

Leading a Diverse and Inclusive Culture with a Comprehensive Approach to Talent Management.



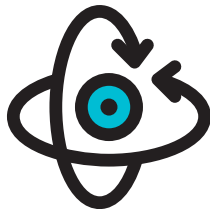
Introduction

Diversity and inclusion are mission critical dimensions of an organization's culture which increases organizational suitability and growth.

A Research-Driven, Experience-Tested, Talent Management Approach.

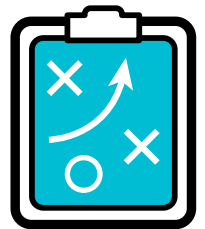
Point of View

Accessing, promoting, and nurturing diverse talent is essential for a sustainable and thriving enterprise. Further, inclusion brings intentionality to the table so that the right opportunities are provided to maximize a diverse workforce. Any barriers to talent development and utilization need to be systematically removed.



Tactics

Individuals at all levels of an organization can be focused and engaged in fulfilling the Roles and Practices that create a welcoming environment for diversity AND for the inclusion of diverse talent. Some Roles and Practices are more important than others in building a diverse and inclusive workplace and research tells us the Roles and Practices to focus on.



Evidence

Empirical studies show which tactics move the diversity and inclusion needle forward. Building an Intentional Talent Operating System using evidence-based practices means identifying performance-based behavior profiles that are threaded through every aspect of talent management: recruiting, hiring, developing, and promoting talent.



Brainwork

The importance of being brain savvy cannot be overstated when thinking about diversity and inclusion. There are some elements of how our brain works which we need to identify and consciously control if our ambition for a diverse and inclusive workplace is to be achieved.



Introduction

“When you come to a fork in the road, take it.”
-Yogi Berra

The evidence is astonishingly clear: traditional efforts to address diversity and inclusion issues in organizations have the opposite result. Multiple studies have looked at how mandatory diversity training, job tests, and grievance systems have been put in place that result in attrition of people of color and different ethnicities in organizations. When individuals are forced to attend training, they feel that their perspectives are not appreciated. Use of standardized testing was designed to be color blind, but managers worked around the tests to hire who they wanted – people who look like them. Grievance systems were too vague and easy to distort so the impacts were diminished. The following tables provide overall summaries from the research.

Reported Attrition In Compliance Based Diversity and Inclusion Initiatives

Tactic	Attrition of Minorities	Attrition of Whites
Required D&I Training	9.2%	0%
Hiring Testing	10.2%	3.8%
Grievance Systems	11.3%	2.7%

Tactic	Attrition of Minorities	Attrition of Whites
D&I Training Available by Choice	13.3%	0%
Self-Managed Teams	11.3%	-2.2%
Cross Training	6.5%	-1.4%
Recruitment	18.1%	-2.0%
Mentoring	23.7%	0%
Diversity Task Forces	22.7%	-3.3%
Diversity Managers	18.2%	7.5%

The data reveal significant trends. We have an ever-increasing number of people from diverse racial, ethnic, and geographic backgrounds entering the workforce. Their talents, skills, and experiences are vital to the success of enterprises world-wide. As researchers have reported:

“...diversity is **not** just about mirroring the country’s demographics. It’s also about innovation and performance. Companies that exhibit gender and ethnic diversity are, respectively, 15 percent and 35 percent more likely to **outperform** those that don’t, according to global management consulting firm McKinsey & Co. And **research indicates that organizations with more racial and gender diversity bring in more sales revenue, more customers, and higher profits.**

Diversity also matters at the top: McKinsey & Company found that companies in the top quartile of executive-board diversity had returns on equity that were 53 percent higher than those in the bottom quartile. Moreover, **organizations with more female executives are more profitable, according to a 2016 analysis of more than 20,000 firms in 91 countries.**

“Attracting, retaining and developing diverse professionals **stirs innovation and drives growth**,” says Mike Dillon, chief diversity and inclusion officer for PwC in San Francisco.”

Employees report that they expect a diverse work environment and that inclusivity needs to be a key part of the culture.

It has been reported that diverse and inclusive cultures have the following benefits:

- 1. Ethnically diverse companies are **35% more likely to yield higher revenue**, while gender diverse companies are **15% more likely** to yield higher revenue.
- 2. In the US, companies that increase racial and ethnic diversity on senior boards enjoy a **0.8% increase** in earnings before interest and tax (EBIT), while their counterparts in the UK see a 3.5% increase.

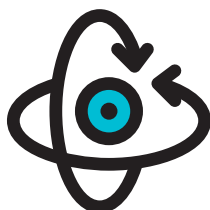
3. A **recent BCG study** found a strong, statistically significant positive relationship between diversity and corporate innovation. The study's author explained her findings in a TED Talk, which is a must see for anyone interested in the topic.
4. **Glassdoor** found that 57% of employees and 67% of job seekers consider diversity an important element of their workplace, which affects recruitment and retention.
5. Diverse companies are **70% more likely to capture a new market audience**.
6. When employees perceive their organization as committed to diversity and inclusion, and they actually feel included, employees are **80% more likely** to rank their employer as high performing.
7. A study published in the **American Sociological Review** found that companies with the highest percent in racial or gender diversity have higher sales revenue, more customers, higher than average market share and profitability.

As you can see, there is strong evidence that tells us standard diversity and inclusion programs do not work using many traditional solutions. Our need for greater diversity and inclusion is essential for a sustainable organization, and is the right thing to do. Solutions are mission critical to the viability of organizations.

Yogi Berra's famous quote came from the fact that when you pulled into his driveway, you would come a fork in the road and no matter which way you went, you would end up at his front door. This isn't true with diversity and inclusion. When you come to the fork in the road, you need to select a path based on evidence that leads you to the desirable end state.

Point of View

"Diversity is being invited to the party. Inclusion is being asked to dance." -Vernā Myers



We take the perspective that any barriers for accessing and using talent are harmful to everyone. Further, that evidence informs us what works and doesn't work in soliciting, selecting, keeping, and maximizing the talent. For example, we know these initiatives work:

- Voluntary training
- Self-managed teams
- Cross-training
- Specific sourcing and recruitment of diverse candidates
- Mentoring
- Diversity task forces
- Managerial diversity

These initiatives are limited by the culture in which they are utilized. For example, training opportunities matter when those experiences fit in a career plan. Teaming has a significant impact when appropriate team skills are high on the agenda for training. Diversity task forces make a contribution when the work is acknowledged and acted upon.

In other words, we know the kinds of programs that are effective, and we know that the context in which these programs operate determines their ultimate success and effectiveness. To that end, there needs to be an intentional, evidenced-based, and research-tested talent management system. Intentional in that there is a deliberate effort to prioritize and reward the behaviors throughout the enterprise that create the conditions for diversity and inclusion to thrive. Talent management includes methods for interviewing, hiring, developing, and promoting individuals within an enterprise. A talent management system refers to having a set of principles, processes, and a common language that everyone uses to keep the enterprise alive.

For those organizations where talent selection and development processes are minimal and incomplete, so are all other aspects of acquiring and developing talent in an enterprise—disordered and ineffective. Fortunately, there are evidenced-based approaches that save resources, are more comprehensive, and greatly increase getting to the diverse and inclusive environments so desperately needed.

Evidence

"Follow the Yellow Brick Road."
-Glenda, the Good Witch,
Wizard of Oz



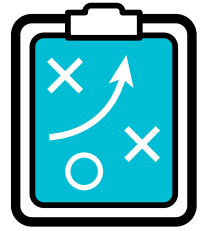
With talent management, it is certainly true that if we don't know where we are going, we will end up somewhere else! We may know what Oz looks like in our organizations ideal use of diverse talent, but the road has to be built and once built, the path is easy to follow. A basic question is whether the methods and processes embedded in the organization actually support the goal of diversity and inclusion? To do this effectively we need to:

- Profile the jobs and functions in the organization to be able to clarify who to recruit, promote, or let go.
- Utilize proven interviewing methods that reduce bias, and result in a rational choice.
- Create a common language of effectiveness and performance throughout the enterprise. What is essential as an individual contributor is different than that of a manager, which is different still from being at the top of an organization.
- Everyone needs to see the parameters of each organizational level and what is mission critical behavior given the internal and external market pressures.
- Stimulate teaming behavior that is based on key factors of team performance.
- Identify, verify, and carefully nurture high potentials in the enterprise, as these individuals often account for an astonishing amount of revenue.
- Engage a performance accountability processes that leverages known, measurable factors of contribution to enterprise well-being.

Evidence-based practices show that using behaviors that lead to performance within a given organizational culture have better diversity and inclusion outcomes. For example, using methodical, structured interviewing practices neutralizes biases and results in better hiring decisions. But the interviews need to be based on mission critical profiles which guide talent related decisions; without profiles, no cogent system can work.

Tactics

"Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat." -Sun Tzu



A comprehensive and Intentional Talent Operating System is created when a group or an organization uses a research-based library of known performance behaviors. For decades, organizational psychologists have shown that three key environments exist in organizations: those working at the top of the enterprise who have the overall responsibility for the vision, structure, and culture of the organization; those in the middle of the organization are the managers who translate the vision and maximize the talent of others, especially teams to get things done; those who are on the front line as individual contributors producing or providing services and products.



Each of these environments require different Roles and Practices from individuals operating at a given level. These Roles and Practices may vary in importance depending on the history of the organization and the current market pressures on the organization. For organizations to be resilient and agile during these times, it is crucial to know what talent capabilities are needed.

Because the performance library is different for each level in the organization, and because the particular Roles and Practices vary in importance for each organization, you need to know the libraries and how to prioritize the behaviors that matter.

And prioritizing the behaviors that will foster a culture open to and nurturing of differences among members of the talent pool, means including the following at each level. **Keep in mind that Roles are the behaviors against which individuals are measured for success.** Roles must be fulfilled if the job is to be competently done. Below are the Roles from our three performance libraries and highlighted are those Roles directly tied to creating an environment open to diversity and inclusion. If these Roles are properly fulfilled, diversity and inclusion would no longer be an issue. In each of the key environments, the vast majority of Roles are focused on relationships and making sure that all those who are recruited and who show up have their best opportunity to perform.

Being an **Individual Contributor** involves the following Roles:

1. Getting Things Done
2. Working Smoothly with Others
3. Using Resources Effectively
4. Communicating in a Timely and Accurate Manner
5. Showing Initiative
6. Offering Value Adding Input
7. Supporting and Executing Change Initiatives
8. Demonstrating and Enhancing Technical and Functional Expertise
9. Showing Interest in and Working on Personal Growth and Development
10. Building and Showing Organization Citizenship Behaviors

Being a **Manager or Supervisor** involves the following Roles:

1. Producing Results
2. Building Better Teams
3. Networking and Collaborating
4. Managing Talent
5. Working with Leaders
6. Contributing Innovation
7. Being a Role Model
8. Leveraging Resources
9. Supporting Change Initiatives
10. Aspiring and Inspiring
11. Gaining and Applying Perspective

Being a **Leader at the Top** involves the following Roles:

1. Vision
2. Plan
3. Culture
4. Structure and Staffing
5. Resource Allocation
6. Progress and Results
7. Represent and Respond to Stakeholders
8. Conflict Management
9. Talent Management Futures

Note: The Roles highlighted in color (green, blue, and gold) are central to Diversity and Inclusion outcomes. Essential Diversity and Inclusion attributes are in the identified Practices in Appendix A.

Each Role has a host of supporting Practices.

Practices are at the eye level and include behaviors that deepen and enrich the Roles. They are vital to develop and demonstrate diversity and inclusion objectives. To be talented in demonstrating these Practices, an individual must be open to and engaged with working in a diverse workplace.

Individual Contributors are central to creating a work setting that is open to diversity and actively shows inclusivity. While Individual Contributors are influenced by the managers and leaders of an enterprise, it is essential to find contributors at all levels who (#2) work smoothly with others, (#4) communicate in a Timely and Accurate Manner, (#5) show Initiative, (#7) Support and Execute Change Initiatives, (#9) show Interest in and Work on Personal Growth and Development and (#10) build and show Organization Citizenship Behaviors. All of the supporting behaviors of these Roles will dramatically increase the conditions to acquire and retain diverse talent.

Managers and Supervisors excel with demonstrating openness to diversity and active inclusion when they prioritize the following Practices as a key part of their initiatives. While it is transparent why (#13) Managing Individuals Differently, (#25) Working Collaboratively, (#26) Creating and Maintaining an Engaging Mood and Tone, and (#28) Communicating Effectively and Respectfully are related to increasing an environment for diversity and inclusion, a number of other Practices are just as vital.

(1) Managing Self, (3) Being Resilient, (4) Using Humor, and (7) Managing Mindfulness enable Managers and Supervisors to be at their highest level of functioning, attuned to any biases, and provides a foundation for the kind of conversations that motivate and encourage others, especially in challenging times.

Because the Managers and Supervisors are responsible for **(11) Defining Roles and Responsibilities, (12) Developing and Using Performance Measures, (21) Creating Structures that Work Well**, they directly control the context of the work and setting in which the work gets done. Ensuring a fair distribution of work status, work rewards, and work opportunities, Managers and Supervisors create the environment in which diversity and inclusion thrives.

Leaders at the top of organizations have the responsibility for maintaining and shifting the culture of an organization. Their behaviors demonstrate the attitudes toward a diverse and inclusive organization. While Practices related to leading oneself are vital for leaders to be open to working effectively with differences, **(13) Reading and Understanding People, (14) Interpersonal Agility, and (18) Engagement Management** are directly related to demonstrating the kind of leadership that promotes a thriving diverse culture and inclusive organization.

Learning through Experience

“The illiterate of the future is not those who cannot read, but those who cannot learn.” Tofler

Since the publication of *Lessons of Experience* (1987), talent development has been associated with making sure that individuals are assigned the right kind of experience so that they build capabilities for future roles. By aggregating research, TalentTelligent researchers found the relationship between specific learning experiences and learning about the importance of diversity and inclusion.

Each of the Roles and Practices of the KSA (Knowledge, Skills, and Attributes) libraries have direct relationships to specific kinds of work related assignments. In other words, what a Manager may need to learn to successfully fulfill a key managerial Role requires specific kinds of learning

experiences. By having the necessary experiences and demonstrating the Practices that build an environment that fosters diversity and inclusion, the learning becomes threaded throughout the culture. This moves beyond a traditional focus only on classroom based learning and out into the day to day work environment.

The 11 assignments listed in **RED** (definitions found on the KSAM Placemat E/F) positions a manager in an environment that is staged to produce the kinds of knowledge, skills, and perspectives that embrace diversity and see the central benefits of inclusion of talent. In order to succeed, they will have to keep biases in check and invite others into deeper level of engagement.

Change Manager
External Representative
General Manager
Heavy People – Focused
Human Capital Professional
International Position (Home)
International Assignment (Move)
Project Group Leader
Project Group Member
Senior Staff Lead
Staff to Line

Brain Work

Because our brain has “rules” for how we learn, having work assignments that provide the kinds of learning noted above is mission critical.

We learn over time, by doing, by getting feedback and adjusting, and through a variety of methods we have perfected over time. Many of the Practices noted above focus on such behaviors as Mindfulness or Growth Mindset which emphasize being brain savvy and having a great understanding of how your brain works.

In general, we know that the brain has a primary goal to protect the box (you) in which it is housed. It has a massive network of sub-programs constantly at work and outside of our immediate awareness. It is designed to increase survivability, and unfortunately, most of these are set in a default mode of defensiveness. “Differences” in people, in settings, or activities trigger a modality that has us on alarm and reduces our higher order thinking functions.



Our brains have a trigger to put us on alert when someone is in our environment who is different such as a different race, ethnicity, culture, and in personality patterns as a default. The brain is biased by nature, but that does not mean that we have to be biased.

As the brain is somewhat lazy – it likes to keep things happening in the same way because habits are efficient – we have to intentionally kick into higher level brain programs to think, analyze, and essentially override negative reactions. We can learn to identify our biases that stem from our most basic impulses to manage and neutralize these so that we are acting out of intentional and willful orientation. This is especially critical when it comes to working with people who are very different from oneself and whose talents may not be acutely seen because of the analytical fog created by initial emotional reactions.

What is certain is that progress forward is going to require fresh ways of thinking and using the knowledge gained through rigorous research.

TalentTelligent, LLC

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Appendix A

Key Practices from Each Level of the Organization that Foster Diversity and Inclusion in the Culture.

KAS-Individual Contributors

1. Cultivating an Effective Self
2. Developing Resilience
3. Using Humor
4. Being Organized
5. Persevering
6. Becoming Self-Confident
9. Setting Work Priorities
15. Being Coachable
18. Collaborating
22. Engaging Interpersonally
24. Building Uncertainty and Ambiguity Management Skills

KAS-Managers

1. Managing Self
3. Being Resilient and Resourceful
4. Having a Growth Mindset
6. Using Humor
7. Managing Mindfulness
11. Defining Roles and Responsibilities
12. Developing and Using Performance Measures
13. Managing Individuals Differently
21. Creating Structures that Work Well
25. Working Collaboratively
26. Creating and Maintaining an Engaging Mood and Tone

KAS-Leaders

1. Self Management
4. Uncertainty and Ambiguity Management
8. Growth Mindset
9. Showing Humility
10. Using Humor
11. Self Confidence
13. Reading and Understanding People
14. Interpersonal Agility
18. Engagement Management
27. Mindfulness Management