The Two Challenges for the C-Suite in Leading DEI Initiatives

Summary

This white paper is designed to challenge and support C-Suites in taking and maintaining the lead role in driving DEI initiatives. Abandoning that role almost guarantees the pursuit of mediocrity for the organization.

American exceptionalism is not based on never having made mistakes or never having failed or completely living up to our founding vision. It is based in our relentless pursuit of that vision, in our perseverance in closing the gaps, in our willingness to take on daunting challenges with no guarantee of success and "hold the course."

This is the opportunity that C-Suites have in leading DEI initiatives – in countering racism. It is the opportunity to model American exceptionalism in the face of the toughest and most long-lasting challenge we face as a nation.

There are two critical challenges for the C-Suite. The first challenge is to acknowledge and get past the three forces that usually stop C-Suites right at the beginning – the three "guardians of the threshold." The second challenge is the common challenge in any major change journey – leading the change end-to-end. Meeting the first challenge makes it possible to take on the second challenge.

Combined, they require American exceptionalism. Fortunately, there are a few critical success factors (CSFs) that can provide the framework for taking on these challenges.

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Note. The "C-Suite" is used here to denote the senior group. It could also be a group such as an executive team – whatever group is at the top of the organization.

#1

Commit to the Lead Role & Confront the Three "Guardians of the Threshold"

The C-Suite needs to actively lead DEI efforts because they involve change at the cultural and systemic levels as well as the group and individual levels. And that leadership needs to be obvious and sustained in order to match the difficulty and complexity of the challenge. It is the foundation on which leadership throughout the organization depends.

No one else in the organization has the leadership leverage required. Nor can anyone else have the same impact in "modeling the way" and calling forth people's best. Without active sustained leadership from the C-Suite, organizations are pursuing mediocrity. There are some rare exceptions, but those exceptions are extraordinarily rare.

"When the C-Suite wiggles, everyone else gets whiplash."

When the C-Suite leads, a web of aligned leaders and followers must support that lead. Supporting roles and structures, such as a Chief Diversity Officer and/or a cross boundary Diversity Council, need to be in place to support the C-Suite. As does cross-boundary alignment of management well into the organization. However, the C-Suite needs to be – and be perceived to be – the owners and drivers of DEI initiatives. If people perceive that the C-Suite has handed off the responsibility for DEI outcomes, mediocrity is the natural and almost inevitable result.

The "Warrior" Challenge

For an organization, DEI efforts are a warrior challenge. There are lots of definitions of warriors' codes, but a simple and inclusive one that is appropriate here is that a warrior "engages fully and with excitement." This is the opposite of the approach where the C-Suite

sits back to see what others can make happen. A warrior approach is a full commitment of character and competence that is not diminished by fears of potential poor outcomes. It requires the courage to "be all in" in the face of a journey that will be full of unknowns and daunting tests.

It also requires an openness to learning – rapidly. Countering racism and leading DEI initiatives is new ground. Very few people have been here before and there is a good deal to learn. Racism has been built into our lives for 450 years and it lives in our communities, our organizations and ourselves. And much of how it lives is invisible – at an unconscious level or invisible because we don't know how to look.

Therefore, part of the challenge for C-Suites is to take the lead and model rapid deep learning about racism – how it lives in the execs in the C-Suite, how it lives in the C-Suite as a group, how it lives in the organization, and how it lives in the community. **Remember.** This learning is focused on a deep, complex, and emotionally charged topic. It is not the same as learning a skill or even a new role. It asks much more.

That is part of the "all in" warrior code and the best outcomes include an increased sense of positive urgency; increased confidence in being able to design effective DEI strategies and structures; and increased confidence in "modeling the way" and leading the required change. In other words, being "all in" should lead to an enhanced C-Suite confident in leading in new territory.

No one in the organization will miss this modeling if it is done with some transparency. It will clearly tell people (a) what the C-Suite sees as necessary and expected; and (b) that it is possible to do it well and achieve significant desired outcomes. The C-Suite is essentially saying, "As an organization we are going into the unknown and we as the C-Suite are going first – with full commitment and confidence." What others also hear – without it ever being said – is, "...and we expect you to follow us with full commitment."

It's simple. If the C-Suite is not modeling such a warrior approach, the organization will simply not take a warrior approach, the efforts will not match the challenge, and the results will be disappointing. The DEI challenge is simply that tough. The leadership role that the C-Suite takes is the foundation for the journey – the foundation on which everything else relies.

The First Leadership Test – The Three "Guardians of the Threshold"

It's a journey, and the tipping point is right at the beginning – at the "threshold" of the journey. That's where the C-Suite encounters the three "guardians of the threshold." In the classic myth of the heroic journey (which is the fundamental story of change) there are guardians of the threshold, which are designed to turn us back if we're not ready for the journey. They are the first tests on the journey.

Those three forces are normal and natural, and they cannot be avoided, particularly in cases where the C-Suite is primarily white. When not confronted directly and with a complete commitment they put the organization on the path to DEI mediocrity – at best. That is because they undermine C-Suite engagement and that is the end of any pursuit of excellence.

In DEI journeys the three guardians that can take the C-Suite out of the game are:

- **A Natural Indictment.** An unavoidable sense of indictment for White people regarding racism
- **Venturing into the Unknown & Potential Loss.** The requirement to face a great deal of unknown and a range of potential losses – from large to small
- **The Specter of Incompetence.** Not being confident about having all the competencies required by the challenge

They are toughest on the C-Suite. These three guardians naturally – and unavoidably - confront White people at all levels of the organization, but they are particularly tough for the C-Suite. These guardians are toughest at the C-Suite level because execs are not allowed to be wrong, unsure, lose or be incompetent to any degree. It's not fair, but that's the way it feels – just the way it works with hierarchies. And members of C-Suites are usually their own toughest critics.

The Key Approach: The C-Suite Leading with "Strategic Intent"

to Get All the Benefits

An investment in DEI initiatives can naturally be an investment in overall organizational performance. There are a surprising number of potential benefits - the "return on investment" - that can accrue to DEI initiatives. Those are the initiatives that are led by the C-Suite with strategic intent – seeing the potential and aligning strategies with their achievement.

The direct moral return is creating an organization that models the original American promise – a true example of American exceptionalism. If DEI initiatives are led with strategic intent, there is also an array of potential business benefits that can result, mostly from the authentic willingness of people to be fully present and committed to the organization as well as the ability to work together more effectively. That can affect innovation, recruitment and retention, cross-boundary collaboration, commitment to performance standards, teamwork, and leadership credibility.

The C-Suite has the perspective, and it has the leadership leverage to get the potential benefits. It is positioned to see the potential benefits and it has the power to effectively lead in efforts to achieve them – from organization design to leading the journey to removing barriers. Once past the guardians of the threshold and the C-Suite can "expand the circle" to rapidly engage and align others – without losing its central role and impact.

Key players to naturally be engaged early are usually Chief Diversity Officers, Diversity Councils, direct reports, key natural leaders, and selected outside experts. Then the

initiative can rapidly define clear specific direction, generate momentum, and engage and align more and more people.

#2

Critical Success Factors (CSFs) for Dealing with

the "Three Guardians of the Threshold"

Fortunately, there is a set of CSFs that can provide a lot of guidance and confidence and position the C-Suite for success in its central role. These CSFs deal with all three of the guardians of the threshold – as well as fitting with basic change leadership models that support the entirety of the journey.

The Basic CSFs for Each Guardian

Guardian #1: Acknowledge the Unavoidable Natural Indictment and Replace Any Guilt with the Power of Responsibility

The natural indictment is addressed by simply adopting a posture that "I'm not to blame for racism, but I am responsible as the CEO/member of the C-Suite for dealing effectively with it in our organization. I know this is one of the toughest challenges we will face and that we will need to take on a warrior approach to be successful. That is my commitment." That is a powerful guiding message for all of the White people in the organization and is particularly powerful in freeing the next two levels of management. There is little productive power in guilt. There is a great deal of power in taking responsibility to drive action.

Guardian #2: Put the Unknown and Potential Loss in Perspective

There is no way to take all of the unknown out of the journey – there never is in significant change. This is a particularly severe problem with initiatives countering racism because there is no playbook and few examples of success. However, when the C-Suite is committed to being out-front and visible in "modeling the way", it makes a big difference as fear of the unknown shrinks.

When the C-Suit leads in developing the vision of the desired state, the core strategies to achieve it, the web of leaders to execute the strategies, and commits to building the competencies required for success the journey becomes much more "knowable" and people believe they can find their way. It also decreases the fear of loss as the desired end state and journey clearly have lots of continuity and there are benefits to be achieved. Addressing the potential losses directly – from potential privilege/advantage to self-image to threats to relationships with other white people – can dramatically decrease anxiety that is natural to DEI initiatives.

Guardian #3: Focus on the 90% of Current Competencies and Define the 10% of New Competencies Required

This is the guardian that is deceptively problematic. However, the reality in most cases is that the C-Suite already has 90% of the core competencies required for successful DEI initiatives because they are the competencies required for any successful organizational

performance. The 10% of new competencies required can be developed with confidence and model the leaders confidently acquiring new competencies to meet new challenges. That is a powerful message to the organization about being confident effective leaders in a changing competitive world.

#3

Critical Success Factors (CSFs) for Leading the Required

Journey – "End to End"

C-Suites don't have the time, energy, or resources to simply "do more" or "do something different." It is critical to be able to focus with confidence on where the leverage is in leading the way. "Where can I focus my time, attention, energy and resources to make the biggest difference – to get my best 'return on investment' (ROI)?"
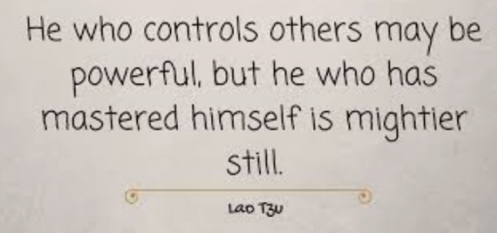
DEI initiatives are organizational change initiatives – by definition. But countering racism also brings with it major personal and group challenges. So, the leadership that the C-Suite must model is always a combination of personal, group, and organizational challenges. Fortunately, there are effective CSFs for each category. They combine to provide a "yes" answer to the fundamental question, "As leaders asking followers to go forth and take on this challenge, are we worthy of our followers?"

Personal C-Suite CSFs

Success relies on the CSFs in all three categories, but it begins with the personal CSFs.

"How do I deploy myself as a leader?" This is always a critical question for the C-Suite. In the case of countering racism, it is essential for the C-Suite to ask and answer that question as there is a tremendous amount of leverage in the answers. In fact, failing to put these personal CSFs in play will dramatically undermine the C-Suite and organizational CSFs.

1. **Model the Way.** Issue the challenge and "model the way" with confidence – may have to wrestle with it a bit to develop authentic confidence, particularly re: countering racism.
2. **Focus on Current Core Competencies.** Focus on deploying the core competencies already present in the C-Suite (90% of what's required). Those competencies will be foundational for designing and successfully implementing DEI initiatives.
3. **Identify the New Competencies Needed.** Identify the other 10% of specific competencies required – they may be new or simply deeper competencies. Model total commitment to rapid competency development as others will need to follow.
4. **Beat Anxiety with Excitement.** Model excitement and "no fear" in going after the development of the new competencies and engaging the DEI challenges. Not only will this provide access to the best of the C-Suite by accelerating new competency development, but it will also "infect" the rest of the organization.

He who controls others may be powerful, but he who has mastered himself is mightier still.

Lao Tzu

CSFs for the C-Suite as a Unit

If DEI initiatives are true priorities for the organization, that needs to be clearly modeled by the C-Suite as a unit. Everyone watches the C-Suite to see what's really important. Fortunately, there are a few things the C-Suite can consistently do to effectively communicate that priority. Combined with the personal CSFs, this provides powerful leadership that no one misses.

5. **Ensure High Visibility.** Keep it on the C-Suite agenda (shows it is a priority and provides space to effectively address the issues). Keep it on other agendas where the C-Suite is involved. People pay attention to what the C-Suite prioritizes and pays attention to.
6. **Align with the Board**. Make the business case (from moral to operations) for DEI. Educate the Board as necessary with roles as appropriate. Stay aligned – progress, barriers, how the Board can add value.
7. **Model Healthy Accountability**. Frequent and informal "check-ins" with transparency within the C-Suite - and across the organization. What do we have to celebrate (particularly progress and interim achievements); what have we learned: what will we keep doing, start doing or stop doing? This reinforces DEI as a priority and fast cycle learning and calibrating action as the style.
8. **Remove Barriers**. There will be barriers, and many will be cross-boundary and systemic (and some may be senior managers), which will require aligned confident action by the C-Suite. This is always a CSF in organizational change, and it is critical with DEI initiatives.

Leaders get out in front and stay there by raising the standards by which they judge themselves – and by which they are willing to be judged.
Frederick W. Smith

Organizational CSFs – Leading the Required Change

These are C-Suite strategies, but others will join the C-Suite in executing them appropriately at lower levels in the organization. These CSFs will require different levels of "hands-on" actions by the C-Suite in different organizations and at different times. The key is to ensure that they are executed effectively and that those exercising them have the authority and credibility to do so.

When the responsibility is delegated, it must be delegated with clear direction and obvious support. **Note.** Those to whom the CSFs are delegated must clearly be seen as agents of the C-Suite and backed by the C-Suite.

9. **Answer the "Why?" Question.** Define the "business case" – why are we doing this – the possible good things if we do and the bad things if we don't?
10. **Answer the "Where?" Question.** Create a clear and compelling "vision of the desired state" that is worth pursuing (speaking to the head and the heart) - with the required core strategies (the hands).
11. **Establish the Architecture.** Develop the organization design required to execute the strategies and achieve the vision – fully integrating racism/DEI. There will be individual and group change required, but there will also be systemic changes – from roles and relationships to policies, systems, and processes.
12. **Build "The Web."** Develop the extended leadership web(s) required to execute the strategies. Leadership leverage stops where the leadership web stops.
13. **Prepare People for the Journey.** Lay out the journey and what to expect - and prepare people for it. This CSF is often overlooked – and that has consequences with a challenge like DEI.
14. **Build the Competencies Required.** Focus on building the competencies required for success in the envisioned desired state – individual, group/team and systemic.
15. **Connect People Through Communication.** Ensure effective communications out (particularly in the beginning) and effective feedback loops (particularly as people implement the strategies).
16. **Establish <u>Healthy</u> Accountability.** Institute a healthy process of accountability – the formal performance system and frequent/informal accountability "check-ins" for fast-cycle learning and response.
17. **Be Persistent and Resilient – Don't Let Up.** Racism has been built into our world for 450 years and even the best designed and led DEI initiatives will take

time to be fully embedded. The courage to engage the challenges needs to be joined by the persistence and resilience to "hold the course."

"Every organization is perfectly designed to achieve the results it gets."

#4

The Natural Pitfalls

Unfortunately, there are a lot of natural pitfalls on this journey for the C-Suite. They are shared with other levels of leadership, but the C-Suite is where the leverage is, so it is particularly important for the C-Suite to avoid, or get out of, these pitfalls. These pitfalls will be there, and it takes a lot of attention to deal with them.

1. Delegating too much of the responsibility to others – DEI Exec, DEI Councils, etc.
2. Failing to acknowledge the importance and difficulty of the challenge
3. Failing to "model the way" – leaders must lead/go first in this level challenge
4. Focusing on "programs" vs. organization design
5. Focusing on awareness and education vs. action (not an either/or – awareness and education are "essential, but not sufficient")
6. Failing to follow solid change leadership strategies with intent and discipline
7. Failing to institute healthy systems of accountability and fast-cycle learning and response
8. Failing to remove the systemic barriers that are identified
9.

The leverage is in knowing they are there and working to avoid them – particularly by ensuring that the CSFs are in place.

#5

C-Suite Action Summary

Fortunately, there is a set of actions that the C-Suite can execute that will keep it in an appropriate leadership role – collaborating with other key players while still staying out front:

1. Commit to the Warrior Challenge
2. Deal with the 3 Guardians of the Threshold directly
3. Focus on the Critical Success Factors
    - Personal CSFs
    - C-Suite group CSFs
    - Organizational CSFs
4. Avoid or get out of the natural Pitfalls

> Leadership is about setting a direction. It's about creating a vision, empowering and inspiring people to want to achieve the vision, and enabling them to do so with energy and speed through an effective strategy. In its most basic sense, leadership is about mobilizing a group of people to jump into a better future.
>
> — John P. Kotter —