

Leading through Inclusion, Respect, and Transparency

A CONVERSATION
BETWEEN:

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The disruption caused by rapid advances in technology and new forms of working will accelerate the displacement of talent within large companies. To remain stable and sustain growth, companies must broaden their talent pool and adapt alongside their consumer base.

01 Diversity, Equity, & Inclusion

Tap into new resources

Position DEI as part of the core company strategy to attain top talent and not as a separate social program. If a company is not casting its net wide to attract people from multiple communities, including tier two and three schools, it is falling short of its potential talent.

Candidates who have typically been overlooked due to their ethnic or educational backgrounds often have an elevated hunger to impact their companies and their communities. Giving them a chance evokes loyalty and builds a resilient workforce in the face of a challenging environment.

“Does equality threaten you? Don't let it threaten you. Look at it as a fantastic resource you have to move the company forward.”

- Indra Nooyi

Set the tone from the top

The executive leaders of the company need to set the agenda on DEI regardless of their own identity. Only if DEI is led according to seniority will the rest of the company understand that it is part of the core strategy and not a separate program.

CASE STUDY

Reward appropriately

When Indra became CEO, PepsiCo divided its performance appraisals between 70% business results and 30% people results. Three years later, PepsiCo split them 50/50.

Each category had only two or three objectives, and within people results, creating diverse teams was a priority.

DEI is a goal that affects the whole company and must therefore be communicated by those who lead the whole company.

Emphasize the importance of DEI through the way you report on it. Don't leave it as the last item on the agenda. Guide the conversation beyond simply analyzing metrics to looking at broader initiatives of how to tap new pools of talent.

“Focus on educating the leaders in your company because if they don't believe in it, they will always delegate it to a chief of minority supplier relations or a DEI officer.”

- Indra Nooyi

Report DEI as strategy

If you make DEI mainstream, don't report it separately. Report it as part of your HR metrics. Move away from formulating it as part of ESG metrics and position it as a core strategy.

Seek good not fast

Homogenous teams typically make decisions faster but the short-term efficiency may come at the cost of long-term progress. Creativity, risk mitigation, and representation of the consumer base are all aided by broader perspectives on the team as people's unique experiences can cover for the blind spots of others.

“Some people focus on how easy it is. I say focus on how good it is.”

- Indra Nooyi

CASE STUDY

Empathic leadership

Indra sent her senior leaders shopping. They had two hours to buy a meal for a family of four with the budget typical to a low-income family.

Nobody returned with branded or quality products because they were too expensive.

Indra used the exercise to evoke sensibilities and to pull them out of their bubbles. To create better strategy, she needed them connect to the larger community of the company.

Be conscious about external action

Codify the social issues that you will take a stand on as a company so that you already have criteria and a plan when individual social issues occur.

You cannot have an organization that is divorced from the communities in which it operates. Employees may pressure you to make a statement because they have nowhere else to turn to, but if you make a statement and don't live up to those values, you create more confusion than goodwill.

“You have to be careful not to jump in and out of issues unless you're willing to fundamentally make a change inside your company.”

- Indra Nooyi

02 Disruption

Indra highlighted three sets of imminent technologies that will profoundly impact job displacement:

1. Large language models and generative AI
2. Individual cell manipulation and tailored drugs
3. Battery life, weight, and cost

“I don't believe I've lived through a time where the world has changed as much as it's changing now.”

- Indra Nooyi

RECOMMENDED READING:

- ['The Godfather of A.I.' Leaves Google and Warns of Danger Ahead](#)
- [Goldman Sachs CIO Tests Generative AI](#)

Become a lifelong learner

Profound change leaves you no option but to embrace it. If you don't adapt, a new group of people who do will soon lead the company in directions dictated by the new technologies.

Understand the technologies and how they will impact you. Figure out how you want to adopt and adapt them for your company. You don't need to know it all; anything you learn will put you a step ahead. Be ready to be a student again at every available moment.

"If you want to lift the organization, you have to lift yourself. The day the organization is learning more than you, you should move out."

- Indra Nooyi

Calm fear

In a period of disruption, people are afraid for their jobs. Get them to drive learning for themselves. Assign stretch assignments that force them to learn what is needed for the future.

Avoid offering wide scale training on new technologies as you may create heightened awareness of potential job losses and instill fear in the organization. Encourage learning by creating a need for it in each individual rather than imposing it before they understand the context and consequences.

Temper transparency

In difficult times, be honest with the company but share only to the extent that you can steer the mood of the whole organization. Be aware of the lag between when you communicate and when the message lands with the frontline.

If you are too transparent about the extent of a crisis, it may create a nadir of negativity just as things get better and you need the organization to act with confidence and optimism.



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