

The practice of inclusion

Brunswick’s CAROLINA ESPINAL and DAVID SUTPHEN speak with BlackRock’s JONATHAN MCBRIDE about why “inclusive” is not simply a synonym for “diverse”

FOR DECADES, COMPANIES HAVE RELIED on an array of training programs and initiatives to foster greater diversity. But a recent *Harvard Business Review* article highlighted what many in the business world had suspected for some time: diversity initiatives were largely ineffective, and often counterproductive. Citing a wealth of research, the authors concluded, “The numbers sum it up. Your organization will become less diverse, not more, if you require managers to go to diversity training, try to regulate their hiring and promotion decisions, and put in a legalistic grievance system.”

One reason these programs floundered is that diverse backgrounds and skills are of marginal use if they are excluded from discussions and decision making. Businesses are getting the message. A growing number of companies are transforming their Chief Diversity Officer function into “Inclusion and Diversity” leaders, reflecting a broader shift in how businesses are thinking and allocating their resources. Promoting diversity remains important, but building an inclusive culture is the priority.

But leaving past practices behind and embracing a new paradigm is never easy. Carolina Espinal sat down with Brunswick Partner David Sutphen and Jonathan McBride, Global Head of Inclusion & Diversity at BlackRock, to discuss the challenges of building a culture where all employees feel as though they belong, and to explore how BlackRock, the world’s largest asset manager, is thinking about – and engaging in – the practice of inclusion.

CE: In very simple terms, what’s the difference between diversity and inclusion?

JM: Diversity is demographics – the composition of your workforce. A conversation about diversity is, by definition, focused on different populations, the majority versus under-represented groups.

Inclusion is about whether everybody on the team – regardless of race, gender, religion and sexual orientation – feels they belong, and whether employees are being given equal and fair treatment, their ideas are being solicited.



“
It is not human nature to want to say, “Wait a minute, I’ve got to change myself”
”

JONATHAN MCBRIDE
Global Head of
Inclusion & Diversity,
BlackRock

DS: Another point that underscores this difference is that you cannot truly unlock the benefits of diversity without fostering inclusion.

JM: Right. If you have rote, repetitive tasks, research suggests that homogeneous teams are actually going to outproduce diverse teams. There’s less debate and friction. They agree faster, get along better. But even in a homogeneous team, you still need to be inclusive, or else you won’t get everyone’s input.

But when you have complex questions, especially in a context that’s always changing, research shows that a diverse team is going to outperform. To solve difficult problems, you want a lot of debate, you want people to ask unconventional questions.

So inclusion is linked to diversity, but not the same. The notion of inclusion is softer, you could say, an indicator that you’re heading in the right direction. But inclusion itself isn’t the end result.

CE: What is, then?

JM: The end result is, “Does each employee feel like they belong a little more this year than they did last

year?” That matters because we know what it’s like when you feel excluded – you feel alienated and embarrassed, you don’t bring your best self to work.

What we’re trying to prove – and measure – at BlackRock is that when people feel included, they’re more innovative, work harder, are better teammates, and stay with their company longer. They may even work for less money – which isn’t the point, but illustrates just how much inclusion matters to them as individuals, and how it could maximize the performance of your team. If I have a manager who’s favoring three people over the other 10 in their group, I’m still paying all 13, but getting a disproportionate number of ideas from three. That’s an inefficient way to run a business.

CE: With such a strong business case for it, why isn’t every company making inclusion a priority?

DS: One obstacle is that a lot of people have invested a lot of time, money and energy – their reputations, even – into diversity initiatives. While well-intentioned, these haven’t had the positive effects they envisioned and they’re kind of afraid to acknowledge failure.

JM: Absolutely. Change is hard – but it is possible. We believe a firm can become inclusive and that a manager can practice the skill of being inclusive. And that’s a really important point: *Inclusion is a skill*, even though you often hear it chalked up to an innate trait.

But it’s a hard skill to practice or improve. You’re talking about individuals acting differently from how they have all their lives, differently from how most people around them behave. It is not human nature to want to say, “Wait a minute, I’ve got to change myself.” We’re a bundle of habits and biases; absent some intervention or disruption, we’re going to play those out over and over again.

If a manager is working to make her team more inclusive and diverse, deliberations are going to be harder, people are going to challenge them more, and they’re going to have to adjust how they manage. That’s not exactly an exciting proposition.

CE: What are some ways to tell if you’re part of an inclusive team?

JM: This is a small thing, but one way is to sit back and watch the next meeting you go into. Habits play out in meetings maybe more than anywhere else. See how balanced the airtime is and see whose ideas immediately get taken up and considered, whose



“
Leaders need
to develop
an authentic
voice and use
the power of
storytelling
if they want
to foster
inclusion
and embrace
diversity

”
DAVID SUTPHEN
Partner, Brunswick

ideas get marginalized. See who gets accosted, who gets interrupted or talked over – you’ll be amazed. If you do that for a month, the notes you will have will cause you to change the way you run meetings.

CE: What does it take to drive change across an organization, so that it becomes more inclusive?

JM: I don’t know how you could approach this in a meaningful way without dedicating the energy and resources that you do to your other biggest business problems. You are talking about layers of complex human and organizational change – which only get more so with each person you add to the equation.

DS: There seems to be an important storytelling aspect in all of this as well; an ability for leaders to connect with others, for managers to figure out how people’s experiences can both inform their perspective and can be brought to bear in the context of work.

How much of this do you believe, Jonathan, is actually about internal communications and equipping leaders to become better, more authentic communicators around this issue, which, as you say, only gets more complicated as you bring more people into the debate and the dialogue?

JM: We’re talking about an internal culture, so words matter, and communications has a crucial role to play in it. But this is an area you’ve also got to think about horizontally. If you said, “We should really use the internet in our XYZ Division,” it would seem absurd. It’s a platform – everything sits on top of it. The same with inclusion. HR or communications may take the lead, but it’s got to be integrated into all dimensions of the business.

CE: It seems that more companies are shifting the conversation from diversity to inclusion.

What’s driving this?

DS: Debates around diversity historically started in the context of hiring and people: “What is our target number, and have we met it?” They also began as issues for legal and compliance. But today things have changed. Driven by generational differences in expectations and the explosion of social channels, businesses now realize that inclusion is really about employee engagement, consumer expectations and reputation.

JM: And even though it no longer is just about recruiting, that still plays a role today. You have these progressive, innovative startups that are putting a lot of effort into being inclusive, and they’re getting the

attention of larger companies because they're able to compete for the very best talent.

If you're attracting smart, bright people, companies are going to pay attention to what you do, no matter your size.

CE: What are some key indicators companies can look for to answer the question: "Have we built an inclusive culture?"

JM: It's difficult to measure inclusion in the way you can diversity, but there are still some important questions to consider. First, are we stretching the boundaries in the types of diversity we have around the table? And do those perspectives and skill sets match up with the complexity and the challenges we have in front of us? Two: Have we built out a system of rewards and incentives, a management pool, and a culture around inclusion? And lastly: Is it working? Are people feeling like they belong more?

DS: Some people feel that the discussion about belonging or inclusion in and of itself is excluding them, or they feel that somehow they are the problem. How do you grapple with that: talking about these issues without making certain people, in particular white men, feel like they are the problem, rather than part of the solution?

JM: It starts by recognizing we all have these habits and biases – a discussion about inclusion isn't a judgment against any one person. Creating change is going to mean some discomfort and friction at first. If you have an organization that isn't

JONATHAN MCBRIDE

Global Head of Inclusion & Diversity for BlackRock, the world's largest asset manager, Jonathan McBride has been with the company since 2014. Previously, McBride spent five years working in the White House, ultimately serving as Assistant to the President from 2013 to 2014, under President Barack Obama.

BlackRock is a publicly owned multinational investment management firm, headquartered in New York City. Founded in 1988, its clients include private individuals, corporations, foundations, charities, public institutions and pension plans.

inclusive, chances are you don't know a lot of the things that are going on in it. And when you create the conditions for conversation, you're going to hear more negative stories than you heard before, because that's the problem – you haven't been hearing them.

But difficult or not, some people have to go first. If you want to have a conversation about race in the workplace, somebody has to get people talking, and they're taking a risk by doing it.

CE: How important is it that the CEO is one of those first movers?

JM: Extremely. But here's the thing: it's not just the CEO. You need managers who are all in, too. You hear this said all the time, but it's especially true for inclusion: *it's everyone's responsibility*. Everybody has to change, everybody has to do things that are a little uncomfortable at first.

But I don't think you need to win over everybody right away. Our theory is you need to get a number of key people on board for the culture to tip over. And then it becomes hard not to behave this way.

Because who doesn't want to be included at work? If you believe the research, if you believe that diverse, inclusive teams are going to outproduce, why would you want to be on the second-best team?

DAVID SUTPHEN, a Partner, is the head of Brunswick's Washington, DC office, and specializes in public affairs.

CAROLINA ESPINAL, a Director, is also based in DC, focusing on public affairs and stakeholder engagement.

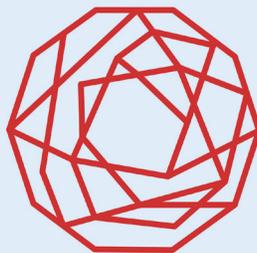
OPEN FOR BUSINESS AT DAVOS

IN MANY PARTS OF THE world, lesbian, gay, bisexual and transgender people are facing a fresh wave of hostility. Businesses are taking a stand: Open For Business is a global coalition of companies promoting LGBT rights – including Accenture, Brunswick, Barclays, Google, MasterCard and Virgin.

The coalition has been making the economic case for LGBT inclusion

– and making an impact. The subject has even been on the agenda of the World Economic Forum Annual Meeting in Davos, Switzerland.

Rubbing shoulders with the Davos elite this year was Bisi Alimi, a Nigerian gay rights activist. Alimi was among a group of LGBT activists from around the world speaking at a roundtable organized by Open For Business.



Open For Business is a coalition of international corporations making the business and economic case for LGBT inclusion

The journey to Davos was symbolic for many activists, who had spoken out for years, often at great personal risk, in the hope of having their voice heard by key decision makers.

At Davos, activists gave speeches and participated in a wide-ranging conversation. An area of focus was the gap between the rhetoric of many global businesses and their

actions – and what leaders can do to help.

"It's good for me as a kid from a slum to actually have opportunities of engaging with the people who have influence on how to make the world a better place," Alimi said, "so that the next gay, lesbian, bisexual, trans person from where I come from can live in a world that they can be proud of."