

How Can We Improve I&D on Board and Leadership Level?

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It's not rocket science, but science will help.

Increasing inclusion on Boards and Executive Committees is important for organisations effectiveness. Inclusive Boards and ExCos that are more diverse perform better. Collaboration, innovation, improved decision-making, and better stakeholder engagement are all fostered.

Evidence suggests diversity and inclusive leadership are still undervalued in the Boardroom. Most organisations have a **'Diversity Problem'**. Whilst some progress can be claimed, and with the coming ESG reporting regulation more focus is certain, so far the Executive Search professionals and their clients as a whole have only addressed the tip of this particular iceberg.

How to solve the Diversity Problem?

Success at work measured by both performance and tenure is increased by ensuring leader decisions are made using a science-based, precisely tailored, quality assured and ethical way of working. If the basis for selection decisions is a factual match between an individual's competencies – what they bring to work or the board – and the requirements of the role, the context and the organisation results needed, then diverse plausible candidates will be included in recruitment processes. If Boards and organisations are inclusive in their approach to recruitment and in their leadership, individual differences add value and strengthen results, and in turn lead to increased diversity.

Inclusive recruitment requires the systematic inclusion of candidates from within and outside existing connections based on criteria relevant to job performance. This approach leads to diverse candidates being selected. Inclusive Recruitment refers to measures, processes and practices involved in attracting, assessing and appointing candidates to roles within an organisation, ensuring relevant candidates are included in the recruitment without bias or discrimination, which results in maximising the diversity of successful (leader and board) appointments.

Inclusive leadership refers to the practice of building an environment where everyone feels welcome and valued and that they belong. Inclusive Leadership refers to the ability to manage and lead a heterogeneous group of people efficiently, where members are free to contribute fully while respecting their uniqueness in an empathetic, bias-free way. Inclusive leadership is linked to compassion, kindness and curiosity, and valuing diversity and different opinions. This is a never ending journey, not a destination.

Diversity is important, but not sufficient, for enhanced team performance, it often comes down to inclusion. **Inclusive recruitment and inclusive leadership solve the 'Diversity Problem' and lead to optimised results from Boards, teams and organisations.**

Inclusive recruitment to Boards and ExCos is an essential ingredient to solving the 'Diversity Problem'.

Unsurprisingly Executive Search (ES) professionals and (Board) Selection Committees are now clamouring to be part of the solution to the **'Diversity Problem'**. As the call for greater diversity on board and leadership teams has intensified, they need to increase their focus on inclusive recruitment methodologies to secure more diverse plausible candidates, diversifying their networks and their capabilities to meet this demand. The 'conventional leadership and board selection method' (reliant on the rolodex of ES professionals and board members and the CVs of their known contacts) has in large part caused the **'Diversity Problem'**. When the hiring process is not inclusive, and or when ineffective steps are taken to manage the risks associated with cognitive bias, stereotyping, generic leadership beliefs and 'noise' (as described by Nobel Laureate Daniel Kahneman in his seminal work 'Noise'), it can be no surprise that leader and board selection decisions continue to reflect both systemic and random errors. It is these built-in errors that contribute most to **'the diversity in leadership problem'**.

The leadership and board selection profession now needs to react. Analysts are now shining an uncomfortable light on the impact of out-dated ways of recruiting. There is an abundance of data indicating capable diverse and plausible candidates continue to be systematically excluded from the boardroom and executive leadership teams, and that failure to include individual differences in teams leads to lost opportunities to collaborate and worse decision making. Prioritising inclusion means making sure everyone in the organisation feels welcome and valued, so they can freely share their ideas without facing unnecessary obstacles.

How to ensure inclusive recruitment?

Leaders can promote diversity in recruitment by modifying the inclusion criteria, recognising biases, and ensuring equal opportunities for the best candidates. It's crucial to distinguish between promoting diversity from working with quotas. Quotas sets a focus on representation, which may stereotype groups, and may also lead to stigmatisation and tokenism of marginalised groups.

Recruitment and selection should never be based on diversity or representativeness solely, rather on the inclusion of candidates with merits relevant to success in the target role.

In the pursuit of excellence, we often find ourselves overwhelmed by a plethora of criteria. Whether it's hiring the right candidate, evaluating project proposals, or selecting the best course of action, the sheer volume of considerations can cloud our judgment. It is imperative to meticulously define the criteria that determine success linked to the context and expected results and streamline them to their core essentials. By focusing solely on these key factors, we can ensure a fair and effective selection process that maximises outcomes from the outset.

In the initial stages of selection, it is crucial to disregard any extraneous factors and concentrate solely on the predetermined criteria that are proven to lead to success. This approach guarantees a more inclusive pool of candidates, as it eliminates the influence of subjective and irrelevant considerations.

This method, known as stepwise selection, is endorsed by science for its ability to mitigate biases, stereotypes, and subjectivity in decision-making. By systematically narrowing down candidates based on objective criteria, organisations can foster a more inclusive, fact-based selection.

Stepwise Selection: A path to inclusive excellence for Boards, leadership teams and companies in general

1. The Essential Criteria and Success Predictors

Less is more. Instead of drowning in an ocean of factors, focus on the essentials. What are the non-negotiables? What guarantees success? These are the criteria that matter most. By zeroing in on them, we create a solid foundation for decision-making. By focusing on the inclusion criteria when defining the candidate search strategy diverse candidates will be included. Inclusion criteria should never be based on diversity (gender, age, ethnicity) solely, or where a candidate was educated or if they are part of any network. Stepwise selection is about promoting an inclusive environment from the start.

2. The Predefined Lens

Imagine a pair of glasses with a single lens – the predefined lens. As we sift through candidates, proposals, or options, we only must use this lens. It filters out distractions, biases, and irrelevant noise. Only the predefined criteria matter. Subjective judgments take a back seat. This deliberate approach ensures that everyone – regardless of background or circumstance – has a fair shot.

3. The Inclusive List

By adhering strictly to the predefined criteria, we build an inclusive list, a diverse pool of candidates, each evaluated using the same criteria. No hidden agendas, no hidden biases.

4. The Gradual Refinement

But wait, what about the nuances? The finer details? Enter the stage of gradual refinement. Once we have shortlisted candidates or options, we can delve deeper. Additional criteria come into play (not in the first stage) but now they are informed by the initial selection.

5. The Science of Objectivity

Stepwise selection is not just a practical approach, it is backed by science. Studies confirm that it reduces bias, minimises stereotyping, and curtails subjectivity. When decisions are based on relevant criteria rather than personal and subjective opinions and whims, we pave the way for a more equitable world. Stepwise selection is about fair, fact-based and inclusive decision-making.

Conclusion

Research indicates that diversity is not enough to improve results or even always valuable – inclusion is the goal. The first step will lead to valuable diversity. Valuable diversity will lead to outperformance. The first step is inclusive recruitment of leaders, board members and other employees. The second step is inclusive leadership of those diverse people recruited. Both inclusive recruitment and inclusive leadership are required to ensure a diverse AND high performing Board (or ExCo) or other teams.

Our advice is not based on demographics but on the right, transparent, and relevant list of criteria set of inclusive criteria, using predictive analysis and not stereotyping, guiding clients and boards in making criteria as inclusive as possible. Influencing and asking questions – asking WHY some criteria are important or not and a focus on what needs to be achieved. Transparent, factual criteria based on expected results, competencies including a fair and kind process. Decision makers should always ask this question: is this criterion a success predictor for short term and long-term results? Or just something you like or makes your life as a leader easier?



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