MOLONEY SEARCH

The Moloney Search Diversity Review

What do Leaders say when asked about Diversity?

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What does the 'D' word mean to business and public sector leaders in 2013? Is it necessarily a good thing? Is it just a whitewash? Has it ceased to be a fashionable priority for 2013? We interviewed over 200 leaders from our network. This is what they said.

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1 Summary

Headhunters Dr Curly Moloney and Dr Helen Yallop interviewed over 200 leaders from their network of senior executives and non-executives from business and the public sector. They asked what 'diversity' meant to them, and what leaders need to think about in future.

Here is a brief summary of what they said:

The term 'diversity' runs the risk of being associated with tokenism and box ticking. Leaders need to evaluate what kind of diversity is required on a case-by-case basis, based not only on ethics but also on commercial need.

Today's leaders need to be visible champions of their diversity policies.

It makes sense to think of 'diversity' in terms of differences of thought and experience as well as diversity of biological difference (sex, race, disability etc.) Diversity of thought, experience and approach was shown to have real commercial value, especially in the Boardroom.

Leaders know that diversity of biological and cultural difference is appreciated on ethical grounds, but they need to be more alive to its commercial value. A diverse and intellectually stimulating environment is essential for attracting and retaining talent, especially in an increasingly global marketplace.

We are living longer, working for longer, and we are expected to peak earlier than ever before. Existing workplace cultures run the risk of being increasingly ageist.

The preference for younger leaders is inherently gendered: both men and women are increasingly squeezed during parental years, but at present women are compromised legislatively and culturally.

We will soon welcome a new generation of leaders who have grown up with the assumed value of diversity (just as there is a new generation of leaders who have grown up with technology). They will have a very different set of cultural references and will face very different questions and problems.

We need to nurture a culture of aspiration in all our young people. Business practice needs to be in tune with nurturing talent in early life, education, and recruitment entry points.

In undertaking the review, our aim was not to be conclusive or didactic, but to be provocative: to encourage critical thought and debate.

2 Introduction: why ask about 'Diversity'?

Reflecting the zeitgeist of post-modern 'multicultural' Blairite Britain, the push for diversity in the workplace that began in the late twentieth century is now an accepted way of measuring culture and capability.

In 2013 however, this once hopeful buzzword has become (as one of our respondents put it), somewhat 'tired and tarred', connoting negative associations with bureaucratic box ticking, tokenism, and misplaced do-gooding. Moreover, the term has taken on umbrella status, meaning very different things in different workplace contexts. So what exactly are we referring to when we talk about 'diversity'?

Of course we all have a rough idea of what is meant by the term. It's something to do with a desired balance in the workplace: between the sexes, of people from different racial and cultural backgrounds, of different ages, sexual orientation, of different bodily ability and (perhaps) different socio-economic background. Maybe we think it has more to do with cognitive and behavioral differences: a balance of personalities and ways of thinking.

> *"The term 'diversity' has become both tired and tarred."*

And why aim for it? Do we have a moral duty to create diversity in our workplaces: an important drive towards equality? Perhaps we believe the primary driver is a commercial one. Or perhaps we think that the whole concept of 'diversity' is HR fluff that holds no value. We wondered what our leaders thought, and decided to conduct a survey to find out. We hope it will provoke further useful debate.

3 The Moloney Search survey

Moloney Search is a boutique, international executive search company based in London, with an extensive cross-sector network of senior executives and non-executives built up over the last twenty years. As such, we have privileged access to a wide range of leaders who are willing to share their views and experiences.

Managing Director, Dr Curly Moloney, has become well known for her tracking of senior female professionals, and was mentioned by Lord Davies as running a boutique firm that could genuinely produce diverse shortlists of excellent quality. Dr Helen Yallop, who looks after the Education and Public Sector practice, is a Research Fellow at King's College London and works on perceptions of age and ageing.

We decided to embark on a survey that was scalable and qualitative. Its aim was not to collect data, but to collate opinions. Plenty of quantitative information already exists: both national data sets on aspects of diversity, and also reports and analysis at a company, institutional or sector level.

Respondents

FTSE 250 Chairs
and NEDs

Cross sector CEOs

International
Entrepreneurs

Partners in
Professional Services

Ministers and Peers

Vice Chancellors

Leaders in Charities
and the Arts

Cultural awareness, mediated largely by the media, has tended to focus on the lack of women in senior roles and on Boards. Often the treatment of this subject is emotive and sensationalized rather than analytical or thoughtful. Also, we read and hear far less about other types of biological difference, such as age, for example. In our survey, we wanted to think as broadly as possible and be rigorous and inquisitive about delving into the subject of diversity.

With all these aspects in mind, we decided not to design a questionnaire, but to carry out a series of confidential, informal, one-to-one interviews, lasting up to 90 minutes. Respondents would not be asked questions, but would simply be asked to 'talk about diversity'.

We sent invitations to leaders in our network, deliberately selected for of their known interest in diversity issues. We invited a balance of men and women, and aimed for representation across business and the public and third sectors. We also aimed for a balance for those who were seasoned Non-Executive Directors, and those who were in the senior stages of their executive careers.

As a result, we conducted over 200 interviews with leaders from across our network, including: FTSE 250 Non-Executive Directors and Chairs, CEOs from a range of business sectors, Heads of media companies, Managing Partners in Law and other Professional Services providers, those in Whitehall and the House of Lords, Vice-Chancellors in Academia, Charity CEOs, Leaders in the Arts, and international entrepreneurs.

This report highlights the key themes and areas of common thought. Although each interview was unique, there were several issues and concerns that surfaced repeatedly. This report deals with them in a thematic way, using anonymous quotation to preserve a sense of respondents' voices.

4 What does 'diversity' actually mean?

Most respondents pointed to the fact that the meaning and value of 'diversity' needs to be qualified in different contexts. We need to think carefully about why diversity is important and useful case by case. We cannot simply talk about 'diversity' as if it was a uniform problem to be solved, or something that can be swept under the carpet by token gestures. 'Hiring more women does not answer diversity', one respondent pointed out.

Also, the term itself can be dismissive or a smokescreen: a euphemism for 'non-white'. There are still plenty of leaders for whom diversity issues cause embarrassment or a sense of threat, and plenty who are just indifferent.

The first 'diverse' newcomers have to work hard to get their voices heard and prove they are not just there for tokenism.

Talking about diversity can still carry the risk of seeming politically incorrect. We must not be so nervous of identifying and tackling issues, nor of talking about the differences between people. Nor should we collapse the myriad identities and differences of sex, sexuality, disability, age, race and background into one unifying concept, where 'diverse' can be a description applied to anyone.

> *"Hiring more women does not answer diversity!"*
>
> *"I prefer to talk about 'talent' rather than 'diversity'. Diversity now sounds like do-gooding: like we're trying to do certain people a favour."*

HR competency frameworks tend to be quite rigid and don't allow for adaptation to changing commercial circumstances.

Many respondents also thought that when it came to hiring for senior roles, decision-makers did not set a high value on diversity for its own sake. In those cases, the inclusion of 'diverse' candidates on a shortlist is 'mere surface formality'. Headhunters can be employed to tick diversity boxes and cover for decisions that have really already been made. As such they become 'outside purveyors of legitimate action.'

5 Diversity of thought has a commercial value

Respondents were split between those who were keen to show how particular types of diversity could add commercial value, and those who saw it less as a commercial than an ethical issue: the need to represent more accurately the society we serve.

For business leaders who offered the former perspective, there was unequivocal agreement that there was a particular kind of diversity that was invaluable: diversity of experience and thought. This kind of difference is achieved not through cultural or biological differences between people, but from professional life: experience in different sectors for example.

'Group think' which was unanimously cited as a real risk to businesses, was considered best mitigated by having a Board and senior executive who could draw upon different business experiences.

"I always thought the value I added in the boardroom was based on my ability to bring a 'consumer' or retail perspective, rather than there being an assumption that the very mechanism of my thinking was peculiar to my being a woman."

"For me, it's not about rights or being warm and cuddly: it's about business drivers."

It is foolhardy to think that diversity of sex, race or age would *necessarily* bring diversity of thought and experience. That only presumes a kind of biological determinism (e.g. that women necessarily think differently to men, or that all gay men think differently to straight men) that is unhelpful, and counter to the equality drive.

As one respondent put it, the equation needs to be approached from the other way around: 'If you set out to create an interesting and diverse mix of experience and attitudes, diversity of sex, race, age and background will necessarily follow. The one drives the other. A drive for diversity of sex and race etc. should not be driving the choices.'

As another respondent concurred, being open-minded about who can add value will lead to greater diversity: 'Aiming for inclusivity is what makes things work. Diversity is just ticking the boxes.'

A small number of respondents thought that a range of personality types and dispositions was useful for building an intelligent and emotionally balanced team. In this context, *how* people are deployed becomes paramount.

It was also pointed out that there is a strong business case for having different leadership styles among a senior executive, as different people in the workforce will respond to different types of leaders – a range is needed to maximize motivation and productivity.

We should be much more open-minded about the kind of experience that might be valuable. 'Shouldn't diversity be about mixing people from business and the public sector?' one respondent asked. 'Why not put academics on boards? It might negate the need for McKinsey!'

Although diversity of thought and experience was universally endorsed as commercially defensible, many were keen to point out that this must not be taken to extremes, especially in the context of Board makeup. The more diverse a Board is, the more difficult it is to manage: this is not necessarily a problem, but Chairmanship will be more challenging.

"Why not put academics on boards? It might negate the need for McKinsey!"

"Aiming for inclusivity is what makes things work. Diversity is just ticking the boxes."

Choosing who to appoint should always begin with the question, 'what does the organization need?' Boards in commercial organizations have a much clearer sense of how they are judged: the end game is to keep investors happy and confident in their decision-making. In some sectors, the customer base may be narrowly defined in terms of age, sex and background, which begs the question of how diverse such a board really needs to be. Before a business can put a value on diversity, it needs to undertake a considerable amount of research.

6 The value of a culturally stimulating environment

Is aiming for diversity the 'right thing to do'? And isn't it somewhat contrary to human nature? Respondents acknowledged that 'cloning', or recruiting in one's own image, is done constantly and unconsciously. Undoubtedly, a certain homogeneity does build a certain *espirit de corps*. However, at senior levels this is necessarily problematic: everyone is drawing on the same experience and contributing the same thing.

Those in public service said that they felt it their duty to reflect the society they serve. This gives an inherent value in aiming for diversity of both nature and nurture: recognizing both diversity of thought and experience, and setting a value on having a balance between the sexes, differences of race, sexual orientation, age and so on. Everyone agreed on the value of a good champion.

Those in Higher Education emphasized that diversity was necessary for cultural awareness: students need to experience society in all its technicolour glory, learning to respect people and the differences between them.

But ethical cases were not cited in the abstract: enabling people to feel like their differences are appreciated and that they can 'be themselves' at work also enables them to produce better work.

And in order to attract the best talent, organizations must not appear to have a monoculture. Talented people need intellectual stimulation – which tends to go hand in hand with a more diverse cultural environment.

"Talented people need intellectual stimulation: which tends to go hand in hand with a diverse cultural environment."

"You need champions: diversity needs to be present in spirit rather than just the letter of the law."

7 The issues most frequently discussed
i) Sex and gender

Although respondents were keen to talk about all aspects of diversity, the subject that received the most extensive discussion was the balance of the sexes.

Many believed that after the initial response to the Davies report, 'the eye had gone off the ball' in keeping a balance between the sexes in the workplace. The Civil Service and the BBC were cited several times.

Few thought that quotas were a good idea. 'It gives the sense of women as an 'interest group' militarizing against men. Whereas in fact women and men need to agree, and work together to create diversity', one respondent explained.

"I don't think quotas help. It gives the sense of women as an interest group, militarizing against men."

It was notable that whereas nobody made remarks about stereotyped behaviours for age, race, or sexual orientation, there was a willingness among respondents to make assumptions about gendered behaviour. The point that surfaced most frequently was the idea that women seem less inclined to promote themselves, and needed greater encouragement when applying for jobs, promotions, networking or returning to work after time out.

When expanding on this claim, respondents often highlighted the importance and significance of a culture of encouragement and role models in early life. By the time women enter the workforce, they will already have passed their most impressionable age. It was remarkable how often the women we interviewed cited an encouraging parent or teacher as the source of their success. But even if early life is the most formative point, the workplace still needs to aspire to replicate the kind of encouragement that early mentors can provide.

There was some criticism of how professional women are coached and developed. It is too simplistic and unhelpful to make women believe they have to be more confident and 'ballsy' to succeed: this suggests that unless those traits are possessed, success can only be achieved through changing one's personality: hardly very encouraging. There should not be a drive to encourage arrogance.

Other respondents clearly felt quite strongly that gender stereotyping was unhelpful. As one respondent put it: 'Just trying to hire more women is inherently to gender typecast. What exactly do you think you are going to get by having more females? Employers should instead think about individual characteristics and style on a case-by-case basis'. Another respondent echoed the need to focus on personality or personality type, and not to link behavior and sex: 'only about 15% of women and 15% of men are the alpha type.'

It was universally acknowledged that the biggest barrier to female progression within business was biology: having children, and having a career break (even a short career break) creates an inevitable halt to progress. Many also felt that women returning to work tended to be put in 'car park roles' that only slowed progress further. Of course, there are sectors where taking a career break (whether that is to raise children, or travel the world) is less problematic. In the charity sector it can even be encouraged.

> *'I think a lot of women are excluding themselves [from traditional status roles] on purpose. They don't want to play the game.'*

Some respondents reported a perceived willingness to discriminate against female Board candidates on the grounds that motherhood rendered them less mentally capable than counterparts without children. In practical terms, it was pointed out, mothers often have *more* time to give to Boards if they are childrearing, as they are not juggling governance with a full-time executive position.

There was a certain resignation to the fact that the evidence suggests people cannot really dedicate time to raising a family *and* get to the top in the professional world. This is not to say that it's impossible to have both children and a career, but that reaching the most senior levels requires the kind of focused commitment that childrearing tends to prevent. The general perception was that the most successful women do not have children and are wedded to their jobs. Some respondents thought it was just quite difficult if both partners in a relationship had demanding full-time careers. It was conjectured that women at the top often have husbands or partners who do not work, or do not work full time.

But this only takes into account traditional notions of 'success.' Many respondents noted that there are plenty of women who don't want to give the kind of commitment required in a Chief Executive role. Success, for such women, (and no doubt there are plenty of men of this persuasion too) might be working for oneself, or setting up a business. 'I think a lot of

women are excluding themselves [from traditional status roles] on purpose. They don't want to play the game.'

The notion of 'playing the game' was mentioned frequently. There's no secret to how one gets to the top: hard work, long hours, commitment, networking, protracted negotiations, and often lots of travelling. Many respondents conjectured that after having children, much of that probably looked quite unattractive.

The media came under fire for covering the issue of women in business in a sensationalist way, conjecturing about glass ceilings, focusing on statistics, gender stereotyping and not tackling the issues in a thoughtful or helpful manner.

8 The issues most frequently discussed
ii) Age, the life cycle and changing career patterns

Age, many respondents pointed out, was probably the least explicitly recognized aspect of diversity. In some ways, the identity conferred by age is more nebulous than that of sex or ethnicity, as age is necessarily dynamic. Perhaps it is for this reason that it feels more legitimate to be judgmental about age: we are all ageing and most of us will one day be 'old'.

"We are in love with youth."

"People end up running agencies in their 30s rather than their 50s."

Nonetheless, respondents agreed that we are seeing changes in workforce cultures that are attended by an inherent ageism. 'We are in love with youth', one respondent pointed out, citing the Cabinet as an example. Indeed, the words that are often used to describe desirable attributes in the workplace carry associations with vitality, youth and freshness: how often do we talk about 'fresh thinking', 'energy', and 'dynamism'? And let's not forget that we do tend to think that there is 'an age for the job': certain levels and stages match certain ages of life. We don't expect to see people changing careers and taking on more junior roles in their 40s or 50s. In fact, respondents often acknowledged that they would likely discriminate against someone older if they seemed to be beyond the 'age for the job'.

People in their 70s are often still extremely capable, energetic and creative. Whereas the 'sage advisor' figure is one that we value in a non-executive capacity, in twenty-first century Britain we are not predisposed to value age in the workplace. In a global context, this makes us seem incredibly judgmental in comparison to Middle Eastern and Asian cultures where executive wisdom and experience is often highly revered.

Clearly, our attitudes are unsustainable in the society and times in which we live. We have an ageing population and we are going to have to work for longer. Yet given the levels of youth unemployment many fear that older people in the workforce are preventing jobs being freed up for the young. Workplace assumptions and practices may not answer the demographic challenges we are facing.

Respondents agreed that the last ten years have witnessed a preference for 'peaking early.' Whereas this is not true of all sectors, across the board we have far more CEOs in their 40s

(even their 30s in some cases) than would have been culturally acceptable at the turn of the century. There are also commercial drivers behind this. 'Advertising has never been a sexist industry, but it is ageist', explained one respondent, 'we are increasingly squeezed by our clients, so senior people are laid off and cheaper, junior people are hired. People end up running agencies in their 30s rather than their 50s.'

And what happens to the career of someone who has already reached the top only half way through his or her life? As one respondent pointed out, the 'second career' can be difficult to break into: making a switch often engenders a loss of seniority that for many senior executives with their identity so dependent on their professional status, could be problematic. 'That's why being the head of an Oxbridge College is so sought after: it's the chance to be a glorious amateur'.

Clearly, these issues are intersected by differences of sex. Peaking early clearly makes taking a career break to raise children even more threatening, and it is obvious to see how women will be disadvantaged. Respondents related countless tales of women postponing childbearing until they had reached a critical level of seniority. Even with today's longer lifespan and longer working life, the window of fertility has not been naturally elongated. A preference for younger leaders necessarily means that choosing between children or career is the reality for many women.

"Can we encourage fathers to work flexibly as well? If it was the expectation that people in their 30s and 40s focused on family, we wouldn't hold it against women. It would just be a stage of life."

"I am told I don't have enough grey hair for FTSE 250 boards."

The lamentable nature of this situation was not lost on respondents, who often reflected that it would make more sense for both men and women to take it a little easier during childbearing years, and concentrate on career in the later (and increasingly longer) stages of their lives. 'We should understand that both parents are likely to be very strained when their children are young. Until maternity and paternity is valued equally in the workforce, then all issues to do with taking time off will be associated with women, and there will be a disinclination to hire women,' one respondent explained. 'Can we encourage fathers to work flexibly as well? If it was the expectation that people in their 30s and 40s focused on family, then we wouldn't hold it against women. It would just be a 'stage of life'.

Ageism isn't just about discriminating against the old. Workplace cultures contain as many prejudices about youth. 'I am told I don't have enough grey hair for FTSE 250 boards', one respondent reported. Of course it is true that younger people are not necessarily lacking in wisdom because of their youth.

Just as we have terms that favor the young, there are also entrenched ideas that give unfair priority to age. This is particularly the case when recruiting for boards. 'I hate the word 'gravitas', that is often unthinkingly attached to very senior people,' one respondent said. 'Much of that is just looking the part rather than what one says or does.'

Another respondent suggested that younger members of the workforce should more frequently be included on selection panels for senior roles. 'They are very good at spotting good leadership, because that's what they need!"

"I hate the word 'gravitas' that is often unthinkingly attached to very senior people. Much of that is just looking the part rather than what one says or does."

9 What needs more attention in future?

As stated, the issues that respondents wished to discuss most extensively were those pertaining to sex, gender and the life cycle, and this is indeed an area where we are facing a disconnect between workplace cultures and changing length and patterns of life. Although these issues generated the lengthiest debates, most respondents acknowledged the many other aspects of natural diversity, such as ethnicity, religion, disability, and sexual orientation.

"I came from the underclass. What helped me was luck and talent and the library system."

"Although we've long accepted regional accents, those at the very top still have a 'born to rule' feel about them."

With regard to ethnicity and differences of religion, there were countless examples of good practice and policy, but little in-depth discussion (although it was a truth universally acknowledged that certain racial groups – especially Afro-Caribbean – remain woefully underrepresented). Race seems to be something that needs to be discussed as a wider cultural rather than workplace issue: as we encountered before, creating a 'culture of aspiration' at home and at school may be the real route to 'changing the chemistry'.

It was frequently pointed out that whereas there is a strong ethical case for having a better racial mix, in a fully global commercial world we need to draw upon a wide range of nationalities and cultures also.

Sexual orientation was rarely discussed – although this seemed to be based on a tacit acceptance of inclusivity.

Although the majority of our respondents had witnessed the beginnings of the diversity drive in their executive careers, it was pointed out that we will soon welcome a new generation of leaders who have grown up with the assumed value of diversity, (just as we are seeing a new generation who have grown up with technology). The next generation of leaders will have a different set of cultural references and preferences, and arguably will face different sorts of questions and problems. This only serves to underline the need to examine and re-examine the meaning and value of diversity on a case-by-case basis.

The great British obsession: class (if one may still call it that!) was something that featured very highly in the awareness of those concerned with education and the future talent

pipeline. 'We are missing out on so much underprivileged white working class talent', lamented one respondent. 'My generation had a better class mix because of the grammar school system.' Others pointed to the fact those in the Boardroom and at the very top are often still very much in the 'patrician' mould: 'Although we've long accepted regional accents, those at the top still have a 'born to rule' feel about them.'

There was a great sense amongst respondents (many of whom belong to the cohort of 'baby boomers') that today's school and university leavers are facing a tougher time on the career ladder than would have been the case thirty years ago. It was impressive to hear about the steps that had been taken towards 'widening participation' at entry level or work experience schemes.

As gaining work experience is crucial for competitive advantage when graduates are seeking their first job, selection procedures naturally favour those who have the time, means and location to complete internships in cities. In order for work experience to be accessible to those from poorer backgrounds, and to those not in striking distance of London, employers need to think about practicalities. One media company is offering bursaries and accommodation for their work experience entrants, and running a year of 'positive discrimination' that will favour those from disadvantaged backgrounds or ethnic minorities. We also heard about office clothes allowances available at law firms. It is this sort of expedient, practical thinking that will allow for change.

10 Conclusion

This report has attempted to draw out key themes and common messages from a series of 200 interviews. Each was, of course, unique; in many cases respondents naturally focused on their own sectors and industries. It hardly needs stating that certain sectors face more 'diversity' issues than others, and each has its own particular challenges. The purpose of this report was not to underline these differences, but to see whether a collection of leaders from very different workplaces thought similarly about diversity.

This report has been possible because of precisely that. There was agreement on the fact that the appeal of 'diversity' as an umbrella term has become somewhat tired. Nonetheless, it is a multifarious and complex issue that needs ongoing attention, quantification and analysis in a case-by-case, year on year manner. How any individual values diversity will depend on whether they are looking at it as a commercial or ethical issue. Commercially, its value will be specific to the particular business or sector in question. If we take the ethical perspective, grander scale societal trends may be observable: changing life cycle and career patterns affect us all. Whereas some would argue that this is a problem for society at large, we do need to be aware of how our workplace cultures reflect and adapt.

It is hoped that the syntheses of these interviews and the quotes will be thought provoking rather than conclusive or specifically didactic. One area, however, where we feel we can make recommendations is in that of our own field: recruiting. Headhunters and employers have long criticized each other for being unimaginative. Several respondents regretted the fact that large headhunting companies are so siloed, and others complained of 'dull' shortlists where not a single 'left field' candidate was presented. We heard a plea for recruiters to consider skills rather than just track record. We would echo by encouraging employers and clients to be open-minded. If we want to get the most out of 'diversity' a good starting point would be to have an inclusive and hopeful sense of an individual's potential, respecting the unique and the individual rather than caring about their sex, colour or background. But appreciating the unique and the individual takes time: clients often come to headhunters wanting a ready-to-go shortlist and with very tight timescales. It's not surprising therefore that lists can be unimaginative. In recruiting, as more generally, generating diversity is not just a box-ticking initiative, but takes research, time and careful thought.

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