things that a CEO can do in this country right now running their company. You cannot run Target without having a diverse group. It is impossible for you to put one of your stores in an underserved community and

market to them without an understanding of having diverse individuals within the C-suite that know how to market to them and without describing that marketing strategy to an all-White-male board that won't get it. You have to have diversity on the board so that those directors can fully appreciate and respond to your strategic plan.

So I really want to see more individuals that have the courage to do it. I really think no longer is it an excuse that they're not out there. That just doesn't exist anymore. So the mistake that I hear all the time is just that, Elena. I've tried and I can't find them so I have to put somebody in the job and this is the individual and it happens to be a White male. But I'd love to have a woman, but I just can't find a woman with that qualification. I tell you I really do not believe that.

ELENA LYTKINA BOTELHO: You don't buy it anymore.

CHARLES TRIBBETT, III: No, I don't.

ELENA LYTKINA BOTELHO: Well, so Charles, on that note, when John opened up this conversation, he reminded us that the purpose and mission of The Economic Club of New York is to shape innovation and conversation on the most important topics in business. And so you having this forum here, if you had each person who is in this conversation right now listening and participating, if you had us all just do one thing

when we go back to our kind of normal lives and jobs, what would that one thing be for each person here?

CHARLES TRIBBETT, III: So each of the individuals here, I'm sure are leaders in their company and I believe, Elena, that they ought to go back and look at their five-year strategic plan. And within that plan, I believe they ought to look at succession planning and they ought to begin to ask the question, is my succession plan over the next three to five years diverse? And if it's not, then I need to do something. I need to change that.

ELENA LYTKINA BOTELHO: And now we know that we can't find the right candidates is not an answer. Right? Especially if they have the right support with you, Charles. Right?

CHARLES TRIBBETT, III: Thank you.

ELENA LYTKINA BOTELHO: Thank you, Charles. It's been a real pleasure. I know, just looking at the time, John, how are we doing? I know we're coming up to that 2:45 mark here.

CHAIR JOHN C. WILLIAMS: Yes, Elena, thank you so much. Charles, thank you. It's been a terrific conversation, but we are now out of time. So I really thought it was just a

lot of great information and discussion, so thank you so much for that.

ELENA LYTKINA BOTELHO: Thank you. Charles, a pleasure to see you.

CHARLES TRIBBETT, III: Thank you.

ELENA LYTKINA BOTELHO: Bye, John.

CHAIR JOHN C. WILLIAMS: So this is the part of the event where I mention that we've got a lot of great speakers lined up for the summer, and as always we encourage you to attend and invite your guests to our events. So let me quickly go through the events through the rest of June and into July. June 29th, tomorrow, we have Betsy Cohen, the Chair of FinTech Masala. And then on June 30th, we have Women in Business, a Member Only Conversation Series. Now turning to July, on July 8th, we have Scott Kirby, the CEO of United Airlines. And then on July 15th, Henry Louis Gates, Alphonse Fletcher University Professor and Director of the Hutchins Center for African and African American Research at Harvard University and an Emmy Award winner for his PBS series, Finding your Roots. And then on July 9th, we have Nancy Lazar, the Partner and Chief Economist at Cornerstone Macro. So those are the events for the next three weeks and we have many more to come later in the year. So please continue to watch your screens and your emails about events that will be coming up for the Club. And if

you joined as a guest and would like to become a member, please email the Club at the address on the screen.

Finally, I'll just a moment to recognize the 336 members of the Centennial Society joining us today as their contributions continue to be the financial backbone of support for the Club and help enable us to offer our wonderful, diverse programming both now and in the future. Thank you again. Please stay healthy and safe.