diffuse tap
Virtual Event Series

# How to Build a Gender Balanced Talent Pool

Guest Speaker:



Dennis Mellen CEO Full Throttle Leadership

Hosts:



Kenny Estes CEO & Founder Diffuse



Ayla Kremb COO & Co-Founder Diffuse



# DiffuseTap: How to Build a Gender Balanced Talent Pool

Last time on DiffuseTap, Dennis Mellen, CEO of Full Throttle Leadership, talked to us about how introducing women into male-dominated roles can create a "glass house" effect, the need for tailored leadership and diversity initiatives, and the importance of mentorship to support women's professional growth.

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## Meet the Speaker



DENNIS MELLEN is a dynamic leadership trainer, speaker, and best-selling author. A retired Air Force Lieutenant Colonel and former Alaska Airlines manager, Dennis brings 48+ years of experience to his work as CEO of <u>Full Throttle Leadership</u>, blending his military-inspired approach to boosting team performance with practical strategies for senior business leaders.

LinkedIn: @dennismellen

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KENNY ESTES: Mr. Mellen, thank you so much for joining us today. Do you want to give the folks a little bit of your background and what you're up to now over at Full Throttle?

**DENNIS MELLEN:** Sure. Thanks, Kenny. I appreciate the invitation, and it was nice of you to bring me on. I'm Dennis Mellen, a retired Air Force Lieutenant Colonel and a former fleet captain at <u>Alaska Airlines</u>, where I oversaw 650 pilots and 40 instructors.

As I mentioned in the breakout room, every one of those pilots thought they knew how to run the place better than me. So, there were a lot of opinions that either needed to be weighed or discarded, as the case may be.

What I do now is help companies connect their culture with their vision. I am going to guess that almost everyone on the call here is probably a data-driven person. One of the things I can help with is inspiring your team to do more than just what is in their job description. I do that through workshops and one-on-one coaching.

As a side note, I also do some mental performance coaching for athletes, and you would be surprised at the number of similarities between the challenges athletes face and those that leaders encounter. That's what I do. And I guess today's topic is how we create a talent pool. What was the exact topic again?

KENNY: I think we went with creating a gender-diverse talent pool, which can really be truncated a bit. Let me ask you a super high-level question: Why do we want a gender-diverse talent pool?

**DENNIS:** Well, I think one of the key reasons is that if we are data-driven, right-side brain people, we tend to create environments where we all start thinking alike. Bringing in diverse or minority voices, including women, adds to the company's ability to create something where everyone is inspired.

The goal is to create an environment where workers feel like, "I get to go to work," instead of "I have to go to work." By doing so, we ignite that elite performance we're all seeking from our companies.

KENNY: Okay, let's drill down on that. Obviously, your background is in the Air Force, which isn't really known for gender diversity, per se. When I think of it, that's not what comes to mind. Can you expand on your experience there?

**DENNIS:** Yeah, you are definitely on the right track. The Air Force has been a male-dominated organization since its inception. Back when I was chief pilot in my squadron, we started bringing women into pilot slots. Initially, they weren't allowed to fly combat aircraft, which developed later on.



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What I found as the chief pilot was that, as the new women joined, the biggest challenge wasn't that the men weren't accepting of them—it was that the women felt like they were in a glass house, with everyone observing them. They would not allow themselves to make mistakes.

The development of pilots, or any position, requires allowing people to make mistakes and learn from them. It took a long time to work these women into positions of influence because you don't just say, "Abracadabra, you're going to be a flight leader," or "Abracadabra, you're now the squadron commander," or "You're the CEO of a company."

There is a developmental process essential to those positions. It took almost 40 years for the <u>first woman</u> to be put in charge as a four-star general of a major combat command. They needed the experience and the learning process.

Many companies find that this learning process takes longer than they would like, but there are steps you can take to help that development along the way, similar to when you bring a new male into a company. There is a learning curve. You don't just automatically say, "Kenny Estes, you look like C-suite material right there." So, where I'm coming from is ensuring you have the process in place to develop that talent.

KENNY: So, is this distinct from general talent or leadership development? Are you saying that as you pursue more diverse goals, like gender diversity, there is a separate track or additional training required?

**DENNIS:** No, not at all. But you do have to provide opportunities for development. There is a unique balance to strike. Many companies have gone through the <u>Diversity</u>, <u>Equity</u>, <u>and Inclusion (DEI)</u> process to develop new leaders, but they must balance that with <u>Merit</u>, <u>Excellence</u>, <u>and Intelligence (MEI)</u>.

The purpose of a company, ultimately, is to make money and make a difference, whatever their vision is. To do that, you need a balance between DEI and MEI. Special programs are necessary, but they are not much different from those used to develop males or minorities into leadership positions. Does that make sense?

KENNY: Kind of. So, what you're saying is it's different but not necessarily more—like it's a different track or approach for some people, but it's not like one has a head start over the others. Is that fair?

**DENNIS:** Well, yeah. In every company, the first step is identifying the barriers to developing the next generation of leaders. I tell companies that leadership programs start with the onboarding process, or even earlier, with the interview process.





Developing the next generation is crucial if you are going to sustain your company. When you reach a point where you cannot do the same one-on-one mentoring you used to do, you need a program that allows others to step in as mentors for that new generation.

KENNY: Okay, fair enough. Interesting. So, I'm going to paint with a broad brush here. ESG was all the rage for a while, in terms of investors focusing on Environmental, Social, and Governance goals. We're talking about diversity goals here, which could probably be lumped under that same category.

For about two years, ESG was very hot. Lots of investors were ESG-focused. They wanted to do good. That seems to have inverted now, in the sense that as a public company, if you're ESG-focused, you're typically trading at a lower multiple to earnings than one that is not and is just out to make money however they can.

Are you seeing that trend in some of this stuff too? Do people just fundamentally seem to care less, or do investors and shareholders care less? What's the trend?

**DENNIS:** It's similar to when you're developing or upscaling a company. What happens is that all the interest is put into ESG or DEI programs, and what I try to address is making sure that you are balancing that so that you don't lose the performance you are after.

There is no company that says, "Oh, we want to have average performance, but we want to make sure that we observe all the <u>ESG</u> issues and all the DEI issues." There's a balance there, and it's incumbent on the leader to make those decisions and create that vision that allows for that development to occur.

KENNY: Okay, so I'll push it a little bit further on that. Is the reason that people are moving away from the ESG or DEI focus because, fundamentally, it doesn't create better results for the shareholders or better outcomes?

**DENNIS:** No, I don't think so. I think what's incumbent on a leader, a CEO in a position like that, is to make sure you have a program in place to help that development, but at the same time, balancing it with essentially the bottom line.

Not that by doing that, you automatically have poor performance. I don't mean to imply that at all, but the decisions that are made—you can't be all in on one item. It would be like focusing on one particular production item.





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If I only make widgets, then any threat to widgets causes me to start losing money. But if I have a diverse product line, then I'm better able to protect the company and continue looking for that elite performance. So, by having these programs in place, you can't go all in on them, because you have to protect the bottom line.

KENNY: Okay, so the primary focus is the bottom line. This is kind of like a secondary consideration. Here's a concrete question from the chat: How can organizations empower women to have leadership roles? What are some concrete things they can put in place to make a significant difference?

**DENNIS:** Well, I think the main thing is to allow opportunities for <u>development</u>, which is obvious. Make sure you have a mentor in place. People who have had mentors know the value of having someone to refer to and to coach you along—someone who can guide you, point out areas you need to work on, and emphasize important items.

As well as providing avenues for women to develop, it's important to address the fact that women of child-rearing age may have a break in their careers. How do we keep that break at a minimum? How do we help them through that period without penalizing them, so they can continue developing their careers?

KENNY: Let's touch on that. I think I read somewhere—though I don't remember where—that if you control for the time women take off for having a child, like three to six months, the career trajectory between men and women, and their final outcomes, is comparable. Is that a valid statement, in your opinion?

**DENNIS:** Well, there's a definite split there, and it's situational. At the same time, offering the opportunity to continue development during that time is crucial. Maybe it's working part-time from home or remotely. It's going to depend on the company's track and day-to-day operations.

For example, being a pilot requires maintaining currency—if you don't do three landings every 90 days, you can't fly until you complete those landings. In the past, we offered women the ability to stay current in the simulator and have sim checks.

I don't know what a particular company can do in that regard, but keeping them current, up to date, and professionally developing them during that time is key.





KENNY: Fair, but tricky, obviously.

**DENNIS:** It is. It's going to be situational to the company. What works for one company might not work for another, like what works for Diffuse might not work for Alaska Airlines.

KENNY: Gotcha. I've also heard, from a corporate governance perspective, that there is a trend over the last 20 years toward wanting more diversity at the board level. I think this speaks to your mentorship point—that just by having more diversity at the board level, it creates more mentor capacity. These people in those positions can bring others up. Does that resonate with you?

**DENNIS:** Absolutely. We've all seen situations where a favorite person gets promoted before they're really ready. But what's wrong with bringing someone in, mentoring them, helping them get up to speed on the issues that need to be addressed?

There is nothing wrong with being mentored to move into those positions. Or, once they move into those positions, giving them a bit more support. It's just like a brand-new captain—it takes 100 hours before they can go to all the lower weather minimums and be fully qualified. There are steps that can be taken with developing team members that can help them through mentorship and by allowing for mistakes and professional development.

I feel like I'm chasing my tail here on some of these comments, but it has to be tailored to your particular company. Someone coming in and saying, "You need to do this, this, and this"—some of those suggestions may work, some may not. It takes time to observe how the dynamics play out and for the new leader to fit in.

Like I've been saying, you don't automatically make flight leads, squadron commanders, and CEOs just by implementing a DEI program and filling those slots. That's hit or miss, and the chances of success are lessened by doing it that way.



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