

Diversity as a Leadership Advantage

What differentiates Truly Global Leader



Continuing the investigation of **What differentiates Truly Global Leaders**, this third article in this series focuses on another one of the key characteristics that defines their success.

As diversity within the global workforce and marketplace has increased over the last few decades, *true appreciation for diversity as an opportunity to learn has become a key enabler for business success.* With increased spending power of more diverse populations in the world, the case for embracing diversity is further strengthened. In most businesses today diversity is seen as a key competitive advantage. Looking beyond borders and being truly open to sharing and collaborating leads to more educational opportunities, more jobs, new business ventures, ideas for new ways to do business, and new ways to work together to solve problems.

There is also more and more data confirming that organisations with more diverse leadership teams are more successful.

One example related to gender diversity, in a 2007 Catalyst group study the group

of companies with highest representation of women on their management team experienced better financial performance than the group of companies with the lowest women representation. The findings hold true for two financial measures analyzed: Return on Equity (ROE) which is 35% higher, and Total Return to Shareholders (TRS) which is 34% higher.



Embracing diversity is already a core value for many large, international organizations. Definitions of diversity vary slightly among organisations, however for the most part the key concepts are similar – there are a variety of differences among people that must be respected and embraced in

order for full participation and contribution of people in organisations to take place. Leaders skilled in ways to exercise this are already highly sought after, because they have the ability to better utilise a diverse workforce. While most senior leaders agree with the concept and theory of diversity, their ability to embrace diversity in practice is often limited.

So what differentiates truly global leaders in how they deal with diversity?

Somewhere along the line Global Leaders have established a talent in being able to relate to and accept others, regardless of differences. They genuinely accept individual difference and can easily move beyond attachment to their own racial, cultural and national identity. They are able to suspend or at least notice judgments that they are making based on difference and remain open to really hearing what others have to say and to their ideas. As a consequence people working for them feel truly respected, included and valued.

Powerful coaching questions to consider in assessing your own ability to use diversity as an opportunity for learning:



- To what extent are you able to embrace diversity as a manager or leader today (from 1 to 10)? To what extent would you like to be able to embrace diversity as a leader or manager (from 1 to 10)?
- Recognising that all people in the world have grown up exposed to some degree of prejudice, where may you harbor prejudice that at times impacts your behavior or decisions as a manager or leader? What can you do to maintain high levels of awareness and notice when your behavior or decisions are being impacted in this way?
- Recall a particular time in your life where acceptance and appreciation for diversity was very high. What did that feel like? How would you describe your mindset at that time?
- Where are the biggest opportunities for you to embrace and learn from diversity in your current role? What are two to three things you need to be doing to maximise those opportunities?

Consider some actions you can take today to use diversity as an opportunity for learning:

1. Expose yourself to more difference: What are some ways that you can increase your exposure to different people, different ways of thinking, and different perspectives? The answer may be related to your work, related to your hobbies, and even related to your family. All people in the world have been exposed to some degree of prejudice and courage and honesty is required to admit what degree of prejudice you harbor deep down. By first admitting what prejudice you may harbor deep down, you can then begin to work through it and more genuinely embrace diversity.
2. Notice similarity: With deliberate exposure to different people with different ways of thinking, continuously look for the things you have in common. Sometimes you may know someone for a long time, and you may believe that you know quite a bit about them – usually you probably haven't even scratched the surface in discovering all of your similarities. There are many levels where you can look for similarity:
 - a. The day to day level of things you like or dislike – certain foods, certain places, certain daily chores or tasks
 - b. Intellectual interests – particular fields of study, cultural interests, art and music
 - c. Emotional and spiritual – sharing similar emotional responses to certain values. For example, you may meet an individual with whom you have many differences, and over time discover that the thing you both value most is family. Surely that will bring you to a new level of sharing and understanding. Or sharing a belief in a similar faith tradition may be something you discover.

3. See difference as a differentiator or strength: The definition of a team by Katzenbach and Smith is "A team is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they are mutually accountable." (Katzenbach and Smith, 1993). The term 'complementary skills' is a key component of the definition. Seeing how other's differences can be complementary when combined with some of your own strengths is required in order to effectively partner with people and accomplish more than you can accomplish on your own. The more we can appreciate and see difference as a differentiator, the more we can accomplish.

References:

Katzenbach, J.R. & Smith, D.K. (1993). *The Wisdom of Teams: Creating the High-performance Organization*. Boston: Harvard Business School.

Future articles in the MDS Newsletter will continue to examine some of the other characteristics of successful global leaders – so please stay tuned!

Any comments or questions on this topic are welcomed – please send to elisa@mdsbeijing.com

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