

# Ireland Leadership Diversity Report 2021

The results of a non-executive director and C-Suite survey across Irish companies large and small.



ODGERS BERNDTSON



## Foreword

Board and leadership diversity is no longer a ‘nice to have’. It is increasingly a ‘must-have’. It continues to emerge as a key competitive differentiator, whether with potential or existing talent, as well as customers, clients, and the wider community.

But what is the current situation amongst our senior Irish executives and Independent Non-Executive Directors (INEDs)? What progress is being made, what are the obstacles, and what are the keys to moving forward?

Our research asked business leaders and INEDs their view of inclusion and diversity within their organisations and what is being done to change the make-up of board and senior leadership roles to accommodate those who are currently under-represented.

We have looked at the survey results in a few different ways. C-Suite versus INEDs. Large organisations versus smaller ones. More diverse organisations versus ones that were less so.

Also, in the light of a similar survey of UK organisations from Odgers Berndtson UK, we have highlighted several characteristics that are distinctive to the Irish market and explored how the Covid-19 pandemic has impacted on the drive for greater diversity.

At Odgers Berndtson we believe that the inclusion and diversity narrative has firmly moved on from the ‘why should we do this’ to the ‘how can we do this’. This report offers an insight into the steps that companies large and small are taking to make a difference at leadership level across the Irish market.

Deirdre O’Shaughnessy  
Partner

Rowan Hillis, PhD  
Principal

**Measurement is key, not just to understand the current situation or to provide a baseline, but to understand where and how change is happening and where efforts need to be focused.**



## Executive Summary

What did the survey responses tell us? Well, inclusion and diversity (I&D) is certainly on the agenda in Ireland across all respondents, that is clear. It *is* being taken seriously.

But there were significant differences in how the agenda is being driven. Larger organisations are more advanced in their efforts, whilst organisations with more diverse boards are more likely to seek out diverse hires.

Whatever their organization's size, respondents perceived three barriers to further progress:

- not enough suitable candidates,
- unconscious bias during the recruitment processes,
- and not having targets to recruit diverse talent.

In general, organisations seemed reluctant to partner with external organisations to further diversity.

With regard to INED respondents, the gulf between diverse and less diverse organisations was not vast, but, in one notable exception, the former were more likely to set targets to recruit underrepresented talent. Both, however, have low interest in appointing a Chief Diversity Officer (CDO), though they do believe a dedicated board member to advance I&D is a good idea. Finally, there is room for further diversity at both board and C-Suite levels.



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## Overview

What is the current level of diversity and inclusion at the top of Irish business organizations? Looking at gender, the most commonly measured, but clearly not the only indicator, there is some evidence to consider.

The World Economic Forum Global Gender Gap Report 2021 reveals the share of women in senior official and manager positions in Ireland remains low (35.3%), whilst wide financial disparities remain. Only 69.0% of the wage equality gap and 66.6% of the income gap have been closed so far, with only marginal improvements over the past few editions.

**Further, only 35.3% of senior or managerial roles are held by women. The current situation at the top of Irish business organizations is a clear ‘can do better’.**

The latest figures from Balance for Better Business reveal ‘while heartening progress is being made by some companies, the current low rate of new female board appointments means Ireland will likely fail to meet the 2023 targets.’ Currently, Ireland’s ranking among EU-28 companies is 13th. That’s up from 17th in the last two years.

This is not to say the situation is unaddressed. Far from it, as our survey reveals, there is plenty of good news, but it is balanced with clear areas where progress is very much required.

### Methodology and Research Sample

The survey was conducted in the first quarter of 2021, via an in-depth questionnaire sent to Board and C-suite members across a varied range of organisations in Ireland. The respondents were senior executives, members of leadership teams, and independent non-executive directors from companies large and small. A total of 66 INEDs and 78 members of senior leadership teams (including Directors) took part, and their companies represented a broad cross-section in terms of industry sectors, numbers of employees and revenue. All views expressed were treated completely anonymously.



# Survey Results: Boards and their Directors

## Larger versus smaller organisations

Results indicate that larger organisations (over 1000 employees) are much more likely to have board and leadership team representation from diverse groups.

In fact, only 17% of large company directors say their board does not have such representation. This is in contrast to 53% of small company directors.

And when it comes to having no diverse representation, only 17% of large company directors say it's absent, versus 47% of small company directors. (Figure 1).

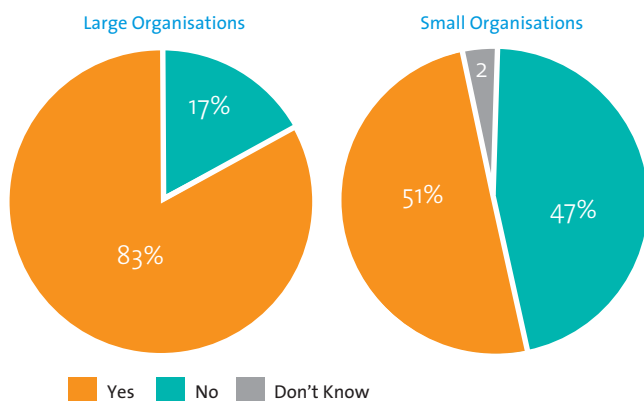


Fig 1: Does your organisation's board include members from underrepresented and diverse groups? Large (>1000 employees) versus Small Organisations (<1000 employees)

## Barriers and stoppers

So, what did the survey tell us about the difficulties in recruiting diverse talent. What are the biggest barriers?

Well, whatever their organization's size, respondents agreed on three barriers: not enough suitable candidates, unconscious bias during the recruitment process, and not having targets to recruit diverse talent. (Figure 2)

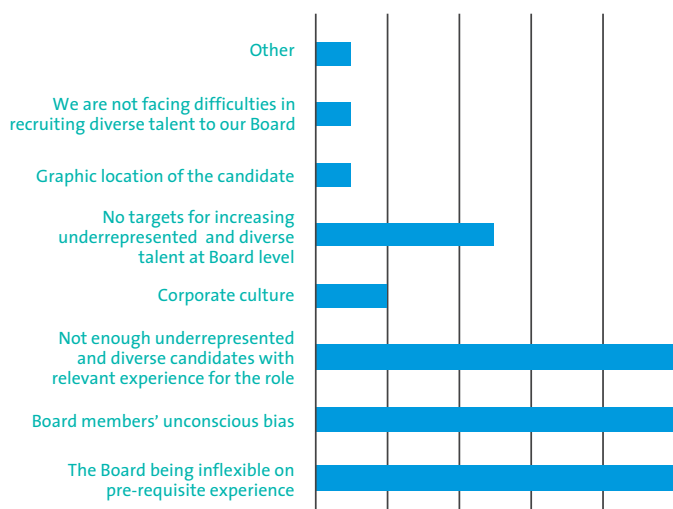


Fig 2: If you are facing difficulties in recruiting diverse talent, in your opinion, what are the biggest barriers to recruiting underrepresented and diverse talent to your Board?

## Making the change

How did directors in differently sized organisations regard measures to attract more diverse candidates?

Well, although most directors were in favour of broadening a candidate's required background experience to boost diversity, directors in large organizations are slightly less likely to want to do so both for their boards and leadership teams.

Large organisations, on the other hand, are more likely to partner with I&D organisations when recruiting for board and leadership team positions. Notably, the overall figures are all on the low side, no higher than 22% for boards, for example.

Surprisingly, directors report that large organisations are slightly less likely to have measures in place to reduce bias when recruiting for board and leadership team positions. (Figure 3).

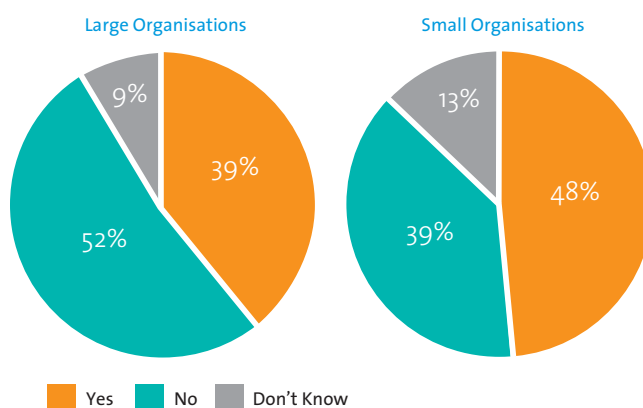


Fig 3: Does your organisation have measures in place to reduce bias when recruiting for Leadership Team positions? Large (>1000 employees) versus Small Organisations (<1000 employees)

When it comes to setting I&D targets, it's larger organisations that are more likely to do so for their board and leadership teams, by quite some margin. But for neither large nor small organisations, does the figure ever rise above 43%.

Finally, we also asked about the role of a Chief Diversity Officer (CDO). For any organisation looking to improve I&D across its Board and leadership teams, a key issue is who takes responsibility for I&D and acts as its advocate across the business as a whole. A CDO could be just such a thing. Here, it was large organisations, not entirely surprisingly, that are more likely to have a CDO or to be in the process of hiring one: 39% versus 23%.

### Large organisations are:

- More likely to partner with I&D organisations when recruiting for board and leadership team positions.
- Less likely to have measures in place to reduce bias when recruiting for board positions.
- Far more likely to set targets for board diversity.
- More likely to actively recruit return-to-work parents
- More likely to have a CDO.

# The impact of Covid-19

## What about COVID?

No current survey of business and other organisations can ignore the pervasive impacts of COVID-19. The question of how the global pandemic might impact Board and broader leadership diversity is unsurprisingly a focus of debate.

In Ireland, looking across the responses from all INEDs, most think the pandemic will have no significant negative effect on Board diversity, though a significant percentage in less diverse organisations – a solid 45% – think the pandemic is likely to have a positive effect. Perhaps a case of never missing the opportunity offered by a crisis.

**“Covid doesn’t seem to have derailed attempts to richen the leadership of most organisations. In fact, for some, it is opportunity to push the I&D agenda forward.”**

Deirdre O’Shaughnessy, Partner, Odgers Berndtson Ireland



# The view from the Boardroom

As we said, when it came to hearing from INEDs, we looked at how more diverse versus less diverse organisations compared in their experience.

Perhaps not surprisingly, organisations with more diverse boards are more likely to partner with I&D organisations when recruiting for board positions. But neither were looking to do this to any great extent, 13% to 5%.

## Diverse boards were also more likely to have measures in place to reduce bias when recruiting for board positions.

They are also clearly much more likely to set targets for board diversity, by a pretty large margin: 48% as opposed to 17%. However, when viewed from the perspective of large versus small organisations, only 19% of small organisations have set targets for inclusion and diversity at board level in comparison to 35% of large organisations, and 81% of small organisations do not have set targets for inclusion and diversity in its leadership team, in comparison with 43% of large organisations. (Figure 4).

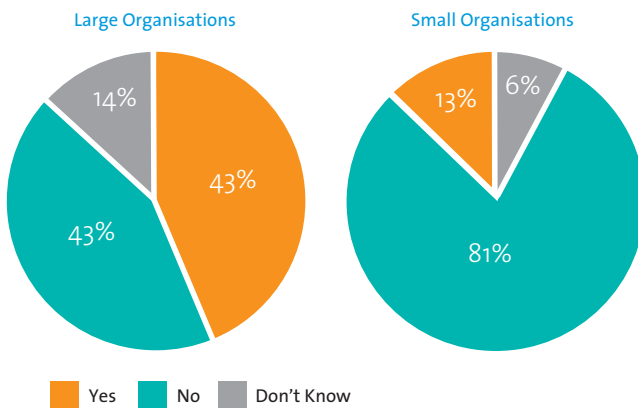


Fig 4: Do any of your organisations have set targets for inclusion and diversity on the board? Large (>1000 employees) versus Small Organisations (<1000 employees)

Interestingly, INEDs in more diverse companies are less likely to think there ought to be a dedicated board member with responsibility for their organisation's I&D agenda. Perhaps an indication that the task was well-integrated amongst the board members.

Finally, when it came to the effects of the pandemic, the same INEDs were more likely to be pessimistic about whether the pandemic will increase board diversity, but in general neither group saw diversity efforts being majorly derailed by Covid-19's effects.

### Diverse organisations are:

- More likely to partner with I&D organisations when recruiting for board positions.
- More likely to have measures in place to reduce bias when recruiting for board positions.
- Far more likely to set targets for board diversity.





## Characteristics of the Irish market

What do our results tell us about the particular nature of the Irish market? There are some points to consider.

For example, 37% of Irish directors said their board has no members from underrepresented or diverse groups. Also, only 15% said their board is fairly well represented.

34% of Irish directors reported that their C-Suite has no members from underrepresented or diverse groups whilst 13% said their board is fairly well represented.

When it came to rectifying the situation, only 34% and 44% of Irish directors said their organisation has measures in place to reduce bias when recruiting for Board positions, with 44% doing so for positions in their leadership teams.

But, when it came having a CDO or being in the process of hiring one, findings indicate that a noticeable proportion of Irish companies have already done so, or are in the process of doing so. In keeping with this, Irish INEDs and Directors were more likely to agree that all organisations above 500 employees should have a standalone CDO position.



## The way forward

Based on our survey, and our experience of working with leadership teams and INEDs, we think there are some principles and practices that can ensure that the benefits of truly diverse talent are enjoyed by your organisation.

1. Understand where you are right now by an in-depth measurement of your internal diversity statistics to understand the diversity ratio of your Board and leadership team and also to see how you rate against your competitors.
2. If the purpose of succession planning is to ensure the continuity of the business and to identify the next generation of leaders, creating succession plans with a I&D lens will ensure that you have accessed the widest pool of talent available. Fuelling the talent pipeline by beginning succession planning from middle management upwards is critical to achieving long-term inclusion and diversity practices and effecting genuine cultural change.
3. Embed recruitment practices that embrace the principles of inclusion and diversity by focusing on widening the candidate pool, reducing selection bias, and challenging the status quo.
4. Have you identified and engaged with relevant diversity organisations, partnering with them strategically to connect with – and stay connected with – diverse talent? Partnering with executive search firms who are connected to I&D membership organisations can also help. While gender and ethnicity are a good place to start, don't forget they are not the only diversity attributes.
5. Consider setting leadership diversity targets, but be careful to ensure that these are properly applied and managed.
6. Communicate your efforts so your employees know about your I&D initiatives and achievements and can amplify them for you. As you compete for diverse talent, you'll want your commitment to show, not least to your own people.
7. More generally, integrate awareness and commitment to I&D into the culture and business practices across your organisation, especially at leadership level. Leadership development programmes that focus on inclusive leadership behaviours provide the tools and build the culture that makes I&D an everyday fact.

**“Addressing the lack of diversity through the talent pipeline requires a well-thought out and planned approach.”**

Rowan Hillis, Principal, Odgers Berndtson

## How Odgers Berndtson can help

Odgers Berndtson Ireland has a proven track record of providing diverse long and short lists.

We understand how to adapt the search process to make roles more attractive to a wider pool of candidates. This might mean changing the language used in job descriptions and by adapting the parameters of the roles themselves to attract candidates with caring responsibilities/family commitments, for instance.

We also offer psychometric testing and assessment during search processes which helps in reducing bias in the recruitment process.

Our research activity seeks to engage with as broad a range of potential candidates as possible so that we can gauge the extent to which clients are flexible in their experience requirements for each role. As part of a global network, we have the reach and access to both the talent, and the knowledge and expertise that can be shared with those who work with us.

Mentoring and coaching programmes are an effective way of helping diverse talent progress to the leadership team. That is why we created the Emerging Female Leaders Community of Practice. It brings together women at senior manager, C-Suite and Board level to mentor, coach and support each other as they progress their careers. Building on that supportive network, we also offer an exclusive online coaching programme: The Odgers Berndtson Female Leaders Accelerator Programme, helping women build careers on their own terms.

Odgers Berndtson covers every level of the leadership spectrum. In Executive Search we are expert in senior management, director level and Board roles, while Odgers Interim provides senior interim executives to fill critical leadership gaps and deliver business transformation expertise. Our ability to meet every requirement in the leadership structure means we work with a range of organisations globally. The relationships we have with leading organisations at the forefront of tackling inclusion and diversity means we have access to knowledge and expertise that can be shared with those who work with us.





# Odgers Berndtson Ireland

Odgers Berndtson Ireland has the most experienced search, research and leadership assessment team operating in Ireland with an exceptional track record in Board and C-Suite appointments in the leading Irish and international organisations.

## Authors



Deirdre O'Shaughnessy  
Partner

Deirdre is a Partner at Odgers Berndtson Ireland. She specialises in senior executive appointments from Head of Function to Board level across a broad spectrum of industries and functions. Clients include Irish and international plcs, private and public organizations, and entrepreneurs looking to grow and scale their businesses.

She has a particular interest in increasing the general diversity and specifically gender balance at decision-making levels in organizations and is the Champion of the Emerging Female Leaders Community of Practice developed by Odgers Berndtson Ireland.

Prior to joining Odgers, she was Director of Client Services for an international management consulting firm and also led a specialist recruitment company for over seven years. In her earlier career, Deirdre held a variety of senior-level business development and operations management roles in the ICT and BPO sectors in Ireland and the UK.

She is an honours graduate of Business Studies and Marketing from Dublin City University.

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Rowan is a Principal Researcher at Odgers Berndtson Ireland, where she works to identify high calibre individuals for senior executive and board appointments across the public, private and not-for-profit sectors. She has successfully contributed to a number of high-profile appointments in Ireland, and has particular expertise in Board searches.

Rowan began her executive search research career with Odgers, Ray and Berndtson in 2002, spending five years in the Glasgow office, latterly as a Consultant, before relocating to Ireland and completing her PhD, which examined the strategic decision-making role of board members within the public sector. She returned to executive search in 2015, joining the Dublin office of Odgers Berndtson in 2017. Rowan has a particular interest in supporting women as they make the step from management to executive leadership, and then from executive leadership into the Boardroom, and in doing so champions the Emerging Female Leaders Community of Practice alongside Deirdre O'Shaughnessy.

Rowan has a PhD from the University of Strathclyde and a first-class honours degree from the University of Surrey.

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