How a Values-Based Approach Advances DEI

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BY ANSELM A. BEACH AND ALBERT H. SEGARS

Many business leaders see diversity, equity, and inclusion as a way to revitalize their organizations. They understand that diversity drives innovation, and they see the potential for engaging the entire workforce in transforming their companies. But they also find that the results of their DEI efforts sometimes fall short of expectations.

Perhaps these efforts are clumsy due to unclear objectives or a lack of know-how. Business leaders may not approach DEI with the same ambition, creativity, and energy that they bring to launching new products or pioneering new markets. Furthermore, some people may not consider a lack of DEI to be holding the organization back — or, if they do, they think it's not their problem to solve. Meanwhile, experts propose interventions that purport to offer quick fixes to workplaces that have been shaped over decades. No wonder leaders become fatigued: They are uncertain about what to do, and it can be difficult to cut through the noise.

Clearly, leaders need approaches that frame DEI as an opportunity for their entire organization and provide an avenue for *all* members to meaningfully engage in it. Through surveys and field studies of companies that have demonstrated significant progress toward DEI, we have identified such an approach: the Values/Principles Model, or VPM. The model is based on four values — *representation*, *participation*, *application*, and *appreciation* — along with seven guiding principles that drive the achievement of the values. The VPM provides a structured and measurable framework for transforming the workplace through DEI. (See "The Research Behind the Values/Principles Model," p. 26.)

Why We Need a New Model for DEI

A typical approach to DEI includes diversity training, pre-employment testing, performance reviews, and

grievance systems, all of which aim to limit bias in recruiting and promotion. While better than nothing, these processes and policies are primarily designed to prevent litigation and to change (or train) people. Unfortunately, they do not change the heart and soul of the organization or the way it operates.[1]

Senior leaders might stand up a committee or designate a person to take charge of DEI to demonstrate that they are taking action. However, making DEI the responsibility of a czar or steering committee rather than engaging the community as a whole sidesteps the work of transforming the

THE RESEARCH BEHIND THE VALUES/PRINCIPLES MODEL

We identified the four values and seven principles that lead to transformational change in a multiyear field study of 17 organizations that have been recognized for their innovativeness and effectiveness in DEI by multiple sources that rank businesses, including Glassdoor, *Forbes*, and *Fortune*.

In the first phase of our research, we conducted in-depth interviews with 55 executives, 33 middle managers, and 73 team members in the organizations about their diversity, equity, and inclusion goals and what they considered to be an effective path to achieve them. Analysis of these interviews yielded the values and the principles. We tested the model by surveying a diverse set of 350 employees in the same organizations, asking them to rate the degree to which the principles had been applied and values achieved. These respondents also assessed overall workplace satisfaction, which is a reliable metric for understanding how employees feel about their work environment and opportunities for advancement.
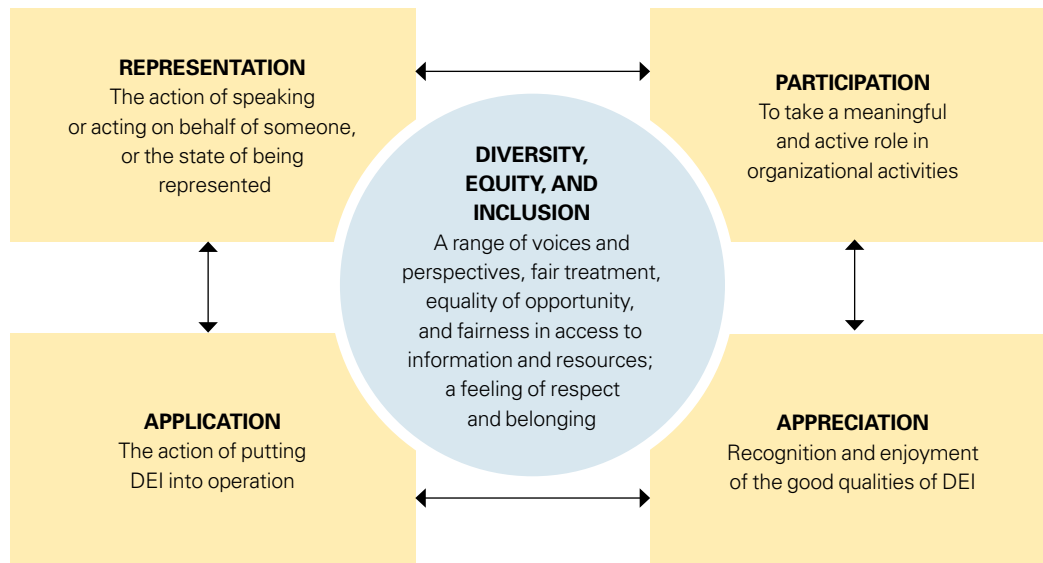
We validated the model further with a second round of surveys, this time of general managers from 113 Fortune 250 companies. Using the same approach as for the initial phase, we asked HR professionals in each company to recommend two respondents, one of whom identified as a member of an underrepresented population. Many companies asked for an additional pair of respondents to complete the survey, resulting in 430 total responses. The second survey confirmed the results from phase one.

organization into one that thrives because it embraces diversity. A steering committee will rarely have the clout to rigorously question or change business processes — including personnel practices, reward systems, and how meetings are run — that may exclude diverse voices.

These approaches derived from an industrial view of the workforce as a set of interchangeable parts and employment as a transaction. Companies pay employees to perform a set of predefined tasks; it doesn't matter what else they know, how they think, or what their talents might be. In this view, DEI is transactional too. The organization complies with the law by hiring people of differing

identities and holding a "diversity day" to publicize them, without changing how it operates.

For leaders seeking to transform their organizations through DEI, the VPM provides ways to both articulate and measure where an organization stands in its journey and where it needs to go. It also provides a way to engage the entire organization, by giving everyone — senior leaders, middle managers, and rank-and-file employees — a role in the measurement, achievement, and stewardship of DEI. It is focused on changing organizations, not individuals. After all, people build organizations and then are shaped by them; rebuild the organization, and you reshape people's perspectives.

We found overwhelming evidence that the VPM values not only provide a standard for measuring distinct aspects of DEI but that they operate together, forming a belief system that guides attitudes and motivates the actions of people within an organization. (See "Four Core Values of Diversity, Equity, and Inclusion.") We learned not only that workplace satisfaction (a measure of how employees feel about their work environment and career opportunities) is higher when all four values are achieved simultaneously but that overattention to one value at the expense of the others may undermine the overall results.

For example, if you create a marketing campaign that includes people of different races and genders (representation) but you don't invite diverse team members into product discussions (participation, application) and recognize their contributions (appreciation), all you are doing is creating an impression of diversity without addressing policies and practices in the workplace that undermine it.

Think about the values as the destination to reach: They describe what an organization may become. The seven guiding principles, which we will describe later, provide the directions to the destination.

Let's look at the four values in more detail.

REPRESENTATION

Representation is rooted in the idea that diversity is an asset: When we recognize people for their individuality and unique voice, our experiences become richer and more profoundly human.

However, when organizations view representation primarily through a lens of social categories,

FOUR CORE VALUES OF DIVERSITY, EQUITY, AND INCLUSION

Organizations that devote attention to all four values rather than one or two see higher rates of employee satisfaction.

REPRESENTATION
The action of speaking or acting on behalf of someone, or the state of being represented

PARTICIPATION
To take a meaningful and active role in organizational activities

DIVERSITY, EQUITY, AND INCLUSION
A range of voices and perspectives, fair treatment, equality of opportunity, and fairness in access to information and resources; a feeling of respect and belonging

APPLICATION
The action of putting DEI into operation

APPRECIATION
Recognition and enjoyment of the good qualities of DEI

such as race, gender, or sexual orientation, people can become identified with these categories, and their uniqueness as individuals is overlooked.[2] Meaningful representation requires that marginalized people not be included merely for appearances or to fill a quota. Rather, organizations must remove barriers to demographic representation while also embracing individuals' unique skills, backgrounds, and contributions.

When an organization includes people with diverse sociocultural, educational, *and* economic backgrounds and experiences, it signals that many types of people with different perspectives can succeed there. Representation doesn't just empower those who have been denied a presence; it encourages us to learn about and learn from people who are unlike us. To that end, when we describe who is represented in our organizations, we should capture both what is visible about them (who they are) and their less visible backstories (why they are there).

An example from our research, Marvel Comics, illustrates the point. Marvel sought diversity and inclusion by introducing ethnic minority characters into roles traditionally held by White characters (Black Captain America and biracial Spider-Man, for example). On the surface, adding diverse characters seems to signal representation. However, readers preferred to see the universe of characters expanded.[3]

When Marvel created new characters with logical and compelling backstories (such as the Spider-Man Universe), the result was transformative. Readers saw themselves in the characters, and these characters created opportunities for new storylines.

When leaders ask not only "Who are we hiring?" (their demographic characteristics) but also "What do they bring to the organization?" (their skills and backstories), and "Who shows up?" (their contributions), they expand the capabilities of the organization, its talent pool, and the range of possible business outcomes.

PARTICIPATION

Many organizations stop at representation. Once underrepresented people are hired and that fact is publicized, business leaders declare victory.[4] Our research suggests that there is more to accomplish. A person in a previously underrepresented group can see more people like themselves in the workplace but still feel discouraged from participating equally with those in the majority. Representation without participation is still exclusion. The same is true for participation without representation. If you include one person from an underrepresented group on a committee or management team, you will gain participation from that group. However, that person may not represent the variety of views

and experiences of their demographic. Deeper engagement with each community is required to achieve both participation and representation.

When an organization pursues participation as a value, it creates an environment in which everyone feels free to share their knowledge and is able to make a contribution. Walt Disney Imagineering, another company we studied, offers a great example. "Imagineers" design and build everything for Disney theme parks, resorts, attractions, and cruise ships. They are a diverse group with a clear sense of belonging based on well-defined and logical sets of roles, responsibilities, and contributions.[5]

Disney promotes their participation by eschewing formal meetings with defined agendas and set presentations. Instead, Imagineers gather for informal conversations when they have ideas to discuss. These may include poster sessions, museum tours, park visits, and visits to other venues where they can engage with people from other teams and sometimes guests. This approach promotes both inclusion within the group (because anyone can offer a thought or ask a question) and knowledge sharing across groups.[6]

As a result, the company cultivates a diverse array of problem solvers and generates more innovative outcomes. As an Imagineer noted, team members need "social spaces and conversations where everyone feels able to contribute. Traditional meetings, conference rooms, and presentation technologies are actually designed for the opposite!"

As a result of its process, Disney recently launched an improved version of its disability access services card, which provides shorter wait times for attractions to guests who have physical challenges. The innovation was prompted in part by observations of guests as well as feedback gathered at different points, including direct conversations with people who love Disney but have been unable to enjoy its parks as fully as other guests.

Similarly, Mayo Clinic redesigned communication between health care providers and patients in underserved communities — and improved service delivery — by sending the providers to churches and to patients' homes. They used social media and text messages to coordinate visits and inform patients of test results. In these ways, the providers established relationships with patients in places where the patients felt comfortable, using platforms that were familiar to them.

Disney Imagineering and Mayo Clinic prioritized participation by underrepresented stakeholders. From these examples, we can see how doing so leads companies to rethink the physical environment, organizational structures, and venues for holding conversations and sharing knowledge that shape how we work and what we believe about the world around us.

To get started on expanding participation, leaders can ask some key questions: How easy is it for all stakeholders to meaningfully participate? Who contributes to new initiatives? Are there multiple avenues for participation?

APPLICATION

When we apply DEI, we're redesigning entrenched systems or processes that have favored some types of people over others — whether because of their race, gender, social skills, self-expression, or other characteristics, and whether consciously or not. These systems include how organizations develop and promote employees, define job titles, and even create and sell products. Changing them is difficult because it's hard for organizations to change how they do anything. Leaders themselves may fail to understand how their organization's processes may exclude people. And, to be frank, some members of the organization may resist changing existing processes from which they benefit.

As a result, application is the most difficult value

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> Successful application should also be evident in a company's products and services. By adopting inclusive design, it learns to see that no customer is average and learns how to serve all customers better.

to achieve. But when we do achieve it, we get organizations that are more human-centered. Titles reflect what a person does rather than their status in the hierarchy. Employee identity becomes associated with their talent rather than how many people they oversee or how much budget they control. Performance is measured by what individuals accomplish rather than appearances or other criteria that have nothing to do with the results they achieve.

Successful application should also be evident in an organization's products and services. Products designed for the average customer won't meet the needs of many. Organizations that adopt inclusive design learn to see that no customer is average, and learn to serve their customers better.[7]

We studied Google, which has pioneered a design approach that focuses on the individual and incorporates empathy and compassion for people and thus creates inclusion.[8] One of Google's great challenges has been building machine learning systems that can adapt to differences in learning, language, and the structure of knowledge across cultures. For example, machine learning models for classifying clothing in images can be trained to understand different skin tones, body types, and styles of dress anywhere in the world. This, Google says, helps shoppers "feel like they're seeing themselves when they look for clothing."[9]

To begin the conversation about applying DEI, leaders can ask specific questions: How are we using new perspectives to reframe our business problems? How adaptable are our structures and processes? What unchecked assumptions do we make about our organization and our marketplace?

APPRECIATION

An important bridge between representation, participation, and application is *appreciation*: recognizing the value DEI brings, being grateful for it, and relying on it to make your organization successful. Glitzy marketing, positive PR, and enthusiastic leaders can demonstrate appreciation for DEI; yet, without action to manifest the other values, publicly embracing it is hypocritical. However, when combined with the other values and exhibited sincerely, appreciation has powerful synergistic effects: It maintains momentum, demonstrates impact and progress, reinforces the place of DEI in the core mission, and signals the actions that are prized and those that are discouraged. The result, according to our research, is that employee turnover declines, especially among people from underrepresented groups.

Creating appreciation for DEI begins with how leaders communicate about it, especially when they recognize teams and individuals for their accomplishments. When people are celebrated, it should be for what they contributed and the qualities that make them successful at their work — such as their skill at problem-solving or their way of dealing with difficult customers — without calling attention to their background or their sociocultural characteristics.

Often, it's hard to even tell how employees are selected for awards, promotions, or raises, because the processes for choosing whom to reward aren't transparent. Employees don't know whether they or people like them have been considered, especially when the "winners" tend to come from the dominant group. Meanwhile, if employees are rewarded for only a narrow set of achievements, or they are rewarded even though they make insensitive jokes or comments to their colleagues, employees who are from a group that is unrecognized become demoralized. They contribute less and are more likely to leave the company, because they conclude that they will not be able to succeed.

For many people, being recognized by their team or department — that is, knowing that their colleagues see and appreciate their contributions —

matters more than getting a corporate award. Our research suggests strongly that people feel more loyalty to their work group than to the organization, which in turn indicates that traditional recognition systems need updating. Rather than celebrating individuals, organizationwide awards can be redesigned to reflect connectedness among people and their work groups, thus highlighting inclusion. When employees witness a wide range of contributions and perspectives being recognized, they have hope that what they offer will also be appreciated.

The key to showing appreciation for DEI is to thoughtfully question how we talk about the work people do and how we recognize them for it.[10] Some questions to ask: What do we reward? What do we discourage? What is the logic behind our reward system?

The Means to Get There: Seven Guiding Principles

With our destination established, we can now map out the route. It is clear from our research that the journey to DEI is not driven by a strategy; strategy is too linear and too rigid. Rather, transforming your organization requires prioritizing the following practices. (See "Seven Guiding Principles for Achieving Diversity, Equity, and Inclusion.")

Build a moral case. Countless articles and seminars promote DEI as a "great business case."[11] And it *is* good for business results. However, DEI should not be primarily driven by profit: That will take it only so far. There is a moral case for DEI that is centered on meeting people's and society's needs and making an *honorable profit* by ending exploitation of people and the environment (because doing either of those things is not inclusive by definition). Making the moral case — saying DEI is right and wearing it on your sleeve — signals that the work of achieving transformational change is rooted in values that are deeply held in the organization and not subject to changes in business conditions.

Encourage willful interrogation. Organizations must encourage frank discussions about race, gender, age, accessibility, privilege, and anything else that might hinder DEI. We call this principle *willful interrogation*. Many leaders would rather avoid such conversations for fear of saying the wrong thing, but without them, nothing will change.

The key to willful interrogation is to hold conversations in small groups where leaders listen and ask questions rather than talk. Leaders must not only be prepared to learn about employees' unpleasant experiences but also to not have immediate answers for the issues that surface. Real transformation takes courage, patience, perseverance, and the right starting line. Willful interrogation is that starting line.

Develop new mental models. A mental model — what we might refer to as a person's worldview — is the rationale for how something works in the real world. Organizations have mental models that provide the reasons behind organizational structures, processes, rules, and systems. They require attention because they can perpetuate racism, exclusion, and inequity, even if the people working within those flawed structures are believers in DEI. The mental models of an organization must be revised to reflect the values of DEI.

For example, we have mental models around who makes a good leader that incorporate assumptions about what leaders look and act like. If, when choosing a CEO, people imagine a tall, White, male extrovert, they will struggle to see an introverted Black woman in the role. With a mental model that is focused on the skills and competencies that a CEO needs in order to execute the business strategy, the company can create a selection process and decision criteria that are more likely to include candidates with a variety of backgrounds and experiences. They may also decide to rethink another mental model — how and where to find executive talent — in order to identify people from underrepresented groups who are interested in being recruited but are not part of a company's traditional networks.

The fact is, no one can promise to change the feelings of people who hate. But we can change the flawed and outdated mental models that define how we work and interact with one another. People will learn to operate within them whether they change their personal views or not, although many will change when they see how much more successful it makes them.

Adopt entrepreneurial leadership. Like any important initiative, DEI requires support from senior leaders, but everyone has to engage with it.[12] Managers and front-line employees alike will need

to become engaged in problem-solving — to become entrepreneurial in their efforts to achieve the four values.[13]

To empower them, organizations need to bring more visibility to the diversity within. One way to do so is to rotate managers through departments and cross-train them so that they are exposed to different aspects of the organization and to diverse people. These experiences help advance DEI in several ways. Most obviously, perhaps, managers develop empathy for people with different skills, backgrounds, and experiences as they encounter them across the organization. They can also uncover pockets of untapped expertise and gain an understanding of the challenges or obstacles employees may face.

With this knowledge about how different people operate and what they need in order to succeed, managers can take more initiative. They can clear a path for employees whose achievements may not have been visible previously or who need support in order to develop their talents. They can decide, for instance, to fill a role with someone who lacks traditional credentials but has demonstrated the skills and the aptitude for it.

Here is where *equity* enters the picture. Rather than forcing every employee down the same path, entrepreneurial leaders recognize what each person needs to succeed and tailor their management approach to each individual. This is essential to creating equity; think of it as offering left-handed baseball gloves to those who need them rather than forcing everyone to play right-handed and thus preventing some people from doing their best.

Ensure accountability. To be accountable is to understand the causes of inequality and take responsibility for addressing them, both internally and where the organization can have an impact externally.

To detect and correct the root causes of discrimination and disparities, an organization needs data on its workforce that includes race, gender, ethnicity, pay, sick leave, and other relevant variables. Aggregated data about average conditions or outcomes obscures the experiences of different groups of people.[14]

To create accountability, organizations may need to establish new policies and practices for data collection and analysis, as well as a strategy and tools to ensure that the data is analyzed and used.

SEVEN GUIDING PRINCIPLES FOR ACHIEVING DIVERSITY, EQUITY, AND INCLUSION

The principles provide a map for achieving the values in a way that is inclusive and transformative.

BUILD A MORAL CASE
Business cases have legitimized exploitative actions throughout history. Choose to build DEI because it is the right thing to do. Embed DEI into the collective mission.

ENCOURAGE WILLFUL INTERROGATION
Ask, "Why? What is possible?" Make it a priority to openly discuss race, representation, diversity, and inclusion. Amplify employee voices to create awareness and change. Identify the specific needs of the organization; one size does not fit all.

DEVELOP NEW MENTAL MODELS
Use cross-training and job rotation to improve access to a wider variety of people. View markets and customers as multicultural and dynamic. Engineer systems to overcome inequities that result from bias.

ADOPT ENTREPRENEURIAL LEADERSHIP
Engage managers in solving the problem. Ease up on control tactics. Promote community ownership of the workplace. Encourage self-managed teams, mentorship, and sponsorship, as well as safe places to grow and develop.

ENSURE ACCOUNTABILITY
Implement organizational mechanisms and incentives (such as task forces, steering committees, mediation, goals, and expected results) to promote, oversee, and guide social accountability.

BE AMBITIOUS
Treat DEI with the same zeal and energy as new-product development. Expand DEI efforts from the organization to the broader community. Don't underestimate the challenge or the need to fine-tune efforts as time goes by.

EXPAND THE BOUNDARY
Look beyond the organization for knowledge, know-how, and best practices. Share experiences/insights with other leaders, and contribute and draw knowledge from professional associations, working groups, and other outside sources.

When business leaders have illuminated disparities and located their causes, they can identify measurable and meaningful steps for transformation.

Be ambitious. When a company launches a new product, it may have taken months or years to develop it, along with the sales and marketing strategy and a distribution plan. DEI efforts should be just as ambitious, with the same level of energy and momentum the company puts into growth.

In fact, DEI is an effort to grow the company and make it more innovative. It offers an opportunity to run the organization better and for its people to do better — to learn, to progress, and to keep themselves relevant. Business leaders can leverage DEI

to increase revenue, create better opportunities for people, and positively impact the communities where they operate. These are big goals that require both vision and drive. When leaders aim high, think big, expand their viewpoints, ask meaningful questions, and expect action, DEI will become a prized resource rather than a burden to carry.

Expand the boundary. Leaders often feel that their DEI work should be kept "in the family," so that outsiders don't see how the organization might be struggling. But like all great innovations, the best DEI initiatives leverage ideas and practices from outside corporate boundaries.

For example, CEO Action for Diversity and Inclusion, a coalition of nearly 2,000 CEOs, provides a platform through which member companies contribute information and advice about their practices for advancing DEI. Participants are encouraged not only to share their successes but also to be open about efforts that have not worked and the challenges they are facing.

It may take courage to explore, borrow from, and adapt what others have learned and invented, because it means you have to admit that you haven't had all the right answers. But achieving DEI is complex and ongoing. You are more likely to succeed if you accept that you can't succeed in isolation.

IT'S TEMPTING FOR business leaders to see DEI as a set of discrete programs to execute rather than an encompassing effort to transform the organization. But as our research suggests, achieving DEI isn't a linear process with a set of tasks to be checked off, but rather a commitment to cultivating core values and turning guiding principles into organizational habits.

A good starting point for working with the VPM is to consider where an organization's values and practices match — or fall short of — what the model espouses. How have the practices and actions of the organization contributed to — or created barriers to — DEI? Then use the guiding principles to set a path for reconciling the practices of the organization with the VPM values. Every organization is different, so each path will be unique.

While top leadership commitment to the VPM is essential, it encourages initiatives that can be designed and owned by people anywhere in an organization. When everyone can participate in DEI,

they learn to trust it as a transformative force. DEI becomes the foundation for fresh ideas and new possibilities — the hallmark of change that is innovative, transformational, and inclusive.

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