

# A case for leadership diversity

“My leadership on diversity is vision-driven from a business point of view and value-driven at the foundation.”

– Mikael Ohlsson, IKEA

## Abstract

Although the importance of diversity to bottom-line success has been recognised, as Forbes put it, many executive boards remain ‘male, pale and stale’ (Forbes, 2013). This article explores the importance of diversity at board-level, factors to consider when deciding how diverse your leadership should be, and the benefits of each strategy. It also shares some important tips about how leaders can learn to lead all types of diversity within their workforce.

## A case for leadership diversity

Diversity and Inclusion (D&I) has become a mainstay of HR strategies, and most CEOs and leadership teams now recognise the business advantages of having a diverse workforce. But despite the recognition of the importance of diversity, there appears only to be head-nodding when it comes to board-level. This creates a paradox: although leaders appear to understand the value of diversity at lower levels of their organisations, they do not appear to apply the benefits of diversity to their boardrooms which is where some of the most important decisions are made.



## Factors to consider when deciding how diverse your board should be

Making Diversity and Inclusion a part of your culture puts your business ahead of the curve, and focusing specifically on your leadership team can help facilitate a top-down approach, so that it trickles through your entire organisation. But adding diversity to your board is not a simple task, and there are numerous ways to implement a D&I initiative at leadership level. The way in which you decide how diverse your board should be and which individuals are right for the role will be different for every organisation. Below are some of the most common ways to approach board-level diversity, and many organisations use a blend of these approaches:

### Diversity to meet business objectives

Diversity and business objectives should not be separate issues – in fact, one of the purposes of having a diverse workforce is to help enable the objectives. This is perhaps even more true at board-level, where the decisions made can have a direct and dramatic effect on the success of the business.

In some cases, the business objectives might not have been identified when a D&I initiative is being undertaken, so this is the time to set them. Then, identify which attributes of your existing board members are missing that might help meet those objectives. You may realise you need leaders who think more tactically or who consider the impact on the people in your organisation. Think beyond financial objectives and ensure the diversity of your leadership team add value to all aspects of your organisation.

### Diverse board members as role models and mentors

While role models and mentors don't have to mirror all the qualities of the mentee, it's easier for an individual to be led by someone they can relate to more easily. While not true in all cases, a person from a minority background could feel more motivated in the workplace if they see a similar individual succeeding in the organisation. If the leadership team is too homogenous, the people of the organisation from different backgrounds may feel that working towards becoming a member of that team is not an achievable goal.



On the other hand, one of the most critical characteristics of a good leader is the ability to adapt and lead any individual. While your employees may find it easier to connect with board members who are similar to them, every board member must realise that they lead every individual in the organisation. To get the most from your staff, they must be able to remain authentic to themselves, so leaders must be able to adapt and connect with people who may be very different from them in order to motivate and work alongside them towards common goals. You may need to focus on the personal development of your leaders and ensure that they have a

significant understanding of themselves and others, in order to be able to adapt and connect more easily.

### **Diversity to reflect your customer base**

Business success relies heavily on creating a strong relationship with customers, and providing solutions to their problems. It can be important to have a board which reflects the client base, and understands its culture to establish a solid relationship. For example, if a business is selling products aimed mainly at women, a board made entirely of men may have more difficulty understanding the needs of women than a diverse board with a blend of genders that can add different perspectives and input.

Deciding to create diversity that models your customer base does require a deep understanding of your target audience, as well as any trends that may change the demographics of that group in the future. This means an extensive amount of customer insight research may be required, but in the long-term, a board that truly understands the customer inside and out will add tremendous value to your business.

### **Diversity of thought and personality**

Not only is visible diversity, such as gender, age and race, often absent from leadership teams, but diversity of perspective, thought and personality are also lacking. And because these less visible types of diversity are not as obvious, many organisations don't even realise that there is a lack of diversity in these areas.

One reason many leadership teams lack diversity is because a particular type of individual may be promoted more often. This is because leaders

often possess 'hire like me' attitudes where people with a different way of thinking or personality type can be overlooked. In a recent survey of over 500 hiring managers, undertaken by the Corporate Executive Board research firm, 74 percent of leaders reported that their most recent hire had a personality 'similar to mine'. Leaders must understand that although it feels natural to hire someone who thinks in a similar way to themselves, working with those who think differently can contribute to the success of the business.

Most commonly, executive boards predominantly consist of one dominant personality type. Homogenous groups like this usually don't consider many alternative perspectives, and they don't uncover the vast majority of risks that may be raised by diverse individuals with unique contributions. Conflict on a board can be the best thing to drive the business forward, as it challenges the status quo and helps facilitate innovation.

### **Diversity starts with transformational leadership**

Managing and harnessing a diverse mix of capabilities can be challenging and often it can be difficult to take an objective look at your leadership and executive board from within the organisation. That's why partnering with a learning and development organisation, such as Insights, can help you work with your leadership team to improve their individual skills, team cohesiveness and ability to value diversity and encourage inclusion at board level. As you put a diverse leadership team in place, we encourage you to also give each leader the tools and knowledge to become the best leader they can be.

We believe good leaders inspire their teams to be better by leading with vision, passion and integrity, inspiring them to excel even in challenging times. They understand themselves and others, so they can adapt and connect more easily – which can help them manage conflict, facilitate communication and teamwork, drive productivity and motivate talent. These are all aspects we explore within the context of your business with Insights Transformational Leadership. We believe the best way to achieve business success is with a strong and balanced leadership team that can produce results whatever the business climate.

## Conclusion

Overarching the need for diversity and inclusion is a simple, but crucial, action: the importance of valuing your people. No matter what gender, culture, or personality type they are, if an individual doesn't feel valued, they won't get the sense of belonging needed for them to thrive. This means every person in your organisation, including those on your leadership team, must feel their individuality is appreciated and brings something to the table that no other individual could. And the leadership in your organisation in particular, must be able to adapt and connect with the entire workforce in order to maximise the benefits of diversity.

## About the contributor



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Westminster Associates 2003 has partnered with Insights on design and delivery of their solutions for over 10 years. Paul has over 18 years' experience working within talent management and learning at both a strategic and operational level across a wide range of industries in the private and public sectors worldwide, helping them successfully achieve lasting behavioural transformation in a changing and competitive environment and a tough economic climate.