The Path from Exclusive Club to Inclusive Organization:
A Developmental Process

Creating an organization that leverages diversity and people’s unique talents and fosters an inclusive environment is especially critical in today’s marketplace, where organizations tout their ability to “provide solutions” and “solve problems” for customers on a global, 24/7 scale. Delivering on such promises requires constant innovation, flexibility and creative thinking. Old organizational models left over from the Industrial Age—where people were seen as “hands and feet” and hired for predictable and well-defined tasks—will not work in this new era of the 21st Century.

But moving from a monocultural organization to one that is inclusive of all people requires a strategic process. Too many organizations approach it like turning on a light switch—simply wire in the right number of individuals of different backgrounds, styles, genders, races, abilities, nationalities and other differences, turn on the power and declare victory/success. Diversity cannot be reduced to numbers and merely tolerance. Inclusiveness is far more than Equal Employment Opportunity, Affirmative Action, hiring goals and removing barriers. Although all these factors may play a part in the change process, none result in fundamental shifts in organizational thinking, culture, rules, processes and practices that must happen en route to becoming a high performing, inclusive organization that leverages its diversity.

Simply hiring a diverse group of people will not make it happen, although diversity cannot be achieved without such efforts. Tolerance for differences will not make it happen, although tolerance is a necessary stage of the process. Welcoming of differences will not make it happen, although that is a necessary stage as well.

Achieving a successful, inclusive, diverse organization requires fundamental changes: new styles of leadership, mindsets, engagement, problem solving and strategic planning. It requires new organizational structures, policies, practices, behaviors, values, goals and accountabilities—in short, a complete systemic culture change.

DEVELOPMENTAL STAGES

A high performing organization that leverages its diversity cannot be built in a day, or even in a month of intensive education. Just as every human being must undergo a developmental process to reach adulthood, organizations must experience a series of developmental stages to achieve the enriching benefits of diversity and to create an inclusive culture. These developmental stages have a natural order and progression; passing through them requires the sustained effort of planned, systemic change over a period of years. Just as children must crawl before they walk, organizations cannot expect to skip directly to inclusiveness. And just as children inevitably start by falling frequently, the road to inclusiveness is not often traversed without bumps and bruises.

However, unlike with humans, progression is not inevitable in organizations. Left to their own devices, children will grow up. Organizations, on the other hand, will tend to remain the same for as long as possible and if the effort is not nurtured and sustained,
organizations can lose ground quickly.

CONSEQUENCES OF FAILURE

Although market and competitive forces exist to pressure organizations toward it, being an inclusive organization doesn’t happen of its own accord. This could be considered a true evolutionary process, a response to a changing environment that requires the extinction of unsuccessful adaptations to those changes.

Multinational companies, world markets, advances in communications technology and the reality of the “global village” have created an environment that increasingly requires organizations to be more diverse and more inclusive. Global competition requires increasingly high productivity as well. In the course of the next twenty-five years, organizations that do not adapt successfully will disappear. The result will be organizations that are inclusive as a norm and are more diverse than ever in history. But this evolution will be far from smooth, with many potential organizations as casualties along the way.

For an organization to ensure its survival, its leadership must actively steer toward being an inclusive organization. An organization is inclusive when everyone has a sense of belonging; feels respected, valued and seen for who they are as individuals; and feels a level of supportive energy and commitment from leaders, colleagues and others so that all people—individually and collectively—can do our best work.

Although successful adaptation might happen naturally, the evolutionary odds are against it. And for many organizations today whose systems, structures and processes are deeply embedded in the industrial revolution and a monocultural approach might find themselves unable to make the necessary changes fast enough to enable them to attract the diverse talent they need to be a high performing organization in the 21st Century. The issue today is not can they become a high performing inclusive organization that leverages diversity, but can they get there fast enough? Young people of all backgrounds are expecting that organizations did the work of becoming more inclusive and that their differences will be leveraged. They are less willing to be the pioneer leading the way. They expect when they get hired that they will be able to contribute quickly and encounter few barriers. The challenge organizations face today: Are you prepared and positioned

Figure 1. The Path from Exclusive Club to Inclusive Organization

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to attract, retain and leverage the talent you need for your current and future success?

THE PATH

Knowing what to expect on this journey can help members of organizations develop realistic expectations about the challenges that lie ahead. Identifying where an organization is along the path from exclusion to inclusion can make it easier to develop effective interventions for moving the organization along the continuum. Using this developmental model of “The Path” (see Figure 1) as a road map can help an organization avoid some bumpy ground without getting lost along the way.

One of the values of this model is in identifying the need for different strategies at different stages. Culture change interventions that might be effective at one stage along The Path might be disastrous at other stages. For instance, an aggressive recruiting program for a more diverse workforce would be counterproductive in an organization with practices, reward systems and a culture that are exclusive and monocultural, and often requires much expenditure of time, energy and resources with few results.

Diagnosing the organization and determining where it is on The Path makes it possible to tailor interventions based on that point, rather than force-fitting the system to the intervention. In large organizations, it is inevitable that some business units, divisions or groups will be farther along The Path than others. Force-fitting all segments of the organization to the same intervention is wasteful and counterproductive, leading to strong resistance and backlash reactions. Diagnosing each organization individually and tailoring appropriate interventions are critical to success.

Beware of Self-Diagnosis

Because barriers to inclusion tend to be invisible to those already succeeding in an organization, ...
the most successful people often believe their organizations to be farther along the continuum toward inclusiveness than they really are. Influenced strongly by their own experiences in the organization, leaders and people identified as “high potential” often believe the organization is at or near the “Welcoming” stage while others may experience it as a “Passive Club.” Too often, the resulting diversity initiative becomes an Affirmative Action recruitment program supported with “awareness” training. Alone or together, these efforts are not nearly enough to change the organization’s culture.

Many organizational leaders and managers find it difficult to accept that systemic and cultural barriers prevent some people from contributing or succeeding. The tendency is to believe that success is based strictly on merit or talent. To the people who are most included in the mainstream life and work of the organization, the organization’s culture is virtually invisible. It fits them or they have adjusted earlier in their careers so that they rarely have to make new adjustments or accommodations in their behaviors to “fit in.” The organization’s environment, policies and practices now support them and their way of life since they have found a way of adjusting so that it will work for them.

People who do not “fit in,” and choose to change so that they have a better chance of succeeding, are often in internal struggle and told by formal and informal processes that they are not “right” and need to change. They bump into the culture barriers constantly and it serves as an impediment for people doing their best work. Often the things people need to change have more to do with style or approach and much less to do with competency or results.

Those who can’t or are unwilling to make the necessary adjustments and accommodations to fit in and survive may pay an even greater price: lessening themselves to avoid standing out, swallowing frustration at the lack of recognition, smiling and ignoring insensitive comments and leaving large parts of themselves in the parking lot so others can feel comfortable. The price is great in that the individual is unable to do her or his best work and contribute much of what she or he was hired for. The organization loses out on the ideas, perspectives and experiences that the individual could bring.

STAGE 1: EXCLUSIVE/PASSIVE CLUBS

Most of today’s large organizations started as small, monocultural groups because the founders hired people with whom they felt comfortable. As the organizations grew, their policies and culture tended to reflect the needs and experience of the founding members, perpetuating their approach and ways of interacting, working and doing business. Vestiges of those policies and practices still impact the organizations today.

In most organizations, the exclusion may be “passive”—there are no exclusionary policies in their bylaws or policies—but the effect is the same. The verbal message may be one of welcoming, but the reality is the opposite. Passive clubs often pride themselves on “not seeing differences,” which translates into policies and procedures that reflect their monocultural origins and continuing monocultural bias. Performance management systems, family leave policies, benefit plans and promotion opportunities often favor those who fit in with the founding or leadership group in appearance, style, and behavior.

Intervening in Exclusive/Passive Clubs. For an Exclusive Club, a recruitment program to increase diversity does not make sense; a first step should be to start creating a work environment in which anyone who is different from the founders (in style, approach and look) can function and succeed. This includes extending greater flexibility to those already present in the organization. Even though these individuals from the outside appear to be members of the “club,” many of them experience the need to suppress certain parts of their own identity to fit the mold the organization has defined.
Engaging the organization in establishing an imperative for becoming more diverse is critical. Unless the organization’s leadership and membership both can clearly see their own self-interests are being served by a change in behaviors and values, the change will not come about. Self-interest remains the strongest motivator for and against change. Some organizations confuse their needing to become more diverse with the need to comply with and create Affirmative Action Plans. Compliance has little to do with a diversity initiative, and much more to do with being a foundational requirement for gaining contracts from governmental agencies and organizations. Many organizations confuse Affirmative Action Plans with diversity and they are not one in the same.

STAGE 2: SYMBOLIC DIFFERENCE

Over time, most organizations have expanded their membership—at least nominally—to include some people who differ from the founding group in significant ways. But the legacy of the “club” remains and the organization itself is highly resistant to culture change based on the need for more diversity. A monocultural organization’s opening of its doors to outsiders may be a symbolic gesture toward diversity while its norms remain monocultural. Whether the newcomer was recruited because she or he was the best qualified person, because of a need for unique skills, because of equal employment opportunity goals, because of legislation (e.g., the Americans with Disabilities Act) or because of a desire to join in the diversity movement, there is an expectation that the newcomer will fit in to the existing organizations and culture—to leave all differences outside.

The more people with differences learn to blend in, the more they are welcomed. There continues to be an avoidance of differences, and a belief that even with our differences “we are all the same.” This mindset minimizes differences and creates barriers to individuals to bring a different perspective, style or background to the table and their ability to do their best work.

As a result, there is no leveraging of diversity, since the very talents and perspectives newcomers may be hired to offer are suppressed when the organization feels the discomfort of a new style (in communication, in problem solving, in dress, etc.) among them. Thus the main emphasis remains to keep people in a box.

Pioneers. In many organizations, addressing the issue of diversity has meant bringing in one or two members of a different identity group. Although referred to by some as “tokens,” these first outsiders are true pioneers. In order to blaze a trail for themselves and others like them, these pioneers must make many sacrifices. Those in the prevailing culture rarely see or understand their sacrifices. Those who come after the pioneers may not appreciate or even approve of these sacrifices. The next generation may not give the pioneers proper credit or support for the burdens they have borne. Instead, they may condemn the pioneers for acquiescing to the prevailing culture.

In the eyes of the mainstream organization, these pioneers are seen and asked to represent all of their identity group (e.g., all women, all people with disabilities, all Asians). Citing “successful” pioneers as examples, organizations often feel they have completed their “diversity work.” Few organizational pioneers get to their desired destinations.

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HALLMARKS OF THE EXCLUSIVE/PASSIVE CLUB AND SYMBOLIC DIFFERENCES PHASES

- People feel pressure to fit in
- People fear speaking up
- Relationship-driven culture, where “who you know” is more important than “what you know”
- Cliques are common; you trust the people closest to you
- Denial of differences is considered a virtue (“we don’t see differences here”)
- Hard for outsiders to learn the rules—it’s sink or swim to prove yourself

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Some give up and leave; some spend their entire careers isolated with little organizational support, continually struggling; and some achieve success, but at great personal cost. Most are blocked and have to settle for less than their organizational’s career goals and less than the organization hoped for when it hired them. Many choose to stop fighting and try to find comfort where they can.

Champions. In most organizations, pioneers are preceded by a champion from the traditional group who decides to break the rules. Champions, by challenging the status quo, find their popularity, motives and loyalties questioned and careers jeopardized. In fact, champions are pioneers in their own right. They may not appear different from the founding and traditional group, but their behaviors and commitment to stepping outside of the norm make them stand out. Just as pioneers are often criticized and scrutinized, champions are often criticized and not fully appreciated for their risk-taking efforts to change the organization.

Intervening at the Symbolic Difference Stage. In a Symbolic Difference organization, a recruitment program focusing on increasing diversity only makes sense if new people coming into the organization have the structures to succeed. Important at this stage is to not only help people understand the price new members must pay to be pioneers in the organization, but to find ways to bring in more pioneers and to ensure that there is support for the pioneers to succeed by changing the systems and processes of the organization. This means assigning the pioneers to managers who are champions and able to provide a productive environment for the new hires.

One question for an organization’s leaders is: “Are we giving our pioneers the support they need to survive?” But more fundamental may be: “Do we even know who our pioneers are?” Without support systems in place, the rate of attrition for pioneers is high. And even with support systems, it can be very stressful to be an “only” or one of a few. The best support for pioneers is more pioneers.

Leaders should also begin to consider what elements of the culture they want to preserve and what needs to change. Some elements of the “traditional” environment may be important for success and to maintain the “essence” of the organization, while others are merely biases or restrictive preferences of the founding group. Often organizations pride themselves on having a sink or swim culture. Unfortunately the more different you are the harder it may be to
swim. Barriers to true performance and ability to contribute need to be honestly assessed and removed if the organization is going to move to becoming more diverse and inclusive. Developing a solid business case for the need to change is also crucial at this stage.

**STAGE 3: CRITICAL MASS**

As an organization continues to add members who are different from the original group, many things begin to change. The old monocultural norms and stereotypes no longer fit, but there are no new standards and procedures to take their place. If the path to inclusion is a chain reaction, this is the point of Critical Mass. Tolerance for individual and group differences becomes of major importance. There begins to be a recognition that if the organization is to leverage diversity that it needs to move beyond tolerance—that tolerance is insufficient to truly take advantage of all that people can bring. At the same time there is an increased understanding of the need for greater tolerance for uncertainty, risks, new behaviors, mistakes and conflict. The organizations’ and individuals’ capacities for tolerance seem to stretch toward the breaking point.

This is a critical stage for organizations that have committed themselves to diversity without committing to strategic culture change. Achieving a more diverse organization requires a willingness to create an environment that welcomes, supports and encourages leveraging that diversity through the systems, networking, communications, leadership, behavior and vision necessary for success.

When an organization reaches this stage without a commitment and a plan for strategic culture change, confusion reigns. This is often the time when diversity efforts fail, stall and suffer from backlash—and when many are scaled back or abandoned. Amid the conflict, chaos and upheaval of culture change, the “good old days” look particularly good. Going back always seems easier and quicker.

Intervening During a Stage of Critical Mass. Merely achieving the numbers that start to change the organizational culture is not enough. Without strategic intervention, such a state will devolve into chaos because the rules for success are no longer clear. The old ways no longer work, and no new norms, values and standards of competence have been clearly defined to replace them. Leaders at all levels may find this period of transition the most challenging on the journey from exclusion to inclusion.

However this is the stage where real change can begin to take place—not just on the surface, but in the systems, mindsets and behaviors that define the organization. Leaders need to stay committed to the goals of leveraging diversity and creating a culture of inclusion and maintain a clear sense of purpose and direction. They need to outline a clear imperative for the change and a clear FROM (where the organization has been) →TO (where the organization needs to go) culture vision so that people understand the business reasons for change and have a clearer picture of the desired outcome.

Building a Core Group for Change is essential. Whereas Exclusive/Passive Clubs use the organization to change people, organizations in the Critical Mass phase understand that they need people to change the organization. Meaningful change does not require a majority or even a large percentage of an organization; it takes a sufficiently committed
core with a credible voice within the organization. Engaging and enrolling about 10-15 percent of the organization (the right 10-15 percent, of new people, champions, leaders and advocates) is enough to shift the organization. This group needs to be well trained, educated and aligned with the direction of the organization and develop the mindsets and behaviors needed to support and prosper in an inclusive environment.

Working on leadership competencies is also critical at this stage. Leaders need the skills to model the appropriate behaviors and values as well as to communicate with and lead diverse groups. As the diversity of the organization increases, developing new and broader communication and conflict resolution skills is an important priority for the entire membership of the organization.

STAGE 4: WELCOMING

As an organization enters the Welcoming stage, it becomes apparent that mere “tolerance” for difference is counterproductive. Tolerance, after all, implies a state of forbearance: an ability to endure annoyance or provocation. As the organization develops new structures, norms, values, procedures and rewards that tap the added value of diversity, tolerance gives way to welcoming—a kind of active acceptance that is an important precursor to a truly inclusive environment.

**Integral to a Welcoming Environment**

The welcoming stage is an ideal time to integrate the concept of inclusion into the overall business planning process, especially in areas such as market analysis, supplier resources, vendor qualification, personnel recruitment, training, leadership development, community relations and strategic alliances with other organizations.

STAGE 5: INCLUSIVE ORGANIZATIONS

In biology, a species that breeds strictly within a narrow population group becomes weaker and often quite peculiar (hence the pejorative connotation of the term “in-breeding”). Similarly, metallurgists know that alloys offer a far greater range of performance than their individual metal components. Iron rusts and is brittle, but add carbon and nickel and the resulting steel is stronger, more malleable and more durable.

In organizations, just as with living organisms and metals, diversity can lead to greater strength if nurtured and leveraged. Organizations can utilize diversity as a source of added value—a resource crucial to the
organization’s success. Diversity can give a group a greater range of creativity, problem-solving and decision-making skills, and a potential for seeing a 360-degree view of a problem or the landscape (Miller, 1994). Organizations can see and utilize diversity as a fundamental enhancement, not as an obstacle to be overcome or a condition to be managed. They can seek to tap their diversity, not merely survive it. In an Inclusive Organization diversity is seen as a necessity, not a luxury; monocultural groups are seen as inherently deficient.

An Inclusive Organization encourages individuals of all identity groups (e.g., class, age, mental ability, physical ability, sexual orientation, age, gender, racial and ethnic groups [Jackson, 1993]) to contribute all their talents, skills and energies to accomplishing the organization’s mission and key strategies.

Local Diversity Must Precede Global Diversity. In some organizations, there is a tendency to want to address global diversity without first understanding the need and value of dealing with the issues present in the local geography.

Some might find it more glamorous to learn to work effectively with their Asian or European counterparts than with their local teammates. It may seem less threatening to accept the differences of people across the ocean than to accept the differences of the people across the table. In fact, addressing diversity on a global scale first can be a way of avoiding the issue of diversity locally.

For an intervention to be effective, an organization must start by including and embracing the diversity it has now—with the people in this building, in this corridor, in the next cubicle. Whatever we learn about the people around us—their individuality, culture, identity group, nationality—will help us work better with them, better appreciate what they have to offer and learn competencies that can be applied in other situations, including on a global scale.

Intervening in an Inclusive Organization. Inclusion is a process, not an endpoint. It is a way of being, a way of doing business. Critical to creating an inclusive organization is that the right people are doing the right work at the right time. No longer can an organization operate from a “business as done in the past” framework. As one leader recently said as the organization was undertaking a significant inclusive effort: “Inclusion changes everything—how we make decisions, who comes to meetings, how we evaluate performance and how we work together.” To create an inclusive organization means addressing many of the aspects of the culture that were once taken as givens. For example, moving from an organization based on rank and tenure to an organization based on knowledge and abilities cannot be accomplished without a major shift in mindsets and processes.

HALLMARKS OF WELCOMING AND INCLUSION PHASES

- People are able to bring their full selves to their work.
- The organization encourages and welcomes people to contribute different opinions and points of view.
- The organization has a performance-driven culture, where knowledge and ability matter most.
- People form dynamic and diverse teams; trust is a given.
- Differences are seen as additive and productive.
- The mindsets and behaviors for success are explicit and the organization supports people in adopting them.
- The organization has an interactive culture, where an array of points come in contact with each other.
- People have the competencies and capabilities to adapt to different culture contexts.
Moving from a culture that only values individual effort, to one in which teams are acknowledged and rewarded, is a major part of shifting the culture. Issues of power and privilege that were rooted deeply in societal culture and replicated in the very fabric of many organizational structures must also change to create a more inclusive culture. To achieve sustainability and become a beacon for other organizations to follow, an Inclusive Organization must continually “walk toward its talk” (Katz, 1994). It must identify those areas where its behaviors fall short of its values and continually strive to live up to those values. And, as its vision broadens and its marketplace changes, its values, goals and purpose must be continually reassessed.

MULTIPLE JOURNEYS

As individuals from new identity groups enter an organization, it is often a return trip on The Path, starting at the Symbolic Difference stage, with the new members becoming pioneers. But with each new identity group, the organization’s range of welcoming broadens and its flexibility increases. The lessons learned from the inclusion of each new identity group into the organization make the next new group’s journey easier.

At any one time, an organization may have several different business units, functions or groups at different places on The Path. The United States Armed Forces offer an excellent illustration of this point. Considering their numbers and the level of Colin Powell’s former position as Chairman of the Joint Chiefs of Staff, it is clear that African-American men have reached the welcoming stage—or at the very least, Critical Mass. For women, however, the Armed Forces are still at the Symbolic Difference stage or possibly even Passive Club. For lesbian and gay people, the Armed Forces are still an Exclusive Club. And for people with disabilities, who today are included in the military, the Armed Forces have just begun their journey on The Path.

A BUSINESS ISSUE, NOT A SOCIAL ISSUE

There has been a widely held view that monocultural groups perform well, especially if they are white male groups. If a selected work group consists of all white men, we often assume they must be the most qualified people. However, just as diversity enhances an organization’s ability to see, it also enhances its ability to do. Productivity increases when individuals and identity groups can bring their talents, ideas and creative energy and have a work environment where they can do their best work.

This is especially true as new realities redefine the business world. Technology and the global marketplace are transforming social networking, melting borders and creating new tools for interacting and communicating. An organization’s systems and structures (including reward incentives, accountability procedures and performance metrics) need to change in accordance with these new realities and opportunities. The partnership and communication models change drastically when co-workers are interacting while on two different continents and across departmental boundaries. The ability to share ideas openly and leverage differences takes on greater and greater significance as we continually redefine what it means to be a 21st Century global organization.

By creating an inclusive organization that leverages diversity, the organization gains greater ability to respond quickly to change, to be an adaptive, thinking organization and to position itself more effectively for the future’s challenges—a future in which speed, vision, flexibility and the ability to solve complex problems that one view, one approach and one way of thinking will not solve—will be the norm in a highly diverse and increasingly global society.

ENDNOTES

1. This model, now known as Multicultural Organization Development (MCOD), was originally presented in “Racial Awareness Development in Organizations” (Working Paper: New Perspectives, Inc.), 1981, Bailey Jackson, Ed.D., Rita Hardiman, Ed.D., and Mark Chesler, Ph.D. See Jackson and Holvino (1986) and Jackson and Hardiman (1994). The original concept was adapted by J.H.
WHY INCLUSION IS IMPORTANT

In the words of organization leaders …

“Inclusion challenges our thinking, brings in fresh perspectives, raises the bar for our practices and strengthens the gene pool.”

“It helps us tap our employees better as resources, leverage strengths better, uncover hidden talents and bring forth new/fresh ideas and perspectives.”

“Inclusion fosters engagement and engagement increases efficiency.”

“Our decision making is enhanced when people feel included.”

“Leadership doesn’t have all the answers, and we need those different perspectives. There is a delivery benefit in terms of us getting different perspectives.”

“Inclusion helps us engage our employees at a higher level, which gets them to perform at a higher level.”


REFERENCES


