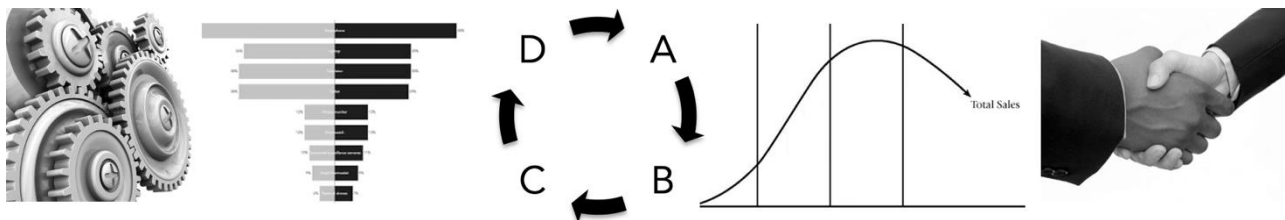


Diversity is essential in organisations: gender, multicultural, market exposure. The change starts at the top.

By Christian Barbier, CRB Resources



Diversity is the catch phrase in corporate circles and rightly focuses on gender. Studies demonstrate that financial outcomes improve and better decisions are made (all other things being equal) when Executive teams and Boards of Directors include more women in their composition. Gender parity should be a target. At the same time it is also a powerful message - albeit insufficient in isolation - about gender equality and that sexual harassment is unacceptable.

However, in the resources industry most of the leadership teams, whether male or female, lack the cultural diversity and market experience to help them face the challenges and embrace the opportunities the business is now confronted to in its markets; the standard profile of leadership in resources companies is made up of accountants, lawyers and mining engineers, all sharing the same cultural/country background. However highly qualified and talented these people may be, this current composition entails two major flaws:

1. Group-think: teams of individuals of similar profiles struggle to challenge their thinking and reason all in the same way, one of the most dangerous traits for a company leadership. This is further accentuated by the tendency leaders have to appoint people known to them and with whom they have a high degree of affinity.
2. An acute lack of cultural and marketing experience at the highest level. A token 3-year posting as an expatriate often provides a veneer of

international experience for one of the leaders, likewise for a commodity sales stint. As a result, the risks and opportunities linked to markets are generally not well apprehended by the leadership, partnerships are weak, resulting in lost income and too many failed strategies.

While the VUCA acronym (Volatile, Uncertain, Complex, Ambiguous) has been embraced very widely as a representation of the new environment businesses operate in, the composition of leadership teams very seldom reflects the necessary adaptation to that change; it is crucial to add into the leadership not only gender equality, but also thought-provoking talents that are experienced in the markets and the cultures that the company is serving and seeking to tap, as well as where competition and substitution are likely to come from.

Some arguments for not achieving gender parity at the top are that organisations don't have the bench strength to promote women. It's obviously not a valid excuse as companies can and should hire externally the profiles they don't have in-house. What is true for gender diversity is equally true for multicultural and functional diversity, and culture change must start at the top.

Boards are responsible for setting the right culture as well as overseeing the risk management for the organisation. Both require multi-faceted diversity that adds multicultural and market exposure to the necessary gender parity. Resources companies have a lot of catching up to do with other industries.