BOLD AND INCLUSIVE LEADERSHIP: THE TIME IS NOW

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Our communities are being destroyed by racial tension, and we’re too polite to talk about it. Tolerance is for cowards. Being tolerant requires nothing from you but to be quiet and not make waves.”

—AT&T CEO Randall Stephenson

INTRODUCTION

To accrue the dividends that diversity and inclusion (D&I) has the potential to produce, bold and inclusive leadership is required both on an individual and a systemic, organization-wide level. In its 2016 benchmarking report, Diversity Best Practices (DBP) notes a disconcerting gap between CEO commitment and accountability. While 88 percent of CEOs have a thoughtful and convincing D&I mission/vision, can articulately state their business case and have action plans in place, diversity and inclusion progress has been minimal and slow growing. Only 24 percent of these CEOs have organization-wide performance objectives tied to D&I, and fewer than 30 percent tie D&I performance to compensation. Only 39 percent require their direct leadership team to report on D&I metrics. These leaders, clearly in the minority, have made the commitment to take the extra measures necessary to drive diversity and inclusion systemically throughout their organizations. What drives these leaders to do what most haven’t? What distinguishes leaders who have the best and right intentions from those who have the best and right intentions and also boldly drive systemic cultural change? Or more plainly stated, what differentiates those who check the box from those who authentically engage and drive change?
It is no longer a question of “if” diversity and inclusion has a positive influence on the bottom line of business. Now the questions are “How profound could that influence actually be?” and “Are you willing to commit and differentiate yourself?” In the Why Diversity Matters research published in 2015, McKinsey calls diversity a dividend and a competitive differentiator that shifts market share toward more diverse companies over time: “More diverse companies are able to win top talent and improve their customer orientation, employee satisfaction, and decision making, and all that leads to a virtuous cycle of increasing returns.” In recent, first-of-its-kind research done on nearly 170 tech companies by Intel and Dalberg Global Development Advisors, Decoding Diversity: The Financial and Economic Returns to Diversity in Tech, it is estimated that improving ethnic and gender diversity in the tech workforce could add 1.2–1.6 percent to national GDP (read $470–$570B). And that’s just the tech industry!

DBP member Sodexo issued a 2016 D&I report stating $19 of ROI to every $1 spent on D&I initiatives. Further, it reported that its businesses with 40–60 percent gender diversity achieved higher key performance indicator results than those without gender diversity. Gender-diverse teams achieved higher results across engagement, client retention, higher profit and growth for three consecutive years.

We are still talking about the correlative relationship between diversity and productivity, but we’ve long passed the point of questioning whether or not these results are meaningful. Nonetheless, many companies and leaders continue to question the value of a diverse workforce (and the inclusive envi-
Because staying the course is hard

Because talking about imperfections involves personal risk-taking

Because bias is a leader’s Achilles’ heel

Because different ideas and experience enable growth

Because not everyone sees the world through the same cultural frame

Because a diverse-thinking team is greater than the sum of its parts

In this Insight Paper,

Diversity Best Practices shares our belief that these critical differentiators define bold and inclusive leaders:

1. A deeply personal and authentic commitment that encourages risk-taking.
2. Self-awareness and alignment of an espoused external message with internal inclusion culture.
3. Willingness and courage to hold themselves and their teams accountable to inclusion objectives.

The true issue is not that we don’t know what to do, but that many lack the will and courage to act on what we do know.

The perception is that in the short term there is too much at stake: quarterly profit margins, overnight brand success and reputational risk, for example. It is longer term, however, that the profound, positive impact of diversity and inclusion will be felt, and we can’t afford to sacrifice long-term prosperity by focusing on next quarter.

We are already in a brave new world where the meaning of “leadership” has been turned on its head. Leadership theories such as the Great Man Theory (with its image of the “captains of industry”), Constituency Theory and Transformational Theory still take the top-down view that no longer completely resonates in today’s workplace. What is required now is leadership from the inside out, starting at the authentic heart of the leader and emanating out to actively engage and motivate employees. It is bold and inclusive leadership, the kind whose source executives and HR practitioners and academics are struggling to identify—either characteristics inherent in the individual or behaviors that can be trained with advanced adult learning techniques. Right now the HR practitioners appear to have the edge; an exciting new body of work defining the inclusive leader is emerging, and with significant impact.
A DEEPLY PERSONAL COMMITMENT

The true heart of inclusive leadership is how we experience most things that matter deeply to us—taking it personally. Within an organization, maintaining deeply held beliefs may require an uncomfortable level of authenticity and risk-taking. Inclusive leaders are those who are committed personally to diversity and inclusion, and exhibit the qualities of courage, passion and perseverance, and the communication and influencing skills, to make it resonate throughout the organization. In a 2014 Harvard Business Review article, “Great Leaders Who Make the Mix Work,” 24 CEOs agreed that inclusivity was a personal mission. “They believed it was a business imperative because their companies needed it to stay competitive, and they believed it was a moral imperative because of their personal experiences and values.”

Coupling the personal qualities of courage, passion and perseverance with influencing skills is a powerful recipe for an inclusive leader, one recognized by numerous thought leaders. The Korn Ferry Institute’s first two steps for action on the path to inclusive leadership are (1) openness and awareness and (2) effective advocacy for diversity. (The remaining three are trusting, open teams; diversity, greater adaptability; and driving results.) A leader with a strong personal...
DO WE HAVE INCLUSION ALL WRONG?

Recent groundbreaking research done by Dr. Heidi Grant of the NeuroLeadership Institute draws powerful conclusions about feelings of inclusion and exclusion. A conscious focus on inclusion presupposes the acknowledgment of difference. And it is important to recognize the unintended consequences of focusing on difference. If we are actively focused on inclusion, because brains are biased toward threat detection, we are probably accidentally implying exclusion.

According to this research, feelings of exclusion, identified as pain by the brain, have six effects.

1. **Increased self-defeating behavior**
   - More irrational, risky, and foolish behavior
   - Less likely to help or cooperate with others
   - Less self-control, more easily frustrated

2. **Reduced pro-social behavior**
   - Less likely to help or cooperate with others
   - Less self-control, more easily frustrated

3. **Reduced well-being**
   - Increased social anxiety, jealousy, loneliness, and depression; reduced self-esteem
   - Sense of meaninglessness, lack of emotion, avoidance of self-awareness, lethargy and altered time perception

4. **Reduced intelligent thought and reasoning**
   - Decreased self-control, more easily frustrated
   - Less self-control, more easily frustrated

5. **Impaired self-regulation**
   - Less self-control, more easily frustrated
   - Less self-control, more easily frustrated

6. **Reduced meaning and purpose**
   - Sense of meaninglessness, lack of emotion, avoidance of self-awareness, lethargy and altered time perception
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commitment to diversity and inclusion, and the courage to execute on that commitment, will support and drive proven best-practice diversity and inclusion policies, procedures and activities—thereby modeling D&I-champion behavior for the entire organization.

In an influential 2009 report, *Engaging Men in Gender Initiatives: What Change Agents Need to Know*, the Catalyst organization identified a strong sense of fair play as predictive of men’s engagement in gender initiatives. Possessing this strong sense of fair play also comes to light in the work of neuroscientist Dr. David Rock in *Your Brain at Work: Strategies for Overcoming Distraction, Regaining Focus & Working Smarter All Day Long*. Indeed, Rock finds this deeply personal quality of perceived fairness a primary need, equivalent in importance to the innate human needs hierarchy developed by Abraham Maslow in the 1950s. The experience of perceived fairness (or conversely perceived unfairness) activates the same network in the brain that monitors pain and pleasure, according to Rock. A related concept is important in this context: perceptions of exclusion and inclusion are also experienced as pain or pleasure by the brain.

The leader who practices a deeply personal brand of inclusivity motivated in part by a strong sense of fair play probably also possesses three habits that foster inclusion, according to work done by the NeuroLeadership Institute and Dr. Heidi Grant in 2017: (1) finding common ground, (2) lifting people up and (3) helping to create clarity.
AUTHENTICALLY ALIGNED INTERNAL AND EXTERNAL MESSAGING

After a personal commitment to diversity and inclusion, publicly acknowledged, the alignment of the external and internal is critical: a leader must walk the talk. Similar to any other major cultural change, it is inauthentic and damaging for a leader to externally present a commitment to diversity and inclusion that is not backed up by her personal brand and actions, as well as those of the organization she leads. A leader's ability to be cognizant of her own actions and behaviors, and of their impact on employees, stakeholders and her company, is a critical element to leading diversity and inclusion.

The ability for organizations to closely manage their external messaging, branding and PR is fleeting. The prominence and ubiquity of social media have enabled virtually all stakeholders to serve as powerful and influential advocates or critics. This new access can be either damaging or rewarding to a number of critical constituencies: employees (current and potential), suppliers and, most critical of all, customers. The speed and scalable reach alone can rocket an organization from hero to zero or vice versa. Several companies have been lauded for their public and bold issues; conversely, several companies have been the center of negative PR or brand reputation and even suffered loss of profit and/or customers as a result of their lack of D&I support.

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BOLD AND INCLUSIVE LEADERSHIP AT U.S. BANK

Greg Cunningham, Vice President of Global Diversity & Inclusion at U.S. Bank, is new in the role of diversity and inclusion guru, but experienced in focusing on people and their stories, a talent he acquired by listening to customers for 15 years as the senior executive in marketing at Target.

He takes diversity and inclusion personally and is committed to building a corporate culture anchored with inclusivity as a state of mind. And he has plenty of help in the senior ranks of the company. Last summer, after being in the job for six weeks, Cunningham was summoned to the office of CEO Richard Davis. He was looking for counsel and advice from Cunningham about engaging employees after the recent shooting of black motorist Philando Castile during a traffic stop in St. Paul, MN. Davis strongly felt that his responsibility as CEO was to reach out to employees, not to solve a problem, but to show up differently as a leader.

As a result, Cunningham and his C-suite colleagues embarked on a cross-country tour to hold candid conversations and create a safe space where bank employees felt heard and validated as individuals as well as employees. According to Cunningham, a safe space or an inclusive state of mind is where demographic diversity thrives; and as inclusive leaders, the bank's leadership team is committed to creating that for all employees.

At U.S. Bank, the outside board activity of senior leaders is important—but not just any activity. Leaders are encouraged to sit on diverse boards of directors with inclusive environments, and acknowledged for doing so. This type of accountability at the top is an example of the bold, inclusive leadership expected at all levels.
particular, millennials (who are estimated to make up 75 percent of the workforce by 2030) have a strong penchant for social justice and are choosing employment based on factors such as social mission.

Crowdsourcing and social media apps are not only allowing anyone to find out from employees what it’s truly like to work at organizations but also allowing any employee to post his or her employment experiences. Successfully maintaining an inclusive environment requires a complete round robin of transparency and accountability between leaders and employees, and customers and society at large. Organizations can no longer rely only on employee engagement surveys to get a pulse on employee culture. With platforms like includeed, Glassdoor and InHerSight, employees are going to share their feelings about where they work, positive or negative, to the world, and companies need to pay attention and, more importantly, take action to address the trends found in those comments.

ACCOUNTABILITY

After making a personal commitment and aligning the espoused value of diversity and inclusion with a robust strategy in which the organization is invested (i.e., walking the talk), the inclusive leader leverages her communication and influencing skills to hold herself and others accountable for success. Taking a page from Unilever’s recipe for bold and inclusive leadership (see below), this means anchoring the diversity and inclusion strategy in metrics that are completely transparent and for which managers and leaders are held accountable—putting teeth in the familiar rubric “What gets measured gets done.”

BOLD AND INCLUSIVE LEADERSHIP AT UNILEVER

At Unilever, the personal journeys of VP of Human Resources for North America Mike Clementi and Director of Diversity Outreach and Inclusion Mita Mallick set the stage for their remarkable personal commitment to D&I and their professional commitment to making a difference for the organization. A hardscrabble early life of frequent moves taught Clementi to value the help of others along the way. Now he is committed to being a helper himself. Mallick’s parents moved from Calcutta, India, to optimize the chance of success for their children, a circumstance for which Mallick is grateful to this day. She expresses that gratitude by leading boldly and inclusively in the D&I space at Unilever. Both executives used the same phrase to talk about the journey of transparency the company is on: what gets measured gets done. Because of the value placed on diverse teams, diversity targets are set, and the Unilever community is committed to achieving them. For the U.S. and Canada, the company is gender balanced at the manager level and above. While this is clearly a great accomplishment, Unilever is not resting on its laurels, but working toward achieving appropriate representation for people of color as well. According to Clementi, the functional leadership team meets monthly to assess progress toward their stated goals.

Because of the company’s status as a premier consumer packaged goods company, feedback from the customer is critically important in setting mission and strategy. The company takes equal care in listening to employees, and that means an inclusive workplace where every voice and every story matters. Their 10 (and growing) Business Resource Groups (BRGs) engage over 1,400 employees. GALvanize, the women’s BRG, in particular, has been a catalyst for change by mobilizing women (and men) behind the gender balance transformation. The expectation is that BRGs will continue to lead the way in cultural transformation.
The tech industry nudged the door open on diversity metrics several years ago, and the result has been greater transparency about demographics across American business. A great example of this is Intel. Intel set a goal to reach full representation of women and underrepresented minorities in its U.S. workforce by 2020. It committed $300M to accelerate diversity and inclusion more broadly—not just at Intel, but across the technology industry at large. Intel also holds every one of its 107,000 employees accountable to its diversity goals through a company-wide bonus program.

Unfortunately, transparency alone has not translated into moving the needle, particularly at more senior levels of the organization. The task of researching, setting and monitoring the achievement of goals and targets for improvements in the discrete number or percentage of women and people of color at different levels of an organization requires courage and perseverance—but it gets positive results, according to many DBP members. We are not talking about quotas, whose failure to achieve results is being penalized. The achievement of goals and targets only has a lasting impact within the context of an inclusive workplace. Demographic diversity without inclusion is not possible. Inclusive leaders know this to be true and inevitably work as hard at building and sustaining an inclusive culture as they do at recruiting diverse talent.
Once an understanding of a company’s diversity metrics is in place and appropriately benchmarked, then meaningful diversity and inclusion policies, procedures and activities can be undertaken to move the needle. And we know what these are. According to a 2016 article in the Harvard Business Review, many traditional diversity programs not only fail to have a positive impact but can damage inclusive cultures—primarily, mandatory diversity training programs, hiring/job testing and grievance systems. Much more effective are programs that apply three basic principles, all of which foster an inclusive workplace: “engage managers in solving problems, expose them to people from different groups, and encourage social accountability for change.”

CONCLUSION (AND RECOMMENDATIONS FOR ACTION)

It is not enough for leaders and companies to commit to bold and inclusive leadership, without committing to some concrete actions to back that commitment up. Here are our recommendations, based on our research and examples from leading companies, for both individual leaders and organizations that support them.

FOR THE INDIVIDUAL LEADER:

1. **Find and fine-tune your own story.** Why are you passionate about diversity and inclusion? What legacy/brand do you want to leave with regard to inclusion? What steps can you take to drive your agenda?

2. **Assess your “sphere of influence”** to understand where you can make the biggest difference in your organization and in the community. Bold and inclusive leadership can, and should, happen at all levels of an organization. We all have spheres of influence. Concentrating on those spheres can help you effect change and lead inclusively no matter where you sit in the organization.

3. **Check your unconscious bias.** Understand what your biases are and work to mitigate and counter with acts of conscious inclusion. (For example: Who do you ask to collaborate with? Who do you ask for feedback? Who do you offer feedback to? How can you broaden your circle/reach?)

4. **Talk to your manager about adding D&I performance objectives to your annual review.** Hold yourself and your leader accountable for furthering D&I.

FOR THE ORGANIZATION:

1. **Hire and assess for cultural competency and for authenticity, courage and will.** Ask questions during the interview process that will enable insights into past and current behaviors, and get a sense of the candidate’s awareness levels of the impact of those behaviors. Past and current behaviors can be strong predictors of future behavior. These are harder to train for, whereas other leadership skills can be developed more easily.

2. **Set goals and measure achievement at every level of the organization.** Change and commitment must start from the top, cascading throughout the organization. Organization-wide D&I performance objectives are the broadest way to start. Each individual, team, business and function can further establish objectives to reinforce accountability and importance. Leadership teams who authentically advocate and require organization-wide D&I objectives yield better results.
3. Establish management accountability for progress versus goals. Align goals to measure what needs to change (e.g., less about how many attended a recruitment fair/cultural event, and more about how many diverse candidates made it to final round/hire).

4. In addition to channels such as employee engagement surveys, monitor crowdsourcing and social media sites to understand what your constituents are saying and feeling. Engage your employee advocates to comment and post. Some companies enlist and train employees on recruiting and advocating via social media.

5. Engage your stakeholders, including customers and suppliers, to determine your strategy and accountability levels for social change, and share what you are doing. Aligning your stakeholders and your objectives makes for stronger buy-in and impact.

Key to supporting and driving inclusive leadership in an organization is ensuring that individuals are empowered and rewarded for inclusive leadership. As with the most successful cultural transformations, authentic advocacy and championship form a strong foundation for change. Bold and inclusive leadership is fundamental to driving that change. It is no longer a question of if those leaders and companies that exhibit bold and inclusive leadership will be richly rewarded, but when.

ADDITIONAL RESOURCES:

- Turbulent Times Call for Bold Action Resource Guide
- Digging Deep: Tips and Tools for D&I Cahampions
- Korn Ferry's Insight Paper: The Inclusive Leader
- Deloitte's Presentation: Driving Inclusion Through Accountability
- Intel's Presentation: Driving Organizational Change and Change Management Through Metrics

REFERENCES FOR INSIGHT PAPER


Catalyst. 2014. Inclusive Leadership: The View from Six Countries.


Diversity Best Practices, a division of Working Mother Media, is the preeminent organization for diversity executives and thought leaders to share best practices and develop innovative solutions for culture change. Through research, benchmarking, publications and events, Diversity Best Practices offers members information and strategies on how to implement, grow, measure and create first-in-class diversity programs.

Diversity Best Practices’ services help companies clarify opportunities and implications of their current diversity strategy, identify and enhance critical diversity leadership competencies, create and implement a system-wide focus on diversity and inclusion, and gain the executive-level support needed to ensure the company is successful.

In today’s information-driven economy, diversity leaders need access to the most relevant knowledge available to execute successful diversity initiatives. Diversity Best Practices provides that knowledge. Become a part of the Diversity Best Practices network today.

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