

## Diversity

# Change Management: Integrating Diverse Points of View

By Phyllis Deiso

It would be great if being a director was a profession you could master—something you do for a while, get really good at, and finally reach a level where you can do it effortlessly, like driving a car. If only! In reality, being a director means constantly dealing with change, and the nature of change is that what worked in the past eventually won't work anymore. You've got to change strategies and tactics, and the only way to shift mind-set is exposure to diverse ideas. There are three steps that can be taken to more fully integrate diverse points of view on your board.

**Step 1: Achieve diversity on your board.** The key to creating a diverse board is to think broadly. Ethnicity, gender, and age are commonly thought of factors, but strengths, competencies, industry experiences, and risk appetite also should be considered. Who can you bring on board that is qualified yet also embodies some aspect of diversity? Because directors need to think outside the box to fulfill their responsibilities, an effective board takes a thoughtful approach to its composition and director selection. Considerations should include defined core requirements for all members, the attributes and skills of existing members, the strategic objectives of the company, and what type of diversity is being sought in new members.

**Step 2: Ensure diverse views are surfaced and considered.** One benefit of new board members having attributes different from those of existing board members is the resulting diversity in viewpoints. How does the board assimilate new members and most effectively cultivate those with

differing views? How are diverse viewpoints drawn out, respected, and utilized for the benefit of the company?

Board effectiveness and efficiency is improved if all members start by receiving fundamental information, together with timely updates regarding new developments about governing principles, such as risk oversight, financial reporting, fiduciary duties, and communication. Boards are most effective, however, when all those at the table contribute in a meaningful way in their individual roles. Be thoughtful about how directors are assigned to board committees. Where would the company's strategy be most strongly impacted by having a diverse point of view? Does each committee include directors with differing perspectives?

Thoughtful planning about the topics on which a variety of viewpoints are sought also goes a long way in cultivating those viewpoints. Providing ample time on the board's agenda to think through and talk about matters is important. Although boards are called on to opine on "bet the company" decisions, formulating questions that address those decisions in a deliberate manner gives directors concrete information to think about. A narrower focus when requesting input can result in deeper insights. For example, when involving the board in a decision to build a factory in another country, on what aspects would their input be most helpful—financial, global economics, human resources, or another area?

**Step 3: Make connections between board members.** Surprisingly, another

consideration in integrating diverse points of view is connectedness. It can be difficult to summon the emotional energy to provide a differing viewpoint if you don't believe you are a respected member of the team. An emotional attachment to something bigger than ourselves provides motivation for the extraordinary effort successful board work requires. From a change management (and board retention) perspective, it is best to nudge connection in small, intentional ways, such as by emphasizing the things board members have in common. Diversity is a strength, but for better or for worse, transparency around commonalities will make directors feel connected and help foster a sense of trust among them.

Even putting thought into how people are seated in a room can make a positive difference in encouraging people to contribute to the conversation. Evidence suggests that in Western cultures, people ascribe more power to action that moves from left to right or to a person arranged to the left of another person. One practical application for change management is to simply rearrange the seating for each meeting. If nothing else, it will help facilitate the building of relationships.

Directors will effectively express their views if they know what is expected, are in a frame of mind to discuss matters deeply, and believe their thoughts will be respected by others in the room.



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