

## Executive Summary

### Key Question

What kinds of practices do global organizations based in the US do to ensure global inclusion for their international teammates?

### Introduction

Diversity, Equity, Inclusion, and Belonging (DEIB) measures vary from company to company but maturity models and frameworks can offer simple yet powerful tools for road mapping organizational changes in complex, global organizations. While there are no one-size-fits-all solutions, we can present theories and high-level practices which can serve as guidelines when investigating issues and designing global DEIB programs.

### Global Inclusion Practices and Maturity Frameworks

#### **Multilevel Relational Framework**

Studies revealed that American diversity management practices are not easily applicable in other contexts because “societal, legal, and political factors determine the general view of diversity management within its context and hence influence the transferability of diversity management practices”[1]. For companies with such issues, a multilevel relational framework [2] will help them figure out the root cause theoretically. The framework offers different levels of analysis: macro-level, factors such as laws, institutions and culture in national contexts; meso-level factors, such as organizational approaches to diversity management; and micro-level factors, such as identity linked to behavior and relationships of individuals [See Table 1 and Figure 1].

Different legal systems, different cultural values and different effects of the global labor market make it difficult to approach diversity similarly in all multinational company (MNC) units. To deal with the problem, organizations need global diversity task forces from both the headquarters and subsidiaries so that both sides can be in a continuous dialogue about the best way to implement corporate practices in order to get a similar effect in all units while also considering the local context. [3]

#### **Bridging Social Distances**

For dispersed workforces, it is important for global organizations to appropriately consider social distance, which is the degree of emotional connection among team members, if they want to get global inclusion right. Geographical separation disrupts interactions between employees, leading to reduced connection and alignment. These reductions negatively affect perceptions of power within the dispersed team, leading to in-group and out-group perceptions which will undermine inclusion programming across the organization. To mitigate these problems, Tsedal Neeley, an associate professor at Harvard Business School, developed the SPLIT framework to identify and address the five key sources of social distance: structure, process, language, identity, and technology. [4] [See Figure 2]

1. To correct perceived power imbalances between groups, leadership needs to get three key messages across: [4]
  - a. Who we are: encourage sensitivity to differences but look for ways to bridge them and build unity.
  - b. What we do: It is important to remind team members that they share a common purpose and to direct their energy toward business-unit or corporate goals.
  - c. I am there for you: Team members located far from leadership require frequent contact, so reach out regularly.
2. Foster empathy by building “deliberate moments” into global interactions [4]
  - a. Feedback on routine interactions: encourage reflection on interactions which may be sending the wrong signals between global team members.

- b. Allow time to disagree: disagreement about tasks and processes can be valuable when the heat has been removed from the debate, and the best ideas are discussed.
- 3. Technology and connecting global teams [4]
  - a. The choice between instant or delayed communications can have a significant positive or negative impact on social distance. Find common times to meet—not always centered on US time zones.

### **Dimensions of DEIB Maturity**

Korn Ferry has developed a D&I maturity framework to assist with understanding where your organization stands relative to five dimensions – Compliance, Awareness, Talent Integration, Operations Integration, and Market Integration. [6] [See Figure 3] Within this framework, awareness and talent integration are most relevant to ensuring global inclusion for international teammates.

When organizations aspire to lead the charge in DEIB practices, they are ultimately attempting to reach sustainable approaches to all DEIB efforts. At this stage, programs and practices remain strong over time through continuous efforts to improve and evolve. [5] At this point for MNCs, multiculturalism in the workplace is a central tenant to organizational strategy and inclusion is applied to key business decisions and market initiatives. [6][9]

### **Choosing Office Locations, Accommodations, or Design Elements**

When considering multinational office environments, it is important to align office location and design decisions with your organizations DEIB values.[7] An example of considerations for selecting candidate countries to open offices including LGBT rights and women’s rights, some key factors that HubSpot used were [7]:

1. Does the country have strong legislation on sexual harassment in general?
2. Does the country have strong legislation on sexual harassment in the workplace?
3. Does the country have legislation mandating equal compensation for work of equal value?
4. Is paid maternity leave mandated by law?
5. Is paid paternity leave mandated by law?

### **Best Practices**

There are only a few studies and reports which holistically capture the best DEIB practices with a global perspective. As an example, from US multinational companies which have a matured DEIB model, the case of PepsiCo, Inc., should be insightful [10]. It articulates about 15 years of PepsiCo history to drive women leadership initiatives from the lens of both local subsidiaries and the enterprise. Their key learnings include:

1. Leverage Data-Driven Insights as Catalyst for Change
2. Drive Consistency and Transparency in Communications and Actions
3. Build Accountability Through Multiple Vehicles and at Multiple Levels
4. Celebrate Success While Maintaining Momentum

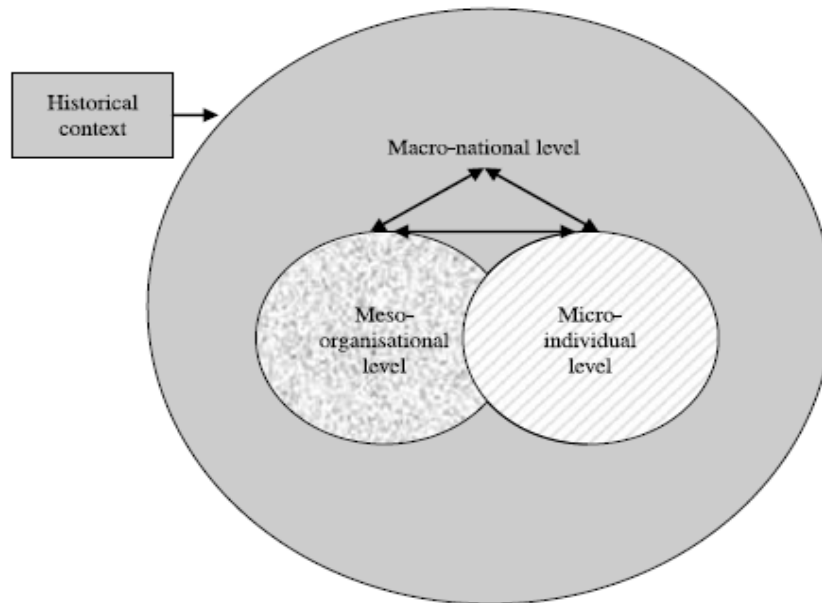
The authors also list their internal programs for D&I development and engagement [See Table 2], and how DEIB efforts can be integrated with core HR and talent management processes [See Table 3].

As a general guideline for approaching DEIB agenda, the Society for Human Resource Management commissioned the Economist Intelligence Unit to conduct an International Study on D&I, including a survey which 546 senior executives from mid-size to large companies participated in. The report summarized best practices that have emerged from interviews with senior Diversity and inclusion executives in 40 companies worldwide in a list as shown in Table 4. [11]

## References

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4. Neeley, Tsedal. 2015. "Global Teams That Work." *Harvard Business Review* 93 (10): 74–78.
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8. Choy, William K. W. 2007. "Globalisation and Workforce Diversity: HRM Implications for Multinational Corporations in Singapore." *Singapore Management Review* 29 (2): 1–19.
9. Jackson, Leon T.B., and Fons J.R. van de Vijver. 2018. "Multiculturalism in the Workplace: Model and Test." *South African Journal of Human Resource Management* 16 (1)
10. Beba, Umran, and Allan H. Church. 2020. "Changing the Game for Women Leaders at PepsiCo: From Local Action to Enterprise Accountability." *Consulting Psychology Journal: Practice and Research*, State of Progress in Diversity and Inclusion Initiatives Across Industries and Contexts, 72 (4): 288–302. doi:10.1037/cpb0000169.
11. SHRM. 2009. "Global Diversity & Inclusion: Perceptions Practices, & Attitudes Survey Report"

Figure 1. A relational perspective of diversity management



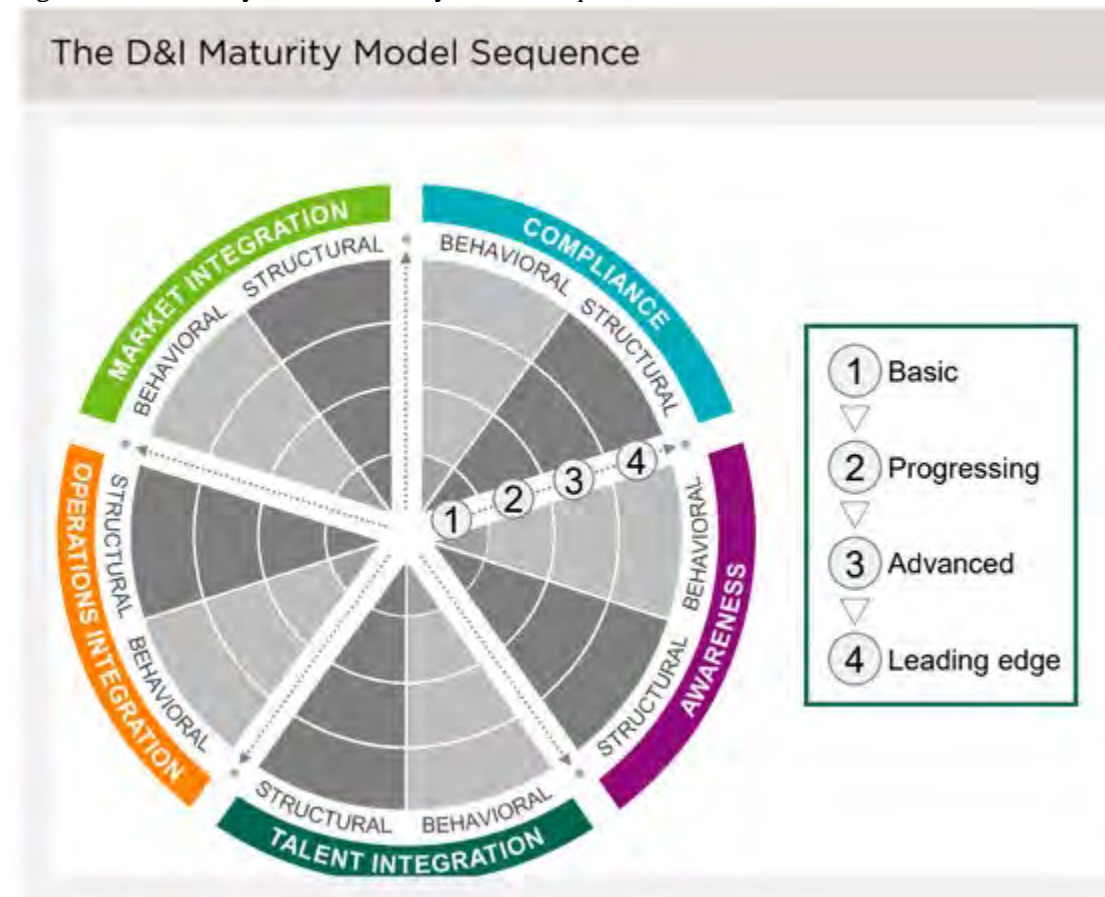
Source: Syed, Jawad, and Mustafa Özbilgin. 2009. "A Relational Framework for International Transfer of Diversity Management Practices." *International Journal of Human Resource Management* 20 (12): 2435–53. doi:10.1080/09585190903363755.

Figure 2. Rules of Engagement for Team Meetings

<b>Rules of Engagement for Team Meetings</b>	
<p>All team members should be guided by these three rules to ensure that influence on decisions is not dictated by fluency in the company's lingua franca.</p>	
<b>FLUENT SPEAKERS</b>  <b>DIAL DOWN DOMINANCE</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Slow down the pace and use familiar language (e.g., fewer idioms).</li><li><input type="checkbox"/> Refrain from dominating the conversation.</li><li><input type="checkbox"/> Ask: "Do you understand what I am saying?"</li><li><input type="checkbox"/> Listen actively.</li></ul>
<b>LESS FLUENT SPEAKERS</b>  <b>DIAL UP ENGAGEMENT</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Resist withdrawal or other avoidance behaviors.</li><li><input type="checkbox"/> Refrain from reverting to your native language.</li><li><input type="checkbox"/> Ask: "Do you understand what I am saying?"</li><li><input type="checkbox"/> If you don't understand others, ask them to repeat or explain.</li></ul>
<b>TEAM LEADERS</b>  <b>BALANCE FOR INCLUSION</b>	<ul style="list-style-type: none"><li><input type="checkbox"/> Monitor participants and strive to balance their speaking and listening.</li><li><input type="checkbox"/> Actively draw contributions from all team members.</li><li><input type="checkbox"/> Solicit participation from less fluent speakers in particular.</li><li><input type="checkbox"/> Be prepared to define and interpret content.</li></ul>

Source: Neeley, Tsedal. 2015. "Global Teams That Work." *Harvard Business Review* 93 (10): 74–78.

Figure 3. Korn Ferry's D&I Maturity Model Sequence



- **Basic** — Generally speaking, across dimensions, when organizations are at the more basic level of maturity, their approach to D&I tends to be more reactive; they may define diversity along one or two visible aspects of diversity, and leaders usually have very limited involvement in driving D&I forward.
- **Progressing** — The focus tends to be purpose-driven with leaders assuming some responsibility for D&I. The definition of diversity expands to include both visible and invisible dimensions of diversity. At this stage, an organization may start having a dedicated staff and budget for D&I.
- **Advanced** — Organizations at this stage pay attention to multi-dimensionality and intersectionality when thinking about diversity. Their leaders are enabled on inclusive leadership skills and are held accountable for creating a diverse and inclusive environment. They often have D&I resources and budgets distributed throughout other functional areas and regions.
- **Leading edge** — These organizations take a sustainable approach to D&I where leaders are expected to lead holistically and inclusively, be key D&I change agents and hold the organization accountable. In addition to their internal resources, they often have external D&I advisory boards that guide them on leading edge practices.

Source: Korn Ferry. The Korn Ferry Diversity, Equity, and Inclusion Maturity Model

Figure 4. Korn Ferry's key indicators for each sequence stage of the maturity framework

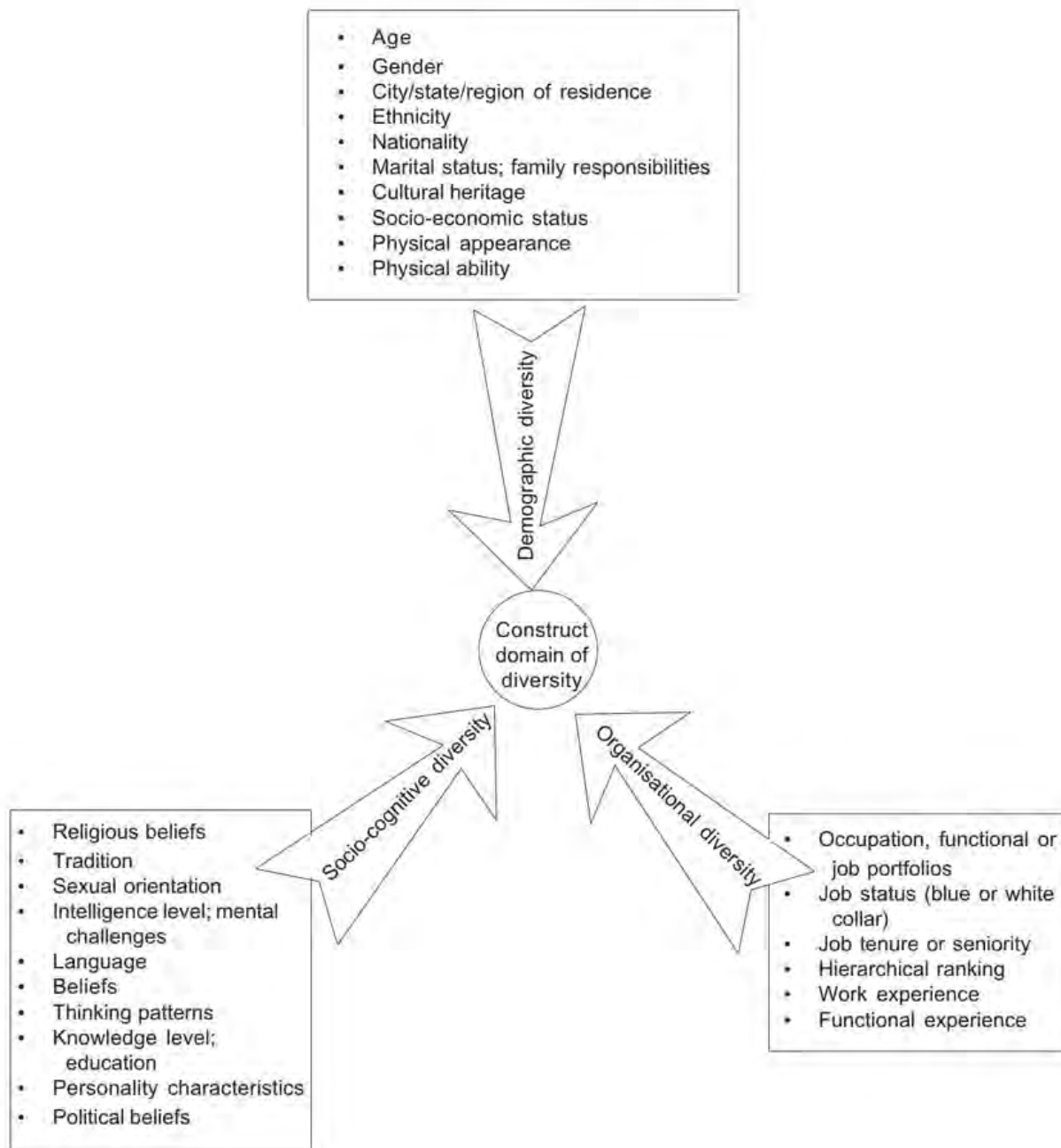
### Key indicators for each sequence stage

Each of the sequence stages of maturity has clearly defined anchors that are the same regardless of D&I maturity dimension. This makes it possible for the diagnosis to be highly granular in its measures and outcomes allowing for pinpointed recommendations.

	Stage 1 Basic	Stage 2 Progressing	Stage 3 Advanced	Stage 4 Leading edge
Definition of diversity/ diversity focus	Based on one or two visible diversity dimensions	Based on a variety of visible and invisible diversity dimensions	Based on multi-dimensionality and intersectionality	Based on self-identification, "diversity of one" spectrum, fluidity
Leadership involvement	Limited leadership involvement or commitment	Leaders have goals and responsibility for D&I	Leaders are held accountable for creating a diverse and inclusive environment and are enabled on inclusive leadership skills	Leaders are expected to lead holistically and inclusively, be key D&I change agents and hold the organization accountable
Measurement	Activity	Lagging indicators	Leading indicators	Predictive indicators
Resource/staffing	No or few dedicated resources	Dedicated staff and budget	Additional resources and budgets distributed throughout functional areas/regions	External D&I advisory board
Approach	Reactive approach	Purpose-driven approach	Transformational approach	Sustainable approach

Source: Korn Ferry. The Korn Ferry Diversity, Equity, and Inclusion Maturity Model

Figure 5. Understanding the construct domain of diversity (some key indicators)



Source: Choy, William K. W. 2007. "Globalisation and Workforce Diversity: HRM Implications for Multinational Corporations in Singapore." *Singapore Management Review* 29 (2): 1–19.



Table 1. A relational framework for diversity management

<i>Relational level</i>	<i>Description</i>	<i>Examples of variables</i>	<i>Examples of research questions</i>
Macro-national	Institutional structures; social difference codes and processes	Legislative framework of equal opportunity and diversity; socio-political policies; labour market; economy; demography; history.	To what extent does the history of the local context shape diversity management practices?  To what extent do national laws and labour policies effectively provide equal opportunities to diverse workers?  What stereotypes attach to different groups of diverse workers?
Meso-organisational	Organisational policies and hierarchies	Organisational approaches towards diversity; benchmarking and evaluation.	To what extent do organizational structures and policies afford equal opportunities to diverse workers?  To what extent do interactions and relationships at the level of the organisation inform the logic of diversity management policies and practices?
Micro-individual	Identity and subjective experience in the workplace	Individual agency, perspectives and experiences; multiple identities	To what extent do diverse workers' individual lifestyles and values affect their integration or lack thereof in the workplace?  To what extent do diverse workers' multiple and intersecting identities influence their career trajectories?

Source: Syed, Jawad, and Mustafa Özbilgin. 2009. "A Relational Framework for International Transfer of Diversity Management Practices." *International Journal of Human Resource Management* 20 (12): 2435–53. doi:10.1080/09585190903363755.

Table 2. Internal programs at PepsiCo for D&I development and engagement (2019)

Program/Initiative	Primary Focus Area
PepsiCo Global Coaching Circle (GCC)	<ul style="list-style-type: none"> <li>A series of coaching events for mid-level and higher professionals (approx. 9,000) and a network for women managers to share ideas and advice.</li> </ul>
PepsiCo Transformational Leadership Program (In Person)	<ul style="list-style-type: none"> <li>Focuses on developing skills decisive for the success of women: confidence, courage, influence, and impact. Since 2015, 600+ PepsiCo women have completed the program.</li> </ul>
GM Aspire	<ul style="list-style-type: none"> <li>Senior leaders share their career experiences and discuss different career pathways that associates can follow to become a general manager.</li> </ul>
Thrive Women Leadership Learning Series	<ul style="list-style-type: none"> <li>A podcast coaching series for early-career and higher professional women (approx. 16,000) to help them develop key leadership behaviors.</li> </ul>

*Note.* D&I = Diversity and inclusion; GM = general manager.

*Source:* Beba, Umran, and Allan H. Church. 2020. "Changing the Game for Women Leaders at PepsiCo: From Local Action to Enterprise Accountability." *Consulting Psychology Journal: Practice and Research*, State of Progress in Diversity and Inclusion Initiatives Across Industries and Contexts, 72 (4): 288–302. doi:10.1037/cpb0000169.

Table 3. Opportunities for integrating D&I efforts with core HR and talent management processes

Process/Program	Key points of integration
Performance Management	<ul style="list-style-type: none"> <li>• D&amp;I indicators are embedded into the annual performance-management process, thereby impacting short- and long-term incentives for managers by tracking exhibited behaviors and progress made against targeted culture-change and diversity metrics (including talent and succession planning)</li> <li>• D&amp;I behaviors are included in the annual upward feedback tools designed to measure manager quality (e.g., reflecting how managers behave, not just the results obtained)</li> </ul>
Leadership Development	<ul style="list-style-type: none"> <li>• D&amp;I behaviors are integrated as a core leadership competency in the organization's formal leadership model, with specific behaviors reflecting inclusive leadership included in development programs, tools such as 360-degree feedback, and high-potential identification criteria; this involves ongoing validation of assessments to ensure no biases</li> </ul>
Learning and Development	<ul style="list-style-type: none"> <li>• D&amp;I mind-set and behaviors represent a major emphasis in the organization's learning curriculum for all employees; this is represented by a progressive set of online courses and facilitated programs designed to build awareness, understanding, and capability; key principles are also included in other learning courses and events to ensure consistency of messages</li> </ul>
Formal Recognition & Awards	<ul style="list-style-type: none"> <li>• D&amp;I is included as part of the criteria for broader enterprise-wide or global CEO recognition programs</li> <li>• Dedicated awards are given annually for associates who go above and beyond to support the D&amp;I agenda (e.g., see the Harvey C. Russell Inclusion Award launched in 2003 and the Steve Reinemund Award launched in 2006)</li> </ul>
Cultural Imperatives	<ul style="list-style-type: none"> <li>• D&amp;I is embedded and clearly articulated as a core organizational value or principle and a part of the desired culture, as well as part of the company's employee value proposition; see The PepsiCo Way example</li> <li>• D&amp;I content (behaviors, perceptions, outcomes, mind-set) is imbedded in all organizational survey programs (e.g., large-scale engagement surveys, ongoing pulse surveys, and targeted deep diagnostic survey efforts)</li> </ul>
Senior-Leadership Presence & Engagement	<ul style="list-style-type: none"> <li>• Senior leaders including the CEO are visible, active, and supportive in reinforcing D&amp;I messaging and decision-making via town halls, internal and external communications, and programs and internal networks wherever possible</li> </ul>

*Note.* D&I = Diversity and inclusion; TM = talent management.

*Source:* Beba, Umran, and Allan H. Church. 2020. "Changing the Game for Women Leaders at PepsiCo: From Local Action to Enterprise Accountability." *Consulting Psychology Journal: Practice and Research*, State of Progress in Diversity and Inclusion Initiatives Across Industries and Contexts, 72 (4): 288–302. doi:10.1037/cpb0000169.

Table 4. Best practices emerged from interviews with senior Diversity and Inclusion executives

**Management Structures**

- Lead the effort from the top
- Make Diversity a core value
- Build an infrastructure to support Diversity
- Focus on Diversity in the entire talent pipeline
- Network intensively with business-unit managers
- Leave room for national variation in implementation
- Revise business processes to support Diversity

**Metrics and Rewards**

- Set clear Diversity targets
- Establish metrics and track progress
- Offer appropriate management incentives

**Internal Communications and Training**

- Make Diversity training a way of life
- Use training programs to learn from employees
- Emphasize mentoring and coaching, including through employee networks
- Allocate resources to team building exercises
- Pay attention to Diversity of thought not only to demographic Diversity
- Focus on the business case for Diversity

**External Outreach**

- Cast a wide recruiting net
- Partner with outside organizations to broaden recruitment efforts
- Use employee network to support external outreach

*Source:* SHRM. 2009. “Global Diversity & Inclusion: Perceptions Practices, & Attitudes Survey Report”