Changing the Faces of Leadership: Executive Advancement for Professionals of Color

Hannah Roth, Massachusetts School of Professional Psychology

Available at: https://works.bepress.com/hannah_roth/3/
CHANGING THE FACES OF LEADERSHIP: EXECUTIVE ADVANCEMENT OF PROFESSIONALS OF COLOR

A thesis submitted

by

Hannah Roth

to

Massachusetts School of Professional Psychology (MSPP)

in partial fulfillment of
the requirement for the degree of

MASTERS OF ARTS
in
ORGANIZATIONAL PSYCHOLOGY

This capstone thesis has been accepted for the faculty of Massachusetts School of Professional Psychology by:

Capstone Instructor
Dr. Kathryn Stanley, Ph.D.

Advisor
Sandra St Fleur, MBA

August 22, 2014
Abstract

There is a need for leadership development in companies to help prepare the next generation of leaders and to promote growth for employees. Additionally, the lack of diversity within the top ranks of leadership needs to be addressed. There is a need for more development programs that increase diversity in top leadership so that leadership at the highest levels of these organizations better reflect the demographics of the United States. There are numerous studies that demonstrate many professionals of color do not advance in their careers as quickly as their counterparts. This paper discusses how leadership development strategies tailored for professionals of color will help increase diversity at the executive level in corporate America. Traditional diversity and inclusion work ensures diversity is reflected through talent acquisition and cultural competence in the work environment; however, leadership development initiatives aimed to retain and develop professionals of color to take on executive level positions will help companies thrive in an ever-changing workforce. Essentially, this paper argues for a more transformational approach to building diversity through integrating diversity initiatives with leadership development initiatives.
Thank you to the faculty at MSPP, Hamilton College, and all of my mentors that helped guide me to connect the dots and find a path that is the best fit for me.

To the Posse Foundation and the Emma Bowen Foundation for showing me the true meaning of leadership and power.

I dedicate this capstone paper to the future generation of diverse leaders who will collaborate shift the power paradigm within this U.S.
# Table of Contents

Abstract ......................................................................................................................... iii

Dedication ....................................................................................................................... iv

CHAPTER 1 Introduction – Breaking the Corporate Glass Ceiling? .................................. 1

Definitions ...................................................................................................................... 2

Purpose of this Paper ..................................................................................................... 3

CHAPTER 2 The Review of Literature ........................................................................... 4

Leadership Development ............................................................................................... 4

Diversity and Inclusion ................................................................................................. 5

Managing Diversity in the Workplace ........................................................................... 6
  
  Approaches to managing diversity ............................................................................. 7
  
  Leadership track ........................................................................................................ 9
  
  Mentorship and sponsorship .................................................................................... 10

What Makes Leadership Development Programs and Initiatives Effective .................... 12
  
  Approaches to leadership development .................................................................. 13
  
  Social capital and leadership development .............................................................. 14
  
  Pace and leadership development .......................................................................... 16
  
  Four common mistakes .......................................................................................... 17

CHAPTER 3 Discussion ................................................................................................. 19

Identify: Spot Diverse Talent ...................................................................................... 19
CHANGING THE FACES OF LEADERSHIP

Connect: Guide, Inspire, and Prepare.................................................................21
Collaborate: Build Partnerships........................................................................23
Data-Support: Make the Case through Tracking Progress and Outcomes.........24
Organizational Engagement............................................................................26
Conclusion....................................................................................................27
References....................................................................................................31
Appendix A....................................................................................................34
Appendix B....................................................................................................35
CHAPTER 1

Introduction – Breaking the Corporate Glass Ceiling?

By 2043, non-Hispanic white Americans will no longer make up the majority of the U.S. population. The projected population growth of the U.S. comes from people of color: there is an estimated 220% increase of Asians in the US between the year 2000 and 2050 (23.7 million) (U.S. Census Bureau, 2012). Non-white people, including persons that identify with two or more races will increase by almost 223% (15.8 million) (U.S. Census Bureau, 2012). By 2050, the Latino population projection is 30.2% (while representing 17% of the population in 2015) (Toossi, 2013). While the demographics of this country tell one narrative, the faces of leadership at top companies tell a different one. There are only six Black, ten Latino, nine Asian, 24 women, and zero openly LGBTQ CEOs currently in Fortune 500 companies, each of which represents less than 2% (albeit women, which represent 4%) of the CEO population in the U.S (Diversity Inc. Staff, 2014). Another important and illustrative point is the fact that professionals of color hold fewer than 13% of board seats on Fortune 500 companies (Hewlett, 2014). In a study looking at corporate diversity at 537 corporations in 2010, white men represented 71% of Directors and women and ethnic minorities together represented 29% (Menendez, 2010). White men comprised nearly 70% of executive team members; ethnic minorities represented 10.44% of executive managers (Menendez, 2010).

The large population of people of color in the U.S. demonstrates their importance in the economy, yet these numbers are hardly reflected in the leadership of the country’s top companies. The population of people of color in the U.S. demonstrates a buying power totaling of $2.5 trillion (Hewlett, 2014). Yet, even with their impact, “representative CEOs at the top of the economy could all fit in a corporate jet” (Hewlett, 2014, p. 23). These numbers are hardly
CHANGING THE FACES OF LEADERSHIP

reflected in the leadership of the country’s top companies. It is clear that the diversity of the U.S. is not reflected in the leadership of corporate America. The implications of this country’s changing demographics are great in every sense. A more diverse world means changes socially, and it also means shifts in business. There is a changing consumer base with a great deal of purchasing power and companies that evolve with this shift will be more successful. Companies that acquire, retain, and develop diverse talent will be even more successful. In a growing diverse workforce and globalized world, diversity is an important factor to business, yet professionals of color still struggle to break the corporate glass ceiling. There are many reasons why professionals of color may struggle to advance in their careers; this will be addressed throughout the paper. One cause may be due to companies not holistically investing in diverse talent. A traditional approach to diversity may be through only acquiring and sourcing a diverse pool of employees. This paper argues that a new transformational approach that not only focuses on finding the right diverse talent, but also develops talent through tailored systematic leadership development initiatives would sustain a future generation of diverse leaders.

Definitions

For the purposes of this paper, it is important to discuss a few key definitions. Diversity is a very broad term. Diversity encompasses race/ethnicity, color, gender, sexual orientation, age, nationality, geographic origin, disability, education, and skill characteristics (U.S. Department of the Interior, 2014). These are all important factors to keep in mind when addressing diversity in the world and workplace. This paper specifically focuses on race and ethnicity in the diversification of executive leaders, but it does not mean that any of the other factors are less important. This paper uses the terms ethnic minority/minorities, people of color, and professionals of color as synonymous to non-white individuals. This paper also uses the terms
CHANGING THE FACES OF LEADERSHIP

programs and initiatives, which are close in meaning, but are slightly different. For the purposes of this paper, programs are thought of as measured and structured programming that occurs over a certain amount of time. Initiatives are thought of as more strategic outcomes that are ingrained in the organizational culture. Both are important and have a place in changing the faces of leadership.

Purpose of this Paper

While there have been countless studies analyzing the effectiveness of leadership development and diversity and inclusion programs and initiatives separately, there is limited research on how leadership development coupled with diversity initiatives could help increase the diversity in top leadership and unlock the potential of professionals of color to advance in their careers (Thomas, 1999). This paper first aims to discuss leadership development and diversity and inclusion as mutually exclusive entities to gain a better understanding of their gains made in companies. Then, it presents how tailored leadership development coupled with a diversity and inclusion focus for professionals of color can help increase the diversity of top leadership and be a catalyst to breaking through the corporate glass ceiling. This paper hopes to add to the discussion of how professionals of color can overcome barriers of reaching top leadership positions and how initiatives can contribute to the cultural competence of a company’s work environment. After reading this paper, organizational psychologists and readers should be informed about existing studies on diversity and inclusion and leadership development and how to tailor leadership development strategies to increase diversity in leadership. Ultimately, I will provide recommendations and a method for implementing effective leadership development strategies aimed to better reflect the diversity of the country in leadership positions.
CHAPTER 2

The Review of the Literature

There have been hundreds of books and thousands of research papers that specifically address executive development and leadership within the last few decades. However, it is very difficult to find literature that focuses precisely on the intersection of leadership development and ethnicity and race (Thomas, 1999). In this chapter, the reader will become more familiar with research and case studies pertaining to effective leadership development and diversity initiatives used at various Fortune 500 companies. This comprehensive collection of literature will help ground the reader in the intersections of these topics of how to better support professionals of color to rise to executive leadership in an individual and organizational level.

Leadership Development

Many companies have invested in those who have risen to the top. Time, money, and other resources are invested into developing the capabilities of current managers and into shaping the future leaders of the company; U.S. companies alone have spent almost $14 billion annually on leadership development (Gurdjian, Halbeisen, & Lane, 2014). Organizations of all sizes need the right leadership in order to survive and thrive in a competitive market. Thus, leadership development programs fulfill this need. For the purpose of anchoring this paper, leadership development programs can be defined as “planned and systematic efforts to improve the quality of leadership over a period of time” (Amagoh, 2009, second para). Leadership development programs and initiatives align with a learning organization that looks to “facilitate change, empower organizational members, encourage collaboration and sharing of information, create opportunities for learning, and promote leadership development” (Amagoh, 2009, third para). The effectiveness of leadership development initiatives has been in debate; however, many
different studies have shown the positive impacts through different approaches, ranging from an integrated approach to an experienced based approach (Gurdjian et al., 2014).

While this debate exists, leadership development is a priority for many companies and leaders. In a study, more than 500 executives were asked to rank their top three human-capital priorities, the study found that leadership development was included as both a current and a future priority (Gurdjian et al., 2014). Close to two-thirds of participants believed leadership development was their number one concern (Gurdjian et al., 2014). However, around 3% of U.S. companies admit that they have failed to leverage their international business opportunities fully because they lack enough leaders with the right capabilities (Gurdjian et al., 2014). This study demonstrates the need and importance of leadership development programs. However, it is important to note there is still room for improvement in terms of implementation and effectiveness, especially with a global diversification of business and the workforce. It is becoming more apparent that in order to train the future leaders of America, organizations must structurally provide leadership models. It is important to note the overwhelming lack of diversity at the top of the corporate ladder demonstrates these models and programs do not always fit the needs of a diverse corporate America.

**Diversity and Inclusion**

Diversity and inclusion programs and initiatives have also been an approach to increasing diversity in corporate leadership. Approximately 75% of Fortune 500 companies have formal diversity and inclusion programs, yet one study illustrated that diverse female leaders felt the diversity policies were not effective at creating a more inclusive work environment (Hewlett, 2014). Specifically in Hewlett’s (2014) study, 66% of African American women and 55% of Latina women felt subtle racial biases were not addressed as an organization and did not
professionally advance after being a part of the program. Only 9% of Asian women felt they benefitted from the program (Hewlett, 2014). Diversity and Inclusion programs and initiatives may also vary across company to company. Traditional approaches are focused heavily on recruiting and sourcing diverse employees, but may not focus on other areas. “Traditional approaches of diversity and inclusion focus on diversifying an organization’s workforce typically by addressing diversity in a vacuum and fail to achieve sustainable results” (Talent Optimization Partners, LLC, 2014). More progressive diversity and inclusion programs and initiatives also position themselves through strategy by making a business case and are more ingrained within the business (Thomas, 2004). Leadership development programs aimed to help shape diverse leaders may enhance diversity and inclusion initiatives and increase cultural competence, especially if diversity is positioned as a strategy.

Managing Diversity in the Workplace

Before addressing organizational strategies that can help professionals of color advance into executive leadership roles, it is important to discuss how organizations have been managing diversity in the workplace. There have been a number of studies and “lists of best practices” discussing diversity management, mainly drawing from academic theories addressing inequalities in the workplace (Kalev, Kelly, & Dobbin, 2006). It is also important to note how the historical and political context in the U.S. has also shaped how diversity and race relations have changed over time in the workplace.

In the 1960s, the civil rights movement transitioned to the workplace; early in this decade, few, if any organizations saw the need to racially diversify their workforce (Thomas, 1990). The lack of diversity suggests that this was not a priority at the time. In 1960, only 1.7% of managers in the US were black and only 1% was Latino (Thomas, 1999). Nevertheless, there was a
movement for equal opportunity socially and in the workplace. The civil rights legislation of 1964 Affirmative Action established the Equal Employment Opportunity Commission (EEOC) and by early 1970s there was progress to be made. In the 1970s several studies demonstrate that companies subject to review had ethnic minority employment growth twice the rate than other companies not subject to review (Thomas, 1999). By the end of the 1970s and early 1980s there was controversy around the fairness of affirmative action for helping one group over another. By 1986, a survey of executives responsible for corporate affirmative actions in Chicago highlighted that 67% reported that between 1980 and 1985 their jobs were downgraded and authority was limited, which resulted into a reduced focus on equal employment (Thomas, 1999). By the end of the 1980s it became clear that there was a glass ceiling impeding the promotion of women and professionals of color beyond middle management (Thomas, 1999). It is in this context that many diversity and inclusion programs and strategies to manage diversity took flight.

**Approaches to managing diversity.** Kallev et al. (2006) highlight three broad approaches when managing diversity in the workplace. Their study was pulled from data describing the workforce from 708 companies between 1971 and 2002, along with a survey data on employment practices (Kalley et al. 2006). The approaches range from establishing organizational responsibility for diversity, moderating managerial bias through training and feedback, and efforts to increase inclusion through mentoring programs. In terms of their effectiveness, their analyses revealed that diversity training and feedback around managerial bias had the least amount of impact in increasing professionals of color and women into management (Kallev et al., 2006). Effort to decrease social isolation through mentoring and networking demonstrated moderate impacts, while efforts to establish organizational responsibility for diversity through an affirmative action plans, diversity and inclusion manager or department,
and/or diversity committee or taskforce, had the broadest increases of managerial diversity (Kallev et al., 2006). Additionally, this research also illustrated that diversity training, evaluation, networking, and mentoring programs are more effective in companies that have a structure responsible for addressing diversity.

Thomas (1999) also conducted a comparison of three companies that took one of three approaches for managing diversity: Assimilationist, pluralist, and intergroup negotiation model. The assimilationist approach takes on the perspective that discrimination is best eliminated by reducing the importance of race and ethnicity, while a pluralist approach believes it is “unnecessary and even undesirable to abandon racial or ethnic identity in order to integrate” (Thomas, 1999, p. 154). A pluralist approach creates a context in which similar and unique characteristics are recognized and valued as a way to enrich a society and/or company. Thomas (1999) maintains that corporate responses to these two models of diversity have referred to them as a “color-blind” approach versus a “valuing differences” approach. Thomas (1999) also introduces another approach called an intergroup negotiation model that is a hybrid of the two, emphasizing systems and incentives, not attitudes as the product of change.

After completing the three-year project and conducting interviews with 54 executives and managers, 158 people in their role sets, and 28 corporate level personnel, Thomas was able to uncover organizational core tactics. Tactics of an assimilationist model includes active sponsoring of minorities, a strong mandate from the top, anti-bias training, and benchmarking and monitoring (Thomas, 1999). Tactics of a pluralist model include dialogue groups for understanding differences and confronting stereotypes, champions at the grassroots level, interventions at the subunit level, development of networks, and ethnic minority mobilization (Thomas, 1999). Tactics for an intergroup negotiation model are self-help/advocacy groups, joint
CHANGING THE FACES OF LEADERSHIP

problem solving and negotiating between employees, management, and top leadership, altering/changing unfair systems or practices, benchmarking and monitoring, and top-down support of bottom-up initiatives (Thomas, 1999).

Overall, the approaches highlight different ways companies have responded to recruiting, developing, and managing diversity, as well as how its approach connects to a perspective of the historical and political context of race relations in the U.S. Each is a way of creating a racially diverse workforce, but through a distinct approach. While some studies have researched the effectiveness of these different approaches to managing diversity at the workplace, it is still a small piece to the larger question of how professionals of color can break through the glass ceiling to the executive level. These approaches are ways to address inequalities at the workplace, but organizations will still need to take active planning and organizational-wide strategizing to help develop diversity at the top and focus on the individual. In managing diversity in the 21st century, it is important to shift approaches from simply recruitment to leadership development and career advancement.

Leadership track. While taking a look at the lack of diversity in executive level positions, it is also important to discuss the individual pathway to leadership. Thomas (2001) also did extensive research on the comparison between white and ethnic minority career trajectories. He found that white professionals tended to move up from entry level to middle management on a faster track during their early careers, whereas professionals of color had a slower path during their early careers to middle management, but took off after they reached middle management (Thomas, 2001). In his research he also found that executives of color were recognized earlier on in their careers, but were tested twice – once in the early period of their careers repeatedly to exceed expectations in order to gain promotion to middle management and again to reach the
executive level. Whereas white professionals emerged as high potential earlier on in their careers through frequent promotions and stretch assignments and were tested during the path from upper-middle management to the executive level (Thomas, 2001). These career trajectories demonstrate that there is a pool of competitors looking to be promoted to the executive level where both white and ethnic minorities are tested; however, Thomas (2001) stated “the tax of prejudice is time” (p. 6). Through this research it became apparent that a strong network of mentors and corporate sponsors is key to advancing in their careers, especially for professionals of color.

**Mentorship and sponsorship.** Mentors, sponsors, and networking are all forms of social capital that can help professionals of color advance in their careers. Kandola (2004) discussed the importance of informal and formal networks in addressing the missing link between skills development and increased leadership diversity. Informal networks may pertain to the social capital that an individual may have access to without a formal structure or program; these networks can make a big impact in getting the next job. A survey of 4,000 employers found that informal networks as critical factors for filling job vacancies at all levels of the organization (Kandola, 2004). This same research also found that race and gender played a role in the formal networks created; they were often segregated by gender and race. The research suggested that formal networks had mixed perceptions of professionals of color and would need to be carefully managed. Some viewed formal networks specifically for professionals of color as a positive way to transfer knowledge, but on the other hand, did not want to separate themselves in an extreme manner from white professionals.

Mentorship and sponsorship have both played a significant role in managing diversity at all levels of an organization, as well as particularly important for developing the careers of
professionals of color. Mentors are specifically important in giving guidance, advice, and when making transitions or big decisions in one’s career (Wyche, 2009). On the other hand, a sponsor “offers a talented protege front and center advocacy that can jumpstart, propel forward, and even salvage a career” (Hewlett, 2014, p. 37). Both mentors and sponsor are important in one’s career; however, while mentors offer encouragement and crucial advice, a sponsor is willing to put their own reputation on the line because they are convinced by a protege’s potential and are often in a higher position than most mentors. Something important to note, in Hewlett’s (2014) study professionals of color were under-sponsored; only 8% of people of color, 9% of African Americans, 8% of Asians, and 5% of Latinos, had a sponsor compared to 13% of Caucasians. This study also demonstrated the key difference it made to have sponsors, 53% of African Americans with a sponsor were satisfied with their rate of advancement compared with 35% of those without such advocacy, and 55% of Asian with a sponsor were satisfied with their rate of advancement compared with 30% of Asian without such backing (Hewlett, 2014).

These relationships can form informally or formally through a program and often may help individuals without them even knowing. Wyche (2009) describes sponsors as “inner-circle players, high-level executives who drive and influence decisions made on your behalf. They also can speak and negotiate on the protege’s behalf in quarters and in boardroom discussions that proteges are not part of, or sometimes ever aware of” (Wyche, 2009, p. 294). Highlighting a main difference between mentors and sponsors – proteges often can choose mentors and vice versa, while almost all of the time sponsors chose their proteges. In Hewlett’s (2014) study, she found that nearly 80% of Caucasian sponsors’ proteges were white professionals. This is very telling when navigating mentoring relationships across races in the workplace, especially when sponsors are the ones doing the picking. If there is less representation of racial diversity in the
executive level, does this make it more difficult for professionals of color to establish sponsor relationships? That may not be the case. In Thomas’ (2001) study he found that African American executives and plateaued African American managers in that the latter tended to have less diverse networks and relied almost exclusively on members of their own ethnic group or oppositely only had such relationships with Whites. Those who established genuine, personal long-term relationships with both White and African Americans tended to reach the executive level (Thomas, 2001). Thomas asserts, “The mentor of a professional of color must also be aware of the challenges race can present to his protege’s career development and advancement. Only then can the mentor help his protege build a network of relationships with people who can pave the way to the executive level (Thomas, 2001, para. 3). Thus, mentoring and sponsoring across race is an important factor when intentionally developing the careers of professionals of color. In order for this to happen, it is important to create the space for such relationships to occur and to spread the awareness of different barriers that professionals of color face when striving to climb the corporate ladder.

What Makes Leadership Development Programs and Initiatives Effective

While individual characteristics play a role in the effectiveness of leadership, a learned and developed set of skills and behavior are critical in the leader’s effectiveness (McCallum & O’Connell, 2008). One is able to gain these skills through corporate leadership development initiatives. Three components that are integral to leadership development are: “(1) Developmental experiences that provide opportunities for learning, (2) Personal orientation to learning including one’s ability, skills, and motivation and (3) Organizational support such as rewards for developmental gains” (McCallum & O’Connell, 2008, p. 54). Leadership development can come in many and different forms, such as traditional classroom training along
with interventions and initiatives such as, coaching, mentoring, intensive feedback programs, challenging project assignments, job reassignments, and social networking (McCallum & O’Connell, 2008). There are many different approaches to corporate leadership development and numerous case studies have shown some are more effective than others (Gurdjian et al., 2014). Research also suggests that the impact of leadership development programs can be felt more short-term versus long-term, especially because the impact on an organizational and individual level is not easily quantifiable over a short period of time (Spiers, Cummings, Langenhoff, Sharlow, & Bhatti, 2008).

**Approaches to leadership development.** Amagoh (2009) shares different approaches to leadership development sharing the differences between an integrated-solution approach, experience-based approach, formal mentoring, the leadership life cycle, and additional miscellaneous approaches. The integrated-solution approach represents a strategic and sustainable way for organizations to focus on leadership development in the long-term perspective; strategies are developed that relate to the organization’s environmental challenges that fit the organization’s culture through a blended methodology (Amagoh, 2009). This approach takes on the perspective that that leadership development is “an iterative process that needs constant attention, focus, and resources” (Amagoh, 2009, p. 990). An experience-based approach represents a comprehensive way to combine on-the-job experience, life experience, and specific skill development through preparing, developing, and preserving leadership skills. It links leadership development programs such as classroom training, assessment centers, career development, succession planning, performance management with on-the-job work assignments and web-based learning (Amagoh, 2009). Formal mentoring is another approach that aims to develop an established relationship between a more experienced mentor and less skilled protege.
that benefits both parties which helps through career support and advice, psychological support, and role modeling (Olson & Jackson, 2009). Leadership life cycle highlights six steps, identification of leadership needs, educational content and learning processes to address skill gaps, action learning where opportunities are created for engagement, workplace supports such as mentoring, recognition strategies to acknowledge the leader’s commitment and contribution to the organization, and lastly renewal processes to ensure individual’s development path is aligned with the strategic goals of the organization (Amagoh, 2009). Furthermore, other miscellaneous approaches of leadership development can take form in teaching and training around topics such as personal growth, conceptual understanding, feedback, and skill building.

Amagoh’s (2009) study offers different approaches to addressing and improving leadership development initiatives. Being able to distinguish which approach would be most effective within a specific company culture and context is critical. It is important to note that there are other approaches to leadership development not stated in this particular study; however, this case study demonstrates the myriad of ways to address developing leaders and how there is not a one-size-fits-all method when applying a leadership development program. When discussing how leadership development initiatives can be specifically targeted to help advance the careers of professionals of color, it is important to be aware of the different approaches and which makes the most sense depending on the organizational culture and environment.

**Social capital and leadership development.** McCallum and O’Connell (2008) reviewed five leadership studies with the aims of clarifying the role that social capital or human capital capabilities play in leadership development. McCallum and O’Connell referred to Adler and Kwon’s (2002) definition as, “Social capital is the goodwill available to individuals or groups. Its source lies in the structure and content of the actor’s social relations. Its effects flow from the
information, influence, and solidarity it makes available to the actor” (as cited in McCallum and O’Connell, 2008, p. 23). McCallum and O’Connell share that traditional leadership research has focused on the human capital characteristics of leaders, such as task structures, leadership substitutes, the nature of decision processes, and leader-member exchange quality, while there has been a shift in research focusing on giving more consideration to the relational context within which leadership takes place – the social capital of networks.

The studies examined were two conducted in 2002; one by the Conference Board and the other a global leadership survey conducted by the Society of Human Resource Management (SHRM), which focused on characteristics necessary for successful leadership. The third study conducted by the Center for Creative Leadership (CCL) focused on training managers and executives from various industries regarding the company state of leadership. The fourth was conducted by Development Dimensions International (DDI) and involved leaders and HR representatives from public and private companies, while the fifth focused on leadership competencies emphasized in development programs.

McCallum and O’Connell’s (2008) analysis indicates “although there is a primary focus on human capital capabilities, social capital skills have begun to receive more attention as components of a leader’s skill set” (p. 152). They suggest that although social capital skills have received more attention, in comparison to human capital it is undervalued. They have recommended suggestions for enhancing leadership development initiatives through creating an open-systems organic mind set emphasizing boundary crossing, coaching and mentoring, and building a network and story telling skills (McCallum and O’Connell, 2008). McCallum and O’Connell’s (2008) view of an open-systems organic mind set was a way in which “draws attention to the primacy of relationships in leadership development” (p. 163) by crossing over
boundaries within communities and systems in organizations. Through networking and mentorship, they believe social capital can be developed in the form of purposeful conversations and sharing important stories. McCallum and O’Connell (2008) argue the linkage between storytelling and organizational success has been made more explicit by the recent research where networks and organizational commitment are strengthened. McCallum and O’Connell’s findings bring to the light the challenges professionals of color might experience when navigating these systems and developing social capital. There has been a significant amount of research stating it can be more difficult to establish deep cross-racial and ethnic relationships in mentorship settings, especially when there is less representation of professionals of color in the workplace (Olson & Jackson, 2009). McCallum and O’Connell’s findings illustrate the importance of social capital and building relationships in order for effective leadership development and could be a potential block for professionals of color in their career advancement.

**Pace and leadership development.** Spier et al. (2010) conducted a study on a provincial cancer agency in Canada that developed a Leadership Development Initiative (LDI), which examined both the outcomes and experiences of participants of the LDI program to better understand leadership development, implementation, and its impact on work life quality. The study comprised of 18 focus groups and 13 individual interviews and found interesting findings around the preferred pace that changes were implemented. While the LDI was regarded as an important strategy for helping leaders grow and help in changing organizational leadership culture to be more collaborative and inclusive, there was growing skepticism of countless short-lived, monthly initiatives and disengagement of top leaders. Spier et al. (2010) state that few studies have explored that real organizational development happens through a series of planned stages, while the leaders in this study experienced frustration because they did not see change
fast enough and needed that step to alter behavior. Spier et al. (2010) maintain that leadership development programs “in general need to reflect the reality that it takes considerable time, patience, and effort to effect fundamental change in leadership culture” (p. 17).

These findings demonstrate the importance of getting top leadership engaged and planning out phases of leadership development initiatives to ensure the pace keeps buy-in of the organization. While the initiative itself was thought of as important, disjointed and short-lived initiatives were not seen as effective. Instead, planned systematic change in phases and processes within the organizational culture could be more effective at implementing leadership development initiatives that are well received by employees. When planning leadership development strategies aimed towards increasing diversity at the executive level, it will be important to not only think about programs and short-term projects, but also how to develop long-term changes to organizational culture. The pace in which these strategies would be introduced would also be an important factor when taking into account its effectiveness.

**Four common mistakes.** Gurdjian et al. (2014) recently published an article in the McKinsey Quarterly highlighting four common mistakes of leadership development programs after interviewing hundreds of chief executives and observing both successful and ineffective programs. The first mistake is programs that overlook the context of the company and goal at hand (Gurdjian et al., 2014). This research highlighted the ineffectiveness of a one-size-fits-all programs that do not take into account the context of the company and applies the same set of skills regardless of strategy or organizational culture (Gurdjian et al., 2014). They posed the question, “In the earliest stages of planning a leadership initiative, companies should ask themselves a simple question: what, precisely, is this program for” (Gurdjian et al., 2014, para. 6). By narrowing down a focus, the research found it achieves far better outcomes.
The second mistake is decoupling reflection from real work. Gurdjian et al. (2014), explain “even after very basic training sessions, adults typically retain just 10% of what they hear in classroom lectures, versus nearly two-thirds when they learn by doing” (para. 11). Essentially, it is important to tie down leadership development to real on-the-job projects; while helping to create a space for participants to reflect, it is important to also couple that with real work experiences. The third mistake is underestimating mindsets, namely organizations are reluctant to address the underlying causes of why leaders act and behave in the ways that they do in fear of discomfort. Gurdjian et al. (2014) argue that successful adoption to changed behavior occurs when deeper thoughts, feelings, assumptions, and beliefs are uncovered. The fourth mistake is failure to measure results; Gurdjian et al. (2014) provide recommendations such as assessing the extent of behavioral change by conducting a 360 degree feedback at the beginning of the program and after 6-12 months, monitoring participants’ career development after the program, and monitoring the business impact.

These common mistakes of leadership development programs can help improve programs and strategies aimed to increase diversity in top leadership. By matching specific skill set development with the company context, embedding the program in real work, exploring mindsets that underpin behavior, and monitoring impact, programs and initiatives helping to advance the careers of professionals of color can sidestep these common mistakes in order to make more meaningful impact for individuals and on an organizational level.
CHAPTER 3

Discussion

How do companies change the faces of leadership and tell a story of diversity that matches the demographics of the U.S.? They need to shift and evolve. Even the concept of spotting talent in the 21st century is shifting; companies are now viewing potential as an indicator of success, trumping brains, experience, and competencies (Fernandez-Araoz, 2014). With an ever-changing workforce, the traditional approach of building diversity through recruitment and short-term programs and initiatives is not sustainable. A solution is to shift from this traditional approach to a holistic and transformational approach that builds a diverse pipeline of executive leaders (see Appendix B on page 35). Combining leadership development with diversity and inclusion strategies tailored specifically for professionals of color, as well as tying it to recruitment, talent succession planning, and talent development, will create more sustainable diverse leadership. I believe this approach will increase diversity at the executive level, while also transforming the cultural fabric of an organization. I recommend a holistic and transformational approach through the immersion of these resources and strategies: (1) Identify talent, including those who may be overlooked (identify), (2) build community through structured mentorships and coaching (connect), (3) collaborate to build partnerships on an organizational and individual level (collaborate), (4) track successes, progress, and outcomes (data-support), and (5) ingrain organizational engagement with diversity (organizational engagement).

Identify: Spotting Diverse Talent

Recruiting and identifying talent internally and externally is the first step to building diverse leaders. In order for this to happen the pool of candidates must also be diverse. Through
making opportunities accessible to professionals of different backgrounds and locations, the more diverse applicants will be. It is important that companies do research to target areas with candidates they might overlook. This awareness is key in building a diverse pool. Executive champions and coaching will ensure this priority is top of mind during hiring decisions.

Additionally, companies have traditionally made hiring decisions based on competencies and skills. Social capital and networking also make a significant impact in gaining access to certain positions. Fernandez-Araoz (2014) makes the argument that 21st century business is too volatile and complex, and the market is too tight when searching for top talent. This traditional approach has worked, but if companies are also trained to spot talent that breaks out of this norm, they will build a larger, diverse, and capable pool of candidates in a more innovative way. The study presents a solution by focusing on the potential of the candidate – the ability to adapt to ever-changing work environments and a learning curve to grow into new positions. Fernandez-Araoz (2014) exclaims, “Having spent 30 years evaluating and tracking executives and studying the factors in their performance, I now consider potential to be the most important predictor of success at all levels, from junior management to the C-suite and the board” (p. 5). Being able to assess employees on the right motivation, curiosity, insight, engagement, and determination will help find the right talent and create smarter retention (Fernandez-Araoz, 2014). It would be remiss to not also take into account other traditional indicators, such as strategic orientation, market insight, results orientation, customer impact, collaboration and influence, organizational development, team leadership, and change leadership (Fernandez-Araoz, 2014). Building a diverse pool candidates and removing human bias as much as possible, is the first step to creating more diverse executive leaders.
Connect: Guide, Inspire, and Prepare

As Thomas (1999) explained in identifying high-potential professionals of color, “Those who make it to the executive level are usually identified early on in their careers” (p. 28). Interestingly enough, while professionals of color were recognized earlier on in their careers, they spent more time advancing to a middle management position in comparison to white professionals. For this reason, a recommendation would be to start making connections with mentors and sponsors at the start of their careers. This can be done informally and formally through the organization. The aim would be to guide through advice, inspire through personal narratives of adversary and motivation, and prepare to lead through passing down institutional and technical knowledge. In combination of all of those areas, mentor and sponsor relationships would help both parties. I would strongly recommend that the organization have a formal mentorship program where professionals of color can self-select the program and managers can reach out to employees who they believe would benefit from the program. This would be another step to identify high-potential employees who aspire to advancing to management and top leadership.

In addition, connecting the organizational values and vision to the mentorship program will make it more effective. If managers were encouraged and awarded for being the talent scout that identifies high potential employees, the program might see more successful buy-in and participation. By engaging both white and non-white employees and managers through connecting this initiative to the values of the company, all will see its importance and treat it as such. By fostering connections that can guide, inspire, and prepare, professionals of color will be better equipped with the knowledge to advance in their careers. It is also critical to bring in as
many perspectives possible through developing mentor and sponsor relationships across race and gender, and is shown to better help ethnic minorities reach the executive level (Thomas, 1999).

Through this program, social capital will be developed. McCallum and O’Connell (2008) explain social capital is a critical factor in establishing effective leaders. Connecting experienced mentors and leaders to professionals of color will enable knowledge sharing and help them navigate the system to break through the glass ceiling. Through exposure to the program and more practice at developing social capital, mentorships can be formed informally as well. A suggestion would be to encourage both formal and informal mentorships to allow for more perspectives and guidance. This would allow for same-race and cross-racial mentorships to develop concurrently, both having value. In Thomas’s (1999) research it was shown that often the mentorship relationships that were established early on in their careers often found them again later on in their careers, either with a position to work with them or with their boss. By intentionally establishing these relationships earlier on, professionals of color will be better equipped to use their networks.

Often, sponsors select whom their proteges will be and will advocate for them to make the transition to a better position and to the ranks of executive level leadership (Hewlett, 2014). Through a formal program, professionals of color will have more exposure interacting with potential sponsors and create a personal brand for themselves. A formal program will also give them the practice to initiate relationships with sponsors on their own by being their best professional selves and knowing how to navigate the system. Additionally, it is important for both mentors and sponsors to be aware of the experience of professionals of color, so they can best support them. While the formal program would identify mentors who would be a good fit, it would be highly recommended to provide training and a space for mentors to talk to one another.
to share best practices. Often narratives can drive imagination and understanding (Shamir & Eilam, 2005); by bringing in real narratives of former protégés, mentors, and sponsors, participating mentors can better see the bigger picture and what they are supporting. Through this awareness, sponsors can better tap into the potential of high-performing professionals of color and help increase diversity in top leadership.

**Collaborate: Build Partnerships**

While it is critical to support diversity and career development initiatives internally, a strong recommendation would be to build partnerships externally, in conjunction with an internal program to further develop diverse leaders. There are various professional business organizations, specifically for ethnic minorities and other professional ethnic minority networking and mentoring organizations. Examples of these organizations range from the National Black MBA Association, the National Society of Hispanic MBAs, the Executive Leadership Council, and the National Association of Asian American Professionals (Wyche, 2009). Many organizations are also tailored to a specific industry.

Participation in these organizations will ensure an all-encompassing use of resources, as well as expose professionals of color to other perspectives that do not necessarily pertain to the companies they work in. Being a part of both would allow professionals of color to gain support internally to receive institutional knowledge, but also gain professional development through external organizations without the attachment of work politics that may occur (Biswas, 2013). Also, participation in external organizations can ensure that if a professional of color were to transition from a company, he or she would still maintain a consistent connection with another organization. Consistency of resources can be an important factor in the effectiveness of shaping a leader (Scandura & Lankau, 1996). Professionals of color can interact with other professionals
through the creation of an official partnership, where the company could possibly hold events and share resources with the partnering organization. Additionally, professionals of color can join these organizations on their own.

The Partnership, Inc. is an excellent example of organization that can equip professionals of color with the tools to reach executive level leadership and provide solutions to organizations. The Partnership, Inc. explains, “The Partnership is leading a New Conversation about Diversity. It is a conversation that is less about numbers and more about advancement, one that crosses racial, ethnic and cultural lines. It is a conversation that focuses on solutions, rather than problems.” (Leading a new conversation about diversity, 2014). The organization has four core service areas - Research, Train, Consult, and Convene. Each area offers solutions that not only help advance the careers of professionals of color but also partner with organizations to improve business performance. Their work ranges from a training program aimed to refine leadership capabilities of professionals of color where participants are paired with a high-level leader mentor to working with CEOs looking to learn more about mentoring strategies ensuring professionals of color will seek leadership roles in the workplace. The Partnership, Inc. is a great example of diversity that is linked to strategy, but also articulates the importance of increasing diversity in leadership as a whole. Partnerships with organizations such as this one can ensure further success in developing diverse leaders.

**Data-support: Make the Case through Tracking Progress and Outcomes**

An important strategy I recommend is to track progress and outcomes throughout each fiscal year, make comparisons over periods of time, and benchmark other solutions to creating a diverse talent pipeline. Backing up diversity and career development efforts through data analysis creates more of a case for support and resources to be used for this cause. Within the
company, employees will be able to see the outcomes of their work, which might inspire them to continue to support these efforts. Tracking outcomes can also make it possible to monitor, measure, and reward evidence of increased diversity in leadership. The performance management system, as well as a rewards and recognition program can emphasize progress (Biswas, 2013). Tracking progress and recognition can enable employees and supervisors to take ownership over the initiative and hold others accountable to do the same. It also spreads awareness that the lack of diversity in leadership exists.

Spreading awareness of opportunities is a way to challenge the lack of diversity in leadership. The HR department and supervisors can help spread awareness by monitoring leadership tracks and pathways of opportunity and make the information public. It would also be effective to be intentional and discuss these leadership tracks with individuals as well. Thomas’s (1999) research also demonstrated the challenge of transitioning to upper-middle management and executive level positions, specifically that professionals of color were “tested” twice in their career in comparison to white professionals. By creating a spotlight of positions between upper-middle management and executive level positions, there will be more of a spread of access for all employees aspiring to reach high-level leadership.

As mentioned before, there is a lack of research that explains effective ways of implementing initiatives that increase diversity in top leadership of corporate America. Tracking outcomes will add to that conversation and share best practices with other organizations looking to do the same. With more data to add to this conversation, the more organizations can benefit from best practices and more effectively implement strategies to increase diversity in leadership. Tracking progress and outcomes not only impacts the organization, it impacts the state of leadership nationally and can help change the faces of leadership on a national level. It is
important to note that data, along with action and the infrastructure to support increasing
diversity is most important. There must be a balance of metrics and organizational change;
culture and issues of accountability need to be addressed on parallel fronts with data analytics.

**Organizational Engagement**

Lastly the core of the transformational approach is organizational engagement that
ingrains the importance of diversity. By tying in the goals of increasing diversity in top
leadership to the organizational culture, there will be more success in reaching them. This will
ensure aligned goals and increase engagement for creating and maintaining an enabling
organization. Spier et al.’s (2010) study shed light on implementing a long-term leadership
development program; this demonstrates the importance of implementing meaningful initiatives
in phases and not short-term “flavors of the month”. By building an initiative that is long-term, it
allows for more space to make progress and demonstrates this is a value that is important and
deems our time as an organization. While it can be helpful to hold short-term programming and
events, unless it is connected to a larger goal it may not be as transformative. By ingraining these
goals in the every day work setting, everyone becomes responsible, while strengthening the
cultural competence of the organization. One way to ensure the alignment of these strategies and
the company culture is to model it from the top.

The support and commitment of key members of the executive leadership team shows the
organization that diversity efforts and career development are important priorities. By modeling
that behavior, the message will reverberate throughout the organization. Many of the approaches
to managing diversity that were referred to earlier in the paper highlighted the crucial nature of
leadership engagement at the highest level of the organization. Thomas (1999) asserted, “This
goes well beyond attaching one’s name to proclamations about the importance of diversity.
Executives must be personally involved in articulating the ways in which the diversity strategy is related to the company’s vision, mission, business imperatives, and values” (p. 215). While endorsing diversity and career development efforts can be simply reduced to a branding technique, for actual change to occur, leaders must support by being a part of these initiatives. Anderson, & Billings-Harris (2010) shared seven demonstrable acts of engagement CEOs can take: sharing personal stories, becoming an active mentor, make inclusion and diversity updates as a standing agenda item at regular leadership team meetings, seek opportunities to include messages of the business imperative and the impact of inclusion and diversity to the company’s bottom line, build diverse leadership teams, and lastly monitor, measure, and reward evidence of inclusion and diversity progress.

Additionally, if diversity was positioned as a strategy that aligns with the vision and business imperative, it becomes relatable for all employees whether they identify as a professional of color or not. Thomas (2004) studied IBM’s approach to positioning diversity as a strategy through the formation of diversity task forces led by their CEO Lou Gerstner. These task forces linked IBM’s diversity goals to its business goals and became a space to find ways to appeal to a more diverse group of employees and customers. IBM’s efforts led to diversifying their focus on different markets, which led to an increased revenue in Small and Medium-Sized Business Sales and Marketing organizations from $10 million in 1998 to hundreds of millions of dollars in 2003 (Thomas, 2004). Not only has the company benefited it through their client perspective, employees also became more engaged and there was an increase in diversity on the executive level. Female executives have grown by 370%, ethnic minorities have increased to 233%, and the number of self-identified LGBTQ executives jumped to 733% (Thomas, 2004).
By positioning diversity as part of the business imperative, the organizational engagement and responsibility increases and exhibits evidence of increased diversity in top leadership positions.

The transformational approach I recommend - Identify, Connect, Collaborate, Data-Support, and Organizational Engagement – will foster the changes organizations need to make to create a sustainable diverse executive pipeline and to remain relevant and successful in a globalized workforce within the 21st century. Depending on the needs of each company, the approach can take form in different ways. It begins with identifying the right talent, and diverse talent; otherwise, each component can build off of another and loop to different components. This multi-layered approach not only brings diversity, it develops and retains top talent. At the core of the framework is organizational engagement. Programs and initiatives are critical; however, those strides backed with organizational engagement will mobilize the masses needed to make large-scale changes and in turn will transform culture and attitudes.

**Conclusion**

As Organizational Psychologists, learning how to develop leaders and address the need to better represent the diversity of the U.S. is a high priority. With an ever-changing workforce, companies and leaders need to be able to handle the challenges of addressing and managing diversity to better position themselves in a competitive environment. By fusing leadership development and diversity and inclusion strategies and taking a transformational approach, organizations can more effectively and nimbly develop diverse leaders at the executive level. There will always be challenges to measuring the effectiveness of an initiative or program and the impact it makes on employees. There is both quantitative and qualitative value in measuring effectiveness, but can be challenging since there is a no one-size-fits-all solution. Each company
CHANGING THE FACES OF LEADERSHIP

has a unique culture and context that make finding a specific approach to increasing diversity and career development difficult.

For this reason, it is important that companies are aware of their needs and committed to finding the right fit. The aim of this paper was to contribute to the conversation of effective strategies and to address the gap of literature between discussing leadership development and diversity and inclusion. Initially, I believed a specific program would be able to address the leadership development of professionals of color. After analyzing various research studies, it is apparent that focusing on the multitude of layers of organizations and processes, while enabling culture and conditions are the most effective way of challenging the status quo and increasing diversity in top leadership. Implementing programs and shaping organizational processes, in conjunction, will be the most effective at increasing diversity in the top ranks of corporate America. It is also important to note that the shift of focus from solely recruiting to the development of professionals of color is a stance organizations need to make. For all of these reasons, I have compiled strategies and developed a holistic framework for executive development and career advancement for professionals of color.

My hope is that organizations are committed and make the investment in leadership development through the lens of changing the racial, ethnic, gender, etc. landscape of executive leadership in corporate America. There are tremendous social implications to increased diversity at the top of the corporate ladder, as well. It has been shown that diversity at the top influences and motivates bottom line workers, middle managers, and other employees that identify as professionals of color, to progress in their own career (Catalyst Staff, 2014). I believe employees that see a reflection of themselves in leadership will further motivate them. This will create a more diverse workforce of aspiring professionals, especially composed of millennials, who will
shape a new generation of collaborative leaders. Overall, developing a diverse set of leaders does not only concern people of color, it concerns the entire organization. It concerns people of all backgrounds. This is a large systematic issue across the country that needs to be addressed. Organizational culture and processes must shift and professionals of color must be equipped with the knowledge and tools to navigate through the corporate ladder. It is through organizational-wide engagement and calling attention to diversity’s importance that professionals of color will break through the glass ceiling in greater numbers. Through meaningful collaboration and intentional partnership, corporate America will lead to a new generation of leaders with faces that reflect the diversity of this country.
References


Appendix A

U.S. Racial/Ethnic Population Growth

![Bar graph showing the growth of diverse groups in the U.S. from 2010 to 2030.](image)

Figure 1. This bar graph depicts the growth of diverse groups in the U.S. from 2010 to 2030.

Adapted from U.S. Census Bureau. (2012). "U.S. census bureau projections show a slower growing, older, more diverse nation a half century from now" by U.S. Census Bureau, 2012.

Adapted with permission.
Appendix B

Transformational Approach

Figure 2. This depicts the Transformational Approach to creating a pipeline of diverse executive leaders.