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Increasing Diversity Among Senior Leadership

Introduction

While most corporations have set ambitious goals to advance historically excluded talent into senior leadership roles, less than 8 percent of corporations have achieved them. Studies repeatedly show that corporations with diverse representation in leadership achieve faster DEI progress and maintain a competitive advantage in an increasingly diverse and socially conscious society. So how do DEI executives break the vicious cycle of senior leaders hiring and advancing those who look like them? What are the top-performing companies doing differently? The CDO Collaborative research explores these two questions.

Key Acronyms & Definitions

HET

is an acronym that refers to "historically excluded talent." *See below to learn more.*

SL

is an acronym that refers to "senior leaders." *See below to learn more.*

Middle Managers

refers to those in mid-level leadership roles who are at least 1-2 levels below senior leadership.

Parity

Since there is little consensus around the definition of *parity*, Seramount defines *parity* as a *minimum of 30% representation*. This definition is rooted in social science research that found that, on average, underrepresented groups must have at least 30% representation to increase the chances of influencing policies and decisions in organizations.

Scope of Project

In Scope	Out of Scope	Reasoning
Historically excluded talent includes employees who racially self identify as non-white and/or women.	Other dimensions of diversity including sexuality, religion, class, ability status, etc.	In-scope groups have publicly available data and companies worldwide are generally allowed to track this data (with an exception of race in Europe).
Senior leaders include those 2-4 levels below the C-suite. Senior leaders are defined as director and above in most instances.	Board members, the CEO, and levels at or below middle management.	CDO and HR leaders rarely play a role in determining board or CEO appointments.

Increasing Diversity Among Senior Leadership

How the Science of Human Connection Supports a DEI Representation Strategy

- **Despite statements of intention and redoubled efforts, diversification of senior leadership continues to proceed slowly**. Seramount analysis showed only 8% of the Global Fortune 500 have reached 30% representation of both historically excluded genders and races in leadership roles.

- **Mentorship programs intended to cultivate an internal talent pipeline are falling short on two fronts:** (1) development programs rarely highlight the business acumen of historically excluded talent for senior leaders; and (2) program participation relies on senior leaders' selection of talent, thus introducing unconscious bias into the selection process.

- **Expanding networks of senior leaders is critical to diversifying leadership**. 78% of corporate leaders tap their inner professional networks to fill vacant roles. Current strategies rarely focus on expanding the professional networks of senior leaders to include historically excluded talent or introduce sufficient checks and balances in the system to prevent bias in hiring and promotion decisions.

- **Research on social networks and human connection offers a blueprint for improving the design of your existing leadership development and sponsorship programs to increase the number of employees from historically excluded groups and to enhance the quality of interactions between these employees and senior leaders:**

  - *Redesign the selection and matching process to minimize in-group bias. DEI or Talent staff should oversee nominations and matching.*

  - *Create pairs where individuals have at least two of the seven pillars of connectivity in common to promote an authentic connection: personal background, shared life trajectory, interests/hobbies, political/social morals, musical preferences, sense of humor, and language/dialect.*

  - *Hardwire 30 hours of positive 1:1 interaction over the span of a year to build a lasting connection.*

  - *Ensure a psychologically safe environment for historically excluded talent by equipping senior leaders with a Neuro-based Inclusion Checklist.*

- **Added barriers safeguard against the negative consequences of common cognitive biases.** All leaders are subject to unconscious bias, particularly when faced with uncertainty or pressure to act quickly. DEI leaders and Talent professionals can introduce friction points to hardwire new behaviors and habits.

  - *Implement Justification Forms to Catch Unconscious Bias in Hiring*—Before HR can extend an offer to a candidate, senior leaders must complete a form justifying why they selected the candidate over the others. A sample question includes: "What visible connections do you have to this candidate (e.g., resumes reflect you attended the same college)?"

  - *Designate Equity Advocates on Hiring and Promotion Teams*—Each hiring and promotion team has a designated individual whose sole role is to call out bias in real time. The advocate poses questions that are hard for senior leaders to answer: "Are you giving some people the benefit of the doubt because they've been your informal mentee for 2+ years?"

Three Keys to Improving Your Representation Strategy

Seramount identified three critical initiatives to help DEI professionals increase the number of historically excluded talent in senior leadership roles. Our research explores several tenets of social psychology research and *why* building human connections between historically excluded talent and senior leaders is the essential-but-often-missing piece of most current strategy.

Emphasize Business Acumen and Leader Interaction in Existing Development Programs

Leadership development and mentorship programs are offered at 85% of companies, but most narrowly focus on developing "soft skills" and "executive presence" among historically excluded talent. While these skills are important, they do not demonstrate an employee's business acumen or readiness to assume roles with profit & loss responsibilities. Organizational efforts should be focused on shifting senior leaders' perspectives from underestimating HET's business skills to providing opportunities for HET to demonstrate business acumen and potential to impact business goals.

Ensure Senior Leaders Increase the Quantity and Quality of Connections with HET

The overwhelming majority of current senior leaders, regardless of identity, found their way to a senior leadership role because of who they knew. Research indicates historically excluded talent are rarely included in the inner network of senior leaders. DEI strategy should focus on creating **at least 30 hours of interaction** between HET and SLs annually. Additionally, interactions must be psychologically safe for HET. Therefore, equipping senior leaders with science-backed ways to create an inclusive and supportive environment is integral to the success of connection-building.

Create "Friction Points" to Mitigate Unconscious Biases

More than 90% of companies implement diverse slates, diverse hiring panels, and other strategies to encourage senior leaders to hire historically excluded talent. Despite best efforts, senior leaders fall into inequitable habits and in-group favoritism when a "quick" hiring decision is necessary. Behavioral science tells us the most effective way to change an undesirable behavior is to add a barrier to its path. DEI leaders should introduce friction points, such as hiring justification forms or equity advocates, that create barriers to biased behaviors or habits.

Source: EAB interviews and analysis.

The Science of Expanding Social Networks

Seramount's analysis identified building connections between historically excluded talent and senior leaders as the missing link between development programs and accountability policies. Social psychology research stipulates that networks are built on the foundation of four facets: proximity, reciprocity, similarity, and familiarity. DEI leaders can influence the networks of senior leaders by providing structured guidance on how to create inclusive spaces and how to get to know those unlike themselves. Influencing senior leaders' networks to include more historically excluded employees can dramatically change hiring and promotion outcomes.

The Power of 30 Hours

Expanding the inner professional network of senior leaders is not easy, but it is possible with sufficient investment of time in a psychologically safe environment. To move HET from the acquaintance circle to the inner professional network requires **30 hours** of positive interaction.

Why is moving HET from the outer circle to the inner so important?

78% of corporate leaders tap their inner professional network to fill vacant roles. However, most HET are not included in the inner professional network of SLs: 91% of White executives do not have a single person of color in their professional networks.

Closest Circle ~5 ppl · Family/Friends ~100 ppl · Inner Professional Network ~200 ppl · Acquaintances ~500 people
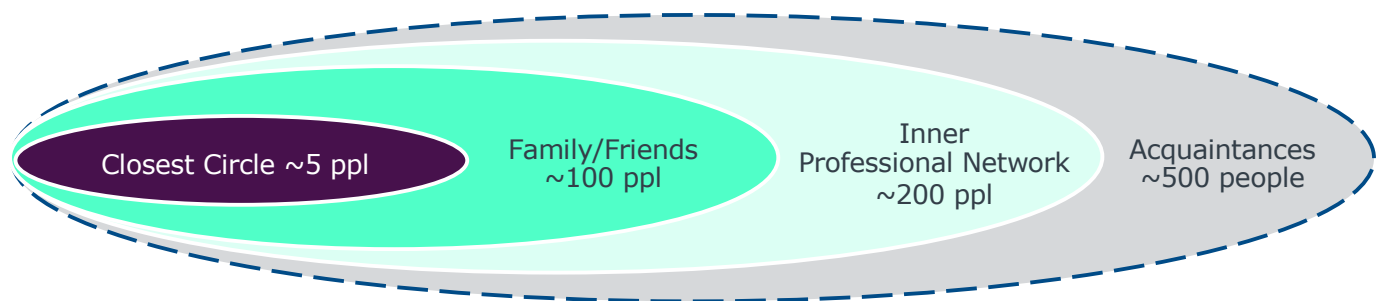
Seven Pillars of Commonality

Human connection research indicates individuals create connections based on seven pillars of connectivity (see right). If two individuals have at least two of these pillars in common, experimental evidence suggests differences (e.g., race/ethnicity) fade away. These pillars can be a helpful input to Talent and DEI professionals seeking to pair senior leaders with high-potential historically excluded talent for mentorship and sponsorship opportunities.

Personal Background and History · **Shared Life Trajectory** · **Interests and Hobbies** · **Political/Social Morals** · **Musical Preferences** · **Sense of Humor** · **Language and Dialect**

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Highlight the Business Acumen of HET to Senior Leadership

Practice in Brief

To ensure HET's business acumen is recognized by senior leaders, organizations are using initiatives aimed at equitably distributing business challenges across divisions. Business challenges are created by division leaders and distributed to *all* middle managers. Rather than creating a new development program, business challenges provide independent opportunities for HET to showcase business talent to leadership that may have otherwise gone unnoticed.

Crowdsource Business Challenges

- All division leaders submit at least one non-confidential, high-priority business challenge
- *Example profiled challenge*: The organization noticed Gen Z sales have decreased. How can the organization digitize product offerings to appeal to younger generations?

Disseminate Challenges to All Middle Managers

- DEI team consolidates and emails business cases to all middle managers, providing one incentive for middle mangers to participate
- *Example incentive*: Top proposed solutions gain quarterly meetings with C-Suite executives and are granted additional days off

Offer Choice

- Regardless of division origin, middle managers can opt into any business challenge across the organization (i.e., finance manager submits marketing challenge solution)

Review Business Solutions

- Host in-day presentations to collect and review business solution proposals from participants

Spotlight Solutions Organization-Wide

- Elevate solutions and participants across the organization through in-day presentations to senior executives and organization-wide announcement of top proposals

Benefits Realized at Exemplar Organization

» Senior leaders gain access to internal business solution options

» Middle managers able to share ideas directly with senior leaders

» 58% of senior leaders in the organization are employees of color

Redesign Sponsorship Selection and Pairings to Support Representation Goals

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Practice in Brief

Mentorship and sponsorship programs should be structured to ensure a minimum of 30 hours of interaction between pairs over one year. To ensure neutrality, senior leaders should not be responsible for mentee or protégé selection. A neutral party should identify high-potential historically excluded talent using at least two cycles of performance review data and should pair these employees with senior leaders based on career goals and at least two of the seven pillars of connectivity. Instituting 30 hours of interaction and intentionally creating pairs encourages a professional relationship beyond the constraints of a formal program.

Designate a Neutral Party to Coordinate Program

- Ensure protégés are selected to participate in sponsorship by a neutral party; manager nomination processes should be supplemented by a review of at least two cycles of performance review data

- A neutral party, likely a DEI team member, owns all sponsorship program components

Survey All Participants

- Require senior leaders and historically excluded talent to complete a connectivity survey to surface both career interests and personal background, history, passions

- Create pairs with at least two personal commonalities

Require a 30-Hour Minimum Meeting Commitment

- Establish a 30-hour minimum for 1:1 meetings between pairs across a year

- Provide pairs with sample agendas and topics to be covered in meetings

Benefits Realized by Exemplar Organizations

» 100% of sponsorship participants are from historically excluded groups

» 90% of senior leaders reported getting to know HET whom they would not normally meet

» Increase in developmental and advancement moves of HET participating in the programs

Promote Psychological Safety by Providing SLs a Neuro-Based Inclusion Checklist

Practice in Brief

Beginning with aviation in 1935, checklists are used across industries to successfully change the behavior and actions of key organizational stakeholders. Create short checklists for senior leaders that identify specific neuro-based actions and behaviors that promote psychological safety. Behavior science shows that specific settings and actions can prevent the release of cortisol in the brain–fostering a safe environment. These actions build trust and familiarity and serve to mitigate the unequal power dynamic that exists in these pairings.

Create a Neuro-Based Behavioral Checklist

- Limit checklist to 3-5 items so senior leaders can easily reference before/during meetings
- Order behaviors/actions from most to least important to increase the likelihood they are used during the meeting
- Use concise, actionable language to promote usage

Distribute Checklist to All Senior Leaders

- DEI team sends inclusion checklist to all managers to use during meetings
- Checklists are attached to meeting invites for mentorship and sponsorship program meetings

Sample Inclusion Checklist Items

✔ Begin conversation with a personal anecdote to encourage vulnerability

✔ Sit at 90-degree angle to reduce the perception of power *(In-person)*

✔ Sit near a window showcasing greenspace to generate calming setting *(Virtual)*

✔ Use paraphrasing at least three times to signal and reinforce active listening

Introduce Friction Points at Key Moments in the Hiring Process to Mitigate Bias

Practices in Brief

To safeguard HET's equitable selection for senior leadership roles, exemplar organizations implement friction points in hiring and promotion processes to mitigate unconscious bias in decision making. Justification forms and equity advocates create a standard check on bias and inequitable decision-making at key moments in the talent life cycle.

Justification Forms

Added Step in Hiring Process

- Justification forms take less than 20 minutes to fill out; must be completed and sent to HR team before an offer is extended
- HR teams empowered to ask for a new candidate to be recommended *if* determined bias drove recommendation

Questions Replicable Across Organization

- Questions should not be tailored for each division but rather universally used throughout the organization
- Sample question: "What invisible connections do you have to this candidate (e.g., childhood friends)?"

Equity Advocates

Real-Time Call-Outs of Inequitable Behaviors

- Equity advocates call out behaviors in interview rooms and pose difficult questions for senior leaders to answer in real time
- Example question: "What unconscious biases could be influencing your perception of this candidate/employee?"
- Example of inequitable behavior: the interviewer asks candidate a personal question

Equity Advocate Persona

- Already part of hiring team
- Not from a historically excluded identity background
- Sole responsibility to promote equity in the process