BE A
J.E.D.I.
LEADER
NOT A BOSS

OMAR L. HARRIS

BE A
J.E.D.I.
LEADER
NOT A BOSS

LEADERSHIP IN THE ERA *OF* CORPORATE SOCIAL JUSTICE, EQUITY, DIVERSITY, *AND* INCLUSION

RIGHT NOW, IN THE MILKY WAY GALAXY...

IT IS A DARK TIME IN LEADERSHIP

ALTHOUGH MOST BUSINESS
MANAGEMENT GURUS IDENTIFY
THE NEED FOR TOXIC LEADERSHIP
PRACTICES TO STOP, THE GUARDIANS
OF THE STATUS QUO REFUSE TO ADAPT
TO NEW LEADERSHIP STANDARDS

THERE IS A NEW HOPE, HOWEVER, IN
THE FORM OF AN UPRISING OF J.E.D.I.
SERVANT LEADERS JOINING FORCES
TO REBEL AGAINST THE TOP-DOWN
TOXIC FORCES OF THE DARK SIDE

THEY PLAN TO USE THE FORCE
OF A SPECIAL TEXT CALLED BE
A J.E.D.I. LEADER, NOT A BOSS
TO POWER THEIR ALLIANCE

THE ESTABLISHMENT FORCES WILL
STOP AT NOTHING TO MAINTAIN THEIR
WAY OF LIFE AND DO NOT WANT THIS
TEXT TO SPREAD ACROSS THE WORLD.

J.E.D.I.

(Social) **J**ustice, **E**quity, **D**iversity, and **I**nclusion.

For Dr. Sybil C. Mobley
Founder of the School of Business and
Industry at Florida A&M University
An original J.E.D.I. Leader
Your legacy lives on.

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FOREWORD

The Dark Force

There is an unseen but very much felt force that influences our lives. It pervades our homes, relationships, work, play, and spending. This is not a benevolent force aiding us in becoming our best selves. It is indifferent to anything but its own survival and growth. Also known as colonialism, imperialism, or even manifest destiny—this dark force describes the augmentation of power (primarily in terms of acquiring *more*—land, capital, resources, weapons, control, and wealth) at the expense of the disenfranchisement of people, the deterioration of sovereignty, the dissolution of the community, and the destruction of the environment.

Those driven by the dark force seek personal gain above all else. They lack a basic sense of responsibility to their fellow human beings, even sometimes those within their own families. They are consumed by a need to control everything around them. Like a black hole, no praise or benefit escapes their event horizon.

These toxic leadership practitioners have been in charge of countries, communities, and corporations for so long that they have normalized oppressive behaviors such as ignorance, bias, falsehood, manipulation, and the *isms* (sexism, heterosexism, racism, classism, ageism and ableism). We have reached a tipping point in many societies where we are

being torn apart from within by the things that separate us, not brought together by our shared values. This, of course, is the primary goal of the dark force coalition seeking to consolidate their power by fomenting fear, hatred, and division to control the general populace. As long as we are warring amongst ourselves, we are not paying close attention to the damage those in power are truly causing on a global scale.

This is not about judging people. It is about holding everyone accountable for their beliefs (overt or covert), intentions, actions, and inactions. There are plenty of people who remain painfully oblivious to the implications of their behavior on a wide variety of stakeholders—but our so-called leaders can no longer be amongst them or commiserate with them.

Fortunately, there is an opposing force.

J.E.D.I. Leadership

This opposing force includes practitioners who seek to empower, enable, and build up everyone in their sphere of influence. They are few but significant in their power to shift the status quo from power-mongering to energy-harnessing, with the intention of improving conditions in every aspect of our lives. They inspire with their audacious visions for a better world, their individual discipline and humility, and their ability to motivate the masses toward achieving progress, fairness, and benefits for all.

We can call these positive force wielders J.E.D.I. leaders because they are as concerned about Justice, Equity, Diversity, and Inclusion as they are passionate about creating a world that values self-actualization, and about giving back more than the accumulation of food, clothing, and shelter—today's definition of wealth.

Importantly, J.E.D.I. leaders:

- ❏ Have identified their core purpose

- ❏ Lead with love

- ❏ Effectively serve a variety of stakeholders

- ❏ Make meaningful strides toward achieving the goals of creating a more egalitarian world, where anyone with positive intent has a seat at the table, difference is desirable, and all are welcome to participate in defining the path forward, as well as to share in the success

J.E.D.I. leaders come in all stripes and from all backgrounds. In this book, however, we will focus on those working in business, because business leaders truly have influence beyond the products or services they provide. Businesses have the power to change the lives of employees, customers, communities, and the environment, in a way that governments, with their term limits, partisan politics, and fickle constituencies, cannot anymore. Business creates more leaders than any other structure in the world today, which is why we will concentrate specifically on recruiting and developing more J.E.D.I. leaders from within the corporate ranks.

The sections in this book are designed to first define a set of core beliefs and values that J.E.D.I. leaders hold in common, as the basis for these comes from the style of servant leadership that many of them have already successfully adopted: such as going beyond the profit motive, eliminating toxic boss behaviors, and removing ego from why they want to lead. The middle chapters deal specifically with the heady topics of allyship and antiracism, as well as the why, how, and specific goals of J.E.D.I. leadership, which are keys to wading

into the somewhat prickly topics of leading with a keen focus on righting injustices and inequities, while leveraging diversity and creating inclusive environments for those within a team, function, division, or company first—and then within a broader set of external stakeholders. The final chapters specifically provide a framework for how J.E.D.I. leadership can effectively drive positive outcomes in the new world of stakeholder capitalism, highlight some of the companies and leaders doing good work in the space, and concludes with thoughts for you reading this on how to bridge the gap from your current leadership style toward J.E.D.I. leadership, if you would like to count yourself among us.

> **This is not a situation where we can remain neutral.**

New Insights and Approaches

Readers will specifically gain insight into a new approach to deepening understanding of issues inherent in eradicating injustices, eliminating inequities, capitalizing on diversity, and enhancing inclusion known as the *6As of J.E.D.I. action* (awareness, acceptance, appreciation, alignment, activation, and advocacy) and then put this framework to work by influencing the *3Ps* (people, product, and processes). Next, a comprehensive system—*the J.E.D.I Restoration System (J.E.D.I.—RS)* can be implemented to ensure that the projects sparked on the 3Ps becomes truly schematized.

More and more business leaders (some of whom will be highlighted in this book) have begun to understand their responsibility, stepping up to the plate and amplifying voices previously unheard, and supporting causes where previously there was lack of concern. Still, it is not enough for only a few to wade into these spaces. Each of us must choose who

we wish to be and who and how and to where we will allow ourselves to be led. This is bigger than business or politics or nationalism or globalization. Those with knowledge who choose not to act are far more complicit than those who remain ignorant and inactive.

> **May the force of positive intention, and even more positive action, be with us.**

1

STEPPING UP AND MEETING THE MOMENT

> **If there were ever a year where extraordinary leadership was necessary, 2020 was it.**

A Call to Action

As raging wildfires in Australia gave way to a revolution in Hong Kong right into a global pandemic and rounding out with a cry for social justice in the US and around the world, bookended by more historic fires across the American west and a record-breaking Atlantic hurricane season[1] that brought devastation to Louisiana and Nicaragua (sending climate refugees headed for the US border), people around the world looked to their political and business leaders to guide them and, in many instances, were severely disappointed. With climate change, public health, social justice, and economic fallout all coming to a head simultaneously, many of those who were supposed to be in charge abdicated their responsibilities and shrank in the face of the challenge. We watched the brand of strong man, top-down leadership crumble before our eyes.

There have been rays of light in each of these instances—people confronting the difficulties and inspiring others to do the same. Heroes, like the frontline workers who met the raging pandemic head-on; millionaire athletes protesting

arm-in-arm with community organizers, leveraging their platforms to make calls for racial justice unignorable; and elected officials standing up to petulant and fraudulent calls to undo the will of the people, who did not shrink from their responsibilities and did not complain about acting in service to their countries, communities, and comrades. Because they did not back down, they helped motivate and permeate a sense that we could overcome these long odds together.

This hierarchical reversal happened in real time, as those with power retreated, and those without power did their jobs. With such upheaval in the status quo, it is unlikely that the people will accept a return to the days where rewards and benefits disproportionately went to the top of the house while unrealistic demands and overwhelming tasks trickled down the line[2]. I previously wrote about this shift in *The Servant Leader's Manifesto*[3], but it seems that the events of the past year have accelerated this movement even more than I (or anyone else) had originally anticipated. Even so, it's still not happening fast enough to meet the needs of the moment nor to lead toward a more just, equitable, and prosperous future.

Converging Trends

A series of macrotrends is converging and pointing the way for modern leaders looking to not only respond to challenges like those we faced in 2020, but to thrive regardless of the situation and circumstances. The Civil Rights Movement of the 1960s has evolved into many movements around the world, like Black Lives Matter, seeking the dismantling of systemic racism. Environmentalism of the 1990s grew into the sustainability movement of the 2000s that evolved into today's ESG (environmental, social and governance) management and investing practices. Like increasingly intense hurricanes,[4] sustainability has gained energy in the face of existential

threats, such as the climate emergency and the Earth's 6th mass extinction,[5] and its practitioners now link social with environmental justice, as they call for reforms to capitalism. They are joined by leaders in the business and investment communities like Larry Fink, CEO of BlackRock, calling for ambitious corporate action on climate;[6] Ray Dalio, founder of Bridgewater Associates, warning about the dangers of inequality;[7] and Ursula Burns, former CEO of Xerox and Board Director of Uber, Nestlé, ExxonMobil and Datto, calling for a shift in diversity and inclusion in corporate America, through her work with the Board Diversity Action Alliance.[8]

Stakeholder Capitalism

Stakeholder capitalism[9] (which aims to balance the influence and expectations of shareholders against those of employees, communities, customers, and the environment) is spawning greater calls for business involvement in social justice, equity, diversity, and inclusion initiatives. The transparency brought on by social media and the Internet is requiring companies to tighten the links between corporate purpose and how that purpose is executed in the real world. And the profit motive alone is leaving potential employees and customers checked out and looking for the real thing.

Stepping up and meeting the moment has become a clarion call-to-action across many industries looking to buck against the status quo and reinvent themselves for the modern age. The triple bottom line approach[10] of valuing people and planet, along with profit, was introduced by John Elkington in 1997. The triple bottom line sparked a new way of thinking. In 2006, that line of thinking led to the launch of the B Corp Certification.[11] Certified B Corporations are businesses that are able to link and verify achievement of standards of social and environmental performance, public

transparency, and accountability to balance profit and purpose. What began as a way to codify the triple bottom line philosophy into the DNA of a company has since become a global movement. Some of the best-known B Corps are Patagonia and Ben & Jerry's, but there are thousands, ranging from small businesses, to a growing number of publicly traded companies like Natura[12] and Danone North America.[13]

At their 2019 Forum,[14] the Business Roundtable continued the momentum by drafting a new purpose statement for corporations. Signed and ratified by nearly 200 CEOs[15] across various industries, the purpose states:[16]

"While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. We commit to:

❒ Delivering value to our customers. We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.

❒ Investing in our employees. This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity, and respect.

❒ Dealing fairly and ethically with our suppliers. We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.

❒ Supporting the communities in which we work. We respect the people in our communities and

protect the environment by embracing sustainable practices across our businesses.

☐ Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders."

Once again, this is a document signed by the world's *top business leaders* fully recognizing the need to look beyond profits alone as a measure of business success. It's an extremely powerful statement and line in the sand, indicating a need to modernize and align the WHY behind business with the HOW and the WHAT, to reference Simon Sinek's Golden Circle of organizational purpose[17] detailed in *Start With Why,*[18] which simply states that, in order to connect with the public at large, businesses need to first identify why they do what they do, then how they accomplish this purpose, and finally what they ultimately make.

Accountability

As a leader reading this new purpose statement for corporations, I found myself simultaneously inspired and skeptical.

To what degree will these CEOs truly hold themselves accountable for this transformation and ensure that leaders throughout their organizations get the memo? And how will they prove it?

I wasn't alone in my inspiration and skepticism. The co-founders of the B Corp movement wrote a response to the announcement in Fast Company,[19] calling for actions over words, and recognizing "a significant sign of our shifting culture" that the leaders of some of the largest US compa-

nies revised their definition of purpose. CEOs of some of the best known and influential B Corps took out a full-page ad[20] in the *New York Times* the following Sunday, challenging the Business Roundtable CEOs to step up and work together to drive meaningful changes to capitalism.

Fortunately, there are organizations stepping up to be the mirror for change these companies need.

JUST Capital,[21] an organization that defines itself as "capitalists committed to stakeholder capitalism," is the only independent nonprofit that tracks, analyzes, and engages with large corporations and their investors on how they perform on the public's priorities. In service of this purpose, they have curated a top 100 companies list[22] since 2018 of how the top 100 publicly traded companies perform on the issues that matter most in defining *just* business behavior today.

In the 2021 list, they considered the following stakeholders: workers, communities, customers, shareholders, and the environment, weighted 41%, 21%, 15%, 15%, and 9% respectively in the ranking. Some of the key issues applied to rank company performance were as follows (*for the full list please check the JUST Capital website*):

Workers:

- ❏ "Companies should foster a diverse and inclusive workplace, and they must not discriminate when it comes to pay or opportunity. Race, religion, gender, age, ethnicity, sexual orientation, and disability status should not be factors in the determination of employee salaries."

- ❏ "Companies should provide opportunities for advancement, skills development, and educational attainment to employees."

Communities:

- ☐ "Companies should be transparent about their efforts to address child labor, forced labor, and other abuses of people in their supply chain, and require suppliers to uphold basic human rights standards."

- ☐ "Companies should foster strong relationships with the communities in which they operate by prioritizing local, diverse, and veteran suppliers, using local products and resources, and supporting educational programs."

Customers:

- ☐ "A company's products should meet high standards of quality, and products and services should be beneficial and non-harmful to health, the environment, and society."

- ☐ "Companies should communicate responsively, provide clear sales and return policies, offer rewards programs, and stand behind their products and services."

Shareholders:

- ☐ "Company executives and board members should behave ethically and take responsibility for all company-related issues."

- ☐ "Companies should create value not only for shareholders but for all stakeholders, including workers, customers, communities, and the environment—and should prioritize the needs of all their stakeholders."

Environment:

- ❐ "Companies should minimize the harmful impacts of their operations on the environment—including those that affect human health—as well as clean up any environmental damage they cause."

- ❐ "Companies should have environmental management policies and systems in place to protect the environment, reduce carbon emissions, and ensure best practices across all operations."

To develop the issues for the ranking, JUST Capital asked a representative sample of more than 110,000 Americans to compare 19 different business issues on a head-to-head basis, producing a reliable hierarchy of issues ranked in order of priority. They then assigned each issue to the stakeholder— either workers, customers, communities, the environment, or shareholders—it most impacts. They then applied a full ranking methodology[23] to analyze and rank companies. When looking at their list and analysis, it is clear that the definition of business performance has moved well beyond simply driving profits for shareholders, and, therefore, the bar for leadership is higher than ever before.

New Standards

There have been moments like this one throughout history, up-heavals of cherished norms that have led to widespread change. The summation of the Industrial Revolution, Women's Suf-frage, the Spanish Flu, the Great Depression, and World Wars I and II created a society in the US where female and immigrant labor and participation were fundamental to the success of the nation. The aftereffects of the Civil Rights Movement, the Cold War, and the Vietnam War converged to create unprecedented

opportunity for African Americans in institutions and companies that would not have considered them previously. Today, the Internet, Wi-Fi proliferation, pandemics, and economic collapse are leading to a revolution in how work is performed, managed, and incentivized around the world.

Necessity is the mother of invention, and this moment calls for a reinvention of expectations for business leadership.

- ❒ Inverting the role of senior leaders from commanders to supporters.

- ❒ Eradicating false divides, such as racism and discrimination, barring groups from a seat at society's table.

- ❒ Eliminating barriers and obstacles that prevent marginalized groups from receiving equal pay for equal work.

- ❒ Providing equitable opportunity to everyone to achieve positions long reserved by and for hetero cisgender white men.

- ❒ Embracing collaboration and diversity over simply driving so-called "A players."

- ❒ Dismantling prejudice against people of different races, religions, sexual orientations, gender identities, and individuals with disabilities.

Put simply, traditional leadership isn't going to cut it anymore. The "boss" archetype must die, toxic leadership must be weeded out, and hierarchies must be inverted. This is the moment for J.E.D.I. leaders to step up and stand out. The pages that follow will reveal what it takes to become a J.E.D.I. leader and how to revolutionize our future ambitions,

cultures, management, development, and performance to not only satisfy, but overdeliver, for employees, customers, communities, the environment, and shareholders.

Welcome to the resistance.

2

THE END OF THE BOSS

In the beginning, there were visionaries. People who found business opportunity in the oddest places and had the zeal to invent solutions to common problems. When everyone was satisfied with raw meat, an enterprising cave man, or woman, developed fire and cooking capabilities. While the world was content riding on the backs of horses, someone saw a better way to travel with the horse-drawn carriage. Canoe builders gave way to ship builders, just as railways were supplanted by airplanes. Innovation has not ceased, but the models to bring innovation to the world have certainly stagnated on the form of the modern corporation, and, with it, the top-down hierarchy so familiar to us today.

Egalitarian Societies

It wasn't always this way. Early on, Homo sapiens realized the power of community to grow, hunt, and gather food; create safe shelters against the elements and predators; and care for each other when the inevitable illness or injury arose. Everyone had a role to play and leveraged their unique skills to benefit the group. The spoils from the collective work were divided and shared as all gained from the system. Leadership was a shared responsibility of those with the right skill for the situation at hand.

Naturally, as with any group that forms for a specific purpose, individuals began to distinguish themselves either for their bravery, skill, and/or wisdom in the community. These individuals became the first community leaders—thrust into the limelight due to their unique abilities or experience. Without any guidance, they mostly continued to ensure that resources were spread evenly for nearly 200,000 years.[24] Then, sometime around 10,000 years ago,[25] once agriculture became more sophisticated, some society leaders decided that their role deserved disproportionate allocation due to their intelligence, role in the community, and ambition—thus creating the first class systems or societal hierarchies. As the newly formed ruling class accumulated resources, they grew in their influence and power over the group. To satisfy the growing resource gap, they waged war on other communities so there would be more to share with others, expanded their territories, and built monuments to their Gods and themselves.

The opportunities for expansion must have seemed endless for these early rulers. They had long forgotten the struggles of their cave forebearers and sought out more comfort and more power to control the will of others. When reason or religion could not sway people into obedience, they used brute force to beat people into alignment or subjugation. The joy of inventing was now far behind them, as commanding and dictating became their preferred method of receiving rewards for minimum effort.[26]

Egalitarian societies still existed in extreme circumstances—such as when the Pilgrims migrated to the New World and they needed all hands-on-deck just to survive—but soon gave way to the same organizing hierarchies they had tried to escape from in England. And when the early Americans needed to defend their ideals, they turned to a military model built

on rank and hierarchy, on expendable pawns and valuable lieutenants and generals. It's no mistake that America's first president was a decorated war hero. In peacetime, the business owner began to ascend the societal ranks and infiltrate the ruling class previously reserved for clergy, monarchy, and military elites.

Limited Liability

Then, in 1790, a corporate legal structure[27] was born in the USA, designed to limit the liability of the founders, while providing opportunities for public investment and ownership which would lead to more rapid expansion of the business due to the influx of capital. As the businesses expanded, owners realized that, just as a general couldn't fight a war on simultaneous fronts without a leadership hierarchy, nor could they focus on the future concerns and expansion of the business if they were mired in day-to-day issues. They looked to the cotton industry of the nineteenth century and the forced labor of slavery for cues. In the mode of southern plantations, they began hiring managers to organize the work and report to more senior managers, who ultimately reported to themselves. The mantra of these first managers was simple—keep the employees in line, keep productivity high, and grow by any means necessary.

Hence the birth of the boss.

In fact, the word "boss" comes from the Dutch word "base," which means "master."[28] It was used by former slave owners as a way to trick freed slaves (post-US Civil War) to still call them "master." Its origin is, unsurprisingly, entirely white supremacist. So, what do you get when you build a system on the back of an institution as inhumane as slavery, expand it by way of stealing native people's land, and then make the newly conquered workforce refer to you as master, but under

a different name? A structure with racism, sexism, cultural domination, greed, and lack of morality at its very core.

In our lifetime, everyone has had a boss. Some good, some bad, and few genuinely great. Bosses come in many stripes, but, ultimately, their behavior is driven by how they are incentivized. Bosses typically get access to profit sharing, or some other higher order of compensation, and have an imperative to follow the corporate line and drive commands down to the workers. They are not in place to make friends, or even develop others in many instances, despite what the HR materials may say. They are trying to drive a specific productivity result, be it sales, units manufactured, patients operated on, etc.

The Problem with Bossing

You may be in a boss role as you read this and are either in agreement with this definition or not. Still, you sit in a very precarious role as a boss—because your job depends on the satisfaction of another boss, whose job depends on the satisfaction of his/her boss, and the goals, roles, and desired outcomes may not necessarily be in alignment. Therefore bosses, or middle managers as they are also known, have one of the most difficult roles in any organization.

It's like telling you to build a ship, only you are not allowed to personally touch any of the building materials yourself. You have to hire others and then teach them what you know about ship building, organize their schedules, and then supervise their work each day until the ship is completed. And, all the while, *your* boss, who is even further away from ship production, pops in every now and again to reorient your work based on the whims and preferences of *his* boss, who reports to the head boss, who had it in his mind that the ship would only take three months to build with far less resources than are currently being deployed.

In this scenario, no one is happy. Head boss wants it done faster and cheaper, next level boss tries to create strategies to make the head boss happy, even if his demands may be completely unrealistic, and he passes the strategy down to your boss, who doesn't really understand or believe in the approach, but is paid to make sure you get your people to toe the line. And you, with no idea how or why this strategy was demanded in the first place, are in charge of reorganizing the work, schedules, and supervision of your ship-building crew, who are confused, overworked, underpaid, and undervalued for their work.

Based on an example such as this, it can't be hard to tell why most people don't like their bosses and don't bring their best selves to work. They see the boss as an impotent messenger, lacking any real influence on the way things are done. They know their boss isn't a decision-maker, only an order-taker, and, as such, give them the relevant level of respect. Still, they secretly desire to become bosses themselves so they can at least tell others what to do rather than doing the bidding of out-of-touch executives, who have no idea what is really happening in the operation.

Increasing Motivation

However, just as there are those whose job it is to do and manage the work, there are others who have made it their mission to study human motivation, productivity, and satisfaction with their work and come up with innovations to increase each key element. These luminaries have come to a point of agreement that, for the modern workplace, toxic leadership practices created by top-down hierarchies must be replaced in favor of flatter, leaner, more agile, more collaborative, more supportive, and more holistic structures. Naturally, new configurations will transform the expectations of leaders themselves. As hier-

archical power diminishes, influence-based authority will rise to replace it. Therefore, the incentives of leadership will shift, and those who embrace the new standards should see significant success, while those stuck in the past will find themselves on the outside looking in.

The innovation we will experience in the next twenty-five years will be some of the most exciting in the history of humankind. It's not surprising that 8 out of the top 10 companies in the 2021 JUST Capital survey rankings[29] are technology companies. It's time to abandon power seeking in favor of the more holistic, gratifying, and modern way of the J.E.D.I. leader.

Let's get started!

3

OVERCOME THE EGO

The journey to becoming a J.E.D.I. leader begins by questioning your motives for becoming a leader in the first place. Your *why* for leadership truly matters and will shape how you approach the function and understand your role. For many, the jump from individual contributor to team manager happens purely because of their individual performance and not their desire to help others succeed.

This is where the journey to the dark side of leadership can begin.

Let's examine two scenarios to demonstrate this—one with Millie and another with Yolanda. Two standout individual contributors recently given promotions to become first-time managers.

Millie's Story

Millie is excited by her change in status. She loves the title of manager and the power it contains to control the lives of others. Then comes the increased salary and improved benefits. She is pursuing the American dream—what society has told her to aspire toward. Her intrinsic value has gone up, but so has her responsibility to achieve goals through people, rather than through her own output. And then she learns what her job really entails.

Yes, Millie now has the power to hire and fire. But she feels limited by her company's culture in how to do so. She also now must deal with the issues and problems of a group of people, where previously she only had to overcome her own. And she is provided with very little in the way of managerial development to improve her approach to both people and problem solving.

So, what to do? Well, Millie decides to succeed as fast as possible to get away from this level. And what's the fastest path to success? It's what she learned from her boss and what her boss learned from theirs and so on and so forth. Micromanage. Make sure her people are working toward furthering her success. Give as little leeway as possible into how people perform their functions. Try to create mini Millie's to replicate the performance she had when she was at the same level. And when that doesn't work—browbeat and threaten employees with sanctions, up to and including termination, if their performance doesn't turn around. Millie absolutely relishes in the power to eliminate weak players from her team and replace them as desired with those more fit to do her bidding. Oftentimes—this fit concept means hiring people who act, think, and even look like her.[30] Who has time to deal with different ethnicities, genders, ages, or identities when there is work to do? Uniformity is much faster.

Millie's senior managers don't care *how* she achieves results anyway. They only care about the numbers. So, she achieves them by any means necessary, and moves up when it's her time. The pay and benefits at this next level more than justify her treatment of people. No

longer a peon, she controls the lives of other people who manage those who do all the work, and Millie gets the lion's share of the credit and financial rewards.

Now Millie knows what to do. She is managing managers, which can be a little tricky, because her visibility into how they control their teams is limited. But she has a tool to exert influence over them and make herself look good at the same time—key performance indicators (KPIs). Manage the numbers and not the people. She doesn't try to understand the nuances of each managers' results. She simplifies the game for everyone and ensures that her team knows that, if the indicators consistently fall into the red zone, off with their heads.

She has gained political savvy at this point. Never going against the prevailing winds and reinforcing the flow that her boss expects to see whenever they drop in, from whatever happens up in corporate. By this time, Millie has a track record of succeeding at multiple levels and is considered a talented leader in the organization primed for good things. This reputation is not because of surveys of those in her employ, thank goodness, for there's no way they would say nice things about her style; it's simply due to her managing the only stakeholder that counts—her boss. She keeps him looking good, and he keeps making sure she gets opportunities to succeed.

Still, the air is thin up here. Millie begins to perceive that there are a bunch of senior middle managers, such as herself, all trying to climb up to the executive level of her company's hierarchy. That's where the real money is—where she could really kick back, take boondoggle

trips across the world, make a few inspirational speeches, and call it a day. Performance is mostly out of her hands anyway from here, so she needs to make a show of her efforts to drive results. Come up with pithy-worded initiatives, create strategic alliances of key people in the organization, and, above all, ensure she gets visibility.

To distinguish herself, Millie not only needs to continue driving results, but she also needs to derail the progress of others around her. It's kill or be killed at this level. Millie didn't claw and scratch her way here just to get taken out by someone less qualified than herself. So, she learns to use backchannels and feedback sessions to denigrate her direct rivals to those making decisions about who gets into the exclusive executive club and who does not.

Millie's political savvy is rewarded, and she makes it to the executive ranks. She has an amazing salary, benefits, equity, and other perks. To get from here to CEO will take a combination of good luck for her, bad luck for others, a sterling reputation for doing whatever the current and expected future management values, and continued high visibility, working on the big projects that matter. It's all about Millie—her goals and ambitions—but it's still not fully in her hands, and this drives her a little crazy. So, she takes it out on her senior middle managers, who turn up the pressure on the middle managers, who squeeze the people doing the work.

Life continues like this. Millie can decide that she has a window of opportunity at her current company and stay, or she can switch companies and trade in her bag

of experience for a higher level at another company that also doesn't care *how* she achieved her illustrious career, only *what* she can do for them. It's about now that Millie starts to feel herself tiring out of running on this hamster wheel. It's exhausting to try to anticipate the whims of the senior-most executives of the company, who are driven by the greed of a few wealthy shareholders, who care only about their bottom line, at the expense of purpose, progress, or even penalties for doing the wrong thing.

At the height of her career, Millie begins to question what it all was for. Other than serving her own ego and filling her bank account, was it worth it? The backstabbing, lying, beating, berating, and other undignified behaviors that have become core to her DNA at this point? Millie decides she wants to give back and tell others to do what she says and not follow the same path she did, but it's too late. The younger generation is more ruthless than even Millie and her peers were on their climb.

Other Paths

Unfortunately, this is how the story goes for too many in business today. Bosses count their losses too late for it to matter to anyone. But their example remains as the clear path through the meandering forest of the corporate wilderness.

If you identified with this version of events as what you are currently going through, or what you perceive others doing, know that you *do* have a choice in how you play this game. It all starts back where it all began. That initial ego boost that came from being promoted into management for the first time.

Now, imagine this...

Yolanda's Story

Yolanda, as an intrepid individual contributor, is selected for a management role. Rather than be ego boosted by the increased pay and benefits and control over others, she chooses to be humble in the face of the responsibility to guide and support others. Having just come from the worker ranks, she knows many of the problems they face, as well as the opportunities that can be capitalized upon, if she can influence higher-ups to act. So, she positions herself not as a boss, but as an advocate for the concerns of her team.

She notices that her team's engagement and productivity increase the more they are listened to and supported by the organization. She realizes that she needs to continue to augment her influence. This requires building trust, so Yolanda dedicates herself to developing her leadership acumen, as well as that of everyone on her team, for potential management succession, so her managers are not concerned with a drop in performance, should she be promoted. Plus, she wants to build a legion of managers who support their teams just as she does.

A big part of this development relates to appreciating difference and diversity. Yolanda relishes the opportunity to gain deeper understanding of the unique perspectives, talents, and passions of her rainbow coalition of employees. What she learns shocks her. She uncovers inequities and injustices in compensation, recognition, and talent management processes and systems; she experiences the whitewashing of innovations and creativity; and she finds herself having to

constantly advocate for the inclusion of the disparate voices in her teams. But, due to her people-first orientation, she can influence positive changes across the spectrums of justice, equity, diversity, and inclusion.

At the middle senior management level, Yolanda's visibility into the work across the company, and the implications for customers, increases. She realizes that, because she is further away from the work being done on the ground level, she needs to work hard to stay connected to both the customer and her employees, so she ensures that her schedule is built around these priorities. Because she seems to be the one middle senior manager who always speaks in the voice of the employee and the customer, Yolanda constantly receives recognition, but, more importantly, her teams, and ultimately their customers, are well-served.

Senior executives are inspired by Yolanda's customer-focused approach and love the employee engagement and productivity numbers they are seeing, so she is given the opportunity to move up to the executive level of the organization. She is excited, because, at this vantage, she can really begin to change some nagging processes that she was unable to address at lower levels due to either visibility, understanding, or her level of influence. By now, she truly is a change agent. She knows enough about her company's business model, people, and customers to really make a difference. And she has greater influence over hiring and talent development that values diversity, equitable compensation, and inclusion, plus a myriad of other crucial areas.

Still, Yolanda never forgets who she works for. Especially at this level, where her peers are focused on taking each other out. She stands out simply by being focused on driving continuous value for her people and customers. She constantly raises the bar by engaging with key stakeholders in the communities where her company does business, and she activates everyone in her employ to not accept that environmental degradation is just the cost of doing business. Due to her stellar reputation and broad-based impact across key stakeholders, Yolanda hears whispers that the CEO ranks may be in her reach. She doesn't pay too much attention to these rumors, because she understands how the political machine works, and, besides, she works for the people and not the CEO anyway.

Yolanda has now acquired invaluable knowledge and experience in how to continuously raise the bar for employees, the customers those employees serve, the communities where business is conducted, and improving the condition of the environment. Although she is constantly hunted by recruiters, why should she leave? She feels more than fairly compensated, loves what she does, and receive tons of recognition and positivity from doing the right thing for others. Plus, if she sticks around, she might just get a chance to steer the ship for a few years—imagine the difference she can make in others' lives from that vantage?

Egoless Leaders

These two tales could not be more different, in the intention, journey, stress, and, ultimately, outcomes for managers and the people under their employ. We each must choose our *why*

for leading. If it's for ego-driven concerns, financial success may be achieved while this model is still in vogue, but time is going to catch up to these people. If it is to serve and support others, there will certainly be even greater rewards than mere financial compensation.

Ego serves the self, but companies were created to serve others.

Sure, customers may not be multimillionaires like the CEO of the company—but the CEO is only being compensated commensurate with their ability to ultimately drive value for a broad group of stakeholders, as discussed in the Introduction. Publicly traded CEO tenure is shorter than ever before,[31] while the standards and measures of the job have exponentially increased. Yesterday's executive management team is ill-equipped to respond to the challenges of today and tomorrow.

Egoless leaders drive more value for these stakeholders faster than ever before, because they are 100% focused on this as their core mission. Not their own compensation, perks, or amount of airtime on TV. They are professional problem-solvers and expert supporters, who transform listening and learning and curiosity into a consistent stream of value, rewards, and benefits for everyone—not just a select few. And they have more fun doing it too.

People who don't or can't jettison their ego in the face of the real job of leadership can forget about ever being J.E.D.I. leaders. Because to be a J.E.D.I. leader one has to concern themself with the needs of, and driving positive outcomes for, employees, customers, communities, the environment, and shareholders.

Only with the ego in the rear view can leaders begin to appropriately respond to the urgent concerns related to the

systemic sins of sexism and racism that have long-barred peo-
ple of diverse backgrounds from ascending into senior lead-
ership positions. Now, let's turn to issues J.E.D.I. leaders are
unafraid to lean into—acceptance, allyship, and antiracism.

4

ACCEPTANCE, ALLYSHIP, AND ANTIRACISM

Trauma Doesn't Dissipate

It has been scientifically proven that significant biological trauma can be passed via DNA mutations through generations of a community. This was demonstrated by an investigation known as the Hongerwinter study[32] conducted on starving communities in Holland post World War II. Six generations after that brutal winter, the descendants still bore the genetic scars of the event—including an increased propensity for obesity, poor cholesterol metabolization, and schizophrenia. This was one of the pivotal findings that gave rise to the field of epigenetics.

Epigenetics[33] is the study of how your behaviors and environment can cause changes that affect the way your genes work. Unlike genetic changes, epigenetic changes are reversible and do not change your DNA sequence, but they can change how your body reads a DNA sequence. Not to get too deep into this subject, but what is fascinating is the fact that trauma because of negative events doesn't just dissipate, it lingers and manifests over time in a myriad of forms. This fact is significant, because it can truly be easier said than done to simply "get over it"—in terms of the bad outcomes that have happened in the past.

It's no conspiracy that women, the disabled, the LGBTQIA+ community, and African Americans have received more than

their fair share of scars in their long fights for freedom, independence, representation, equity, inclusion, and justice. Rather than dissipating, these scars have metastasized and taken over the body politic in the form of the "me too," "nonbinary," and "Black Lives Matter" movements of the past decade. It's only after reaching a psychological breaking point and leveraging the new platforms of social media to magnify their messages that they have begun to gain significant traction. These movements have been dissected in incredible books such as *Stonewall* by Martin Duberman;[34] Netflix series, such as "When They See Us";[35] documentaries like "She's Beautiful When She's Angry";[36] and articles by Pulitzer Prize winners, including those by Wesley Lowery.[37]

But to put it into the context of a leadership text—the workplace discrimination, hostility, and stigmas; the lack of transparency; the empty apologies; and the absent accountability have left at least two generations of workers completely disgusted with the established hetero white-male-dominated hierarchy in place across the government, business, military, clergy, and entertainment fields. Now it is time for leaders to respond under the harsh glare of the media spotlight and the watchful gaze of a public fed up with lip-service. Pandora's box is opened, and there is no putting the lid back on it. Nor should leaders want to. Until we uncover the brutal facts and root causes of disengagement and disenfranchisement, it is impossible to appropriately respond. This response should take three forms—acceptance, allyship, and antiracism.

Acceptance

In most well-run change management workshops, the group starts by acknowledging the simple fact of what has changed in the current period versus how things were before. This acknowledgment is the crucial step, because it opens up the

path to acceptance, which is where progress can begin. Social change occurs when shifts happen in human relationships and interfaces that transform societal structures. These are usually not sudden changes, but they do have significant implications for society. As previously mentioned, movements throughout history have introduced rippling shifts in the fabric of society, such as women's suffrage, LGBTQIA+ rights, and civil rights. Well-established and written and unwritten norms have shifted under society's toes, and everyone must make the adjustment.

Change is constant, and change is hard. But societal change is particularly tricky. Because it requires broad-based acknowledgment first and then acceptance from a static group toward the (usually) minority changing group. That means empathy, listening, vulnerability, understanding, and validation must be involved, and most of us are not great at these things. So how do we accept societal change when the tools involved in accepting change are not readily used by most people—especially those in static majority groups?

The Global Citizens Circle[38] has, for over four decades, brought together diverse groups of people for challenging discussions on issues ranging from conflict resolution and reconciliation to education reform and economic equality. They've brokered peaceful exchanges between Catholics and Protestants from Northern Ireland. They've given a platform to exiled South Africans labeled as terrorists, who ultimately ended up leading the country. They've created roundtable discussions where elite business leaders have engaged with marginalized and homeless people, intellectuals have broken bread with agitators, and have documented the shifts in thought.

It can't be that simple, right? Put people in a room and make them talk to one another?

Well, don't underestimate the power of acknowledgment. In the echo chamber which many people live in today socially, they may not have opportunities to truly explore and understand other identities and viewpoints intentionally. Sitting down with someone forces us to at least acknowledge their existence as a fellow human. From there, commonalities can be established so that, when the discussion turns to areas of difference or extreme otherness, there is a bridge in place which can be crossed.

Once again, as this is fundamentally a business book, there are a million reasons to build these bridges and have these conversations within a company's walls. Today's workforce composition is dramatically more heterogenous[39] than at any other time in corporate history. Expectations, motivations, and behaviors have undergone significant shifts, but the top of the house in most companies looks the same as it did 50 years ago.[40] Leaders must accept that these different groups, identities, and perspectives not only exist but matter materially to the ongoing success of the business at hand. If we are to not only coexist in the same space, but elevate coexistence into effective collaboration, we must meet each other head-on, acknowledge our similarities and differences in the same breath, and then do the difficult work of leveraging difference into appreciation, and ultimately partnership, that can bring about positive outcomes for everyone involved.

The more we practice and exercise the skills of listening to each other to understand and not retort or respond, and ultimately validate each other's experiences instead of choosing to ignore, or even worse, criticize another's perspective or journey, the faster we can make change something to be capitalized upon and no longer feared.

Allyship

While hetero white cisgender men only make up 35% of the US population, they hold 85.8% of the Fortune 500 CEO positions in 2020. White women make up 6.8% of those who are now Fortune 500 CEOs. And only 1% of the Fortune 500 CEOs are African Americans, 2.4% are East Asians or South Asians, and 3.4% are Latinx, making the need for diversity even greater.[41]

The simple and outrageous fact is that, the higher up in the corporate ladder, the fewer women occupy these seats of influence. A 2020 analysis by Mercer[42] of over 1,100 organizations across the world found women lacking in senior leadership roles:

❒ Executives: 23%

❒ Senior managers: 29%

❒ Managers: 37%

❒ Professionals: 42%

❒ Support staff: 47%

What do you feel when you see these types of statistics? Of course, they are designed to manipulate your sentiment so that you make statements like, "How disappointing," and "I had no idea women and people of color were so underrepresented." You are supposed to feel a sense of shame that triggers you into action. But these numbers are only scratching the surface on the issue.

Research[43] indicates steep costs associated with employee dissatisfaction due to discrimination and unfairness in the workplace, and many of those individuals were members of the LGBTQIA+ community. A March 2012 report by the Center for

American Progress indicated that US companies lose an estimated $64 billion annually as a result of having to replace employees who departed because of unfairness and discrimination.

Root cause analysis tells us that, when we encounter a problem, the way to dig down to the inception of the issue is to ask the five whys.[44] So let's do this now:

Problem statement: Women (and even more so women of color), Black and indigenous men of color, and LGBTQIA+ people are significantly underrepresented in corporate and governmental leadership positions.

☐ Why? They are not receiving opportunities at the same rate as their hetero white cisgender male counterparts.

   ▸ Because some hetero white cisgender males are largely making the hiring decisions and they may have a bias (either conscious or unconscious) against everyone else.

   ▸ Because some hetero white cisgender males haven't yet accepted the fact that other leaders are as, or more, capable leaders than they are.

      ◉ Because some hetero white cisgender males are fundamentally threatened by the emergence and talent of non-hetero white cisgender male executives and are trying to hold on to their power, influence, and worldview.

      ◉ Because some hetero white cisgender males fear living in a world where they are not on top.

You may agree or disagree with this cursory analysis into this tenuous issue, but let's say for a moment that this *were* the actual root cause of the matter. (Clearly, this is a complex problem with multiple contributing issues we haven't touched on.) And let's also say you are a hetero white cisgender male reading this and you happen to agree with this as a potential root cause. What is your plan of action to address this situation?

Well, let's unpack this further. Our subject group are hetero white cisgender males. Our concern to address is their fear. A fear linked to the unknown aspects of losing power.

To tackle this, we first must identify hetero white cisgender men who *do not* possess this fear. These individuals become our first allies and change agents. We need to understand, from their perspective, why they are *not* as concerned as some others in their group about this issue and how they came to possess a more-evolved worldview. Leveraging this insight, we can then approach the others with increased understanding and empathy. We can begin to build a bridge across the straits of fear and visualize another version of the world where positional power is no longer the objective to attain, especially as it relates to creating financial growth and sustainability, a language they can lean into.

This is communal work at its heart, and none of this happens without the strong allyship of the hetero white cisgender men who clearly see the problem and are committed to convincing the others that change is needed, and that change is positive—even if it results in their numbers in the senior level ranks diminishing.

This root cause diagnosis we just walked through may also be used to create stronger allyship to confront and counter the men who use their positional power and influence to ha-

rass, denigrate, depress, and demoralize women (and others). Power corrupts, and men (especially hetero white cisgender males) have been in power for so long that many have lost their sense of morality, virtue, and shame. What does it say to women when a president is elected who has been accused of sexual assault and misconduct by nearly thirty women?[45] And when they look at who were his most ardent supporters, they see the CEO and executive wing of their own company cheering Trump on.[46]

How do you become an ally? Well, The Exceptional Leaders Lab[47] has a simple framework[48] that can provide some clear guidance.

Stage 1—"ISSUE BLINDNESS"

- ❑ "No understanding or effort to understand issues."

- ❑ "Lacks empathy for victims and displaces blame for the issues being challenged."

- ❑ "Not an active detractor, and not emotionally invested in opposition."

- ❑ "Does not understand that neutrality is as bad as being a victimizer."

Stage 2—"SOCIAL AWARENESS"

- ❑ "Knows what's wrong and understands why people are upset."

- ❑ "Motivated by social forces, and opinions are an aggregation of their social circle."

- ❑ "Can see that the current situation is unsustainable."

- ❐ "Processes issue as if it's happening exclusively to someone else, they are spectators."

Stage 3—"PERSONAL ACTIVATION"

- ❐ "Intentionally well-informed."
- ❐ "Shares opinion when prompted, and will join in with passionate voices."
- ❐ "Willing to be a group outlier in social and workplace situations."
- ❐ "A necessary and undeniable part of the solution."

Stage 4—"ACTIVE ADVOCACY"

- ❐ "Fully committed to the cause, and considers it to be "their" cause."
- ❐ "Proactive in challenging and changing opinions."
- ❐ "Willing to take social risks that reconfigure friendships and social circles."
- ❐ "A change agent and a force for good. They are bringing the future into the present."

Importantly, everyone is "issue blind" in some instances. Even if you're a person of color, that doesn't mean our society hasn't tainted your perspective. As he states in the introduction to *How to Become an Antiracist,*[49] author Ibram X. Kendi recounts a talk he gave as a teenager that he cringes at today, because it was shaped by false racial narratives fed to him by society. Clearly, we all have work to do, but make no mistake that the most privileged among us have the most work to do. A

good place to start may be Dismantle Collective's[50] resources for white allies. As we journey down this road to allyship, first through learning, then empathizing, then activating, then advocating, we must quickly begin applying what we learn to evaluate our relationships and interactions with colleagues and our workplaces. J.E.D.I. leaders can then implement and advocate for change.

The core of J.E.D.I. leadership is creating alliances that fight back against the toxic elements of the status quo. Female, BIPOC (Black and Indigenous People of Color), and LGBTQIA+ J.E.D.I. leaders are fighting this war every day, but they need a lot more hetero white cisgender male J.E.D.I. leader allies to help them win the myriad battles it will take to change things. Yes, males from other races should be allies, but just as the Civil Rights Movement needed white male allies to upend the blockades to equality, so does the movement to shatter the glass ceiling once and for all, while systematically eliminating sexism and sexual offenders from our midst.

Antiracism

My first time hearing an antiracist ideal was when I listened to Martin Luther King's "I Have a Dream" speech.[51] You may be surprised to know that the core of this monumental lecture was related to antiracist ideology, but let's reflect on the words for a moment:

> *"There will be neither rest nor tranquility in America until the Negro is granted his citizenship rights. The whirlwinds of revolt will continue to shake the foundations of our nation until the bright day of justice emerges.*

> *But there is something that I must say to my people who stand on the warm threshold which leads into the palace of justice. In the process of gaining our rightful place, we*

must not be guilty of wrongful deeds. Let us not seek to satisfy our thirst for freedom by drinking from the cup of bitterness and hatred...

...The marvelous new militancy which has engulfed the Negro community must not lead us to a distrust of all white people, for many of our white brothers, as evidenced by their presence here today, have come to realize that their destiny is tied up with our destiny.

And they have come to realize that their freedom is inextricably bound to our freedom. We cannot walk alone. And as we walk, we must make the pledge that we shall always march ahead. We cannot turn back.

There are those who are asking the devotees of civil rights, when will you be satisfied? We can never be satisfied as long as the Negro is the victim of the unspeakable horrors of police brutality. We can never be satisfied as long as our bodies, heavy with the fatigue of travel, cannot gain lodging in the motels of the highways and the hotels of the cities.

...I have a dream that one day on the red hills of Georgia, the sons of former slaves and the sons of former slave owners will be able to sit down together at the table of brotherhood.

I have a dream that one day even the state of Mississippi, a state sweltering with the heat of injustice, sweltering with the heat of oppression will be transformed into an oasis of freedom and justice.

I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character. *I*

have a dream today.

I have a dream that one day down in Alabama with its vicious racists, with its governor having his lips dripping with the words of interposition and nullification, one day right down in Alabama little black boys and black girls will be able to join hands with little white boys and white girls as sisters and brothers. I have a dream today."

From this small outtake of King's speech, we can understand his underlying intent. He is pleading for unity. He is demanding an equitable seat at the table. He is visualizing a world where race no longer matters. And, in this visualization, he is aligning with the concept of antiracism as we understand it today.

It is important to separate the topics of diversity and antiracism specifically because, when they become intertwined, we begin to lose the thread. Diversity means capitalizing on differences—whether they be in terms of upbringing, values, experiences, perspectives, talents, capabilities, skills, and knowledge. This means there is tremendous diversity within a given race, ethnicity, gender, sexual orientation, or age group, or in the mixing of these elements. A group of white men can be quite diverse if combined in the right way. The calls for diversity we have seen are to begin purposefully casting different figures around the table, both externally and intrinsically.

Antiracism means that race no longer has any significance. Importantly, this is not some utopian vision of society—it is the embrace of each race as equal, valuable, worthy of participating, and adding value to the whole. But, just as with the sexism question from earlier, there is history to be reckoned with and ultimately reconciled.

When I moved overseas to Brazil at the age of twenty-three, it was the first time in my life that I wasn't seen or treated as

Black first, at least at work. People saw me as an American, which far superseded any racial identity I possessed. It was a very strange phenomenon to be viewed from this vantage point. But I quickly fell in love with the feeling.

It was only then that I realized how obsessed we are in America with race. It colors every aspect of our lives, from the news we read, to the movies we watch, to the music we listen to. It intervenes in every interaction. It is inescapably oppressive.

It took the absence of a feeling to which I'd grown accustomed to realize how unnatural it actually feels—like running underwater. Running while oppressed by racism and racial policies is no longer tenable. For clarity, as Ibram X. Kendi so eloquently defines it in *How to Be an Antiracist,*[52] "a racist is anyone who communicates ideas that are racist or supports racist policies, either actively or by being apathetic."[53] Importantly, apathy to racism and racial policies is as dangerous as being actively racist. "Racial policies are any law, process, or rule that creates racial inequity."[54]

As Black people in America, we are constantly contending with racists, racist ideas, racist policies, and those indifferent to these. From the harsh treatment by police, to the restrictions in bank lending, to the limitations in employment opportunities, to the mass incarceration rates of Black men and women, to laws that purposefully leave us exposed, to elections rigged so that our voting power is diminished, to lack of representation anywhere but sports and entertainment. We are constantly discussing our close calls, from railing against these electrified fences of oppression, licking our wounds, and building the strength and courage to climb again.

I went on to live in Turkey and Indonesia, where again, at least at work, my Blackness took a back seat to my humanity, values, leadership acumen, and ability to adapt to drastically

new circumstances. I have been blessed with the tremendous gift of putting down the sack of boulders I'd been carrying as a Black man all those years prior, and establishing a new identity as a servant leading J.E.D.I. I'm coming to you from the other side of that journey, having actually lived in an antiracist corporate world for nearly ten years, which means a decade of not having to wonder why something didn't go my way when all signs pointed to me being in a great position to receive access to positions, rights, and benefits.

Unfortunately, most Black people working in corporations will never get to run on land like their white counterparts. And even though running against the current has certainly built our muscles and stamina for the battles ahead, we have more than earned the right to be treated equitably, and to have our specific concerns be heard and acted upon, and to have our collective experiences with racism be widely validated, and to see our systemic injustices corrected, and to see laws stricken down that have led to mass incarceration of our people, and to receive funding to build up our underprivileged communities, and to be issued reparations for the evils of slavery, and to be able to finally stop asking why when negative things happen to us collectively.

> **We pine for antiracist policies, or policies that promote equity among racial groups.**

What can leaders do to make these changes happen? Well, first, they need to get their own houses in order. It's an undeniable fact that American society, and especially corporations, were built upon the institution of slavery and principles learned during slavery.[55] It's literally been only fifty years since civil rights versus four hundred years of racial oppression, so there are a lot of wrongs to right. Senior

leaders should start asking the question: "What are the racist policies in my own organization?"

From talent sourcing, to compensation practices, to reward and recognition policies, to performance management procedures, to promotion guidelines, to language used to represent the organization; policies reinforcing systemic racism exists in all of these areas and more. It doesn't matter if a company's founders willfully and intentionally put them into the charter, as mentioned earlier, because the basis of the corporation is literally built on the back of slavery, the oppression of women and immigrants, and the butchery of Native Americans. Intention takes a back seat to reality. And this reality must be dealt with post haste.

A company is merely a microcosm of society and, as such, naturally possesses the same issues inherent in the society at large, just manifested in a different form. J.E.D.I. leaders can foster antiracism, not by conducting kumbaya retreats, but by starting to reform the governing systems of the organization from the ground up. This requires a painful period of deconstruction where every policy, guideline, and procedure is revisited and rebuilt from an antiracist foundation. Correspondingly, every manager in the organization should be retrained on the basis of the new platforms, and there should be a system of monitoring, auditing, and speaking up in place (similar to what is already established under most corporate compliance initiatives) to police the system and ensure that bad actors are punished and removed from the environment as quickly as possible. The nonprofit B Lab, that certifies B Corporations, curated a list of categorized resources on antiracism.[56] It's a great place to start or advance your and your organization's thinking and doing on allyship and antiracism.

Without acceptance, strong allyship, and establishing antiracism within a company's walls, hearts, and minds, the other opportunities inherent in the J.E.D.I. leadership approach fall flat. But with this understanding and prioritization of these issues in place, we can move forward. Now, let's proceed to deepen our appreciation of the purpose guiding J.E.D.I. leaders.

5

THE WHY OF THE J.E.D.I. LEADER

The Code

J.E.D.I. leaders live by a certain code. Much like the Knights of the Round Table of Arthurian legend concerned themselves with maintaining order, justice, and civility, so must J.E.D.I. leaders work diligently to serve and support their employees, customers, communities, environment, and shareholders. It is an honor and a tremendous burden to take on this mantle, because J.E.D.I. leaders do not ignore inequity, incivility, inconsideration, instability, and/or injustice in their midst. It is their obligation to stand up and be the consistent voice of the people and positive change, even if it is unpopular or unrequested.

Just like in any superhero movie, once fantastic new powers are discovered, they must be developed, and then ultimately applied for the good of the people. Along the way, hard lessons are learned, difficult choices are made, and values are cemented. Not that J.E.D.I. leaders have a hero complex. On the contrary, their duty to serve stems from a deep understanding and respect for the position of leadership and the implications of its negative application on others. Because of this, there is a consistent commitment to wield the force of J.E.D.I. leadership always in service of removing barriers to productivity and progress.

> **The WHY of the J.E.D.I. leader stems from a somewhat odd place for business—love.**

Ever heard the phrase "Do what you love and you'll never work a day in your life?" That's the general idea here. To love to lead, you must have enough positive energy to give to others, which is why you need to constantly refill your reserves.

The Five Types of Love

There are five types of love, which require constant tinkering and monitoring to fully harmonize them: self-love, interest love, purpose love, team love, and financial love.

Self-love

This is about being a healthy human: mind, body, and soul. Nothing in life can be achieved without health. Consistency and discipline are the keys to self-love. You need plenty of sleep, the right fuel, time for reflection, and, if important to you, spiritual guidance on your quest for fulfillment, so make sure this area is prioritized.

Interest love

Healthy people have multiple interest areas, and a genuine curiosity about life and living. Pay attention to the things that pique this, as they can grow to become the activities that inspire and energize you outside of work. Making time to pursue your interests and increase your knowledge will help you keep your outlook positive and progressive. (And, who knows, that hobby or interest might become lucrative someday.)

Purpose love

When areas of personal inspiration align with your natural talent, you are on the path to achieving your purpose. The energy of inspiration, coupled with the power of your unique

abilities, can make you an unstoppable force—if you put in the work necessary to refine these talents into reliable strengths.

Being intentional is the key. Don't ignore the areas of natural uniqueness that you possess. Embrace these "spikes of specialty," then work to become the absolute best version of yourself.

Team love

On your path to your purpose, you are likely to meet others who share similar inspiration and complementary talents to your own. By joining forces, you can achieve more than either of you could accomplish alone.

"Your team" doesn't just mean the people that work alongside you. It also comprises those who cheer you on, console you when you are down, watch your back, and provide valuable mentorship, coaching, and advice. The most important aspect of choosing your team is ensuring that they energize and support, rather than drain and reject, you (and for whom you willingly do the same). Without team love, most purpose remains just a distant dream.

Financial love

With health, knowledge, purpose, and community you can be considered a wealthy person already. If you've combined the above four elements, it is highly unlikely that you will be dissatisfied with how well you are being compensated.

However, financial choices can either constrain or free us, so financial love is about how well you leverage your income from your career and other pursuits to feel secure enough to keep dreaming and doing. Spending less than you make, saving as much as you can, and planning for unforeseen events and retirement are all demonstrations of financial love. In this way, you are neither "living to work" nor "working to live"—you are simply financially stable, secure, and satisfied.

With your love reserve well stocked, you no longer require ego boosts to feel good about yourself and your place in the world.

> **Once ego is eliminated from leadership, what is left is humility, will, and empathy.**

These are the special influencing powers granted to J.E.D.I. leaders. Let's examine each in turn.

Humility

Humility is not a term typically associated with business success, which is a shame. We have grown accustomed to the celebrity CEO, who is, at turns, brilliant and tyrannical, ruling over employees with their visions, ambitions, and need for constant adulation. These titans of industry leave their fingerprints all over society and, unfortunately, seem to be the success blueprint to be followed.

What happens when these individual stars retire? Their companies typically fall back into mediocrity. Of course, there are exceptions—Apple comes to mind—but the season of major innovations, such as the iPod, iPhone, iPad, Siri, and iTunes, all happened under Steve Jobs' stewardship. Since his passing, Apple's only major invention has been the Apple Watch.

Fortunately, it is not hard to spot the humble leader at work. Leaders with humility recognize that the organization's purpose is bigger than they are and take on a more guiding role, rather than acting as generals commanding their troops into battle. They recognize that they are not the smartest in the room and understand that the best decisions come as a result of robust discussion and debate. They are far more interested in doing the right thing than being right.

The coronavirus pandemic presents a great mirror on

corporate leaders in that it truly demonstrates humility in the face of a serious crisis.

Some CEOs, like head of Hertz executive Kathryn Marinello, received a $5.7 million dollar bonus in 2019[57] and, at the first sign of trouble in Q1 2020, furloughed 3,000 employees, fired 12,000, and declared bankruptcy, prior to being summarily replaced[58] (she did forgo her $3 million dollar salary for 2020, but it was ultimately reinstated). Other CEOs like Starbucks' executive officer Kevin Johnson,[59] made a clear statement at the beginning of the pandemic that his goal was to protect his employees first. In a letter and video message to the company, he stated:

> "Starbucks partners are navigating this dynamic situation together in more than 80 markets around the world by making decisions based on three simple principles":

> ❏ "Prioritizing the health and well-being of our partners and customers";

> ❏ "Playing a constructive role in supporting health and government officials as they work to mitigate the spread of this virus; and

> ❏ "Showing up in a positive and responsible way to serve our communities."

There is no mention of aggressive cost-cutting measures, downsizing, store shutting, or the like.

J.E.D.I. leaders confront challenge with curiosity and a lack of fear.

They understand that inherent in every difficulty is an opportunity to rise. Humility becomes their guiding light through the crushing darkness of volatility, uncertainty,

complexity, and ambiguity. They are not pressed to find the answer alone; they believe in the power of a team, and they confront each brutal fact on its own terms, until they have collectively moved the boulder out of the path of progress.

Will

When it comes to proactivity, J.E.D.I. leaders are true role models. They have mastered the ability to minimize their concerns and amplify their focus on their areas of control and influence. They are not complainers. They are doers, who flex their will to drive themselves and those around them forward.

They don't aim their considerable will at merely winning, however. Winning is seen as a consequence of disciplined thought and action. The discipline to stay maniacally focused on manifesting their core purpose and taking actions that will result in the continual attainment of such. They also have the capability of expanding the will of others—meaning influencing and enhancing the mindset, habits, and accountability of those in their sphere. Now, most successful leaders—even dark force practitioners—don't lack for will, so what separates J.E.D.I. leaders from the rest of the pack is the purpose for exerting their will in the first place.

> **What a leader believes in consciously or unconsciously is transferred into everyone around them.**

Which is why, when we believe in toxic things, such as power for the few, our own instincts over all else, and that weaknesses in people must be weeded out, this is what will permeate those in our employ. If we believe that the purpose of capitalism is to make ourselves and shareholders more wealthy at the expense of employees, customers, communities, and the environment, then this value system will be the

basis for reward and recognition in our organizations. Belief has considerable power when it comes to how people behave.

A 2012 core beliefs and culture chairman's survey[60] by Deloitte found that 94% of executives believed that workplace culture is important to business success, and 62% believed that "clearly defined and communicated core values and beliefs" were important. This is data from nine years ago! When leaders know the way, but don't show the way and go the way, toxic workplace culture is the result.

One damning example is what occurred at Wells Fargo a few years back. In 2013, Wells Fargo CEO John Stumpf was named "banker of the year" by American Banker.[61] Just three years later, Stumpf resigned amid revelations that bank employees had opened potentially millions of fake accounts to meet sales goals under the guidance of Carrie Tolstedt, who ran the company's retail banking division. During the investigation, Stumpf admitted that he was aware of the practices as far back as 2012![62] Still, he is on record as saying, "[Our vision] is at the center of our culture, it's important to our success, and frankly it's been probably the most significant contributor to our long-term performance. ...If I have any one job here, it's keeper for the culture."

The Wells Fargo vision[63] is to "satisfy our customers' needs, and help them succeed financially." Additionally, they state that "our vision has nothing to do with transactions, pushing products, or getting bigger for the sake of bigness. It's about building lifelong relationships one customer at a time. ...We strive to be recognized by our stakeholders as setting the standard among the world's great companies for integrity and principled performance. This is more than just doing the right thing. We also have to do it in the right way."

In order to develop such a statement of vision for the enterprise, millions of dollars in consulting fees were likely spent, and the entire leadership team of Wells Fargo engaged, in order to provide input.

> But vision and purpose always come secondary to the beliefs and will of the leaders charged with embedding values and purpose into the organization.

Stumpf believed in Carrie Tolstedt's capability to lead the retail division at the company—she was named 2015's "Most Powerful Woman in Banking."[64] Tolstedt, in the investigative report, was cited for being "obsessed with control, especially of negative information about the community bank" and faulting her for maintaining "an 'inner circle' of staff that supported her, reinforced her views, and protected her." She "resisted and rejected the near-unanimous view of senior regional bank leaders that the sales goals were unreasonable and led to negative outcomes and improper behavior."[65]

This isn't a case of will but one of *won't*. The CEO wouldn't acknowledge that an internal finding that "1% of sales employees in the retail bank were fired in 2013 for sales violations" was a big problem.[66] In his mind, 99% of the sales employees were doing everything right, so why be concerned with such a small number? Due to his lack of will to truly enforce the purpose of the organization, Wells Fargo ultimately paid a $1.2 billion dollar settlement[67] to the Consumer Financial Protection Bureau and The Office of the Comptroller of the Currency. 5,000 employees were fired between 2013 and 2018. Stumpf resigned and Tolstedt retired (with a whopping $124.6 million golden parachute, nonetheless, for her bad behavior).

Wells Fargo truly has become a case study for toxic leadership culture and an example that corporate risk management

officers the world over are upholding to beg their senior executives to change their ways. If the stated goals of the 2019 Business Roundtable Forum are to be met, then the J.E.D.I. leaders within these organizations need to be empowered to course correct and realign the values of companies and the actions on the ground. To find opposite examples of CEOs who exerted their belief and will in the right direction to ensure positive outcomes for a broader group of stakeholders, we can, once again, turn to the pandemic and examine which companies have distinguished themselves for an employee-centric approach that led to superior outcomes for customers.

It's hard to find any one large company that has managed through the COVID-19 pandemic without justifiable criticism. Even the top 25 companies ranked by Forbes and JUST Capital, based on pandemic responses, haven't entirely escaped criticism. That said, many companies have made considerable efforts to do better by employees, customers, and communities.

Apple stands out in 2020 as a strong test of organizational culture and the will to do the right thing. The company, with one of the largest market capitalizations in the world, embeds values into its work: Accessibility, Education, Environment, Inclusion and Diversity, Privacy, and Supplier Responsibility.[68] But how did these values guide their response to the COVID-19 pandemic and call for racial justice in the US and around the world? JUST Capital's COVID-19 Response Tracker[69] is a great place to start.

Here is a small list of the actions Apple took in response to the pandemic:

❐ Compensated back-up dependent care

❐ Closed stores or suspended services

❐ Created a community relief fund

- ❏ Enhanced community services

- ❏ Made changes to accommodate customers

- ❏ Increased health and safety measures

- ❏ Offered paid sick leave

- ❏ Protected those in production, distribution, and logistics

- ❏ Shifted to remote work and modified schedules

- ❏ Mitigated supply chain impacts[70]

In June of 2020, Apple launched its Racial Equity and Justice Initiative (REJI).[71] Going beyond the many corporate statements of support for Black Lives Matter, following the murders of Ahmaud Arbery, Breonna Taylor, and George Floyd, Apple opened the checkbook. Their website says, "Our Racial Equity and Justice Initiative (REJI) is a long-term effort to help ensure more positive outcomes for communities of color, particularly for the Black community. We're beginning with a $100 million commitment. And our commitment will endure until there is enduring change." The work is focused in multiple areas, from supporting Black entrepreneurs, to supporting organizations working on criminal justice reform, to expanding partnerships with Historic Black Colleges and Universities (HBCUs)[72] to create coding centers and technology hubs for their campuses and broader communities.

Apple shows us proactivity, belief, purpose, will, and action, all working in conjunction to drive value. There truly is no excuse when one of the world's most prosperous companies takes this approach. If you were choosing where to work, you have these inputs to consider regarding how a company puts its purpose into action—especially during a tumultu-

ous time. And that's the ultimate outcome of the will of the J.E.D.I. leader—it creates an attractive force for like-minded individuals to come together to do good.

Empathy

Care is one of the most powerful acts we can offer as humans. Through this action, we create connections, hope, and unity. J.E.D.I. leaders wield care on their sleeves through their intentional empathy. Rather than remain oblivious or above the fray, they understand that the fray is where the opportunities for advancement lie.

> **We have experienced enough of selfish and self-centered leadership.**

We have clearly seen and felt the side effects of this approach. Disengagement, anxiety, and depression are just a few of the results of dark force toxic leadership.[73] When people feel left behind and left out, they retreat from the source of their bad emotions. This certainly contributes to the increase in recreational drug use, substance abuse, and self-abuse so many are suffering with now. This goes along with side effects from other toxic policies, like segregation, underinvestment in marginalized communities, job losses that are not coming back, and a lot more.

People feel like no one cares to understand their individual story and struggle. There is no support system or safety net. Life becomes a slog, where a single wrong step can send us tumbling into the abyss of failure, resentment, and regret. And a business world where no one cares how we get the job done, just that it gets done, creates a *values vacuum* that swallows integrity, honesty, and fairness whole.

> **Therefore, empathy may be the most important attribute of J.E.D.I. leadership in today's business world.**

Empathy is not a "soft skill." It is not an optional capability for managers. It is essential to invert the hierarchy of command and control toward serving and supporting those in our employ. How can we support someone if we can't walk a mile in their shoes? How can we influence someone who comes from a different cultural, racial, gender, or generational context than ourselves? We must invest in developing our empathy quotient. That is, in honing the ability to actively listen, understand, and validate what we are hearing from our colleagues.

When emotional intelligence (or emotional quotient "EQ")[74] emerged as a key business trend, the vanguard of thought leaders was simply recognizing the need for greater self-management. They didn't go far enough, however, because their definition of EQ was self-serving, stating that successful people are those who know themselves, behave well, know others, and build bonds. In fact, the word "empathy" is never mentioned in the entire text of Travis Bradberry's *Emotional Intelligence 2.0*[75]—the leading tome on the topic of being more emotionally astute to build high-performance teams and achieve greater individual success. The author uses active listening as his proxy but listening alone is not enough to demonstrate true care for another human being.

> **The acronym for empathy is unsurprisingly l.u.v.[76] which stands for listening, understanding, and validating.**

These three key actions transform the dynamic between a J.E.D.I. leader and their collaborators and are easier said than done. Listening is the first discipline and the easiest to master. It requires the message receiver to empty their mind to receive and truly process what is being communicated to them. It is bigger than the words being communicated, as it also includes watching the communicator's body language

and sensing their internal emotions related to what they are conveying as well. If you can't play back the messages you are receiving in terms of verbal and physical communication, then this is the opportunity for improvement.

Understanding is far more difficult. This is because, to understand, you need to decode what you have heard, clarify any points of confusion, and seek to connect with the experience of the communicator. First, however, you must be willing to recognize and accept your gaps in shared experience. For example, if you are listening to another person, you must learn how to adopt their point of view and see the world from their vantage point to truly connect with what they are communicating to you. This holds true whether you have a shared background or experience or not, because each person's interpretation can still be vastly different.

Validation is probably the most powerful aspect of empathy. This is a gaslight-free zone, where you simply acknowledge that what the communicator is saying and feeling is justified, reasonable, and worthy of being heard. This is the critical moment where trust is reinforced and connection is solidified. Transforming validation into the correct supporting action is where your colleague will experience just how much you care about their struggles.

An excellent example of executive empathy in action was NBA commissioner Adam Silver's response to the protests of police brutality and unfair treatment of African Americans after the deaths of Breonna Taylor, Ahmaud Arbery, and George Floyd in the spring of 2020.[77] Silver was the first major sports commissioner to suspend the league's season due to the pandemic, and worked diligently in the months that followed to understand a path to safely reopening the season, while also responding to the players' requirement to use their

platform to magnify the peaceful protest and educate and inform their fans on key related issues.[78]

Silver started by listening for understanding and reflecting his extreme care about the pain and anguish being expressed by his fellow coworkers. Then he validated their struggle and took targeted action to ally himself on the side of raising awareness and working to advocate strongly against social injustice against African Americans. And after, during the NBA bubble, when another unarmed Black man—Jacob Blake—was shot several times by police in front of his three children and players chose to boycott a slate of playoff games, Silver stated:[79]

> "I have heard from several of you directly and I understand the pain, anger and frustration that so many of us are feeling in this moment. These are incredibly challenging times, especially for those of you on our campuses in Orlando and Bradenton who are far away from your family and friends."

> "First, let me say that I wholeheartedly support the NBA and WNBA players and their commitment to shining a light on important issues of social justice. While I don't walk in the same shoes as Black men and women, I can see the trauma and fear that racialized violence causes and how it continues the painful legacy of racial inequity that persists in our country."

> "Yesterday we had a candid and productive conversation with NBA players, coaches and team governors regarding next steps to further our collective efforts and actions in support of social justice and racial equality. The discussion centered around how we can best collaborate to address a broad range of issues, including

increasing access to voting, promoting civic engagement, and advocating for police and criminal justice reform. We will be finalizing initial details and will be able to share more specifics ahead of a statement to the public slated for later today."

"I understand that some of you feel the league should be doing more. I hear you—and please know that I am focused on ensuring that we as a league are effecting real change both within our organization and communities across the country. Through the efforts of our internal Social Justice Task Force and the commitments we made, including the formation of the first-ever NBA Foundation to create greater economic empowerment in the Black community, we are dedicated to driving the sustainable change that is long overdue."

Imagine being a member of the NBA community and not only reading a statement like this from your commissioner, but also seeing clearly the actions aligned with the words. How would that make you feel about your organization?

> A commercial entity doesn't have to stand with its employees, but when it does, and fully embraces the cause at hand, the result is increased loyalty, hope, engagement, and productivity.

By contrast, NFL commissioner Roger Goodell had the opportunity to first embrace this cause when San Francisco 49ers star quarterback Colin Kaepernick began kneeling during the national anthem back in 2016.[80] Instead, he and the NFL owners colluded,[81] and effectively banished Kaepernick from the league, only to fully backtrack by 2020 and change their tune regarding the nature and need for the protests. The difference in Silver's and Goodell's responses was the empa-

thy to listen, understand, validate, and respond in a way that served the good of the players, without whom there could be no games.

> **You can get far with humility and will, but, without empathy added into the mix, your North Star, reminding you of whom you serve, will always be off.**
>
> **Empathy is a J.E.D.I. leader's compass.**

Now that we better understand the why of J.E.D.I. leadership, it's time to turn from love to purpose and reveal how J.E.D.I. leaders achieve their lofty goals by leveraging justice, equity, diversity, and inclusion.

6

MAXIMIZING JUSTICE AND EQUITY

With the ego eliminated and the fulfillment that comes from loving to lead with humility, will, and empathy, J.E.D.I. leaders can turn their attention to achieving higher-order goals. How they do this requires focusing on ensuring a culture and environment where justice, equity, diversity, and inclusion are fully embedded. Remember, belief supersedes vision, which is why the J.E.D.I. leader must be fully bought in to the unique benefits that come from creating an organization that truly values justice, equity, diversity, and inclusion. While there certainly is some overlap in the outcomes of entrenching these norms, each conveys unique strategic advantages as well.

Eliminating Injustices

Martin Luther King once stated that "Injustice anywhere is a threat to people everywhere."[82] He worked tirelessly as a private citizen to fight against racial injustice. What people don't often mention is the economic impact of the fight for civil rights. By eliminating barriers to education, increasing employment, and enhancing access to services and goods—not to mention dramatically augmenting the number of eligible voters in the country—the Civil Rights Movement was an unmitigated economic success.

The J.E.D.I. Collaborative[83] is a natural foods organization dedicated to building a natural products industry that centers itself in true belonging. They define justice as "dismantling barriers to resources and opportunities in society so that all individuals and communities can live a full and dignified life." [84] Let's unpack this definition.

- ☐ *Dismantling* describes the act of tearing down and recognizes that only a complete eradication can achieve the goal.

- ☐ *Barriers to resources and opportunities* acknowledges that such systemic structures exist and must be removed.

- ☐ *In society* defines the clear breadth of the scope of the issue.

- ☐ *All individuals and communities,* therefore, follows the previous scope.

- ☐ *Can live a full and dignified life* conveys the clarity that not all individuals and communities in society have this ability today.

This definition is proactive, broad in scope, and has a clearly defined endpoint to rally behind.

Still, the question remains: how does the pursuit of such a definition benefit the broader stakeholder group of employees, customers, communities, the environment, and shareholders? Because this statement requires an organization or business to actively eradicate injustices, how does that dovetail with regular business activities? What does a company, such as Nike, for example, have to do with prison reform, and how would the company benefit from working to eradicate privately owned prisons?

This one is simpler than you may think. It is in a company's best interest to cast a wide talent net when sourcing employees. It is also in a company's favor to have as wide a potential customer base as possible with access to discretionary income. Some of Nike's most passionate customers are directly impacted by privately owned prisons. African American males, inspired by the legacy, design, and coolness of Nike's products, in addition to years of top athlete sponsorship, are also disproportionately being arrested and sentenced to increasingly longer prison terms (as depicted in the excellent documentary *13th* on Netflix).[85] It follows that a prisoner can't be an employee, nor can he spend his hard-earned cash on shoes and athletic gear, due to no ability or access to earn enough for this gear. Therefore, it is directly in Nike's interests to work against the privately held prison industry for the good of its customers, potential employees, communities, the environment, and shareholders.

As stated in a recent article in the *Harvard Business Review*,[86] we are entering the age of corporate social justice:

> "Corporate Social Justice is a reframing of Corporate Social Responsibility (CSR) that centers the focus of any initiative or program on the measurable, lived experiences of groups harmed and disadvantaged by society. Where CSR is often realized through a secondary or even vanity program bolted onto a company's main business, Corporate Social Justice requires deep integration with every aspect of the way a company functions. Consumers and other stakeholders want companies that see social good as a necessity, not just a marketing strategy."[87]

And, just as important, so do employees, especially Millennials and Gen Z,[88] which makes a serious approach

to Corporate Social Justice an integral part of a competitive employee experience program.

J.E.D.I. leaders will be responsible for integrating social justice principles into the very fabric of a company's processes, operations, and governance. Every area impacted by a lack of social justice, from recruiting, to employee and customer representation, to community engagement, to environmental justice, to equitable pay and profit sharing, must be carefully investigated and reformed. Only once a company builds this into its corporate mission can it effectively tackle broader societal concerns. As this effort requires a significant investment in time, training, and resources, the outcomes need to be compelling, and they are.

Here are just a few of the anticipated benefits from effectively investing in Corporate Social Justice initiatives:

- ❑ Companies with effective CSR programs (of which CSJ is a proxy) are more profitable than those that do not have effective programs.[89]

- ❑ Business disruption (due to protests, unrest, global warming) may be minimized.[90]

- ❑ Closing the income gap in underrepresented communities drives up home and vehicle ownership, entrepreneurship, and discretionary spending.[91]

- ❑ Increased understanding of and access to underrepresented potential customer groups.[92]

- ❑ Enhanced customer retention due to increased emotional brand bonding.[93]

Doing social good is not a burden that J.E.D.I. leaders "bear." It is a source of purpose, knowing that their work is having a significant impact on people's lives both inside and

outside the company. As the basis for J.E.D.I. leadership is servant leadership, the fight for social justice ends up feeding the J.E.D.I. leader's need for self-actualization. The tangible outcomes of working in this way are very satisfying because it is relatively straightforward to measure the before and after of these efforts.

> **Purpose has been called the most underrated desire[94] of modern-day employees.**

With all of the buzz about purpose in the past few years, there is much room to improve how companies do more, and J.E.D.I. leadership can unlock a transformative force. Purpose-oriented organizations and leaders will, therefore, consistently have something to feel good about, and these positive affirmations enhance overall employee engagement and productivity in a virtuous circle.

Dismantling Inequities

To discuss equity is first to distinguish between what it is and what it is not. We must acknowledge that equity and equality are not synonymous. Equality, for existence, might state that everyone has a right to vote, whereas equity states that certain groups are naturally enfranchised when it comes to voting access. Equality, in this sense, is an objective, and equity is a root cause to be addressed by digging into the gaps between equality and equity.

Equity deals with creating the conditions for all to reach their full potential. Equality simply indicates opportunity, whether the conditions are in place or not. True, every American-born citizen can dream of becoming President of the United States, but it's clear that the path for a hetero cisgender white man to achieve this objective is far more *straight*forward (pun intended) than for traditionally disenfranchised people.

Similarly to justice, equity involves a reorientation and recognition that inequity, in fact, exists, whether equality is generally present or not. Equality might be a woman sitting on the Supreme Court, which demonstrates to everyone who sees her that, in America, a woman can aspire to such a seat. Equity would make such an accomplishment unremarkable because it would be clear to everyone that the eligibility, requirements, skills, and track record to become a member of the SCOTUS are in harmony for anyone seeking this post.

The one area most of us are familiar with when it comes to inequity is the gender pay gap. Did you know that, although women (regardless of race) have much higher college enrollment (ages 18–24) than men,[95] white men make, on average, 20% more in median weekly earnings than all other groups,[96] and represent 89% of all CEOs?[97] Are hetero white cisgender men just that much better than everyone else? Of course not.

From an equality standpoint, all ethnic groups and sexual orientations have equal opportunity for employment and to rise in the corporate ranks. But, practically, unequitable policies prevent this from happening. There is a statistic that closing the gender pay gap could add $512 billion to the Gross Domestic Product (GDP),[98] not to mention how the inequity impacts everything from healthcare and education to international trade and the middle class. Clearly, this is an important area to be addressed throughout society.

So, let's work from the J.E.D.I. Collective's definition of equity[99] meaning "eliminating privilege and allocating resources to ensure everyone has access to the same opportunities." Once again, inherent in the definition, we can see the difficulty of achieving this goal. Why should those with privilege level the playing field for others? Isn't this basically socialism? How are shareholders (and stakeholders) reward-

ed when a company plays it by the rules?

Difficult questions to be sure. But let's tackle each in turn.

Leveling the Playing Field

Is it better for the stock market to have a few well-informed investors, who know the game and hoard knowledge to themselves, or would the market benefit for a more equitable distribution of knowledge across the board? The more people who have a level understanding of market conditions, compound interest calculations, and how to effectively evaluate an asset's performance, the more money would come into the system, thus increasing the size of the pie for all involved.

Sure, anyone with a smartphone has access to information on investing, but if you work for a hedge fund with a $1 billion dollar supercomputer at your disposal to execute trades at the speed of light, you will always have an inherent advantage. The privilege to be eliminated in this case is the flow of knowledge and access to investing products typically reserved for the ultra-wealthy. Opening the flow of knowledge and making access to investing products equitable would not result in a market crash, but just the opposite—a bigger, more sustainable, game for all. But those running the system have to let things play out transparently, regardless of gains and losses losses—or outlaw high frequency trading all together.

In early 2021, the GameStop debacle[100] demonstrated exactly how the market is not used to equity.

From an excellent piece by Steven Wakabayashi:[101]

"Hedge funds were selling shares of GameStop they had borrowed against. About 40% in excess of what was available to transact. (short)"

"Retail investors discovered this egregious margin and bought up the available shares to be soon recalled, forc-

ing hedge funds to pay a premium to buy back shares as bleed out interest each day. (squeeze)"

"As financial institutions started to lose billions, the dirty tactics followed. Robinhood, one of the investment platforms backed by the hedge funds, deleted GameStop from their listings. Hedge funds artificially manipulated stock price dips to scare off new retail investors. The SEC is now investigating insider trading on the retail side, looking away from clear market manipulation done by the major financial institutions."

Equity vs. Socialism

Socialism, by simple definition, is community ownership.[102] A corporation is basically a distributed ownership model, whereby, even someone holding a single share, theoretically, has a say in the operations of an enterprise. So, why does this relatively simple word create such shudders by those who are most privileged under the capitalistic economic model? Well, anything that levels the playing field, fundamentally, could be considered by a majority white and more affluent segment of society as an attack on their status, both economic and social, and, therefore, highly undesirable. Also, inherent in the term "socialism" is government control, price setting, and distribution of goods and services "equitably" to all.

Unfortunately, many Americans conflate socialism with communism or the fascism of pre-WWII Europe.[103] There is a long history of very inaccurate and biased propaganda about socialist and radical ideas and movements in the USA. And, for those Americans who lived through the Red Scare of the 1950s, or whose parents were outraged at the prospect of foreign interlopers in the government and elsewhere trying to infiltrate the country, this still feels like a very real threat to

them. The basic fact is that these two ideas are not, and have never been, the same:[104]

> "Both socialism and communism place great value on creating a more equal society and removal of class privilege. The main difference is that socialism is compatible with democracy and liberty, whereas Communism involves creating an 'equal society' through an authoritarian state, which denies basic liberties."

Let's take an example of a private hospital operating in a government-run healthcare system. The purely capitalist argument is that the private hospital will lose revenues and profits as it begins to cater to a poorer segment of the population that previously could not access care at such an institution.[105] Due to a finite set of resources (e.g., doctors, imaging equipment, beds, rooms), the hospital begins to stretch itself thin, and overall patient care declines, as wait times and patient burden explodes. The government, being a notoriously stingy and late payor, contributes to the downfall of the system as the private hospital watches its cash-flow situation dramatically worsen, along with both the top and bottom line. The hospital itself goes on financial life support, shutting down much of its operations and services, or worse, closes its doors.

This nightmare scenario doesn't account for the fact that the hospital administrators are not helpless victims in this situation. Yes, they do have to accept all comers. Yes, a portion of their revenues, once provided by health insurance payors, will be transferred to the government, which pays less and pays later. But, yes, they will also largely see an uptake in overall patient volume that can be anticipated and capitalized on by smart administrators.

I witnessed this phenomenon firsthand living in Indonesia, which implemented a universal healthcare system back in

2015. While working for a pharmaceutical company at the time, we were concerned that this system implementation would lead to a lack of innovation, a race to the bottom in terms of drug pricing, and ultimately, an unsustainable business model for providers, distributors, drug manufacturers, and the government itself. What we learned was that the best hospitals stayed the best. They invested and expanded and largely profited from the government's focus on improving the healthcare of the broader population (Indonesia has the world's fourth largest population). There was increased awareness of key diseases, better vaccination for children, and access to care for people who previously had to opt out of anything but emergency healthcare due to prohibitive costs. The president who implemented this system won his reelection bid in 2019 by a landslide.[106]

By improving access to healthcare (equity), governments don't create community ownership, any more than voters own the government due to their paying taxes and being able to choose who represents them. They simply widen the pool of people who can get diagnosed, treated, and cared for by the system. This creates a greater understanding of disease epidemiology and patient burden, and, hopefully, a healthier population, which fuels national productivity and progress. But it's not free. It requires an understanding that a basic level of healthcare is fundamentally a human rights issue and, as such, should be funded as much or more so than national security. People recognizing that society creates haves and have nots and that have nots require support from those that have.

Shareholder (and Stakeholder) Returns

When the size of the pie increases, the best companies will capture their share of the market and pass these profits back to stakeholders, whether that's dividends to shareholders, new

products for customers, greater compensation for employees, restoration or protection of the environment, or investments in communities. They don't need to bend the rules or lobby for reductions in regulations. They need to leverage equity to enhance investor returns and other benefits. If women make the same salary as men, does the payroll cost of a company explode and, therefore, cut into returns? Only if the company in question doesn't balance the headcount equation to keep costs in line with expectations or undervalues contributions of women, losing out on revenue and profit opportunities.

How can we continue to justify this gender pay gap in a modern society? Women have just as much, or more, to offer corporations than their hetero white cisgender male counterparts. Just because women were only permitted to enter the workforce long after men does not explain why a woman CEO or a woman actor or a woman basketball player or World Cup-winning women's soccer player should receive less compensation than their male counterparts. Once again, the more someone makes, the more taxes they pay as a percentage of income, the more disposable income they have access to, and the more likely they are to put a portion of these resources back into the market. If shareholders want an immediate economic growth engine, they have to look no further than closing the pay gap for once and for all.

J.E.D.I. leaders understand that equity is essential to maximizing engagement and productivity within their organizations and the broader society. They see it as a competitive advantage to think with the equitable mindset and work to capitalize on the opportunities that creating equity manifests. A J.E.D.I. leader might, for example, analyze the company's pricing strategy and find the most equitable value for the customers that would significantly increase the demand for

their products and services, maximize their manufacturing and supply chain, optimize their inventories, and increase profits. They would look beyond competitor pricing to understand who was being advantaged or disadvantaged by how the company priced their solutions.

Women team members would likely be more loyal to leaders who ensured they were equitably paid versus their male counterparts, and might even be more willing to spread positive word-of-mouth about the leaders and the enterprises for which they work. Equity would become part of a differentiated recruiting pitch to candidates, who would stay on board longer than people entering unfair company environments. J.E.D.I. leaders, who naturally look to individualize the work experience as much as possible for their colleagues, leverage equity to challenge the status quo within organizations until this mindset is embedded in every aspect of the business.

Single Identity Spaces

One such concept is that of *single identity spaces,*[107] where marginalized populations can meet in spaces for them and by them. This refers to cultivated and curated environments that recognize the marginalized identities within an enterprise, be that based on gender, gender identity, race, ethnicity, indigeneity, class, disability, or other identities that experience systemic barriers. It might be tempting to wonder how this type of idea works in a company looking to also promote diversity (our next topic), but just return to the definition of equity to understand this concept. Within work teams, there is privilege in terms of tenure, role, and experience. A marginalized member of a team needs to be encouraged to actively participate and contribute to the group, but they also require a space where their specific and individualized concerns can be addressed.

Companies with African American social justice committees, for example, had a ready forum to support their colleagues experiencing the social justice protests very differently than other groups in the organization. In this safe space, colleagues of like identities were free to vent, commiserate, and align on key issues they wanted to see addressed both inside and outside the company's walls. This type of gathering does not hinder the diversity objectives of the company; in fact, it might enhance the achievement of justice and inclusion goals.

AbbVie, a global pharmaceuticals company based out of Chicago, had quite a robust response to the outcry for greater social justice. Starting at the top of the house, the CEO, Richard Gonzalez, announced that AbbVie leadership stood with those protesting the death of George Floyd and then detailed the company's comprehensive response:[108]

- ❐ "A $5 million donation to the NAACP Legal Defense and Education Fund and the Equal Justice Initiative to address issues in our criminal justice system."

- ❐ "A commitment of $50 million over five years to partner with nonprofits on a long-term, multi-faceted program that will seek to bring lasting and real change at the community level to help secure quality education, jobs, health care and justice."

- ❐ "The creation of two senior level positions that will sit on executive leadership team to drive internal and external change."

- ❐ "Observation of the Juneteenth holiday for employees to take the time to reflect on the changes that have to occur in the Company, our communities and society as a whole."

- ❐ "Providing a 2:1 match for employees who wish to support organizations working to help address racial equality and social justice issues."

- ❐ "Development of a comprehensive plan to accomplish our internal and external objectives to eliminate bias and racism and embrace total inclusion."

Maximizing justice and equity requires confronting the brutal facts that injustices and inequities happen every day in every business. In fact, as mentioned in the chapter on Acceptance, Allyship, and Antiracism, these injustices and inequities are usually systemic to the processes and policies of recruiting, hiring, incentivizing, rewarding and recognizing, promoting, and terminating employees. Recognizing injustices and inequities outside the company's walls does little to mitigate the concerns of employees confronting these internal barriers daily.

Maximized justice means that these barriers have been identified and effectively dismantled.

Maximized equity means that privilege has been rooted out and there are no discernible differences between how people are treated with regards to opportunity to participate, perform, and progress.

Without confronting injustice and inequity, efforts to capitalize on diversity and inclusion ultimately fall flat. Which is what we will delve into next.

7

EXPANDING DIVERSITY AND ENHANCING INCLUSION

The J.E.D.I. leader doesn't see the benefit in sameness beyond the unified pursuit of agreed-upon purpose. They work diligently to connect to the specific needs of each of their colleagues, and more especially so for marginalized populations, who may have never had the privilege of such inclusion in key discussions. They recognize that their own experiences and viewpoints may limit their effectiveness, and, therefore, promote participation in productive single identity spaces. They remain open to receive feedback from these unique sources and amplify their voices to equitably serve each colleague in turn. And the higher up a J.E.D.I. leader climbs in an organization, the greater their positive impact on these issues.

Driving Diversity

In 1961, President John F. Kennedy issued Executive Order (E.O.) 10925[109] instructing federal contractors to take "*affirmative action*[110] to ensure that applicants were treated equally without regard to race, color, religion, sex, or national origin." This executive order was subsequently expanded and ratified by the next four sitting presidents, regardless of political affiliation, and the Supreme Court of the United States. This legislation encouraged employers in both the private

and public sectors to make *good faith efforts* to expand employment opportunities for minorities and women.

In 1974, a successful African American businesswoman by the name of Sybil C. Mobley inaugurated the School of Business and Industry (SBI)[111] at the historically Black College and Institution (HBCU) Florida A&M University in Tallahassee, Florida. She had the brilliant idea of creating the ideal destination for Fortune 500 companies to source high-quality African American business talent. Thus, she innovated a professional development program that transformed unpolished young Black adults into corporate America-ready future executives-in-waiting.

I am one of her acolytes, attending SBI from 1995–2002, and graduating with my MBA at the age of twenty-five. Due to the program's requirement of taking three full-time corporate internships in order to graduate, I already had over two years of professional work experience with Pfizer and Zales on my resume and had already lived and worked overseas in Brazil for sixteen months before accepting my diploma. This experience allowed me to enter Schering-Plough (now Merck's) fabled Management Associates Program (that has produced more than a few pharma CEOs) and achieve a six-figure salary right out of business school. As such, I enjoyed immediate senior level stakeholder access and was afforded opportunities for advancement that few others in my peer group experienced.

Looking back on it now, I can recognize that, because of the success of affirmative action, Dean Mobley's strategy, and by capitalizing on the opportunities I was given, I came into my career in a very equitable position. Much like how, thanks to Michael Jordan's mold breaking, Lebron James has already become a billion-dollar athlete much sooner than his idol, I significantly benefited from those who had opened doors for me. Do I feel privileged versus my hetero white cisgender male

counterparts? Not in the slightest. I worked my butt off and got lucky enough to work for J.E.D.I. leaders, who individualized my role, developed, coached, and mentored me, and maximized my unique talents for the good of the organization.

Diversity is personal for me. There was a time where I was the only African American person working in marketing in my entire company of 30,000 employees. Sixteen years later, working in Brazil, as general manager for another pharmaceutical company, I was the only Black general manager in the world. This did not make me feel special or good. It made me wonder why I had succeeded to this level when so many other talented individuals had not. With only three Black CEOs of Fortune 500 companies at the time of this writing, it was apparent that the path I was on would not likely carry me into the C-suite, and so I chose another route to live my purpose as a J.E.D.I. leader. Now I'm competing in the far less diverse global field of leadership and organizational development—I must be a glutton for punishment but I wouldn't have it any other way.

Lack of diversity can lead to disengagement just like that. When you don't see yourself reflected in your peers, managers, senior leaders, and investors, you can logically question the degree to which your brand of diversity is truly valued. With all the data available today demonstrating the benefits of diversity for organizations, we shouldn't need the government to intervene and "force" companies to create more opportunities for marginalized people of all stripes. It should be an organizational imperative to do so, and shareholders should consider any non-diverse company as effectively operating at a competitive disadvantage, and a riskier investment, and reduce or eliminate their financial participation in such entities.

Did you know that only about 20%[112] of the Fortune 500 report any sort of demographic data to the Department of

Labor each year? Less than 3% share the full required data set. What do these large successful companies have to hide? Why not be transparent about their current state? Especially with empirical data that organizations with diverse boards and executive teams are up to 35% more likely to outperform their more homogeneous peers, according to a McKinsey & Company study.[113] To be fair, more public companies are reporting demographic data to investors through voluntary ESG (environment, social, governance) disclosures. But this voluntary data is disaggregated and not easily accessible.

Well, perhaps it's the fact that companies who had public incidents of racist and sexist "bad executive behavior" in 2017 and 2018 saw an average 7% decline in market capitalization in the weeks following the news. The combined market hit was about $4 billion.[114] Why report nonrequired data when it could lower your share performance?

> **It is exactly this kind of non-action, archaic thinking, and reactionary behavior by most of the best-known names in business that is preventing true societal progress and change from occurring.**

While approximately half of the Fortune 500 companies have a dedicated CDO[115] (Chief Diversity Officer or equivalent position), many of them are hampered from making the kind of systemic change needed to truly capitalize on the benefits of diversity. This is largely because diversity is seen more as a public relations issue than as a performance issue, despite the data to the contrary. Rather than one more thing to focus on for busy CEOs managing the whims of their institutional investors, they create a CDO position, hire someone, put it in their annual report, and feel good about themselves.

It's just plain lazy. Shareholders should never forgive corporate laziness, regardless of the company's size and pres-

tige. There is a statistically significant relationship between diversity and innovation outcomes.[116] Even the *Harvard Business Review* has an article entitled, "Why Diverse Teams are Smarter."[117]

Not to mention the fact that more diverse companies enhance value in the following ways:

❒ Increased understanding of a variety of markets and psychographics

❒ More collaborative and innovative workers

❒ Improved decision making and crisis management

❒ Driving a consistently relevant customer experience

C-suites are starting to get pushed to diversify their boards by important stakeholders. In early 2021, Nasdaq introduced a proposal[118] for board diversity to the stock exchange. In February 2021, the private equity firm Carlyle announced[119] it would link debt costs to board diversity through a $4.1B credit facility for its portfolio companies that will tie the price of debt to interim targets on board diversity. Why? Because Carlyle studied its portfolio companies and found that firms with two or more diverse board members had 12% higher annual earnings growth than those with fewer diverse directors. Carlyle's new credit facility will help it reach a 2023 goal for its portfolio company boards to have at least 30% diverse members. Board diversity is important, but, as outlined above, it's not enough.

If C-suite executives can't get the point, that doesn't mean their downstream managers won't. Performance is in everyone's best interest. J.E.D.I. leaders never needed studies and figures to understand the benefits of diversity. This is because to be a J.E.D.I. leader means to practice positive psychology, and to practice positive psychology means to capitalize

on what's right with individuals and what's different within teams. J.E.D.I. leaders have always seen differences as powerful performance catalysts. They know that, while no one person can be excellent at everything, a team can aspire to be brilliant in far more ways than any individual.

But it's not enough to have diverse people and teams collaborating on solutions together. You must give everyone an equal voice, and that's where inclusion comes in.

Incentivizing Inclusion

Many of us have attended a keynote presentation by our company's executive team and longed to ask questions, clarify strategy, or contribute a valuable comment, only to be told that there was no time for questions during the meeting and no effort to collect or answer them before or after. It doesn't feel great to sit in the audience with our unique issues burning in our brains. And our lack of participation lessens our excitement to participate in similar future forums.

Now imagine, for those not already in a marginalized group (for those that already are, this will be significantly easier), that there is an important staff meeting happening in our department, but we are not invited, due to our title, experience level, or, far worse, our race, gender, or standing in the community in which we work. We are aware of what is being discussed and have done our homework and actually have some potential solutions to offer, but due to our lack of an invitation to participate in the discussion, we keep our thoughts to ourselves. Who benefits from our lack of inclusion in the meeting? No one does.

But inclusion is deeper than these scenarios, isn't it? Once again, our friends in the J.E.D.I. Collaborative define inclusion as[120] "fostering a sense of belonging by centering, valuing, and amplifying the voices, perspectives and styles of

those who experience more barriers based on their identities." In essence, this means turning up the volume on disenfranchised voices within our midst and making sure they are not mistreated due to their unique contributions.

Within communities, for example, elders used to hold positions of special importance. They were consulted on every major decision, kept in the loop on community affairs, and highly sought after for their advice and counsel. In modern times, the elderly have become marginalized[121]—their decades of life experience seen as irrelevant to the dynamic nature of current life. And with less and less value being sought from them, what happens? Their voices literally weaken with the years. Not from overuse or disease, but from atrophy.

The same applies to younger generations entering the workforce. They come stocked with energy and ideas, but find their voices muted by the more experienced members of their organization telling them to learn the ropes before speaking up. Some of them have the resilience to stick it out, but many simply leave in search of a place where they can contribute right from the start.

> **The fact is that everyone desires to be heard and fully valued, but few of those in marginalized groups find such a utopia.**

From an organizational standpoint, what we are discussing here is promoting a culture where everyone truly has a voice that is heard, listened to, and acted upon as appropriate. Why is social media so widely utilized these days? Because it's one of the few places where we can say whatever we want, to whomever we want, regardless of the consequences. It has literally unmuted billions of voices we never had access to previously.

Social listening is the marketing discipline of mining sentiment around key events, brands, and companies to identify

opportunities to improve the way the company or brand communicates and connects with desired customers. Companies spend billions of dollars on such advanced digital tools, but don't leverage the voices within their midst that, not only understand the company's products and goals better than the average consumer, they also represent the unique perspectives and values of these key constituencies.

J.E.D.I. leaders, in contrast, due to their orientation toward the people who serve the customer, are constantly seeking input and in doing so are natural includers. They are insatiable listeners who build trust by taking appropriate action against what they hear. They understand the value of hearing all voices regardless of position, group, status, or any other difference. And they are able to capitalize on inclusion in order to drive ideas through the organization and consistently and effectively represent the viewpoints of their colleagues.

Inclusion ultimately comes down to safety and confidence. When people feel that there is no danger in speaking up and that appropriate action will be taken whenever they do, this creates a virtuous circle of constant feedback. The more diverse the organization, the more crucial is a complementary culture of inclusion. What good is it having an entity of wonderfully different people if many of them are disencentivized from relevant discussions for arbitrary reasons?

A J.E.D.I. leader's approach to inclusion helps employees know that their opinions matter by demonstrating that there are no negative consequences for contributing and sharing perspectives and ideas. And the more employees can strongly agree that their opinions matter.

As you have now seen, leaders who enhance the pursuit of justice, enforce equity, drive diversity, and incentivize inclusion can deliver differentiated performance. These four

values-based outcomes are not "nice-to-haves" for a modern employer, they are necessities. Not for PR purposes or to have a good story to tell prospective employees, to create nice ads, or to gain favor with the government, but to achieve the new goals of corporations, which, as a reminder, are to create value, not only for shareholders, but for employees, customers, communities, and the environment as well. J.E.D.I. leaders are required for companies to achieve this crucial mission of doing well by doing good.

In the next chapter, we will learn exactly *how* J.E.D.I. leaders do this, by focusing on five distinct goals.

8

THE FIVE GOALS OF J.E.D.I. LEADERSHIP

In my last book, *The Servant Leader's Manifesto,*[122] I made it a point to emphasize the fact that the job of a servant leader is significantly more challenging than someone who simply manages up and plays politics, while berating their people until they deliver results (a.k.a. a boss). Sorry to say, but J.E.D.I. leaders have it even harder from a deliverables perspective. To achieve better and bigger outcomes, the work becomes more challenging, but also much more exciting and rewarding. To make a meaningful difference through our work and leadership—to defeat the dark force purveyors for good—each of us must complete our training by learning exactly how to attack the issues inherent in *engaging employees, delighting customers, cultivating communities, protecting environments, and satisfying shareholders*.

> **These are the five goals of J.E.D.I. leaders.**

Everything we've discussed before this was simply a primer for the larger mission ahead. Now it is incumbent on each of us to commit to the mission and follow through. And, once committed, there is no stopping until toxic leadership is eradicated once and for all—not via some sort of corporate witch hunt, but by delivering so much more value across the board that everyone is convinced to follow in our successful footprints.

This is what our leadership journey has been building up to. The pinnacle of influence where passion, purpose, abilities, and intentions converge to finally demonstrate the true power of businesses to positively impact the world. This is our *why* for killing bossdom, dropping the ego, and leading with humility, will, and empathy. This is our reason for not only ensuring that the basics are in place for employees in terms of salary, benefits, and safety, but that we also focus on creating greater belonging, esteem, and altruism in our people. We need everyone at their peak in order to tackle the broader societal issues inherent in operating a business that does more than simply research and develop, manufacture, distribute, sell, and service customers.

Business must be more.

From the development of the first products and services, to the attracting of the initial team members across functions, to the creation of processes to drive productivity, to the feedback from customers, to the attraction of early investors, to the emergence of competitors and rivals, to sales finally filtering into profits, to the reinvestment of these back into the business and so forth and so on. The goal has never been simply to win—customers, market share, revenues, industry recognition, etc. The goal was about taking an idea and manifesting it into a force for good—for employees, customers, communities, the environment, and shareholders.

Before externalizing these positive impacts, however, companies must leverage J.E.D.I. leadership principles internally to eliminate toxic policies, beliefs, behaviors, and practices across the board. The J.E.D.I. Collaborative[123] has a great series of webinars on the what, why, and how of J.E.D.I. work that I strongly recommend everyone review here.[124]

They also have compiled a ten-step journey for organizations[125] that is quite helpful.

The 6As of J.E.D.I. Action

To evolve into a J.E.D.I. leader you must pass through the stages of awareness, acceptance, appreciation, alignment, activation, and, ultimately, advocacy (the 6As).

6As	Awareness	Acceptance	Appreciation	Alignment	Activation	Advocacy
What it means	I have heard about J.E.D.I. leadership but don't know enough.	I realize that within my own beliefs and within the processes and practices of my team/organization there are likely biases, inequities, injustices, lack of diversity, and lack of inclusion that must be addressed.	I have a much better understanding of my own biases as well as the inequities, injustices, lack of diversity, and lack of inclusion within the processes and practices of my own team/organization.	I know what must be done to eradicate my own biases as well as the injustices, inequities, lack of diversity, and lack of inclusion within the processes and practices of my team/organization.	I am actively eradicating my own biases as well as the injustices, inequities, lack of diversity, and lack of inclusion within the processes and practices of my team/organization.	I am helping other leaders go through the 6As in order to actively eradicate their biases as well as the injustices, inequities, lack of diversity, and lack of inclusion within the processes and practices of their team/organizations.
Why it matters	Without awareness you are issue blind or either actively or passively toxic.	Without accepting that the issues start within the self and that there are pervasive issues in the organization, nothing can change.	Without appreciating the degree and nature of the changes required, the actions taken will likely miss the mark or fall short.	Without clear alignment on exactly what needs to chance and a clear plan of action with clear responsibilities and timelines, efforts will lack accountability and follow-up.	Without decisive action then nothing happens.	Without advocacy, broader systemic issues can not be addressed.

The 6As model works on three levels—individual, group, and company. Each person must pass through the 6As and then activate their team, working group, function, or division. From there, the work can happen on a company-wide basis. Importantly, this can all happen simultaneously within an organization with a mandate to change.

Within each of these stages, we will have to go on a *from:to* journey.

- ☐ From issue blindness to definition and awareness of what J.E.D.I. means.

- ☐ From denial that we may have toxic biases, beliefs, and behaviors to acceptance and examples that we do.

- ☐ From acknowledging the existence of these toxic biases, beliefs, and behaviors to fully appreciating the degree to which they are impacting people, productivity, and profitability.

- ☐ From disagreement on exactly where and how to act in order to change to alignment and clarity on exactly what must be done and how.

- ☐ From agreement on the need to act to actually taking meaningful action with clear accountabilities and milestones attached.

- ☐ And from being issue blind people, teams, functions, organizations, and companies with no acceptance, lack of appreciation, little alignment, and low activation to those who have made positive change happen and are beacons to others seeking to do the same.

Influencing the 3Ps

PEOPLE   PRODUCTS

PROCESSES
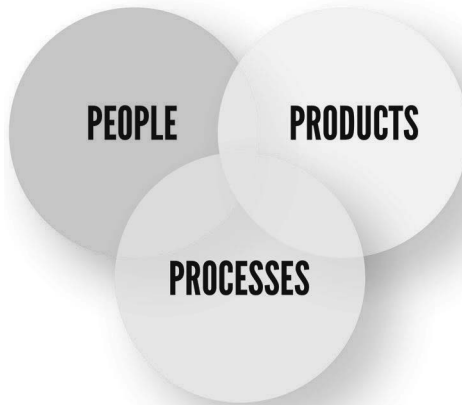
Remember, J.E.D.I. leadership must start from within the company before truly manifesting positive outcomes for external stakeholders of customers, communities, the environment, and shareholders. Doing this requires embarking on the 6As journey and, at the activation stage, tackling the 3Ps: people, products, and processes.

☐ Within the *people bucket,* the diagnosis should focus on uncovering toxic biases, beliefs, and behaviors that will limit the effectiveness of the J.E.D.I. journey.

☐ Within the *products bucket,* the diagnosis should address inequities in access, pricing, production, and supply chain management, as well as any anticipated negative impacts of operations on employee well-being and safety, the supply chain, customers, communities, and the environment.

❐ Within the *processes bucket,* the diagnosis should focus on injustices and inequities in contracting and hiring, onboarding, performance management, reward and recognition, promotions, inclusion, discipline, and termination to name a few. And when these are addressed, new processes will need to be created to enhance justice, equity, diversity, and inclusion moving forward.

This is hard, but important, work to restore our businesses into the ideal condition to start adding value to the five main stakeholders. Still, an organization needs a combination of systems (hardware) and values (software) to move from reactive to proactive on these fundamental issues. Injustice, inequity, conformity, and exclusion can create as much business risk as ethics and compliance concerns do. For example, we already know that diverse companies are more innovative than those that promote uniformity—so the business risk to mitigate is stagnation. J.E.D.I. leaders identify the intersection of people, products, and processes related to this potential risk, quantify the likelihood and potential impacts of non-action and then develop specific plans to address and minimize the likelihood and impact of lack of diversity on the business.

There is a very useful concept from the world of ethics and compliance that can be adapted to these risk mitigation efforts—the restoration system that puts the 6As to work.

The J.E.D.I.—Restoration System (RS)

The J.E.D.I.—RS provides a clear structure for the embedding of J.E.D.I. principles and processes within the organization while also monitoring adherence, identifying and resolving problems, and creating conditions for disciplinary action as necessary. Here is what it looks like:
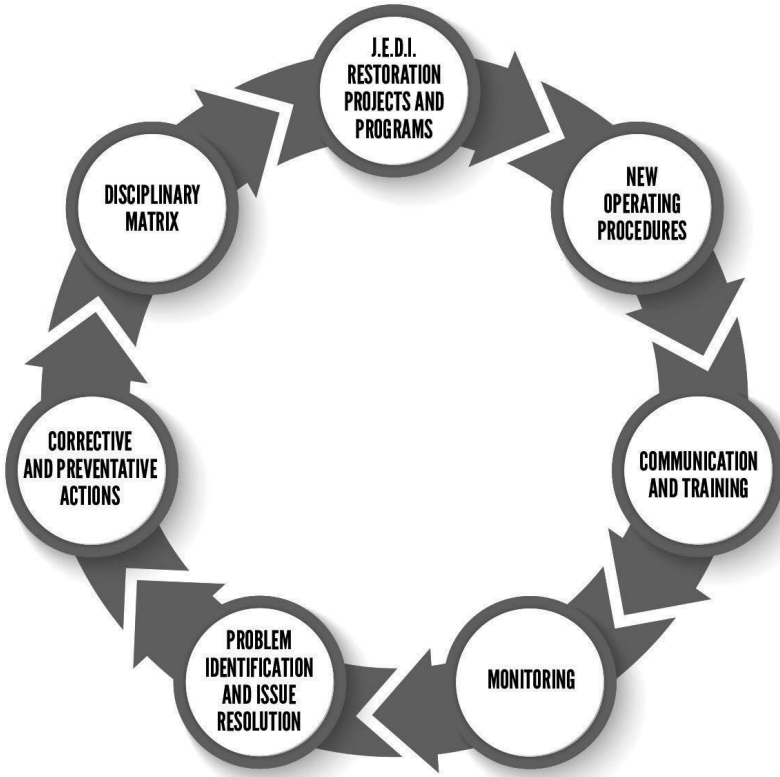
☐ Once everyone is *aligned* on key definitions and known issues related to injustices, inequities, and gaps within the diversity and inclusion spaces, this will lead to the *activation* of J.E.D.I. restoration projects and programs.

☐ This work will require the reconstruction of existing processes into new operating procedures (NOPs).

☐ These NOPs will then need to be cascaded throughout the organization via repeated communications, campaigns, and training initiatives.

☐ Once this has been done, monitoring (which should be led by the company's Diversity, Equity, and Inclusion function) can commence.

❐ The point of monitoring is to track adherence to the new standards, while identifying any problem areas that need to be mitigated and resolved in the form of corrective and/or preventative actions, some of which may include taking disciplinary actions against process violators.

This system will go a long way in driving J.E.D.I. principles into the heart of the organization, but only to the degree that this framework is married with the 6As, which helps employees navigate the complexity inherent in this work. This is where periodically going through the 6As can create a continuous dialogue around bias, inequities, and toxic practices.

Importantly, this system is not all stick and no carrot. It is merely a framework for finding, filtering, and fixing business risks associated with J.E.D.I. issues. Unless you are running a startup and want to get off on the right foot, the J.E.D.I.—RS won't start at the top of the wheel with *J.E.D.I. Restoration Projects and Programs*. It starts with *Problem Identification and Issue Resolution*. Only once a few cycles have progressed do we start the wheel at the new projects and programs. Otherwise, we usually start with the problems and issues that need resolution.

To illustrate this let's take the process of *reward and recognition* to show how the RS works.

Problem Identification and Issue Resolution

We start with the assumption that there are injustices, inequities, too much uniformity, and lack of inclusion in our reward and recognition systems. We dig for root cause(s) by investigating how traditionally marginalized groups of people are being incentivized, recognized, and promoted in our organization. The *five why's* (previously mentioned in chapter four)

is a great tool to use in this effort by challenging ourselves to root beneath the surface and truly find the key source of the issues. Let's say we identify that the reason why our reward and recognition system is disproportionately leading to recognition of a single employee demographic (say hetero cisgender white men) is that we just don't have enough of other groups in our company to impact the over-representation of this majority group, something else, or multiple reasons. Once we've identified the problem, it's time to assess the risks this may pose to our organization. Importantly, the first time we apply the J.E.D.I.—RS there will not be any issue resolution at this stage, but upon future rotations, issue resolution should occur here.

Corrective and Preventative Actions (CAPAs)

The 6As approach is well aligned to the initial steps to creating a risk-based CAPA process[126] which starts with inquiry, assessment, and pre-investigation, then proceeds on to investigation, planning, and execution. The awareness, acceptance, and appreciation stages of the 6As line up with the inquiry, assessment, and pre-investigation steps. Assuming we have risk leads to the need to inquire, assess, and resolve how we will approach what we find—therefore creating greater awareness, acceptance, and appreciation. The As of alignment and activation occur during the investigation, planning, and execution steps as we target the root causes uncovered during the investigation and categorize these issues in terms of severity and prioritize our action plan.

In the case of our specific example on reward and recognition, our inquiry and assessment identifies 1) that we lack quantitative data at a demographic level related to our reward and recognition process, 2) that our one-sized fits all approach to reward and recognition is actually creating

more disenfranchisement of underrepresented employee groups, and 3) that another process—recruiting and hiring must be addressed as we need to dramatically reduce bias and increase the diversification of our employee pool. After fully investigating these root causes, we validate them, assess them as major risks to innovation, reputation, and talent attraction and recruiting, and prioritize our next steps.

Disciplinary Matrix

Prior to our investigation of this process, we never needed to discipline individuals operating in our culture for leveraging the reward and recognition system *against* minority employee groups. By digging deeper, however, we identify not only bad actors in the system, but also specific teams, functions, and divisions who are creating more risk than others. We need to go beyond statements in our employee handbook and let violators know that there will be repercussions for continuing the status quo beliefs and behaviors related to how, why, when, and who we reward and recognize in our organization. A progressive warning system that potentially results in incentive forfeiture and progresses up to termination for multiple offenses is an example of an effective disciplinary matrix.

J.E.D.I. Restoration Projects and Programs

With clear priorities we can initiate our efforts to restore our reward and recognition system. We spell out the identified root causes, investigation findings, risk assessment, prioritized actions, disciplinary matrix, and anticipated results. We design programs and projects for restoration, adhering to the processes developed using CAPA. During program and project design, we clarify responsibilities, shared accountabilities, consultations, and communications, timeline, and deliverables and to ensure that relevant internal stakehold-

ers fully understand, agree with, and are aligned with the proposed actions, individuals involved, and milestones. Importantly, here we also want to define success in the planning process—which should be that we have reformulated our reward and recognition system to ensure that injustices are eliminated, inequities are eradicated, diversity is promoted, and inclusion in the system is enhanced. Now it's time for implementation.

New Operating Procedures (NOPs):

A critical element of the work, the glue that holds everything together, is writing, following, and holding everyone accountable to new operating procedures. In our reward and recognition example, the NOP would specify the requirement to collect and internally report data by demographic group, level, and function. It would outline new processes to individualize the reward and recognition system itself and move away from a uniform approach. It would also address hiring biases and, if necessary, significantly upweight the diversity incoming via our recruitment efforts. The responsible parties draft the NOPs, revise as necessary based on feedback and receive approval from the required stakeholders before rolling them out to the company. Then readership, understanding, agreement, and alignment by all relevant employees is certified.

Communication and Training

The communication cascade of NOPs should start at the senior leadership level with a clear commitment from the executive team to walk the talk and reinforce these new procedures. Leaders should leverage multiple methods of communication including email, internal social media networks, town halls, department chats, endomarketing, and anonymous feedback lines and/inboxes to ensure that aware-

ness, readership, comprehension, agreement, and alignment are as high as possible. Repetition is necessary as depending on the culture and its history, among other factors, adoption through to agreement and alignment will likely take some time. Engagement in the NOPs is then reinforced by a robust training program that starts with on-demand reviews of the NOPs which then progresses to workshops with relevant stakeholders such as managers. Importantly, understanding, agreement, and alignment is gauged via pre- and -post training intervention surveys to ensure that the majority of stakeholders understand the new procedures, the expected outcomes, and are prepared to fully implement them. And for those with more difficulty understanding, repeat training interventions should be implemented.

Monitoring

Once the NOPs have been robustly communicated and trained, then it is up to the business process owners—in this case of reward and recognition, HR, hiring managers, and all other managers to regularly monitor and report on the progress and adherence to these programs. This can be done via interval assessments at designated moments (1 month, 3 months, and 6 months for example) post process roll-out to ensure continued high understanding, agreement, and alignment; surveys on process effectiveness; feedback loops from managers to HR on issues in implementing the procedures; and yes, audits—both internal and external. If understanding, agreement, and alignment drops below baseline (during the communication and training stage) then it can be a lead measure on the overall implementation. By listening to managers, unanticipated problems related to implementing the procedures can be picked up early in the process lifecycle and demonstrate that senior management is not only com-

mitted to improving procedures but also supporting those tasked with executing these in the real world. And if there is widespread resistance from managers to the NOPs it is better to gather this insight and go back into problem identification and issue resolution mode.

> **The ultimate goal of all of this work is to build awareness, understanding, agreement, alignment, and action that is visible and tangible to everyone within the organization.**

Employees will directly benefit from much of this internal effort, which makes it that much easier to externalize impacts once this has occurred. So now let's dig in further into how J.E.D.I. leadership can increase employee engagement and productivity.

9

ENGAGING EMPLOYEES

Employees drive the innovation, productivity, and efficiency of a company. Employees are the window into your company for everyone on the outside looking in. When Glassdoor.com was launched, it was very eye opening to be able to transparently access insider opinions on companies for the first time. More than a few managers, HR departments, and CEOs lost some luster[127] once their employees had an anonymous platform from which to rate how they were treated, compensated, and valued (or not).

The fact that employee engagement is so high on the list of priorities is an indictment of the status quo of leadership today. This is because ego-driven leaders lack concern for the well-being of others in their midst. J.E.D.I. leaders, in contrast, have learned how to wield their love of serving and supporting others, along with the tools of justice, equity, diversity, and inclusion, to drive the following superior outcomes for employees:

- ❒ Aligning with purpose
- ❒ Fighting for fairness
- ❒ Transforming trust
- ❒ Triumphing with teams

☐ Fixing with feedback

☐ Rewarding and recognizing regularly

Aligning with Purpose

Whether you recognize it or not, employees take corporate statements of purpose seriously. They believe the CEO when she says that the company's products or services will do more than drive revenues—they will make a positive impact on the world. These statements of purpose are what employees use to talk (and sometimes brag) about their workplaces. They are sources of inspiration and pride, and, when coupled with a complementary set of values, truly engage and activate collaboration, innovation, and achievement. A company's purpose can be the North Star guiding the rest of its employee engagement activities and the other four goals of J.E.D.I. leadership.

Unfortunately, there's a disconnect between purpose statements and action at many (especially large) companies. In 2018, PwC surveyed 502 business leaders and 1,510 employees across 39 industries[128] about purpose in perception and practice. The results were eye opening. Despite 79% of leaders thinking purpose was central to business success, only 34% of business leaders think the organization's purpose is a guidepost for decision-making by the leadership team. That's not a gap. It's a chasm.

PwC also found big differences in what employees and leaders value about purpose. A J.E.D.I. leader will keep the perspective of what executives value most—reputation and innovation—while focusing on what engages staff most—meaning in their day-to-day work. The report has a number of useful insights, such as the

finding that "Millennials are 5.3x more likely to stay at a company when they have a strong connection to their employer's purpose. But only 27% of business leaders help employees connect their own purpose to the work of the company."[129] This is where the J.E.D.I leader comes in.

A well-crafted purpose states the company's *why* for existing and articulates *what* they aim to achieve via their operations. The J.E.D.I. leader puts purpose into action by confirming alignment of employee activities and decisions with the organization's purpose to maximize engagement. When the rest of the organization isn't living up to the purpose, they help their teams stay connected to it. And, as situations necessitate, they advocate for other leaders to double down on purpose, pointing to the high-performing results of their teams as a motivator.

J.E.D.I. leaders understand that a statement of purpose must connect on an individual level with each colleague. The more *diverse* the team, the more the J.E.D.I. leader must work to first understand the passions, needs, and motivators of each employee and then decode the organization's purpose in a language with which they will most relate. Because purpose is aspirational, if *inequity* exists within the organization, it will derail progress, so it must be addressed by J.E.D.I. leaders. *Including* everyone in the discussion of what the organization's purpose means to them, what excites them, what doesn't, and how to consistently improve it is crucial.

What warm-clothing brand producer, Patagonia has been able to do in terms of manifesting purpose is a case study for any company seeking to leverage purpose into employee engagement. From their Black Friday campaign[130] a few years back to not buy a particular

fleece jacket, due to its negative impact on the environment (they used ad space to educate consumers on the dangers of consumerism on the environment) to their donation of their portion of Trump tax cuts ($10 million to environmental causes) to their refusal to sell products[131] to ecologically damaging companies—this is a modern enterprise under modern leadership that is truly leaning into purpose.

Fighting for Fairness

What would you do if you knew that one of your employees had a relative who was recently incarcerated due to a bogus criminal charge? Logically, such a scenario would create an emotional drain on that employee's productivity and engagement. Understanding this, do you have any responsibility to assist in this situation—or is it a personal situation you need to stay out of?

Zooming out a bit, what should a company do if teenagers in the local community, who drive demand for their products, are being murdered due to gang activity linked to lack of educational and employment opportunities in the community? How do you think it feels to be a member of the same racial group watching this happen every day and wishing to do more, but, instead, needing to focus on priorities at the office? What role can and should companies play in improving conditions in these communities where their employees come from and in which their customers reside?

To J.E.D.I. leaders, fairness is fundamental. Not only within the company's walls, either. Because they are more in tune with their employees' lives, they are also highly sensitized to factors that may take their colleague out of their productivity zone, such as inequity or injustice. For those of us who have had a leader

who fought for us and changed conditions to make life better for us in some way, how did we react to their support? Our loyalty and engagement likely took a dramatic leap forward.

The key is to understand which battles to fight, and we can only identify this by *including* everyone in open discussions of how inequity and injustice impact them. The more *diverse* the team, the more issues to sift through. Imagine a team comprised of women employees impacted by sexual harassment (me too), others born and raised in Hong Kong (Chinese extradition protests), Australia (environmental crisis), and African Americans (social justice protests). A J.E.D.I. leader understands the need to engage with each constituency, understand their concerns, meet them where they are, and take targeted action to improve conditions. Once we determine what *justice* looks like from the point of view of our employees, we can then begin to advocate for greater *equity* in practices both inside and outside our organization.

When our lived experience is different than the people we manage, it's up to us to learn about and appreciate where they're coming from and what they experience. It's not their job to educate us. This is true, whether we're a hetero white cisgender male and we have a Latinx person on our team, or we're a Black woman with a white trans man on our team.

Importantly, we must recognize the limits of our influence within a given situation. While we may not be able to change the law that led to our colleague's relative being incarcerated, we can rally support to raise bail, engage political representatives in the issue, and advocate with relevant authorities for greater transparency in such cases. This is about supporting a colleague's emotional state and letting them know that we are an ally both inside and outside of work *if they want us to be*. Keeping them abreast of our progress and efforts will let

them know that we are truly helping and allow them to refocus on their regular work.

Transforming Trust

How open are we with our employees about our individual story, struggles, and triumphs? Or are we stoic authority figures who maintain an arm's-length relationship with everyone around us for fear of getting too emotionally involved with our people? The difference in the answer between these two questions will likely be the gap in how much we are trusted by those working with us. This is because the less we know about a given person or scenario, the more likely we are to proceed with caution.

J.E.D.I. leaders understand that a certain degree of trust must be given first, not earned. Of the three types of trust—capability, character, and communication—character and communication are the types that must be on offer from the very first interaction with your colleagues.[132]

☐ Treating each person *equitably* establishes the first pillar of trust.

☐ Capability is always conditional on the intersection between the relevance of one's experience and one's willingness to achieve progress despite task ambiguity.

☐ Never assume capability—this is the key to the supportive relationship a J.E.D.I. leader establishes with each of their employees.

The other key to transforming trust is to create a culture of failing forward:

☐ Invulnerability is the disease of individuals and teams that never advance as quickly as they should.

- ❏ When everyone feels the need to project perfection then an environment of falsehood will permeate.

- ❏ Failing fast, learning the necessary lessons, and applying these learnings is the hallmark of high-performance leaders and organizations.

- ❏ To solve problems, you must first admit they exist and then leverage your team's *diversity* of experience and talents, together with a high-trust environment, where each voice is *included,* to identify root causes and address them.

Triumphing with Teams

Whereas individuals are generally talented in highly specific ways,[133] teams can aspire to be brilliant in far more domains. In today's business world, teams are also the primary method of achieving productivity, so expert team leadership skills are not a "nice-to-have" anymore—they are a necessity. Teams create a sense of place and comradery for employees, provided that the basics of *equity* and *diversity* are in place. J.E.D.I. leaders ensure that compensation does not become an issue that can create a rift between collaborators of diverse backgrounds. Pay should always be commiserate and consistent between employees at each level of their organizational maturity and contributions.

When leaders understand how to tap into and leverage the unique DNA of their team, engagement is rapidly transformed into achievement. *Inclusion* takes a leap forward as they begin to utilize a more purposeful form of embracing and capitalizing on the *diversity* of the individuals on their team as well as the group. By tapping into differences of experience, talent, skills, backgrounds, and motivations, they can uncover previ-

ously hidden opportunities—the pursuit of which will lead to more innovation and success.

But beware the dangers inherent in group development:

❐ When the leader, composition of the team, or mission changes, the group will devolve to a state of *forming* where excitement exceeds engagement.

❐ From there, we must overcome *storming* and the inevitable conflict that arises when people seek alignment on how to accomplish their goals and question the leader's capability in steering them in the right direction.

❐ Upon the establishment of key *norms* of how the group organizes and functions for the good of the team's mission, things settle down, and progress accelerates, even as productive disputes amongst team members may dissipate into a sense of false harmony.

❐ The J.E.D.I. leader recognizes this dangerous stage and continues to focus on enhancing trust and exposing vulnerability, until productive conflict emerges, accountability increases, and focus on achieving end results tied to purpose and *high performance* dominates the doings of the group.

Fixing with Feedback

Because J.E.D.I. leaders are masters of leveraging positive psychology to influence individuals, groups, and organizations, there may be a prevailing sense that they are soft on people. On the contrary, J.E.D.I. leaders are the most aware of the potentially derailing proclivities of their people—they

just manage weakness in a different way than most managers. Rather than making differences and gaps the focus of employee development, they use the power of focused and continual feedback to raise awareness of these flaws and, ultimately, help their people to navigate these areas in a more productive fashion. This ability to develop the uniquely positive attributes of each person, while simultaneously softening rough edges, is the key to high-performance coaching.

Providing feedback, however, is not a once-size-fits-all proposition:

- ❒ It needs to be as individualized and punctual as possible.

- ❒ Once the leader understands that, usually, the source of a person's greatest talents can often also be the source of their biggest behavioral gaps, they can build a communication plan that encourages the use of talent, acknowledges areas where behavioral refinement may be required, and return to clear examples where the person did it right.

- ❒ Then they need to align a near-term plan of action with the employee on how to shift their behavior when triggered in a certain instance.

Feedback is essential in engaging *diverse* groups of people. Still, it must be leveraged *equitably*, meaning that it works both ways:

- ❒ Creating an agreement with each employee on trust-breaking behaviors and role and behavioral expectations right from the start and sharing your own is a process that ensures that feedback is a two-way street.

❑ If you do something that erodes trust or don't provide the required support, you should expect to get as much feedback as an employee who does the same.

❑ *Justice* also comes into play here as well— disciplinary actions need to be as transparent and consistent as possible when someone violates norms, rules, ethics, or values.

Rewarding and Recognizing Regularly

People require different recognition types to continuously do their best work. Some people prefer individual praise, while, for others, only financial incentives truly motivate them. Unfortunately, there are some managerial processes that turn something as positive as a reward into a minefield of emotional distress for managers and employees alike. This is the area where injustice, unequitable returns, homogeneity, and omission reign. Forced payout distribution curves, talent management matrices, and rating blocks related to a year's worth of objectives, challenges, failures, and successes creates division between colleagues and erodes a leader's credibility.

The J.E.D.I. leader understands that they may not be able to change the compensation system within which they must manage their colleagues overnight, but they can focus on being as *fair*, *equitable*, *heterogenous*, and *inclusive* as possible in how they manage the big performance moments and the day-to-day successes of individuals and teams. They smartly focus and drive group rewards more than they do individual successes. This is because keeping the group working together is of paramount importance. By also endeavoring to identify each colleague's individual preferred recognition types, they can more consistently provide praise in the manner that

most connects with and energizes each colleague when moments of recognition are earned.

J.E.D.I. leaders live by the phrase, *catching people being brilliant*:

❏ In their function.

❏ As collaborators.

❏ At coaching and developing others.

❏ At thinking analytically and solving problems with passion and maturity.

When reward and recognition happens all the time, the emphasis on the annual performance reviews diminishes, and your people will recognize your efforts to *justly* and *equitably* recognize each person for their *diversity* of contributions and ensure that *everyone* is recognized regularly.

Only with fully maximized, productive, and engaged employees can the J.E.D.I. leader deliver value to the rest of the key stakeholders, of which customers is the next area of our attention.

10

DELIGHTING CUSTOMERS

When is the last time you were delighted by a company's product or service experience?

Years ago, when the Amazon Kindle was on its second iteration, I inadvertently dropped mine off my desk and shattered the screen. I contacted Amazon's customer service department and was informed that I would be receiving a brand-new Kindle ASAP, as well as free postage to return the broken device. This all happened on a Friday morning. On Monday, when I had returned to the office, sitting on my desk was a package from Amazon.com. In it was a fresh Kindle, but that fact alone didn't delight me. When I powered it on, I found that the e-reader opened to the exact same page of the book I had been reading before dropping my previous Kindle.

This was a "wow" moment for me as a customer. Amazon somehow knew that it would be a pain in the butt to have to relocate my page in the e-reader, and, as an avid reader, they anticipated this unarticulated concern and found a way to delight me instead. I went on to buy Kindles for all the readers in my life, while relating the amazing customer service I experienced. Now, over ten years later, I am still happily reading and storing e-books on the Kindle application on my iPhone with no plans to ever switch to any other of Amazon's competitors.

Servant leadership is all about reorienting the organization back toward those who create value for the customer—front line employees. J.E.D.I. leadership takes this a step further by ensuring customers' lives are truly enhanced by the products and services being offered by the company. Remembering that customers are people, too, and valuing them for their humanity, experiences, and insights, in addition to their income, demographics, desires, and dislikes, is a fundamental aspect that J.E.D.I. leaders keep at the forefront of their work. Just as this brand of leadership aims to see the person and not the role when it comes to employees, J.E.D.I. leaders also endeavor to see the human and not the dollar signs when contemplating customers.

This is where delight comes in. Providing valuable outcomes for customers beyond just creating great products at accessible prices in easy-to-find locations:

- ❒ Fighting for the same causes as our customers.

- ❒ Ensuring equitable customer access to our goods and services.

- ❒ Representing their diversity.

- ❒ Amplifying their outlook and/or sentiment.

Everyone in business knows the adage that it's cheaper to keep an existing customer than to acquire a new one, yet few companies are willing to go as far as necessary to ensure broad-based customer retention.

J.E.D.I. leaders ensure that delighting the customer doesn't happen by accident—this principle is at the heart of everything they do. They have learned how to harness the power of justice, equity, diversity, and inclusion to the ex-

treme benefit of their customers by focusing on the following areas into which we will now delve:

- ❏ Embodying the customer
- ❏ Eradicating evil
- ❏ Protecting privacy
- ❏ Honoring honesty
- ❏ Excelling at service

Embodying the Customer

Back in 1926, Emory Bogardus[134] developed the methodology marketers commonly use in focus groups today. Leveraged in marketing, academia, politics, and psychology, focus groups allow researchers to gain feedback and insights directly from targeted audiences of people. Although there are many other methods of extracting insight from customers, there is nothing like watching them directly interact with our offerings and provide their impressions. But sometimes we are surprised to learn who is actually consuming our products versus our initial intention.

When Louis Roederer managing director Frédéric Rouzaud, the leader of the company behind the ultra-premium champagne, Cristal, told the Economist[135] that he viewed the hip-hop community's consumption of his product with "curiosity and serenity" and that he couldn't stop them from buying it, but, surely, their direct competitors would be happy to have their business—he set off a PR firestorm with famed American rapper and business mogul, Jay-Z (né Shawn Carter). Jay-Z interpreted Rouzaud's comments as racist and disregarding of years of free publicity the brand had received in countless songs and music videos. Jay-Z subsequently boy-

cotted the brand and ultimately ended up purchasing his own champagne label, which now competes in the same segment as Cristal (and which he recently sold a 50% stake in for a cool $315 million).[136] Rather than seek to understand the culture of consumption of a new and lucrative demographic, one loose comment removed millions of dollars of revenue, invaluable free publicity, and, ultimately, manifested a direct competitor.

Stories like this are far more common than they should be for enterprises in the business of generating revenues and profits. This basic lack of humility and gratitude for what customers provide has led to the fall of many a brand. But the approach of J.E.D.I. leaders is to literally embody the viewpoint of the customer in every key decision juncture in the company. Some companies have even gone as far as to leave an empty seat in each meeting room[137] as a visible representation of the customer point of view in every key discussion. Others have gone as far as redesigning their products to open new market segments and *attract a broader base of customers.*[138]

The benefits of embodying the customer perspective, beyond market research, is one of the goals of crafting a delightful customer experience. The NBA's response to the social justice movement led major advertisers, such as Nike, to amplify their customers' voices and let them know that the company was standing with them through this trying time. Nike ultimately pledged $40 million[139] to support the Black community over the next four years. The funds will be targeted for supporting and investing in groups and organizations that put social justice, education, and addressing racial inequality in America at the center of their work, according to a statement from the company.

While this was happening, the 45th President of the United States was dismantling systemic bias and antiracism training

in the federal government,[140] justifying it by saying it didn't reflect the values of the true America. This decision clearly did not embody the needs and declarations for greater justice and equity by a key electoral constituency and those allied with them. This had the opposite effect of galvanizing these groups politically in support of Trump's opposition, which was far more willing to engage and represent a broader set of views.

J.E.D.I. leaders understand that increasing the size of the pie and access to their offerings from as broad a group of customers as possible is desirable. But they also know that this requires enough *diversity* internally, with full *inclusion,* to leverage the experiences in the room to create positioning and messaging that activates these vastly different customer groups. When things happen that impact the customer, the company is affected as well—be it a natural disaster or a social justice movement.

> **When the concerns, needs, norms, and desires of the customer are also represented inside the company—it becomes that much easier to elevate the customer experience.**

When a Philadelphia Starbucks manager called the police to arrest two innocent Black men in 2018,[141] it set off a media firestorm. While the initial response from the company drew criticism, the company's decision to shut down more than 8,000 U.S. stores for an afternoon of racial bias training for 175,000 employees,[142] at an estimated cost of $12 million, demonstrated their seriousness about the issue. The CEO issued a public response taking personal accountability and flew to Philadelphia to apologize in person to the two men.[143] This is a case, the swiftness and appropriateness of the response were in alignment as more than a PR fix, but as a genuine move to improve customer service and experience.

Importantly, this served to elevate standards and also create a two-way exchange across the company about race.

Eradicating Evil

In 2018, Google changed its internal mantra away from "Don't Be Evil" to "Do the right thing."[144] For a company that literally has more data on the way people think, where they go, what they buy, and more, leaning into not being a dark force in the world shouldn't be looked at as something quaint or idealistic. It could have become an example for all tech unicorns once they reached maximum scale. But, as previously discussed, these statements of purpose are often undermined by the beliefs and biases and motivations of the executives that promote them.

The earlier-referenced PwC study demonstrated that what executives value around purpose differs from what employees value around purpose. As an example from Google, customers have grown wary of its privacy practices (more on that later) and its struggling with employees walking out over disparate treatment of men and women (Andy Rubin #metoo payout[145]) and pursuing military contracts[146] despite internal protests. Then, there's the fallout from the December 2020 dismissal of Timnit Gebru[147], an artificial intelligence (AI) ethics researcher, over a process technicality, when it looked to many outsiders like they were sidelining her findings. Google later fired[148] the lead of its Ethical Artificial Intelligence team, Meg Mitchell, who stood up for Gebru, like a J.E.D.I. leader should. Clearly, Google should not have changed their mantra.

What do we do if we work for a cigarette manufacturer or military contractor developing the next generation of carcinogenic vapes or quick strike drones? Employment is inherently positive, isn't it? The person selling high-powered death machines to the US government wants and values many

of the same things that someone selling flowers does, right?

Just how much does our choice of employer matter?

J.E.D.I. leaders know that the choice is everything.

As we work to shift the culture in less inherently "evil" businesses, we also need to continuously speak out against entities that damage our customers. Patagonia, mentioned earlier, has refused to sell products to those who denigrate the environment, but this is not something we usually see, due to the "pot calling the kettle black" syndrome that exists in business today. Regardless, we must leverage, and continuously enhance, our collective influence to ensure that people don't have to choose between bad and worse employers, or bad and worse products. Simple actions can transform customer choice—such as when McDonald's began transparently displaying the calories[149] of their menu. They knew that this would trigger healthier choices and, therefore, they needed to provide those options to their customers. Still, they are only doing it in nations that require it due to regulations; this kind of values waffling can lead customers to check out other more life-affirming options.

The point of the work is that we don't want to see our families, neighbors, and communities suffer as a result of our production. There are plenty of issues to solve that will make life better for people. J.E.D.I. leaders naturally gravitate toward more positive pursuits that enable happiness and fulfillment for others. But we need to recognize that each consumer may be seduced by evil products:

❑ We can fight to close liquor stores in marginalized communities.

- ❏ And force food producers not to poison the population with hormones and pesticides.

- ❏ We can ban cigarette smoking once and for all, in all of its toxic forms.

- ❏ And significantly fine and sanction pharma companies profiting off the opioid addiction crisis or practicing predatory pricing.

- ❏ We can end the manufacture of automatic assault weapons for retail consumers.

- ❏ And sideline health insurance companies that bankrupt our elders because of lack of coverage.

- ❏ We can boycott mass polluters.

- ❏ And regulate financial institutions preying on the naivety of the populous.

Each of these is a noble cause that J.E.D.I. leaders can, and should, be tackling as part of their day jobs.

The why is very simple:

- ❏ Alcoholism leads to drunk driving-related deaths, which kills potential customers.

- ❏ Toxic pesticides on foods may lead to a proliferation of cancer and other diseases, which sicken and kill potential customers.

- ❏ Cigarette smoking is a leading cause of lung disease and cancer, which kills millions of potential customers.

- ❏ Opioid addiction can lead to overdose, which kills potential customers.

- ☐ Assault weapons in the wrong hands are responsible for the mass deaths of potential customers.

- ☐ Skyrocketing healthcare costs is the leading cause of personal bankruptcy in the US and lowers discretionary income for potential customers.

- ☐ Pollution leads to worsening air quality and disastrous environmental consequences, which can kill potential customers en masse.

- ☐ Stealing funds from people lowers their purchasing power, which hurts their patronage of your product or services by potential customers.

"But, what about choice?" comes the counter argument. Consumers have a wealth of information at their fingertips today to help them validate their product selections. If they choose something likely to do them harm, such as vaping—in the spirit of personal liberty and freedom—don't they have the right? Well, how did these product ideas get in their heads in the first place? To go back to our focus group example— through millions of dollars of targeted advertising designed to make them crave and desire the product. Not through organic human needs. Choice—especially when it comes to products and services—is only an illusion. The savvy marketer and advertiser knows and capitalizes on this fact every single day. [150]

> **When the customer is thriving, business is thriving. When the customer is under assault, business is under assault.**

J.E.D.I. leaders understand this and apply their force to make the world a better place for those whom they aim to serve. Evil entities, therefore, can no longer be given a pass. And amazingly, when the options improve, so do the choices!

There is just a single addendum to this principle, and it is this: some customers do and/or *are* evil. Not everyone with product or solution acquisition power should be serviced. Like Airbnb finding out that white supremacy groups[149] were advertising the use of specific homes in certain communities for hatemongers to stay in or some Dunkin Donuts employees refusing to sell their delicious treats[151] to police departments with a history of injustice and violence in the community. Remember that, just as your company should embody the customer, there are instances where the customer defines your company. Making sure they represent its purpose with the right values, norms, and standards is a worthy effort.

Protecting Privacy

Privacy is not only an issue for tech companies. Privacy is at the heart of any business that is collecting or purchasing customer data. The use or misuse of this data is one of the biggest concerns facing businesses today. Just because regulations permit a company to leverage this rich data source does not mean it should be done in every case.

Privacy violations are one of the single easiest ways to alienate, and potentially lose, your customer base.[152] These issues often occur because key voices in the company are not *included* and/or issues raised are not attacked with a sense of urgency. Here are just a few of the areas that JUST Capital uses to rank how well companies are securing that these issues don't negatively impact the customer:

- ❏ "Lack of transparency in the scope of a company's privacy policy"

- ❏ "Selling customer data to third parties"

- ❏ "Early notice of changes to privacy policy"

- ☐ "Full disclosure of privacy policy changes"

- ☐ "Tracking of user activity"

- ☐ "User data security breaches"

- ☐ "Privacy policy translation availability"

- ☐ "Privacy policy disclosure"

- ☐ "User control over data retention"

- ☐ "User data security oversight"

- ☐ "Only necessary user data collected"

- ☐ "User security breach notifications"

- ☐ "Customer data used in advertising"

- ☐ "Accessible privacy policy"

- ☐ "User information disclosure"

How does it make you feel when you read the list above from the customer point of view? Is it *just* for a company to violate us in these ways? Now, port that feeling into your work life and consider the negative implications of privacy violations on your company's reputation and license to operate. Customer privacy is a right that is too often being violated by the protection of dense legalese, lack of customer awareness or understanding, and lack of transparency on the part of the companies.

At the World Economic Forum in 2020, Satya Nadella, CEO of Microsoft, said[153] data privacy will be recognized as a human right and called for global regulation on the topic.[154] Forward-looking CEOs like Nadella can see what's coming, and they don't want to respond to a patchwork quilt of regulations,[155] like Europe's General Data Protection Regulation (GDPR) or the California Consumer Privacy Act (CCPA). For

now, leaders in this space must look beyond compliance in specific markets (like Europe or California) to better serve the rights of their customers.

Facial recognition is being deployed in more and more locations. It's used for many transactions in China and is spreading in other advanced economies. As facial recognition technology spreads—it's already used extensively in the US by retailers and in law enforcement—data collection about where we go, who we interact with, what we browse, and more, will skyrocket. The technology introduces a minefield of risks that are enough to cover in an entire book. The privacy issue is huge, and exacerbated by the limitations of the technology—it doesn't recognize people of color nearly as effectively as white people.[156] Joy Buolamwini kicked the door open on the inequality of facial recognition in 2018 with her study Gender Shades.[157] Buolamwini continues her work as a poet of code at the MIT Media Lab, where she uses art and research to continue illuminating the social implications of artificial intelligence (AI). She also founded the Algorithmic Justice League[158] to mitigate the harms and biases of AI.

J.E.D.I. leaders endeavor to understand how their enterprises use customer data and, more importantly, protect customer privacy as a human right.[159] It is not *equitable* for people to have crucial information inside the company without their customers fully understanding the implications of this data utilization. And as customers are a *diverse* body, it's not fair to treat them as a monolith. Different groups of customers require different levels of disclosure based on how data-savvy they are, and the company leadership must know and own this. Because when bad things happen, they know it won't be the C-suite executives who take the fall—it will be front liners who had no idea about what the company was

really up to who will be the first to be let go. As an extension of serving those who serve the customer, this is a space that cannot be ignored.

Honoring Honesty

What does it mean to be honest to a customer? It means full transparency. It means having high integrity in your dealings. Years ago, there was a movement in the supermarket space to clarify exactly what was going into our food and beverages. Too many years had passed with obscure chemical ingredients on packages, which very few people knew they were ingesting. Certain companies, like Whole Foods[160] and Trader Joe's, have made major market share gains simply by pledging to not sell harmful products.

Pricing transparency is another area where honesty is important. No one wants to overpay for a good or service. The capitalistic growth imperative often leads to finding more and more clever ways to mask the companies' business models and pricing strategies, so that customers remain unaware of the steepening of their expenses, while companies round up these incremental gains at the expense of customers and declare record growth levels. Amazon and a number of other retailers have changed the game by providing customer reviews and comparison products, which *equitably* allows consumers more information related to, not only the quality of their product of choice, but also the relative fairness of the price. But this isn't the usual case. The Wall Street Journal has reported[161] how companies selling online constantly adjusted prices and offers based on users' information.

We've seen how trust can erode when pricing transparency goes down while informational transparency increases. Just tune in to any pharmaceutical drug ad and you'll hear a litany of horrifying possible side effects for a given drug in

the same breath as the potential benefits are being listed. Potential patients want to lessen their suffering, sure, but they also don't want to go bankrupt in the process. This lack of pricing transparency is one of the reasons why the pharmaceutical industry, which does so much good, has such a poor reputation.

Mylan Pharmaceuticals comes to mind here. They are the manufacturer of the EpiPen used by millions of allergy sufferers in the event of anaphylactic shock due to exposure to an allergen. The EpiPen does not have a generic option, and Mylen has continuously taken advantage of this fact to hike prices an extraordinary amount—over 500% in seven years.[162] The CEO unapologetically explained that the hike was the price of good business and the indication of a broken price monitoring system in the US.

Remember, that not all growth is good growth. J.E.D.I. leaders ask themselves one question related to customer transparency: "If my customer knew this about my product, would their satisfaction increase or decrease?" If the response would result in a decrease in customer satisfaction, the J.E.D.I. leader knows this is an area that they need to lean into and augment how the company communicates on the issue. No spin. No half-truths. Just plain speak with a clear plan to improve on behalf of customers.

Excelling at Service

Whose job is customer service? Is it something left to people sitting in cramped call centers? Or is it the imperative of every single employee of the company to be able to respond to customer inquiries as they arise? The answer is often the difference between customer delight and customer flight.

Serving the customer goes beyond simply resolving issues and disputes. It's bigger than having a return and exchange

policy or 24-hour chatbots on your company website. It requires understanding. And understanding requires *diversity*, *equity*, and *inclusion*.

When your organization is a reflection of your customer's *diversity* and those diverse voices are *included* to inform what's going on and how to respond, insights related to how well your service is perceived will be visible to the degree that you create the opportunity for these viewpoints to be *included* in the conversation. Resolving disputes and issues often comes down to policies, which is where fairness and *equity* come into play. Great companies truly have the customer at the center of their decision-making processes, and, therefore, have the agility to not only respond to issues today but to anticipate the issues of tomorrow.[163]

Just as people in the Kindle department at Amazon really understood the needs of readers migrating from paper to digital—and somehow managed to improve on the experience (e.g., if I spilled coffee all over a page of a book, that page is basically a goner)—it is up to everyone in your company to recognize the precious nature of the customer and to maintain an orientation toward delighting and exciting them, versus counting sales and profits and pretending as if customer satisfaction, or lack thereof, is not crucial to those calculations. Customers deserve to be treated fairly, to be represented demographically by the company selling them goods and services, and to be included in the process of serving them. This is how J.E.D.I. leaders delight the customer.

But the work does not stop there. Employees and customers are just two gears in an engine that combine to form a community, the next area of intervention for us to tackle.

11

CULTIVATING COMMUNITIES

J.E.D.I. leadership is not for the easily discouraged. But the benefits of this approach cannot be overstated. Each piece of the stakeholder capitalism equation—employees, customers, communities, environments, and shareholders—is crucial for a business that succeeds well into the future, while improving the world at the same time. And don't forget the broader eco-system of suppliers, regulators, and payors in some instances.

Also, remember that sales as a *why* for a company's existence only excites those in sales-related functions. For every salesperson, there are many more back-office folks working to keep the business running smoothly, who are not activated by commercial outcomes to the degree that those in customer-facing functions may be. The higher up one matriculates through an organization, the less one is engaging the sales function and the more one is dealing with operations or the machine running the company. At this level, an engaging purpose and just cause is much more crucial to keep everyone aligned with what really matters.

When our organizational reason for being contemplates the community and environment, in addition to the obvious stakeholders of employees, customers, and shareholders, then we have truly triggered the purpose and potential of our organization. J.E.D.I. leaders focus on the following four aspects

to cultivate the communities in which they operate and serve:

- ❏ Reflecting the Community
- ❏ Engaging the Community
- ❏ Employing the Community
- ❏ Uplifting the Community

Reflecting the Community

From the simple English Wikipedia, a community[164] is a group of living things sharing the same environment. They usually have shared interests. In human communities, people have some of the same beliefs and needs, and this affects the identity of the group and the people in it. Companies, therefore, are merely extensions of communities. They have the distinction of both being of, and apart from, the geographies in which they operate.

The most crucial part of the above definition is the assumption that those within the community usually have shared interests. The most important of which should be the continued prosperity of itself and its members. Reflecting these interests and needs is the jump-off point for community engagement for J.E.D.I. leaders. By leveraging empathy in the form of listening, understanding, and validating, these leaders can more effectively represent the interests of communities as the business makes strategic decisions.

Shareholder capitalism failed the community[165] in its search for increased competitiveness in the global economy. We have seen middle America abandoned and economically gutted by the offshoring of manufacturing jobs with truly little planning and investment to help these areas continue to thrive, despite the shifting economics and opportunities. As

the US changed from a manufacturing powerhouse to leaders in the global service economy, thousands of communities, and millions of people, were left behind, leading to massive disillusionment with government and corporations making knee jerk decisions to drive continued growth and cut labor costs, but with little thought to the consequence of abandoning their previous employee and community bases.

Reflecting the community relates to making *just* decisions that think through the implications of business decisions. To do this, it usually requires the active engagement of the community to understand potential negative impacts and unintended consequences in the deliberations. When a company decides to move out of an area they invested heavily in previously, there is a dramatic shift toward *inequity* for those left behind. Because their voices are not heard above the din of shareholders calling for greater cost efficiencies to boost dividends and profits, this lack of *inclusion* in the planning process leads to the unintended consequences of mistrust, misunderstandings, and misery for the ex-community members.

J.E.D.I. leaders contemplate the shared needs of the communities they serve prior to entering a location, during their engagement with the public, and prior to making any decisions that will shift or break the covenant with the community. Were there more J.E.D.I. leaders at the helm of energy companies, they would have tried to offset the gains of importing fuel from abroad with the losses to the communities where they sourced their human capital. This might have led to a much earlier investment in next generation energy sources like solar, wind, and battery storage, new capabilities and job training to infuse within the community, and continued to uplift those who had broken their backs to build the company in the first place.

Engaging the Community

It's easy to assume that we know what a given community needs. Solid job opportunities, good schools, and low crime are some of the things that come to mind. But there is a lot of gray area in these categories. Solid job opportunities in an urban center such as the South and West sides of Chicago versus the rural mountainous communities of West Virginia take on completely different meanings.

This is where situational context comes into play. It is essential to understand how a community arrived at its current state in order to take the necessary steps to enhance it. And central to understanding is *inclusive* dialogue with key constituencies within the community. It takes more than a few town halls to move the needle in community engagement.

Like the scene in the incredible movie, *There Will Be Blood*[166] where the film's lead character, Daniel Plainview (played by the inimitable Daniel Day-Lewis), engages a poor California community to gain their favor to build his oil derricks in the early 1900s. There is a key stakeholder in the community led by young fire and brimstone preacher, Eli Sunday, who ensures that, as Plainview's business flourishes, so, in turn, does his congregation. The workers who produce oil for Plainview during the days, turn to Sunday for spiritual guidance afterward, thus intrinsically linking the church and the corporation. Each of the men understands something important from their unique vantage points. Plainview knows that he is bringing upward mobility in the form of jobs, improved economics, and land value accretion, and Sunday understands that financial prosperity alone is not enough—people need something bigger to believe in than their own self-aggrandizement.

Although, like most businesspeople influenced by the dark side, Plainview ultimately aims to drain the community of its

valuable commodity and then move on. He knows that to get his start, he must engage, gain trust, and follow through on his words. These days, most businesses don't even take this first step when establishing a beachhead in the community. Inclusive community engagement is a gateway to two-way experience-sharing that enhances the mission of both the corporation and the community.

Detroit has struggled for decades with a sprawling landscape of abandoned homes, littered tracts of land, high unemployment, and a feeling that the world has moved on, while the rich commute in from far-flung utopian suburbs. This situation is endemic of what happens when business interests and community interests are not intermingling. The fact that the biggest automobile manufacturers in the country are based there and, yet, have done little to stop the steady demise of the environment around their factories is an indictment of corporate leadership.

There is also the complicating factor that residents in the city limits of Detroit are mostly Black (78%) and people of color, while suburbanites are mostly white.[167] Like many other cities, white flight accelerated following the riots of 1967,[168] which left the burnt out and depleted urban scape many experience today. They literally left the city for dead.

Enter billionaire and Quicken Loans founder and Detroit native, Dan Gilbert. Gilbert has invested billions into downtown Detroit, attracting major employers back into the area as part of a massive rebuild of the community.[169] Having grown up in Detroit, living with his grandfather, Gilbert already had the context for how the community arrived at its current state. And from a business perspective, with property values so low, buying and building and developing the area was a no brainer.

With major educational centers not far off in Ann Arbor (Michigan University) and Lansing (Michigan State University), he saw an opportunity to retain talent in the area, rebuild downtown, move corporations from the suburbs to the city, reinvigorate downtown real estate, and certainly reap the benefits from his investment. He is engaging with the community, understanding its unique needs, making the right investments, and capitalizing on his efforts. And, with a long-term stake in the prosperity of the community, Detroit is solvent and on the rise again.[170]

To J.E.D.I. leaders, community engagement is not a one-time event. It is a constant, open, and transparent two-way street. Just as servant leaders exist to serve and support the people who create value for customers, J.E.D.I. leaders exist to serve and support the community as a major stakeholder in their business operations. It takes regular interactions, active listening, and consistent investment and actions to ensure that community needs are well-served. By understanding what the community needs, the corporation can not only deliver on its commitments but share in the prosperity as well.

Employing the Community

An economy is merely the result of the collective output of a group of communities bound by geographic, political, and social borders. What makes the economy go are the three L's of land, lending, and livelihoods, all intertwined by a common fate. The government originally controlled much of the local land and sold some of it to private interests (many of whom procured loans to secure their parcels), in order to grow business concerns on which to generate income making up the livelihood of the business owners, their employees, and 3rd parties working in conjunction with them to make their goods and/or services available to customers. The government then

taxes the businesses and individuals to pay for services for the public good—law and order, insurance, schooling, and infrastructure. Importantly, each of these systems in the economy are bound to each other and when one collapses, such as the lending industry during the financial collapse of 2008, it can bring down the entire system.[171]

When a business fails to employ from the community, therefore, the livelihoods of the people who make up the group suffers. They spend less, borrow less, and the housing markets where they live dry up. People start defaulting on their loans, stop paying taxes, and the cycle ends in the abandonment of the community in favor of greener pastures elsewhere. The youth are the first to leave, then the working class, and finally the elders—either through death or relocation.

It's no wonder why the gross domestic product[172] of the United States has become anemic in recent years, as more and more companies have turned to cheap overseas labor in order to boost growth and profits. The great loser in the globalization of the economy has been the local communities where these businesses first originated and for without whom there would be no ongoing concerns. These losses aren't reflected in our national economic KPI of GDP. This is why the community has to be a stakeholder that businesses must answer to—because the company's livelihood is ultimately built on the livelihood of those in the community who not only make the product but also promote and, in some instances, also purchase the product.

As economists say, communities can provide positive externalities to a business you don't see on its balance sheet, just like companies can cause negative externalities, like negative community impacts or contributing to climate change, that are external to its balance sheet.[173]

> **While a business makes invisible gains from a strong community, somebody else has to pay for the negative externalities the business creates, and it's usually the community itself.**

How much damage has Walmart done to local communities by forcing the closure of mom-and-pop stores, while sourcing their products from China? [174] This is a negative double whammy, because, while the entry of a Walmart store to a community does certainly create low-wage jobs on a modest scale, it also forces smaller players into obsolescence, and does nothing to boost local production of goods that could be resold in their stores. As much as I'm delighted by their products and services, the same could be said about the way Amazon exacerbated the big box-store problem Walmart started.[175]

The livelihood and prosperity of the communities in which a business operates are of primary concern to J.E.D.I. leaders.

☐ Growth comes from employing those in the community as part of the primary workforce, leveraging them as suppliers, and even as producers.

☐ Employment, therefore, takes the form of sourcing, buying, and selling in a virtuous combination of activities.

☐ A meaningful percentage of a company's workforce should be locally sourced in addition to raw materials and other goods they need to operate.

Governments around the world, looking to boost their economies, have begun to mandate such quotas in the form of local content.

While working in Indonesia, running the local operation for a global pharmaceutical company, I learned that one of the conditions of a multinational company (MNC) operating a

business in the market was that some degree of product production would be localized in the country. To foreigners, this was a limiting restriction that inhibited the company's ability to bring innovation and competitive prices into the market, but the government knew better. Localizing production would build up the capability of Indonesians around good manufacturing process (GMP) standards and other technical abilities that could then be leveraged to improve the local industry. Effectively, learning on the dime of the MNCs, who built the facilities, hired and trained the local workers, and invested in the market.

Therefore, when businesses employ the community, the community learns, develops, and grows just as the business does. J.E.D.I. leaders are not satisfied with a business that merely succeeds for the now, they want a business that prospers for the long haul, and a big part of this is putting the community to work. That's why they are tuned into the composition of their teams in terms of from where (and how) they were sourced as well as where goods and services are procured, in addition to where the product is ultimately produced. These are indicators of local investment and ultimately long-term commitment that are the hallmarks of the best enterprises.

Uplifting the Community

In *Good to Great,*[176] Jim Collins outlines the great differentiator of exceptional companies—what he calls "Level 5 Leadership."[177] Level 5 leaders are those individuals who influence by a paradoxical combination of humility and intense personal will. Because of these unique attributes, they are able to build organizations that thrive long past their tenures in the C-suite. Like J.E.D.I. leaders, Level 5 leaders are more concerned with sustainable high performance than being Wall Street rock stars.

These types of leaders believe in leaving their organizations in a better place than when they found them. J.E.D.I. leaders take this principle a step further and desire that the state of the employees, customers, communities, environment, and shareholders is positively transformed post their tenures. By reflecting, engaging with, and employing the community, J.E.D.I. leaders manifest their ultimate intention to significantly improve the conditions for the community. They leave their mark.

Returning to the JUST Capital survey for a moment, one of the key factors in the community score for a company is the degree to which it contributes to community development in the form of funding for schools, use of local suppliers—including those owned by Veterans, hiring people with criminal records via re-entry programs, and offering apprenticeships.[178] While these are very specific programs that certainly contribute to the development of a community, there are other broader issues that can be tackled as well. One of the capabilities that those working in corporations have that communities desperately need is the ability to conduct situational assessments to project future growth and needed investments. For communities to accelerate their development, they need access to the skills and capabilities already prevalent within businesses in the community.

There are many capabilities that can be transferred from the business into the community:

- ❏ Hiring and onboarding guidance
- ❏ Upskilling financial acumen
- ❏ Root cause diagnosis and problem-solving methods
- ❏ Engineering

❑ Coding

❑ Setting up IT infrastructure and security

Working in the vaccines space for several years, I learned about technology transfers in which a multinational company works with a local government health agency and state-owned enterprise (SOE) to purposefully develop their abilities to manufacture vaccines safely and successfully for the local population. For-profit healthcare companies did this for two strategic reasons: 1) creation of a long-term value proposition and relationship with the local Ministry of Health (MOH) and 2) access to poorer segments of the population. I wish I could tell you that the public health was the primary reason for these types of partnerships, but it really was more of a consequence of the deal not the main purpose.

Still, the result of these technology transfers was a more highly skilled community more capable of solving its own issues and less reliant on government or corporate intervention. This is the "teach a person to fish" philosophy sorely missing from most corporate boardrooms today. The more companies broaden the definition of corporate social responsibility and realize the power of the non-confidential, fully transferable capabilities they already possess in the form of their highly trained and well-paid professionals, the more powerful and immediate the impact they can make in uplifting the community.

This is giving back, at scale.

Global companies must also take responsibility for the global communities in their supply chains. If a company benefits from selling products at lower prices or with higher margins, because it contracts with suppliers in countries that pay low wages, it also has a responsibility to ensure its supply chain not only doesn't

violate human rights but helps uplift the workers earning low wages and their communities where these low-cost garments or gadgets are being made. Bangladesh's garment industry is a prime example. After the Rana Plaza factory collapsed in 2013,[179] apparel companies joined together to underwrite safety inspections. In 2020, some of these same companies refused to pay for goods they had contracted for prior to pandemic shutdowns. Many companies faced financial challenges since the pandemic hit. Large global companies should prepare for a rainy day and be prepared to honor contracts at a minimum. Companies should do more than the minimum—they should support good working conditions and fair wages.

So, putting it all together, companies comprised of J.E.D.I. leaders understand the importance of making a positive mark on the community.

- ☐ They reflect the needs of the community in their short, medium, and long-term decision making.

- ☐ They are in constant dialogue with community leaders to ensure that their positive intentions are being manifested.

- ☐ They disproportionately employ, source from, and invest in the communities in which they co-habitate (and where their products are sourced).

- ☐ They do the challenging (but rewarding) work of ensuring that the conditions for those in the community are better because of their business operations.

In addition to employees, customers, and communities being well-served and supported, J.E.D.I. leaders must also look at the implications of their operations on the environment.

12

ENHANCING ENVIRONMENTS

Earth Overshoot Day

The natural systems of our planet are in peril. Each year, a group called the Global Footprint Network calculates Earth Overshoot Day,[180] which they define as "the date when humanity's demand for ecological resources and services in a given year exceeds what Earth can regenerate in that year." The calculation compares ecosystems' ability to produce resources and services against our demand for those ecosystem resources and services. These resources and services include timber and forest products, agricultural products, fish products, carbon dioxide absorption, and more. Why do we care about Earth Overshoot Day? It is a crucial key performance indicator (KPI) for the Earth's ability to support human life. The scary part is that, in 2021, Earth Overshoot Day happened on March 11.[181] Think about that for a moment. During a global pandemic, humanity exceeded the Earth's ability to regenerate in the middle of the first quarter! Year after year, we're depleting nature's resources and services faster than it can regenerate them.

The evidence of this is everywhere we look. The problems are global and local, and the culprits are easy to identify. Industrialization, fossil fuel extraction and consumption,

deforestation, overfishing, urban and suburban sprawl, war, pesticides, travel, mining, waste proliferation, and more are conspiring to destroy our precious environment. Economists call many of these impacts market failures.[182] As mentioned in the previous chapter, they are externalities, or external economic impacts, caused by businesses (mostly), but not picked up on any company's balance sheet, hence the name. The primary driver is our current, flawed system of capitalism that elevates short-term profit above all else and incentivizes overconsumption, a take-make-waste production approach, and a "we don't have to pay for it, so we don't have to deal with it" mentality.[183] There's more behind this that people write entire books about, like greed and inequality, lack of regulation or deregulation and globalization, to name a few. Basically, it's all just business as usual.

But business as usual is starting to change.

The environmental issue grabbing the most attention these days is climate change. What the environmental movement got wrong in the late 1990s and early 2000s was making climate change a story about polar bears.[184] While this might have played well to get individual donations pouring into nonprofits, it did nothing to motivate the business community. Now, there are plenty of people in the business world who are saddened by the loss of polar bear habitat and donate to those nonprofits as private citizens, but polar bears have zero relationship to what their performance is measured against at work. If the goal was to spur action in the business community (or among politicians), then choosing polar bears as a poster child was a terrible strategy. It took until the last decade for the environmental community to finally get the message right—it's about the people and the economy![185]

An Existential Threat

The environmental community was right all along, but ineffective in their messaging toward the business community. During the same time that environmentalists were talking about polar bears, Big Oil executed the Big Tobacco playbook to build a web of denial through disinformation campaigns. In 2019, the New York Attorney General took Exxon to court[186] over misleading investors, causing them to overvalue the stock. Like any disinformation campaign, Big Oil wrapped their misleading messaging around a kernel of truth[187]—that the climate has changed since time immemorial. While records from glacial ice cores show the level of carbon dioxide in the atmosphere has fluctuated over the past 800,000 years (therefore driving changes to climate), these fluctuations followed a rise and fall pattern until the Industrial Revolution when humanity's massive and growing output of carbon dioxide spiked[188] far above these historic atmospheric levels.

It's now clear that climate change is an existential threat, and humanity is way off track to keep the climate somewhat stable this century, and we're only beginning to see the ripple effects in extreme storms, droughts, massive wildfires, and water scarcity.

Experts say we have until the end of the 2020s decade[189] to make dramatic changes to avoid irreversible climate impacts and losses.

Inaction, or inadequate action, to keep warming below $1.5^{\circ}C$[190] will result in supersized negative impacts on the economy, migration, conflict, and quality of life in general. In February of 2021 Boris Johnson, Prime Minister of the UK, called climate change a clear threat to global security[191] and stability at the UN Security Council. That's part of the reason why many in the sustainability community have begun calling

it the climate crisis or climate emergency. Whatever we call it, investing in preventative measures will cost significantly less[191] than paying for the consequences. Boston Consulting Group (BCG) offers a clear comparison of GDP impacts of climate action versus inaction.

Look at the increased frequency of climate-related business disruptions of the past decade, from the many hurricanes in the Atlantic and Gulf and cyclones in the Pacific and Indian Oceans; to wildfires; to unusual deep freezes, like in Texas in February 2021; and floods around the world.[192] If our place of doing business, the planet, faces more severe and hard-to-predict extremes in the future, how will this impact business? Current business continuity plans probably won't suffice. Here's what we're likely to face:[193]

- ❏ Increased material costs
- ❏ More frequent and prolonged shipping delays
- ❏ Costlier insurance.
- ❏ A hit to sales due to impacted customers (sales may increase depending on your business and the crisis)
- ❏ Macroeconomic trends that increase lending rates.

The list goes on. Therefore, it is up to business and industry to take a leadership role and try to rapidly reduce its impact while funding innovation to reduce the carbon in the atmosphere. The bigger the problem, the bigger the opportunity. And problems don't come much bigger than the climate crisis.

The Opportunity

As much as we need to act fast to avoid a disastrous downside, there's also huge upside potential for those who can develop solutions. The solutions we need aren't out of a sci-fi movie

(though there are some of those in the works). They are more efficient renewable energy, battery storage, regenerative agriculture, and refrigerants that aren't greenhouse gases.[194] Whatever we, our colleagues, or our stakeholders think about climate change, we should all be able to agree with the fact that the very act of manufacturing, producing, transporting, receiving, selling, and disposing of goods and services in the way that we currently do it has a deleterious impact on the earth, air, water, and atmosphere that sustain us.

> ### The climate crisis isn't the only environmental crisis we face.

A series of environmental crises face humanity, and they connect in a number of ways. A mass extinction is taking place right now[195] and according to scientists it's driven by human activities. This is the sixth mass extinction event known to have occurred in Earth's history and we're witnessing it. A 2020 study[196] pointed to evidence that this extinction of terrestrial vertebrate species is happening faster than previously thought. This study and others say it's fueled by the wildlife trade (think rhinos), habitat loss from human encroachment (think orangutans and palm production), pollution and the legal (and illegal) use of toxic substances. Climate change acts as an accelerant. And when one species vanishes from an ecosystem (or its population is greatly thinned) it causes ripple effects for the rest of the ecosystem.

We're losing more than vertebrate species. According to World Wide Fund For Nature (WWF's) Living Planet 2020[197] report, only 25% of Earth's ice-free land surface can be considered wilderness. This loss of biodiversity weakens ecosystems and nature's ability to provide us with resources and services. We haven't explored all of the species in the Amazon Rainforest, which many scientists believe may hold the key

to new pharmaceutical breakthroughs, and it's rapidly disappearing.[198] We've seen forest, prairie or wetland disappear on a small scale locally too.

The list of issues goes on, like water scarcity affecting parts of the world unequally, single-use plastics piling up everywhere and breaking down in the oceans, and a linear production model that goes from cradle to grave. Businesses can help address most of these issues, and before business leaders act, we must understand the issues. In 2009, an international group of experts, led by the founder of the Stockholm Resilience Centre at Stockholm University, identified nine interconnected planetary boundaries[199] that underpin the stability of the global ecosystem, allowing human civilization to thrive. The boundaries sparked international conversations beyond the science community.[200] In 2015, an updated version of the nine planetary boundaries was introduced providing new data on some boundaries.

> **This latest research indicates that, as a result of human activity, we have now exceeded the safe limits for four of the nine identified planetary boundaries.** [201]

One of the highest risks we currently face is "Biosphere integrity E/MSY (extinction per million species a year)," a measure of biodiversity loss and species extinction.[202] Between the research we covered earlier and the degradation of the key planetary boundaries, it's no wonder alarm bells are going off about how fast we're losing biodiversity around the planet.

Before researching and writing this book, it was not common knowledge to me exactly the battle we are fighting and on which fronts. This data is from 2015! As you can see, significant deterioration is happening from human activity on each of these nine, and at least four of them are on the

verge of irreversibility—the point at which no intervention can bring them back into homeostasis. I have yet to hear a major corporate CEO speak to their organization's impact on these boundaries and/or their plan to claw back any aspects of their operations to prevent more harm.

A Call to J.E.D.I. Environmental Action

Changing how the business community treats the environment takes leadership and a multitude of individual and team contributions. In the beginning of the book, we talked about the changing winds of capitalism as seen in the B Corp movement and elsewhere. Companies with forward-thinking cultures that empower employees to innovate new and better environmental solutions are pushing the market forward. Impossible Foods developed a plant-based burger that has a fraction of the environmental impacts of beef,[203] including 89% less global warming potential. What blows my mind is the taste is so convincing that the first time a vegetarian friend of mine tried one he had to ask the waiter if he'd been served a beef burger by accident! Not all solutions need this level of innovation, and there are plenty of efficiency projects to undertake. Whatever the solution, start with understanding the problem and measuring your impact.

J.E.D.I. leaders have five primary objectives to enhance corporate actions to protect and preserve the environment:

❐ Knowing Your Impact

❐ Applying J.E.D.I. Principles to the Climate Crisis

❐ Attacking Pollution

❐ Protecting Ecosystems and Biodiversity

❐ Designing for Circularity and Efficiency

Knowing Your Impact

A tried-and-true tenet of management is that we can only manage what we measure. Historically, corporations have measured limited data on environmental impacts, either to follow regulations or make voluntary disclosures. It was a cost center often viewed by management as a box to check. Pressure from investors, customers and environmental non-government organizations (NGOs) has pushed companies to disclose more about their environmental, social, and governance (ESG) impacts. Still, many companies measure for disclosure more than internal management. Of course, when companies have used environmental data to make decisions, it's typically at a high level to cut costs on energy and material waste, and not used the way companies analyze other data like sales, finance, production, and so on.[204]

If there's an opportunity to collect more granular environmental performance data and augment the data we have with contextual business data, we should do it. The ability to slice and dice the data will allow for better understanding of impacts, which we need before we can get creative about solutions. Lastly, look at impacts on an absolute and per unit basis. If our company is growing quickly, or large with big impacts, having both sets of numbers can help us steer in the right direction.

Applying J.E.D.I. Principles to the Climate Crisis

J.E.D.I. leadership is needed to fight for climate justice, equity, (bio)diversity, and inclusion. Climate justice is a term used to frame the climate crisis as an ethical and political issue in addition to one that is purely environmental or physical in nature.[205] Climate justice recognizes that this doesn't impact us all equally, with the most adverse impacts on underprivileged communities that are often communities of color.[206]

Business leaders need to go beyond regulations that are in place to defend the sanctity of our environment and help protect the most disadvantaged people that it employs, in the communities where it operates, and in its value chain.

Climate equity is ensuring that we contemplate the impact on those who did the least to cause it.[207] Is it ethical or moral that people in some of the poorest countries, that emitted comparably few greenhouse gases, will face the worst of its impacts?[208] Or that under-served communities in rich countries, like communities of color in the US, will experience the worst local effects, with fewer or no options to buy their way out of a crisis?[209] We also have a moral obligation to the younger generations inheriting the mess we made worse, especially those who haven't yet even been born. Beyond philanthropy, there's an opportunity for businesses to collaborate across sectors to protect the most vulnerable.

Climate (bio)diversity relates to maintaining the delicate balance of conditions to keep the Earth in balance and reliably producing resources and ecosystem services.[210] Deforestation, overfishing, over hunting of endangered species, soil degradation ,and pollution are the big issues that business can directly influence. Attack these concerns with radical supply chain transparency that allows our companies to elevate good actors and put the laggards on a supplier performance improvement plan. Ultimately, any company, government, or policy that doesn't actively work to improve biodiversity should not be permitted to continue functioning.

Finally, climate inclusion means much the same as overall inclusion.

❒ The environment must have a full seat at the table in boardrooms and political chambers.

❏ The voices of those with the most to lose due to climate change should be amplified.

❏ We need to start really tuning in and seeing the impact of our actions on the world around us.

❏ We must ensure that we create more than we destroy and clean up our collective messes.

But until we start paying as much attention to climate KPIs as we do the profit and losses from business operations, our negative impact will only intensify.

Attacking Pollution

Pollution from human activities affects all of nature's systems—air, water, and land—and it's become virtually impossible to find a place on Earth not touched by human pollution.[211] In 2017, researchers estimated that Henderson Island, an uninhabited coral atoll in the South Pacific, was littered with 38 million pieces of plastic.[212] Plastic is breaking down in the ocean to microscopic pieces and making their way into the oceanic food chain,[213] and into us. Another fun fact is that the World Health Organization (WHO) completed a study a few years ago that found microplastics in 93% of bottled water.[214] Tailpipes and smokestacks that emit climate-changing greenhouse gases often emit other air pollutants, like small bits of particulate matter (think of a big plume of diesel exhaust) that get trapped deep in our lungs and increase adverse health effects from asthma to increased heart risks.[215] Air pollution in the US disproportionately impacts communities of color.[216]

To change this dynamic, all we have to do is something that businesspeople are fairly excellent at: recognize barriers to product, solution, and service growth, and work to eliminate or work around them. Unfortunately, many businesses

have been using this talent to skirt environmental regulations in favor of policies and loopholes that mimic compliance but continue to promote environmental harm.

This is where long-term thinking needs to be put in place. Too much of a company's intrinsic value to investors is wrapped up in emotional reactions to negative or positive real-time events—looser regulations, pricing or expansion restrictions, oscillations in the price of raw materials, internal scandals, and the like. The rationale being that the only thing that matters is what can be quantified today. But, in reality, it is not so hard to project how a business's operations will ultimately denigrate the very playing field where it operates.

It's time we build environmental policy, actions, and negative impact into the market capitalization of a given company's stock. Investors focused on ESG impacts are using a company's environmental, social, and governance performance as a screen for investment decisions,[217] but there's still a long way to go (which I'll cover in the next chapter). Big polluters who continuously commit crimes against the environment need to be punished where it hurts—at the leadership level, in their stock price, and in their ability to negotiate and compete. They should be treated like sanctioned nations—weakened with overwhelming tariffs and challenges to their business model until they relent and commit to long-term, lasting change or lose their social license to operate.

> **This is change that long-term institutional investors can demand. Governments can levy and manage the sanctions. And customers can choose to source their products, solutions, and services from positive players.**

Internally, J.E.D.I. leaders at more senior levels, with visibility into the company's operations, can offer innova-

tive solutions and alternatives to high pollution practices. They can lobby government, not for reduced regulations, but instead for tax breaks and benefits that offset the costs of changing processes and approaches to the business. But they must be unrelenting in their management of their company's pollution reduction. Employees should abandon any company that doesn't have a five-year plan on the books to minimize its ruinous strain on the ecosystem. Reporting this information anonymously to Glassdoor.com and other employer review sites can help prospective workers make a more informed choice about where they offer their services.

We have to put the heavily polluting industries, companies, government, and leaders in the harsh glare of an unrelenting global spotlight and report on their dealings, decisions, actions, and inactions until they whither under the pressure and relinquish their high-polluting ways. J.E.D.I. leaders can make the case internally for pollution reduction by looking at the potential benefits against the cost. Not necessarily a full-blown benefit-cost analysis; even a study or example of a peer or company in another industry can jumpstart the conversation. J.E.D.I. leaders within and outside these industries need to join forces to change the conversation on business success to include demonstrably reducing pollution to protect human and planetary health.

Protecting Ecosystems and Biodiversity

Instead of building walls to block one nation off from another, we should be constructing bridges to protect our collective ecosystem called Earth. To win a battle of this nature and to repair, restore, and ultimately protect biodiversity, starts with raising awareness within companies. J.E.D.I. leaders can demand transparency in terms of the true cost of the business's operations on long-term impacts. If business as usual continues,

how long will it be before supplies of materials our company needs are constrained (and more expensive), or the economy is weakened because supplies of other materials have a detrimental macroeconomic effect that hurts our business?

Annual reports should contain more comprehensive information on the organization's strategies and progress toward environmental protection goals. Clear, consistent, and constant communication around these initiatives is as important as the companies share performance, revenue growth and projections, and dividend outlook.

Companies can support placing a value on nature's services. A recent study[218] commissioned by the British government makes a compelling argument for valuing nature, because not doing so threatens humanity itself. J.E.D.I. leaders can be the voice that links studies like this to human impacts that relate to business impacts. Such internal influence can build the case for a company to commit to a higher level of environmental protection and performance.

Designing for Circularity and Efficiency

Manufacturing companies have long embraced operational excellence principles from Toyota—mainly *lean manufacturing* and the concept of waste elimination or *muda*.[219] Lean manufacturing is the process of designing manufacturing systems to reduce costs by eliminating product and process waste. The emphasis is on eliminating such non-value-added activities as:[220]

- ❐ Producing a defective product

- ❐ Excess inventory charges due to work-in-process and finished-goods inventory

- ❐ Excess internal and external transportation of

product

❐ Excessive inspection

❐ Idle time of equipment or workers due to poor balance of work steps in a sequential process

Companies can take this principle to the next level by embracing the circular economy. According to the Ellen MacArthur Foundation[221] "A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems." Regeneration[224] is a concept that's been making its way around the sustainability community and extends beyond just sustaining our environment to regenerate what we've damaged or destroyed, whether that's a clear-cut forest, degraded agricultural soil, or a local economy decimated by the loss of good jobs.

Circularity is also the epitome of sustainability's aim[223] of meeting our own needs without compromising the ability of future generations to meet their own needs. Even if we adopt regeneration as the next word and approach, concern for future generations will remain at its core. It is the goal of most parents to leave a better world for their children and their children's children, but this objective gets lost in the rat race to keep the lights on, food on the table, clothes on their backs, and a roof over their heads.

> The pressures on companies to maximize profit at all costs has forced us to fall in line with the program, and not be guided by our moral compasses. We can take steps to change that.

Designing for circularity is one of those steps that's become a hot topic in the corporate world. Companies realize there's value in discarded materials that are rarely recovered. Nature doesn't waste anything—everything becomes food or

nutrients for something else. The entire objective is to keep materials flowing in the value chain. Design is the cornerstone and needed for the entire process.

Businesses are fairly good at efficiency when it relates to cost reduction. This is because financial performance is, and has been, disproportionately rewarded by shareholders. What does it mean to deliver significant year-over-year sales and profit growth if it was achieved at the expense of the robustness of the environment? We need to start looking beyond efficiency and toward effectiveness, and effectiveness across stakeholders, and circularity is an important answer. Until recently, the argument against such measures has long been the short-term increase in costs as too much of a tradeoff to change the way things are done versus the long-term benefits of such changes. Unfortunately, paradoxical thinking has no place in sustainability. There is no *and* proposition, principally because, for years, the cost "or" sustainability debate has circled the drain.

Fortunately, the big picture of environmental degradation and its potential negative impacts on business, people, and society is starting to settle in and change minds and actions. J.E.D.I. leaders must galvanize their organizations behind a new type of operational effectiveness—one that is defined by how well the company can effectively maximize resources and keep them circulating within the economy and ideally contribute toward regenerating the environment.

All of this is more work, and it's a business opportunity.

There are a number of ways J.E.D.I. leaders can advance environmental performance to amplify a company's corporate social responsibility (CSR) or ESG efforts, ranging from small to large in effort. Any of the following should be done in coordination with the company's sustainability team:

❏ Encourage employees, especially young talent, to dedicate limited time to sustainability side projects that identify ways the company can add protections in its operations or value chain.

❏ Allow for short-term work furloughs for employees to gain a hands-on, first-person understanding of environmental problems and potential solutions and then come back and galvanize others.

❏ Join or create cross-sector partnerships and fund activities that support environmental responsibility in your supply chain.

❏ Partner with peers and industry groups to fund research and development of environmentally responsible materials for circular design, or improved processes for ecosystem and biodiversity regeneration.

Those in a leadership position can do even more, including adding key environmental (and social) goals to executive targets tied to compensation. While writing this book, Chipotle was the latest company to link 10% of executive incentive compensation[224] to ESG performance, joining the likes of Starbucks, McDonalds, and Apple.[225] Executive J.E.D.I. leaders can sponsor thorough end-to-end reviews of their value chains to understand what environmental (and social and governance) goals to adopt. Even if a company has conducted a materiality assessment, ask if it has gone far enough to make systemic changes.

The cutting edge of this space is about rethinking business models to contribute solutions to big environmental problems. This requires inclusion of all stakeholders, not just the ones with the most market influence, partnering on

innovation to collaborate on finding and designing solutions that are beyond the reach of any one company alone, and to stop treating charity as a separate institution that only issues checks and integrate it into corporate goals and projects.

When done effectively, environmental responsibility as defined in this chapter has the potential to strengthen a company, from attracting customers to enhancing culture, to competing for talent, to long-term financial health. The long-term view is the most critical piece of this and goes beyond managing investors' current concerns about ESG performance. If the board and C-suite don't have the spine to notify investors of this long-term approach and risk a potential short-term market dip, they'll never get there.

Going back to an earlier section—think about deforestation and its resulting negative impacts, ranging from loss of carbon-sequestering trees to loss of critical and shrinking habitat.[225] A J.E.D.I. leader seeks to comprehensively understand how they can minimize impacts and contribute toward regeneration. The costs on the ecosystem (and how that will eventually translate to humans) must register as painfully as the costs of manufacturing, sales, marketing, and general administration do on the profit and loss statement. Until they do, there isn't really a big enough incentive for organizational change—and without this type of practical change and approach to operational effectiveness, the bad will continue to outweigh the good.

For J.E.D.I. leaders to achieve many of the goals outlined in the past few chapters, however, shareholders—their role, their value, and their influence—must be addressed, and that's where our dialogue on stakeholder capitalism turns to next.

13

SATISFYING SHAREHOLDERS

Blood in the Streets

Something curious happened during 2020. Amidst a global pandemic and the resulting lockdowns around the world, the stock market continued to not only thrive but to achieve new highs.[226] If there was ever an example that these two worlds—financial and societal—are not explicitly linked, this was it. Pundits have opined about the nature of this disconnect, but the answer is quite simple. Those with money and influence, who control the destinies of companies (and nations, really), are always ahead of the curve, with access to information and products that keep their wealth intact or growing even as the rest of society struggles.[227]

As the famous quote attributed to Baron Rothschild goes, "The time to buy is when blood is in the streets."[228] If shareholders exist in a bubble of self-protection during one of the worst global economic meltdowns in recent history, then why should companies, comprised of regular people like us, be overly concerned about their well-being? The fact is that they will find a way to survive, thrive, and augment their earnings. They don't need our consideration or added assistance.

> **We have found the source of the dark force.**

Not in the sense that these are inherently bad people. When the incentive is wrong, everything driven by it becomes corrupted. In this case, wealth, influence, power, and the perception of what it can buy and control. A wholesale revision of the market influences and valuators is required to bring the financial titans back into alignment with the rest of us.

Shareholders, Investors, and Traders

In this world, we have shareholders, investors, and traders. It is important to distinguish between the three, as their goals are not necessarily aligned. A shareholder is someone who buys into a company and, therefore, theoretically, earns a say in the direction of said company. A shareholder's interest is usually long-term, and they derive income from the performance of their shares in the form of dividends. 401K holders make up an important bulk of shareholders,[229] as well as holding companies like Berkshire Hathaway (Warren Buffet's empire).

An investor is someone who has an intention to receive a significant return for their money and usually has a more risk-tolerant profile than a shareholder. These are your venture capitalists and the like, who are looking for that 10X earnings payout from identifying the next tech unicorn. Investors come in other forms with different objectives. Pension funds are the longer-term thinkers among asset managers and the following focuses less on them. Private equity is included below because it's often accused of vulture capitalism,[230] which takes over a company in decline, aggressively cuts costs through steep job cuts and other measures, to flip the company for a profit (and if that doesn't work, they find other ways to make money, like selling off assets).

Traders are those who leverage real-time information, sentiment, and market trends to generate their income from the market. Traders are like the gamblers of the financial eco-

system—using their technology, know-how, and sometimes insider information, to make their bets. Here we have hedge funds, day traders, and high-frequency traders influencing markets with their activity.

> **Investors and traders have the most adverse impact on the market because of their fickle nature and desire for short-term returns over all else.**

While hedging, shorting, and betting against the market may provide the desired adrenaline boost for those with the requisite stomachs, the more money invested in these spaces begins to influence the decision-making of even the most level-headed of executives—not to mention the double whammy of shorter CEO tenure mostly incentivized through stock performance. Not all money earned is good money, basically. Especially if it leads to behavior fundamentally un-aligned with the goals of improving outcomes for employees, customers, communities, and the environment. Because the market, at the end of the day, is being manipulated by human beings, then there exists an opportunity to adjust the param-eters of success. Changing the inputs to improve the outputs as it were.

J.E.D.I. leaders know better than to respond to the whims of profit chasers and gamblers. They distinguish between their employee owners, long-term shareholders, pension funds, institutional investors, and the rest. They are not swayed by the temperaments of wealthy people trying to get even more wealthy at the expense of holistic operational ap-proaches. They are playing an infinite game, where progress is the goal, not short-term profits.

Standing Up to the Street

Few CEOs have had the vision and courage to act this way. On his first day as CEO of Unilever in 2009, Paul Polman[231] told the financial markets to no longer expect earnings guidance or quarterly reports. It was a bold move, but one that's needed to build a foundation for long-term success financially, and for customers, communities, the environment, and, ultimately, shareholders. When Polman announced he was stepping down as CEO nearly a decade later, many revered his leadership in driving sustainability while building strong long-term financials. Edelman Insights[232] called him "the CEO who changed capitalism" for his work infusing purpose and sustainability into the company. Not everyone was a Polman fan, and investors who don't see the value in sustainability take action against courageous CEOs. One such example occurred when writing this book. Danone CEO Emmanuel Faber was pushed out[233] (holding onto the chairman role) by activist investors who owned about 10% of the company. Worker unions supported keeping Faber, but the investors who wanted faster cost cutting and less long-term investment during the pandemic economy won out in the end.

Shareholders are employees, partners, advocates, and sometimes judges, keeping the company aligned to its financial targets and, to a lesser extent, its stated mission, vision, and values. As such, the shareholders should be equally invested in the outcomes that leading with justice, equity, diversity, and inclusion can uniquely provide to themselves, employees, customers, communities, and the environment. Imagine the company and its owners are reading from the same sheet music. However, unlike in the previous sections, where J.E.D.I. leaders were using their influence to improve conditions for the given stakeholder—in the case of share-

holders—it's time to put them to work.

J.E.D.I. shareholders (of which employees make up an important cohort), therefore, help companies to achieve their missions via the following mechanisms, which we will delve further into in this section:

- ❏ Traffic signaling

- ❏ Embedding values-based judgment

- ❏ Becoming advocates

Traffic Signaling

Knowing when and how much to invest in each company is crucial to a successful shareholder. Just as it is essential to know when to get out of a given stock. Shareholders begin to have *positive* influence over the operations of a business when they use their dollars to send signals regarding their support, or lack thereof, with the decisions of management. This is the essence of traffic signaling—red means selling the stock, yellow means stopping future investments for a given period of time, and green means letting the dollars flow freely into the company for appropriate use.

For shareholders who care about ESG or healthy long-term returns, what governs the traffic signal system are the values of J.E.D.I. leadership and the degree that the company is focused on true stakeholder capitalism versus the far more limited approach of shareholder capitalism. In this way, companies who either are not developing J.E.D.I. leaders, and therefore are not delivering positive outcomes for employees, customers, communities, and the environment, should be placed in the yellow to red category, depending on the degree of their gaps. Different shareholders may choose to weigh stakeholders in a variety of proportions, but the advice of this author is

to look very closely at how a company treats employees and customers as the first ports of call. Then comes the environment and the community.

As previously mentioned in this text, only 4% of the Fortune 500 currently supply all the required data on their internal demographics. As this is a clear violation of diversity standards upheld by J.E.D.I. leaders, money should flow in the direction of the 4% and away from the 96%. This type of investment governance would send a powerful signal to companies about what true shareholders value. And, as we know, what shareholders value companies commit to performing.

As evidence of this, over the last several years, US public companies have faced increasing pressure from investors and other stakeholders to disclose their environmental, social, and governance ("ESG") risks, practices and impacts. Once major investment groups, such as BlackRock, Vanguard, and State Street, began requiring companies to transparently report their investments, risks, and outcomes for the environment, the percentage of companies reporting skyrocketed to around 86% of Fortune 500 companies reporting, up from 20% in 2011.[234] When a company's financials are impacted, they react.

As the adage goes—what gets measured gets done.

A hindrance to progress is the lack of alignment[235] on the voluntary framework most companies use to report with the framework investors prefer. The primary corporate sustainability disclosure standard from before investor interest in ESG was the Global Reporting Initiative (GRI), but investors prefer the Sustainable Accounting Standards Board (or SASB pronounced "sazz-bee") that outlines material issues for seventy-seven industries. This seems like a speedbump more than a roadblock that's already being addressed.[236]

There's a whole industry of "raters and rankers" for ESG—the Dow Jones Sustainability Index (DJSI), Morgan Stanley Capital International (MSCI), Institutional Shareholder Services (ISS), State Street, and Sustainalytics. There are other fonts of information, like the diversity data coming from the JUST Capital survey; the B Corp directory providing a list of companies committed to the goals of J.E.D.I. leadership and stakeholder capitalism; and Glassdoor.com, Indeed, Comparably, Vault, and Kununu providing unfiltered insights into employee perceptions of company culture, compensation, and treatment. The Governance and Accountability Institute[237] provides visibility into the environmental safety and governance measures being taken by companies. A search on LinkedIn can also quickly tell you which companies have an equity, diversity, and inclusion function or department. These are just a few of the many sources of information that can be utilized for traffic signaling.

Importantly, this traffic signal system must be regularly revisited and revised to ensure that our investments are aligned with our J.E.D.I.-based values and beliefs in the outcomes for the key stakeholders, which ultimately leads to enhanced profits for us—the shareholders.

Embedding Value-Based Judgement

Values are defined as a set of behavioral norms that a group of people agree to uphold and abide by for the collective good.[238] Due to business pressures, however, many companies have had to create extensive systems to ensure that people know what is expected of them and understand the consequence for violating the rules. As detailed earlier, these systems, also known as internal control frameworks (ICFs), are the hardware of keeping people aligned and on the right side of regulations. An effective ICF revolves around identification of

business risks, communication, training, monitoring, problem identification, and disciplinary actions for violators.

From a shareholder's perspective, any company that doesn't possess the basic hardware of an ICF is ultimately playing with fire. Eventually, there will be violations, and they may be quite expensive, both financially and reputationally, which, of course, is bad for the valuation of a company's stock.[239] J.E.D.I. shareholders should not only inquire into the existence of a company's ICF but also endeavor to understand how it is being managed, monitored, and audited for compliance. This puts positive pressure into the system for companies to self-regulate.

I was working for Glaxo Smith Kline Pharmaceuticals (GSK) in 2013 when the company became mired in the so-called "China crisis" where Chinese officials alleged to a scheme of customer bribery that resulted in the entire executive team in China being sacked and the general manager spending some extensive time on house-arrest with the threat of real jail time. After paying a $490 million fine[240] to the Chinese Government, the company underwent serious legal reviews in the US and UK (the global headquarters). After GSK signed a consent decree—a statement of intent to avoid future violations—the company rolled out a global compliance recommitment program, which included the implementation of a robust internal control framework, complete with a values initiative and internal and external auditing for its more than 100,000 person workforce. Overall, GSK lost around 5% in share value and significantly more in reputational value. As a general manager in Indonesia from 2015–2018, GSK was constantly mentioned by doctors and other stakeholders as bad actors in this scandal. By requiring each general manager to conduct a thorough review of policies, breaches, and potential impacts each year, using

the ICF, GSK began to assure shareholders that something like China would never again occur.

Unfortunately, the mere presence of an ICF is not enough to guarantee that scandals will be avoided. Global business is a quagmire of local customs (some of which normalize bribery and corruption as standard operating procedure) butting up against more Western-style norms of doing business. What happens doing business in less regulated markets can bring an entire corporation down. GSK has had to restructure and reorganize nearly every year since 2014 to meet its financial obligations, so a robust framework is only half the answer to ensuring that the money flowing into a company in the form of investment is not put at unnecessary risk. This is where judgment comes into play.

While regulations and laws make it clear what activities are fully lawful and strictly prohibited, most business operations occur between these two extremes, in the gray area where risk-based judgment must be applied. The best companies invest as much time and money in comprehensive efforts to improve values-based decision-making as they do in monitoring and control exertions.[241] The list of such determinations is ever-growing, including emerging risks related to proper decision-making related to justice, equity, diversity, and inclusion-based issues that can lead to reputational damage, if the company in question is not on the right side of situations. In addition, risks that deal with the impacts of a business's operations on employee health and safety, customer satisfaction and data privacy, community engagement and maintenance, and environmental effects, can fall into this more values-based judgment space, depending on the country, as there may not be specific rules and regulations governing exactly what is lawful, expected, and measured about an entity's efforts in these spaces.

Anticipating this, proactive J.E.D.I. shareholders should actively encourage corporate leaders to contemplate issues and risks associated with J.E.D.I. concerns, as well as stakeholder capitalism anxieties. This is a brave new world, and learning by doing may not be the most intelligent approach to operating in this new environment with significantly raised expectations. In addition to intense advocacy, J.E.D.I. shareholders can convene cross-industry sharing sessions, where ESG, compliance, and justice, equity, diversity, and inclusion professionals meet to share good practices in shifting the status quo toward the full contemplation of these emerging business risks and opportunities.

Until J.E.D.I., ESG, and stakeholder capitalism principles are fully acknowledged, absorbed, agreed to, and activated in every employee, supplier, and customer, the risk of bad behavior, backsliding, and other negative consequences is too high to be ignored.

> **Every day that this is not addressed creates the potential for an event that risks reputation and reduces the financial outlook for a company.**

Becoming Advocates

Most of us have, unfortunately, experienced pyramid schemes in our lifetimes. The euphemism for these types of marketing ploys is "multilevel marketing," but "scheme" carries the correct connotation. For those who may not be familiar, a pyramid scheme revolves around a special product or offering that not only is better than what can be purchased in the existing retail environment, but also uniquely can provide a passive income stream to the users if they can convince people in their networks to join the company underneath them as sales agents

for a one-time joiner fee.[242] Each joiner then receives a discount on the products or services in question while earning a percentage of each new joiner underneath's fee. In this way, the multi-level marketing company receives a constant flow of investment from product sales, as well as joiner fees.

The passion that these selling pyramid schemes employ is well-known. Because the more people they convince to join, the more they personally benefit, so they pull out all the stops to convince friends, family, and strangers that this offering is the best thing since fried Oreos. The basic idea is that the more trustworthy, relatable, and successful the sellers appear, the more those same attributes are conveyed to the products, services, and company in question.

Alas, most multilevel marketing companies fail[243] because there is a limit to the scale they can achieve via word-of-mouth marketing and, more fundamentally, the money that the first joiners enjoyed ultimately runs out when the founders disappear off the face of the Earth to their pyramid scheme-financed private islands. But the way these schemers can weaponize and incentivize passion can be instructive to J.E.D.I. shareholders.

The goal of most "lawful" marketers is to move customers from trial users to brand advocates. Brand advocacy is deemed as more valuable even than brand loyalty because once a customer reaches the advocacy stage, they effectively become a part of the marketing engine by actively promoting their usage of the brand to their networks.[244] The brand then becomes an extension of these users, and the qualities associated with the advocate, such as trustworthiness, savvy, and innovation, become connoted to the brand as well.

The moment someone decides to invest in a company for the long haul as a shareholder, they have a vested interest in

seeing that company grow and succeed. Although investment returns fit in the category of passive income, remaining passive as a shareholder does not bode well for the outlook of the enterprise whose stock they own. Just as brand advocates create value by demonstrating their passion for and usage of the products in question, shareholders must become megaphones for the companies they possess.

But company advocacy requires a different level of engagement than brand advocacy. How can someone advocate for a company they know nothing about? If they don't connect with the company's mission, vision, and values how can they convince like-minded others to participate in the operations of the company with them (other than the cold financials)? Just like those who have invested in a multilevel marketing firm, people are incentivized by the performance of the stock, but, in this instance, what they are advocating for is not some sham product or service, but an entity that can create enormous value for employees, customers, communities, the environment, and future shareholders. Therefore, it behooves shareholders to get more involved than simply reading the company's prospectus, annual report, and voting during shareholder meetings.

Traffic signaling and influencing values-based judgment are two ways to engage with the operations of a company more actively. Another way is by demanding transparency into the company's impact on stakeholder capitalism as evidence of responsible generation of financial returns. In this way, J.E.D.I. shareholders become the wielders of the positive force needed to steer an organization toward the new standards of the corporation defined during the 2019 Business Roundtable Forum. Shareholders should internalize the goals outlined by JUST Capital as the basis for future investment,

advocacy, and engagement: [245]

- ❒ **"Employees:**   Workers are the top priority for just companies. Employees should earn fair and equitable pay, receive good benefits and work-life balance, and work in a safe and inclusive environment. This year, respondents also agreed that companies should protect and support their workers through the COVID-19 crisis—prioritizing enhanced health and safety measures, hazard pay, paid sick leave, and more."

- ❒ **"Communities:** Companies should support the communities they impact, both at home and abroad. Through charitable giving, sourcing locally, creating jobs, and ensuring human rights are upheld across the supply chain, companies have the ability to foster and protect the communities they impact."

- ❒ **"Customers:** Customers, along with the products and services companies offer them, are essential to just business. Respondents believe companies should prioritize customer privacy and fair treatment, offer products that benefit society, and provide a positive customer experience."

- ❒ **"Shareholders:** Company leadership should act ethically and with integrity, and take responsibility for company wrongdoing. Respondents also expect corporate leadership to deliver long-term financial growth and value creation for all stakeholders, including their shareholders."

- ❒ **"The Environment:** The planet is a key stakeholder, and respondents agree that corporations play a role in

> protecting the environment, by minimizing pollution, reducing waste, and supporting sustainability efforts."

Just as, whenever there is a major scandal in a corporation, the going phrase is to "follow the money," J.E.D.I. shareholders wield significant influence in the view corporations take toward their business operations. Money should flow to companies who uphold and elevate the standards outlined above and in this text. Shareholders should be proud to advocate why they are invested in the long-term success of a given company due to that company's holistic management practices, responsible and ethical decision making, and positive impact on the entire stakeholder universe. They should also pay close attention to those adopting the J.E.D.I. leadership approach, as these individuals are the most aligned with the goals of stakeholder capitalism and the most capable of delivering on those goals.

Now that we've covered the bases of acceptance, allyship, and antiracism; justice, equity, diversity, and inclusion; and leveraging these to enhance the goals of stakeholder capitalism in terms of improving outcomes for employees, customers, communities, the environment, and shareholders, you are probably asking yourself whether you are a J.E.D.I. leader, and, if not, how to become one.

Let's get right into that next!

14

BECOMING A J.E.D.I. LEADER

Leadership is not a static or fixed concept. As society changes, so do the expectations around leadership. The toxic leadership practitioners don't rest, so neither can we. Just as toxic leaders are constantly inventing new ways to take the world down the toilet due to their egos, selfishness, greed, lack of empathy, and insatiable thirst for power, positive force-wielders, or J.E.D.I. leaders, must continuously enhance our platforms, capabilities, and influence to counteract these dangerous others.

Having completed this text, you may be inspired to join our movement. And we are incredibly happy to have you, but the path forward is fraught with danger, despite your good intentions. Belief can enable and empower, or it can cripple your efforts to change. So, to become a J.E.D.I. leader, you must reexamine your beliefs, habits, and actions.

As we've previously identified, it's not enough to agree with the why of J.E.D.I. leadership and the goals of stakeholder capitalism. If we don't accept that there is no space for ego in leadership, then our growth will be significantly inhibited. Ego must be replaced with a sense of love, purpose, esteem, curiosity, humility, and empathy. So first we need to check in with our motivations for becoming leaders in the first place. Are we in it for ourselves, or to do good for others? Do we seek to be bosses or something more?

Some key beliefs we need to agree to as J.E.D.I. leaders:

❏ The societal definition of wealth is completely off-base.
  ▶ Rather than chasing more of the lower-level motivators on Maslow's Hierarchy of Needs, like more food, clothing, shelter, and perception of safety, more people need to focus on love and belonging, esteem, and self-actualization.[246]

❏ It is a leader's role to help others achieve these higher order-needs.

❏ Therefore, leaders should take on the challenges of scarcity that create this dynamic in people, making them feel less than, unseen, undervalued, and rudderless in the vast ocean of their own existence.

Once we agree with these principles, then it is important to commit to becoming fuller and more balanced people by taking care of our mental and physical health, pursuing our interests, identifying our purpose, building our team, and ensuring our financial health. In this way, we offset the sugar-rush needs of the ego with a more complete and balanced diet of more sustainable life-fuel. The more balanced we become, the more influential we will be, due to our positivity and engagement in the now. Then we can begin to look outside ourselves and see that the world needs our positive thoughts, deeds, and actions.

Once we focus away from ourselves, we start to see the world for what it is.

❏ We exist in a world where some possess significant privilege and others suffer from oppression and rejection.

- ❐ Because of this, there are constant and continuous injustices being done to workers, customers, communities, and the environment by purposeful bad actors, partisan politics, persistent unjust policies, and general apathy.

- ❐ The good news is that actions can be taken to balance the playing field.

- ❐ Leaders, however, can no longer pass the buck to others.

- ❐ We must do our part every day to make the world a little bit more just, fair, open, and inclusive.

Although there is significant weakness in our current systems and approaches to doing business, we can accelerate progress, more by focusing and driving strengths, than by harping on gaps and problems. Looking around for positive examples of improvements and models and innovations that we can further build upon will lead to greater gains in a shorter period than root cause obsessing. We need to accept the current state for what it is, recognize how we got here, and then get it to work.

- ❐ There is a future state where many enterprises will embrace the causes of stakeholder capitalism.

  - ▶ J.E.D.I. leaders are prepared to advocate and be a part of this change from now on.

- ❐ Toxic behaviors can be replaced by leading with humility, will, and empathy.

  - ▶ The most important people in your company are those who create value for stakeholders.

▶ J.E.D.I. leaders commit to a mission of serving, supporting, empowering, and enabling these people.

Once we believe and agree with these statements above, we have accepted the core philosophy of servant leadership that fuels J.E.D.I. leaders' why, how, and what.

❏ Increasing justice, delivering equity, valuing diversity, and enhancing inclusion are important hows in improving outcomes for employees, customers, communities, the environment, and shareholders.

❏ Doing this requires understanding the current barriers within our companies to shift the focus from shareholder capitalism to stakeholder capitalism.

❏ J.E.D.I. leaders are prepared to learn as much as possible to be positive influences for change within their organizations.

▶ They can withstand the backlash of ego-driven bosses and unenlightened employees as they advocate for this evolution.

Everywhere we look, we see the detritus of how we work today. Bossdom and the pursuit of the ego and material wealth has caused massive employee disengagement, ruined customer relationships, collapsed communities, and devastated the environment. Only shareholders (and executives) are winning in this current state of fixation on short-term profit above all else, but, even they lose, if business ceases to exist. The burning platform for change has been blazing for

many years, but many of us are only now feeling the heat.

The most important belief I will leave you with is this:

Progress is not only possible, but inevitable.

The tsunami of change can already be noticed as a speck on the horizon and, sooner or later, it will crash over land, washing away the entrenched beliefs and customs of an outdated generation. J.E.D.I. leadership is the proverbial arc that will rise above the fray and settle in as the new status quo once the waters recede. I know this, just as the Rebel Alliance knew that their efforts to stop the Empire were not in vain. Extreme good always rises to confront extreme evil.

Merely trying is insufficient. Meaning, get all the way in the boat, or get off and hope to stay afloat in the new normal. If you've read this far, then I'm hoping to count you among us.

It doesn't take a lot of us to make a difference, but it does take a commitment to making a difference to change outcomes for a lot of us.

Our servant leadership acumen will be what we principally need to elevate conditions and outcome for employees, but we also need to look at employee issues through the lens of justice, equity, diversity, and inclusion. At this point, we are ready to embark on the journey of the 6As of J.E.D.I. action (awareness, acceptance, appreciation, alignment, activation, and advocacy) applied to influencing the 3Ps (people, products, processes), and implement a J.E.D.I. restoration system (RS) related to confronting injustices, inequities, lack of diversity, and inclusion within your team, group, division, and organization.

J.E.D.I. Leadership Resources

In this book, I have endeavored to inspire, cajole, motivate, and, ultimately, influence those reading to take a personal inventory of their beliefs, actions, and inactions, and hold those up against the mirror of the current condition of the world. But I know that a book can only do so much. Throughout the narrative I have weaved in numerous resources that J.E.D.I. leaders can use either for their own awareness or for their use in their functions. To make it easier to locate the best of the best, here is a helpful starting point.

Acceptance, Allyship, and Antiracism

- ❑ *How to Become an Antiracist*[249] —Ibram X. Kendi
- ❑ *The Journey of the Ally*[250]—The Exceptional Leaders Lab
- ❑ *Resources for White Allies*[251]—Dismantle Collective
- ❑ *Antiracism Resources*[252]—B Corporation
- ❑ *The Global Citizens Circle*[253]
- ❑ *Racial Equity Tracker*[254]—JUST Capital
- ❑ *Racial Equity and Justice Initiative*[255]—Apple

Stakeholder Capitalism

- ❑ JUST Capital[256]
- ❑ Business Roundtable Forum[257]
- ❑ B Corporation Network[258]

Servant Leadership

❒ *The Servant Leader's Manifesto*[259]—Omar L. Harris

❒ *Becoming a True Servant Leader*[260]—Intent Consulting

J.E.D.I. Leadership

❒ *OSC/J.E.D.I. Collaborative*[261]

❒ CEO Blueprint for Racial Equity[262]—Policy Link

❒ Coming soon: Becoming a J.E.D.I. Leader—Intent Consulting

❒ *Tympo.io*[263]—world's first SaaS interactive communications solution for corporate inclusion. Who is it for? Leaders. To do what? Get feedback in real time during corporate forums (townhalls, fireside chats, ask me anythings) to anonymously get a pulse on understanding, agreement, and alignment parsed by gender, race, age, function, etc. Why? To build a more inclusive culture to create greater stakeholder value. Intent Consulting (more info after the acknowledgments section)

Can we call ourselves stakeholder capitalists without becoming J.E.D.I. leaders? Not successful ones. This is because each of these non-shareholder stakeholders has suffered from injustices, inequities, lack of diversity, and poor inclusion. Once we accept this and embrace allyship and antiracism, we will be able to confront the headwinds of the status quo, drive real and lasting change, and leave a true leadership legacy.

AFTERWORD

I have spent my entire professional life on a quest to become the best leader possible. But to what end? Yes, I achieved both significant hierarchical and financial success during my 20+ years in the pharmaceutical industry, but when I exited, I lamented the opportunities I had missed to manifest real change in my business. When I read the new purpose statement of the Top 200 CEOs post the 2019 Business Roundtable, I became inspired again. These were words and attitudes never expressed in solidarity by the most powerful CEOs. Here was another opportunity to make a greater difference and influence through actions to back up those words and contribute toward needed and necessary change in the world.

My close friend and excellent contributor JD Capuano, without whom this book would not have been possible, first introduced me to the J.E.D.I. terminology in June of 2020, when we were discussing the pitiful state of the country post the spring of protesting over the killings of unarmed Black men and women across the country. As a Black man, the lack of leadership, fear mongering, division, and derision across the country were deeply troubling to me. I had long been skeptical about the role of corporations as agents for social justice but intrinsically understood the value this approach could bring to companies, communities, and the country as a whole if em-

braced by leaders. Therefore, this emerging philosophy of the J.E.D.I. leader became the next rung of leadership to live up to and just happened to dovetail nicely with where the CEOs had stated corporations needed to transform.

Of all the books I have written, this was by far the most challenging. I was racked by self-doubt and a bit of impostor syndrome while outlining the structure and wading into the shallows of the introductory chapters. My passion for leadership and creating positive outcomes for people buoyed me through this early phase. Even though, all along, I had a voice in the back of my head telling me that no one (especially not hetero white cisgender male executives) would be willing to step up to the challenges this book presents.

I confronted the brutal fact that this book may not make a dent in the zeitgeist and soldiered on anyway. That was the mantra I learned as a student at the Florida A&M School of Business and Industry (SBI):

> "No excuse is acceptable. No amount of effort is adequate until it is effective."

This statement has been my guiding light since graduating back in 2002 and matriculating into the corporate world. Dr. Sybil Mobley, founder and dean of SBI, embedded in each of her primarily Black students that it is not enough to be smart; we have to be perfect in a way that our hetero white cisgender male contemporaries do not. There is little margin for error—and we live with this pressure hanging like a cinder block around our necks in every interaction at work. Most of our colleagues have no idea the toll we go through just to show up and perform every single day—the code switching, tongue biting, pride swallowing siege that is working while Black. And this can be applied to any marginalized group—women, the disabled, LGBTQIA+, BIPOC, and Latinx, to name a few.

Still, one must have endured injustice to cure injustice, one must have had to suffer inequities to balance the scales of equity, one must have had one's diversity whitewashed to yearn for the appreciation of difference, and one must have had to be excluded to pine for inclusion. Therefore, the ranks of future J.E.D.I. leaders should emerge from those who have been historically and systematically disenfranchised with strong, consistent, and reliable allyship and advocacy from the existing hetero white cisgender men in power. I'm not saying hetero cisgender white male executives aren't J.E.D.I. leaders, or can't aspire to J.E.D.I. leadership (I know many who are), but we need more than intention. We need action and advocacy. While the wave of hires in the diversity, equity, and inclusion space is heartening, until they are truly empowered to make the restorative changes necessary, the frustrations, demotivation, disenfranchisement, and disengagement will only increase.

I have been very inspired by all the work that is happening in this space and am buoyed by the fact that we are only just beginning. Leveraging principles of eradicating social injustices, eliminating inequities, valuing diversity, and enhancing inclusion will only augment our ability to more effectively serve and support our employees, customers, communities, the environment, and shareholders. I look forward to working together with all the current and future J.E.D.I. leaders out there to transform our world.

ACKNOWLEDGMENTS

Now that I am at the end of this stage of the journey to raise awareness, acceptance, and appreciation of the types of issues inherent in tackling stakeholder capitalism, I have so many people to acknowledge for being the giants on whose shoulders I have stood to arrive here.

Firstly, I need to go back and thank Mahatma Gandhi for his demonstration of the power of peaceful protest to manifest societal change, which Martin Luther King picked up and ran with during the Civil Rights Movement. I need to acknowledge Presidents John F. Kennedy, Richard Nixon, Lyndon B. Johnson, and Ronald Reagan for advancing affirmative action legislation, without which Dr. Sybil C. Mobley would not have had the runway to create SBI, which I credit for my career success, learnings, and experiences that I pour into my writing, consulting, training, and coaching work to this day.

The world owes a significant debt to the work of Abraham Maslow, Robert K. Greenleaf, Ken Blanchard, and Donald O. Clifton, among others, for their pioneering work in the spaces of human motivation, servant leadership, positive psychology, and strengths-based leadership—the foundation for J.E.D.I. leadership.

Then there are the top leaders who have challenged, and

are challenging, the status quo of political leadership and shareholder capitalism, who inspire me constantly. CEOs and political leaders like President Joe Biden, Vice President Kamala Harris, Stacey Abrams, Paul Polman, Adam Silver, Alex Gorsky, Tim Cook, Rose Marcario, Hamdi Olukaya, Richard A. Gonzalez, Vas Narasimhan, Jim Clifton, and Satya Nadella, who are each standing up and, not only accepting that times have changed, but being strong advocates for the change.

I consider the following all to be J.E.D.I. Masters. My friend Anthea Kelsick, the previous North American CEO of B Lab/B Corp; the all-women co-founders of the J.E.D.I. collaborative; Martin Whitaker of JUST Capital; Michael McAfee of PolicyLink (check out their equity manifesto); and author/activist (and fellow FAMUan) Ibram X. Kendi. Your important work in this space is making a huge difference and was a foundational jumping off point for me in the writing of this book.

Much love to my diverse support network of friends around the world, who are always willing to lend an ear and give me a needed boost: Mike McCann, Ray Russo, Rudy Sharan, Denise Foy, Alicia Byer, Andrew Miles, Federico Barreto, JD Capuano, Julye Williams, Anthony R. Howard, Courtney Wagner, Samantha Thornhill, Thomas Halusa, Tatyana Vino, Stephanie Casher, and James W. Lewis.

Cheers to my publishing collaborators at Reedsy.com: cover and interior designer Michael Rehder (who also did all the graphics in *Leader Board: The DNA of High-Performance Teams*), editor extraordinaire Shannon Cave, and interior designer—Gwen Gades for getting this work into needed shape for release into the world.

A very special thank you goes to my amazing PR person Liz H. Kelly for all her tremendous work and partnership this past year. You have at times been an advisor, editor, cheer-

leader, and champion. I look forward to what we can accomplish together next!

Liz Sweigart, we connected through a mutual acquaintance and your early feedback and guidance on this manuscript were fundamental! Thank you for being a true ally and advocate.

I owe a special thanks to all the podcast hosts who have given me a platform to speak since I began my journey to shift the polarity of leadership. Thank you: Jim Rembach, Neil Edwards, Mitchell Levy, Gwen Richardson, Julian Roberts, Bethany Trowbridge, Ryan Treasure, Dr. Frances Richards, Dominic Lawson, Jason Rigby, Jonathan Westover, Doug Hensch, Blake Bozarth, Rocky DeStefano, Pierre Quinn, Anjana Narain, Jenn Fenwick, Jay Izso, and Brian Ardinger.

Much appreciation goes to the International Institute of Leadership and the Leadership Harrisburg Area for the opportunities to speak at your key conferences in 2021. I look forward to a long and fruitful relationship with you all.

To my technology partners at Airdev, it was a wonderful experience developing TYMPO.io with you. You took my vision for a product that can transform corporate inclusion and made it into a reality. Now we are taking it into as many companies as are willing to embrace J.E.D.I. principles and leaders open to serving and supporting their people in a way they never have before. Thank you, Lola and Lucien and team, for all the great work!

Significant gratitude, of course, goes to my family. My father Samuel; my sister Sameerah; my brothers John, Patrick, and Kamau; my niece Kiarra (and great nieces Egypt and Empress); my nephew Hamilton; my aunts Janis and Candy; and last, but certainly not least, my lovely wife Dahlia—my forever life and business partner, whom I married during the writing of this book!

I started writing this book a few months after losing my mother to cancer, which made the goings slow as I navigated my grief. But my mom always wanted me to step into my truth, and I hope that I have made her proud. She believed in the inherent good in everyone and fought to give marginalized and disenfranchised women a voice her whole life. The fight continues. Mom, I love you!

May 30, 2021
Charlotte, NC
Omar L. Harris

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Omar L. Harris hails from Pittsburgh, PA, and is passionate about stakeholder capitalism, J.E.D.I. leadership and consulting, and inspiring the future servant leaders of today and tomorrow.

He is the Founder and Managing Partner of Intent Consulting, Founder of Tympo.io, a Gallup Certified Strengths coach, a bestselling and award-winning author, independent publishing guru, and twenty-year veteran of the global pharmaceutical industry, with stints at Pfizer, Schering-Plough, Merck, GSK, and Allergan, while living in the US, Brazil, the Middle East, and Southeast Asia.

He is the author of five books: The fiction novel *One Blood* (under the pseudonym Qwantu Amaru), *From Authors to*

Entrepreneurs (with co-authors Stephanie Casher and James W. Lewis), *Leader Board: The DNA of High Performance Teams, The Servant Leader's Manifesto,* and *Be a J.E.D.I. Leader, Not a Boss.* Omar is active on social media: Join his mailing list and/or follow him at his personal website, or on LinkedIn, Facebook, Twitter, and Instagram.

www.omarlharris.com

www.intentconsultants.co

www.Tympo.io/getTympo

www.linkedin.com/in/omarlharris

THE SERVANT LEADER'S MANIFESTO

Review from *Kirkus Reviews:*

A compact treatise advances the notion of servant leadership. Harris, a former pharmaceutical executive and the author of *Leader Board* (2019), believes it's time for "a new revolution" that revolves around something he calls "servant leadership." Drawing on the writings of numerous leadership experts, including Jim Collins, Stephen R. Covey, and Patrick Lencioni, Harris weaves together their thinking with his own beliefs to make a case for servant leaders—those who listen intently, promote teamwork, and generously share credit for success.

The book moves from defining servant leadership and identifying its principles to implementing the concept. This involves building personal leadership effectiveness, learning how to use influence and "positive psychology," developing a strong team, defining the right mission, and becoming a model leader. Each of the first seven chapters is brief but packed with insightful advice and examples. Chapter 8 reviews the key points covered and relates them to other sources.

This is as much a motivational work as it is instructional. Harris frequently encourages readers to embrace servant leadership as the best way forward: "You will gain more energy, enthusiasm, positivity, proactivity, intensity, and resil-

ience to take on greater challenges and reap the rewards of doing so." Given the plethora of books on leadership, it is no easy task to break the mold, and many of the maxims in this volume will no doubt be recognizable to readers. Still, the author's enthusiasm for the subject is infectious and some of his observations are noteworthy, such as "Exceptional leaders... know where they are going, and what it will take to get there."

In addition to strongly promoting the development of effective teams, Harris correctly suggests that leaders and their companies should be laser focused on serving customers: "Creating customer value is the key to sustainable, long-term performance....Remember: the people who serve the customer are precious." In an age where some may view leadership as increasingly autocratic, if not dictatorial, the humanistic view expressed by the author is reassuring.

Carefully researched, tightly written, and timely leadership advice.

What is Servant Leadership

The top-down hierarchical model of organizational design and leadership has been the dominant form for decades. Still, as this model has remained stubbornly persistent for the reasons outlined previously in the Introduction, other approaches to organizational design have been adopted by some successful companies, and introduced by leadership thought leaders such as:

- ❑ Donald O. Clifton, who introduced "positive psychology" into the management lexicon

- ❑ Patrick Lencioni, who demonstrated the importance of trust for team performance

- ❑ John C. Maxwell, who wrote the blueprints for

modern team leadership

❏ Jim Collins, who disrupted the leadership status quo with well-researched insights

❏ Simon Sinek, who influenced the importance of mission and organization purpose ahead of profit.

Reinventing the leadership hierarchy

You also might be familiar with the concept of the inverted hierarchy of leadership, first invented by Robert Greenleaf: Rather than an organization oriented to a small group of influencers, instead, the organization orients itself to support the value creators within it who typically act in service of the customer (Figure 1). Organizations which dedicate themselves to supporting those who support the customer need not only to invert the hierarchy, but also to reinvent the job descriptions of its leaders at all levels. Thus emerged the need for servant leaders.
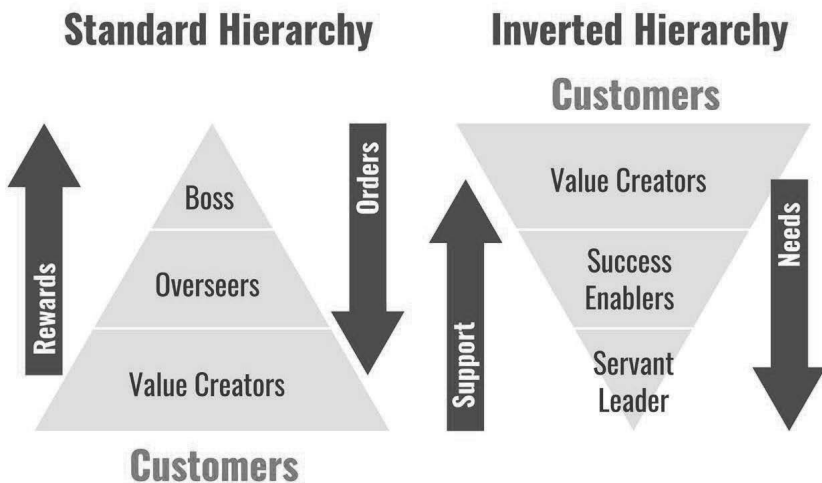

Figure 1: Standard organizational hierarchy versus inverted hierarchy

Serving those who create value for the customer can manifest in a variety of ways, but it all starts with being highly in tune with both the customer's needs, and the barriers that your team faces in overdelivering on those needs. As these needs and barriers are identified, the servant leader-led team commits to, and prioritizes, solving these issues as an organizational imperative. There is a constant free-flow of communication from the value-creators to the problem-solvers, then back from the problem-solvers to the value-creators.

Many teams organized in this manner regularly report higher trust scores, engagement, and productivity because they:

- Feel well supported by their leadership

- Know that their leaders are in tune with their challenges

- Understand that their leaders are always actively working to resolve them.

How does organizational hierarchy affect teams?

Gallup's Q12 assessment on employee engagement demonstrates the importance of these attributes for teams, with the following questions:

- Do you know what is expected of you at work?

- Do you have the materials and equipment to do your work right?

- At work, do you have the opportunity to do what you do best every day?

- In the last seven days, have you received recognition or praise for doing good work?

- ❑ Does your supervisor, or someone at work, seem to care about you as a person?

- ❑ Is there someone at work who encourages your development?

- ❑ At work, do your opinions seem to count?

- ❑ Does the mission/purpose of your company make you feel your job is important?

- ❑ Are your associates (fellow employees) committed to doing quality work?

- ❑ Do you have a best friend at work?

- ❑ In the last six months, has someone at work talked to you about your progress?

- ❑ In the last year, have you had opportunities to learn and grow?

Because the "serve" in servant leadership really relates to understanding, needs identification, analysis, problem-solving, communication, and agility, this may not be such a leap for today's leaders. The big difference is the overarching culture created by servant leaders: Over time, the people being led in this fashion really begin to trust and believe that their voice is highly valued, but then a flood of problems comes into the organization.

Don't fret, this is the sign that the culture is working! The true benefit of this approach is the speed from customer need to response and solution. Moreover, customer engagement and retention are transformed, because customers *know* that their feedback matters, and that they have a willing partner who regularly goes above and beyond to bring them value-added solutions.

Leadership styles and their impact on teams

You might have heard of the four stages of group formation, defined by Bruce Tuckman in 1965:

1. Forming
2. Storming
3. Norming
4. Performing.

These are still scientifically valid today. In stage 1, teams form around a new leader, teammates, or mission. In stages 2 and 3, they routinely disagree on how to go about accomplishing the goal, and "storm" until effective norms are established. In stage 4, once trust, commitment, accountability, and results focus are increased, the team can perform the task at hand effectively.

When faced with a forming team, the top-down leader dominates with one version of the truth: theirs, or their boss's. They don't engage with the whole team, and are only concerned with the end result—so the kind of norms that establish usually relate to satisfying the leader, whether or not they facilitate group cohesion. In these teams, performance can only be as good as the talent and resilience to manage their difficult bosses' expectations. When results are achieved, the leader absorbs the lion's share of the credit; and when things go wrong, the leader distributes blame to their team rather than accept ultimate accountability. These leaders are likely to be out-of-tune with both their customer-facing team's complaints, and their customers' needs. Because they spend so much time managing up and playing politics, few truly impactful results are achieved.

> **In contrast, servant leaders can create high-performing teams faster than top-down leaders, because this approach effectively hacks many of the stages of group development.**

Because servant leaders are intent listeners rather than dictators, they:

- ☐ Gather the risks, fears, anxieties, and worries of the team related to the task

- ☐ Dedicate themselves to clarifying, coaching, and coaxing solutions out of each team member

- ☐ Master getting teams to self-organize around agreed ways of working, to resolve disputes, make decisions, reward progress, and mitigate risk

- ☐ Focus their team's attention on increasing the speed and efficiency of response to customer needs, and overcoming inevitable barriers, on the path to achievement.

Implementing the principles of servant leadership

This raises an important question. If you work within a top-down organizational culture, can you still implement servant leadership principles? Well, organizational culture is not actually a static thing: It ebbs and flows, depending on the style and preferences of senior leadership.

> **I have actually never worked for a company that is fully oriented towards the people who create value for the customer; however, under my leadership I have always oriented my individual teams or enterprises in this way—effectively establishing my own culture within the overall company culture.**

Remember: to your people, you are the company—and it is not only your right, but your imperative, to define how your team operates.

Now that we know what servant leadership is, how can you progress from where you are today, and begin implementing these principles? In the coming pages you will see:

- ❐ How servant leadership starts from within

- ❐ How servant leadership requires a radical shift in attitude related to the leader's role

- ❐ How to wield the power of positive psychology

- ❐ Why team talent outweighs individual talent every time, and how to unlock it

- ❐ How to reframe the 'game' of business for your team and organization

- ❐ What love has to do with leadership.

Once you finish this part of your journey, you will receive a bevy of inspiration from the best minds in leadership to increase your leadership impact, beginning today.

Let's get started!