

# Diversity of Thought



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# Introduction: What is Diversity of Thought?

2

DIVERSITY OF THOUGHT

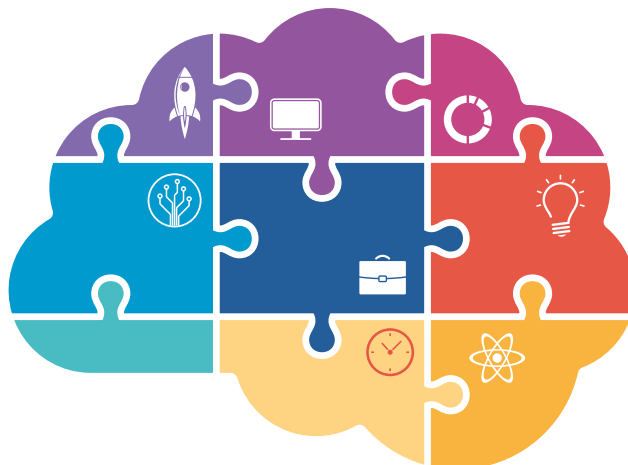
Enterprising leaders have long understood that bringing together people of different backgrounds and experiences is both ethically sound and good for business. Companies scoring highly on diversity scales consistently out-perform their less diverse competitors.

Now as a generational shift transforms the workplace - millennials will make up 75 per cent of the global workforce by 2025 - a less visible but increasingly powerful kind of diversity is emerging. Diversity of thought – or cognitive diversity – is being described as ‘the new frontier’ by analysts and academics forecasting advances in leadership development and strategy execution.

As an enhanced concept, diversity of thought goes beyond what employees look like and where they come from. Its focus is on how they think - both in their world view and also in the way they process information.

While individuals have always held differing perspectives on a broad range of issues and younger generations historically bring outlooks that challenge their elders and those in positions of power, it is also true that in the past many businesses have tended to recruit in their own image. In essence, they have often sought like-minded candidates for corporate fit as well as relevant experience. Evidence supporting diversity of thought points to an alternative approach. Studies are showing that companies are better able to innovate when they push the boundaries on diversity and the principles of equality. Creating teams made up of members who possess contrasting philosophies as well as individuals who process information differently - a mix of mathematical thinkers, meticulous planners, spontaneous creatives and high-touch communicators - guards against groupthink, stimulates insights and increases efficiency.

As a leading Executive Search consultancy, we at Norman Broadbent believe diversity of thought has vital implications for the way our clients approach recruitment and build their businesses to adapt to the changing workplace. This has led our HR Practice to review the latest research and hold conversations with more than 40 senior HR professionals within both large multinationals and smaller, more disruptive companies. In this paper, we examine the approach to and impact of diversity of thought so far, the benefits and the risks involved and how best to cultivate an open and practical strategy for this enlightened concept in order to harness commercial advantage.



# Why embracing diversity of thought is a good idea



Diversity has been part of the language of business for more than 30 years, but what it means to us depends largely on when we were born. For generation Xers (1964-79) and their baby boomer forebears (1946-63) diversity is about equality of opportunity and fairness to all. For millennials (1980-95) - the most educated, digitally connected and social-minded professionals ever to enter the workplace - it is more nuanced. They take it as given that they will work alongside all sorts of people and are unwilling to tolerate an environment that does not allow them to be their authentic selves<sup>i</sup>. Diversity of thought is key to this burgeoning generation because it encourages the blending of unique perspectives within teams in which everyone has a say. Studies by, among others, Deloitte<sup>ii</sup> and Harvard Business Review<sup>iii</sup>, show that early adopters of a diversity of thought culture, who are prepared to let go of the 'one right way' approach and acknowledge and appreciate multiple viewpoints, are reaping the benefits of strong business impact.

## Some benefits of increasing diversity of thought in your organisation

- **Helping to guard against groupthink** – a phenomenon identified as a contributing factor in the 2008 banking crisis. Groupthink is dangerous because it can hamper individuals' willingness to share ideas and solutions, thereby leaving institutions exposed and out of touch. The authors of Deloitte's Diversity's new frontier<sup>iv</sup> report explain: "Diverse team members don't just introduce new viewpoints; they also trigger more careful and creative information that is typically absent in homogenous groups."
- **Solving problems faster** – an experiment reported in Harvard Business Review<sup>v</sup> discovered that more cognitively diverse teams were quicker to complete a challenge successfully; thereby establishing that diversity of thought could generate accelerated performance in uncertain and complex situations.
- **Igniting innovation** - Deloitte<sup>vi</sup> reports that intrapreneurship – the practice of entrepreneurial development of a new product, process or service within the context of an established organisation – is now a critical means for companies to ignite innovation and retain talent. Among Deloitte's own initiatives are cognitively diverse innovation-on-demand forums like labs and cafes that foster time for employees to talk, listen, reflect, evaluate and create ideas.
- **Giving greater commercial advantage** – In the 2014 book The Executive Guide to Innovation<sup>vii</sup>, research by IBM and Morgan Stanley demonstrated that companies with high levels of innovation achieve the fastest growth of profits. Radical innovation generates 10 times more shareholder value than incremental changes.
- **Aiding organisations to identify the right person for the job** - In the past decade, scientists have established that our neural makeup and lived experiences impact our problem solving abilities, both in terms of the hardwiring of the brain and what occurs when two previously unrelated thoughts are connected in a new way. Deloitte's Diversity's new frontier study states that, until now, matching cognitive talents to the particular demands of a role has been done largely by trial and error and through personality tests, such as Myers-Briggs. More rigorous cognitive analysis is being developed and "organisations that learn to do this well will likely have an immediate competitive advantage."<sup>viii</sup>



# The risks/barriers involved with promoting diversity of thought

As expected it was evident from our research that organisations have long harboured a corporate culture and consensus based on 'how things are done around here'. Diversity of thought is by its nature anti-conformist and anti-consensus. It takes brave and dynamic leadership to break with traditional ways of working.

Bringing together diverse groups of thinkers can lead to ground-breaking initiatives, but it can also result in tensions and conflicts. This is a challenging prospect for leaders more used to traditional and hierarchical ways of working. Revolutionary experiments tend to be easier to implement in small start-ups or those with a bid/contract win culture, but those who operate in highly regulated environments – such as financial services – or a highly unionised workforce are likely to find progress in diversity of thought significantly harder.

"Attitude to failure and risk sends us back to proven models and proven people, way too quickly".

*Louise Patterson, Chief People Officer at UK snack company Graze*

Moving forward, leaders will need training to manage disagreements, harness widely differing views and create a sense of psychological safety within teams. Executive buy-in is also crucial. Our research showed that organisations most committed to embracing diversity of thought are led by executives who are themselves diverse from the broader workforce.

The challenge for HR directors is in determining the appropriate pace and level of adoption of diversity of thought for their organisations. It should not be imposed as a mandatory practice or as a stand-alone pillar of diversity – the very essence of diversity of thought is its collaborative nature. Rather it should be seen as a golden thread woven into the fabric of the business.



# What organisations are doing to bring in and develop more diverse thinking

The business case for encouraging diverse thinkers is strong. If organisations have acknowledged this, we anticipated that they would also have established some measures in terms of structure and process to try to formalise the concept within their inclusion programmes or embed it in new behavioural and competency frameworks.

Instead, we discovered through our conversations that few had taken such defined steps. Some had adopted an incremental approach to diversity of thought, whilst others built on work they had already done within their existing diversity and inclusion framework.

‘At Virgin Money our company ethos is to make “Everyone Better Off”, which inherently talks to inclusion. Our D&I approach to ensure ‘everyone is welcome and equally engaged’ is well understood and supported by our colleagues, who highly value our commitment to inclusion. Given our commitment to equality we have set and publicly reported gender targets on the basis of what gets measured (and reported) gets done.’

***Matt Elliott, People Director at Virgin Money***

We did find some clearer examples such as unconscious bias training as part of every leadership development programme, deep-dive interviewing aimed at exploring thinking style and concerted efforts to create an environment where it is commonplace for employees to communicate and operate as their authentic selves.

However, it was generally accepted that all of this was much easier to do in organisations that had no long legacy and where social diversity could become part of their employer brand.

“ There are lots of smart, data-literate people in the market, We target those that also have a point of view and want to share it. We want to hear the best ideas and challenges from everyone in every role”

***Louise Patterson, Graze***

We appreciate that the bringing about of such change is complex and this is perhaps why organisations are not further down the road in encompassing diversity of thought within their corporate culture. It is with this in mind that we make our recommendations to help with the first steps.

## Recommendations:

Some ideas to improve the use of cognitive diversity in your organisation

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- **Embrace flexibility**

The authors of Deloitte University's study on diversity and the millennial influence<sup>x</sup> advocate that the first step to making an organisation cognitively diverse is to break down formal hierarchies. Encourage millennials to contribute solutions through apprenticeship, allowing them to work alongside senior leaders during a project or crisis situation.

- **Create a mini universe**

If your organisation's size, complexity and regulations prohibit a broader adoption of diversity of thought into working practices, do it on a smaller scale. Bring together individuals from different levels and functions within the organisation to work on a project and see what the outcome is.

- **Bring in expert facilitators**

If this is a new concept to your organisation consider using external facilitators to get the ball rolling and encourage those who are usually more reluctant to speak up to put themselves forward. Engage with group members beforehand on a one-to-one basis to ensure that they know that they must leave preconceptions at the door and work with others as a team. Make it clear that individuals can make their genuine voices heard without fear of ridicule or put down.

- **Promote 'Challenger Behaviours'**

Some organisations are proactively looking at increasing the influence of productive challenger behaviours into effective leadership programmes. One global technology company is exploring ways of facilitating such development to break down silos and increase risk-taking among its High Potential population with the aim of increasing creativity and innovation.

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- **Be continually mindful of unconscious bias**

Researchers writing in Harvard Business Review, point out that "we recruit in our own image"<sup>x</sup>. It is important to address this bias when considering factors like race, gender and age. Leaders and recruiters must also be aware that people tend to favour people who think as they do. By selecting only like-minded candidates, they will end up with homogenous teams and low cognitive diversity.

- **Be demanding of search partners**

When bringing in new talent externally or using third party suppliers, make them work harder. A good search firm should be highly skilled in identifying diverse thinkers through rigorous interviewing and peer referencing.

- **Look for the right person to join the team as well as the right experience for the role.**

Consider 'deep-dive' interviewing techniques and involving more stakeholders in the interview process to check for difference of opinion and break consensus.

## Recommendations:

Some ideas to improve the use of cognitive diversity in your organisation

- **Be unconventional**

Shortlists should contain candidates with evidenced capability but with atypical career paths. One participant in our research has employed such tactics and is prepared to deliver a strong pushback on executive search providers in order to increase the potential of finding candidates across the spectrum of thought diversity. Another contributor looks to identify and foster more atypical leadership styles among the employee population.

- **Prioritise global mobility**

Where possible making global mobility an explicit part of candidate's experience – something most easily achieved in middle management positions – can help in bringing in those with experience of working across different cultures and geographies.

- **Beware big egos**

One FTSE 100 company we spoke with focuses on recruiting individuals who are able to work and relate 'without ego'. This is part of a strategy to move away from deferential leader-follower models in order to release innovation and create an environment where employees feel listened to without fear of rebuff.

- **Communicate the new way of working**

Clearly state diversity of thought is the way forward and everyone's opinion is to be included, appreciated and respected. This includes a commitment from the Executive that all employees are valued and their thoughts matter whatever their background.

"It is essential we nurture and develop diverse leadership styles and recognise where our talent derives their energy and their impact on others... the power of an introverted leadership style should not be underestimated".

*Suzy Stollery, People Director at Pukka Herbs*



# Conclusion

8

DIVERSITY OF THOUGHT

According to a recent IBM study, 75 per cent of CEOs and executive-level leaders already believe that leveraging cognitive diversity is essential to organisational success<sup>xi</sup>. Even if all other variables are fixed in a business, employees can still think differently about an issue and come up with a variety of potential solutions. By developing a strategy around diversity of thought, organisations stand to harness commercial advantage.

The need to elevate this discussion will become ever more urgent as a generational shift change takes place in 21st century workforces. So for those businesses leaders unsure how to take diversity of thought from concept to reality, we have a suggestion: start by asking your employees. They are yearning to feel more engaged and empowered and they're not short of ideas.

Think more broadly about the talent that you bring into your organisation. It should challenge, stretch and maximise diversity of thinking in existing teams if you want to realise a greater business benefit from the people who work for you.

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## notes

- i Millennials in the workplace, Bentley University (2012)
  - ii Diversity's new frontier, Deloitte Insights (2013)
  - iii Teams solve problems faster when they're more cognitively diverse, Harvard Business Review (2017)
  - iv Ibid
  - v Ibid
  - vi The Radical Transformation of Diversity and Inclusion: The Millennial Influence, Deloitte University Leadership Centre for inclusion (2015)
  - vii Keathley, Jane; Merrill, Peter; Owens, Tracy and Meggarrey, Ian, The Executive Guide to Innovation: Turning Good Ideas into Great Results, Quality Press (2013)
  - viii Ibid
  - ix Ibid
  - x Ibid
  - xi Leading Through Connections: Insights from the Global CEO Study, IBM (2012)
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