Culture Matters:

Unpacking Change and
Achieving Inclusion

CATALYST

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The Catalyst Research Center for Equity in Business Leadership examines and documents workforce demographics and their impact on employees, companies, communities, and society. In particular, the Center identifies how women's underrepresentation affects corporate governance and executive teams, and it explores how diverse leadership contributes to business success. By verifying gaps in representation and creating results-oriented solutions, the Center's findings and recommendations help organizations diversify leadership.

The Catalyst Research Center for Career Pathways exposes root causes of gender gaps from the classroom to the boardroom, conducting research that sorts myth from fact, identifies the true problems that hold women and other underrepresented groups back from advancement, and provides a solid basis for more effective talent development. The Center's findings allow businesses, media, governments, and individuals to gauge women's progress and develop solutions and action plans to advance women into leadership.

The Catalyst Research Center for Advancing Leader Effectiveness explores a central challenge facing today's business leaders: how to leverage employee diversity to achieve success through inclusive decision-making and talent management. The Center's research examines the nature, impact, and practice of inclusive leadership. It helps committed leaders learn how to become individual change agents, shaping the workplace culture by role modeling effective interpersonal interactions and capitalizing on opportunities to build inclusive talent management systems.

The Catalyst Research Center for Corporate Practice conducts research distinguishing sound talent management strategies from programmatic fads and documents best practices. These findings enable organizations to strategically create and support inclusive cultures for both women and men. The Center's partnership with its Expert Community, a consortium of business leaders who contribute to and act on the Center's work, informs organizational policy and practices, leading to actionable solutions and systemic change.

About Catalyst

Founded in 1962, Catalyst is the leading nonprofit organization expanding opportunities for women and business. With offices in the United States, Canada, Europe, India, and Australia, and more than 700 members, Catalyst is the trusted resource for research, information, and advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the Catalyst Award.

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How Organizational Change Happens and Why Culture Matters

Two months ago, middle manager Latrice Bella[1] was tasked with expanding a flexibility initiative within her unit. She's excited about the opportunity and has many cutting-edge ideas. However, she's new to the company and is unsure how to navigate organizational cultural norms. Latrice doesn't want to seem overly critical about existing policies or current leadership.

A senior-level executive, Janice Livingston,[1] has had many sleepless nights considering the most effective way to roll out a promising leadership initiative to global pipeline employees. She recognizes the strides made for women in executive ranks, yet she is concerned about keeping up the momentum and inspiring women and men across regions to champion and feel ownership for the work.

CEO Dean Thomas faces a dilemma. He knows that employee morale and engagement are low. Recent employee survey results show a 20% decline across all businesses from last year. Upon examining these results further, he sees that there are significant differences between women and men employees as well as significant gaps between regions. He also notes that, across regions, many teams state they don't trust their direct supervisor, and many have lost faith in senior leadership.

What do Janice, Latrice, and Dean have in common? All know that their respective organization is facing significant change. All want to be best prepared to understand and manage the change while also being sensitive to what is already working across different regions or businesses. And all have a personal investment in improving the company's inclusive work culture—underscoring the human side of change.

Leaders at all levels face these same types of dilemmas. The need to develop well-informed and targeted strategies to successfully navigate and increase inclusion is a business imperative. It is paramount not only to consider systems and process change but also the softer or emotional aspects—pride, uncertainty, fear. This has particular relevance in today's global economy, in which oftentimes different societal and cultural dynamics, norms, and practices influence how people relate to one another and how business operates.

Unpacking Change: Understanding Context to Cultivate Inclusion

Change is a complex, dynamic process that must constantly be monitored, revised, and renewed. Deep and holistic understanding of change processes can boost organizations' ability to celebrate successes *and* navigate setbacks. Critical to achieving inclusion, a firm grounding in the roles that societal[2] and organizational[3] culture play in developing and implementing change initiatives can help companies thrive in women's advancement efforts.

The Corporate Practice Change Model

The Corporate Practice Change Model—or Change Model, for short—has three interacting and revolving dimensions to help companies "unpack" the change process and navigate the dilemmas faced by leaders like Janice, Latrice, and Dean (see Figure 1). By integrating change management and human behavior theories as well as Catalyst knowledge and research, this model:

- Depicts the interaction between **change accelerators** and **change milestones**.

- Showcases **successes** as guideposts to see how change is happening at key points

- Normalizes the **setbacks** as hidden and profound learning opportunities that occur along the way.

- Infuses organizational **refinement** and **learning** as core to the change process.

Change Accelerators[4]

Depicted in the outermost layer of the Change Model, the change accelerators—core identity, championship, relationships, and design and processes—reflect the components of an organization that can be leveraged to accelerate—or decelerate—change. Meaning that each has the potential to support or derail opportunities to effectively drive inclusion (see Table 1).

Change Milestones[5]

Depicted in the middle layers of the Change Model, each change milestone shows the evolution of a company's change process. The milestones capture a series of successes and setbacks as companies move through the cycles of change and advance in their inclusion work (see Table 2).

- **Successes** are potential high points in the change process, including everything from discovery and awareness, vision and commitment, preparation and mobilizing, and action to systems integration.

- **Setbacks** are important sticking points relating to why and how change occurs, including confusion, misalignment, paralysis, resistance and turmoil, and systems shock.

Refinement and Learning[6]

Depicted in the innermost core of the Change Model, the continual refinement, learning, testing and retesting is vital to the change process. It ensures that change processes are moving smoothly and that companies have opportunities to reflect and to intervene effectively at key points. This requires openness to learning from both *successes* and *setbacks*. Keeping communication channels open and fluid is essential to this process. Metrics and ongoing tracking also underpin opportunities to refine current efforts—such that accountability methods support, rather than undermine, learning and action planning.

Change strategies are not one-size-fits-all. The Corporate Practice Change Model is designed to work with companies' different approaches to creating inclusion. It also is flexible. Companies may use it in its entirety or leverage specific dimensions that resonate within varying societal or organizational cultural contexts. Tables 1 and 2 highlight key considerations for using the Change Model to help unpack your company's change process and build actionable, targeted solutions.
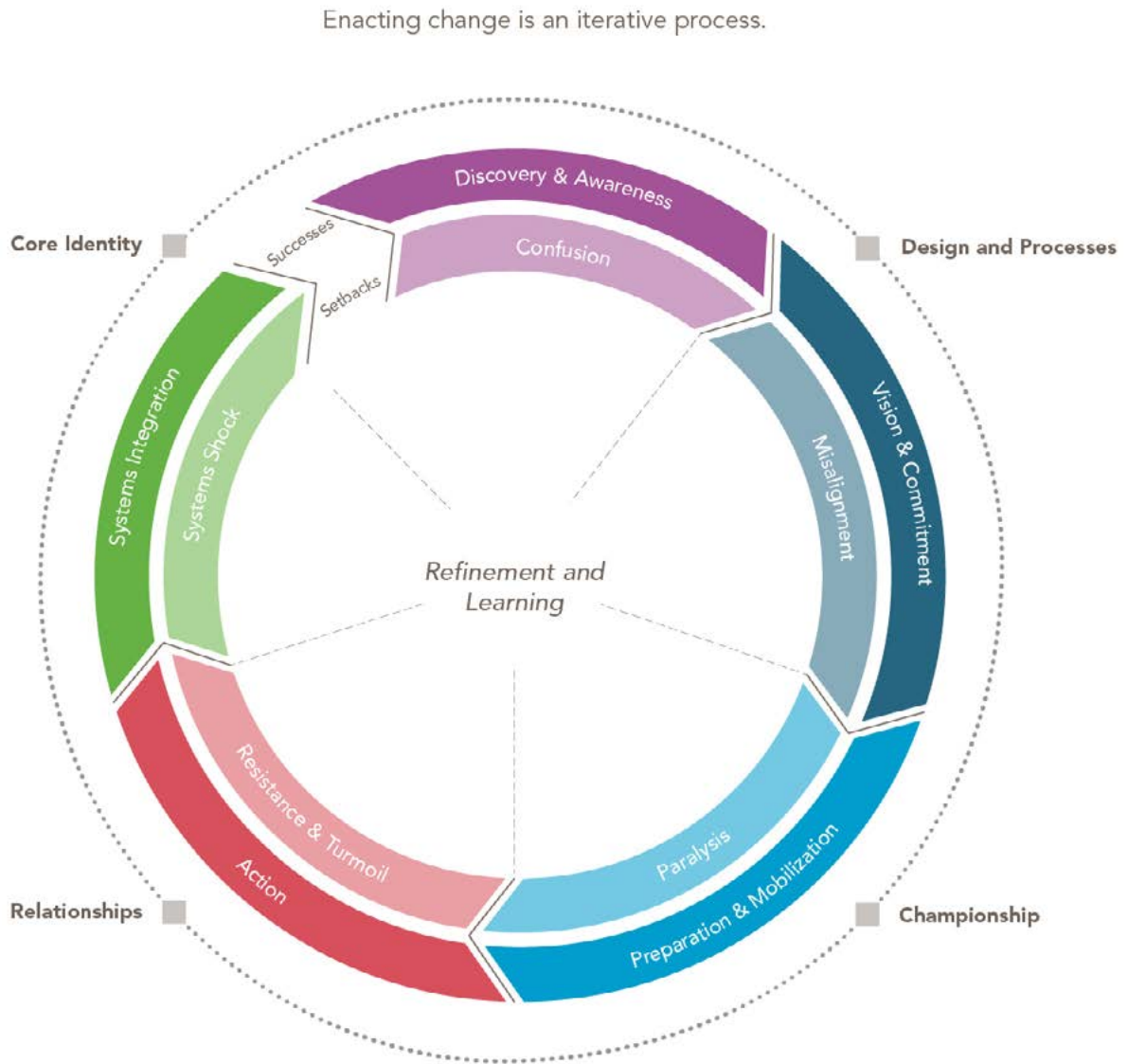
ABOUT THE CULTURE MATTERS STUDY

The *Culture Matters* series is a longitudinal study focused on how organizations can build inclusive cultures, develop diverse talent, and close gender leadership gaps. The goal is to advance understanding of which programs and policies work, where, and why by distinguishing:

- Critical organizational change processes—including successes and setbacks—that companies tackle while building inclusive workplaces.

- Societal and organizational cultural factors that facilitate or inhibit inclusive work cultures.

- Global and region-specific success stories and sticking points to offer insight into how companies can achieve inclusion.

This study examines variations in both effective and less effective programs and policies across multiple years as well as organizational, regional, and local cultural contexts. Catalyst's mixed-methods approach includes organization-wide surveys, interviews, focus group discussions, and archival review of company initiatives. The series' first report, *Culture Matters: Unpacking Change and Achieving Inclusion,* offers an integrative change model that serves as a conceptual foundation.

FIGURE 1
Corporate Practice Change Model

Enacting change is an iterative process.

Discovery & Awareness

Confusion

Core Identity

Successes

Setbacks

Systems Integration

Systems Shock

Vision & Commitment

Misalignment

Refinement and Learning

Design and Processes

Resistance & Turmoil

Action

Paralysis

Preparation & Mobilization

Relationships

Championship

Change Accelerators Vary at Key Milestones

Change accelerators orbit the milestones (successes and setbacks). Not every accelerator is on the same milestone—societal and organizational culture influence how change processes evolve. Organizations can leverage different accelerators at different milestones to drive change.

Core Identity | culture and values

Design and Processes | formal and informal mechanisms

Championship | leadership at every level

Relationships | connections and interpersonal support

TABLE 1
Change Accelerators

Accelerator	Considerations
CORE IDENTITY reflects the purpose and values of an organization and is central to mission development and business operations. It is vital to helping employees and stakeholders find meaning in their work that goes beyond the execution of day-to-day tasks.	What do you value most about your organization? How are these values exemplified in your business processes and employees' work as well as in the societal and cultural context in which your company operates?
DESIGN & PROCESSES focuses on how organizational effectiveness and business results are achieved through formal structure (i.e., hierarchy) as well as formal and informal mechanisms. This can include formal chains of command, internal polices, practices, and systems of rewards/punishments as well as external factors.	What structures and processes work well to support your change initiatives? What are the unintended consequences that hinder your ability to move to action?
CHAMPIONSHIP exemplifies how leadership—at every level—keeps a company's core identity alive and aligned with business priorities. While there must be leadership at the top in any change strategy, employees at all levels must have opportunities to lead.	How are employees (across levels) inspiring, supporting, and driving change (e.g., communicating effectively and holding others accountable)? What actions are they taking?
RELATIONSHIPS emphasizes how people build connections and support one another to get things done. That is, how do individuals' collective identity, interactions, and support of one another drive organizational effectiveness and business results.	In what ways does relationship-building support or impede your organization's change goals? How can your company leverage the positive ways employees relate to one another? Are there key societal or organizational cultural considerations at play that influence employee connections and support?

TABLE 2
Change Milestones

SUCCESSES	SETBACKS	IN ACTION EXAMPLES	
		STICKING POINT	SOLUTION
DISCOVERY & AWARENESS occurs when organizational members gain critical insights that spark further consideration about what's next and how to get there.	CONFUSION reflects uncertainty about what the desired change or state will look like as an organization moves along in the process from discovery and awareness to vision and commitment.	Uncertainty about the value-add of addressing an identified gap or problem can generate confusion and cause others to perceive a lack of readiness to change. This can be of particular relevance given the complexities of varied cultural contexts.	Ensure that communications are clear and processes behind how decisions are made are shared as appropriate. This involves monitoring personal and validating others' emotional reactivity to change.

SUCCESSES	SETBACKS	IN ACTION EXAMPLES	
		STICKING POINT	SOLUTION
VISION & COMMITMENT is a process of aligning an organization's vision for inclusion with one's core identity, values, and mission.	**MISALIGNMENT** ensues as change leaders or key stakeholders seek to best position their perspective, personal values, or ideas as part of the visioning process. Differences also occur about best approaches to prepare for the change and, then, step into action.	If group members get caught in unproductive discussions that are difficult to resolve, this can stymie potential change.	Create space and cultivate employee skills for engaging in critical dialogue. Critical dialogue helps employees voice ideas and test core assumptions about what change means in different sociocultural contexts and promotes organizational learning.
PREPARATION & MOBILIZATION involves setting the stage and cultivating employee readiness for change. Steps taken may include achieving buy-in and garnering resources (financial or otherwise) to make change stick.	**PARALYSIS** reflects an inability or stagnation that accompanies preparation.	A significant challenge can emerge as change leaders put the best-laid plans in place but then stagnate or don't know how to move forward.	Getting unstuck can require cycling back to previous phases or taking a risk by thoughtfully moving into action in key areas (e.g., with one type of change accelerator or in consideration of cultural context).
ACTION occurs as change plans are executed, new ideas are tested, and accountability mechanisms strengthen opportunities for learning and refinement.	**RESISTANCE & TURMOIL** happens as individuals and groups indirectly or directly challenge various aspects of the change. This can be viewed as "push back."	In one's role and sphere of influence, an employee may not fully put forth the effort required for change to advance, or a change leader may not be receptive to the modifications.	Ensure time is made for assessment and diagnosis throughout this phase. This may include circling back to those who have questions or different views, addressing fears, and seeking feedback to refine as needed.
SYSTEMS INTEGRATION embeds inclusive practices and behaviors into the fabric of organizations. Depth of integration can vary and fluctuate within systems. Change is an evolving and living process.	**SYSTEMS SHOCK** evokes a sense of dread, burden, or ambiguity when things don't go as expected. Organizations need to recalibrate current change efforts.	When issues arise, employees may revert to previous behaviors, processes, and actions.	Remain open to refinement and learning. This includes having appropriate feedback loops in place or seeking hidden learning opportunities to buffer systems shock and help the change stick.

Why Culture Matters

Change is happening all around us. The world is evolving in ways that compel organizations to constantly reevaluate how business is done and how to ensure their diverse employee and consumer base are connected to the business.[7] Significant shifts in the demographic composition of the labor force, the blinding speed of innovation and technological advances, as well as human rights and corporate social responsibility (CSR) initiatives present challenges and opportunities for organizations to develop robust diversity and change agendas.[8]

As such, these are inspiring times for cross-cultural collaboration and strategic action focused on embracing difference and leveraging inclusion. Forward-thinking companies are at the helm of navigating such changes—building innovative and data-driven strategies and leveraging the organization's core identity, championship, relationships, and design and processes to cultivate inclusive workplaces that factor in changing societal trends.[9]

At the same time, change is difficult. Setbacks, unmet expectations, and resistance are commonplace.[10] Managing these setbacks can perplex or dishearten those who spearhead even the most sophisticated and promising inclusion initiatives. Leaders, change agents, and employees across cultural contexts must be able to manage the excitement as well as the difficulties, doubts, and disappointments.

These successes and setbacks are well-known to accompany systemic change efforts.

In Latrice's case, she knows that dealing with or managing change can often lead to the perception that change is negative. However, she knows that this is not the case, and organizational change does not need to be approached with a negative mindset. Because of this, her dilemma is around how to frame her ideas and approaches as productive and helpful rather than critical. She also recognizes change processes have successes and setbacks. Latrice makes a strategic decision to go into inquiry (refinement and learning) to better gauge how organizational cultural factors have impacted receptivity to the flexibility initiative and why there is such potential for push back (milestone: discovery & awareness). She decides to look to the organizational change strategy (change accelerator: design & processes) and schedule a series of meetings to learn more about how previous efforts were rolled out and communicated to employees.

This is why *culture matters in driving organizational change*.[11] Societal cultural norms, values, and perceptions often affect how organizations get things done. This may also include how behaviors are interpreted. Consider Latrice's dilemma: she is concerned that redesigning the flexibility programs may be perceived as threatening rather than helpful. She is aware that the company's culture favors "face time" over "flex time,"[12] which generates a widespread lack of buy-in for such programs.

Broader societal norms and values can also govern change strategies and approaches. Societal culture informs the ways in which the need for change is experienced, top leaders communicate change visions and progress, organizations experience resistance, and people react emotionally to change.[13] All shed light on the successes and setbacks reflected in the change milestones. For example, organizations situated in economically developed regions may have greater openness to organizational change, which may stem from a precedence of having had to adapt to institutional policy reforms.[14]

Yet societal culture can also vary significantly from one location to another. Within-regional (and within-country) cultural differences[15] pervade, and these broader, nuanced societal cultures can shape corporate culture.

Consider Janice's predicament: she is concerned that employees across regions will not feel ownership for D&I programs. She wants to ensure they remain connected by seeing strategies in the company that reflect their regional values while still fitting into the broader corporate program. Janice is amidst the "ups and downs" of aligning employees across regions to a shared vision (milestone: vision & commitment). Yet, this is not a simple task. Navigating different societal and organizational cultures has generated a sense of ambiguity between Janice and her team about the best course of action. In prior assessment, however, Janice recognizes that employees take great pride in their work and company—leveraging aspects of the company's core identity as a change accelerator. Janice soon begins to reflect on this sense of organizational pride in building a strategy to garner the buy-in and build the regional relationships required to move forward.

An overriding corporate culture (i.e., the headquarters' culture) does not always translate into local or field offices (and vice-versa). Local offices have their own organizational culture or entrenched set of values and beliefs, which inform work practices, styles, and behaviors. Many organizations recognize this when developing D&I programming and customizing practices that extend beyond a one-size-fits-all model. Change does not manifest itself in the exact same way in different organizations in similar locations, or even in different regions of one organization. This is why examining the cultural context is so essential.[16]

Leveraging Change: Assessing Readiness To Accelerate Progress

As defined in our model, Change readiness[17] reflects how prepared an organization is—in terms of core identity, championship, relationship, and design & processes—to embark on change or accelerate progress for an inclusion and women's advancement strategy. While there are many myths used to try to explain inequalities in the workplace, they often focus on what can be done to "fix the individual." The reality is that there are often structural inequalities and systemic barriers that inhibit truly inclusive work cultures.[18] Assessing change readiness provides a lens in which to unpack organizational barriers and cultural considerations.

SPOTLIGHT: THE IMPORTANCE OF LOCALIZED STRATEGIES TO DRIVE INCLUSION

At McDonald's Corporation, the Global Women's Initiative[19] builds on the company's overall concept of "freedom within a framework," which is a multi-pronged approach that allows it to scale programs globally in ways that are relevant to local markets. The Women's Leadership Network (WLN), which is the initiative's primary delivery mechanism, is managed through a global hierarchy of regional steering committees that share detailed business plans, communications strategies, and best practices. For example, the leadership of the Asia-Pacific, the Middle East, and Africa WLN (APMEA WLN) Steering Committee, formed in 2006, includes market leaders in Japan, Korea, South Africa, and Thailand. The European Union WLN Steering Committee (EWLN), formed in 2007, has committee members that includes representatives from France, Germany, Spain, and the United Kingdom. Examples of localized efforts include the WLN Award, which gives global visibility to women at McDonald's who have contributed to the WLN or to women's advancement opportunities and workplace inclusion. Fifty-nine women from more than 20 countries/regions have received the award since its inception in 2002.

Consider Dean's dilemma: he is trying to increase global employee engagement. Knowing that his employees are people from varied cultures, backgrounds, and experiences, he feels the need to change systems to ensure inclusion in organizational processes, such as decision-making. He is also seeking to build inclusive work cultures so that all employees feel valued. With this vision in mind, Dean has begun action planning, yet he is bouncing between two interconnected milestones: preparation & mobilization and paralysis. Leaning on the insights of trusted advisors, Dean contends that the sense of being "stuck" is actually a reflection of lack of readiness. He quickly decides to refocus efforts by creating a task group for each region to test common assumptions about how various facets of the organization (change accelerators: core identity, championship, relationships, and/ or design & processes) are uniquely supporting or immobilizing attempts to localize this initiative.

An initial step to assessing change readiness involves examining buy-in; this is particularly relevant for action planning and implementation.[20] Cultivating buy-in helps employees connect with broader organizational values and change objectives. Benefits to this approach include:

- Greater alignment of the inclusion vision with employee values to cement commitment (*change accelerator: core identity*).

- Enhanced potential for engaging individuals across levels as champions of change (*change accelerator: championship*).

- Enriched opportunities for relationship building and collaborative work across job functions and levels (*change accelerator: relationships*).

- Greater prospects to make change stick— by listening, learning, and taking stock of employee experiences to fully integrate changes into organizational structures and mechanisms (*change accelerator: design & processes*).

Testing Change Buy-In in China: a Case Study

To illustrate how the Change Model can be used unpack change for organizations, we explore change occurring in several multinational organizations with operations in China.[21] We rely on interview and survey data examining change perceptions to explore how change happens within a complex sociocultural context as well as an ever-growing economy.

How do change accelerators[22] influence change buy-in?[23] We found that:[24]

- Approximately 79% of change buy-in is explained by several indicators of core identity and championship:[25]

  □ Indicators of a connected core identity were instrumental factors associated with change buy-in. Indicators of core identity include:

    · Having a business-aligned gender balance strategy.

    · Personally identifying with company core values.

  □ One aspect of championship— leaders' ability to embrace transparent and focused communication about change processes—is key to change buy-in.

Do women and men differ in perceptions of how the change accelerators are realized in their company? We found that:

- Compared to women, men held a more positive view of three key accelerators of change (see Table 3).[26]

  - These three areas of differences reflect broader organizational-level practices as opposed to personal or relational factors. This perception gap showcases the ways in which one's vantage point as a member of a traditionally dominant or non-dominant group can influence views of organizational processes. Those situated in dominant groups, depending on context, may be more likely than non-dominant groups to feel that their companies have inclusive practices.[27] As such, compared to women, men may be more likely to perceive that change is happening—particularly when there are highly visible practices in the mix.

  - Findings also show no gender differences on personal variables (e.g., personally identifying with company values) or relational factors (e.g., positive views of diversity climate). China is known to have a historically collectivist culture in which valuing harmony, connections, and contributions that extend beyond job functions are prevailing cultural norms shared by women and men alike.[28]

TABLE 3

Differing Perceptions of Change Accelerators by Gender

Change Accelerator	Key Indicators	Hold More Positive Views		
Core Identity[29]	Having a business-aligned gender balance strategy (i.e., gender balance strategies connect to the larger business objectives)	👨 (men)		NO GENDER DIFFERENCE
	Personally identifying with company core values			**NO GENDER DIFFERENCE**
Championship[30]	Perception that top leaders demonstrate a visible commitment to gender balance and inclusion			**NO GENDER DIFFERENCE**
	Perception that top leaders embrace transparent and focused communication about change processes	👨 (men)		NO GENDER DIFFERENCE
Relationships[31]	Holding a positive view of the organizational diversity climate			**NO GENDER DIFFERENCE**
	Perceiving that co-workers value one's unique perspectives			**NO GENDER DIFFERENCE**
	Perceiving that co-workers value one's unique talents			**NO GENDER DIFFERENCE**
Design & Processes[32]	Perceiving that one's organization has mechanisms and practices in place to advance inclusion	👨 (men)		NO GENDER DIFFERENCE

Are there gender differences in employees' levels of buy-in to their company's approach to women's inclusion and advancement?

- Change buy-in does not differ by gender.[33] Even though there were gender differences in *perception* between women and men, what it takes to boost buy-in showed no noted differences.

Infusing Learning and Embracing Setbacks to Drive Change

"One of the key barriers to increased diversity … is how to engage people in power in discussions and activities that will lead to change."

—Excerpt,
The Oxford Handbook of Diversity and Work [34]

Seemingly indicative of a change failure, setbacks are vital for refinement and learning.[35] Organizations must expect setbacks (confusion, misalignment, paralysis, resistance and turmoil, and systems shock) during the inclusion journey. Each setback is a valuable and potentially hidden learning moment. By embracing setbacks, change leaders and employees begin to normalize the process, which creates the opportunity to garner buy-in, increase readiness, and help employees understand that feeling stuck is part of the process. How these setbacks are handled is what matters.

- **Managing employee reactions and emotional responses to change is essential to normalizing the process.[36]** The mere idea of change can often provoke feelings of anxiety and uncertainty among organizational members; in response, people will develop coping strategies to deal with change. However, emotional reactions to change are much more complex and dynamic than simple feelings of anxiety or uncertainty. In building inclusive workplaces, emotional reactions are commonplace. Change efforts can challenge an employee's identity, values, and perspectives. For example, a sense of "otherness" (feeling different from one's workgroup or workplace as a whole)[37] may amplify an individual's ambiguity regarding how the changes affect existing feelings and experiences of being different.

- **Providing opportunities for open dialogue and learning[38] as well as supportive mechanisms to help employees develop the skills to deal with emotional reactions[39] is paramount.** Emotional reactions can differ at each milestone as people progress through change. Leaders must be equipped to deal with both positive and negative emotional reactions to change—particularly given that work teams and business units, as well as societal and organizational cultures, may have different ways of learning and driving change. As a starting point, consider this:

  □ What are your personal narratives and reactions to your company's approach to cultivating an inclusive workforce? How are you making sense of your company's progress as well as others' reactions? Are you proud, hopeful, or engaged? Or, are you disappointed, withdrawn, or ambivalent? How can these reactions be key hidden learning points to help advance your company's work?

  □ There are many myths and fears about addressing emotions in the workplace experienced by individuals, work units, and organizational leaders. How might cultural (either societal or organizational) factors perpetuate these myths? How can employees at all levels build requisite skills for engaging in constructive, authentic, open dialogue to accelerate progress?

- **Examining data and having conversations that matter is invaluable for refinement and learning.** Assessing metrics—and talking about how to effectively leverage findings—will help reinforce the milestones and progress as well as ensure accountability. At no point is such data irrelevant; baseline and ongoing metrics assessment allow organizations to effectively build on and modify plans throughout the change process. This is vital, because what is measured can be understood, what is understood can be controlled, and what is controlled can be improved.[40]

Celebrating Change: Assessing, Monitoring, and Refining the Inclusion Change Process

Remember Janice, Latrice, and Dean? Each leader was striving to understand how to navigate different change dilemmas to ensure that they were contributing to their organization's inclusive culture.

Latrice made a thoughtful decision to leverage her relationship with her regional human resources representative to suggest new flexibility ideas for her business unit. She met with him to discuss current programs and brainstorm where the gaps and opportunities existed. Together, they saw that some best practices around telecommuting and implementing adaptable workspaces could be adopted within their organization. They scheduled time with the regional business president and co-presented their ideas and the fact that these efforts were projected to reduce costs by 10%. A pilot program was approved, and Latrice is leading the implementation team.

Janice decided to conduct "meet and greet" sessions across key operation sites in Europe and Asia to best determine how employees perceived and realized the company's core identity. By leveraging these relationships and validating employee concerns, she knew she would be able to prepare and mobilize mid-level managers who would drive change regionally. Janice's process worked: local teams formed regional councils and began implementing innovative ideas to drive the company's women's strategy. Initial data assessment shows positive movement for women across key positions, particularly in Asia—an early indicator of success.

After a series of setbacks, Dean was not sure what to try next. He decided to go back to some of his key leaders who were most resistant to the changes. He soon realized that these were the very people causing disruption in the manufacturing business. Employees felt that they had limited passion for their roles and that they were choosing their friends for key assignments rather than making merit-based assignments. Dean made a tough choice: he terminated several of these executives and held a global staff meeting to discuss the changes. He decided to realign promotion processes and convened a talent committee to put together slates across regions to fill the vacant positions. One of the selection criteria was that the slates must be diverse and include local talent. Employee reaction was overwhelming: comments at the staff meeting Q&A and in follow-up emails indicated how much they respected that Dean wanted to improve the culture. Employees now felt like Dean was their champion.

By considering the accelerators and milestones in the Change Model, leaders can assess different reflection and action points. As organizations move through the change process—whether initiating new or building on existing efforts—it is important to consider the following:

- What are the business imperatives for why culture matters in driving organizational change to advance inclusion within different societal and organizational cultures?

    □ How do local socio-cultural norms influence inclusion, talent management, and the advancement of women and diverse groups?

- In what ways can your company fully utilize the organization's change accelerators (core identity, championship, relationships, and design & processes) to increase readiness for change? What are the potential success factors and sticking points?

- How is your organization managing its change processes?

    □ In what ways are employee responses and emotional reactions considered or leveraged, particularly in developing and implementing inclusion-focused programs?

    □ How can change leaders at all job levels employ innovative, bold, data-driven strategies to effectively drive change?

    □ How is your organization celebrating the small wins and using those stories to further motivate employees?

- What lessons has the organization learned along the way from the successes and setbacks that can now be used to inform future work?

To build inclusive work cultures, companies must have a keen awareness of how change happens and why culture matters as part of that dynamic process. Companies also must have a vision that resonates with employees. To engage employees, they must also have aligned business strategies to navigate the rapid flow of societal trends that directly influence D&I practices. When employees help craft, shape, or provide feedback as part of this work, engagement tends to be higher, more diverse ideas are generated, and all employees benefit.

Celebrating successes and small wins, along with embracing hidden opportunities that accompany setbacks, are steps organizations can take to achieve inclusion. By building on what works, refining what is not working as well, and engaging in forward-thinking efforts to accelerate progress, *change is possible.*

Endnotes

1. All of the names of individuals referenced or quoted in this report have been changed to protect their anonymity.
2. Societal culture, also considered a form of national culture, reflects the norms, values, and beliefs that can emerge from within an historical, religious, or socio-political context as well as clustering of geographic locale. Societal or national culture is not bound by country-level borders. It can extend regionally and comprise within-country variations. Olof Petrus Godefridus Bik, "The Behavior of Assurance Professionals: A Cross-Cultural Perspective," (PhD Dissertation, University of Groningen, 2010); Vipin Gupta, Paul J. Hanges, and Peter Dorfman, "Cultural Clusters: Methodology and Findings," *Journal of World Business*, vol. 37 (2002): p. 11-15; Reed E. Nelson and Suresh Gopalan, "Do Organizational Cultures Replicate National Cultures? Isomorphism, Rejection and Reciprocal Opposition in the Corporate Values of Three Countries," *Organization Studies*, vol. 24, no. 7 (2003): p. 1115-1151.
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21. Survey data from the first wave of data collection in China were collected in spring 2013 from multinational companies with global operations in Asia-Pacific and provide a case example of the Change Model in action. Findings were drawn from 897 respondents: 57.5% were female and 42.5% male; 99% self-identified as Chinese. Employees were an average of 34 years of age (sd=6.4). Average job tenure with current organization was approximately 7 years (sd=4.78; min= less than a year to a max of 18 years). Breakouts by job position comprised: 2.7% of respondents in pre-management ranks, 53.6% in professional-level ranks; 28.4% in management, 2.7% were in senior management or leadership positions. The remaining percentage (12.6%) designated "other" as job position.

22. The extent to which employees held positive views of the change accelerators were measured by a host of key indicators as outlined in Table 3.

23. Change buy-in was measured using an eight-item scale (alpha=.93), which was adapted from Armenakis et al. (2007).

24. A hierarchal regression model was conducted to test for the relative influence of each indicator of the change accelerators on employee change buy-in. Controlling for demographic factors (gender, age, ethnicity, job tenure, and job position), the most critical change in variance explained happens when core identity and championship were entered into the model. The model tested accounts for 79% of variance in employee buy-in as captured by the organizational change recipient's belief scale (OCRBS).

25. All other employee-perceived indicators did not have statistically significant effects on change buy-in. These relate to relationships and design and processes as well as top leadership's visible commitment to gender balance and inclusion as a form of championship.

26. A series of independent t-tests were conducted to test for significant gender differences among all key indicators of each change accelerators.

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29. Key indicators of core identity were measured with two single-item questions. These captured the extent to which 1) respondents perceived that their company's gender balance and inclusion strategy is connected to the larger business objectives and strategy; and 2) individuals identify with a company's core values.

30. Two indicators of championship were used: 1) change communication was measured by a 4-item scale (alpha=.906) that was created for the *Culture Matters* Series. Sample items include: "The business rationale for this change is being communicated effectively to others in my work group," and "Communication from top leaders about this change is genuine and authentic;" 2) a single item was used to measure top leaders' visible commitment to gender balance and inclusion. Adapted from: Patrick F. McKay, Derek R. Avery, and Mark A. Morris, "Mean Racial Ethnic Differences in Employee Sales Performance: The Moderating Role of Diversity Climate," *Personnel Psychology*, vol. 61, no. 2 (2008): p. 349-374.

31. Two scales were used to capture the indicators of Relationships: 1) a three-item scale measured diversity climate (alpha=.91), adapted from McKay et al. (2008); 2) a two-item scale, created for this study, captured the extent to which respondents perceived that their co-workers valued their unique talents as well as unique perspectives (alpha=.89).

32. The indicator for design & processes focused primarily on respondents' perceptions of the mechanisms in place to advance inclusion. Specifically, a four-item scale (alpha=.94) was created for this study to capture this facet of organizational design and processes. Questions were asked that assessed the extent to which respondents' organizations have the following mechanisms in place (re: regarding cultivating a gender balanced or inclusive organization): 1) creates opportunities for work groups to discuss what it means to be inclusive; 2) asks for input from employees (at all levels) on how to improve; 3) has a structure for reviewing and responding to employee suggestions to enhance current efforts; and 4) has formal processes for work groups to share best practices.

33. An independent samples t-test was used to examine whether women and men differed on perception of change buy-in. Findings yielded no statistically significant gender effects.

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