Leveraging inclusiveness

In conversation with
Kathleen L. McGinn

Cahners-Rabb Professor of Business
Administration at Harvard Business School

What can companies do to really promote inclusion? Here are some keys for fostering egalitarian gender attitudes and more inclusive organizational cultures, leading to better outcomes for all.

In recent years, many companies have made strides in increasing the diversity of their teams. In order to gain the benefits of diversity, however, a feeling of inclusiveness has to be present. While diversity refers to the makeup of your organization, inclusiveness is the extent to which members of diverse groups feel they belong and can contribute in meaningful ways. Kathleen L. McGinn explains why companies are increasingly investing in inclusiveness as a way to gain competitive advantage.

Why has inclusiveness become a priority in companies?

Inclusiveness is not about being good-hearted, as some might think. Organizations are increasingly investing in inclusiveness, not just because they believe it's the right thing to do, but because it brings results. When implemented well, it forms part of a sound business strategy: it allows companies to tap a much larger talent pool and boost their market competitiveness. And in this time of social and technological upheaval, we need the best people in our organizations.

Diverse groups of people are better at creativity because they have different backgrounds and competencies. They think in different ways, so they come up with better and more creative solutions. But the payoff only comes when this diversity is accompanied by a sense of inclusion. In our research at Harvard, we've tried to figure out what companies and executives can do to really foster inclusiveness.

What's the most challenging part about developing inclusiveness?

A key problem is that people often feel they are either *insiders* or *outsiders.* For instance, men more often consider themselves insiders in terms of decision-making and influencing the company. Women, on the other hand, often feel like outsiders.

These kinds of stark differences show up in many interesting ways, such as the emotions felt at work. For example, we asked workers in a tech company to give us four words that described how they felt about working in their company. The four words that men most often gave were "exciting," "learning," "fun" and "chaotic." When we asked women in the company the same question, they also said

"fun," but the top two words they reported were "challenging" and "frustrating." These women thought of themselves as outsiders.

Is it possible to have an organization where "exciting" and "learning" are common responses among everyone, regardless of gender? In other words, a company where inclusion worked? That is what my colleagues and I set out to find.

And does such an organization exist?
Yes. We identified one very successful organization that had, in many ways, done exactly what needed to be done. It was a professional services firm that had been implementing a strategy to drive inclusiveness for 20 years. At the early stage of implementation, the company was a slight market leader. As they developed their strategy, they became a clear leader.

To understand how they did this, my colleagues and I gathered all the public data and internal documentation available about their inclusiveness efforts. The information showed us that they had experienced repeated cycles of what we call "analysis and action." By this, we mean they didn't just rush ahead and institute a new policy. Instead, they first studied what was going on, trying to understand the problem in the organization (analysis). Then, they brought people together from across all levels of the organization. This was critical for action – to make sure what they were doing was relevant and also to get buy-in. They also brought in external advisers to give credible answers to the questions that people were asking. Together, they came to understand what sort of solutions would work for the problems that arose at each stage of analysis. Each action period would drive a subsequent period of change.

How does bias show up in an organization?
There are many ways that bias or discrimination in the workplace can play out. Bias can be rooted in beliefs about certain cultures, age groups or gender. It's often unconscious. Ultimately, it means

Negotiating tips for women

Many factors affect negotiation success. Even for exceptionally talented executives, gender can play a role in negotiations when there is ambiguity around what is negotiable and what options are possible. In ambiguous negotiations, it may feel harder for women to negotiate effectively.

To overcome ambiguity, **do your research**: know what's negotiable, what outcomes are possible and what your options are.

Then, equipped with the facts, **make clear, specific claims** that leave no room for ambiguity (which is when less confident employees may clam up so as not to rock the boat).

that some people don't have access to the same information or opportunities that others do. And this has a significant impact on the overall agility and speed of an organization.

In the case of the professional services firm we studied, they found evidence of a widespread belief that women simply could not, would not and should not be doing work as good as or equivalent to men. To address this, they carried out inclusiveness training and, importantly, diversified the ways that women and men worked together. A key factor was the CEO, who was actively involved every step of the way. Working both top-down and bottom-up was essential.

After a few years, they found that bias was going away, but women were still underrepresented. So, they entered another phase of analysis. This led to a new set of recommendations in terms of structural change and rearranging the way work was done in the organization. This, in turn, led to new actions supported by leadership and bottom-up activities. They continued on and on in this way.

4 key principles

The negotiation workshops for girls (available for free download at https://hbsp.harvard.edu/girls-arise/) were structured around four key principles, which are applicable for establishing cooperative interactions, leading to better outcomes.

1. Me. Understand your own interests. Identify deeper needs and values rather than the proximate cause of a dispute. This is a necessary first step because you identify your triggers and your red lines.

2. You. Next, seek to ascertain the other party's interests by asking open-ended questions. Look for shared values, rather than focusing on the differences.

3. Together. Use those shared values to find common ground. Recognize that a "no" may be due to an external factor, and by working together you might be able to find a way through.

4. Build. Brainstorm ways to overcome roadblocks in pursuit of a win-win agreement, which is like "building a house you can both live in."

At one point, the CEO was less involved, and they saw a dip in results, so he became more involved again. They were able to see this because all changes aimed at driving inclusiveness were tied to metrics and consistently followed. They were integrated across the organization and into the broader strategy of the company. Today, the company is a leader in gender inclusion.

It's no surprise that organizations that rank as the best places for women to work are also places where everybody wants to work, regardless of gender. They are places that allow individuals within the organization to thrive in very different ways than organizations that don't foster inclusiveness.

How does a sense of inclusiveness impact individuals?
When individuals are empowered to contribute and feel included, they create more value for the entire group. One study that we carried out over three years with adolescent girls in Lusaka, Zambia, clearly showed this. In Lusaka, young girls are made to feel worthless, and families' constrained resources typically go toward educating boys. We randomly assigned girls within a school to one of three different groups:

- One group participated in a two-week, after-school negotiation program.
- One group participated in a two-week, safe-space program.
- A third group did not participate in either activity, serving as the control group.

Our study showed that girls in the negotiation program, compared with those who participated in the safe-space program, were able to come to understand their own worth, convey that worth to others, and, as a result, build value for their families.

This study provides important takeaways that can be applied to organizations in which some employees may feel undervalued or not even recognize their own potential.

Over the three years, the girls who had gone to negotiation training, relative to the girls who had gone to the safe space or the control group, were more likely to be attending high school and,

importantly, more likely to be attending a higher-tier high school. They were also viewed by their parents as more respectful. They scored higher across a wide index of critical life competencies, and they regularly applied, with perseverance, their negotiation training with their parents and teachers, who came to trust them and came to invest more in them.

How are our ideas about inclusiveness shaped by society?

Research shows that adult attitudes about inclusiveness are formed early in life. We carried out a study involving more than 50,000 women and men from 29 different countries who were asked about their parents' education and employment. We wanted to understand the importance of role-modeling and how mothers' employment affects daughters' and sons' views of women in the workplace. (By the way, I never use the phrase "working mother" to describe women employed outside the home. I'm one of five children, who was raised by a very hard-working mother who didn't happen to be employed outside the home.)

"Men and women raised by women employed outside the home have more egalitarian gender attitudes"

We found that both men and women raised by women employed outside the home have more egalitarian gender attitudes. Interestingly, men raised by women who were employed outside the home have more egalitarian attitudes than women who were raised by moms who stayed at home full-time.

"Organizations that rank as the best places for women to work *are also places where everybody wants to work*"

How can we use these research insights to build more inclusive organizational cultures?

We can start by transforming our interactions, so that we build solutions together and create new possibilities. We can also foster inclusive organizations through individual action and collective action, in an ongoing, repeated cycle of "analysis and action" periods. It takes lots of time and it has to be done with patience, since results don't always show up immediately. It also has to be done with love. Most of all, you need the true belief that an inclusive society is a necessary and better society. ◼

Kathleen L. McGinn spoke on "Leveraging Gender Inclusiveness" at IESE's Global Alumni Reunion 2019.

READ MORE: McGinn, K.L., M. Ruiz Castro and E. Long Lingo. "Learning From Mum: Cross-National Evidence Linking Maternal Employment and Adult Children's Outcomes." *Work, Employment and Society* 33, no. 3 (2019): 374-400.

Ashraf, N., N. Bau, C. Low and K.L. McGinn. "Negotiating a Better Future: How Interpersonal Skills Facilitate Intergenerational Investment." *The Quarterly Journal of Economics.* Forthcoming.