



THE **5** DISCIPLINES **OF** INCLUSIVE ORGANIZATIONS

How Diverse and
Equitable Enterprises Will
Transform the World

ANDRÉS T. TAPIA & FAYRUZ KIRTZMAN

Foreword by TALITA RAMOS ERICKSON, Chief Diversity and Inclusion Officer, Barilla Group

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To my clients—you've taught me so much by what you know, what you need, and what you dream.

—Andrés

To my father-in-law, Marvin Friedman, who, while he was with us, saw the writer in me long before I did.

—Fayruz

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CONTENTS

Foreword	ix
Preface: How This Trilogy Came About	xiii
Introduction: Diverse and Equitable Enterprises Will Transform the World	1
PART 1: THE FIVE DISCIPLINES OF INCLUSIVE ORGANIZATIONS	17
1. Discipline 1: Manage the Risk	21
2. Discipline 2: Explode the Awareness	37
3. Discipline 3: Maximize the Talent Systems	53
4. Discipline 4: Master the Logistics	75
5. Discipline 5: See the Marketplace	91
6. How Do We Know It Works? Measuring Success of the Five Disciplines	107
PART 2: THE FOUR VITAL TASKS	111
7. Vital Task 1: Diversify Leadership	117
8. Vital Task 2: Eradicate Polarization	133
9. Vital Task 3: Achieve Justice	149
10. Vital Task 4: Save the Planet	169
Conclusion: The Irrevocable Responsibility to Use Power for Good	189

Contents

Appendix A: How to Create Your Own Best-in-Class DE&I Scorecard	201
Appendix B: How DE&I Enables Environmental, Social, and Governance (ESG)	217
Appendix C: Research Methodology of a Korn Ferry Root Cause DE&I Diagnostic	221
Appendix D: Summary: The Five Disciplines of Inclusive Organizations	225
Notes	229
Bibliography	243
Acknowledgments	245
Index	249
About the Authors	257
About Korn Ferry	261

FOREWORD

IN 2021, BARILLA UNVEILED ITS NEW PURPOSE: “The joy of food for a better life.” This purpose is an evolution of the public promise that our business would be “Good for you, good for the planet.” On the one hand, this intentional declaration was simply a manifestation of what had already been inherent in our family-owned company’s 140-year history. From our origins, we have prided ourselves on high-quality ingredients, foods with healthy nutritional value, and a family-based culture both in how we saw the role of pasta in bringing families together around the table as well as in our seeking to create a community for our employees.

Though we focused our efforts on meaningful, accelerated, and large-scale positive impact on people and the planet, we did not realize at the time that diversity, equity, and inclusion (DEI), as well as ESG (measuring our impact on the environment, society, and governance), would be key enablers to delivering on this agenda.

By this time, Barilla had grown to nearly nine thousand employees working in a dozen different countries with products in more than one hundred countries. But from a diversity and inclusion perspective, being an Italian-owned and headquartered company created unexpected challenges. Our culinary brand is and will always remain Italian, but our talent brand needed to become global—inclusive of the various countries we were operating in, and their unique demographics. While still seeking to retain our employee value proposition of a family-like culture, we needed to allow for the different cultures in which we were operating to express themselves more fully, and in fact to be additive to our being an Italian-based company. This was a DEI issue.

In parallel, the reality of the impact of climate change on food production, and of food production on the climate, went to the heart of what we produced and how we produced it. Given our size, where we sourced ingredients and what it took to go from raw materials to finished product had a measurable impact on resources and on emissions, which we needed to fully own. This was an ESG issue.

Further, the ambition to be good for people, good for the planet was going to require the best talent from all talent pools, working inclusively to deliver the innovation and efficiencies necessary to follow through on our promise. This was a combined DEI and ESG issue.

To help the company tackle some of these challenges, I was named Barilla Group's first-ever Chief Diversity Officer in 2013.

We created internal and external D&I boards to provide our CEO and Barilla's board of directors with strategic advice, operational road maps, external benchmarks, and inspiration. Along this journey, we asked Korn Ferry to help us in those areas they were expert in. This is where my relationship with Andrés, Fayruz, and their colleagues began. For several years we did intensive work together, and we remain partners as different needs come up.

After reading *The 5 Disciplines of Inclusive Organizations*, I realized that this book is a codification of their already well-established philosophical, strategic, and operational approach. I experienced much of what is between these pages in how we collectively and collegially went about the work that ended up bringing about so much change at Barilla. Today, we are more diverse, more inclusive, and more equitable than when we first started the journey. And while the scope of what we did together did not explicitly focus on our parallel efforts around ESG and sustainability, it is clear to me how our DEI enhancements have been catalysts for our breakthroughs in sustainability.

THE PERSONAL ENABLES THE ORGANIZATIONAL

As a lawyer, I have always been personally devoted to addressing issues of ethics, equity, and justice. However, it was not until I became formally responsible for DEI that I started to be more intentional about my development in the field. As I reflected on my own journey to become a more inclusive leader, I recalled one of the first things I learned from Andrés.

One of my initial steps was to take an intercultural assessment. At that time, Andrés explained that our ability to identify, value, and engage with people different from us is developed based on how rich our experiences around diversity were at three different inflection points in our lives: growing up, moving on by yourself (for example, going to college), and then joining a workplace. While people can consciously or unconsciously remain in fairly homogeneous bubbles in the first two, in the workplace, people now more than ever cannot choose to abstain from dealing with differences. In places with a history of segregation or marginalization, the workplace may be the only environment where people are exposed to others who look, behave, believe, eat, or love in a different way.

I am thankful for Andrés and Fayruz for gifting us *The 5 Disciplines of Inclusive Organizations*. In this book, they skillfully lay out a framework for how organizations can comprehensively tackle the many layers and elements of DEI depending on their stage of DEI maturity. I particularly appreciate that they provide digestible to-do lists to address both the inward- and outward-facing aspects of integrating DEI into talent, operational, and marketplace practices.

In my experience, it is quite common to drop all of DEI into the S of ESG strategies. However, Andrés and Fayruz make the case for a broader, interconnected, and more meaningful guiding purpose for DEI efforts, which cuts across all elements of ESG. They meticulously outline the connections between DEI and ESG under an umbrella of “inclusive sustainability.” They show how the five DEI disciplines provide a road map for leaders to not only make their organizations more inclusive but also perform four vital tasks that will transform our world: diversify leadership, eradicate polarization, achieve justice, and save the planet.

As a DEI practitioner, I find inclusive sustainability is a helpful mental model to engage with other internal allies to move ahead with a comprehensive ESG agenda. The recognition that governance includes broad stakeholder management and that the impact of environmental issues is not evenly distributed across demographic groups leads to a refreshing and useful people-centric view of ESG.

I have often been called overly idealistic, even naive, throughout my life for believing that human beings are generally good and that absent distorted incentives they will choose to act in a way that does not harm others. Over the past twenty-plus years of my career, I have observed some supporting evidence for my beliefs in the evolution of the “talent

case” for ESG efforts. I still believe most people do not want to work to perpetuate something evil, and organizations all over the world now spend significant time and money to articulate how their businesses are good for people and the planet. Having an inspirational purpose has become a key tool for attracting and retaining top talent.

Which brings me back to my belief that workplaces are ripe with opportunities for positive impact for people, society, and the planet. In the workplace, hearts and minds can be changed if organizations are committed to, and intentional about, driving inclusion behaviorally and systemically.

This is why I so value the authors’ strong case for urgent action in this valuable manifesto. Obviously, the call for urgency can be directed at leadership, but I took it as a call to action for organizations to engage all the individuals in its spheres of control and influence. One lesson that I personally learned from the COVID-19 pandemic, and which was reinforced by findings in a 2022 Edelman Trust Barometer report, is that employees’ understanding of risk and urgency is increasingly becoming a function of how their employers discuss issues in the workplace.

Organizations must—and have one of the most compelling platforms to—engage people to spread the sense of urgency much needed today.

The clock is ticking. We cannot fight for another 130 years, per data extrapolation, to have fair representation of women in power, for example, nor can we wait another decade to avoid the point of no return on climate change.

The collective result of people in organizations, moving from oblivion to awareness, from apathy to action, could be the tipping point in a path toward a more equitable and sustainable future for humanity, toward transforming our broken world.

In your hands, your organization has a survive-and-thrive guide to do just that.

Talita Ramos Erickson

Talita Ramos Erickson is the Chief Transformation Officer for the Barilla Group and previously served as the group’s first Chief D&I Officer.

PREFACE

How This Trilogy Came About

WRITERS ARE ALWAYS WRITING OR THINKING ABOUT writing. As soon as one piece of writing, such as a blog, an article, or a book, is done, the question invariably resurfaces: “What’s next?!”

And so as I (Andrés) was basking in the twinkles of Christmas tree lights a year after the publication of *The 5 Disciplines of Inclusive Leaders: Unleashing the Power of All of Us*, which I coauthored with my Korn Ferry colleague Alina Polonskaia, that perennial question announced itself once again.

I picked up the book and flipped to the Inclusive Leader model that we had fully unpacked through exposition, research, proof of concept, stories, and application suggestions . . . at least we thought we had fully unpacked it.

As I looked at the model that by then had been etched in my mind’s eye, my attention went to the outermost of the three concentric circles. Placed deliberately in its margins were the labels “Leading Self,” “Leading Teams,” and “Leading Organization,” as you can see in figure 1. It had been our final structural insight into the model. We had mapped the leader’s ever-widening concentric circles of impact—self, team, and organization—against the five disciplines: Leading Self was mapped to the discipline of Builds Interpersonal Trust; Leading Teams to the disciplines of Integrates Diverse Perspectives and Optimizes Talent; and Leading Organization to the disciplines of Applies an Adaptive Mindset and Achieves Transformation.

Hmm . . .

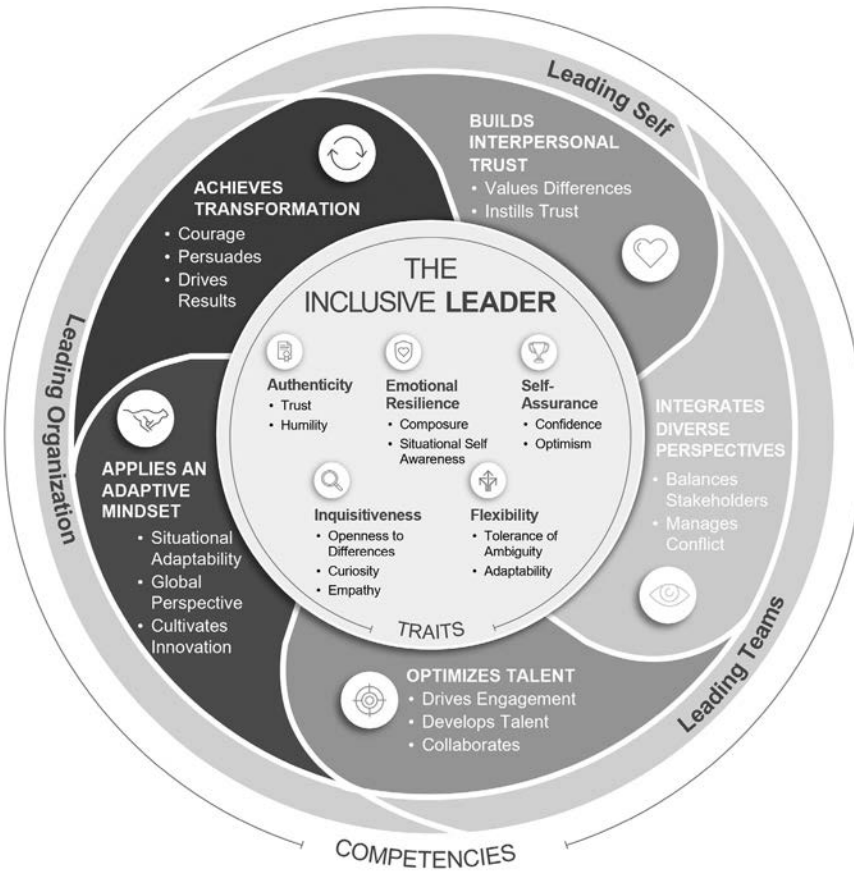


Figure 1. The Inclusive Leader model.

The 5 Disciplines of Inclusive Leaders was the book about leading self. What if we now had *The 5 Disciplines of Inclusive Teams*—the book about leading teams? And *The 5 Disciplines of Inclusive Organizations*—the book about leading organizations?

Right there at the foot of the Christmas tree, the idea of a Five Inclusive Disciplines trilogy was born.

After the holidays, I gathered various thought leaders at Korn Ferry to test out the concepts. For Inclusive Organizations, I went right to my good friend and colleague Fayruz Kirtzman. Fayruz and I have collaborated on nearly fifty diversity, equity, and inclusion organizational root cause diagnostics. Along the way we also cowrote various white papers. We

pulled out the Korn Ferry DE&I Maturity Model we had conceptualized and designed over the past couple of years with my first coauthor, Alina, and our colleague Gustavo Gisbert. Turns out there are five dimensions of maturity for inclusive organizations, and from there it was easy to develop the five actionable disciplines that inclusive organizations must practice.

From a diversity perspective, Fayruz and I have very different personal backgrounds and very different thinking and working styles. It's what generates a good amount of innovation when we engage with each other. But we also have key commonalities, such as being purpose driven, a compatible philosophy on the role of DE&I in the world, and a similar vision for how best to achieve organizational transformation. With our diversity as an asset, and our philosophical compatibility as a foundation, I asked Fayruz if she would be my coauthor for this book.

For the next book, I have already created an Inclusive Teams research and development team. Since we have not done as much work on inclusive teams as we have with organizations, our starting point was further back in terms of research. That said, we are not starting with a blank slate. Korn Ferry has been doing team effectiveness work for decades. Emerging as a leader out of this R&D team was Michel Buffet from Korn Ferry's Top Team Effectiveness practice. Michel is a certified coach in the Inclusive Leader model and had already begun to partner with me on bringing these concepts into teamwork in an integrated way. Michel and I are also very different in terms of identity, background, and thinking and execution styles. Yet here again we were compatible in key foundational ways. So another ask, another yes. Book 3 of the trilogy, written by the two of us, is scheduled to be released in 2024.

By the way, I recognize that from a logical sequence perspective, Inclusive Teams should have been book 2. But one needs to go with what is already done, and Fayruz and I had seven years' worth of research already captured in those fifty-plus organizational DE&I assessments and root cause analyses. So, welcome to book 2!



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INTRODUCTION

Diverse and Equitable Enterprises Will Transform the World

If you can see the invisible, you can achieve the impossible.

Shiv Khera,
Indian author and activist

DETROIT ENERGY (DTE), A 118-YEAR-OLD COMPANY IN an old-school industrial sector, is the surprising new face of a clean, sustainable, diverse, and inclusive future.

By declaring a commitment to being carbon neutral by 2050, DTE is completely overhauling how it generates energy and how it will prepare its employees for a whole new way of keeping Michigan powered up.

DTE embarked on its sustainability journey more than a decade ago, when senior management realized that achieving their environmental goals required prioritizing diversity, equity, and inclusion (DE&I) in their sustainability strategy. Jerry Norcia, DTE's president and CEO, explains, "To achieve our company's ambitious goals, we need to build a diverse and inclusive culture where everyone contributes to the innovation and generation of clean, reliable, affordable energy and drives equity to ensure prosperous economies and thriving communities."

These bold and unexpected words took the role of DE&I to a whole new level. It made it clear that organizational diversity, equity, and inclusion are not simply an end in themselves, they are a means to achieving

comprehensive sustainability for customers, communities, and the earth—all while still satisfying shareholders focused on profitability.

This balance across varied stakeholders is something conventional capitalist wisdom has said cannot be achieved. But DTE is among a growing chorus of for-profit companies saying, “Not true.” Recent research also shows that organizations benefit economically when they pull social and environmental responsibility into their strategic focus.¹ For too long, companies’ ledger sheets have not accounted for their hidden costs to the environment, society, and peoples’ well-being, all of which have combined to create structural inequities in our societies and organizations and have damaged our planet.

For this reason, companies such as Apple, AstraZeneca, IKEA, Google, Microsoft, and Unilever are making their own bold commitments to causes well beyond their companies’ economic prosperity. In fact, they are beginning to define prosperity much more broadly. Societies, governments, and vanguard companies are now seeing that their profit and loss ledger must also include the costs of harm to the environment due to pollution, of harm to low-income communities due to gentrification, and of harm to small towns due to relocating factory jobs offshore. The true costs of doing business could even be greater once we factor in the cost of social unrest that arises from the creation of these structural inequities.

This acceptance of responsibility for the full cost of providing goods and services is a prerequisite for motivating the capitalist system to solve the existential threats that imperil societies and all inhabitants of planet Earth. And this paradigm shift requires a different type of organization.

One that embraces a broader set of responsibilities for its actions and that seeks to harness its economic, talent, and technological power for the broader good while still thriving economically.

One that evaluates its people as valuable assets with very human needs for fair remuneration, for protection through thoughtful benefits, for feeling valued for who they are, and for the resources necessary to do their best work.

One that believes in the richness that diversity—in all its forms—brings to their culture, their innovation, and their business results.

One that understands that business today can’t just be about profits.

One that we call an inclusive organization.

Of course, there are the skeptics who say that business should just be about goods, services, and profit, that all this extra seems like a

distraction, a bunch of soft stuff. But here's the reality: The world is in grave pain right now and will be for the coming generations. The effects of the COVID-19 pandemic will be with us for years. There have been years lost at critical junctures in education, in careers, in marriages, in intellectual and emotional development. Millions of families of color, working hard to climb out of poverty, have fallen back a generation. Millions of highly talented women have left the workforce to care for their children due to preschools and schools being shut down, and they may never return. Millions of people have not returned to the workforce due to long COVID and other COVID-related medical issues; immune-compromised grocery cashiers, for example, may not want to risk doing their jobs anymore. Political polarization is rending the fabric of neighborhoods, cities, and nations. Polar caps are melting, seas are rising, coastal cities are threatened, wildfires are raging, and rivers are evaporating.

Meanwhile, the perennial issues of equitable representation, access, opportunity, and pay for marginalized groups in every country in the world remain with us. While we have seen some progress—albeit uneven—we are still falling short of the values and ideals of fair and just societies and workplaces.

When we are brought in to help our clients become truly inclusive organizations, we seek to help them become more diverse, equitable, and inclusive both for their own sake, because it's the right thing to do, and to become talent attractors and optimizers of the full spectrum of diverse talent pools. We help them go beyond the borders of the organization by leveraging their diversity, equity, and inclusion to have impact outside their boundaries—because it's the right *and* profitable thing to do. This includes making the most of their DE&I to help them sell goods and services that benefit consumers and to operate in a manner that betters society and the environment.

None of this is soft stuff.

Companies can't just sit out the DE&I and environmental, social, and governance (ESG) trends. They're in the crossfire. Consumers and employees expect them to weigh in on social and racial justice issues, they expect them to care for the environment, they expect them to treat their employees fairly, and they expect them to use their powers for good. Otherwise they will go work somewhere else or buy from someone else.

Research by various management consulting firms reveals that in 2020, 86% of people wanted to see a more equitable and sustainable world after