

Inclusive Leadership for Corporate Success

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Women in the COO Community

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Executive Summary

Diversity, Equity, and Inclusion (**DEI**) challenges are increasingly on meeting agendas as corporations recognise the importance of cognitive diversity for innovation, productivity, and commercial success. While every firm has its own culture and sensibilities, particularly across geographical areas, one thing is clear: companies that value DEI are stronger than those that don't.

As per the article 'More Evidence That Company Diversity Leads to Better Profits' published by Forbes ^[1], data produced by McKinsey & Co shows that diversity in the workplace gives organisations competitive advantage and is a key growth enabler. Where executive teams host a healthy gender balance, the data boasts a positive correlation of up to 21% of increased profitability. Their argument goes on to reveal how Ethnic diversity also proved to be a key driver in commercial success, with success increasing from 33% to 43% between studies published in 2014, 2017 and 2019.

To address this powerful subject, Armstrong Wolfe invited **influential global leaders** to discuss how, in becoming more conscious of our everyday behaviours, courageous in speaking out and learning from others and compassionate towards ourselves and our colleagues, we can create a more inclusive environment. The paper draws on the panels' personal experiences, views, and actions, with suggestions on the steps we can all take to promote a more effective culture of inclusivity.

The financial services organisations part of the panel discussions included Scotiabank, TD Securities, Citi, JP Morgan Asset Management, HSBC, Macquarie Group, Force 9 Coaching, Credit Suisse, Natixis Investment Managers, EY, RBC and Societe Generale. Managing Partners of Armstrong Wolfe Advisory, which provides financial markets and asset management services, also joined. The panels were moderated by Gwen Wilcox, COO and Women in the COO Community global lead.



For some of the panel, inclusion was less of a challenge - their workplace culture already clearly winning in the war for fairness and equality. For others, it was a perennial issue that needed significant work and a change of culture practiced not least by the 'folks at the very top'.

Regardless of where each company sat in their DEI journey, everyone agreed that inclusion (the subject of this conversation) is fundamental to the success of their organisation, helping to attract and retain talent, drive productivity, and foster innovation.

The McKinsey data ^[2] promotes diversity in the workplace, not exclusively, but from the angle of profitability and organizational success. Companies may also approach their DEI journey from a selfish standpoint, prioritising their need to meet regulations, policy or even for press. Promoting and inclusive culture is essential for financial success and for innovation and employee satisfaction. Investigated by senior reporter Sarah Todd for Quartz at Work ^[3], as we move forward companies are re-evaluating the balance of shareholder/stakeholder capitalism and moving towards a more purposeful output for their people, customers and environment.

In today's hyper-competitive economic environment, organisations of every size must evolve their inclusion strategies or risk shrinking candidate pools, a smaller market share, and ultimately, lost profitability.

The conversation looked at the following topics:

- » Interrupting the Bias and Speaking Up
- » Cultivating a Psychological Safe Space in the Workplace
- » Evolving a Culture of Inclusion

What is inclusion?

Inclusion can mean different things to different people, but at its heart is the belief it promotes fairness, equality, and respect. However, this topic was felt to be more challenging than diversity issues because it is so broad and often intangible. As one panellist implied, it's not always about your race, or gender, or disability, it can simply be that your face doesn't fit. "Even Caucasian men don't automatically feel included. Whether or not you were in the 'in crowd' or not was a large part of my school life."

Definition of inclusion: "the practice or policy of including people who might otherwise be excluded or marginalised, such as those who have physical or mental disabilities and members of minority groups" Oxford Dictionary.

We asked our cross-cultural, multi-dimensional and international panel 'what does inclusion mean to you?' as well as what it doesn't mean. Here's what they said.

What inclusion is:

- » Feeling welcome and valued; a place where people are invited to speak up and voices are heard
- » Taking steps to create conditions where people feel they belong and can be themselves
- » A multiplicity of experiences, genders, ethnicities, and ages with equal opportunity
- » Being respected, valued, and empowered and embracing differences
- » Treating others as you wish to be treated and giving everyone a chance
- » Noticing and including everyone with intention

What inclusion is not:

- » A term that resonates globally/translates directly, e.g., to Hindu or Mandarin – we must consider its meaning in a local context
- » Inclusivity does not equate to harmony
- » Some organisations wrap inclusivity up with diversity, but inclusivity can concern gender, organisational structure, timeframes, regions; it affects everyone

“A recent Employee Well-being Report by Glint found that belonging jumped up four positions year-on-year to become the second most important driver of a great work culture. Inclusion is therefore just as important for productivity as staff retention and recruitment.”

Interrupting the Bias and Speaking Up

Life experiences influence a person's views and beliefs about other people, making unconscious bias “one of the hardest things to get at” (Ruth Bader Ginsbury). On this point, one panellist raised the question about whether a person is more open to inclusion and diversity when they come from a background affected by DEI issues. Another panellist gave an example of a BLM initiative that worked for their US division, but not for their APAC division, because of cultural differences.

Traditionally, staff have adopted the attitude that inclusion is someone else's job – possibly because it is as one panellist said: “a difficult subject, and much harder than diversity, and that's hard enough!” However, it is impossible to create a truly inclusive environment without individuals taking personal responsibility for the behaviours needed to create an environment of belonging and mutual respect.

“Consciously stepping outside of our comfort zone to listen to other people's perspectives helps us adopt more inclusive behaviours.”

Gender

Tackling gender bias within the workplace is a hot topic that led to the panel raising several points. Interestingly, unlike race inequality, gender inequality within an organisation was considered more likely to relate to the leader than the wider socio-cultural and political environment. We should add one panellist said she nor her female colleague had ever felt lesser or silenced when the only females in a meeting room full of men and was shocked to hear others' inequality experiences.

Further comments:

- One panellist told us how she is praised for being a successful woman and having a successful husband and a family (would people say the same to a man?)
- An example of inequality was cited in significant salary differences between male and female colleagues which had nothing to do with performance capabilities, although much is being done to seek to address this with mixed results ^[4]
- One panellist explained they use a language decoder before publishing any internal staff communications, emails, PowerPoints, LinkedIn posts and job descriptions to ensure that there is no gender bias in their communications
- We must consider the language we use when speaking to our colleagues and team, e.g., ‘girls’ and ‘guys’ are not suitable terms

“The session was really well organised with diversified relevant questions. The answers given were not only insightful but inspiring and direct.”

Gender Coding

Gender Coder is a linguistic decoding tool that helps identify bias ^[5]. Designed by software engineer, Kat Matfield, to help recruiters detect biased language and craft bias-free job ads, the tool was inspired by a research paper written by Danielle Gaucher, Justin Friesen, and Aaron C. Kay in 2022 ^[6].

In this paper, researchers showed men and women job adverts with different kinds of gender-coded language and recorded their responses. The results demonstrated that job adverts with masculine-coded language were less appealing to women and that they belonged less in those roles. Feminine-coded adverts were marginally less appealing to men, but this didn't affect their sense of belonging.

Gender bias in the workplace isn't only an obstacle to equality – it is a problem for any business looking to optimise its performance. Higher proportions of women in leadership roles especially and greater inclusivity for female employees generally are associated with better performing businesses. Gender is, of course, just one of many lenses to look through in our efforts to create a more diverse, inclusive, and subsequently more productive working environment.

Advice from our female panellists on navigating their career in a male dominated environment:

- » Consider your end goal, but be open to different opportunities, build your network, understand who your allies are, and tap into internal sponsorship
- » Understand that your career pathway may not be linear. It may take longer to reach your goals, but the skills and people you meet on the journey may be invaluable
- » Ignore anything that encourages you to behave in a way that is not authentic to you

How do we boost diversity in the COO position?

- » **Talent pools:** We must think differently about how – through inclusive behaviours and policies - we attract different women and other lesser represented groups into the COO space
- » **Employee values:** We must listen to our people to understand what they want to help the organisation stay attractive to them. An organisation is attractive when a person enjoys their work (hedonism) and feels valued, listened to and that they belong (affiliation)
- » **Changing the recruitment process:** By anonymising resumes and removing indicators of name, age, or ethnicity, bias is tackled, and recruiters are forced to choose talent based entirely on who is the best person for the job

Disability

- » It is not always the company but the individual leaders driving support for staff with disabilities or affected by disabilities at home

Race

“Rising tides need to lift all boats”

While gender diversity and equality has improved because of effective legislation, especially within Europe, racial equality lags. It was felt this was because it was considered a government, rather than business issue. Race discrimination cases brought against employers in the UK were also less likely to be successful than cases relating to gender discrimination.

Delegates comments were:

- » *Race inequality was deemed a government rather than business issue*
- » *Many white corporate male figures are fearful about saying the wrong thing*
- » *Some delegates from multicultural backgrounds had experienced racial stigma when starting a new role in another country around their intentions and commitment to the role*

Unconscious Bias

Overcoming unconscious bias is a huge challenge. We must address the root causes of these biases by helping people to understand what they fear and why a situation may make them feel uncomfortable. People must be given the opportunity to learn about each other in a psychologically safe environment to help address unconscious biases.

Cultivating a Psychological Safe Space

The highest-performing teams share one thing in common: psychological safety - a safe space for people to speak up and share their ideas. For this to happen, people of every nationality, race, gender and sexual orientation need to feel they are truly welcome, safe and free to be themselves.

- » It is the person behind the job title that really matters; people must feel like they can be their authentic selves in the workplace
- » It is proven that diversity improves the success of an organisation; leaders need to be equipped to embrace the individuality of each person within their workforce
- » The advent of flexible working has enabled people to get to know their colleagues better as individuals, and learn more about their non-work life; we should not undo this positive change
- » The issue of monoculturalism was raised in relation to staff attrition. You do not retain talent when a person feels like they must assimilate to the company culture to 'belong'
- » To retain talent, leaders must accept the uniqueness of their workforce and encourage a multicultural company that fits with the overall purpose of the company

Methods that encourage psychological safety:

- » The best managers welcome other people's views
- » Some organisational initiatives encourage senior leaders to share information about themselves. This helps to break down barriers and build a community workplace vibe
- » Take matters into your own hands and lead by example, rather than wait for policies to be put in place
- » Dilute the typical corporate persona by bringing people with opposite personalities into the team
- » Recognise everyone's success, whatever their role. Celebrate those behind the scenes who are doing the background work, not just those who bring in the business and make sales
- » Use succession planning to change corporate culture and incorporate people different attributes
- » One panellist shared their personal experience of being a parent to a child with a disability. Being able to share this with their employer and gaining flexibility and their trust enabled him to have work/life balance and still perform to the best of his ability



Using Data to Drive Change

Diversity, equality, and inclusivity are the building blocks to a happy, healthy, high-performing workforce. However, it's not always easy to measure and track DEI, with inclusion and equality considered harder to monitor than diversity which is usually based on demographic data.

- » Organisations should survey staff to understand their baseline and whether their initiatives are working and go back to the data regularly to re-evaluate and measure progress
- » Leaders need to make their staff feel safe, thank them for their feedback and make it clear what they're doing with the information they provide

A suggested way forward for more inclusive recruitment involved looking at the employee pipeline, the talent applying and the interview process and using that information to build an algorithm that supports the company's equality and inclusivity objectives.

Recognising People and Inclusive Coaching

“If you want to be likeable, be relatable”

Acknowledging the person behind the title helps to encourage a sense of belonging. While recognising and refusing to use marginalising language play a large part in encouraging inclusion, other company initiatives such as encouraging individuals, especially leaders, to share information about themselves, their home life and hobbies helps to lower formal boundaries and encourage deeper human bonds.

Allowing people to learn from their mistakes without fear of punishment, is also important. One of the groups talked about a time they unintentionally said something inappropriate in an LGBTQ+ setting, but had the confidence to apologise and use the situation as a learning experience.

- » Inclusive leadership is about giving people the tools, particularly linguistic tools, to talk on topics they may have avoided in the past for fear of offence
- » Onboarding processes have changed and continue to develop since Covid-19, and organisations are working to find the balance between face-to-face and virtual methods

“It made me feel rather optimistic about progress going in the right direction.”

Regional Inclusivity

Cultural expectations and working in teams across time zones can impact inclusion efforts.

- » Within companies, we find it is leaders driving regional inclusivity and implementing change to ensure the needs of their people are met
- » We need to encourage a 'speak up' culture where, for example, people feel comfortable in declining a meeting that is too early or too late because of different time zones. On this point, one panellist talked about experiencing a better work/life balance when there was a deliberate shift away from early morning and late-night calls while working in Asia several years ago
- » Leaders must empower their people to speak up and say what works for them and what doesn't work by leading by example
- » Leaders of cross-regional teams need to be in tune with the cultural differences of team members and to share that information, thereby acting as both a translator and liaison officer
- » Those unable to attend meetings based on time zone differences need a means of representation and a way of receiving the information they missed out on

Changing Priorities

- » Since the start of Covid, there has been a culture shift, particularly in people's priorities and expectations. How organisations respond to these changing needs has huge implications for retention, motivation, satisfaction, engagement, and productivity.

Leadership

- » Our panellists discussed their experiences of inclusive leadership, and how inclusivity stems from individuals driving change through open, honest conversation
- » One panellist went on to explain in a new working environment their leader used the opportunity to ask questions and educate themselves about the individuals background, which in turn developed a trusting relationship which was beneficial for the employee, manager and organisation as a whole



"I personally look at the need to talk about DE&I, in this same spirit as people who wanted to prove that the world was not flat, and second-hand smoke was harmful, and seatbelts were needed.



Our society should be well past looking at skin colour, gender, and nationality as a prerequisite for giving opportunities and humane treatment. Ignoring the topic is like a person that still uses a VCR, a dot matrix printer, or a dial up modem. To strengthen and organization we must be brave, have authentic conversations, practice inclusion and be fair, while celebrating differences and promote equality.

We look at scientific advances like the discovery of DNA, the advent of the Internet, antibiotics and artificial intelligence and marvel at its usability, but at the same time have a propensity to be stuck when it comes to choice, diversity, being culturally intelligent and seeing the need to collaborate with a listening ear to people that are not like us."

Wade Younger

Managing Partner and WCOOC Ambassador

Conclusion

Although the business case for diversity, equity, and inclusion (DE&I) is stronger than ever, this forum highlighted the many challenges businesses face. While a far-reaching subject, the main takeaways to creating an inclusive workplace can be distilled into five points:

- » **UNCONSCIOUS BIAS** - addressing the root causes of these biases by helping people understand what they fear and why a situation may make them feel uncomfortable by giving them the opportunity to learn about each other in a psychologically safe environment
- » **SPEAKING UP** - helping leaders feel confident and comfortable enough to challenge someone on their exclusive behaviours
- » **REACHING THE BROADER AUDIENCE** - consistently promoting inclusivity far and wide within the organisation and beyond for far-reaching business benefits
- » **DRIVING AWARENESS** – people do not always realise their behaviours are perpetuating exclusivity. Awareness must be raised, and those oblivious to inclusivity given the support to realise what they are doing and ‘code switch’
- » **OPPORTUNITIES** – continued efforts to build diverse talent pipelines through equality of opportunity and a leadership style that promotes a level playing field

As the conversation around inclusivity continues to evolve and change so too should our approach. Inclusive leadership is a proactive, never-ending goal that involves opening the floor for open discussions rather than continually waiting for others to raise their hand. However, as one of the panel said, a culture of inclusion can only exist ‘when it is practiced by folks at the very top’.

The 3 C's: Traits Every Inclusive Leader Needs

- » **Consciousness:** ‘Those who can’t change their mind, can’t change anything’. Consciously demonstrate an open mindset and deep curiosity about others; listen without judgement; and use empathy to understand those around you. However, taxing that may be at times, this self-awareness will go a long way to helping you promote more inclusive values.
- » **Courage:** Be more of a (non-binary) lion or lioness. Challenge the status quo, hold others accountable, make diversity and inclusion a priority but just as importantly, don’t be afraid to make or admit to mistakes. Every mistake is a step closer to a more diverse and inclusive environment that attracts top talent and drives innovative results.
- » **Compassion:** Be brave but be kind to others, and just as importantly, yourself. Compassionate leaders gain influence over authority, by listening and learning from the individual people in their team. Walk in other people’s shoes; find out what shapes them; discover what makes him/she/they tick. In talking to others, you may also identify the leadership blind spots, e.g. the unconscious or implicit bias getting in the way of your ability to create a more connected workforce and inclusive workplace.

“I enjoyed the event, I thought it was insightful, thought-provoking and a timely reminder of what we can all be doing to ensure that we are actively demonstrating strong, positive values. It is not just a top down approach, but also upwards grassroots too.”

References:

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Join our upcoming forums and be part of the conversations, drive change.

| Date and Time | Title | Region |
|---|--|----------------|
| 19th July 09:00 - 10:00 BST | Ladies in Asset Management Virtual Coffee Morning | EMEA |
| 5th September 09:00 - 10:00 BST / 16:00 - 17:00 HKT | Purpose, Career and Ambition Hosted by Executive Career Coach Jean Balfour | EMEA / APAC |
| 13th September 15:00 - 16:00 BST / 10:00 - 11:00 EST | How To Really 'Lean In': Speaking Up With Confidence and Authority in Meetings With Cressida Hamilton, Ex Managing-Director HSBC, now Executive Coach and Mentor | EMEA / NA |
| 15th September 18:00 - 20:00 BST | Speed Networking Event Hosted by BNP Paribas | London |
| 30th September 15:00 - 16:30 BST / 10:00 - 11:30 EST | Attract, Retain, Promote: How To Motivate Staff with Less Opportunities for Promotion and Progression Panel Discussion with Regional COOs | UK / NA |
| 18th October 09:00 - 10:00 BST / 16:00 - 17:00 HKT | Establishing a Culture of Coaching With Katie Hasson, Internal Executive Coach Standard Chartered | APAC |
| 14th November 09:00 - 10:00 GMT / 16:00 - 17:00 HKT | Building Confidence and Overcoming Imposter Syndrome With Jean Balfour, Master Certified Coach (MCC) | EMEA / APAC |
| 1st December 15:00 - 16:00 GMT / 10:00 - 11:00 EST | How To Make 2023 Your Year – Strategies To Ensure You Really Deliver On Your Goals Hosted by Executive Career Coach Cressida Hamilton | EMEA / NA |

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