workable

DIVERSITY IN LEADERSHIP

The importance of diversity in leadership

We have a problem. While it's great that the conversation is growing around diversity, equity and inclusion in the workplace, there just isn't enough diversity in leadership – namely, at the top level. Perfect diversity is one thing – the distribution of that diversity is another thing altogether.

A recent Mercer study proves it:

The demographics

85%

of US-based **executives** and **83%** of **senior managers** in the survey are **white**, compared with **64%** of those in **support and operations**.

77%

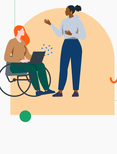
of **executives** and **71%** of **senior managers** worldwide in the survey are **male**, compared with **53%** of **support staff**.

Prioritizing diversity in leadership

In **Workable's** survey on **DEI at work**, 64.8% cited diversity throughout the entire company as an area of priority in their overall DEI strategy.

64.8%

of businesses have **company-wide diversity** as a **priority in DEI strategy**.



25%

of businesses have **leadership diversity** as a **priority in DEI strategy**.

The payoff

The data proves the real and positive business impact of diverse leadership.

Let's look at the numbers from a McKinsey study:

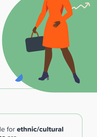
Companies in the top quartile for **gender diversity** at the **executive level** are

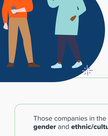
21%

more likely to generate **higher profits**.

27%

more likely to have superior **value creation**.





Companies in the top-quartile for **ethnic/cultural diversity** on **executive teams** are

1/3

more likely to have **industry-leading profitability**.

Those companies in the bottom quartile for both **gender** and **ethnic/cultural diversity** are

29%

less likely to be above average in **profitability**.

The initiative

Let's go back to our own survey, where we asked respondents **when they introduced leadership diversity as an action item**. One in five said they did so in 2020.

Another fifth say they'll implement it as an action item going forward.

20.8%

of companies **introduced diverse management** and **leadership** as an action item in 2020.

19%

will introduce diverse management and **leadership** going forward.

Why is diversity important?

1 Your leadership sets the tone

Work processes and company cultures are traditionally guided – and influenced – via a top-down approach. If you have a **lack of diverse leadership** in your **workforce**, you're not going to make **real progress** in the equally essential and more impactful cousins of **equity** and **inclusion**.

2 Your employees want to feel included

Think about your employees. If you already feel underrepresented in everyday society – whether you are **Black, female, non-binary**, etc. – and that underrepresentation is even starker at the top level in your workplace, how can you expect to feel **truly equal**, **included**, and **understood** as an employee?

3 Your bottom line is at stake

The payoff can be immense. While there's no arguing about the **moral imperative** for ensuring **diversity in leadership**, doing so actually has a **positive influence** on your bottom line.

The employee experience is crucial. We're no longer in a time where there's a clear separation between **personal life** and **work life**. You want all your employees feeling safe, appreciated, valued, and included in the workspace – thus **bringing their full selves to work**.

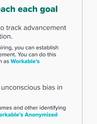
The action items

What can you do to increase diversity in leadership?

Two things to get you started:

Establish clear, attainable goals

Example: Our executive team will be fully representative of our society's demographics by June 2022.



Define action items to reach each goal

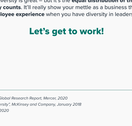
Example: Implement a process to track advancement metrics throughout the organization.

When you track representation in your hiring, you can establish a baseline and identify areas for improvement. You can do this using an anonymous surveying tool such as **Workable's Candidate Surveys**.

Example: Utilize tools to reduce unconscious bias in the hiring process.

You can do this using tools to remove names and other identifying features from candidate applications. **Workable's Anonymised Screening** comes in very handy here.

NEW PYRAMID OF PEOPLE



Company diversity is great – but it's the **equal distribution of that diversity that really counts**. It'll really show your mettle as a business that **values employee experience** when you have diversity in leadership.

Let's get to work!

*Sources

1. "When Women Thrive" Global Research Report, Mercer, 2020
2. "Delivering through Diversity", McKinsey and Company, January 2018
3. DEI at Work, Workable, 2020