

# A Rising Tide: Creating Inclusive Systems of Leadership Selection

July 2020

Since the country erupted in racial protests in early June, many CEOs have taken a highly visible public stand against systemic racism and have pledged to do their part to dismantle it. These leaders must now focus on tackling the long-standing imbalances in representation in their own leadership ranks. Despite repeated pledges to better diversify corporate C-suites, the situation has not improved. According to the U.S. Equal Employment Opportunity Commission, Black professionals overall held only 3.3 percent of all executive or senior leadership roles in 2018 (defined as within two reporting levels of the CEO). In Fortune 500 companies, there have been only 15 Black CEOs at the helm since 1955. Until the executive leadership of our top companies better reflects the diversity of talent in the population at large, professed commitments to dismantling inequity and expanding organizational inclusion will remain unfulfilled.

We often see the goal to diversify company leadership met with efforts to recruit underrepresented minorities and women from the outside and sometimes to invest in long term pipeline-building efforts at earlier ages. In sum, there is a heavy focus on addressing a perceived talent supply issue inside organizations with outside efforts.

External recruiting is indeed a critical element of addressing underrepresentation. Yet we feel it is important to point out that this solution is incomplete because it fails to recognize the inherent potential of the Black, Brown, and female talent of all races sitting

inside organizations today who are not being seen and elevated. Bringing a diverse array of employees in the door is important, but retaining and progressing that talent in equal proportions at all levels is perhaps even more critical. With alarming consistency, the talent pool is significantly more diverse in the Director and below population than at VP and above. At the middle-management levels, women and people of color start receiving feedback that they don't have "what it takes" to be a bigger leader in their organization. Or they may be told they need one or two more assignments to prove their promotability—while their white male peers with equivalent experience continue to progress.

***We must examine the systemic practices embedded in organizations where white men are disproportionately viewed as fitting the leadership success profile.***

The great challenge in examining and changing these selection systems is that they are often not actually acknowledged as "systems." Many of these processes are not formalized, follow largely unwritten rules, and are made manifest through individual, case-by-case choices that we believe are primarily merit-based, with a light screen for "fit." Many actively discriminatory employment practices have been dismantled over time through legal and regulatory decisions, and because of this we often believe a level playing field has been established. But the actual processes of selection for leadership positions do not sit in the purview of the

courts. These decisions are made by our own talent management systems, which sit squarely with our corporate leaders themselves, who make choices every day as to who has high leadership potential and who doesn't. And when we actively filter people out of leadership roles for intangible reasons like "culture fit," it is time to acknowledge that definitions of "fit" are inherently, and often unconsciously, biased toward straight white men. In the end, factors we believe to be hallmarks of our corporate cultures and critical to our success may inadvertently be potential barriers to recruiting, retaining, and developing the diverse workforce we say we desire.

If company leadership can recognize the degree of subjectivity of its decisions as to who is "in" and who is "out," then it can start to examine which of those subjective filters might have the most risk of filtering out women and people of color. Three common "systems" of selection, in particular, demand intense scrutiny and reevaluation:

- Many organizations are influenced by **dated and narrow definitions of leadership**. As an example, consider when an "aggressive drive to win" is the celebrated leadership norm, as it has been for generations. Confined by this perception, people who lean on collaboration over competitiveness are often weeded out of leadership roles. Or there is emphasis often placed on personal "charisma" as a sought-after leadership characteristic, which can devalue gifted candidates whose potential greatness might be achieved more with quiet resolve and deep empathy.

*Instead of perpetuating a narrow definition of leadership, can we actively promote multiple archetypes of successful leaders?*

- It is common for leaders to **identify high potential based on a style and experience that mirrors their own**, often working from a place of unconscious bias. Repeatedly, organizations ask women and people of color in both subtle and overt ways to

change fundamental pieces of themselves and their styles to hit targets of what leader-ly behavior looks like. The desired behaviors and how they show are up are invariably cast in the image of white men that women and people of color would be hard-pressed to replicate comfortably and credibly in any circumstance.

*Instead of evaluating potential derived from subjective criteria based on one's own style and experience, can we be more objective and systematic?*

- **Informal relation systems** often play a role in gaining the sponsorship and visibility necessary for career advancement. In the absence of formal structure, these relationships spring up organically based on personal similarities, which enable an easy familiarity that, in turn, builds trust. And we are usually willing to sponsor those we trust. Because it takes more effort to build trust around differences, this system repeatedly stymies the growth potential of those who are different.

*Instead of falling back on personal relationships to determine whose career to sponsor, can we build more organized sponsorship models and include people who are different from ourselves and different from one another?*

Going forward, what is needed is to build more inclusive talent management systems by opening the aperture on leadership selection. This can be achieved by working both individually and collectively to learn how to better recognize and unlearn bias and lead more inclusively. Immediately, new practices can be implemented to support these transformations. For example, to break down informal relation systems that lead to sponsorship, Shellye Archambeau, the former Silicon Valley CEO and current board member for Verizon, Nordstrom, and Roper Technologies, is encouraging the CEOs she advises to have their executive teams sponsor at least two executives who do not look like them or each other. This diversifies the pool of talent being sponsored. Across the global organization at General Motors, they

are consistently seeking third-party assessments of potential as a way to mitigate subjective criteria.

Companies need to work to instill the value of difference and learn to cultivate, celebrate and reward it by broadening what success looks like. We believe the pipeline is full of potential C-suite leaders who do not look or act exactly like the incumbents. We must not undervalue or overlook Black, Brown, and female talent if they are markedly different from the leaders in place today; instead, we should be actively seeking out that difference. Moving forward, we can adhere to new systems devised to better perceive and magnify the values others bring to the table—important attributes like resilience, humility, and the willingness to embrace a growth mindset—and nurture the development of these unique leadership identities accordingly.

The systemic exclusion still dominating leadership selection at top levels of corporations can be changed, but it will require the willingness of leaders who have

benefited from this very system to take it apart. Open the filters. Instead of asking people to adopt historically preferred behaviors, allow for the variation in behaviors and build the skills to work across these differences. Know your own biases and preferences and surround yourself with people who will remind you of them and challenge them. Design a talent management system flexible enough to reward a fulsome diversity of people and experiences rather than accepting the system you inherited, which was designed from a narrow world view.

New models of leadership assessment and development work well across a diverse pool of talent, but the detrimental, informal ones that are still in place must be purged. Great leadership that more fully represents the diversity of the world around us lies within our sights. We just have to allow ourselves to see it.

*For more information, contact:*



**Cynthia Soledad**  
Chicago  
[cynthia.soledad@egonzehnder.com](mailto:cynthia.soledad@egonzehnder.com)



**Gabi Carvalho**  
Miami  
[gabriela.carvalho@egonzehnder.com](mailto:gabriela.carvalho@egonzehnder.com)

Egon Zehnder's global CEO Practice is active in chief executive leadership succession, recruitment, and professional development. We recognize that the selection of a CEO is the midpoint of a process, not the end. We understand that the Chief Executive role is unique, particularly in the current atmosphere of complexity and volatility. These uncertainties call for a pragmatic and aligned view on the business and leadership requirements of the CEO. To learn more about the CEO Practice, please visit <https://www.egonzehnder.com/what-we-do/ceo-search-succession>