

# Diversity and transparency in a crisis

15 APRIL 2020 7:24 AM

Cultivating an organization that values diversity of thought and transparency can help ease the debilitating consequences of a crisis in the short term as well as improve employee retention and public perception in the long run.



By Greg Smith

Diversity of thought in the workplace means welcoming and listening to a variety of voices, opinions and ideas in order to solve problems and create strategic business plans with a 360-degree perspective.

Factors such as geography, ethnicity, race, gender, age and sexual orientation, among others, shape an organization's perspective at every level. In today's environment, where many companies are being pressed to re-examine short- and long-term plans, it is important for business leaders to recognize the critical role that both demographic diversity and diversity of thought play in the face of a crisis.

Diversity of thought does not mean seeking unanimous consent for all major decisions. Instead, business leaders should listen and react to a variety of sources in order to make more informed assessments. These sources should not just include an immediate circle of peers but should incorporate individuals throughout the leadership team. Those team members closest to the client are often nowhere near the executive suite, they can offer instrumental, on-the-ground knowledge. An infantry soldier on the ground will have more direct knowledge about a situation than a general officer directing the battle from afar.

During a time of uncertainty, an organization's management team may feel the urge to make decisions in haste without thorough input from a variety of different perspectives. This, however, can leave a company in a weaker position once the crisis recedes. Executives who default to a command and control leadership style in a crisis, as opposed to taking a more collaborative approach, risk missing key details that could lead to stronger, long-term

results. There are also certain decisions that may have a disparate effect on certain team members based on demographics such as age or income level. These differing consequences may indeed be unavoidable, but it is valuable for leaders to recognize these varied outcomes while demonstrating empathy and a willingness to be responsive to every team member. This also underscores the essential need for companies to embrace diversity from the top, so these conversations can happen organically. At Preferred Hotels & Resorts, for example, individuals on the executive team span generations, countries, different sexual orientations, various ethnicities, genders and more.

Having a diverse, broadly skilled leadership team with different backgrounds, ages, genders and cultures not only makes good business sense, but also results in better decision-making. In this new environment where companies are being forced to impose furloughs, execute salary reductions or otherwise alter everyday business relations, we are already seeing what can happen to companies with chief executives who are not closely advised by a diverse senior executive team or board of directors. In this regard, leaders can be too quick or too slow to react and make decisions that could impact their businesses negatively. For example, arbitrarily enforcing 50% salary reductions across the board without any real thought as to how this might affect different employees and what it might do to talent on the other side of the crisis. In this way, diversity is key in seeing what others may miss.

Genuine transparency is also critical for business leaders in the face of a crisis. This requires honesty, communication, collaboration and consistency. The strongest leaders are calm, courageous, and positive, and able to admit when they are uncertain about the future and its outcomes. They can share pertinent information as it relates to employees and clients, while also protecting proprietary data.

There are a variety of actions businesses can take to provide transparency during a crisis:

- **Respond quickly and honestly.** It is critical for leadership teams to respond and address their workforces in a prompt manner in any crisis situation. Employees want to feel that they are a priority when it comes to business decisions, and this also allows a company's leadership team to set the narrative.
- **Provide regular, timely and clear updates to all key parties.** Routine communication is crucial in times of crisis, and reliable updates allow everyone to feel that they are in the loop and connected to the decision-making process in a truly meaningful way. This approach builds trust among employees, ensuring they have the details they need to understand the company's crisis strategies and protocol.
- **Maintain an open-door policy with leadership.** Employees need to feel safe when sharing their thoughts, ideas and opinions with management, especially in times of crisis. Company leaders must ensure their associates feel comfortable and confident in approaching their managers with any areas of concern.
- **Guide employees on how best to move forward with daily tasks and routines.** During difficult times, there is likely to be a lot of uncertainty about how to effectively continue with business or how to communicate with external parties. Company leaders should set aside appropriate time to answer relevant questions as they pertain to roles and responsibilities.

Ultimately, crisis situations often distinguish a good manager from a great leader. While cultivating an organization that values diversity of thought and transparency isn't always easy, it can ease the debilitating consequences of a crisis in the short term, as well as improve employee retention and public perception in the long run.

With more than 20 years' experience as a thought leader and practitioner in the human resources field, Greg Smith serves as Senior Vice President of Human Resources for Preferred Hotels & Resorts, the world's largest independent hotel brand, representing more than 750 distinctive hotels, resorts, residences, and unique hotel groups across 85 countries. In this role, Greg oversees talent acquisition, organizational development, compensation and benefits programs, performance management, and employee and labor relations for the company's worldwide team of 300 associates across 35 countries, helping to ensure a strong corporate culture and high associate satisfaction and retention. Over the course of his career, Greg has led human resources efforts for complex global organizations, providing counsel and direction to create successful, positive, and efficient work environments, as well as guiding companies through times of both critical expansion and mergers and acquisitions.

The opinions expressed in this column do not necessarily reflect the opinions of Hotel News Now or its parent company, STR and its affiliated companies. Bloggers published on this site are given the freedom to express views that may be controversial, but our goal is to provoke thought and constructive discussion within our reader community. Please feel free to comment or contact an editor with any questions or concern.