

## Inclusion in Leadership – the Boardroom and Beyond



Diversity and inclusion have been important topics for businesses in all sectors for many years, and research has underscored the very real value that increasing diversity and inclusion delivers. According to the Harvard Business Review, teams with inclusive leaders are more likely to report that they are high performing, make high-quality decisions and behave collaboratively.

While the benefits of increasing diversity – a term meant to encompass gender, race, background, culture, philosophy, experiences, ways of thinking and other parameters – have been accepted for years, much of the focus has been on the employee level. In recent years there has been an increasing focus on the importance of diversity in boards of directors, and it's in this realm that it's important to explore the wider definition of diversity.

“Boards of directors best serve their organizations when they focus on the future, so recognizing coming trends and looking for individuals who have the skills and attributes to meet the coming challenges is key to setting up for success,” says Scott Binder, FCC Services’ CEO. “For Farm Credit, for example, diversity can come from the standpoint of diverse industry experiences, commodities, operation size, even work experience outside of agriculture.” In addition, what researchers call “cognitive diversity” can come from differences in life experience, personality and leadership experience.

In today’s complex world, boards are facing a myriad of often escalating challenges. Cyber risk, regulatory developments, technology disruption and the increasingly connected global economy present both challenges and opportunities. An organization’s board best serves its governance role when it is equipped to respond to these pressures, and diversity of thought, with new ideas and perspectives, is key to doing so.

“Expanding the breadth of knowledge and understanding in the boardroom can help resolve blind spots, help them think differently and creatively about an upcoming decision and really offer fresh thinking and fresh perspective that can open opportunity,” says Jean Cantey Segal, Chief Learning Officer of Learning and Consulting Services for FCC Services.

Agriculture itself is changing, with the advent of both extremely large farms alongside very small operations, with urban agriculture and vertical farming, with technological and market disruption, and with new uses and new markets for traditional products. In the face of all this change, it’s imperative that the organizations that support agriculture also evolve, including the perspectives from the boardroom. Diversity in the boardroom can be hard to come by, though, especially among cooperatives that have boards with primarily elected directors.

“One of the challenges of an elected board is that everyone might be nominating and/or voting for who they believe is the very best from an area, but eventually that all roles up into a team, and absent of any efforts to change, it is possible for the whole team to be very similar. So individually there is greatness, but teamwise we’re missing out,” says Byron Enix, CEO of American AgCredit (AAC).

AAC has made a concerted effort to increase diversity in its boardroom, primarily working through its nominating committee, which looks for missing pieces of experience or perspective and actively seeks out qualified candidates with those attributes.

“Boards of directors best serve their organizations when they focus on the future, so recognizing coming trends and looking for individuals who have the skills and attributes to meet the coming challenges is key to setting up for success.”

— **SCOTT BINDER**  
CEO, FCCS SERVICES

NOVEMBER-DECEMBER 2019

“As this happens over time, our board will grow more diverse, which will ultimately benefit AAC and our members,” says Byron. “It starts with the board setting diversity as a priority, and with the nominating committee’s commitment we’ll achieve it, and gain the value of diversity including creating better solutions for all segments of agriculture we serve.”

“AAC isn’t alone in proactively seeking diversity in its board of directors,” says Leslie Hilton, Vice President of Governance/Board Development for FCC Services, “From my interactions with our clients, most organizations are aware of the value of having diversity in the boardroom in order to make sound decisions to ensure the success of the cooperative. Beyond just the board composition, though, is the importance of welcoming and listening to those diverse perspectives and opinions to inform those decisions. This is an important communications skill for all teams so they avoid missing key risks and opportunities.”

Many cooperative boards are addressing this by appointing outside directors who offer different expertise, experience and viewpoints. Making sure that service on the board is attractive and asking management to identify and invite diverse members to become candidates for the board is also beneficial. And when boards themselves can’t provide the diversity of perspectives needed, bringing in outside experts for specific topics can also benefit the board’s discussion, especially during difficult or important decisions.

“Agriculture is becoming more diverse, rural communities are becoming more diverse, America is becoming more diverse, so it makes sense that our organizations and their leadership will also become more diverse,” says Scott. “I can imagine in the future that diversity might become an odd thing to think about, because we will have fully achieved it. In the meantime, it’s gratifying to see that organizations are recognizing the value of diverse perspectives on their boards and taking steps to seek diversity among their directors.”