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## AmEx Retirement Shines Light on Lack of Diversity in CEO Ranks

*Even as boards commit to improving ethnic representation, number of black CEOs has remained mostly stagnant*

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*American Express CEO Kenneth Chenault will step down after 16 years. PHOTO: ASSOCIATED PRESS*

And then there were three. Kenneth Chenault's retirement from the chief executive post at [American Express](#) Co. [AXP 0.43%](#) will reduce the number of African-American CEOs of Fortune 500 companies by a quarter.

The sunsetting of Mr. Chenault's career occurs as many large companies are showing great concern for diversity. But even as top executives and boards devote more time and resources to improving ethnic and gender representation in their ranks, the number of black CEOs has remained relatively stagnant over the past few decades.

Mr. Chenault, who [announced Wednesday](#) that he will step down as AmEx's chief in February, is joined by Roger W. Ferguson, Jr. at TIAA-CREF (now TIAA), Kenneth C. Frazier of [Merck MRK 0.46%](#) & Co. Inc. and [J.C. Penney](#)'s Marvin R. Ellison among current serving leaders at Fortune 500 businesses.

Mr. Chenault's rise to the top slot at AmEx in 2001 coincided with a relative surge in the number of prominent black CEOs. In 1999, Fannie Mae appointed Franklin Raines as its CEO. That same year, Maytag named Lloyd Ward chief executive.

Richard Zweigenhaft, a professor of psychology at Guilford College in Greensboro, N.C., who studies ethnicity and social mobility says the period is an example of "one of the ironies of diversity."

“The corporate elite had shown that it valued diversity. Once barriers were broken, the presence of some had decreased the pressure to increase the numbers [of top-level black executives],” says Mr. Zweigenhaft, who is co-author of the book “Diversity in the Power Elite.”

The number of African-American CEOs is so thin because, while companies have generally fine-tuned recruiting and hiring efforts to ensure that they are surveying a broader array of top talent, companies are failing to properly groom talented black executives, says Nick Cianciola, founder of the executive search firm Weston Associates, who focuses on helping companies diversify their executive ranks.

“Intentions are very strong and corporations are saying all the right things, he says. “Part of the problem is a lack of good succession planning to groom African-Americans to get to the top. The executives aren’t getting the entire picture they need to see to get to the top,” says Mr. Cianciola who is now a partner and principal with Shields Meneley Partners.

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