FIDELIO:

DIE FRAUENQUOTE DISCUSSION   **26 January 2016**

Were we really talking of diversity? Some follow-on thoughts'

I was impressed by the openness and sensitivity shown by the speakers and noted that the conversations moved from the role of women on boards and top executive teams towards the wider issues of handling the necessity of diversity expansion in both groups. However, as the audience participation began the tone switched from *di*-versity rapidly back to *bi*-versity – the male/female divide. An audience member raised this issue later stating that it was becoming a self-reinforcing discussion amongst wealthy middle class women with the emphasis on such moral issues of using nannies and the remarkable fertility of the panel members and less towards the wider issues of diversity. Mentally I began to wander away from the discussion and look at the second part of the title of the session….*and Other Routes To Diversity.* This short paper outlines the elements of such wanderings.

Do we really want diversity at Board and Top Team level?

In a liberal democracy it is a matter of faith that pursuing diversity is 'a good thing', especially at the direction-giving , power levels of our institutions. But when we look at the uphill struggle to achieve 30% women on UK boards, and the consequences of enforced quotas in, say, Norway and South Africa one has to wonder whether there are great contradictions in our current proselytizing.

This had me brooding on *diversity*. So a quick Google of the OED and the Greek and later Latin and Old French roots of the word show two distinct meanings:

Difference   with its synonyms: variety, divergence, multiplicity,
                 variegation, heterogeneity

Range   with its synonyms - sweep, scope, assortment, medley
                  ambit, sphere

and I felt that by slipping back into a more comfortable binary , male/female mind-set we were not handling the topic with sufficient rigour.

So what? Everyone seemed happy. But my background as an architectural educationist with strong traces of behavioural psychology, anthropology and institution building, especially of boards and top teams, left me feeling unhappy. I wandered thinking about why a *uni*-versity

had to be *di*-verse and why people advocating *diversity* had often a binary mind-set? Were they not just avoiding the much deeper and trickier issues of diversity in action? Of taking people unlike us and having to work with them? And what could be done about this?

I develop boards of directors on five of the six continents. I do not select them but accept what I am given and then seek to optimise the often very mixed resources of the individuals facing me. They can have been selected by their own processes or by government imposition. My object is to help them become a Learning Board capable of ensuring that their organisation has a sustainable future whilst simultaneously developing themselves.

I thought about the many blockages that face such folk, both on understanding their often new and demanding roles, and of trying to integrate the group whilst valuing their differences. Indeed, the very *di*-lemmas that they must resolve to become effective direction-givers. So back to the ancient Greek and the issue of the dilemma – the two horns of an apparently irreconcilable proposition. I had in mind two particularly well-tested axioms in the area, both related to the viability of living systems - Ashby's *Law of Sufficient Variety*, and Revans' formula that *the Rate of Learning must be equal to, or greater than, the Rate of Change to ensure survival.*

I came up with four dilemmas for boards and top teams – it was not that long a meeting. I list them bellow as a possible way of taking this discussion forward:

1. How does a board seek diversity whilst needing consensus in their direction-giving?
2. A board is not a conventional 'team'. It is a 'team apart' rather than a 'team together'. How can this dilemma be resolved to deliver Dilemma 1 above?
3. Boards tend to rely on a mixture of relative longevity plus technical expertise. So how can a newcomer be inducted to be both welcomed and yet have their differences acknowledged and used for the benefit of the whole?
4. If quotas of any sort are imposed on a board or top team, how can one find sufficient people in a population both willing and able to do the job?

I thought about the most extreme case that I could – our work in South Africa where the state has imposed a quota of 40% of directors and shareholders having to be black under the Black Economic Empowerment Programme. We were faced a number of times in major business and state owned enterprises with the arrival of 40% of young, often female, and inexperienced directors. What is more the toxic heritage of apartheid is still manifest. The apartheid governments had consciously disabled educationally generations of black and coloured children by only teaching 'kitchen arithmetic' up until 10 years of age, and then nothing. So generations who would otherwise make up the technical, professional and academic base of the society were effectively innumerate. Many of our incoming directors had made their own way in the area but it was a major fear factor of joining black directors that they would be 'found out' and humiliated.

Rather than avoid these issues in a patronising way the boards with whom I worked on their development faced the issues head on and accepted that they would have to have at least a year-

long intensive Director Development Programme to bring them into a proper direction-giving role. Despite early rumblings of doubts surprisingly the existing white 'grey back' directors accepted their new coaching role with enthusiasm. Chairmen accepted the concept of encouraging 'Intelligent naivety' in the new directors. It was OK to say 'I do not understand what you are saying so would you rephrase it, please?' No face was lost and many seemingly complex long-term issues were reduced to understandable dilemmas. This was seen as useful enough that many of the greybacks now use the naïve intelligence defence themselves.

But as with the issue of the Norwegian 'diamond skirts' women directors, and the shallow pool from which they were recruited being drained rapidly, causing bad feelings in other Scandinavian countries as suitable women directors were poached by Norwegian companies, so in South Africa we faced the issue of the creation of 'black diamonds' given the small pools from which they could be recruited. As in Norway any developed young black director seemed to have unlimited opportunities and many were poached frequently. They often took on too many board posts and found themselves, and their companies, desperately over-stretched. But having invested in such folk we had to accept that it was a backhanded compliment that our investment was for the good of the whole.

Which suggests to me that diversity at board and top team level should be part of the long-term Human Capital investment of any organisation. A mixture of internally developed staff moving towards top team and board positions blended with externally experienced folk seems a much more effective way of ensuring board diversity than any imposed quota.

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