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Inclusive leadership
Will a hug do?

Human Capital, Deloitte Australia Point of View
March 2012

The signals point to inclusion as the new paradigm, and the inclusive leader as someone who seeks out diverse perspectives to ensure that insights are profound and decisions robust

Introduction

Does it go without saying that companies must adapt to these uncertain economic times if they are to survive? Clearly a return to business as usual is a recipe for a slow decline. Diversity of thinking is gaining prominence as a disruptive force to break through the status quo.[1]

So how is this potential to be unlocked and accelerated? It is not by homogeneity but by creating the conditions in which diverse people can both operate to their full potential and work together cohesively[2]. And this means changes for individual leaders as well as workplace cultures.

Step one is letting go. Letting go of the iconic image of the leader as hero – standing alone atop a mountain, pointing the way forward to followers in the foothills – and replacing it with ….? Well, let's be frank, the replacement image is less clear, but this ambiguity provides us with an adaptive opportunity. An opportunity to pursue the signals pointing to inclusion as the new paradigm, and the inclusive leader as someone who seeks out diverse perspectives to ensure that insights are profound and decisions robust. A person who actively creates a workplace in which diverse talent is fostered, whatever the packaging, and in which diverse teams operate to their maximum potential. And a person who understands the link between diversity, inclusion and higher business performance.[3]

But what does that really mean on a day-to-day basis? Is inclusive leadership just about giving people hugs…being a little 'nicer to people' so that everyone can speak up? Putting it like that makes this new aspiration sound easy and not business focussed; and, leads us to think that our biggest problem is to remember to do it; not that we don't quite know *how* to do it.

The inclusion story *is* about intention, but it is also about understanding what influences inclusion (and exclusion) and how to create new habits of behaviour and work practices. By examining the research and mining the insights of six global role models, namely Dr Rohini Anand (Sodexo, USA); Dr Dawn Casey (Museum of Applied Arts and Sciences, Australia); Aase Aamdal Lundgaard (Deloitte, Norway); Sanjay Rishi (American Express, India); Bruce Stewart (Office of Personnel Management, USA); and Linda Tarr-Whelan (Demos, USA); this paper explores what inclusive leadership means for individuals, teams and workplace practices.

[1] See Deloitte Touche Tohmatsu (2011) *Working in an ideological echo chamber? Diversity of thought as a breakthrough strategy*; https://www.deloitte.com/assets/Dcom-Australia/Local%20Assets/Documents/Services/Consulting/Human%20Capital/Diversity/Ideological_echo_chamber_18May2011.pdf

[2] Baghai, M. & Quigley, J. (2011) *As one: Individual action, collective power.* United Kingdom: Penguin.

[3] We explored some of the research supporting the value of diverse versus homogenous teams in Deloitte Touche Tohmatsu (2011) *Only skin deep? Re-examining the business case for diversity* http://www.deloitte.com/assets/Dcom-Australia/Local%20Assets/Documents/Services/Consulting/Human%20Capital/Diversity/Deloitte_Only_skin_deep_12_September_2011.pdf.

Where to start?
Let's start with you

Opening our field of vision

The starting point for any leader who wishes to create a more inclusive workplace is themselves. Acknowledging that whilst we might aspire to make decisions objectively, a library of research shows us that our decisions are prone to bias.[4] These biases, both conscious and unconscious, narrow our field of vision and interfere with our ability to make decisions based on fairness, merit and objectivity. But if we are mindful of how biases can influence our perceptions, judgements and behaviours, we have the opportunity for self-correction. And once we are in a more receptive state, we can populate our broader field of vision by being more curious about diverse points of view. In a nutshell, understanding our biases will help us be more inclusive of diverse people and diverse points of view.

The trick to opening our field of vision is to be aware of our individual biases, fundamental to which is the similarity-attraction bias, or to put it more simply, our bias to connect with people who look and feel like us. And secondly, to be aware of the mental buckets we have created to help us quickly categorise information in our complex environments. When we think about other people, especially when we meet them for the first time, we quickly make assumptions by placing the person into one of these buckets. But the buckets are not empty, they are filled with generalisations, stereotypes and prejudices which we have learned from the society in which we operate. So while we might believe that we treat everyone equally, in fact similarity-attraction bias and stereotyping lead us down a path of connecting more closely and quickly with people in our 'in' group, and knowing less about, and having a less favourable view of, those in our 'out' groups.

> "Inclusive leadership starts with self-awareness, being introspective, knowing your blind spots and possessing the ability to listen and learn."
> Dr Rohini Anand (Sodexo, USA)

These are not the only biases we need to be aware of to understand ourselves better. We also need to be mindful of process biases, for example our bias to take into account only information that confirms our point of view (aptly named, confirmation bias) and a bias to seek consensus which leads to groupthink. Putting this into context, research supports that when we have an awareness of our biases and how they work, we can minimise their impact and open our field of vision.[5]

So how do we do that? Here are a few ideas about how to increase self-knowledge about biases. Firstly, Harvard's Implicit Association Test (IAT) is one tool that helps leaders to identify their unconscious learned patterns of association, for example in relation to weight, age, race, gender and political beliefs.[6] A leader may be going to great lengths to say that they believe in fairness and equality, and indeed that may be true. The test is not about beliefs and values, it speaks more to what assumptions a leader might make, preferences they have or what stereotypical bucket they might activate. For example, the IAT can help identify whether a leader is more likely to think 'women' when they think about 'family', and 'men' when they think about 'career'. If a leader is aware of this unconscious association then s/he can consciously check decisions for its influence. For example when making a decision about succession, the leader may ask themselves, "did I just assume that a male would be more ambitious than a female employee because she has two children?"

[4] For a comprehensive review see Kahneman, D. (2011) *Thinking, fast and slow.* New York: Farrar, Straus and Girroux.

[5] See discussion in Macan, T. & Merritt, S. (2011) Actions Speak Too: Uncovering Possible Implicit and Explicit Discrimination in the Employment Interview Process in J. P. Hodgkinson & J. K. Ford (eds.) *International Review of Industrial and Organizational Psychology,* 26, West Sussex: Wiley-Blackwell, pp.293–337.

[6] The Harvard Implicit Association Test is a tool developed in the United States based on research that allows you to explore your conscious and unconscious preferences for over 90 different topics: https://implicit.harvard.edu/implicit/

The key word here is curiosity, which is a process by which leaders reach out to understand each person's unique perspectives and capabilities, going beyond prominent characteristics or job role

Secondly, in relation to similarity-attraction bias, a leader might identify and analyse patterns of behaviour in his/her decisions about recruits or promotes, or even the people s/he knows most or least about. Being mindful of that subtle bias of exclusion will help a leader see their blind spots and extend their inclusion net. So in summary, mindfulness is about making a conscious effort to stop processing information 'on autopilot', relying upon 'gut feel' as determinative and reverting to our comfortable relationships. When we are more mindful, we consciously select relevant criteria for our choices and test them for bias.

After creating room for a leader to become more inclusive, the next step is filling that space with diverse points of view. And the key word here is curiosity, which is a process by which leaders reach out to understand each person's unique perspectives and capabilities, going beyond prominent characteristics or job role. Dr Dawn Casey (Museum of Applied Arts and Sciences, Australia) recalls an example when a leader of an education department, located in a region with a significant indigenous population, saw beyond Dr Casey's role as a receptionist to her unique insights as an indigenous leader of that community. In contrast, another leader had dismissed her point of view because she was not an 'Education Officer'. The inclusive leader, instead, sought her out for insights which lay just below the waterline and beyond a job title. In practical terms for Dr Casey, the value of curiosity has led her to adopt very specific inclusive work practices: "It is about seeing the talent in front of you, actively going out and searching for individual skills. So in the first three months of a new environment, I ask people to tell me their stories and where they have skills because we might need those skills down the track. I do it for every person in the organisation."

> " We are all individuals. We have different needs and different priorities and we like to be treated as individuals rather than as a group. People want to feel important and that they contribute to the business. Inclusive leaders are interested; they care for people and are willing to listen."
> Aase Aamdal Lundgaard (Deloitte Norway)

Even more than academic desire to create a broader knowledge base, the hallmark of an inclusive leader is his/her ability to interpret, relate and adapt to that information. In the context of cultural/racial diversity,[7] this means that a leader's knowledge will influence the nature or content of communication with an employee from a culturally diverse background. Further, that the leader will demonstrate respect and value by seeing the world from the other person's point of view without judgement. This capability is sometimes referred to as combining both country knowledge and cultural competence and it is clearly critical for leaders working globally.[8] And of course this capability will inspire employees to come forward and share in a reciprocal learning process. This was recently exemplified when Joe Lau, an employee in Deloitte Australia who was born in Hong Kong, emailed the CEO to explain the cultural significance of the Lantern Festival.[9] Joe's email demonstrated his understanding of the local Australian culture and his ability to interpret the Festival in a culturally relevant way. He simply wrote "In some regions and countries, this festival is also regarded as the Chinese version of St. Valentine's Day, a day of celebration of love and affection between lovers in Chinese tradition and culture." The CEO demonstrated an appreciation of Joe's insight by forwarding the email on to all staff with a message of good wishes.

Finally a word of clarification, lest there be a fear of too much inclusion and decision paralysis. Inclusion does not necessarily imply consensus or that every view must be identified and followed. "Consensus is where everyone agrees but inclusion is where ideas are heard. At the end of the day the leader has to make a decision. Inclusion is a leadership competency, consensus is a leadership style," says Dr Rohini Anand (Sodexo).

[7] Repečkienė A., Kvedaraitė, N., Jankauskienė, V. (2011) Intercultural competence as precondition for cultural diversity management, *Economics and Management*, 16, pp.882–891.

[8] Ross, H. J. (2011) *Reinventing Diversity: Transforming Organizational Community to Strengthen People, Purpose, and Performance.* Plymouth: Rowman & Littlefield Publishers.

[9] Email correspondence between Joe Lau, Senior Analyst Deloitte Australia and Giam Swiegers, CEO Deloitte Australia dated 7 February 2012.

This reality check is echoed by Aase Aamdal Lundgaard (Deloitte Norway): "It's sometimes difficult to balance, as you need to be efficient and reasonable when you don't have all the time in the world to discuss, and once you have enough views and opinions you need to make the decision. I believe it is important to listen and engage people and get their commitment, but finally you need to make a decision."

Enabling people to express their views openly is also key to building commitment to organisational goals. Indeed not making space for people's diverse views to be expressed inevitably means lower commitment levels to those goals.

In summary, being an inclusive leader means more than simply being nicer at the expense of business acumen. It requires a shift in mindset and behaviours, assisted by mindfulness and curiosity, that has the business outcome in mind.

This is not to say that it is easy. Our habits of thinking and practice have been developed over years, and redirection will take time. How can we undertake these activities efficiently so that we reap the return on our investment? And perhaps more realistically how can we build these intentions into our day-to-day practice so that a bias towards immediate action is held at bay for just a moment longer for us to build our bias towards inclusion? The next sections identify the importance of creating a system in which individual intention is supported by team behaviours and work practices.

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No leader is an island – working in a team

Working in diverse teams, whether cross-functional, virtual or global, can be both rewarding and frustrating. A diverse team can produce results which are far greater than the sum of its parts,[8] but a conflicted team is every leader's worst nightmare with wasted energy and poor output

10 Horwitz, S. & Horwitz, I. (2007) The effects of team diversity on team outcomes: a meta-analysis review of team demography, *Journal of Management*, 33 (6), pp.987–1015.

11 Ibid.

12 Homan, A.C., Hollenbeck, J.R., Humphrey, S.E., Knippenberg, D.V., Ilgen, D.R. & Van Kleef, G.A. (2008) Facing differences with an open mind: openness to experience, salience of intragroup differences, and performance of diverse work groups, *Academy of Management Journal*, 51 (6), pp.1204–1222.

13 Ross, H. J. (2011). Quappe, S., Samso-Aparici, D. & Warshawsky, J. (2007) Culture and the myths of the black box, Deloitte Development LLC; Review, New York.; Childs Jr, J. T. (2005) Managing workforce diversity at IBM: a global hr topic that has arrived, Human Resource Management, 44 (1), pp.73–77.

14 Woods, D. (2012) Half of employees view diversity program as a PR stunt, according to Adecco, *HRMagazine*; retrieved 3 February 2012 from http://www.hrmagazine.co.uk/hro/news/1020800/half-employees-diversity-programmes-pr-stunt-adecco.

15 Roberge, M. & van Dick, R. (2010) Recognising the benefits of diversity: When and how does diversity increase group performance? *Human Resource Management Review*, 20 (4), pp. 295–308.

16 Joplin, J. R. W. & Daus, C. R. (1997) Challenges of leading a diverse workforce, *Academy of Management Executive (1993-2005)*, 11 (3), pp.32–4.

Creating an inclusive team

This does not mean returning to a homogeneous team as an avoidance strategy, rather it means understanding how diverse teams can operate to their full collaborative potential so that they bring forth adaptive breakthrough thinking and contribute to high performance.[11] Linda Tarr-Whelan (Demos) argues "the evidence is compelling that when all voices are heard companies have better financial performance."

At the heart of a team's success stands the inclusive leader. One who is aware of unconscious biases and open to understanding diverse perspectives to help navigate the challenges facing the team.[12] As Dr Anand reinforces, in a team setting the inclusive leader has a clear "vision of what an inclusive team or culture looks like and works with the team to get there." "The leaders that I admire are the ones who create an environment where everyone is heard, who will deliberately draw out diverse viewpoints even when they do not align with their own views. Diverse viewpoints are critical for innovation, to remain on the cutting edge and to be nimble to change. People have different styles and ways of contributing and it's necessary for leaders to recognise this and not to go to the ones who are the loudest or whose style mirrors theirs."

An inclusive leader is one who also understands that the new paradigm is less about the leader as the hero and more about the leader as an agent who develops, inspires and enables others, a "synergist that sparks the team to head in the direction that it needs to go in", says Bruce Stewart (Office of Personnel Management). And of course this means that a leader must role model inclusive behaviour. "Working by example is always important. Nothing defeats the goal more than do what I say, not what I do," says Tarr-Whelan. Research consistently demonstrates that visible leadership commitment, behaviours and symbols speak loudly as employees look towards leaders to decipher what the organisation really stands for.[13] And the messages seem to say that diversity programs are designed to generate PR rather than results.[14] Simply put, leaders may have good intentions but these are undermined when their non-inclusive behaviours reinforce the status quo.

And what of the team members themselves? What can a leader do when diverse team members come to the table with their own assumptions and biases about other team members and are anything but 'one team'? A starting point is for the leader to help the team identify and develop a common or super-ordinate identity (think: we are all working on the XX project) which will trump lower order in-group and out-group distinctions (think: we are lawyers and you are engineers).[15] This process can be further supported by establishing clear team goals and group incentives.[16]

Instead of neglecting or rejecting the dissonant point of view, a mature team welcomes difference as enabling high performance

Even with a shared identity it is still likely that conflict will arise between individual team members. The evidence suggests that an inclusive leader will anticipate and respond by creating an environment of psychological safety.[17] This means that a team (or an organisation) is considered safe for interpersonal risk-taking and no member feels he or she will be rejected, embarrassed or punished for speaking up.[18] Such conditions activate positive psychological processes such as empathy, self-disclosure and group trust which are critical for collaboration and performance.[19]

Additionally, an inclusive leader will provide the framework for team members to become mindful of their individual biases and more curious about others, for example by creating 'opportunities for employees to expand their clusters and networks' suggests Stewart. And when these factors combine, namely a greater individual awareness, a collective identity and an inclusive framework, teams have the potential to act as a self-correcting system and thus capitalise on our ability to spot bias more quickly in others than in ourselves. This environment means that instead of neglecting or rejecting the dissonant point of view, a mature team welcomes difference as enabling high performance.

Finally, in terms of practicalities and given that team meetings can be a hotbed for exclusionary behaviour, explicit meeting protocols can help accelerate the maturity journey. See the breakout box for a few ideas about how to respond to the challenges of first speaker advantage, loud voices and groupthink.

> The inclusive leader is a "synergist that sparks the team to head in the direction that it needs to go in" Bruce Stewart (Office of Personnel Management, USA)

[17] Roberge & van Dick (2010)

[18] Ibid.

[19] Ibid.

Inclusive team meetings: Helping everyone to be heard

Challenge	Strategy
1. First speaker advantage: The first speaker in a meeting usually sets the tone, subject and flow of the discussion. People's points of view are often influenced by the first speaker.	If the purpose of the meeting is to discuss a particular issue then ask people to think outside the room and come to the meeting with a paragraph of their thoughts, so as not to be unduly influenced or derailed by the first speaker.
2. The loudest voice roars: Depending upon culture, often the loudest and more assertive person will hold the floor more regularly and for longer.	Develop a meaningful communication protocol so that everyone has a chance to contribute and to take into consideration cultural communication differences as well as language proficiency. E.g. give enough time to foreign language speakers to prepare their input and, if appropriate, seek out the person who has been less vocal and ask them to contribute. Start the meeting by asking everyone to introduce themselves as it is easier to make additional contributions in meetings if you have already made your first.
3. Bias to groupthink: People will converge on a single point of view to create a sense of equanimity and because individuals often don't want to be seen as contradicting the group.	Allocate a specific Devil's Advocate position (which rotates between team members) in which one team member is identified as being expected to put a contrary position. This way it is not a personal point of view, but a role which will help the team think more diversely. Ask people to develop their meeting presentations by explicitly speaking with diverse people beforehand and referencing them during their presentation.

Finally we need to throw a backward glance to our team to check that we started with the right ingredients. "We need a team that's diverse. A team that spans a whole range of ages, nationalities and ethnicities because we need to tap into their talent and because ideas recognise no boundaries and neither should we" says Indra Nooyi, (Pepsico).[20] So the final step to embracing the new inclusion paradigm is to ensure that our workplace practices and policies are inclusive and that we are attracting, selecting and growing diverse talent.

[20] Nooya, I. Pepsico (2011) Keynote Speech: AdAsia 2011, New Dehli, November: http://www.youtube.com/watch?v=r5sxwEwAvLk

# Shaping culture – what happens when you're not there?

Aligning the systems, processes and practices

Whilst the support of the CEO and leadership team is critical,[21] Sanjay Rishi (American Express, India) observes: "Creating an inclusive culture through the efforts of senior management is necessary but not sufficient." Dr Casey adds: "You've got to put the structures in place to create the right environment. You've got to have a framework, processes and structures that can work beside your leadership to create a participatory and inclusive environment." Whilst diversity is often portrayed as a talent management issue, to some degree, every aspect of the work environment, from day-to-day practices, to the organisational structure and to the supply chain, has the capacity to reinforce or undermine attempts to create an inclusive environment.

By taking a whole of business perspective, leaders can support their efforts and reinforce new behaviours with sustainable changes to the organisation.

The Diversity and Inclusion Business Integration Wheel depicts the organisational talent and enterprise elements that combine to influence corporate culture, including diversity and inclusion outcomes. In a perfect world an organisation would take the time to review all of the processes and policies which impact upon individual, team and business performance. In this section, we use the wheel as a framework to provide a sample of ideas about where and how energy can be directed for maximum impact to ensure that organisational practices are aligned with the intent to be inclusive of diversity. The key word here is integration, and the key indicator is when diversity and inclusion are considered to be 'business as usual'.

Deloitte diversity and inclusion business integration wheel
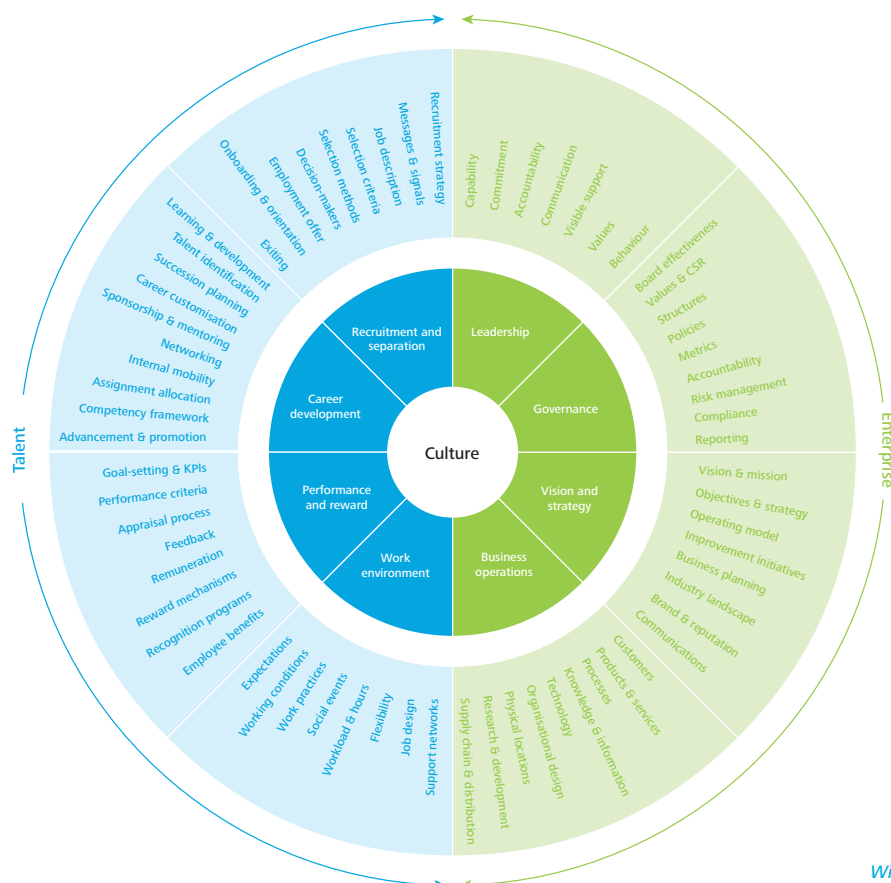
21 EONNA / Hudson (2010) Looking for a paradigm shift: 2010 Market leader report on diversity and gender, *2010 Equal Employment Opportunity Network of Australia / Hudson Australasian Diversity & Equality Survey*: www.eeona.org

Selection

Opportunity for change:

Research shows that a candidate's name on a resume is enough to trigger unconscious preferences. In one study, researchers distributed 5,000 fictitious resumes to 1,250 organisations. Each company was sent four resumes: two for highly skilled candidates (one with a 'very white sounding name' and one with a 'very black sounding name') and two for average skilled candidates (again, one with a 'very white sounding name' and one with a 'very black sounding name'). Applicants with white sounding names received 50% more call-backs, and average 'typically white' named candidates received more call-backs than highly skilled 'typically black' named candidates.[22]

Strategies:

- Prior to selection, ensure criteria are clear, structured and job-relevant
- During selection, remind selectors of the company's diversity policy and stress personal and public accountability for decisions[23]
- Allow sufficient time to review applications fully and make informed decisions (stereotyping and other biases increase when there is limited time to make judgements[24]
- Post selection, mandate that managers record selection decisions and the evidence relied upon.

Talent identification

Opportunity for change:

Although talent management systems may not appear to be overtly discriminatory, research shows that they are vulnerable to interpretation and advantage a narrow view of talent. For example, talent frameworks commonly include masculine stereotypes when characterising senior leaders, meaning that masculine norms are embedded in the system. So, whatever bias exists at the top of an organisation is institutionalised by talent management systems and cascades down to the lower levels.[25] This means that even when minority groups comply with explicit and implicit career development pathways, they are likely to experience disparate outcomes.

Research shows that while women do 'all the right things' to get promoted, including gaining experiences, being networked and blurring work/life boundaries, they are still likely to advance to a lower level than their male counterparts and have slower pay growth.[26]

Strategies:

- Engage diverse stakeholders in developing and reviewing talent management systems to remove the presence of biased language and competencies
- Use clear, observable/measurable talent identification criteria relevant for the job group
- Develop a documented, structured process for talent identification to avoid extraneous (and biased) perceptions of future leadership capability
- Introduce more checks and balances through multiple decision makers.

Reward

Opportunity for change:

Research shows that leaders are unlikely to be held to account for biased decisions and similarly unlikely to be rewarded for their diversity and inclusion efforts. An Australian Human Resource Institute survey found that fewer than one in five CEOs and executives have gender equity key performance indicators (KPIs) and more than 60% of senior and middle management are without accountability in the area.[27] Moreover, less than 20% of CEOs and executives, 15% of senior managers and 10% of middle managers had relevant KPIs linked to bonus payments. More than just introducing KPIs, Indra Nooya (PepsiCo) suggests that "we need to develop and evaluate these leaders totally differently. We need to recognise and reward the ones who are willing to go outside normal boundaries and willing to challenge conventions."[28]

Strategies:

- Sodexo created a quantitative and qualitative diversity scorecard: "We have outcome metrics linked to the recruitment, retention and promotion of women and minorities but we also focus on managers' individual behaviour change. Amongst other items, the scorecard has a drop down menu of ten different items. [Managers] have to select and complete at least one every quarter. It might be around sponsoring a diversity and inclusion event, having diversity on your agenda, mentoring, sponsoring an affinity group or developing high potential talent. All of these things influence outcomes and keep [diversity and inclusion] front and centre," says Dr Anand
- Stewart describes the positive impact of a dashboard built to provide "a quick snapshot of our performance that we could compare with other like organisations to see how we were tracking. People are concerned about what their peers are doing so it is one way to influence people and modify behaviour"
- A number of Catalyst award winners tie up to 10% of variable compensation to diversity objectives as part of people management measures.[29]
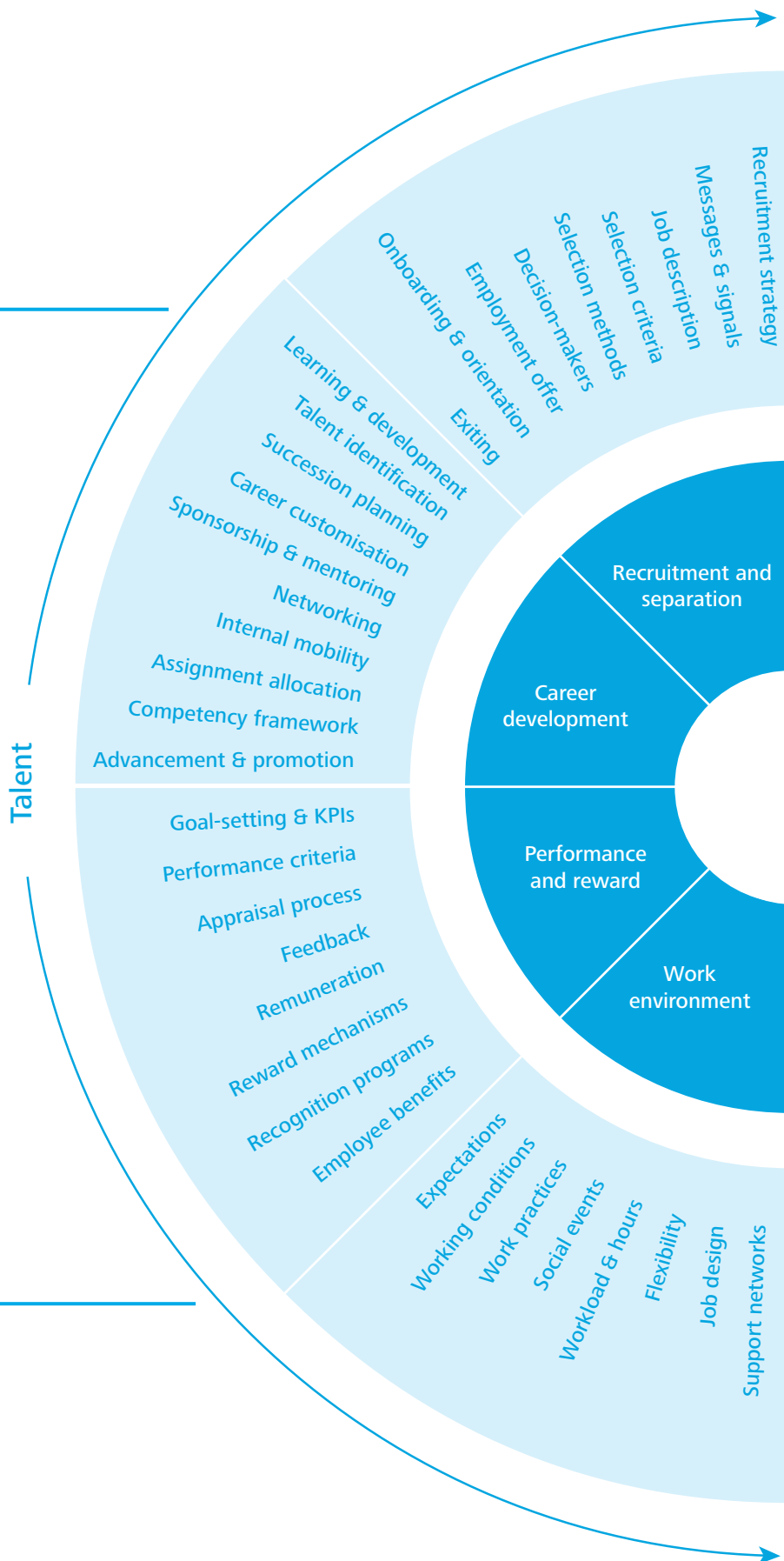
Flexibility

Opportunity for change:

"An example of changing the organisation to be more inclusive is how you provide flexibility in work arrangements. It is important to note for gender but also for other points of difference. Work flexibility is important, it leads to better performance," says Aase Aamdal Lundgaard. Notwithstanding the need for flexibility amongst diverse groups, a host of research tells us there is a general (and growing) need for work/life balance across the workforce.[30] Research demonstrates, however, a gap between the policies and communications espousing flexibility and the day to day practice.[31]

Strategies:

- Engage in job/team redesign to enable work/life balance and career flexibility for a broad range of employees
- Provide education to line managers about effectively implementing flexible work arrangements and focus on confidence and skill building
- Create accountability and check point mechanisms to review and improve flexible arrangements.

Talent

Recruitment and separation
- Recruitment strategy
- Messages & signals
- Job description
- Selection criteria
- Selection methods
- Decision-makers
- Employment offer
- Onboarding & orientation
- Exiting

Career development
- Learning & development
- Talent identification
- Succession planning
- Career customisation
- Sponsorship & mentoring
- Networking
- Internal mobility
- Assignment allocation
- Competency framework
- Advancement & promotion

Performance and reward
- Goal-setting & KPIs
- Performance criteria
- Appraisal process
- Feedback
- Remuneration
- Reward mechanisms
- Recognition programs
- Employee benefits

Work environment
- Expectations
- Working conditions
- Work practices
- Social events
- Workload & hours
- Flexibility
- Job design
- Support networks

[22] Bertrand, M. & Mullainathan, S. (2004). Are Emily and Greg more employable than Lakisha and Jamal? A field experience on labor market discrimination, *The American Economic Review*, 94 (4), pp.991–1013.

[23] Petersen, L. E. & Krings, F. (2009) Are ethical codes of conduct toothless tigers for dealing with employment discrimination?, Journal of Business Ethics, 85, pp.501–514; Ford, T.E., Gambino, F., Lee, H., Mayo, E., Ferguson, M.A. (2004). The role of accountability in suppressing managers' pre-interview bias against African-American sales job applicants, *Journal of Personal Selling & Sales Management*, 24, pp.113-124.

[24] Kruglanski, A. & Freund, T. (1983) The freezing and un-freezing of lay-inferences: Effects on impressional primacy, ethnic stereotyping and numerical anchoring, Journal of Experimental Social Psychology, 19, pp.448–468.

[25] Warren, A. K. (2009) *Cascading gender biases, compounding effects: An assessment of talent management systems*. New York: Catalyst.

[26] Carter, N. & Silva, C. (2011) *The myth of the ideal worker: Does doing all the right things really get women ahead?* New York: Catalyst.

[27] Australian Human Resource Institute (2011) Research Report: Gender Equity in the Workplace, *HR Pulse*, 3 (1).

[28] Nooya (2011).

[29] Catalyst (2007). *Catalyst 20th anniversary awards compendium*.

[30] Kattenbach, R., Demerouti, E. & Nachreiner, N. F. (2010) Flexible working times: effects on employees' exhaustion, work-nonwork conflict and job performance, *Career Development International*, 15 (3), pp.279-295; Families and Work Institute, Nation's Study of the Changing Workforce 2008; US Department of Labor, Quality of Employment Survey, 1977; Pitt-Catsouphes, M. & Matz-Costa, C. (2008) The multi-generational workforce: Workplace flexibility and engagement, *Community, Work and Family*, 119 (2), pp.215–229.

[31] Hayman, J. R. (2009). Flexible Work Arrangements: Exploring the linkages between perceived usability of flexible work schedules and work/life balance, *journal of community, work and family: special issue on work/life balance*, 12 (3), pp.327–338.

Enterprise

Leadership
- Capability
- Commitment
- Accountability
- Communication
- Visible support
- Values
- Behaviour

Governance
- Board effectiveness
- Values & CSR
- Structures
- Policies
- Metrics
- Accountability
- Risk management
- Compliance
- Reporting

Vision and strategy
- Vision & mission
- Objectives & strategy
- Operating model
- Improvement initiatives
- Business planning
- Industry landscape
- Brand & reputation
- Communications

Business operations
- Customers
- Products & services
- Processes
- Knowledge & information
- Technology
- Organisational design
- Physical locations
- Research & development
- Supply chain & distribution

[32] Janis, I. L. (1972). *Victims of Groupthink*. New York: Houghton Mifflin.

[33] See http://www.frc.org.uk/

[34] Childs Jr, J. T. (2005) Managing workforce diversity at IBM: a global hr topic that has arrived, *human resource management*, 44 (1), pp.73–77.

[35] Hart, M. A. (1997). *Managing diversity for sustained competitiveness*. New York: The Conference Board.

A. leadership commitment

Opportunity for change:

Leadership commitment goes beyond accepting and communicating the business case for diversity. It is ultimately signified by the extent to which the principles of inclusion are woven into the daily activities of the business. Take, for example, the way in which a leader approaches business growth. The question is whether diversity and inclusion principles are reflected in actions such as scanning the horizon for merger opportunities or identifying new services and products. Although many leaders espouse commitment to diversity it is often seen as a stand-alone strategy because they may lack the insight or capability to leverage diversity and inclusion to make better decisions.

Strategies:
- Review how the growth strategy was decided by asking how the leader identified merger and acquisition targets (was it through his/her 'in' group?) and with whom did s/he test their ideas
- Focus on strategies to avoid unintended group dynamics once the merger has taken place (e.g. where one group is treated as an 'out' group)
- Ask whether the leader seeks feedback from diverse stakeholders to track progress or surrounds themselves with like-minded individuals.

B. Risk management

Opportunity for change:

Organisations need to constantly address risk, which can be perceived as having both an upside and a downside. Namely, the opportunity to increase shareholder value by engaging in high risk activities or, conversely, avoid risks which threaten value. Either way, making risk intelligent business decisions involves an information framework which helps to identify and assess risk, and then a strategy to mitigate these risks. It is during the final review or monitoring phase that gaps in the information or process will become evident, for example the bias to groupthink. Defined as the 'mode of thinking engaged in by people when they are deeply involved in a cohesive...courses of action'[32], groupthink is thought to have been a significant factor in the collapse of UK bank Northern Rock."[33]

Strategies:
- Identify the team's susceptibility to groupthink and engage a diverse group of stakeholders at the risk identification stage
- Use deliberate strategies to break groupthink, e.g. allocate a specific Devil's Advocate position (which rotates between team members) in which one team member is identified as being expected to put a contrary position or break into small groups to consider key issues first before reconvening as a group
- Ask the diverse team to design an assessment process with diverse KPIs regarding the seriousness and likelihood of risk outcomes
- Create an environment of psychological safety, where no member feels he or she will be rejected, embarrassed, or punished for speaking up and team members understand how trust is built across cultures.

C. Values

Opportunity for change:

Some companies do not reference diversity and inclusion in their corporate values while others do not define their values at all. Whether they are stated or unstated, the question is whether the organisation's values are ones which support or undermine diversity and inclusion and lived by employees. For example HSBC prides itself on being the world's local bank and its global 'values' campaign successfully illustrates that HSBC understands peoples' values in order to meet their needs. Further, JCPenney recently appointed Ellen DeGeneres as spokesperson in the US because she reflected their company values of equality, honesty and compassion. They have also publicly reaffirmed their choice of an LGBT community icon which sends a clear message to employees and customers.

Strategies:
- State how inclusion will help the organisation meet its strategic goals. Customise the business case for diversity, reminding external and internal audiences of the value of difference
- Use inclusive language in the company vision and value statements, emphasise the organisation's commitment to enable all employees to maximise their full potential
- Review organisational values for bias towards a particular employee type (e.g. culture, gender, personality, religion, belief system).

D. Customer

Opportunity for change:

Ted Childs Jr from IBM states that "workforce diversity is about effectively reaching customers and markets."[34] Organisations that recruit and advance leadership clones miss out on market insights. Are there segments who feel excluded by the brand, packaging, promotional campaign or distribution channels but would otherwise buy the organisation's product? And who is at the decision-making table? "Budget cuts were proposed for the areas of the museum that target non-English speaking customers. When I asked, no one in the team was from a non-English speaking background. I don't think this would have happened if they had been," says Dr Casey.

Strategies:
- Review product mix and product marketing (e.g. design, distribution, packaging, advertising, promotions) to eliminate design factors, branding, imagery, commentary or channels that may unintentionally exclude parts of your target market
- DuPont Merck found sales of a new drug improved substantially when instructions were translated into Spanish. DuPont now translates educational materials into 15 languages, contributing millions of dollars to their top line[35]
- Engage diverse stakeholders for insights into diverse markets.

The key word here is integration, and the key indicator is when diversity and inclusion are considered to be 'business as usual'

In summary, being inclusive means that the workplace culture and daily practices support diverse people, which we have depicted in the talent side of the wheel. Going a step further, we have suggested that enterprise activities must be aligned with the aspiration to be inclusive if we are to maximise the value of diversity. A good example of where these come together to produce higher business performance is when an employer selects and develops diverse talent and then leverages the insights of these groups to reach out to diverse customers. In this section, we have not tried to comprehensively map organisational policies and processes; but we have selected examples which speak to critical moments in the employee experience and enterprise activities. While organisations and researchers are beginning to recognise the implications for diversity and inclusion in the talent dimensions, we suggest that more attention must be paid to incorporating the same principles into business as usual.

Last words

This article has explored what it means to be an inclusive leader, and how to develop an inclusive workplace so that we harness the potential of diversity. We have described this potential in terms of diversity of thinking, but our previous point of view, Only skin deep: Re-examining the business case for diversity, makes it abundantly clear that we think diversity of thinking is derived from a workplace populated with people from diverse walks of life and with diverse life experiences. And it is this diverse thinking which will generate adaptive and unique insights to help organisations navigate these turbulent economic times. This potential will go unrealised however, in the absence of inclusive leaders, inclusive teams and inclusive organisations. It is the combination of diversity and inclusion that changes the game.

This article suggests however that making diversity and inclusion part of business as usual will not come about unless leaders and organisations take deliberate steps to be more inclusive. This starts with the changes for leaders, but also includes the team and the day-to-day activities of work. The diagram below show these three primary sites for action as expanding spheres of influence. The story is still being written about how we align and leverage diversity within our daily practices but our hope is that this article will stimulate ideas about the next steps in the journey which each of us must take.

Three primary sites for action

Organisation

Team

You

The six global interviewees

Dr. Rohini Anand
Senior Vice President and Global Chief Diversity Officer, Sodexo, USA
Sodexo received the coveted 2012 Catalyst Award for Diversity and Inclusion in North America, honoring exceptional business initiatives that advance women in the workplace.

Dr Dawn Casey PSM FAHA
Director, Museum of Applied Arts and Sciences, Australia
Dawn has won the prestigious Australia Day Public Service Medal (PSM FAHA) and was named as one of the 100 women who have shaped Australia.

Aase Aamdal Lundgaard
Managing Partner, Deloitte Norway, State Authorized Public Accountant
Aase has more than 30 years of experience. She has held numerous senior leadership roles and works with Some of Deloitte Norway's largest and most complex clients.

Sanjay Rishi
EVP and Asia Business Head, Emerging Payment and New Ventures, American Express, India
Sanjay provides leadership and direction to American Express' India Leadership Team and is a member of the Board of Directors of American Express Banking Corporation.

Bruce J. Stewart
Deputy Director Training, Compliance, and Strategic Initiatives in the Office of Diversity and Inclusion (ODI), Office of Personnel Management (OPM), USA
Bruce is responsible for the coordinated implementation of the President's Executive Order on Diversity and Inclusion.
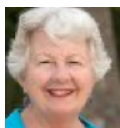
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