



Unlocking Cognitive Diversity The New Marker of a Great Leader

At Hedley May, we have observed that only 7% of the executive leaders we interview and assess fully understand how to unlock cognitive diversity and reap its many benefits. Yet the research is unequivocal: by promoting it within our organisations, that number could be dramatically higher.

The transformative power of cognitive diversity in the workplace isn't a new discovery, yet in most organisations it's a concept rather than a reality. Instead, all the focus is on hiring and promoting demographic diversity – focusing on characteristics such as gender, race, socio-economic background and age. But for those pursuing real transformation of their workplaces, a full embodiment of diversity is essential.

The ability to embrace cognitive diversity and harness its potential will become the most important distinction between a great leader and an average one.

So now is the time to ensure our leaders are trained in this field and equipped with the right skills to make sure their organisations truly fulfil their potential.

It's important to remember demographic diversity doesn't automatically result in cognitive diversity. Appointments are often made on the projection of how well a candidate will complement the existing culture, resulting in the hiring of like-minded people. Prioritising cognitive diversity recognises the benefit of hiring individuals who think differently to one another, and the organisation itself, offering a range of viewpoints, perspectives and styles of thinking that will challenge the existing norms.

And while great leaders will harness the power of cognitive diversity, average leaders will be overwhelmed by its challenges.

The Rise of Cognitive Diversity

- In the early 2000s, there was a shift towards examining cognitive diversity alongside demographic diversity, as people started to recognise that demographic diversity alone is unable to account for the impact diversity has on a team's performance
- Cognitive diversity refers to the differences in team members' psychological characteristics, such as values, personalities, functional expertise and thinking style
- We simply can't know these attributes on sight, or by asking candidates to tick a box – it takes greater interaction with, or observation of, an individual

The Power



Creativity: Positively impactful for creative tasks that have immediate consequences¹



Innovation: Drives executive teams to innovate their business model²



Less Blindspots: One person's weakness is another team member's strength; avoids groupthink³ or social loafing⁴



Better Decision Quality: Consider a greater number of alternative approaches, leading to more thorough decision-making

The Challenges



Balancing Act: Demands a psychologically safe environment for the benefits to occur while mitigating the challenges.



Weaker Social Cohesion: Homogeneous teams work well together due to their shared characteristics, while diverse teams will find it more challenging



Lower Team Efficiency: Differences in ideas can lead to conflict, which lowers team efficiency⁵

From Average to Great – four leadership actions to unlock cognitive diversity

Develop greater empathy:

- Be an active listener
- Demonstrate personal vulnerability
- Encourage the team to see the world from somebody else's perspective, without forgetting who they are

Harness the conflict:

- Use differences to fuel productive and unbounded discussion
- Demonstrate understanding around personal emotions
- Encourage team members to position tasks or meetings as opportunities to learn and not as threats

Initiate culture change:

- Be ready for an overhaul if there is a history of recruiting cognitively homogeneous people
- Analyse promotion data and gap analysis
- Conduct pulse surveys
- Hold the team making hiring decisions to account

Build psychological safety:

- Foster a culture where everyone feels comfortable enough to say what they're thinking, however challenging
- Recognise the cognitive composition of a team in order to be able to build psychological safety – to learn more, see Hedley May's Belonging Project. www.hedleymay.com/the-belonging-project

If leaders only focus on demographic diversity, they will be left behind as organisations continue to realise the benefits of diversity on all fronts. But leaders who are able to support and champion a team of individuals with different thinking styles, and lived experiences, will be the greatest determinant between those we call average and those we know to be great.

1. Younis, R. (2019). Cognitive diversity and creativity: the moderating effect of collaborative climate. *International Journal of Business and Management*, 14(1), 159-168.
2. Narayan, S., Sidhu, J. S., & Volberda, H. W. (2020). From attention to action: The influence of cognitive and ideological diversity in top management teams on business model innovation. *Journal of Management Studies*.
3. Groupthink is a phenomenon that occurs when groups reach a consensus without critical evaluation of the consequences. It is based on a common desire not to upset the balance of a group of people.
4. Social loafing involves when people become prone to exerting less effort when working collectively as part of a group compared to performing a task alone
5. Olson, B. J., Parayitam, S., & Bao, Y. (2007). Strategic decision making: The effects of cognitive diversity, conflict, and trust on decision outcomes. *Journal of management*, 33(2), 196-222.



Wendy Zhu
e: wendy@hedleymay.com
t: +44 (0) 20 7858 9451

Wendy is an analyst at Hedley May and currently undertaking a PhD in psychology at the University of Bath examining cognitive diversity's influence on team decision making.

Leadership Inspired

We seek out world-class executives who create lasting change and leaders who will make a world of difference. Deep market knowledge, bespoke processes and innovative thinking enable us to find extraordinary leaders across the globe.

Over 59% of all of Hedley May placements in the last three years have been diverse. We recognise the importance of diversity and its impact upon the long-term and sustainable success to organisations.