

Stepping up to the diversity challenge – a better approach



HMThinking

To become more diverse, developing the organisational competence in appointing ‘step up’ candidates is critical.

Introduction

Almost all organisations want to make diverse appointments. But these same organisations are not necessarily willing to compromise on experience, in favour of appointing a ‘step up’ candidate – a factor which would dramatically reduce the barrier to making a diverse appointment.

Having observed this over the past several years, there are two critical changes organisations could make to bring down these barriers and significantly impact the success of ‘step up’ hires.

Critical change 1:

Moving from a want to a need; better defining diversity

While almost everyone is under pressure from stakeholders to promote diversity, we have observed that few executives who are looking to make an appointment can compellingly articulate what, beyond symbolic diversity, they are looking for. The desire for diversity is therefore quite superficial: “we just want someone who could do the job, but looks different from the normal person we hire”.

Beyond “nice to have”

A typical conclusion they come to is that the diverse candidate will be appointed so long as they’re the best person for the job – which is often defined as the person with the most relevant experience, or the person who is most ‘ready now’. The problem is that these criteria exclude many diverse candidates who would otherwise be excellent hires.

In this case, the want for a diverse person is really a “nice to have” – that is (regrettably) superseded by other considerations.

Be clear about the benefits of diversity

To go beyond this kind of thinking, your organisation needs to be clear about the benefits that hiring a diverse candidate will bring. By articulating these benefits, of which cognitive diversity will be one (see grey box) – and genuinely believing in them – the ‘step up’ candidate becomes a real possibility. These benefits should be made explicit in the hiring brief.

The benefits of a cognitively diverse team

- **Enhanced creativity**
- **Stronger powers of innovation**
- **Fewer blind spots**
- **Better decision-making quality**

We believe that the new marker of a great leader will be their ability to unlock cognitive diversity.

The practical step starts with the CEO and Executive Team being very clear about what the organisation is hoping to achieve by embracing diversity. What specifically are they looking for that’s different? What does the current organisation do that diverse hires will help change?

If the overarching strategy that emerges flows through the organisation – so that hiring managers, perhaps prompted by the HR team, have invested the time in answering these questions and have found a serious case for hiring a diverse candidate – there will be a fundamental shift in mindset. Diversity is now a need rather than merely a want. This dramatically changes the way you approach the entire hiring process. Now you’re not just open to the ‘step up’, but excited by it.



Hedley
May

www.hedleymay.com

Critical change 2:

Hiring for potential; not experience

With this mindset, the ultimate goal is to hire potential (see grey box) rather than experience. This means that hiring teams must be prepared to:

Re-evaluate non-negotiables

Recognise what the non-negotiables are in your brief – and challenge yourself: are they really non-negotiables? Does the hire need to have had a very specific experience, or can they acquire it in some other way? How long could your organisation live with a person, with gaps in their skillset, getting up to speed?

Back intention with investment

Ask yourself: are you genuinely prepared to hire somebody who is not as experienced as the 'ready now' person, and to invest enough resources to make the appointment work? In the short run, that may require significantly more resources than a more conventional candidate would need. Are you committed to doing everything possible to close the gap?

Move from trust interviewing to potential interviewing

Potential interviewing involves being very conscious of informal requirements that often shape decisions – for example: "you look and dress like me, have a similar education and upbringing, and belong to the same social

scene... and therefore I trust you". Instead, it means seeking out raw potential – "your less conventional background could precipitate creativity and brilliance" – and embracing differences – "you're more likely to say no when I'm wrong, and to challenge groupthink".

It's essential that the entire interview panel is trained to 'assess for potential'. If some are still holding on to the mindset of 'assessing for experience', the inevitable conclusion will be that the 'step up' candidate's gaps mean they can't do the job.

Uncovering Potential

Understanding someone's potential – their ability to grow in a role and progress within an organisation – is central to all executive hiring decisions. At Hedley May our bespoke assessment tool for calibrating potential centres around an individual's:

- **Thinking style**
- **Emotional intelligence**
- **Learning agility**
- **Ambition/drive**

Concluding thoughts – please ask yourself this...

Imagine your organisation has a choice between two candidates, who you have yet to meet and on whom you only have skeleton details. One is 'ready now', they have done the job somewhere else and is available immediately. The other is a candidate who is described as having clear potential, but with several experience gaps and a six-month notice period. Which way do you go?

If your gut feeling is to go for the 'ready now' candidate, it's likely that you either haven't worked out what your need for diversity is, or you're not yet comfortable hiring for potential. On top of that, the current market demographics suggest that the 'ready now' candidate is 65% likely to be a white male*.

It's understandable: taking on a 'step up' candidate means embracing both change and risk while the 'ready now' candidate is an easy-to-make hire, who seems a great fit and will likely do an excellent job without rocking the boat. But do you really want another straightforward hire who offers more of the same? Or someone who is riskier but challenges you, who brings new thinking and can potentially take your team to a different level?

The most successful 'step up' candidates aren't chosen because they have the fewest gaps compared to someone who is, on paper, a perfect fit for the team. They're chosen because they bring something fundamentally different to your team and your organisation – so your hiring mindset has got to be that you need that something different.

*We have compiled this statistic by analysing the data of FTSE 100 and FTSE 250 companies, using our own research in conjunction with the Hampton Alexander Review 2022 and The Parker Review 2022. 'White male' is a narrow measure and does not take into account wider diversity criteria such as LBGTLQI+, social mobility and disability. However, it serves a useful purpose and most importantly highlights the need to assess for potential which, if done well, will draw out from candidates the cognitive diversity and wider life experiences that are so valuable for organisations to possess.



Karen Frizzell

e: karen@hedleymay.com | t: +44 (0) 20 7858 9455

Karen leads the HR & Reward practice at Hedley May and is widely recognised for her in-depth knowledge of the HR talent landscape. She is valued by clients for her extraordinary commitment

to making 'best-in class' appointments. Karen's early career was in HR and, with an MA in Psychology, she has a deep interest in both behavioural and humanistic psychology and applies these perspectives when assessing candidates and compiling shortlists.

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 four years have been diverse. We recognise the importance of diversity and its impact upon the long-term and sustainable success to organisations.