



'OPEN THE APERTURE'—

DIVERSE BOARDS CAN FUEL GROWTH; A SYSTEMATIC RECRUITING PUSH CAN HELP

Laundry execs & consultants review the challenges and benefits associated with diversifying boards of directors

By Jack Morgan

hether you're a public or privately held linen, uniform or facility services provider, taking steps diversify the membership of your board of directors can add value by bringing fresh points of view to the company's leadership, according to several experts we contacted.

DIVERSITY & PERFORMANCE

Rob Sligh, a senior consultant with The Family Business Consulting Group (FBCG), Chicago, says the goal isn't to score public relations points, though that can provide benefits both internally and externally and with your customers and staff. Rather, the chief benefit of diversifying a company's board of directors is to broaden the range of views that can aid company executives in guiding the business forward. "Diversity can take a lot of forms," Sligh says. "The first thing is diversity shouldn't be thought of as political. It means creating value. We're talking in a large sense about diversity of thought that broadens the board's perspective. It reveals additional alternatives. It increases the business' value for the owners. And it also improves the value of the leaders as they go to board meetings and interact with the board."

UniFirst President and CEO Steven Sintros, who's company has received national recognition for efforts to diversify its board, added that today's challenging business environment makes it that much more important to get diverse views on planning and policy moves at the executive level. "As we continue to operate in today's increasingly complex world, diversity is critical for successfully tackling business challenges," Sintros says. "At UniFirst, we continue to prioritize diversity starting from the top—our Board of Directors. The composition of our current Board of Directors brings a valuable mix of perspectives, experiences and backgrounds to the table. This diversity drives better decision-making, problem-solving, adaptability and innovation. Ultimately, it helps to strengthen our company's performance."

For family-owned and operated businesses, advancing board diversity can pose a significant challenge. But it's nonetheless beneficial and necessary, says Kortney Overzet, vice president of people development and culture for Spindle, a software provider based in Woodridge, IL. "Being a family-owned business can make it a difficult endeavor to ensure that diversity is present on the executive team and board of advisers," she says. "However, we do strive to ensure two aspects of diversity are present—cognitive/experience diversity and ethnic or gender diversity."

Overzet notes that Spindle's executive team includes both family and non-family members, including women. "This allows for varying opinions and viewpoints, rather than 'group think,' as we continue to lead the organization forward," she says. In addition to the executive team, we have a board of advisers that the team meets with regularly, that bring in a cognitive/ experience diversity from various other organizations and backgrounds. It is key to ensure, as a family-owned business, that we do not just rely on historical experiences within our four walls but bring insight and experience from other industries and organizations, and other personal backgrounds."

DIVERSE SKILLSETS

If you agree that your company's board needs greater diversity, what sort of candidates will fill the bill? That can vary widely, says Sligh, noting that such needs are often as varied as the companies that pursue them. "Diversity can and should mean different things for different companies," he says. "Here's an example: A company in the Midwest is expanding in the Southeast. In that case, they needed geographic diversity." Having board representatives from the new market area could advise on business conditions there, as well as provide helpful contacts across the new territory that the company seeks to serve. In another example, he cited a restaurant chain that serves a large African American clientele. Having people of color on that company's board could help ensure that the company's marketing and other policies are in sync with local expectations. In a linen, uniform and facility services context, if the primary end users of, say hotel linens, or healthcare scrubs, include a significant number of female housekeepers or nurses, gender diversity could help the company better understand its customer base, he says. Age offers yet another factor. If all the board members are in their 60s or 70s, it makes sense to bring in younger people as the business transitions to the next generation of both customers and employees. "The thing that these examples and others show is that goals for diversity can be tied directly to what's important to the future of a given business."

Sintros added that for UniFirst, advancing diversity on its board is an ongoing process that includes bringing in individuals from outside the linen, uniform and facility services industry. "We are committed to continually challenging our board's composition, whether it be supplementing the board with additional women, individuals from diverse cultural backgrounds, and or simply professionals from different industries and with different experiences," he says. "We believe that by doing so, we gain valuable perspectives and insights."

RECRUITING DIVERSITY

Angela Howard, a consultant and founder and CEO of Call for Culture, Chicago, says determining recruiting priorities should begin with assessing a company's core values. "The first step is to assess your board and organization's culture," she says. "It's not sustainable to focus on diversity, while your culture remains homogeneous. Starting from

the inside out will provide better retention and ensure that you're improving the environment to bring inclusion to a diverse board (or workforce)." Like Sligh, Howard noted that once a review of the culture is complete, it's important to look at the customer and community environment in which the business operates and to align recruiting accordingly. "Your board should feel like a representation of voices and



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perspectives that serve your company... the communities in which you operate and the broader social context."

Sintros also cited the need to communicate the company's values and outlook as part of a systematic recruiting effort for board members. "It's important to talk about company culture when recruiting board members, just like with every employee," he says. "Highlight what makes the culture special and create paths to a welcoming environment." He added that offering mentorship and development opportunities can assist board candidates from non-traditional backgrounds. "At UniFirst, we've successfully implemented several professional-development programs that serve to inspire career growth and create paths for success at all levels. This is what truly drives progress."

A hazard in today's hyper-partisan environment—coupled with the day-today challenges of meeting recruiting goals—is to ensure that the recruiting of board members or regular employees from "historically underrepresented" groups avoid any moves that resemble "tokenism," or "checking the box" as opposed to a genuine desire to broaden a company's perspective.

A sense of dedication to the principle of diversity as good for both business and the broader society is critical to avoiding tokenism in either hiring or appointing board members, Howard says. "Take a deep look at the values that guide your company," she says. "Given the research, we know that diversity and inclusion is integral to business and board success. To avoid tokenism, there needs to be an unwavering, dedication to living the value of inclusion and diversity. Check-the-box activities and lack of leadership commitment and role modeling will not only fail to produce results, it will deteriorate your culture and send cues to your company that diversity is simply lip service." Sligh adds

that selecting qualified candidates who will deliver value is the key to heading off charges of box checking. "Avoidance of tokenism has to do with making sure that people will be aimed at adding value to the enterprise's envisioned future, that they're capable of adding value, that they're willing to spend the time." He concedes that achieving diversification goals is, "Something that often requires extra effort."

Sintros says tokenism isn't difficult to avoid so long as companies approach the process with a focus on leveraging the benefits of diversity to help the company. "The key lies in allowing the process to unfold naturally," he says. "Rather than imposing quotas or considering appearances, it is crucial to begin by identifying the specific needs of your company. This will guide you to find the right individual who can truly contribute to your company's growth and success. Genuine diversity efforts should not be driven by checkbox



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compliance, but rather by a sincere desire to enhance your company's performance. By approaching board diversity with a genuine desire for improvement, we've been successful in fostering a more inclusive and effective decision-making environment at UniFirst."

BENEFITING STAFF, COMMUNITY

A complementary benefit of diversifying one's board of directors is the positive impact it can have on employees as well as the broader community. Sligh says he's seen how diversifying boards can boost morale among rank-and-file employees. "I've definitely seen that," he says. "It's a little more evident to frontline employees when there are leaders in the business who are women or people of color, people that frontline workers might say, 'Hey, they look like me.' This is inspiring that they're in top management."

Sintros says diversifying a board, along with their efforts to implement effective policies aimed at improving growth opportunities for historically underrepresented people can make a difference to rank-and-file employees. "Diversifying a company's board of directors can have a significant and positive impact on the entire workforce," he says. "By creating a more diverse board, inclusive policies and practices are promoted, leading to the cultivation of an inclusive workplace culture. This, in turn, fosters a sense of value among employees from all backgrounds. The result? Heightened morale, improved talent retention and increased overall productivity."

If the message of diversifying a board of directors helps internally, should companies also let organizations outside of the company know about these efforts as well? Howard suggests compiling yearly updates on advances in diversity to document a company's progress. "I always recommend that companies develop an impact report that highlights the activity that is producing impact to their business, the lives of their people

and society," she says. "If this is done annually, companies can determine what people they would like to send it to. This also serves as a great way to ensure value alignment as business and collaborations progress."

Sintros adds that if diversification proceeds naturally, companies don't need to broadcast their progress in this area. "As we strive to advance diversity in our own organization, we must lead by example," he says. "It is important to prioritize diversity without the need for explicit promotion. By having the right individuals on our board, diverse representation will naturally follow."

Sligh notes that outreach to inform various groups about its progress in diversity—provided it's handled graciously—can have a similarly positive impact as sharing such information internally. "Yes, it can be helpful," he says. "But I think it needs to come from

a genuine place. It produces this idea of now there's a new way of looking at problems and opportunities."

For most linen, uniform and facility services company leaders, the idea that diversity as a good thing for society is an easy sell. What some may miss is the benefits that diversity can have on the business itself. With board members, Sligh recommends that companies "open up the aperture a bit," like letting more light into a camera for a clearer picture. Taking an approach that considers not only gender or racially diverse candidates, but also leaders in areas such as human resources or marketing can bring more unique perspectives to corporate governance.

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