EXECUTIVE SUMMARY

DIVERSITY DERAILLED
LIMITED DEMAND, EFFORT AND RESULTS IN ENVIRONMENTAL C-SUITE SEARCHES

A REPORT BY MAYA A. BEASLEY, Ph.D.
www.DiverseGreen.org
Search firms serve two roles in diversifying senior leadership. The first is to partner with organizations to identify what they are looking for in a new hire. The second is to help organizations move beyond their own networks to find the best candidates.

Despite the relatively high proportion of well-educated people of color in the United States, diversity among management and leadership in a variety of sectors remains limited. In the environmental sector, particularly, people of color comprise only 12 to 16 percent of staff at environmental organizations and agencies (Taylor 2014). Organizations are increasingly turning to executive search firms to assist them in hiring for senior level positions, and often express interest in finding more diverse candidates, thereby, making search firms the gatekeepers of the networks that impact the movement of talent (Faulconbridge, Beaverstalk, Hall and Hewitson 2009).

**STUDY ON DIVERSITY IN EXECUTIVE SEARCHES**

Research on executive search firms and their practices has been limited, with virtually no assessment of executive search firms’ impact on increasing diversity and which specific practices used by these firms and their clients are more or less effective. This study, therefore, examines the executive search process used by mainstream environmental NGOs and foundations, and the search firms they employ to assist them in diversifying their senior staff. We conducted 85 in-depth interviews and surveys from CEOs, COOs and HR Directors of major U.S.-based environmental NGOs and foundations as well as consultants from blue chip and boutique executive search firms identified as having been used frequently by environmental organizations in the recent past.

**DIFFERENCES OF OPINION ON FACTORS HINDERING DIVERSIFICATION**

<table>
<thead>
<tr>
<th>Factor</th>
<th>NGO</th>
<th>Search Firm</th>
<th>Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>People of Color Recruited Not Well Known</td>
<td>60%</td>
<td>40%</td>
<td>10%</td>
</tr>
<tr>
<td>Bad Cultural Fit for Applicants of Color</td>
<td>40%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Diverse Applicants Not Interested</td>
<td>30%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Organization Not Ready</td>
<td>20%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Not Enough Qualified Applicants</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
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**PERCEIVED BIAS/RESISTANCE TO DIVERSITY BY NGOs AND SEARCH FIRMS**

<table>
<thead>
<tr>
<th>Factor</th>
<th>NGO</th>
<th>Search Firm</th>
<th>Search Firm and Grantmakers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Resistance to Diversity in Searches</td>
<td>15.9%</td>
<td>19.9%</td>
<td>19.9%</td>
</tr>
<tr>
<td>Bias a Problem in Searches</td>
<td>87.5%</td>
<td>87.5%</td>
<td>87.5%</td>
</tr>
<tr>
<td>Unconscious Bias in Organization</td>
<td>27.5%</td>
<td>27.5%</td>
<td>27.5%</td>
</tr>
<tr>
<td>Mandalting Diverse Slate</td>
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**MANDATING DIVERSE SLATE — SEARCH FIRMS, NGOS AND FOUNDATIONS**

<table>
<thead>
<tr>
<th>Factor</th>
<th>NGOs</th>
<th>Search Firm Mandates Diverse Slate if Client Prioritizes</th>
<th>Search Firm Mandates if Client Does Not Prioritize</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundations</td>
<td>43.8%</td>
<td>68.8%</td>
<td>43.8%</td>
</tr>
</tbody>
</table>
WHAT IS HINDERING DIVERSITY IN THE SEARCH PROCESS

When asked what hinders their capacity to diversify, NGOs and foundations believe there are not enough qualified and diverse candidates to diversify the senior level. Search firms, on the other hand, cited a lack of organizational readiness, disinterest in environmental advocacy by potential job candidates, and a bad cultural fit as factors impeding diversity. This difference in perspective inhibits organizations’ and search firms’ ability to achieve their common goal of diversifying organizational leadership.

Breakdown of diversity as a search priority.

While 81 percent of search firms said they raise the issue of diversity with clients, the practice was inconsistent. Our interviews reveal that blue chip search firms allow the client to take the lead. If a client does not signal that diversity is a priority, only 43 percent of search consultants reported mandating a diverse slate. Furthermore, only 28 to 44 percent of NGOs and foundations, respectively, mandate diversity on their short lists, meaning the majority of these organizations lack the discipline to demand diversity throughout the search process. Both search firms and organizations need to be responsible for ensuring diversity is a top priority and not just one of several criteria.

Existing biases and compressed search timelines.

According to search consultants, the biggest barrier to bringing a diverse slate of candidates was organizations not allowing the time needed to find strong diverse candidates, and that their ability to ensure a diverse candidate slate depended on the client’s sense of urgency. This issue of compressed timeline coupled with existing biases creates the conditions for organizations to maintain a senior leadership that is neither diverse nor inclusive. For example, 46 percent of organizations surveyed agreed that there was unconscious or overt bias to diversity within their organization and 87 percent of search consultants affirmed that bias had been a problem in past searches.

Overemphasis on cultural fit.

Some organizations hinder their ability to diversify at senior levels by wanting a specific cultural fit within an organization, or in some cases, wanting a specific set of individuals. When participants were given a scenario to choose a candidate based on a short list of two black men, an Ivy League graduate and HBCU graduate, and one White man, there was considerable variance between responses. While few or none of NGOs, foundations, and search firm representatives believed the Ivy League grad could offer a different perspective, roughly one-fourth, one-fifth and one-third believed that candidate would be a better fit for the organization respectively. This suggests a serious conundrum for organizations that believe in the value of diversity but seek a cultural fit.

BEST PRACTICES FOR DIVERSITY IN SEARCHES

In order to conduct searches that are conducive to a high degree of diversity, organizations and search firms should deploy the following best practices:

— Mandate a diverse candidate slate: The National Football League’s Rooney Rule, which mandates that any team with a head coaching vacancy must interview at least one person of color before making a hire, has increased candidates of color filling head coaching positions. Furthermore, the Harvard Business Review (HBR) found that whatever demographic group comprised the majority of a finalist pool (e.g. men vs. women, Whites vs. people of color) was likely to be chosen as the favored candidate [Johnson, Hekman and Chan 2016]. When at least two candidates were Black or Hispanic, a Black or Hispanic person was more likely to be selected. See HBR video at: http://bit.ly/28XO4rH

— Diversify the search committee: An interview panel and/or search committee should have “at least one different-race interviewer in a panel [who] may serve as a check and balance on the evaluation process” [Lin, Dobbins and Farh 1992 p. 396]. Hiring agents of color are more likely than their white counterparts to recommend applicants of color [Stoll, Raphael and Holzer 2004[i]] which may be the result of in-group preferences that benefit people of color just as they do whites (Giuliano, Levine and Leonard 2009).

— Structure the interview process to minimize bias: Structuring the interview process as much as possible minimizes bias in hiring. Organizations should assess candidates with a series of predetermined job-relevant questions in order to focus on candidate responses and not demographic stereotypes [Campion, Palmer and Campion 1997].

— Track leaks throughout the hiring process: Applicant tracking systems (ATSs) are now sophisticated enough that they can be used as tools for detecting and monitoring diversity in the applicant and new-hire pipeline.

— Measure process and outcomes: Assessing diversity throughout the recruitment, interview, hiring and retention process is critical to achieving change. Search firms should measure the diversify of applicant pools, and of the final slate of candidates, and the retention rates of hires, and share this information regularly with clients and potential clients. NGOs and foundations should demand these statistics along with the search firm’s commitment to diversity both internally and in sourcing candidates.

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“If you can’t find diverse pool of candidates something is desperately wrong with your search practice.”
SEARCH FIRM CONSULTANT

“Some have made [diversity] part of the core mission, others haven’t. Some had great experience of doing this, others haven’t. Some are more diligent about finding a diverse candidate pool, others aren’t. There’s a pretty wide disparity we found amongst search firms that are doing this.”
CEO OF AN ENVIRONMENTAL NGO
DISCUSSING SEARCH FIRMS

“It’s really easy at the beginning of hiring process for an organization to say that it wants diversity. [But] they give up on it pretty early on.”
SEARCH FIRM CONSULTANT ADDRESSING ENVIRONMENTAL NGOS COMMITMENT TO DIVERSITY

“They always think they’re going to get the superstar who’s also diverse, who’s also going to result in them achieving their biggest ambition ever. Diversity is wrapped up for sure in that unicorn.”
SEARCH FIRM CONSULTANT

DIVERSITY DERAILED:
Limited Demand, Effort and Results in Environmental C-Suite Searches

PREPARED FOR GREEN 2.0
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