

# The Other Diversity: **Harnessing the Power of Personality Differences in the C-Suite**



Gender and racial diversity are front and center issues these days, and no CEO can afford to ignore their organizational implications. In the midst of the important discussions leaders must have on those topics, however, it's also crucial not to lose sight of a subtle yet equally salient type of difference: psychological diversity. What happens when a process person has to make a joint decision with a creative one? Or when an extrovert is paired with a quieter leader? Or when the team optimist has to reckon with the chief naysayer?

Psychological diversity is ideally an inherent part of any CEO's senior leadership team, yet in many cases, these differences lead to ongoing tensions rather than robust decisions. Such conflicts often get cast as disagreements between different parts of the organization, such as finance versus marketing, corporate functions versus the business units, or regions versus product lines. Yet at their heart, most begin as differences between individuals who have fundamentally different views of the world. If team leaders – especially CEOs – don't properly manage these differences, the team risks imploding rather than benefiting from their diverse perspectives.

In past research, Russell Reynolds Associates identified psychological differences among individuals on an executive team as largely occurring across four key dimensions:<sup>1</sup>



### **1 ORIENTATION TOWARD PROCESS AND STRUCTURE**



### **2 SOCIAILITY**



### **3 WORLDVIEW (OPTIMISM/PESSIMISM)**



### **4 CREATIVITY**

Not surprisingly, we have found that certain traits tend to be more prevalent in certain roles. Finance chiefs and general counsels are more likely to be drawn toward process and structure, for example. CEOs and human resources leaders tend to have sunnier worldviews than other members of the C-suite. But for teams to be truly effective, it's not enough to simply manage off averages or stereotypes. Instead, it's crucial to understand what makes each member of the team tick, and how the interplay of their personalities can produce maximum results.

How can CEOs harness the power of their senior team members' psychological diversity? RRA consultants with deep experience in assessing executives and helping leadership teams work together more productively offer a number of strategies. "Diversity in personalities is essential to avoid groupthink – and can lead to higher performance if managed well," said Dean Stamoulis, co-founder of RRA's Leadership & Succession practice and head of its Center for Leadership Insight.

Here are five ways CEOs can keep the team moving as a cohesive unit, rather than a bunch of conflicted individuals.



Make sure the big picture is in high definition

Teams often split when the leader fails to paint a detailed, comprehensive picture of the overall corporate strategy and how each member or function within the company contributes to it.

"It's important to explain that the strategy is multifaceted, and it has more dimensions than numbers," said Ramón Gómez de Olea, a Leadership & Succession practice member who specializes in large-scale leadership assessments in mergers and acquisitions, within the technology, energy, and industrial sectors. When all the emphasis is on outward facing behaviors that tie directly to revenue growth, for example, it can be difficult to appreciate the value added by human resources, finance, legal, and other corporate functions.

That was exactly the situation in a recent client situation where a CEO was subconsciously promoting the interests of the business unit leaders, who were more creative and sociable, and downplaying the role of the functional leads, who were more process-oriented and

risk-averse. Without any mitigating factors, the team was moving further apart rather than working together.

"In reality, you need all those elements, because the functional leads are like the neutrons in the atom that keep it from blowing apart," said John M. "J." Hewins, a senior member of RRA's Leadership & Succession practice who worked with the client team.

Wherever the fault lines exist, good CEOs create dialogue across them, so that factions are not marginalized.



## 2 Use rules and roles to encourage equal participation

Once the overall company goals are clear, it's important to crisply define how the team itself will work together. That means creating a team charter that spells out how the team will make decisions and who has decision rights. It also means defining the behaviors that are necessary to accomplish the goal.

"If you're in high growth mode, the team has to be highly adaptable; if you're in restructuring mode, the team has to be able to execute on a specific plan," said Olivier Boulard, a member of RRA's Leadership & Succession group based in Paris. Those behaviors may not come naturally to some members of the group, so articulating them is essential.

One benefit of having a charter and sticking to it is that it helps to minimize the role of emotions when things get tense. CEOs might want to consider how to bake in some specific strategies toward this end. For example, it's typically preferable to let contentious decisions stretch over multiple, shorter meetings rather than one marathon one, said Boulard. This gives warring participants a chance to cool down and consider other viewpoints, and minimizes the chances that the loudest voices will win the day. Accordingly, a team might agree in advance to slice big decisions into series of meetings that run no more than 30 minutes each rather than forcing them into single three-hour sessions.

Also essential: frequent reminders of the charter, and a referee (often the CEO or CHRO) to call people out when they're not complying with the necessary behaviors. Without these, most people will default to maximizing their own micro-goals for their function, region, or business unit.



## 3 Build harmony by building relationships

It sounds obvious, but if team members only know each other by name, title, and function/business, it will be inherently difficult for them to carve out the empathy necessary to understand opposing points of view. Creating space for open dialogue about passions and peeves is essential to helping team members build common ground.

"To harness this kind of diversity you have to first really understand each member on the team. They can't be treated like a caricature, such as 'He's the outgoing one,' or 'She's the numbers person,'" said Gary Hayes, an expert on senior team dynamics and a member of RRA's Leadership & Succession practice based in New York. "High-performing teams can have different styles, but they have all developed trust and respect among themselves, as well as an appreciation of the strengths and potential pitfalls of the team as a unit."

One part of the solution is to provide the right time and circumstances for people to get to know each other in the form of offsite meetings and social events. Investing in psychometric

assessments for team members is another, as it provides data and definition around personality dimensions. The CEO also needs to be prepared to model the level of personal depth and disclosure he or she is looking for in others, and to make it a standard part of the team dialogue. He or she “should be comfortable being quite transparent, to be able share things like ‘This is what I’m working on right now,’ or ‘This is what I need to do to be a better team leader,” said Hayes.



Remember  
that actions  
speak louder  
than words

It's all well and good to create a fair-minded team charter, but it's equally important for a CEO to notice what's happening in reality. That's because the team leader generally sets the tone for everyone else's behavior. If a CEO does not truly value other peoples' opinions, it will be hard to get team members to value each other's opinions. Or if a CEO inwardly shuts down every time the CFO makes a point, chances are good others will follow.

“A lot of times a leader underestimates how much people are paying attention to the way he or she behaves” said Amy Hayes, co-leader of RRA’s Diversity & Inclusion practice.

One thing senior team members particularly notice is who has the leader’s ear. To overcome natural tendencies to surround themselves with a small and like-minded group of advisors, leaders “have to be very cognizant in their everyday interactions and ask themselves who they are listening to and what the diversity of that group is like. Is it always the three commercial people? Always the CFO?” said Amy Hayes. From there, they should consider putting structures in place, such as standing meetings with smaller groups, to ensure a broad spectrum of input.



When you're  
tempted to  
marginalize,  
consider  
empowering

Every team has its gadflies; people who are annoying because they’re too aggressive. It’s tempting to marginalize them to minimize the dissonance they create. Yet the smarter move may be to take the opposite approach: empower them.

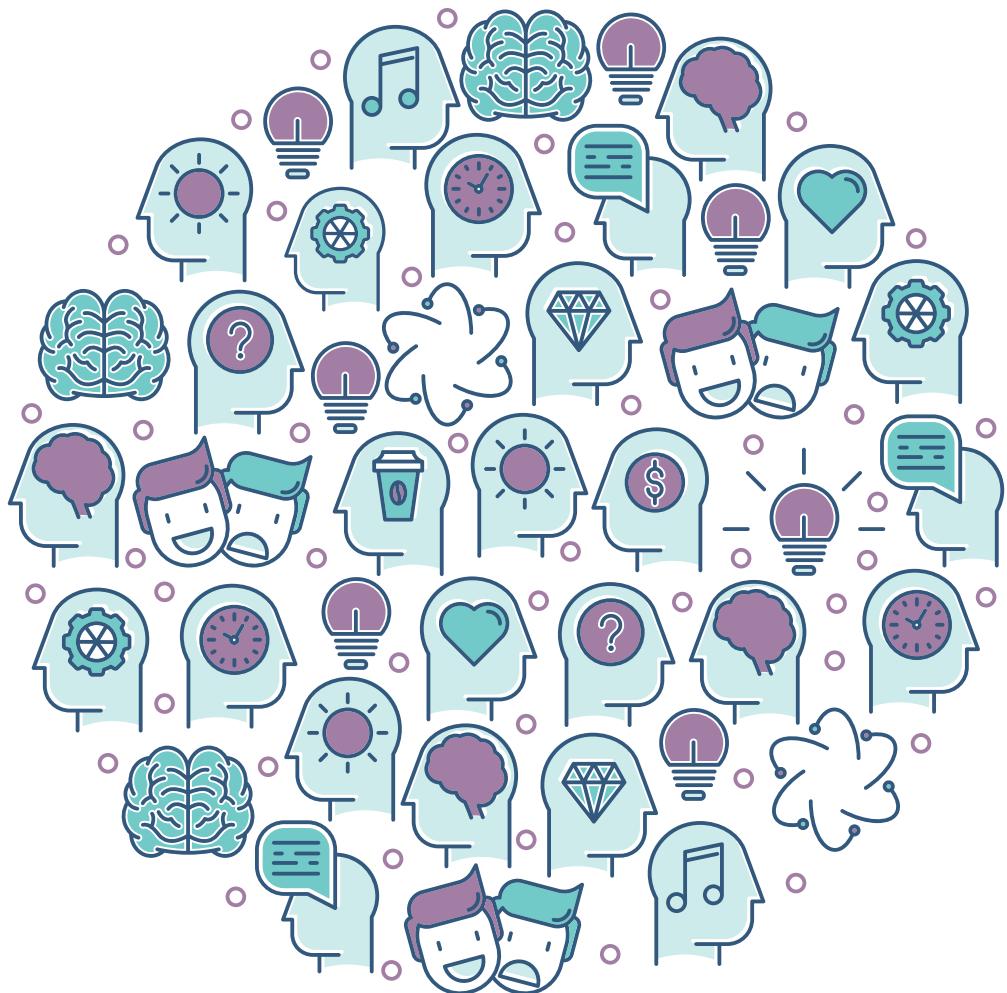
In a recent client engagement, one of the most resented members of the CEO’s staff played the role of the sheep-herder, creating necessary processes and structures and pushing people into them. While she got the job done, some pushed back because she didn’t have an executive title or formal role on the executive team. Once the CEO recognized her skills and gave her the appropriate title (Chief Administrative Officer in this case), “it made her more effective, and it made others react to her in a way that was more productive,” said Amy Hayes.

Ironically, the same can hold true for the quieter members of a team. One heavily-regulated organization found its internal lobbying group was consistently overspending its budgets, regardless of the finance leader’s repeated warnings. The finance leader was “extremely brilliant but extremely introverted, while the lobbying group was comprised of larger-than-life extroverts – so they overrode him every time,” said Gary Hayes. But when the CEO put the finance leader in charge of the group’s monthly meetings, the problem was solved. “Once empowered, he was incredibly articulate and even forceful, helping the group understand the root of the problem and manage better.”

In every senior team situation, CEOs play a crucial role in establishing the right power structure for team members to thrive. When people act in counterproductive ways, it’s important to look at how the team structure might exacerbate – or be able to solve – the problem.

## Finding advantage, not just acceptance

While gender and ethnic diversity often grab the headlines these days, it's equally important for CEOs to consider the impact of psychological diversity on senior team effectiveness. Some leaders see conflicts as inevitable but annoying; the best take proactive measures to turn potential clashes into competitive advantages. Next time you're facing tension within your team, look beyond the surface to see what personality issues might be driving it – and consider how your organization can capitalize on them.



## EXPERT CONTRIBUTORS

**DEAN STAMOULIS** co-founded Russell Reynolds Associates' Leadership & Succession practice and leads the firm's Center for Leadership Insight. He is based in Atlanta.

**OLIVIER BOULARD** is a member of RRA's Leadership & Succession practice. He is based in Paris.

**RAMÓN GÓMEZ DE OLEA** heads RRA's Spain offices and is a member of the firm's Leadership & Succession practice. He is based in Madrid.

**AMY HAYES** is a member of RRA's Leadership & Succession practice, and co-leads the firm's Diversity & Inclusion practice. She is based in Atlanta.

**GARY HAYES** is a member of RRA's Leadership & Succession practice. He is based in New York.

**J HEWINS** is a member of RRA's Leadership & Succession practice. He is based in San Francisco.

Russell Reynolds Associates is a global search and leadership advisory firm. Our 425+ consultants in 46 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations – our teams bring their decades of expertise to help clients solve their most complex leadership issues. Find out more at [www.russellreynolds.com](http://www.russellreynolds.com). Follow us on Twitter: @RRAonLeadership



## GLOBAL OFFICES

### Americas

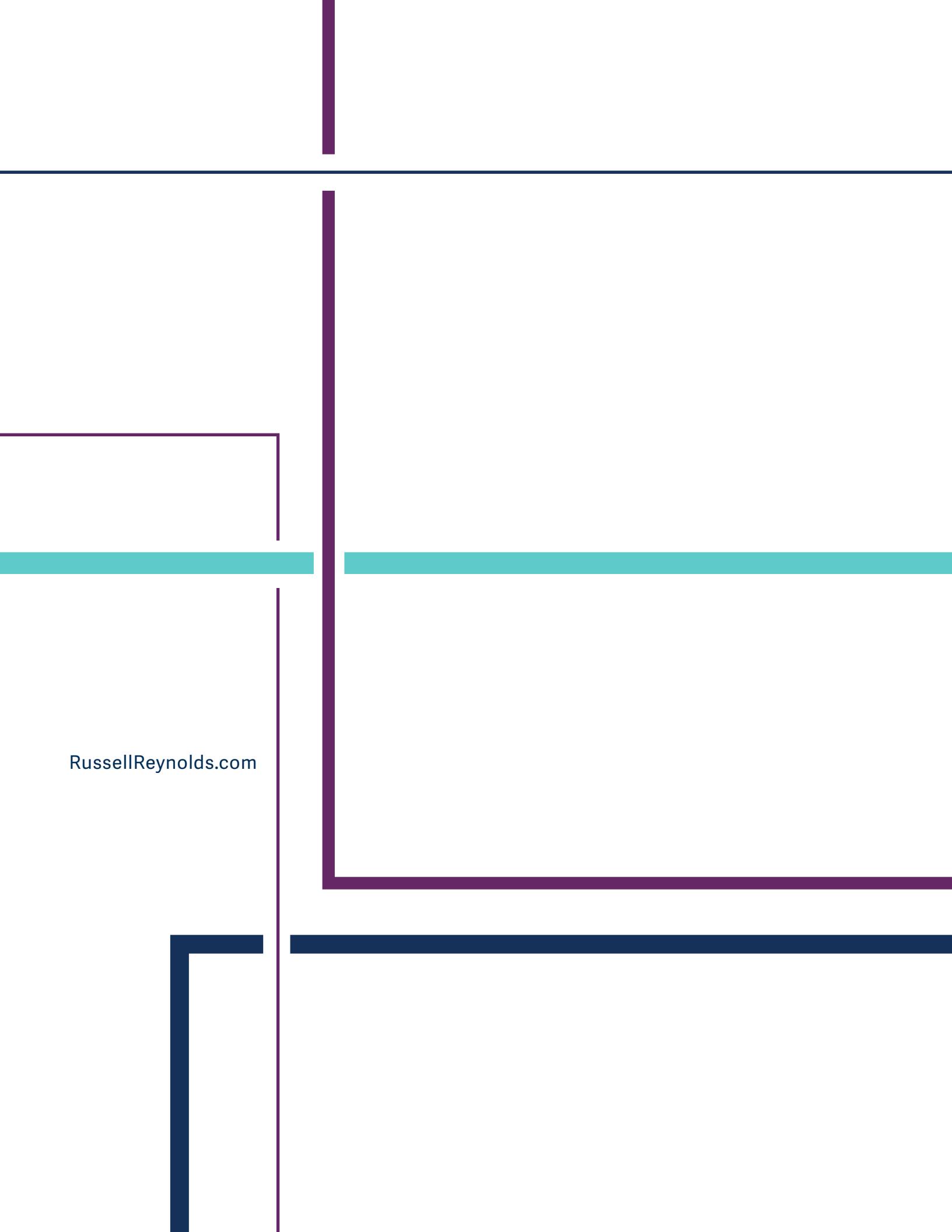
- Atlanta
- Boston
- Buenos Aires
- Calgary
- Chicago
- Dallas
- Houston
- Los Angeles
- Mexico City
- Miami
- Minneapolis/St. Paul
- Montréal
- New York
- Palo Alto
- San Francisco
- São Paulo
- Stamford
- Toronto
- Washington, D.C.

### EMEA

- Amsterdam
- Barcelona
- Brussels
- Copenhagen
- Dubai
- Frankfurt
- Hamburg
- Helsinki
- Istanbul
- London
- Madrid
- Milan
- Munich
- Oslo
- Paris
- Stockholm
- Warsaw
- Zurich

### Asia/Pacific

- Beijing
- Hong Kong
- Melbourne
- Mumbai
- New Delhi
- Shanghai
- Singapore
- Sydney
- Tokyo



RussellReynolds.com