

The Importance of Culture and Diversity in Successfully Building an Organization

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CEO's know that finding, maintaining, and growing the right talent is crucial to business success. The right talent is critically important in the consumer products and services industry, as all people are consumers and consumers span all sectors. Consumers are the unemployed, laborers, and those in financial, technology, healthcare, and industrial sectors.

Thus, consumer companies often want to have a diverse employee base representing different cultures. This diversity allows them to better understand and communicate with their varied customer base and provide products and services to them in the most effective and acceptable manner.

This realization recently was noted in a *Wall Street Journal* article which discussed the move by many luxury retailers to make their products available through their websites. The purchasing patterns of many of their customers have moved from the retail stores to the Internet.

Having different cultures represented in one's employee base allows the company to be more sensitive to and more easily adapt their product or service offerings to a larger customer base. Although formal education remains an important factor for many of the senior positions for which we are retained to recruit candidates, the best people for the top jobs may not be the ones who are the most educated. In many cases, the best are the ones who also bring a diversity or culturally different perspective to the company. This applies at the Board of Director level as well, for both publicly- and privately-held companies. As Boards set the company's strategic direction for continued growth, board diversity is important, as well.

Not too long ago I was asked to do a Board of Director search for a company whose products were generally purchased by women...yet it had no women on its Board. To do the search effectively, the board also assessed which functional skills would be beneficial to add to the board. The Board determined that a woman could add significantly to its deliberations.

Organizations that take the time to build from within and make key outside hires with a focus on culture, diversity, and effective team leadership will be ready to move more quickly and effectively into becoming a formidable and profitable competitor. They also realize the real bottom line of their business is its people.

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