# Building Inclusive Leadership to Enable Future Success

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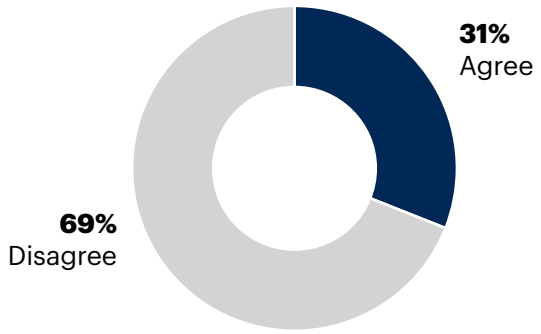
In a recent New York Times profile,[1] Indra Nooyi, former CEO of PepsiCo, recalled arriving at Yale in the 1980s as a new student from Chennai, India. After being dropped off, she realized she had little support to help her adapt.

Despite (and perhaps because of) experiencing exclusion early on, Nooyi has become an advocate for inclusion, and it has played a crucial role in her most career-defining leadership decisions. For example, the push to include healthier options in PepsiCo's product portfolio didn't originate from another senior executive; it originated from an employee's wife who voiced her concerns during a town hall in Egypt. Because Nooyi listened, she played a key role in more than doubling PepsiCo's net profit from $2.7 billion to $6.5 billion.[2,3]

Like Nooyi, the vast majority of leaders want their organizations to go beyond diversity and strive for inclusion, but they often falter in practice. Eighty percent of leaders agree it's important to foster a climate where employees know they are expected to voice different points of view and feel comfortable doing so. Yet only 31% of employees agree their leaders promote an inclusive team environment (see Figure 1).[4]

**Figure 1: "The Leaders at My Organization Promote an Inclusive Team Environment"**
*Percentage of Employees*




n = 6,066 employees
Source: 1Q19 Gartner Global Labor Market Survey

> "They gave me a map and said: 'Go register for classes here. Go do this there.' I was a vegetarian, so I didn't know what to eat .... The first few weeks were very tough."
>
> Indra Nooyi, Former CEO, PepsiCo

## Definitions

### Diversity

The collective mixture of differences and similarities that includes, for example, individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences and behaviors

### Inclusion

The achievement of a work environment where all individuals are treated fairly and respectfully, have equal access to opportunities and resources and can contribute fully to the organization's success

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## Inclusion Is a Competitive Necessity

This lack of inclusion puts exclusive teams at a competitive disadvantage. Our research has found teams that are diverse in gender and highly inclusive perform 40% better than teams that are only diverse.[3] Diversity isn't enough on its own; inclusion is necessary to unlock the benefits of multiple viewpoints and backgrounds.

HR is working to improve inclusion, but the most common approach — unconscious bias training — that 77% of organizations offer is ineffective at producing the outcomes organizations want and need (see Figure 2). HR takes this approach because it hopes helping participants recognize their unconscious biases (their accidental, unintended or subtle judgments) will lead to active inclusion.

However, while unconscious bias training does give leaders a vocabulary, framework and authority to talk about complicated issues on their teams, it's not enough to drive behavior change. Results of unconscious bias training are lukewarm, with 79% of organizations indicating unconscious bias trainings are only somewhat effective at actually mitigating bias (see Figure 3).

Instead of simply focusing on biases, HR should focus on enabling leaders to adopt and maintain more inclusive behaviors and showing leaders what to do in a personally relevant and easy way. Through our research, we found successful inclusive leader programs use three key principles to do this:

- **Use organization-specific examples to increase relevance and receptivity.** Show leaders examples of noninclusive behaviors that could happen or have happened in their own organizations and contexts, rather than giving them one-size-fits-all examples.
- **Make inclusive behaviors feel actionable, not additive.** Show leaders prescriptive examples of how inclusive behaviors can easily be embedded in general leadership behaviors, rather than teaching inclusivity as an isolated skill.
- **Embed bias mitigation efforts into existing processes to sustain behavior change.** Safeguard against leaders' biases by making small tweaks to leaders' processes that nudge them away from unintentional biases and prompt inclusive behavior, rather than assuming training will be fully sufficient.

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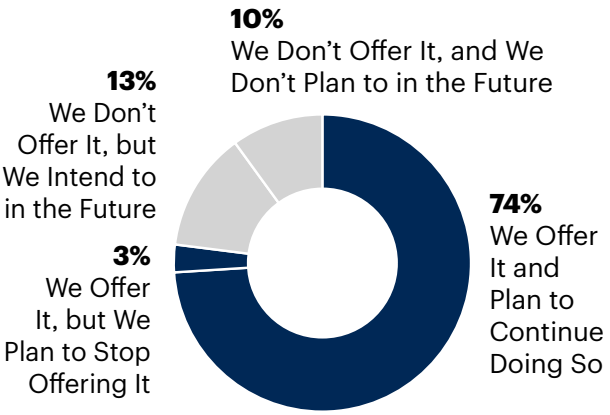
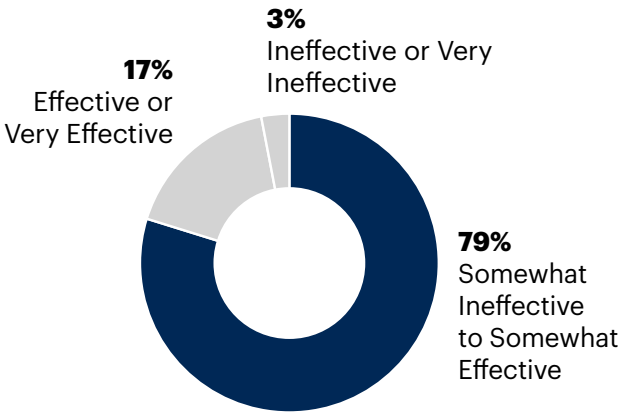
**Figure 2: Organizations Offering Unconscious Bias Training**
*Percentage of D&I Executives*




n = 39 D&I executives
Source: 2019 Gartner D&I Agenda Poll

**Figure 3: Effectiveness of Unconscious Bias Training**
*Percentage of D&I Executives*




n = 39 D&I executives
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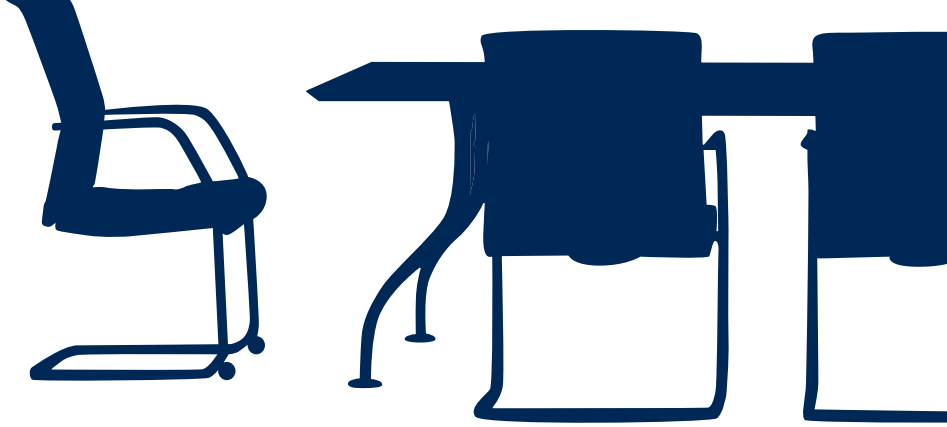

## Use Organization-Specific Examples to Increase Relevance and Receptivity

**Connect inclusion to leaders' individual experiences in their daily environments, rather than providing generic guidance, to increase receptivity to the need for behavior change.**

Unconscious bias training focuses on questioning participants' implicit assumptions and revealing how they can be inaccurate or misleading. However, leaders often fail to ensure participants uniquely relate to the teachings and feel personally responsible for changing their behaviors.

Unconscious bias training shows how someone can be biased but not how a specific individual can be biased in their daily work routine. By seeing standardized or uniform examples of noninclusive behaviors, leaders may struggle to recognize exclusion is an issue for them — or that they can improve.

To make inclusion and exclusion feel personally relevant to leaders, participants should be able to relate to the content by seeing examples in their own work context. See how Asda contextualizes examples of exclusionary behavior below.

ASDA

### Case in Point: Asda's "Close to Home" Scenarios

To make examples of exclusion at work feel authentic to current leaders, Asda employed actors to reenact real examples of exclusive behaviors from different parts of the organization. These scenarios were made into a series of videos included in a training tailored to different business functions — retail, warehouse and headquarters — to show how these issues manifest differently. For example, inequitable scheduling of hours may be more prevalent in retail locations than at headquarters, while ignoring an individual's input may be more prevalent at headquarters.

As leaders reflected on these videos, they recognized behaviors they regularly witness at work and understood how they are exclusive or unfair to others. This level of self-realization spurred action throughout the organization to address these behaviors and open the dialogue around these issues. Now, topics such as exclusive behavior, transparency, accountability and even mental health are discussed far more openly, and leaders are much more receptive to fostering an inclusive work environment.

## Make Inclusive Behaviors Feel Actionable, Not Additive

**To translate realization into action, show how to embed practical inclusivity into other leadership activities.**

Although recognizing the need for inclusion is important, it isn't enough to drive behavior change. This is where most inclusion efforts fall short. Efforts focus on building awareness but not how to act on the job based on that awareness. Once leaders understand the need to change their behaviors, HR should help leaders put inclusion into action.

The first step shows leaders exactly what inclusion looks like and that inclusion isn't difficult to practice. HR needs to show how inclusive behaviors can easily be embedded in general leadership behaviors rather than teaching inclusivity as an isolated skill.

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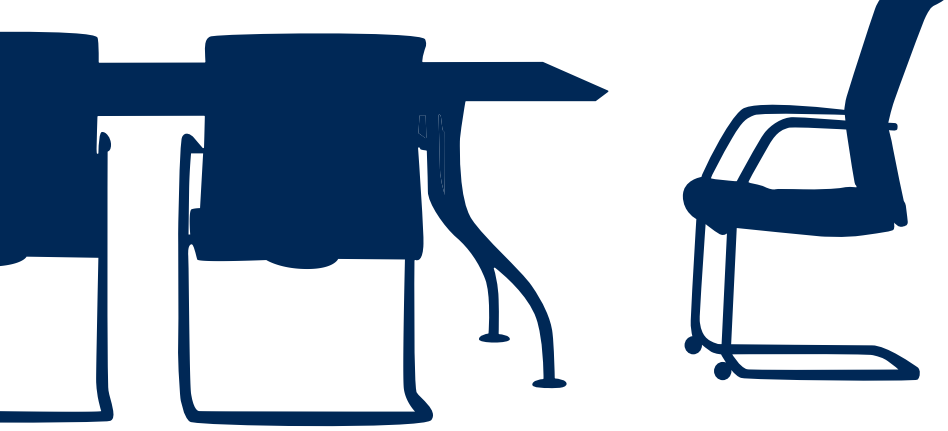

Behaviors such as actively listening to all team members and showing interest in members' career development and well-being are not only activities good leaders should be doing already but also are examples of inclusivity in action. By showing how simple building inclusivity through these common behaviors is, HR empowers leaders to build inclusive habits. See how Visa did it below.

VISA

### Case in Point: Visa's Enabling Behavior Modification Training

Instead of only encouraging inclusive behavior by explaining what not to do, Visa motivates and enables leaders to demonstrate inclusivity by providing simple, positive and practical examples of inclusionary behavior centered on action, making it easier for leaders to change.

**Four key principles allow Visa's training to enable behavior modification:**

- **Empower inclusive business leaders to run inclusion training to drive urgency.** Visa selected senior leaders to run inclusion training and serve as informal inclusion mentors once the training is complete, reinforcing teachings and providing assistance.
- **Share simple, specific plug and play inclusive behavior examples to facilitate application.** Visa breaks inclusion down into small behaviors leaders can easily incorporate in their everyday work. Through discussion, groups discover how these behaviors provide inclusion and can drive culture changes at their organizations.
- **Guide leaders to tailor inclusive behaviors.** Because inclusive behaviors are used in a variety of situations with different people, Visa discusses how to apply behaviors in different contexts.
- **Enable self-discovery of inclusive behavior gaps to drive motivation.** Visa uses tools such as prequestionnaires and personal action plans to help leaders discover inclusion gaps on their own instead of in a group setting. This helps leaders feel safe and more candid when they reflect on their own behavior and on where inclusion fits in their jobs.

## Embed Bias Mitigation Efforts Into Existing Processes to Sustain Behavior Change

**Embed inclusion nudges into leaders' common work tasks, rather than assuming training will be sufficient, to reinforce and help sustain behavior change.**

No matter how effective and memorable they are, development offerings struggle to sustain behavior change over time. As a supplement to inclusive leadership training efforts, HR can also target leaders' behaviors directly by tweaking existing processes to prompt certain behaviors and guide leaders' in-the-moment decision making.

These process tweaks are also known as inclusion nudges, or soft, nonintrusive mental pushes that nudge leaders away from unintentional biases and prompt inclusive behavior (see Table 1). Coined by D&I researchers Tinna Nielsen and Lisa Kepinski, inclusion nudges make actionable, inclusive decision making more natural and reduce reliance on willpower, preventing leaders from falling back on default behaviors.[5]

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Contrary to unconscious bias training, inclusion nudges target behaviors rather than attitudes, are simple to implement and can be embedded into leaders' daily tasks.

**The three types of inclusion nudges, along with examples of each, are listed below.**

- **Feel-the-Need:** Elicits an emotional trigger for behavioral change by making the brain feel the need for change, rather than using rational understanding (i.e., Displaying pictures in an organization chart).
- **Process:** Alters existing organizational processes to make them more objective and structurally resistant to the influence of bias (i.e., Assessing qualifications through blind resumes).
- **Framing:** Encourages a more inclusive thought process by helping the brain perceive information that prompts more inclusive decision making (i.e., Using gender-neutral language in job descriptions).

## Conclusion

As Indra Nooyi illustrated by gathering input from all corners of her company, inclusion is an important key to success. Inclusive leaders build inclusive teams, and those teams clearly outperform teams with low inclusion. While most leaders understand this and want to become more inclusive, they often find they don't know where to start. Unconscious bias training, while a good start, is insufficient in driving behavior change, with most employees saying their leaders are failing to promote an inclusive team environment.

Instead of overrelying on unconscious bias training to drive inclusive behavior, HR should make inclusion feel relevant to leaders' own environments, show them how inclusion fits into their daily activities and tweak everyday processes to prompt inclusive behaviors. Doing these three things will support a sustainable culture of inclusive leadership.

[1] "Indra Nooyi: 'I'm Not Here to Tell You What to Eat,'" New York Times.

[2] "Indra Nooyi: Keeping Cool in Hot Water," Bloomberg Businessweek.

[3] "PepsiCo's CEO Was Right. Now What?" Fortune.

[4] 2016 Gartner Leadership Validation Survey

[5] T. Nielsen and L. Kepinski. "Inclusion Nudges Guidebook: Practical Techniques for Changing Behavior, Culture and Systems to Mitigate Unconscious Bias and Create Inclusive Organisations." January 2016.

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