



Leading Diversity by Example

The movement for diversity and inclusion in the workplace has never been greater. Although we are making strides towards gender parity in many industries and institutions, there is still much to do, particularly in private markets where less than **10%** of board positions with private companies in the U.S. are held by women. As the influence and contribution of private capital to the economy grows, this statistic reveals significant loss in opportunity.

An organization's success relies on the talent, performance and alignment of its team. **Companies in the top-quartile** for gender diversity in leadership roles are more than 20% likely to outperform on profitability and nearly 30% more likely to have superior value creation, according to a 2018 study by McKinsey & Company.

An organization's success relies ongoing effort to embed D&I values into corporate culture and all business decisions, and for leadership teams and boards to be accountable for practices and outcomes. In a post-COVID world, diversity and inclusion is even more critical to resilience, decision-making and a company's capacity to innovate.

There is growing evidence that diversity at the executive and board level adds meaningful long-term value for companies and their stakeholders, yet women and other diverse groups continue to be underrepresented in virtually all types of leadership. Why is that and what changes still need to happen?

Laryssa Topolnytsky: Diversity is a hot topic, and it shouldn't be. Quite frankly, it shouldn't even be a topic at all. It's a challenge that's relatively systemic and not easy to solve for. By virtue of a variety of circumstances, not all people have equitable access to opportunities. Less opportunity leads to less experience, which then begets less consideration for leadership roles.

I believe that most people mean well and are not overtly exclusionary. But you don't need to be intentionally exclusionary for these discrepancies in diversity to exist, which means that change can be slow.

There needs to be a greater awareness that these unconscious biases and inequalities exist, and leaders must be willing to acknowledge the challenge and take the necessary steps to help equalize the playing field.

Mary Hemmingsen: The systematic issues challenging the realization of meaningful diversity are real, and acknowledging these are important conversations to have to bring more awareness and ideas to the table on how to navigate through them.

For me, the diversity conversation can't be discussed without talking about the "i" part of it, which is inclusiveness. Looking back over my career, I felt the struggle to be included.

"Getting into the room is important, but we also need to create inclusive cultures designed to give everyone a voice."

It is with this inclusivity that companies can really benefit from a full range of experiences and ideas, building a path for realizing the value of increasingly diverse teams.

Facilitating open environments and championing diverse experience are both fundamental to change. Various analyses of women in leadership have found that there is a "leaking pipeline" when it comes to representing diversity within more senior positions.

Where are the obstacles and what are the solutions for companies to support the progression of women in leadership roles?

LT: In my experience, people can be well-intentioned even while making decisions that reinforce a broader barrier to diversity.

Let's say someone is taking care of their children or ailing parents. We don't want to impose extra stress, so we don't offer them a stretch assignment or new job that's come up. This decision is coming from a good place but, ultimately, that person has lost an opportunity for visibility and professional growth.

A good solution that business leaders can implement is simply letting individuals decide for selves. Are they qualified for and interested in the assignment or job? Then the best answer is to let them make their own decision about whether it's the right fit or the right time.

There will always be inherent biases, including well intentioned ones, so our job as leaders is to determine how we can foster an open environment where it's safe for everyone to speak up, voice new ideas and find additional ways to offer opportunities.

MH: There needs to be a fundamental shift in the way that we engage in our discussions, decisions and listening.

An exercise I recall from Harvard's Executive MBA program that has continued to resonate with me and motivate me, organized us into teams, threw us into a survival situation and required us to resolve it together.

By design, and as often happens in real life, no individual person had the full answer and not all are types that readily contribute their valued insights. The only way to survive was to get each person's "diverse" input so everyone could be engaged, and the full range of insights could be included.

Similarly, our group dynamics in the workplace need a real focus on how we're getting people to feel confident in contributing and collaborating. To avail ourselves of the diverse perspectives around the table, we need to develop a diverse range of approaches to engage introverts and extroverts alike.

We need to test our systems in so many dimensions. For example, there's an inherent bias to think that age or title should be the determining factor of someone's ability. In board roles a deference to titles can create a barrier. There are so many boards of directors who set qualifications for a CEO role that automatically disqualify most of the universe of potential candidates and increase the barrier to entry for anyone with a diverse skill set.

We really have to look at diversity and inclusion as this whole toolkit of skills, experience, perspective, age and gender.

LT: I agree – a lot of boards believe that to be a CEO you need to have already been a CEO. But do you, really? To your point, it's a small pool. What I counsel boards to do is to really focus on what the company's needs are. What's the size of the P&L? What's the complexity of the role? What's the change that needs to happen? There are so many people who have had those skillsets and more experience than people who are CEOs of smaller or mid-cap companies.

It needs to come back to skill. For example, I've seen many men and women who are not cyber experts serving as advisors for digital strategies. We have boards of directors based on seniority or a shared history with the company, but that doesn't always correlate to the quality of insight they can provide on a highly technical topic.

More female representation is needed, but I see that as a part of a broader shift.

"Regardless of age, gender or race, our business decisions should be advised by people with the most relevant experience."

Fewer women work in private equity than any other area of the financial sector, and progress towards diversity has been particularly slow in private companies, especially at the leadership level. I think all of us have spent much of our careers as the only woman in the room or at the boardroom table. What advice do you have for women seeking to excel and advance in male-dominated industries as we collectively work for change?

LT: There is an important notion that I am trying to teach my daughters, and to some extent, that I am still learning myself: business is currently done in a certain way. If you want to participate in it, shape it, lead it and change it for the future, you need to understand how things are done, have the skills to participate and contribute well, and play to your best advantage.

As a CEO coach I would say that in the current environment we have the power to personally grow and develop our careers and have tremendous impact while the broader community works towards implementing larger systemic changes.

Learn how to work in the existing system. Confidently express your point of view, cultivate expertise within your business, actively contribute to decisions and build a diverse network of peers.

MH: It's about a dual responsibility – breaking down corporate barriers and building individual competencies in terms of getting more diverse inputs and creating an inclusive environment, while also helping people gain the courage to lean in.

On personal level, I've always felt some of the "impostor syndrome". Working in very male-dominated industries, whether as an employee or board member, there can often be this added weight to make sure what is actually being seen and appreciated is your experience and quality of work.

It takes growth and confidence to be able to play the game as it's currently played to be initially validated while also layering in your diverse experience and unique insights.

Sometimes we are our own worst enemy about who we think we need to be. We need to remember that we're at the table because we think and see the world differently, not in spite of it, and can help companies to look at risk and opportunity through a very different lens.

We touched on the importance of listening earlier, which is interesting because we live in a time where it is harder for people to hear what others are saying, whether it's due to the political climate, activities in the current environment, or just the distraction that we all seem to face in our day-to-day lives. But I have found listening to be such a fundamental business skill. I'd pair that with the power and impact of observation, and the need to actively encourage and invite diverse voices to the table. With this in mind, how can we mentor others for the future we want to create?

LT: When I was younger in my career, we had a team-building event, and someone put me forward to give a presentation to a large group of senior leaders in the Firm. As the junior and the biggest introvert, I didn't want to do it. But that leader said: You can do it with practice. You need visibility. And, I wouldn't suggest it if I didn't think you could do it, and well. I was really nervous, but I did it.

That's the key to levelling the playing field: reaching out to women or other visible minorities to provide opportunities and create an inclusive environment where people can build those foundational skills and get visibility.

It's also incumbent on those of us offered opportunities to get out of our own ways and to step up and find a way to shine or at least do our best.

For every opportunity declined, there are many other capable people in line behind us who are ready to accept it. And when they do, they get the additional experience and visibility, and learn additional skills. Over time, that can contribute to a richer skillset, a broader network and more opportunities for promotion. It's important to give others the opportunity and visibility, and for those tapped to "stretch" to seize the opportunities and reinforce those positive actions.

MH: Seeing people in positions where you can visualize or aspire to be yourself can play an important role.

I'm very much a believer in reverse mentoring. I mentor a 35-year-old male CFO and a 28-year-old female investment banker. I view the mentoring and coaching experience as providing equal value to all involved, bringing in as many new perspectives for me as it hopefully does for them.

With relation to the importance of listening, one of the things I always share with my mentees is that you have two ears and one mouth – use them in proportion. Listen to the conversation and read your audience, then choose where you can have real impact.

LT: I know I have benefited tremendously over my career from mentors, both men and women. Mentors throughout my career have taken a leap of faith on me. I had to face my own demons when they said, "do a keynote in front of 600 people" or "help publish a book with me." While I couldn't imagine being right for the role initially, I received a great piece of advice from one mentor that I've always held onto: They wouldn't ask you if they didn't think you can do it.

Finding people who push you to grow in your career is so important. There is always something to learn. ✨



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