



# Building More Inclusive Organizations, One Conversation at a Time

Sparked by the 2020 murder of George Floyd and ongoing cries for social justice, companies across all sectors have ramped up their diversity, equity, inclusion, and belonging (DEIB) initiatives. But as many executives have discovered, driving meaningful change is difficult. To create a truly inclusive environment, companies need to go beyond committees with vague missions and instead commit to research, new strategies, C-suite engagement—and tough conversations.

**By diversifying their workforce and becoming more inclusive and equitable, organizations can improve their ability to innovate and attract top talent—and have the satisfaction that comes with doing the right thing. But first, leaders have to be willing to move outside their comfort zone.**

Like many of their Harvard Business School faculty colleagues, Linda A. Hill, Wallace Brett Donham Professor of Business Administration, and Mihir A. Desai, Mizuho Financial Group Professor of Finance, are working to help today's—and tomorrow's—corporate leaders with their DEIB efforts. With the right focus, the professors say, companies are positioned to keep their DEIB initiatives on track.

The payoff can be significant, as DEIB efforts yield benefits far beyond a workplace that is more representative of today's society. Companies committed to DEIB, says Hill, can gain a competitive advantage. When working with executives, Hill makes sure they view diversity not as a challenge but rather as an opportunity.

“At a time when most companies are striving to achieve new levels of innovation, diversity is more important than ever,” she says. “Companies want better, faster innovation. That means they need diversity of thought and better collaboration. They also need to compete successfully for top talent, and today's young workers are seeking out companies where people look like them. DEIB initiatives offer opportunities to build stronger, more successful companies over time.”

### Stepping Up to Difficult Subjects

As they face greater urgency to create a more diverse workforce and to revamp their culture, business leaders are also increasingly being called on to speak out on a wide range of social justice issues. “Society is suddenly expecting CEOs to be able to engage in very complex issues in a very deep way,” explains Desai. “It's part of our mandate at HBS to help executives develop a greater understanding of these tough issues and talk cogently about them, whether it's to colleagues, the media, or other stakeholders.”

As he thought about how to best prepare executives to address societal issues, Desai realized that executives need to understand the history behind the issues we face today. This led Desai to develop a new case about the 1921 Tulsa Massacre, which he uses in both Executive Education programs and MBA classes. “The case describes what happened in Tulsa and presents the



## The Tulsa Massacre

**In June 1921, a mob of more than 5,000 white residents of Tulsa, Oklahoma, invaded the African American neighborhood of Greenwood, at that time the most prosperous Black neighborhood in the United States. Armed with sticks, guns, and other weapons, they set fire to homes and businesses in a 35-block area. When residents tried to flee burning buildings, they were shot and killed in the streets. While estimates vary, as many as 300 people may have died over that weekend, and many more were injured. More than 1,000 families lost their homes, and property damage was \$1.8 million, equal to an estimated \$26.1 million today.**

current-day debate over reparations,” he says. “Through the case, we explore the specific issue of coming to terms with this one historical event. Then we pivot to the broader question of how a country or the world can address the various social injustices in our history.”

A case on the Tulsa Massacre may seem like an unusual choice for a professor who specializes in finance. “I am often asked why I have created and teach a case like this one. In fact, some people have told me that I need specialized training to be able to teach this case well,” says Desai. “My response is that no one has a monopoly on these difficult issues. If we want business leaders to get out of their comfort zone and engage with hard topics, we professors have to do the same.”

**“If you are running a company today, you must be conversant with the history that affects the people you work with. Only then are you able to talk about these difficult issues.”**

**MIHIR A. DESAI**  
MIZUHO FINANCIAL GROUP PROFESSOR OF FINANCE



Desai admits that he struggled to find the right approach when he first took the case for a test-drive. He says, “Through much interaction with students, I learned a lot, made adjustments, and gained confidence that I could indeed facilitate this conversation. If you have good intentions and show you want to learn, people will forgive you when you make mistakes early on.”

### **Looking Reality in the Face**

For DEIB efforts to succeed, top management must be willing to make mistakes—and must be fully committed to making change happen. But getting DEIB efforts off the ground is not easy. One key challenge: Executives may not understand the issues in their organization. “As executives move up in the organization, they tend to work in a bubble and interact less and less with people on the front lines,” Hill observes. “But it’s important that they get out of that bubble and explore what’s really happening.”

To diagnose issues, executives need to gather information on the issues in their organization. Through this research, leaders can figure out what levers they can pull to create change. “Executives need to understand the nature of their company culture and find out who is valued and who is rewarded. Changes are adjustments will need to be made to drive the necessary change,” Hill says.

She acknowledges that collecting information can be painful. “When leaders finally start having more open discussions with people who are ‘demographically different,’ the conversations are typically not comfortable,” she explains. “In fact, in today’s climate, those conversations can become very heated. It’s an emotionally draining process. But unless you give voice to what people are really feeling and thinking, you never get to the root of the problems and figure out how to move forward.”

Hill has come to feel great empathy for corporate leaders trying to drive DEIB-related change. “I think most businesspeople have good intentions. But it’s not easy to match intent with impact. Systemic factors make it quite difficult to build inclusive environments. You can be extremely well intentioned and still end up creating a situation where some people or groups do not feel included,” she says.

### **Doing the Hard Work: Tips for Making Progress in DEIB**

With diversity and social justice in the spotlight across so many aspects of today’s society, the pressure is on executives to step up their DEIB efforts quickly. For companies launching or even evolving a DEIB initiative, the road ahead can seem daunting.



## Seven Priorities for Building an Effective DEIB Plan

Hill and Desai recommend a focus on seven key priorities.

### 1. Commit to making real change—and know it will take time

Your DEIB journey starts with a reality check. Are you willing to commit to the long-term effort it will take to create a more inclusive organization?

### 2. Make sure top management is involved

Any type of culture change starts at the top. Leaders must make diversity, equity, inclusion, and belonging priorities. It can't be delegated.

**“In talking to senior management, I always tell them, you’ve got to be honest about what you are really willing to take on. You’re going to have to be different. You’re going to have to change some of the basic ways you do things in your organization to create the kind of environment that will be inclusive.”**

**LINDA A. HILL**  
WALLACE BRETT DONHAM PROFESSOR OF BUSINESS ADMINISTRATION

### 3. Set achievable goals

You cannot solve issues overnight. But you can take steps to increase understanding, embrace differences, and foster equal opportunity.

### 4. Recognize that everyone has biases

By examining the processes or actions in which those biases operate, you can identify systems that tend to prevent your company from offering equal access to opportunity.

### 5. Gather data and diagnose

Do not make assumptions about your organization. Seek out an accurate picture of the current situation. As you make changes, monitor and report on progress.

### 6. Be willing to have uncomfortable conversations

Talk more with people in underrepresented groups. If your good intentions are apparent, people will help you learn to do better.

### 7. Institutionalize the changes

Improving diversity, equity, inclusion, and belonging is not a one-time effort but rather an ongoing process that will help you build a more effective and successful business.

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