Apogee

Insights

Maximising Diversity, Innovation and Performance through Inclusive Leadership

by Madeleine Long, CEO and Executive Coach, Apogee Global

March, 2022

Inclusive leadership is not the latest fashion or fad or HR speak. It's not a fly-by-night campaign. It's how leaders harness the benefits of workplace diversity and build organisational success. In practice inclusive leadership involves ongoing collaboration and leadership behaviour that encourages a diverse mix of experience, demographics, knowledge and thinking styles, in an open and trusting workplace, for optimal decision-making.

This Apogee Insight Report details the link between inclusive leadership, risk management and organisation performance in the modern operating environment. Its purpose is to provide a framework to accelerate progress from diversity to inclusion. This subject is particularly relevant to the pandemic impacted new workplace.

What is the difference between diversity and inclusion?

## "If inclusion is the air we breathe, exclusion is suffocating."

Diversity and inclusion are different. Diversity means all the ways we differ. It refers to the composition of a society, a workplace or group. Inclusion speaks to a person's ability to contribute to, and fully participate in, a society, a workplace or group. Workplace inclusion is how we derive value from this diversity. Diversity alone doesn't automatically mean inclusion. In fact, without inclusion, there can be a diversity backlash.

For example, an organization that takes deliberate steps to ensure workplace diversity still may fail to achieve the desired positive changes. Diversity backlash may be in the form of criticism about whether women are being hired, or promoted, for their gender over merit. It can create a culture of distrust.

Inclusive leadership is about engaging in two-way conversations to get the early feedback to counter these criticisms. Inclusive leaders understand that diversity and inclusion are personal and emotionally charged topics. It's about getting the best out of people individually, and in teams, to achieve an organisation's goals.

Previous research (1) has highlighted that people have two opposing needs in group settings: the need to belong and the need to be unique. When people feel too similar to group members, they try to set themselves apart, to feel unique.

When people feel as if they don't belong they may try to assimilate and become more similar. Experts believe these needs for uniqueness and belongingness are in fact universal.

Inclusion = Uniqueness + Belonging

2
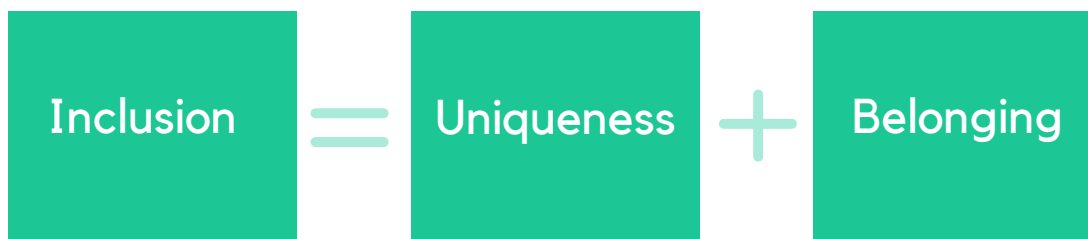
A February 2022 Catalyst study (2), Three Inclusive Team Norms That Drive Success, surveyed 4,300 employees in countries around the globe and features data breakouts for 14 main countries by gender (and race or ethnicity where data are available). We found three specific inclusive team norms that boost key indicators of team success across a diverse set of populations and industries: promote expressions of difference; foster a team coaching climate; and codify fair team decision-making practices.

Catalyst researchers Sheila Brassel, PhD, Tara Van Bommel, PhD, and Kathrina Robotham, PhD, found that these norms – defined as informal expectations that dictate how we should and should not behave at work – drive team problem-solving, innovation, and citizenship, as well as individual work engagement and overall experiences of inclusion at work.

According to Dr. Brassel, "Right now we have an unprecedented opportunity to reimagine workplaces to be more inclusive for people of all genders and racial, ethnic, and cultural backgrounds. A critical component of these workplaces of the future lies in the way teams operate—not just how leaders and managers work, but how everyone on the team works together by exhibiting the three inclusive team norms our study highlights."

The study encourages inclusive teams to cultivate their differences while striving together by:

1. Promoting expressions of difference by encouraging perspectives that may counter the status quo and/or the team leader; challenging either/or thinking; and seeking everyone's perspectives when problem-solving.
2. Fostering a team coaching climate that makes team coaching a goal tied to performance reviews; acknowledges that mistakes are inevitable and a critical component of growth and learning; and encourages and respects the qualities that make each team member unique.
3. Codifying fair team decision-making practices by developing a set of clear, written guidelines for team decision-making; keeping an eye on equity by prioritizing fairness and consistency; and communicating with transparency.

We can look at inclusion from the evolutionary neuroscience perspective which asserts that inclusion is important to everyone. Humans are shaped by social interactions which are processed in the medial

From neuroscience, we know that bad experiences evoke stronger emotional reactions than good. Discrimination against people for their race, gender, age, personality type, education, sexual preference and disability are examples of exclusion in society. When mirrored in the workplace, social exclusion can evoke powerful and visible negative emotions and pain. Studies show that being excluded at work can impair performance on cognitive tasks, reduce the ability to problem solve in the face of difficulty, and may reduce creativity (3). People are more likely to recall stories of workplace exclusion than those of inclusion.

Tokenism, bias, stereotyping, and mixed messages related to flexible work arrangements and work-life effectiveness are examples of exclusionary behaviour that still exists - even in those organisations who have well-publicised and well-funded diversity and inclusion strategies.

When not leading inclusively, leaders open the door to biases. For example, confirmation bias is where we seek out or interpret information that confirms our beliefs or hypotheses. We approach a decision with a preconceived opinion or belief. We search for information that supports this. Inclusive leadership provides space and time to examine and address biases. Objectivity in decision-making is a fundamental premise upon which inclusive leadership is based. For example, risk mitigation relies on the impartial analysis of data and differing perspectives. Scenario planning also necessitates unbiased assessment of relevant factors that can make all the difference between a right and wrong decision.

Where Are We Today?

Many Australian business and government leaders have made diversity and inclusion a key talking point with employees, customers, suppliers, shareholders and the media. However, while there is a reasonable level of awareness in many organisations, the ground realities are often still far from ideal. In these cases, leaders believe that representational diversity means that there is workplace inclusion, which is often not the case.

Despite the awareness that inclusive leaders are better equipped to lead through economic, organisational, pandemic and political uncertainty, leadership teams often struggle to understand the practicalities of how to become more inclusive and to leverage diversity. Inclusive leadership in the contemporary workplace is not without its challenges. Overcoming entrenched overt and covert unconscious biases, 'group think' and stereotyping takes time and unwavering commitment.

What does good inclusive leadership look like?

Inclusive leadership sparks creativity, innovation and collaboration – ideal behaviours when identifying and managing risk. While inclusive leadership necessarily starts from the Board and executive management, the same behaviours are needed by leaders at all levels of the organisation.

According to a Harvard Business Review report (4), inclusive leadership is the result of six behaviours:

1. ensuring that team members speak up and are heard
2. making it safe to propose novel ideas
3. empowering team members to make decisions
4. taking advice and implementing feedback
5. giving actionable feedback
6. sharing credit for team success

Successful inclusive leaders act with humility, courage and vulnerability. This helps them build trust amongst team members. They empower diverse thought and stress the importance of both collaboration and individual accountability.

If we acknowledge that belongingness plus uniqueness equals inclusion, inclusive leaders not only need to value and encourage diverse experiences, points of view, identities and communication and they need to find a common ground. This is a true balancing act and one of the complexities of inclusive leadership. Too much focus on belongingness runs the risk of enabling group think. A balanced strategy of meeting employees' needs for uniqueness and belongingness can be more impactful in increasing employee innovation and engagement.

How to build an inclusive workplace?

As with any major change program, a successful move from diversity to inclusion, is more likely to happen with these key success factors in place:

*   strong support from leaders across all levels of the organisation
*   an employee base that is fully engaged with the initiative
*   leadership practices that are aligned with the effort including role modelling inclusive behaviours
*   a baseline to measure progress over time
*   a strong and well-articulated business case for action.

Breaking down the complexities of cultural change programs for inclusion can fast-track employee engagement and program impact. The following is a model which focuses on the key activities that are visible and help to show leaders' genuine commitment. It can orchestrate a powerful shift in the energy of a team. It is designed to be a practical way to disrupt the status quo.

Make inclusive leadership
a strategic goal

Develop inclusive leaders who
role-model inclusion

Link inclusion to high
performance teams

Fund initiatives to embed
inclusion

Measure
impact

1. Make inclusive leadership a strategic goal.

Move diversity and inclusion from being an organisational initiative to being a core responsibility of senior leadership to cascade down to all levels of leaders and managers. It's the role of leaders to take employees on a change journey where they can create and own solutions and equip them with the training and development to address inclusion. It's not a leader's job to simply enforce unproductive compliance.

Ensure the CEO and executive leaders define the inclusion related strategic goal and openly demonstrate commitment and accountability. "Walking the talk" continues to be an imperative for great leadership. Inclusion should be a core competency used to assess executives' performance.

2. Develop inclusive leaders who role-model inclusion.

Demonstrate self-awareness and self-belief as well as deeply held personal values that define them and that employees see them demonstrating in everyday work. Inclusive leaders adapt their leadership styles to suit different situations. The coaching approach is usually their preferred style. They also adapt their communication according to their audience to ensure engagement. They encourage calculated risk taking and invite and listen to diverse opinions, perspectives and ideas before making important decisions.

Inclusive leaders visibly show encouragement, gratitude, appreciation, and recognition toward employees through positive comments. They ensure the flow of information from employees to senior leaders and take corrective action when needed. *

## 3. Link inclusion to high performing teams.

Trust is the foundation for high performing teams. Author of the highly acclaimed team management book Patrick Lencioni (4) reinforces that without trust you cannot have unfiltered, passionate debate about the things that matter – the very thing needed for inclusive decision making. In Figure 1 below, Lencioni's model, The Five Dysfunctions of a Team, highlight the fact that teams succeed by being exceedingly human. Inclusion is about facilitating and inspiring team leaders to commit to building trust, overcoming fear of conflict, persistent commitment, accountability and a determined attention to achieving results.

The role of an inclusive leader is to overcome these dysfunctions by leading by example and setting the tone for the whole team. This includes being the first one to be vulnerable, encouraging debate and conflict, making responsibilities and deadlines clear, setting the team's standards and, last but not least, being clear on the team's results.

* Effective teams researcher, Emily Heaphy and consultant Marcial Losada examined the effectiveness of 60 Leadership team at a large information processing company. "Effectiveness was measured according to financial performance, customer satisfaction ratings and 360-degree feedback ratings of team members. They found that the factor that produced the greatest difference between the most and least successful teams was the ratio of positive comments. The average ratio for the highest performing teams was 5.6, that is nearly six positive comments for every negative one.

The 5 Dysfunctions of a Team
by Patrick Lencioni
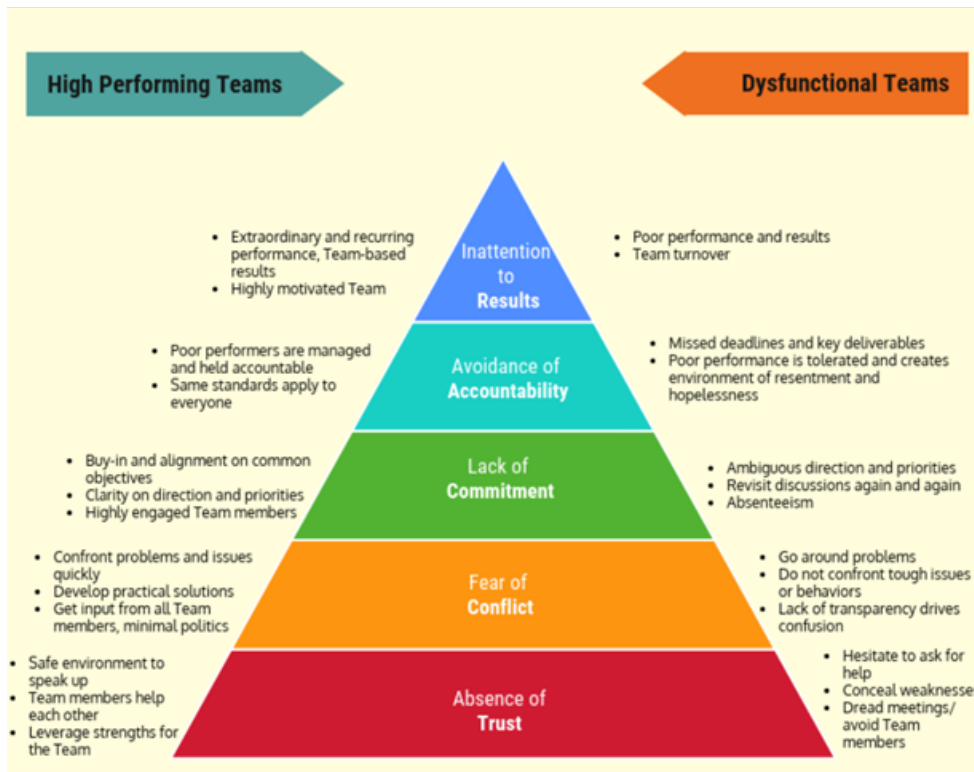
4. Design and fund initiatives to embed inclusion.

A range of programs and initiatives are recommended to build an inclusive culture. They will also ensure employee engagement and demonstrate commitment from leadership that they are "walking the talk." Access to the CEO about progress is important. Bottom up initiatives should be encouraged. Examples include:

- unconscious bias awareness education. Identify the top three issues to address in the short term to show a genuine desire to resolving them

- flexible workplace arrangements that truly encourage males and females to take advantage of this initiative. It needs to go beyond a documented policy. It should be role-modelled and rewarded by leadership, ensure that it is not perceived as a 'career limiting' practise, and part of inclusive leadership to encourage it and remove obstacles preventing it

- return to work programs to support parents and carers on extended leave to adjust to their workplace

- career resilience programs for employees to build their internal and external networks, take control of their career, strengthen their confidence through effective communication, talk about their successes and secure mentors and sponsors

- inclusive leadership coaching to support leaders understand the practise of inclusion in their everyday work e.g. self-awareness, active listening, emotional intelligence, flexible communication styles, conflict resolution, coaching skills and understanding bias and stereotyping in decision making

- establish internal taskforces with a senior level leader as champion to focus on inclusion and diversity. Make them short in duration e.g. six months to explore the issues, opportunities and strategies affecting their teams

- permission to "call out" behaviour contrary to inclusion and provide reporting channels to support this

- Measure performance against base line data and have periodic reviews to check progress

5. Measure Impact

Employee engagement surveys, performance reviews, employee grievances and disputes, employee retention scores as well as organisational and work group goal achievement are ways to measure the impact of inclusion. Record anecdotal progress and highlight it at forums such as team meetings, performance feedback sessions and leadership meetings. Subjective measures can be highly motivating through the change process.

Quantitative impacts can be collated and communicated when data becomes available. The key is to understand its importance and actively seek ways for people to share in the successes as well as the short-falls.

Conclusion

In conclusion, diversity without inclusion is not enough. Inclusion puts the concept and practice of diversity into action by creating an environment of involvement, respect, and connection – where the richness of ideas, backgrounds and perspectives are harnessed to create business value.

Those organisations who are already leveraging diversity are reporting direct links to success. Those leaders who understand the value of inclusion, and visibly role model the right actions, are reaping the rewards of high performing teams who consistently deliver outstanding results. Reducing the complexity of the change process and focusing on short term inclusion deliverables can make all the difference to the longer-term transition from diversity to inclusion.

References

1. Marilynn B. Brewer, "The Social Self: On Being the Same and Different at the Same Time," Personality and Social Psychology Bulletin, vol 17, no 5 (October 1, 1991): p. 475-482)

2. Catalyst Feb 21, 2002 Study: Three Norms Are Key to an Inclusive Team Environment

3. Roy F Baumeister et al., "Social Exclusion Impairs Self-regulation," Journal of Personality and Social Psychology vol. 88, no.4 (April 2005): p. 589-604); Roy F Baumeister, Jean M.Twenge, and Christopher K. Nuss, "Effects of Social Exclusion on Cognitive Processes: Anticipated Aloneness Reduces Intelligent Thought," Journal of Personality and Social Psychology, vol 83, no.4 (2002)

4. Diversity Doesn't Stick Without Inclusion, Harvard Business Review, February 1, 2017

5. The Five Dysfunctions of a Team: A Leadership Fable, Patrick Lencioni, 30 July 2002

10