FUTURE-PROOFING BUSINESS WITH BABSON

Diversifying Networks to Build the Future »

An Inclusive Leadership Toolkit

Research and advising from
Babson Executive Education experts

ANGELA RANDOLPH AND
WENDY MURPHY

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An Inclusive Leadership Toolkit

Babson Executive Education has created a toolkit series for future-focused business executives. This Inclusive Leadership Toolkit stems from the 15+ years of research and consulting of Dr. Angela Randolph and Dr. Wendy Murphy.

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Babson Executive Education Expert
and Assistant Professor of Entrepreneurship

ANGELA RANDOLPH

Dr. Angela Randolph offers expertise in many areas, including entrepreneurship, cognition, inclusive leadership, and poverty. She has diverse experience working for private and public companies, including Pepsi Bottling Group and Wachovia Bank. Dr. Randolph has worked on new venture startups, consulting social and commercial ventures, consulting large organizations in treasury management practices, evaluating potential business acquisitions, and process improvement.

She is recognized for her teaching and research, having won the Best Teaching Case Award from USASBE, among others. Her work has appeared in Harvard Business Review, Leadership & Organization Development Journal, Journal of Organizational Change Management, International Journal of Entrepreneurial Behavior & Research, and many others.

Babson Executive Education Expert
and Professor of Management

WENDY MURPHY

Dr. Wendy Murphy's expertise lies at the intersection of careers, mentoring, and gender. She teaches organizational behavior, leadership, and negotiation as well as co-directs the Entrepreneurial Leadership and Influence Program for executives, co-directs a corporate Leadership Program for Women & Allies, and serves as a faculty member in the Goldman Sachs 10,000 Small Businesses program.

Recognized by Poets & Quants as one of the 40 Most Outstanding B-School Profs Under 40 in the World, Dr. Murphy has published her work in journals such as Harvard Business Review, MIT Sloan Management Review, Human Resource Management, Career Development International, Gender in Management, and Journal of Management. She is the co-founder and active contributor on the website WorkTies.org.

THE MOST EFFECTIVE LEADERS ARE INCLUSIVE LEADERS

Organizations that have a more diverse set of employees and inclusive leadership style have more ideas, perspectives, and creativity. Inclusive companies are better at innovation, gain more market share, are more competitive in recruiting top talent, and outperform less diverse competitors.

Proven Benefits of Diverse and Inclusive Companies

70%
more likely to capture new markets

75%
more likely to see ideas productized

36%
more likely to outperform on profitability

19%
higher innovation revenue

Source: Kornferry

Start the Conversation around Bias

From the individual to the corporate level, biases vary, but we all have them. They can be based on any number of individual differences including gender, race, sexual identity and orientation, nationality, disability, and more. A conversation around bias at the corporate level is needed to lay the foundation for diversity, equity, and inclusion (DEI). Leaders and teams need to develop a culture of openness in order to learn, grow, and become more inclusive.

CASE

Lack of Diverse Perspectives Puts Companies in the Hot Seat

H&M is an example of a company that has been under fire for a lack of diversity, equity, and inclusion (DEI). Their notorious ad featuring a Black child wearing a sweatshirt that read "coolest monkey in the jungle" was followed by a whistleblower indicating that some internal product descriptions feature racist terms, and that racist iconography has been used for design inspiration.

A lack of diverse viewpoints at H&M led to a tarnished brand reputation. They are now working to undo this setback. H&M has since instituted a training program that brings diverse groups together for reflection on bias and gaps in teams that may be impacting business decisions. This program emphasizes the importance of seeking opinions outside of your usual sphere.

HALLMARKS OF INCLUSIVE LEADERS

What distinguishes you as an inclusive leader is your willingness to:

- Learn about your own biases (and those of your team)
- Commit to building processes that prevent biases from playing a role in corporate decision making
- Build an aspirational vision of what you will accomplish with your team and empower them to fulfill that ideal

Raise Your Leadership Team's Awareness of Blind Spots

Implicit bias tests can help you pinpoint blind spots. It's much easier for biases to guide decisions when you don't know what they are. This awareness can help you, your team, and your organization improve your ability to recognize all types of implicit bias.

Problem

Black men who graduated from Harvard were given the same opportunities as white men who graduated from state schools. This reveals a discounting of Black expertise.

Source: "Discrimination in the Credential Society," by S. Michael Gaddis, Social Forces

Solution

Think about how you can blind your hiring and vendor processes. What can you quantify in this process to make selection less subjective? For example, think about measurable skills over credentials.

ANALYZE DEVELOPMENTAL NETWORKS TO FIND OPPORTUNITIES FOR CORPORATE INCLUSION

Ask your team to take a look at their network. This involves mapping out their current set of relationships at work, home, and in social spheres of their lives (e.g., athletic club, church, volunteering). They can analyze the structure and content of this network to see where there may be gaps. Participants should consider relationship strength and access to power as they do this.

Once your leadership team has determined where your gaps are as inclusive leaders, ask yourselves where the opportunities for growth and development lie.

Questions to Consider

- Who helps you get your work done?
- Who helps you advance your career?
- Who gives you personal support?
- Who are role models to you?

Source: Wendy Murphy and Kathy Kram

Opportunities for Action

- Who do you help get work done?
- Who do you help advance their career?
- Who do you give personal support to?
- Who looks to you as a role model?

Expand Your Inner Circle

- Who do you spend lunch/social time with in a work setting?
- Who do your kids (or pets!) play with?
- What do your social groups look like outside of work?

ADD MENTORSHIP TO YOUR TEAM'S INCLUSIVE LEADERSHIP TOOLKIT

One important way to expand developmental networks is by modeling inclusive mentor relationships. Informal relationships are more effective than formal company mentorship programs. These informal relationships are mutually beneficial and offer learning and growth for the mentor and mentee.

Benefits to Mentees:

- Higher work satisfaction
- Clarity of professional identity
- Earn higher salaries
- Get promoted faster
- More career opportunities

Benefits to Mentors:

- Higher career satisfaction
- Earn higher salaries
- More recognition and visibility
- Meaningful work/giving back
- Employee loyalty

Benefits to Organizations:

- Talent management (succession planning)
- Retention and recruiting
- Performance
- Productivity
- Diversity

Source: Wendy Murphy and Kath Kram, Strategic Relationships at Work

Tenants of Inclusive Leadership

Commitment
Courage
Reducing bias
Curiosity about others
Cultural intelligence
Collaboration

TEACH YOUR TEAM HOW TO NAVIGATE CROSS-IDENTITY MENTORING RELATIONSHIPS WITH INTENTION

There's a strong need for mentoring across identities.

For example, as the #MeToo movement gathered momentum, senior male managers across the U.S. reduced their one on ones with women, citing it as "too risky." As a result, many women in business lost access to powerful mentorships. There are many things inclusive leaders can do to make cross-identity mentoring work.

1. Actively Seek Mentees with Identities That Differ from Yours

You are more likely to be approached by those who share identities with you (gender, race, etc.). Encourage your team to pursue mentoring opportunities beyond the people who come to them.

2. Be Consistent in Your Developmental Practices

Ask your team to consider: Do you frequently grab dinner with your mentees? Are you comfortable doing this with opposite-gender mentees? Standardize the settings and times for your meetings. This might mean moving all conversations from dinner to lunch to help manage perceptions.

3. Ask Questions and Listen with Empathy

To connect mentees with the right opportunities, your team will need to ask questions and practice empathetic listening. Cross-identity mentoring requires learning about each other. This approach will enhance the ability to build developmental relationships with anyone and strengthen the organization.

4. Acknowledge That Identity Issues Exist

Ask your team to consider how gender, race, etc. may impact communication and opportunities at your workplace. Good mentors remain open to learning from mentees. Useful questions to ask mentees include how their identity has impacted their career, how they experience the culture of your organization, and more.

5. Sponsor Your Mentees

Remind your team to bring up diverse mentee names as high-potential candidates for promotion in both formal and informal conversations. If you and your team help set a new normal where powerful leaders have a diverse group of mentees, then the culture of your organization can become more inclusive.

Male-Female Developmental Relationships Are Respected

Men who promote and sponsor women get better evaluations. Yet senior women who mentor women tend to get lower evaluations and are accused of favoritism. Organizations need inclusive leaders to mentor and sponsor promising employees of different identities.

Source: David Smith and Brad Johnson, "When Men Mentor Women," Harvard Business Review

RETHINK "FIT" TO SEE OPPORTUNITY IN YOUR RECRUITMENT PROCESS

When companies aren't diverse, they tend to see diverse candidates as not being a "good fit"—sometimes even going so far to say this group doesn't perform well. This perceived lack of performance can be the result of confirmatory bias: the tendency to favor information that confirms your existing beliefs. It also can be the result of treating specific identities as "out-group" members—as members who are unlikely to contribute at a high level.

This is especially problematic at the executive level, where hires are strongly influenced by networks. Inclusive leaders acknowledge how subjective the hiring process can be. Consider how your organization or team is currently defining "qualification" for the job.

Is hiring based on work that can be done? → Skills based

Or is it based on previous access to opportunities? → Credentials, network

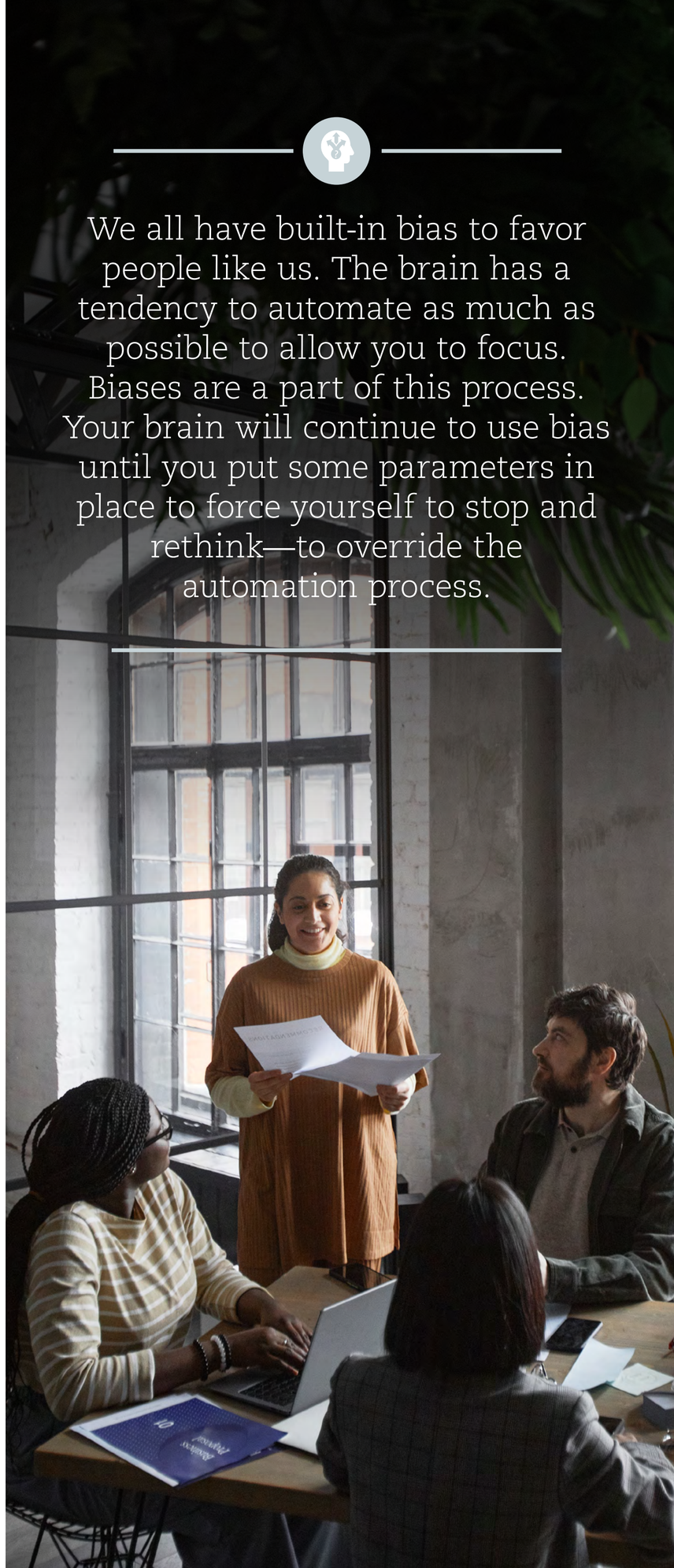
CASE

Out-Group Identity Impacts Performance

Identity markers, such as race, national origin, gender, social class, sexuality, religion, etc. can influence perceptions in ways that may limit the potential of individuals, groups, and organizations. They can be used to place people into "out-groups." In 1968, Jane Elliott decided to teach her students about the experience and impact of discrimination. She did this based on eye color. The results were definitive.

Over the two-day exercise, children who were treated as inferior (as members of the out-group) performed poorly on tests, on in-class work, and in social situations. The results remained consistent when the treatment of the two groups was reversed. This phenomenon was documented in A Class Divided. If you treat someone as a poor performer, they are likely to measure down to your expectation.

We all have built-in bias to favor people like us. The brain has a tendency to automate as much as possible to allow you to focus. Biases are a part of this process. Your brain will continue to use bias until you put some parameters in place to force yourself to stop and rethink—to override the automation process.



AUDIT YOUR INDUSTRY AND YOUR PLACE IN IT

An important first step for your company is a DEI analysis of your industry and how you compare. You may find that your industry is lacking diversity as a whole. This should be concerning, considering the forecasted demographic diversification over the next 25 years or so, when white populations are no longer projected to make up the majority of the U.S. population.

Organizations need to build long-term strategic plans to diversify their customer, employee, and vendor bases.

Source: Jonathan Vespa, Lauren Medina, and David M. Armstrong, Demographic Turning Points for the United States

Get Executive Coaching for Inclusive Leadership

Current and aspiring executives get coaching in any number of areas, yet companies frequently forget that inclusive leadership shouldn't just be relegated to the mission statement on their website. Inclusive thinking and leadership is a skill and should be developed.

Make Your Team Feel Valued and Safe

↓

Get more ideas, foster greater innovation

Create Space to Voice Honest Opinions

↓

Equip your organization to make better decisions

Acknowledge Issues and Emphasize Aspirations in DEI

↓

Encourage learning and build trust

Pursue Multiple Perspective

↓

Reduce PR missteps and encourage cross-functional thinking

CASE

Diversifying Vendors

Many companies struggle to diversify their vendors. This effort takes investment. After completing an audit to determine need, here are a range of actions companies have taken:

Chobani broadened their incubator recruitment strategy to reach more female and minority business owners, with the goal of filling the gap to boost the number of vendors in their space. As a result, 75% of the next cohort were underrepresented minority founders and 63% were female founders or co-founders, representing a wide range of nationalities, backgrounds, and geographies.

Another company reviewed their process for determining which vendors were qualified. They found it was based on subjective criteria. As a result, they started a certification process for vendors based on objective criteria, allowing them to use vendors they would have previously viewed as risky.

WE CAN HELP IMPROVE OUTCOMES THROUGH INCLUSION

Babson Executive Education faculty know how to help individuals and companies build a different leadership model—one based on inclusive leadership, with research-based processes and support. Discover individual and corporate blind spots to overcome their influence on decision making and help build an inclusive workplace that maximizes results.

We Can Show You How To:

- Assess gaps in diversity, equity, and inclusion and tie them to opportunities
- Pinpoint company biases and educate leadership and teams to remove barriers
- Establish processes that address gaps and biases and increase innovation
- Build vision and buy-in of your organization's diverse future using entrepreneurial leadership that embraces diversity, equity, and inclusion

Take Your Next Steps With Us:

GET AN ACTION PLAN FOR YOUR COMPANY

LEARN MORE ABOUT INCLUSIVE LEADERSHIP

Babson Executive Education Faculty

Our faculty experts can advise and support execution on any topic. What we deliver is based entirely on your unique needs.

Wiljeana Glover
Associate Professor of Operations and Information Management

Angela Randolph
Assistant Professor of Entrepreneurship

Smaiyra Million
Executive Director of the Arthur M. Blank Center for Entrepreneurship

Scott Taylor
Professor of Management

Wendy Murphy
Professor of Management

Shakenna Williams
Executive Director of the Center for Women's Entrepreneurial Leadership

Vincent Onyemah
Professor of Marketing

Yasuhiro Yamakawa
Associate Professor of Entrepreneurship

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