



# Operationalizing Inclusion: Where Strategy, Tactics, and Values Intersect

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Companies must adapt their inclusion tactics to fit their unique culture to achieve comprehensive results.

rganizations have been grappling with the challenge of becoming more inclusive. Large-scale organizational development (OD) transformation efforts can be costly and time-consuming, and also require very coordinated efforts to harness the forces of the organization's systems, policies, and practices. Consequently, senior HR leaders know that they play an important role in driving inclusion through the organization.

The positive effects of inclusion and diversity (I&D) on financial and human resources metrics have reinforced the pressing need for organizations to reflect the diversity of the global workforce in order to remain competitive. As inclusion evolves in different organizations, it makes sense to tailor I&D initiatives to fit each organization's strategy, values, and culture, and measure the results along the way. Hence, there may not be only one "right way" of operationalizing inclusion for every organization.

Having spent many years in strategic HR roles in several major *Fortune* 500 companies, I am familiar with the challenge of integrating strategy, values, and tactics to create a cohesive culture. Functions such as selection and assessment, talent identification, leadership development and assignment of developmental experiences, 360 feedback and engagement surveys, performance management, and executive education must work in concert to create an inclusive culture. Fortunately, technology and data management have advanced sufficiently to allow operationalizing inclusion to become a reality for many organizations.

As HR leaders consider various approaches to this challenge, this article offers ideas and insights on operationalizing inclusion from four complementary sources:

- a strategic model and framework for I&D,
- an example of an OD transformational change effort by a *Fortune* 500 company,
- tactical approaches for measuring and auditing inclusion, and
- the values-based actions and behavior of gender-inclusive leaders.

### A Strategic Model for Inclusion

Ferdman's dynamic "Multilevel Analytic Framework"<sup>1</sup> offers a broad construct that captures the multiple levels at which inclusion can be practiced. This multi-level perspective provides an overarching framework that enables organizations to begin to address how inclusion may be embedded in strategies, values, policies and practices, and the factors to consider in order to operationalize inclusion.

Ferdman defines inclusion as "a practice—an intersecting set of structures, values, norms, group and organizational cli-

mates...in a mutually reinforcing and dynamic system." His foundation for inclusion is individual experience, or "the degree to which individuals feel safe, trusted, accepted, ... as individuals and as members of particular identity groups." Inclusion in diverse workplaces translates into how organizations provide ways for everyone to feel accepted, connected, and welcomed, regardless of their membership in different cultural or identity groups.

From the individual's experience, inclusion progresses to increasingly larger components to groups and teams, to organizations, and to societies. This breaks down into actions at each level. At group-level inclusion, groups and teams create appropriate norms. Then inclusive leaders—and leadership in which leaders hold others accountable—make connections between the organizational mission and vision and inclusion. Inclusive organizations foster a climate of inclusion in all organizational systems via inclusive policies and practices including how work is organized and talent management processes such as recruitment, selection, performance evaluation and promotion take place. Finally, inclusive societies encourage individuals and groups to maintain and develop their unique identities and cultures while continuing to participate in the larger community.

Although developed independently at different points in time, the following example of an inclusive OD approach taken by a *Fortune* 500 company incorporates similar elements.

### Inclusive Change at PepsiCo

In 2000, the CEO of PepsiCo, Steve Reinemund, added diversity as a business strategy and integrated D&I by establishing a team of senior advisors to support him in this effort. As Church, Rotolo, Shull, and Tuller<sup>2</sup> point out, to achieve a sustainable transformation to an inclusive culture, it was necessary to apply a diverse and inclusive mindset and framework to all core HR processes. Rather than being perceived as a single, stand-alone change effort, inclusion needed to be fully integrated into all assessment and development efforts.

Although PepsiCo had a long history of effective D&I initiatives, a systems approach involving multiple forms of measurement, reward, and decision-making processes shifted the culture toward greater inclusion. This kind of transformational change effort was largely successful due to visible senior leader support for D&I. Indra Nooyi, who succeeded Reinemund, continued to drive a culture of inclusion.<sup>2</sup>

According to Church et. al., among the lessons learned from PepsiCo was that senior leaders must be true advocates for I&D, driving inclusion through the organization in all systems, frameworks and processes. Among the key tools and data-driven processes that were used at PepsiCo and which may be integrated with an inclusive OD perspective are: organizational or employee surveys, talent management, performance management, and 360 feedback.

Inclusion surveys allowed PepsiCo to measure the progress that inclusion initiatives had on the organization. Over time, data analytics permitted an understanding of the issues affecting specific ethnic sub-groups of employees. It also

**TABLE 1. KEY QUESTIONS TO OPERATIONALIZE AND MEASURE INCLUSION<sup>3</sup>**

ORGANIZATIONAL PROCESSES	KEY QUESTIONS TO ASK TO ANALYZE DATA
<b>Leadership Competencies</b>	What are the inherent biases in the leadership competencies?
<b>360 Feedback/Derailment</b>	How might gender stereotypes distort ratings?
<b>Ceilings for Promotions</b>	What is the ceiling for high-potential women?
<b>Exit Interviews</b>	What do your exit interviews tell you about the levels at which women leave and why?
<b>Performance Ratings</b>	What are the gender differences on qualitative and quantitative performance evaluation ratings?
<b>Leadership Development</b>	What is the gender distribution for the important key developmental experiences? Who gets them and why?
<b>Inclusive Leadership</b>	How are surveys and focus groups used to measure how leaders practice inclusion?
<b>Coaching</b>	What are the differences in the way coaching is used for developing men and women leaders?
<b>Mentoring</b>	How is mentoring used for high-potentials?

pointed to the importance of support by senior leaders and managers for employees engaging in D&I initiatives.

D&I needed to be emphasized throughout the entire talent management process to ensure that the reciprocity between job opportunity and available talent enables win-win situations for both organizations and their talented individuals. As more recent studies have shown, there is a strong relationship between diversity of thought, styles, and perspectives on business success, innovation, and profitability.

Typically, 360-feedback processes link the corporate values and individual behaviors of leaders and managers to a set of formal leadership competencies and behaviors. Incorporating I&D-specific competencies into such a framework conveys the importance of demonstrating behaviors that contribute to creating an inclusive culture. The power of a 360-feedback process enables the organization to define and reward the key behaviors, to hold managers accountable, and hence drive toward inclusive organizational change.

In a similar vein, when diversity and inclusion objectives are included in the performance management and rewards process, employees understand what I&D behaviors are critical for success in their roles.

As an important part of this process, PepsiCo also measured business results and profitability.

At the heart of PepsiCo's strategy has been the desire to create an inclusive culture that supports the organization's goals. As PepsiCo's example shows, when organizations link leadership frameworks and development, surveys, performance management and talent management efforts, there is an increased likelihood that D&I organizational efforts will take hold and cascade through the organization.

Operationalizing inclusion involves the tactical measures that drive inclusive behaviors and actions into the organization at the group, team and individual level to identify both the positive behaviors and the biases/resistances that may prevent inclusion from flourishing.

### Tactics for Measuring Inclusion

As PepsiCo's data-driven approach demonstrates, identifying tools and processes that enable HR leaders to integrate and reinforce inclusion requires enlisting tactical support from key HR functions.

In many organizations, the talent management function is responsible for instilling the organization's mission and strategy into the leadership behaviors of individuals and teams. Inclusive behaviors may be tracked and measured as they evolve into norms of behavior and woven into organizational processes and practices such as performance measures, 360 feedback and other survey processes.

Technology and systems have advanced sufficiently to enable the integration of data from many HR functions. Such measures may also serve as diagnostic tools to indicate where action needs to be taken, i.e., veritable "calls to action" to improve inclusion and to address biases that can creep into the measurement tools themselves.<sup>3</sup> Table 1 provides a

sampling of key questions for operationalizing inclusion into selected organizational processes.

## Actions of Gender Inclusive Leaders

Values-based, inclusive leaders recognize that the practice of inclusion starts at the top—with their own individual values, attitudes, and behaviors. Inclusive C-suite executives and top STEM leaders use their influence and power to foster inclusion in their teams and their organizations.

The values-driven, gender-inclusive leadership behaviors of men and women leaders who use their power to foster gender inclusion is often recognized and respected by others in the organization.<sup>4,5,6</sup> With this in mind, I contacted executives in my business and professional networks and interviewed successful senior women executives and only those men nominated by these women leaders as “male champions,” i.e., mentors and advocates for women’s leadership. These female-nominated male champions were leaders whom the women knew had a positive influence on either their own success or on the career success of other women.<sup>4</sup>

Key themes and behaviors emerged from 95 confidential interviews with men and women known to be inclusive leaders. These executives function in or near the C-suite in 54 different *Fortune 500* organizations and global non-profit organizations.<sup>6</sup> Their titles include CEO, Executive Vice President (EVP), Senior Vice President (SVP), Chief Operations Officer (COO), Chief Human Resource Officer (CHRO), and Chief Learning Officer (CLO). Because research shows that women in STEM leave their organizations before reaching senior management, 30 of the 95 interviews were conducted with the top or senior STEM leaders with titles such as Chief Information Officer (CIO) and Chief Technology Officer (CTO).

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Even in the daily activities of senior executives, at an individual/personal level, we see examples that illustrate how values, strategy, and tactics intersect. The themes and behaviors emerging from the research include three in particular that relate to fairness and equity and speak to the value of inclusion:

**Benefitting Own Team and the Overall Organization.** Behaviors associated with this theme include measurement

to ensure that talent development practices are fair and equitable, communicating the value of a culture of inclusion, and balancing the numbers of men and women on teams. Some comments showing this theme are:

In the words of a female President of technology development for a U.S.-based telecommunications and networking products and services company explained, “Male champions benefit themselves and the organization by fostering diverse thinking across the organization. They’re creating inclusive environments with diverse thinkers that provides more allowance to take risk. Diversity of thought is seen as OK.”

As a female EVP of a U.S.-based agribusiness observed, “Our CEO is a good example of how a male champion may use his authority. He’s the first one to go to the women’s leadership network events and kick it off. He talks about how we need diversity in our workforce—that this is an imperative critical business issue.”

When asked about the advice he would provide to other male leaders, a Chief Technology Officer at a major automotive technology company said, “It is the responsibility of every manager to make sure they are building the organization of tomorrow. Be the best champions and mentors for all of your people.”

As one CEO explained the need for diversity and inclusion, “Let’s do cost/benefit. If we are excluding half the talent on the planet...do we have the best chance of getting the best talent? Or if we doubled our chances of getting the best talent, do you think we’d have the best chance?”

A similar logic was evident in the remarks of another CEO, who interpreted lack of diversity as an indication of failure for the organization. “My experience is when you get to very high levels, whether it’s government, higher education or business, there are excellent men and women, so if you’re really not making good progress toward having representation at all levels of the company, you’re doing something wrong.”

**Showing the Courage to Overcome Resistance to Gender Inclusion.** Behaviors associated with this theme include speaking out when others’ reveal the biases and prejudicial attitudes in their words and actions. Some comments reflecting this theme are:

Sometimes resistance comes from a leader’s peers or direct reports who raise objections. As one VP of software for a high-tech company recalled, “There have been times where somebody has expressed to me that they think a woman is advancing more because of attractiveness...Sometimes it has been a peer talking to me, but more often it’s a subordinate, so I’ve taken the opportunity to coach them to see their biases and be more inclusive.”

A Chief Commercial Officer explained one of his tactics, “There is hidden bias. I find it so dismaying when you just know that somebody is...giving some kind of post-rationalization to their own bias...I think one of the best ways that I’ve found of countering that is just to keep asking them questions to challenge their arguments.”

**Standing for D&I at Key Decision-Making Moments.** Corporate executives have many opportunities to give voice to their value of inclusion. These opportunities include

meetings with stakeholders and formal and informal talks and presentations at corporate events. However, it is during team meetings, succession-planning sessions, and performance-rating meetings that leaders encounter opportunities to communicate the values and strategy of the organization to members of the group as well as the group's role in implementing them.

In the words of a female President and CEO of an international organization, describing her former boss, "He's

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creating the environment that says, 'I care about all.' This attitude even extends beyond gender inclusion, but he is modeling an environment that makes it harder for others to not be champions, too."

Learning how to become a more inclusive leader is certainly facilitated by directly observing the behaviors of inclusive leaders that include mentoring, sponsorship, accountability, and dealing with backlash and resistance. When team members reveal their biases, inequities, and backlash behaviors, inclusive leaders do not let the moment pass—they are proactive, provide appropriate verbal responses, often immediately, and hold others accountable for behaving in accordance with organizational values. Leaders may practice and learn to refine how to "give voice to their values," and develop their readiness to act on their values when situations arise.<sup>7</sup>

In defining best-performing leaders, organizations would be wise to identify and reward leaders who demonstrate clarity of vision, enterprise-wide thinking, strategy acceleration through team leadership, and grooming and promoting talent with views and profiles different from their own.

For promotions to occur organizations need to consider the track records of inclusion for candidates for leadership roles.<sup>8</sup>

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They model inclusion by word and by example. In fact, they reinforce the importance of accepting all people by their own inclusive behaviors such as mentoring new talent with perspectives different from their own, and seeking and encouraging diversity of thought on their teams.

## Taking Action

Accumulating evidence demonstrates that I&D are more likely to become part of the organizational culture if they are incorporated into strategy, tactics and the values and behaviors shown by leaders. The question now becomes—do leaders have the motivation to do so?

With the evolution of the global workforce, leaders and organizations are recognizing the need to become more inclusive. Enabling individuals to feel accepted, welcomed, connected and trusting of each other is fundamental to creating thriving groups and organizations.

The competitive advantage of realizing culture change has driven more organizations to seek to accelerate inclusion initiatives. Slow adapters risk putting themselves at a competitive disadvantage.

Consider this a baseline. As organizations and leaders learn what works best for their culture and workforce, more descriptions of and more data regarding operationalizing inclusion will become available. Meanwhile, the demographics in our 21st century workforces are already reflecting the diversity of human genetics, behaviors, experiences and perspectives, and demanding that HR, OD and business leaders take action. ■

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