Why diversity and inclusion are more important than ever during the COVID-19 crisis

D&I will be one of the critical differentiators in how companies weather this storm. What should leaders know?

In times of crisis, topics like diversity and inclusion (D&I) can get pushed to the sidelines. Often perceived as a "nice to have" in the best of times, D&I risks getting taken off the senior team agenda entirely in the current crisis as leaders struggle to manage in a time of fundamental uncertainty.

However, we believe that D&I will be one of the critical differentiators in how companies weather this storm. Those that have invested in developing inclusive leaders and cultures and building balanced leadership teams across their businesses will fare better than others. And the many companies that have had mixed success with D&I efforts may benefit even more from keeping it on their leadership agenda. Here we present four key reasons supporting these assertions.

1. Inclusive leadership can hold together today's disrupted, virtual workforces

With many companies mandating that employees work from home, our ways of working have been fundamentally changed for the foreseeable future—and perhaps forever. With technology, we are now being invited into people's homes and personal lives in unexpected ways (kids in the background, casual clothes, unkempt hair, cats on keyboards).

Inclusive leaders—those who seek out and value individual perspectives, create a sense of belonging, and build deep alignment on a clear purpose—do the best job at creating high-performing teams under normal circumstances, our research shows. Today, they are also the best at building connections among their virtual teams, engaging and getting people to collaborate effectively in a tough context, across physical distance and video screens. Inclusive leaders will be able to demonstrate compassion, kindness, and curiosity about their teams.

This is a great moment for leaders to expand the view of the human beings who work for them and accept their various worldviews and lifestyles. Many people who are not the dominant majority have learned to keep their private lives private, and now they might feel a bit exposed. The best inclusive leaders will lean in with curiosity and empathy to embrace the fullness of those people and all others on their teams. Getting people to listen more to each other and to be more aware of how each person's perspective adds value to the collective matters a lot in today's disrupted environment.[1]

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2. An inclusive culture can be a powerful driver of resilience

Companies will need to be resilient to get through the immediate crisis and its long-term effects. And companies with the most inclusive cultures tend to be the most resilient. To create resilience, culture must be authentic—lived by the leaders and made real in the corporate responses to the crisis in areas from employee health and safety to benefits to customer service. All employees need to feel part of, and supported by, the culture.[2]

Inclusion will also be critical for fostering innovation and agility. The full economic impacts of COVID-19 are not yet clear. But with entire industries being brought to their knees (aviation, hotels, and restaurants among them), companies that are more able to reimagine their businesses in the new post-crisis environment will win. This means developing new ways of working, new products, new services, or even entirely new business models. People with new ideas, from diverse backgrounds, will be crucial to these efforts. Companies with a culture based in trust, collaboration, and inclusion, in which all employees feel comfortable speaking up, are those where the best ideas emerge. Conversely, companies with cultures based in fear or groupthink most likely won't be agile enough to pivot in the post–COVID-19 context.

In addition, chances are that the post-crisis world will mean that many companies will need to make do with limited resources, so they can't afford to have any of their people sitting on the sidelines. Yet we know from the organizational diagnostic work we do with clients that many people today are not fully utilized; people (often women or minorities) are marginalized and not part of the "in" group. Companies that have built inclusive cultures are more able to tap into 100% of their talent in a way that creates competitive advantage. Companies that emerge resiliently from the crisis will become the most attractive to talent of all kinds and will be able to hire the best of the best, including diverse talent, which will create a positive feedback loop in terms of performance and additional resilience.

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1 For more on leading with agility through the crisis, see Steven Krupp, "From blame to gain: Leading with agility in a crisis," Heidrick & Struggles, April 2, 2020, heidrick.com.

2 For more on the importance of an authentic culture during this and any crisis, see Rose Gailey, "Leading through the crisis by counting on purpose and values," Heidrick & Struggles, March 31, 2020, heidrick.com.

3. Balanced teams are better at solving complex problems, managing risk, and spotting new opportunities

Even before the current crisis, leadership teams that did not reflect the demographic realities of today's markets and talent pools may have been unwittingly creating risk by being out of sync and unable to cope quickly enough with today's realities and crises. Now the stakes have become unimaginably high. Leaders are facing complex challenges that will require the best thinking to come up with solutions.

Research shows that teams that are diverse are better at solving complex problems. Yet, even today, many companies still have very homogenous leadership teams (one gender, one culture/nationality, one background). Now, companies that have built balanced teams across their business and functions—not just a few women in functional roles such as HR or communications, or a few people of different cultural backgrounds representing global markets—are those that will be able to draw on the business benefits that balance brings to the table. As we live through this extraordinary moment in history, with unexpected levels of uncertainty and risks not seen for generations, it is those companies that are able to draw on a wealth of perspectives in their teams—across genders, generations, cultures, ethnicities, and backgrounds—that will ultimately be prepared for our new collective, global reality.

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4. D&I leaders have a key role in leading their organizations through this crisis

Executives in areas such as D&I, sustainability, and digital transformation are often the people closest to some of the most fundamental changes taking place in societies and companies. Yet they don't often have a prominent seat at the top table. Including them can therefore help leadership teams improve their foresight by spotting valuable "weak signals," to identify opportunities and manage a myriad of risks, including the current COVID-19 crisis. It may be time to challenge why these functions are often relegated to lower levels in the hierarchy, parked under HR, communications, supply chain, or IT.

Indeed, D&I leaders, who are on the forefront of transforming teams and cultures, will be well positioned to lead into the new future and to guide their organizations into a deeper sense of community and connection, both internally and with their clients and communities. As we conclude a couple of months of essentially working alone, employees will crave and value work that brings a much needed source of social connection. D&I leaders who are masterful at creating connections in new and unexpected ways can embrace this moment as an opportunity to transform the employee and client experience.

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Companies that have prioritized—and continue to prioritize—D&I as a strategic business imperative will emerge from this crisis better than others and will be best positioned to flourish in the new realities of the post–COVID-19 world.

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Diversity & Inclusion Practice

Heidrick & Struggles' Diversity & Inclusion Practice helps our clients recruit, build, and develop inclusive leaders and diverse organizations that encourage the exchange of ideas and drive innovation.

At Heidrick & Struggles, we know that an inclusive culture, with a balanced, diverse leadership team and workforce, can strengthen an organization's ability to thrive and grow, bringing together different perspectives and fresh ways of thinking to drive future opportunities.

Our Diversity & Inclusion Practice brings together our highly experienced consultants (across executive search, leadership assessment and development, organization effectiveness, and culture shaping) to help companies integrate their diversity and inclusion (D&I) initiatives into their broader talent and business strategies to accelerate performance and outperform their peers.

Anchored by data-driven insights gained from our proprietary tools, we offer comprehensive, integrated, and adaptable services and solutions—including talent recruitment, leadership assessment and development, and organizational transformation—to foster diversity and inclusion at the leader, team, and organizational levels.

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