



DRAWING ON OUR DIVERSITY: HUMANITARIAN LEADERSHIP

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This paper is part of Humanitarian Advisory Group's *Diverse Leadership* research project.

HUMANITARIAN
ADVISORY GROUP



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Photo: Traditional paper lanterns hanging from sticks in Hoi An, Vietnam.
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Humanitarian Advisory Group (HAG) was founded in 2012 to elevate the profile of humanitarian action in Asia and the Pacific. Set up as a social enterprise, HAG provides a unique space for thinking, research, technical advice and training that can positively contribute to excellence in humanitarian practice.

Humanitarian Horizons is a three-year research initiative. The program adds unique value to humanitarian action in Asian and Pacific contexts by generating evidence-based research and creating conversation for change. The program is supported by the Australian Department of Foreign Affairs and Trade.



INTRODUCTION

Diverse leadership teams are widely understood to generate a variety of benefits, including an enhanced ability to solve complex problems. However, such benefits have rarely been tested in the humanitarian sector, thus raising the question: how could drawing on our diversity support more effective humanitarian action?

The humanitarian landscape is rapidly changing, with greater needs than ever before, funding shortfalls and increasing complexity of crises. In 2017 over 68 million people were displaced as a result of war, violence and persecution.¹ The demands on humanitarian leadership are mounting, and it is imperative that organisations respond more ethically, quickly and effectively.

“The type of humanitarian crisis has evolved over time... Humanitarian crises these days are more complex and protracted – e.g. conflicts in Syria, Yemen, Democratic Republic of Congo, the Rohingya exodus from Myanmar and natural disasters exacerbated by climate change – requiring deeper analysis on the risks and conflicts, context-specific response and thus diverse teams representing affected countries and communities to address these complex issues”.²

A leadership gap is consistently identified as a key issue in humanitarian action,³ including during the recent Rohingya response in Bangladesh.⁴ In 2011, the Inter-Agency Standing Committee (IASC) principals adopted the “Transformative Agenda” to give new momentum to the 2005 Humanitarian Reform and strengthen leadership, coordination and accountability in humanitarian action. Whilst significant steps have been taken to achieve better humanitarian leadership, the current state and potential dividends of diverse and inclusive leadership in the humanitarian sector remains largely unexplored. Little is understood about how diversity improves humanitarian leadership and in turn the positive outcomes for affected populations.

This discussion paper summarises what is currently known about diversity and humanitarian leadership, and aims to identify how the two intersect in the international humanitarian system. It starts by unpacking what we mean by diversity – in gender, age, race, ethnicity and thinking. It explores the real and potential benefits of diversifying leadership identified across other sectors that could be applied to the humanitarian sector. It concludes with the proposition that humanitarian leadership does not currently draw on its diversity, to the detriment of humanitarian effectiveness, and suggests two hypotheses that could be tested in order to verify or refute this proposition.

1 UNHCR (2017)

2 UN Resident Coordinator, Nepal, June 2018

3 UN General Assembly (2016a); High Level Panel on Humanitarian Financing: Report to the Secretary General (2016); ALNAP (2010)

4 Humanitarian Advisory Group (2017); HERE-Geneva (2018)

A note on methodology

This discussion paper is based on a review of over 55 research and policy documents on diversity, diverse leadership, humanitarian leadership and inclusion. This literature is both internal and external to the humanitarian sector. For more information on the methodology please see Annex 1.

A note on definitions

Diversity: diversity is all the ways we differ.⁵ It includes the differences between individuals in how they identify according to gender, age, disability, cultural background, sexual orientation and social and economic background, profession, education, work experiences and organisational role.⁶

Inclusion: inclusion occurs when a diversity of people feel valued and respected, have access to opportunities and resources, and can contribute their perspectives and talents to improve their organisation.⁷

Both diversity and inclusion are needed to generate organisational success.

5 EMV (2017)

6 Adapted from Diversity and inclusion, Diversity Council Australia, 2018, <https://www.dca.org.au/di-planning/getting-started-di/diversity-inclusion-explained>

7 O'Leary, J, Russell, G and Tilly, J 2015, Building inclusion: an evidence based model of inclusive leadership, Diversity Council of Australia, https://www.dca.org.au/sites/default/files/dca_inclusive_leadership_synopsis_accessible.pdf

DIVERSITY

“Diversity isn’t just about gender or race, it’s also about diversity of background and mindset.”⁸

Whilst commonly perceived as a matter of gender and race, diversity extends beyond these demographic categories. It encompasses differences between individuals according to gender, age, disability, cultural background, sexual orientation and social and economic background, profession, education, work experiences and organisational role.⁹ In recent years, organisational scholars have increasingly distinguished between visible and invisible diversity.¹⁰ The former refers to easily noticeable, inherent attributes such as race, gender and age. The latter refers to acquired differences in personality, attitudes and values. Both sources of diversity are presumed to have an impact on leadership opportunities and leadership effectiveness.¹¹

When addressing the issue of diversity, most organisations and policymakers have focused on visible diversity (i.e. race, ethnicity, gender and sometimes age). This tends to be reflected in social policies and legal definitions of diversity that typically refer to inherent attributes. Much of the academic research on diversity has also leaned in this direction, exploring the impacts of visible diversity variables on team performance and leadership.¹²

More recent research,¹³ however, shows that high-performing teams have both visible and invisible diversity characteristics. Visible diversity can enable access to knowledge and networks specific to a particular group, whilst invisible diversity can support productivity and problem-solving. Research suggests that effects of diversity are additive for all diversity dimensions – so rather than focusing on one specific aspect of diversity, the goal is to create teams that are diverse across multiple dimensions.¹⁴ As a recent McKinsey report noted, “it is the mix that matters”.¹⁵

There is also a growing body of research that supports the benefits of cognitive diversity in the workplace. This refers to *differences in perspective* – how people perceive or see an issue, and *differences of approach* – the mental frameworks people use to solve identified problems.¹⁶ Recent studies demonstrate that teams with high cognitive diversity have high creativity and efficiency as they can combine information, ideas and perspectives to find solutions to work-related problems.¹⁷ Two elements of visible diversity are thought to help activate cognitive diversity: racial diversity, which stimulates curiosity, and gender diversity, which stimulates collaborative group dynamics.¹⁸

8 Zalis, S. (2017)

9 Adapted from Diversity Council Australia (2018)

10 Also referred to as surface-level and deep-level diversity in Klein, K. M. & Wang, M. (2010)

11 *ibid.*

12 See Bell, S. T. et al. (2011); van Dijk, H. et al. (2012); Bourke, J. (2016)

13 *ibid.*

14 Lorenzo, R. et al. (2018)

15 Lorenzo, R. et al. (2017)

16 Bourke, J. (2016)

17 Wang, X. et al. (2016)

18 Bourke, J. (2016)

DIVERSE HUMANITARIAN LEADERSHIP

A note on definitions

Humanitarian sector: while the humanitarian sector incorporates a broad range of actors, this research is limited to national and international organisations which deliver protection or assistance intended to save lives, alleviate suffering and maintain human dignity during and after crises and disasters. These organisations are also referred to throughout this paper as humanitarian organisations.

Humanitarian leadership: Positional leaders of humanitarian organisations who provide a clear vision and objectives for humanitarian action (whether at the program, organisational or system-wide level).¹⁹

In many ways humanitarian sector leadership should be amongst the most diverse. Humanitarian agencies operate in many different country contexts and have access to a broad range of potential staff.

The United Nations (UN) has a recruitment system that explicitly depends on staff contribution from across all members states. The 2016 UN Secretary General's report on human resources management reform emphasises "building a diverse and inclusive work environment".²⁰ Some UN agencies have explicit policies on diversity; for example, the UN High Commissioner for Refugees' (UNHCR) human resource strategy includes "embracing diversity" as one of its six guiding principles.

Beyond the UN, humanitarian organisations have specific policies to promote and ensure diversity of leadership. For instance, the International Federation of Red Cross and Red Crescent Societies' (IFRC) Strategic Framework on Gender and Diversity Issues 2013-2020 aims to improve gender and diversity composition at all levels of the IFRC Secretariat, which is measured with indicators such as "ratio of women to men in senior - and middle - management positions".²¹

Recognising and supporting diversity is considered core to humanitarian values and principles. Humanitarian organisations reflect this in standards, policies and guidance documents that relate to diverse and inclusive programming. It is also captured in international frameworks that guide humanitarian action (see quotes below). Whilst these policy and guidance documents are not specific to leadership, they provide the approaches that humanitarian leaders reflect in their own practices to build trust, and point to the importance of leaders 'walking the talk' on diversity and inclusion within their own teams and decision-making processes.

A gender, age, disability and cultural perspective should be integrated in all policies and practices, and women and youth leadership should be promoted.²²

¹⁹ Adapted from definition in Buchanan-Smith, M. & Scriven (2011), page 4

²⁰ UN General Assembly (2016c)

²¹ IFRC (2017), page 6

²² Sendai Framework, 2015-2025; Para 19(d)

The World [Humanitarian] Summit has ... reaffirmed the value of convening a diversity of stakeholders to develop solutions to shared problems. Only by harnessing the skills and ideas of a diverse range of stakeholders will we be able to respond to the magnitude of the challenges and implement changes on the scale required.²³

Despite the significance of diversity to the humanitarian sector, the literature suggests that humanitarian leadership is not adequately diverse across gender, ethnicity, race, disability or age.²⁴ The Humanitarian Report Index has described the dominance of “Anglo-Saxon men” in key decision-making positions in donor organisations and the UN.²⁵ Humanitarian Advisory Group’s research suggests that women are greatly underrepresented in humanitarian leadership, with women comprising only 31% of UN Humanitarian Coordinators; within the UN more broadly, women comprise only 27% of employees at the highest professional level.²⁶ Recent research also finds a lack of diversity in boards and senior leadership in the charity sector in the United Kingdom (including humanitarian-focused organisations) in terms of ethnicity.²⁷ There is no known research on invisible aspects of diversity in humanitarian sector leadership.

“Startlingly, nearly 80% of the senior leadership teams of the charities we reviewed had no-one from an ethnic minority background.”²⁸

Questions regarding the diversity of leadership have also emerged in the context of the shift to more localised humanitarian action. The World Humanitarian Summit in 2016 clearly articulated the expectation that local actors will have a greater role in the leadership of prevention, preparedness and response to humanitarian crises, and explicitly identified diversity as critical to the proposed multi-year agenda for change.²⁹ A recent report on the future of aid international non-government organisations (INGOs) also highlights the important shift towards appointing more national staff to leadership positions, arguing that the rebalancing of decision-making power will lead to greater diversity.³⁰

Nevertheless, experiences from the field demonstrate that “business as usual” dominates. A recent review of the humanitarian response to the Rohingya crisis reported that participation of local NGOs in the Sector Coordination Groups is critically poor. Of the 14 Sector Coordination Groups, only one is led by a local NGO; the rest are led by UN Agencies and INGOs.³¹

Key research papers and humanitarian reviews have highlighted this issue and suggested negative impacts of homogeneous leadership teams, mostly with respect to visible diversity³² (see Figure 1). Often the findings are minor aspects of broader reviews on leadership; few of the papers cited in Figure 1 provide detailed analysis.

23 UN General Assembly (2016b), page 3

24 See cited papers in Figure 1 timeline

25 DARA (2011), page 55

26 Black, A. et al. (2017); UN Women, 2016

27 Inclusive Boards (2018), page 3

28 Inclusive Boards (2018), page 3

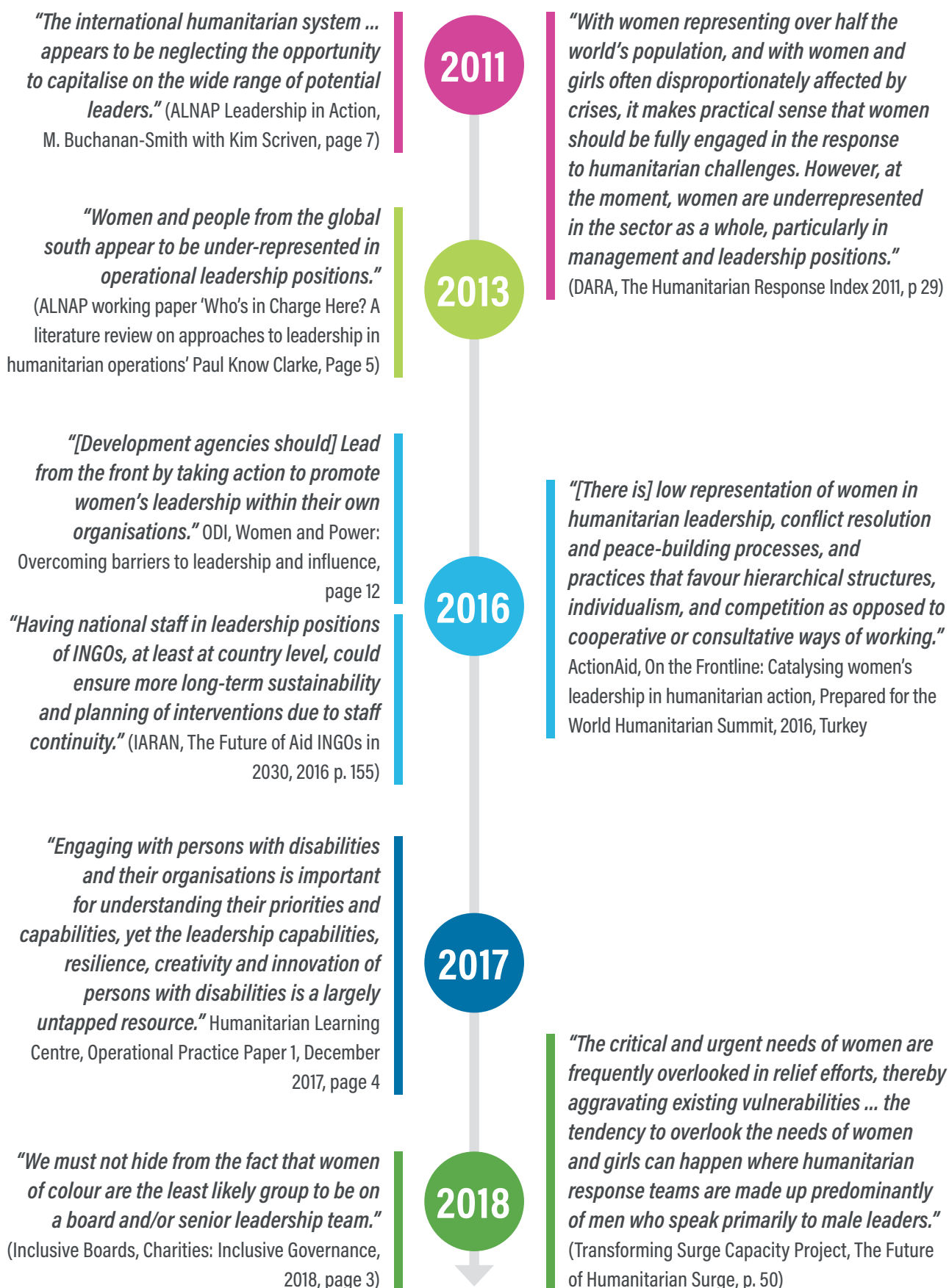
29 UN General Assembly (2016b)

30 IARAN (2016), page 155

31 Localization in Bangladesh; What did we hear: Where do you want to go? Report of the Sharing Meeting; Dhaka Bangladesh, 11 February 2018

32 The research team found no published research into invisible diversity within humanitarian leadership

Figure 1: Timeline of humanitarian reports that highlight aspects of diverse leadership



SPOTLIGHT ON EMERGENCY RESPONSE OPERATIONS: LEADERSHIP WHEN IT REALLY MATTERS

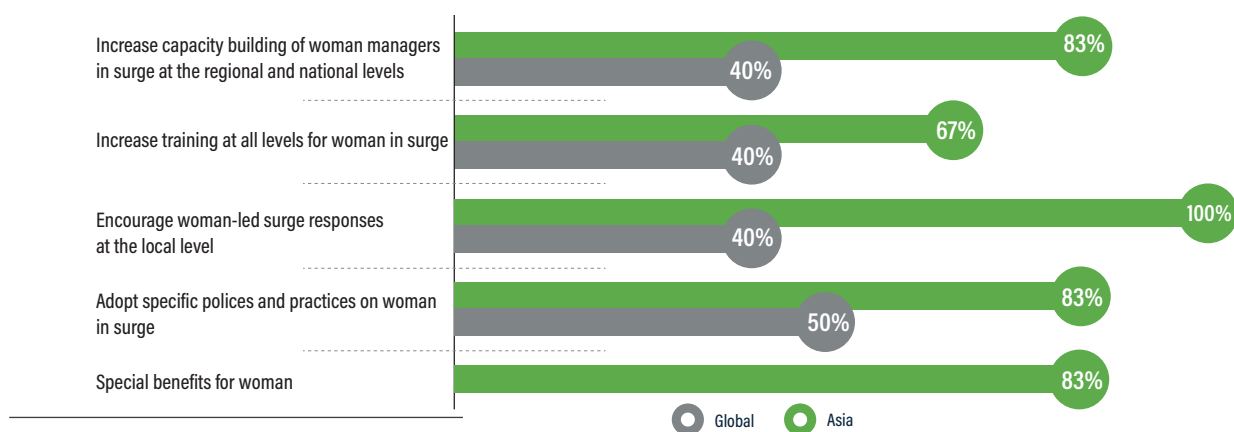
There is some evidence to suggest that leadership team composition becomes more homogeneous during activation of a humanitarian response. This may in part be driven by the composition of stand-by rosters; most of the available data relates only to gender but raises other questions about the visible and invisible characteristics recruited for surge rosters. The UN Office for the Coordination of Humanitarian Affairs (OCHA) reported that 62% of their deployees in 2017 were male, and for some rosters, such as the Associates Surge Pool that deploys to fill critical surge needs, the percentage of male deployees was up to 68%.³³ The Transforming Surge Capacity Project (TSCP) reported that women made up 45% of all deployments across 11 Start Surge Consortium agencies³⁴ in 2013–14, though this varied according to context: in Pakistan only 27% of deployees were women. The project also noted that the presence of women on surge rosters tends to depend on the social, cultural and political context.³⁵ Humanitarian agencies are taking steps to proactively recruit more diverse roster members; for example, the International Rescue Committee has a roster with over 75 nationalities, and deployments are gender balanced, with just over 50% of deployees being female.³⁶

The Transforming Surge Capacity Project provides insight into the barriers women face in surge response and outlines some suggestions on how to overcome these. The highlighted barriers concern personal safety and security, confidence and skills, wellbeing, support and accommodation.

Suggestions on how to strengthen women's role in surge include promoting leadership roles for women, increasing training for women in surge, encouraging women-led surge responses and adopting policies and practices on women in surge. This includes the importance of reviewing policies for those with caring responsibilities. Regarding the latter, the TCSP's findings show that although many of the larger humanitarian organisations have gender policies in place, specific surge gender policies are lacking. Only a few agencies take actions to ensure a gendered approach in surge, such as housing for female staff or having a gender plan for emergency response.³⁷

Figure 2 provides an overview of the ways that agencies suggest the role of women in surge could be strengthened.

Figure 2: TSC Project Agency perspectives on how to enhance the role of women in surge at the global and regional levels (source: adapted from *Transforming Surge Capacity Project, The Future of Surge*, page 53)



³³ OCHA (2017)

³⁴ "Start Network is made up of 42 aid agencies across five continents, ranging from large international organisations to national NGOs", <https://startnetwork.org>

³⁵ Transforming Surge Capacity (2015); Transforming Surge Capacity (2018)

³⁶ International Rescue Committee, 'Surge'

³⁷ *ibid.*

It is unclear how other aspects of diversity are reflected in surge rosters and deployments. In many response operations the national leadership that exists prior to an emergency is sidelined to give way to a more internationally dominated leadership structure that potentially loses the important contribution of national actors. The response to the Nepal earthquake in 2015 is a good example of this shift as illustrated in Figure 3. Data from July 2015 shows that all humanitarian clusters were coordinated by international personnel on surge assignment,³⁸ working alongside government ministries as lead agencies for their respective sectors. The situation was completely reversed in the preparedness phase, when nearly all cluster co-leads were national staff.³⁹

Figure 3: National, regional and international leadership composition of humanitarian clusters during response phase and preparedness phase operations



A review of the Rohingya crisis response, undertaken in February 2018, reveals a similar situation. The review found that many internationals (1200 in January 2018) were working on the humanitarian response in Cox’s Bazaar. Most of them were young, without prior experience and working on short-term assignments.⁴⁰

the diversity of voice on leadership teams. The TSCP established national rosters in Pakistan and the Philippines comprised entirely of national responders, and the regional roster Go Asia is comprised of deployees from nine countries. The UN Disaster Assessment and Coordination roster has also become increasingly diverse, including representatives from various regions.

Global and regional initiatives have been underway to localise surge and thereby maintain

³⁸ Nepal Earthquake Response: Cluster Coordinator, 21 July 2015, OCHA

³⁹ Contingency Plan, Nepal Monsoon Flooding, Humanitarian Country Team, June 2018

⁴⁰ Localization in Bangladesh; What did we hear: Where do you want to go? Report of the Sharing Meeting; Dhaka Bangladesh, 11 February 2018

DIVERSITY DIVIDENDS

The private sector has made considerable progress in demonstrating the effectiveness and efficiency dividends that accompany diverse leadership. These have been proven in relation to return on investment,⁴¹ performance outcomes,⁴² effective decision-making,⁴³ and indicators such as increased innovation and staff retention.⁴⁴ This section unpacks some of the evidence about diversity dividends in the private sector and explores humanitarian sector parallels.

Important differences between the humanitarian sector and the private sector need to be taken into account as we identify and define appropriate parallels. In the humanitarian sector:

- ▶ Profit is not a measure of success. Organisations with lower financial turnover may be providing better outcomes for affected populations by remaining niche or focused on a very small population in need.
- ▶ Teams are often motivated by a complex combination of factors that include altruism, volunteerism and ethical values. Financial reward is not a unifying motivation for teams.
- ▶ Context is everything. Leadership in humanitarian action needs to consider the diversity of the population it is serving. Businesses also do this (e.g. a recent McKinsey report considered the nuances of leadership team composition in South Africa⁴⁵), but in the humanitarian context the political, ethnic and tribal compositions of leadership teams and staff may have direct implications on the humanitarian context. There may also be societal

and cultural norms around aspects of diversity, such as gender and age, that may be more pronounced in humanitarian country contexts and impact on accepted membership of leadership teams.

BUSINESS PERFORMANCE

“The relationship between diversity and business performance persists.”⁴⁶

McKinsey, Deloitte and others⁴⁷ have been able to demonstrate a statistically significant relationship between a more diverse leadership team and financial performance. McKinsey found that among 1000 companies researched, those in the top quartile for gender diversity of executive teams were 21% more likely to outperform on profitability. Companies in the bottom quartile for both gender and ethnic diversity were 29% less likely to achieve higher-than-average profitability than other companies.⁴⁸

Research also highlights that it is important to consider diversity in context. The significant relationship between business performance and diverse leadership teams is strong, but simply creating a diverse group of leaders will not automatically generate results. Attention must be paid to diversity *after* potential leaders have demonstrated “capability in terms of domain knowledge, experience and competence.”⁴⁹ Furthermore, the benefits of diversity will be better realised alongside inclusion (explored further in later sections).

41 Credit Suisse Research Institute (2012)

42 Menguc and Auh, 2006

43 Levine, S. S. et al, 2016

44 Bourke, J. (2016)

45 Hunt, V. et al. (2018), page 21

46 *ibid.*

47 See for example Hunt, V. et al. (2018); Bourke, J. & Dillon, B. (2018); Deloitte (2013)

48 Hunt, V. et al. (2018)

49 Bourke, J. (2016)

Business performance: Potential humanitarian sector parallel

Research and anecdotal evidence indicate that diverse leadership improves the quality of humanitarian response. Significantly it is thought to contribute to more meaningful engagement with, and representation of, all groups within affected communities. This includes understanding and utilising local capacity and institutions and ensuring that all people feel that they are both seen and heard. Researchers have identified the ability of culturally diverse leaders to draw on their different identities to cross boundaries and make connections that facilitate more effective communication and response operations.⁵⁰

In addition, some data suggests diverse leadership, especially with respect to gender diversity, translates into more inclusive humanitarian action.⁵¹ Much of the literature reveals that humanitarian response is 'blind' to the unique needs of specific groups.⁵² Research identifies 'blind spots' and lack of time to incorporate diverse needs, but also suggests that decisions about humanitarian resource allocation or program scope will reflect the biases, assumptions and preferences of the people in control.

IMPROVED DECISION-MAKING

Research suggests that diverse teams are often better at making decisions in a more fact-based manner, with less risk for cognitive bias and groupthink.⁵³ Research has shown that racially and culturally diverse teams engage in more thorough decision-making processes that lead to smarter decisions. This seems to be "because visible diversity causes group members to behave more deliberately and even cautiously, especially in relation to communication and complex thinking", as well as the incorporation of unique or different perspectives.⁵⁴ Several studies support this finding, including a study of decision-making across business teams in 2017.⁵⁵ In comparison to individual decision-makers, teams of only men were shown to make better decisions 58% of the time, whilst gender-diverse teams made better decisions 73% of the time. Teams that comprised people of different ages and geographic locations, in addition to gender diversity, were found to make better business decisions 87% of the time.⁵⁶ Not surprisingly, there is a positive correlation between improved decision-making and business performance.⁵⁷

Some research does suggest that decision execution is slower in diverse leadership teams.⁵⁸ This has been described as the "operational friction of diversity",⁵⁹ and explained as a result of the time needed to understand divergent views and agree on a common approach.⁶⁰ Importantly, researchers concluded that the short-term challenges of execution were compensated for in the long term with respect to better decisions that increased market share and profit.⁶¹

50 Buchanan-Smith, M. & Scriven (2011), page 7

51 ActionAid (2016); Transforming Surge Capacity (2018)

52 O'Neil, T. & Domingo, P. (2016); HelpAge International (2000); HelpAge International (2018); Dwyer, E. & Woolf, L. (2018); Humanitarian Advisory Group (2018); ActionAid (2016)

53 *ibid*; Heidi Grant and David Rock, "Why diverse teams are smarter," Harvard Business Review, November 2016; Scott Berinato, Thomas Malone, and Anita Woolley, "What makes a team smarter? More women", Harvard Business Review, June 2011.

54 Bourke, J. (2016)

55 Larson, E. (2017) New Research: Diversity + Inclusion = Better Decision Making At Work, Forbes (Accessed May 2018) < <https://www.forbes.com/consent/?toURL=https://www.forbes.com/sites/eriklarson/2017/09/21/new-research-diversity-inclusion-better-decision-making-at-work/>>

56 *ibid*.

57 Blenko, M., Mankins, M. & Rogers, P. (2010) "The Decision-Driven Organization," Harvard Business Review, June 2010

58 Hambrick, D. C. et al (1996)

59 Cloverpop (2017)

60 Bourke, J. (2016)

61 Hambrick, D. C. et al (1996)

Improved decision-making: Potential humanitarian sector parallel

A recent ALNAP report concluded that “*decision-making lies at the heart of effective humanitarian action.*” The report explores the stream of decisions that need to be made during a response from technical, logistical, political and operational perspectives – not to mention the plethora of ethical decisions.⁶² It describes decision-making that is often slow, opaque and reactive; it explains that humanitarian leaders sometimes make the false assumption that group decision-making will take longer, and therefore are more likely to take unilateral decisions – neglecting the diversity of opinion and perspective that could inform a critical decision.⁶³ The pressure under which decisions are made may also lead to increased reliance on unconscious biases that can affect the direction of a response.⁶⁴

TALENT RETENTION

Strong human capital within organisations, at all levels including leadership teams, continues to be regarded as one of the key sources of competitive advantage.⁶⁵ Having a diverse and inclusive workplace is essential for a business or sector that wants to attract, develop and retain staff needed to achieve goals. The global market place is increasingly dynamic, and companies and organisations with a diverse workforce have broader talent pools from which to source capability when facing the impacts of globalisation and accelerating technological change.⁶⁶ Although numerous companies focus

on diversity recruitment, best practice businesses view recruitment only as the first step of many and put as much effort into retention and development initiatives.⁶⁷

INNOVATION

“Companies with the greatest gender diversity (8 out of every 20 managers were female) generated about 34% of their revenues from innovative products and services in the most recent three-year period. That compares with innovation revenues of 25% for companies that have the least gender diversity (only 1 in 20 managers were female).”⁶⁸

Recent studies have shown a positive and statistically significant relationship between diversity and innovation. Diversity in the private sector is linked to creativity, attitudes to taking risk and shareholder support for new ventures. The significant relationship between risk taking, innovation and diversity is illustrated in Figure 4 below. The four types of diversity thought to positively correlate with innovation are industry background, country of origin, career path and gender.

62 ALNAP (2018), page 7

63 ALNAP (2018), page 27

64 ALNAP (2018), page 35

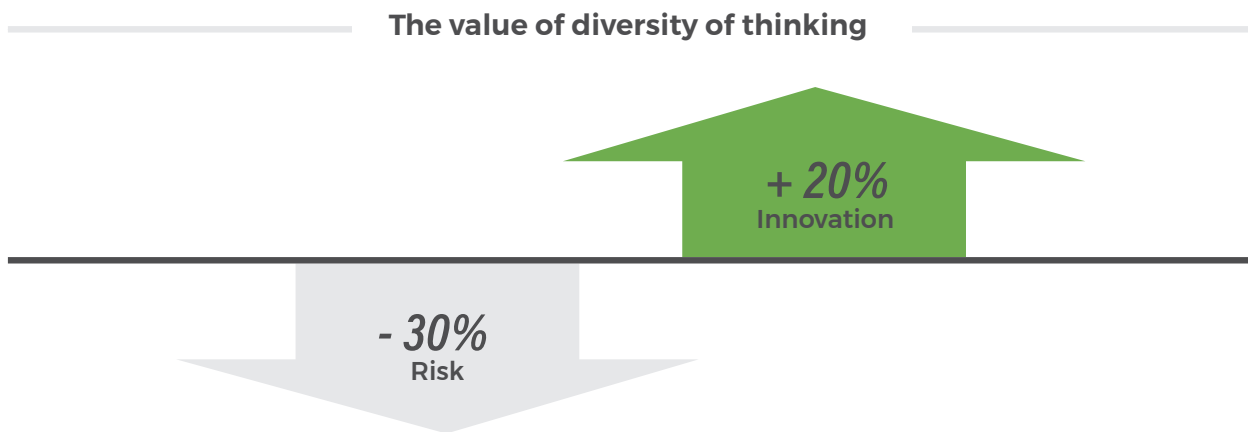
65 Hunt, V. et al. (2018)

66 *ibid.*

67 Diversity Primer (2009)

68 Lorenzo, R. et al. (2017)

Figure 4: The value of diversity of thinking (source: Juliet Bourke, *Which Two Heads Are Better Than One? How Diverse Teams Create Breakthrough ideas and Make Smarter Decisions* (Australian Institute of Company Directors, 2016))



Innovation: Potential humanitarian sector parallel

An HIF/ALNAP report in 2016 summarised the difficulty faced by the humanitarian sector in identifying and scaling appropriate innovations as follows:

“The humanitarian system has a proven ability to produce innovations, but it does so sporadically and often struggles to take good ideas to scale quickly. The system does not consistently invest in innovation, and humanitarian actors have not always been successful at actively managing innovation processes. Due to this, the number of landmark innovations that have been integrated into the system has been frustratingly low.”⁶⁹

The report explores ways to increase innovation in humanitarian action, many of which relate to partnership and collaboration, but ultimately concludes that leadership teams can make clear choices to engage more effectively with innovation to deliver improvements in humanitarian action.

GLOBAL IMAGE AND TRUST

Companies that are in the forefront of diversity and inclusion benefit from an enhanced reputation, not only among their employees but in the supply chain, local communities and wider society.⁷⁰ For many of these businesses, having inclusion and diversity strategies is “a matter of license to operate”, creating trust and legitimacy.⁷¹ Moreover, both scholarly and practical research suggest that there is a positive correlation between a company’s reputation for diversity⁷² and its financial performance.⁷³

69 Obrecht, A. & Warner, A. T. (2016), page 6

70 Hunt, V. et al. (2018)

71 *ibid.*

72 The studies mentioned have measured diversity in terms of gender and/or ethnic and/or racial diversity

73 Cook, A. & Glass, C. (2014); Roberson, Q. M. & Park, H. J. (2007); Hartenian, L. S. & Gudmundson, D. E. (2000)

BETTER GOVERNANCE AND RISK MANAGEMENT

Research undertaken in the mining and the financial sector has linked more diverse leadership with better governance and risk management. In the mining sector, research has considered linkages between gender-diverse boards and the increased likelihood of staff adhering to codes of conduct and ensuring better communication as well as better financial management.⁷⁴ The Conference Board of Canada found that 86% of boards with three or more women ensured a code of conduct was in place for the organisation, compared with 66% of all-male boards.⁷⁵ In the financial sector, studies have considered the impact of ethnic and racial diversity on the behaviours of trading teams (not specific to leadership teams).⁷⁶ Through market simulations, researchers concluded that “diversity improves pricing accuracy⁷⁷ by 29.7 percentage points.”⁷⁸ This has been explained as being partly because more diversity allows a “healthy level of scepticism about others, rather than an over-inflated sense of confidence based on visible similarity.”⁷⁹

Better governance and risk management: Potential humanitarian sector parallel

Since the sexual abuse scandals that affected the reputation and brand of not only Oxfam and Save the Children but the entire humanitarian sector, there has been a great deal of internal sector reflection and action. Recent articles have highlighted cultures in some international humanitarian organisations that lack leadership accountability, and male-dominated leadership teams that could be described as “having an over-inflated sense of confidence based on visible similarity.”⁸⁰ To improve accountability and measures to prevent sexual exploitation and abuse, organisations have been updating codes of conduct and working out the best ways to socialise and ensure adherence to agreed behaviours. These actions are occurring under a broader framework of better governance and improved risk management for the humanitarian sector. A review of leadership teams to ensure they include the right people to take these initiatives forward will be crucial to success.

74 PWC (2013), page 18

75 The Conference Board of Canada (2002), page 6

76 Levine, S.S., et al (2014)

77 'Pricing accuracy' refers to the accuracy of a price given to shares by traders in market simulations

78 Levine, S.S., et al (2014) p.S113 quoted in Bourke, J. (2016) p.14

79 Bourke, J. (2016) p.14

80 Glennie, J (2018), <https://www.opendemocracy.net/transformation/jonathan-glennie/at-what-cost-reflection-on-crisis-at-save-children-uk>

UNLOCKING THE POTENTIAL: INCLUSION

“Leaders who give diverse voices equal airtime are nearly twice as likely as others to unleash value-driving insights.”⁸¹

It’s not all about diversity – it is also about making sure that organisations are drawing on their diversity and fostering an environment that is inclusive. The potential of increasingly diverse leadership will only be unlocked if the right conditions are in place.⁸²

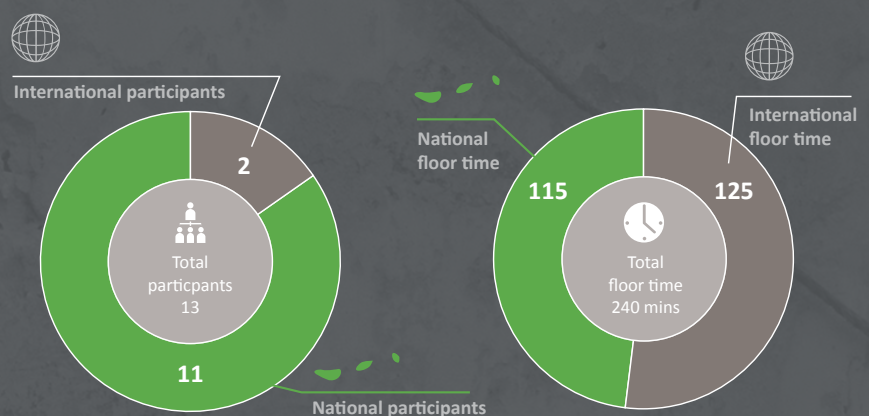
Research undertaken by Deloitte modelled the relationship between diversity and inclusion and business performance. It found that the most impressive business outcomes are achieved with a combination of high diversity and high inclusion.⁸³ Two recent papers by the Boston Group⁸⁴ have also highlighted the dangers of generating a lot of activity around diversity without any real progress on inclusion. They found that when women have been put in leadership roles but not given the voice or power to really effect change, they “grow frustrated, morale sinks, and company performance suffers.”⁸⁵ Typically, the factors that need to be in place are participative leadership, different opinions being heard and valued, a strategic emphasis on diversity led by the CEO, frequent and open communication, and a culture of openness to new ideas.⁸⁶

Inclusion in the humanitarian sector

There is limited research on the ability of the culture and environment of humanitarian organisations or the system as a whole to support diverse talent and perspectives in leadership. Recent research undertaken in the Pacific on the culture of humanitarian cluster meetings, also suggests that the sector as a whole could be more inclusive. In one observed cluster meeting, despite the appearance of a diverse group being present, international voices dominated discussion and decision-making (see Figure 5). Inclusion in humanitarian organisations is not just the assimilation of diverse voice and perspective into the existing culture; instead it is the transformation of culture that embraces and leverages diversity.

“When humanitarian coordination meetings are held in English, you immediately eliminate local contributors from the discussion. It is then only the international actors and local elites with certain education background, class and economic power who become part of the conversation.”⁸⁷

Figure 5: National and international attendance and floor time at a Food Security cluster meeting (source Australian Red Cross, *Going Local – Achieving a more appropriate and fit-for-purpose humanitarian ecosystem in the Pacific*, 2017)



81 Hewlett, S. A. et al. (2013)

82 Lorenzo, R. et al. (2017); Hunt, V. et al. (2018), page 39

83 Deloitte (2013)

84 Lorenzo, R. et al. (2017); Garcia-Alonso, J. et al. (2017)

85 Garcia-Alonso, J. et al. (2017)

86 Lorenzo, R. et al. (2018)

87 INGO Country Director, Nepal

CONCLUSIONS AND HYPOTHESES: WHAT DOES THIS MEAN FOR THE HUMANITARIAN SECTOR?

Based on the wealth of data outlined in this paper, in contrast to the private sector the humanitarian sector has done little to track and understand the impact of diverse leadership. Available literature and anecdotal evidence suggests, and this paper proposes, that failing to draw on the diversity potential of humanitarian leadership is to the detriment of humanitarian effectiveness. At a time when the sector is facing some of its greatest challenges, from lack of resources to reach people in need to an erosion of trust and confidence in humanitarian actors, it is timely to learn how diversity and inclusion can contribute to improved leadership.

This section provides two working hypotheses which will be tested to evaluate this paper's proposal that humanitarian effectiveness is hindered when leadership does not draw on its diversity potential. This research will take place as part of a two-year research project, Drawing on our Diversity. Hypotheses will be tested with respect to both visible and invisible diversity.

Hypothesis 1. Organisations with more diverse and inclusive humanitarian leadership teams: a) make better decisions; b) generate more innovative solutions and products; c) build greater trust and confidence.

Many of the dividends of diversity identified in the private sector could apply to the humanitarian sector. It is important that we identify, define and measure appropriate parallels to inform improved leadership practice. These largely apply to areas of organisational performance and effectiveness, and could include improved decision-making, organisational efficiencies, higher adoption of innovation and greater focus on safeguarding in the sector.

Hypothesis 2. Organisations with more diverse and inclusive humanitarian leadership teams: a) deliver more inclusive response operations; and b) engage more meaningfully with, and are more accountable to, affected populations.

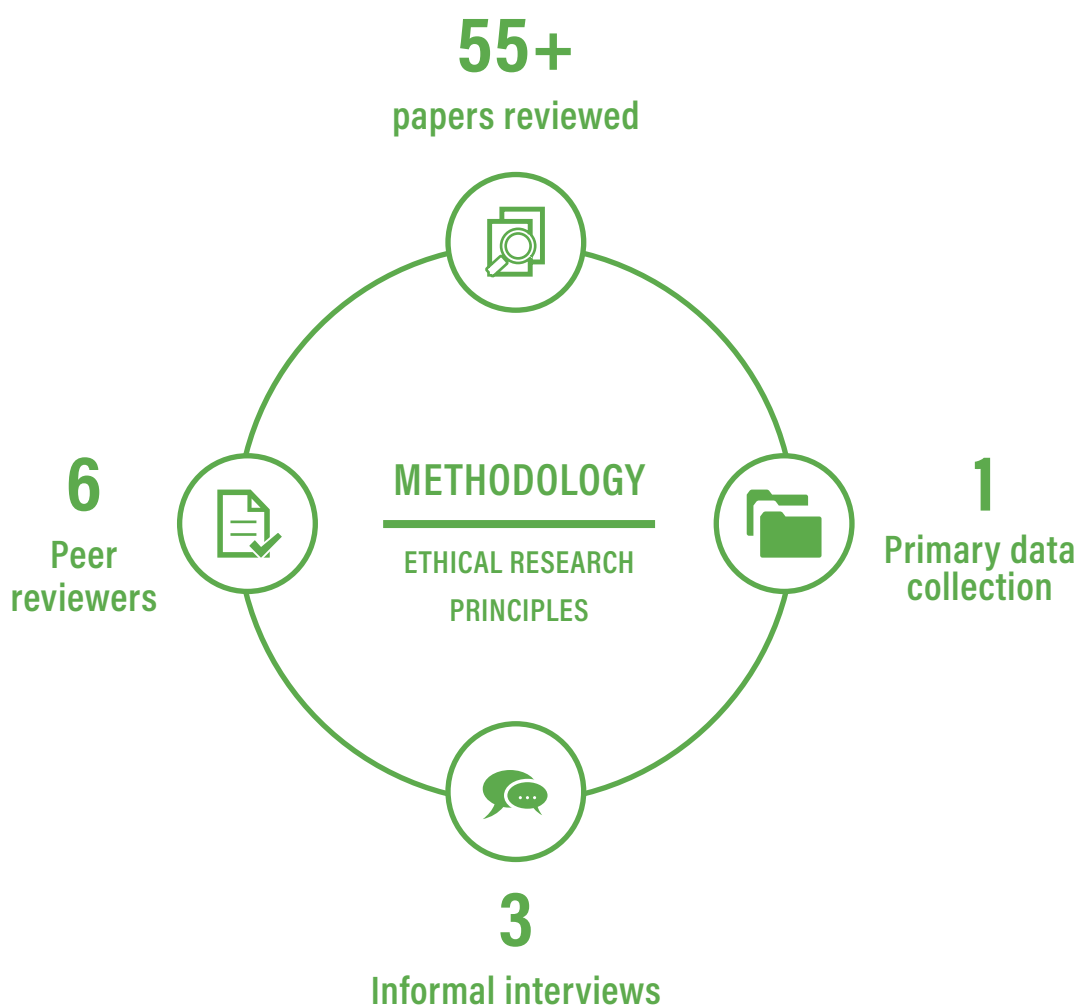
This hypothesis is based on anecdotal case studies and research that indicate that diverse leadership improves the quality of humanitarian response. Diverse and inclusive leadership is thought to contribute to more inclusive response operations and more meaningful engagement with affected communities.

ANNEX 1: METHODOLOGY

This discussion paper is based primarily on a literature review of research on diverse leadership internal and external to the humanitarian sector. It draws heavily from the private sector, largely because the private sector has invested in producing high-quality research on this topic. The private sector has a clear motive to create the strongest performing teams, as does the humanitarian sector. The private sector can measure the performance of organisations using objective quantitative metrics, enabling it to contrast more and less diverse teams. However, private sector organisations are different

from humanitarian organisations in several ways, not least in terms of their profit motive, longer periods of existence in-country, and comparatively large investment in leadership. Research into the effect of diversity of leadership in the humanitarian sector on performance must take account of these differences and develop its own metrics.

Informal interviews with key humanitarian actors and primary data collection in Nepal served to contextualise the literature and test initial conclusions.



DEFINITIONS

Diversity: the differences between individuals in how they identify according to gender, age, disability, cultural background, sexual orientation and social and economic background, profession, education, work experiences and organisational role.⁸⁸

Inclusion: as defined by the Diversity Council Australia, inclusion occurs when a diversity of people feel valued and respected, have access to opportunities and resources, and can contribute their perspectives and talents to improve their organisation.⁸⁹

Positional leaders: leaders in positions of power, formally recognised and rewarded in an evident manner.⁹⁰

Humanitarian sector: while the humanitarian sector incorporates a broad range of actors, this research will be limited to national and international organisations which deliver protection or assistance intended to save lives, alleviate suffering and maintain human dignity during and after crises and disasters. These organisations are also referred to throughout this paper as humanitarian organisations. While critical to humanitarian action, governments and the private sector are excluded from the scope of this paper.

Humanitarian leadership: Positional leaders of humanitarian organisations who provide a clear vision and objectives for humanitarian action (whether at the program, organisational or system-wide level).⁹¹

88 Adapted from Diversity and inclusion, Diversity Council Australia, 2018, <https://www.dca.org.au/di-planning/getting-started-di/diversity-inclusion-explained>

89 O'Leary, J, Russell, G and Tilly, J 2015, Building inclusion: an evidence based model of inclusive leadership, Diversity Council of Australia, https://www.dca.org.au/sites/default/files/dca_inclusive_leadership_synopsis_accessible.pdf

90 Hill, C, Miller, K, Benson, K and Handley, G 2016, Barriers and bias: the status of women in leadership, American Association of University Women.

91 Adapted from definition in Buchanan-Smith, M. & Scriven (2011), page 4

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