Achieving More Board Diversity Through Inclusion

MU is founded on research and insight into what makes leaders successful in the workplace. It is concluded that success at work can be increased through ensuring leader decisions are made using a science-based, precisely tailored, quality assured and ethical way of working. The only basis for an employment decision is a factful match between an individual's competencies – what they bring to work - and the requirements of the role, context and organisation results needed. Our advice to clients, candidates and our own employees is therefore based on this founding principle.

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We also believe that diversity is achieved through inclusion. True inclusion in all organisations is what generates diversity, and by avoiding stereotyping, shortcutting, and subjectivity in our actions and behaviours inclusion can be assured.

Achieving more diversity requires a combination of strategies and efforts, both at the organisational and societal levels. Inclusion and diversity are ever-evolving and timeless topics, which makes it challenging to advise on – easy fixes would be shortcutting.

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However, organisations that practice inclusive leadership and inclusive recruitment will have inclusive workplaces and so diverse teams. Inclusive leadership and inclusive recruitment create diverse and high performing workplaces.

Increasing diversity on Boards is important for many organisations to ensure effective, high-performing and collaborative teams which in turns foster innovation, improve decision-making, and can better represent their stakeholders. Inclusive Boards are essential to secure inclusive leadership, inclusive recruitment and diverse, high-performing teams.

Here are some advice from the MU Experts working with Board diversity to increase success:

➤ **Set Clear Inclusion and Diversity Goals::** Organisations should establish clear goals and objectives for inclusion and diversity in their Boards. These goals should be specific, measurable, and time bound. Having targets can help keep the organisation accountable. Ensure that you use targets that are realistic, and that you have a clear baseline established. Note also that a 50/50 goal is not always to strive for because that itself could promote stereotyping.

➤ **Board Composition Assessment:** Regularly assess the composition of the Board to identify gaps in diversity. Analyse not only gender, age and ethnicity but also diversity in terms of skills, experiences, and perspectives.

➤ **Broaden the Candidate Pool:** Expand the search for Board candidates beyond conventional networks. Work with Executive Search firms with a proven and tested track record of having an inclusive and case specific candidate pool, and that makes fact-based recommendations with no significant skews.

➤ **Diverse Selection Committees:** Ensure that the nominating and selection committees responsible for recommending Board members are themselves inclusive and diverse. This can help prevent bias and subjectivity in the selection process.

➤ **Diversity in Leadership:** Promote deep diversity in senior leadership positions within the organisation. Diverse leadership can help influence Board appointments positively, and avoid stereotypical views on what leadership looks like.

➤ **Mentorship and Development:** Foster a culture of inclusion throughout the organisation. When employees feel valued and included, they are more likely to advance to leadership roles and be considered for Board positions. Establish mentorship programs and leadership development initiatives to prepare individuals from underrepresented groups for Board roles. This can help build a pipeline of qualified candidates.

➤ **Board Training and Education:** Provide Board members with training on inclusion, diversity, and equality issues. This can increase awareness and sensitivity to the importance of inclusion in decision-making.

▶ **Shareholder and Stakeholder Engagement:** Encourage shareholder and stakeholder engagement on the topic of Board diversity. Investors and customers can play a significant role in pushing for change.

▶ **Transparency and Reporting:** Publish annual reports on board diversity and progress toward diversity goals. Transparency can hold organisations accountable and signal their commitment to diversity

By following these steps, you can successfully achieve a diverse Board through inclusion. Remember, the key to success lies in setting clear inclusion and diversity goals, assessing Board composition, broaden the candidate pool, ensuring diverse selection committees, promoting diversity in leadership, establishing development and mentoring programmes, encouraging stakeholder engagement, being transparent and reporting on progress toward diversity goals.

Am I Only Hired Because I Am a Woman?

By Sofia Hjort Lönegård & Mieke Weijenberg
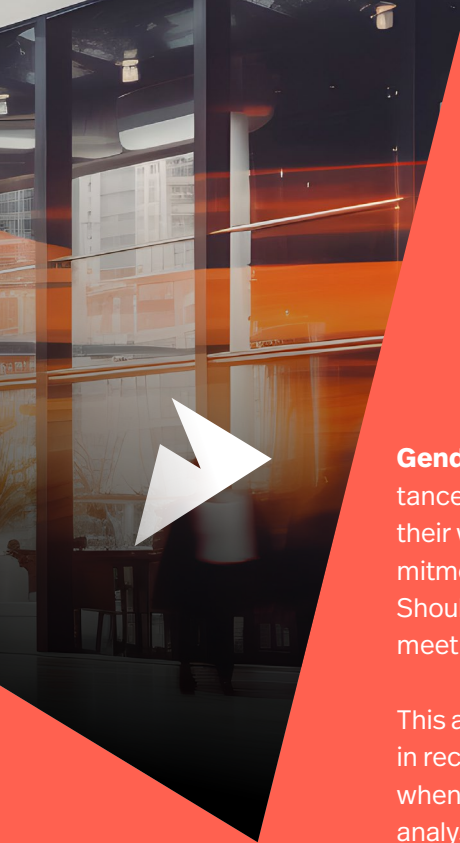
Gender diversity in the workplace is a topic of paramount importance. Many companies are making sincere efforts to ensure that their workforce reflects the diversity in society. While this commitment to diversity is commendable, it raises a critical question: Should individuals be selected for jobs based on their gender to meet diversity quotas?

This article explores the nuanced dynamics of gender diversity in recruitment, aiming to shed light on the complexities that arise when visible differences – such as gender – instead of predictive analysis about who will be the most successful in the unique context they will operate, becomes a primary criterion for selection.

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Inclusive recruitment and inclusive leadership – when combined – is what generates diversity, not the other way around

The Power of Inclusion

The only basis for an employment decision should be a factful match between an individual's competencies – what they bring to work – and the requirements of the role, context and organisation results needed. Inclusion leads to diversity. Inclusive recruitment and inclusive leadership – when combined – is what generates diversity, not the other way around. Organisations that practice inclusive leadership and inclusive recruitment will have inclusive work-

places and so diverse teams. Inclusive leadership and inclusive recruitment are also required if diverse teams are also to be high performing workplaces.

When all kinds of diversity – both visible and less visible – are included across all levels of an organisation, it sends a powerful message: that every individual, regardless of their background, has a place in the workforce. However, today we see often that the quest towards diversity, focuses on quotas, typically for visible difference. This is where 'tokenism', the act of selecting individuals primarily based on their surface differences – such as gender – to meet diversity quotas becomes problematic.

Tokenism and Its Consequences

Tokenism can be harmful to both the individuals selected and the organisation as a whole. When someone is chosen solely because of their gender, it can diminish their skills, qualifications, and accomplishments. It may reduce them to a checkbox – or a stereotype – and could undermine their self-worth and make them question their own accomplishments. Am I only hired because I am a woman?

This, in turn, can lead to decreased job satisfaction and motivation. Furthermore, tokenism can create resentment among other employees who may perceive the selected individual as not deserving of their role. This can foster a toxic work environment where team members are pitted against each other, ultimately eroding teamwork and collaboration. There may be niche setting where quotas can accelerate positive change at certain times in certain settings, but more often than not it is counter-productive to secure diverse and high performing teams. And in any event, it is not the goal, the goal is an inclusive workplace where all individuals are valued for their contribution and their differences.

> **Today we see often that the quest towards diversity focuses on quotas**

Insights from the Reality

During 2023, MU conducted research on Board and CEO level about what is needed to increase leader effectiveness. During the research, we came in contact with a Board member who had worked in different countries globally. What started as a conversation around client needs, quickly transformed into a discussion about diversity based on her experiences.

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"When I worked in Asia, the acknowledgment I received differentiated a lot depending on who I interacted with. I am respected at my workplace, with known qualifications and success in my field and in the internal interactions I feel very much respected and included. But often when I have business interactions outside, I am seen as a young woman and I often need to bring an older man with me to get the interest and respect for the topic at hand. In Europe, this is not an issue at all."

"In my experience, it's a risk to true diversity by hiring a woman just for the sake of it. Or hiring females into stereotypical female roles and also expect women to act and communicate differently. What I have observed is that a woman also gets asked – formally or informally – to take on more supporting jobs which are not really recognised and it usually disappoints them in the end. There is a cost of being nice!"

When asked about the importance of having gender diversity on Boards, and how she sees her role as a female Board member she says it's nice being an inspiration for other women but also in

general for the younger generation. At least in her home country, located in Asia, it has been an increased interest to work for companies with more diversity representation and a more modern employer brand.

Moving Beyond Tokenism and Looking at the Full Diversity Problem

The key to addressing the complexities of gender diversity in hiring lies in recognising that gender is just one aspect of an individual's identity, and that there is a larger inclusion and diversity problem in hiring and developing leaders.

As the conventional Executive Search model uses 'known contacts' and databases, special access to jobs is systematically given to a certain group of leaders – based on their attributes (gender, age, ethnicity), or past connections, or prior jobs. Intentional or not, this systematic bias reduces opportunities in the workplace and so diversity.

Conclusion

In conclusion, the pursuit of gender diversity in the workplace is undeniably important. However, it is imperative to move beyond tokenism and recognise that diversity is a multifaceted issue that extends beyond gender alone. Inclusion is the key. Selecting individuals based on their gender can have detrimental consequences for both the selected individuals and the organisation as a whole. It is crucial to consider the full spectrum of diversity, including factors such as age, ethnicity, and past experiences when making recruitment decisions. And to focus on job performance, that selected candidates will succeed in the job.

To truly foster diversity and inclusion, organisations should strive for a holistic approach that values all aspects of an individual's identity and qualifications. This approach not only benefits the workplace culture but also leads to more innovative solutions and improved decision-making. At MU, we are committed to promoting inclusion and diversity in both our services with clients and within our own workplace culture, recognising that true diversity is achieved through inclusive leadership and recruitment practices.