

Diversity

How to Create a Board Culture of Inclusion

By Janet Foutty

Diversity brings many different dimensions of value to organizations operating in an increasingly complex environment. From increased creativity to stronger governance and improved problem-solving abilities, diversity equates to better business outcomes. From a governance perspective, we've seen anemic progress in diverse representation. For instance, in the Fortune 500, women hold just under 23 percent of board seats and minority men hold below 12 percent. And, when it comes to diversity of experience, director recruitment continues to prioritize classic skills such as executive leadership and finance over deep entrepreneurial talent and technology experience.

While efforts continue to progress to balance inequity, directors need to address an often-overlooked element to achieving the benefits of diversity: having a board culture of inclusion.

Deloitte recently surveyed US C-suite executives and found that only 21 percent believe their organizations have a culture of inclusivity. Tone from the top really matters, and boards are in an ideal position to advance the inclusion agenda for their organizations. Here are five ways in which directors can take action:

1. Identify the attributes of an inclusive leader that you want embodied by current and future leaders of the organization. For instance, Deloitte researched and defined how it thinks as a firm about inclusion. Our definition is centered around six signature traits: commitment, courage, cognizance of bias, cultural intelligence, curiosity, and collaboration. These attributes need to be represented on the same "board member checklist" as do the hard skills and traditional experiences that exist today.

2. Elevate and listen to all voices. Diversity of experience and skills doesn't equate to value if diversity of thought isn't being engaged. Encourage every director to bring their authentic selves and to share their experiences and perspectives in order to truly dissect the issue at hand and consider the multitude of potential directions and outcomes. Understanding the balance in how you use both your voice and your understanding of other voices is critical given that actual boardroom time is finite.

3. Welcome dissent. When considering something new or unknown, such as ethical implications of disruptive technology adoption, it is important to examine every angle and challenge every assumption. As leaders, we should want our people to hold each other accountable and to respectfully engage one another to ensure that ideas hold up to constructive critique. That's why we should invite and openly praise dissent—and possibly even create a rotating list of designated dissenters to ensure no one person is always playing the role of devil's advocate.

4. Integrate disparate insights. With diverse voices lending perspective, and the willingness to examine and challenge assumptions, you should make sure you are properly cultivating and integrating collective insights to generate the best outcome. This is true among directors, as well as between the board and management, as collaboration and appropriate transparency between the two bodies continue to evolve.

5. Measure progress. As we all know, what gets measured, gets managed. Consider measuring if progress is being made on increasing diversity and transforming into a truly inclusive culture by governing through the inclusive leadership traits iden-

tified. What starts at the board level authentically will extend to management, which is accountable for developing an inclusive culture and diverse talent throughout the organization—be it through sponsorship, programmatic training, or other efforts.

In addition to their traditional responsibility of governing operations and financials, boards are focusing on the need to engage in and govern strategic priorities to advance their organizations both for the short and long term. Creating a diverse and inclusive culture is as important strategically as disruptive issues like cyber risk and the future of talent. We need to be thinking about and acting on inclusion in bold ways in our organizations. This starts with having an inclusive board, as that will lead the way for the entire company to be inclusive.



Janet Foutty is executive chair of the board of Deloitte. She is also a member of Deloitte's Global Board of Directors and chair of Deloitte Foundation.

Foutty previously served as chair and CEO for Deloitte Consulting LLP.

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