



INCLUSIVE LEADERSHIP COMPASS



NAVIGATING INCLUSION AS A LEADER:

# Introducing the Inclusive Leadership Compass

Version 2.0

# Introduction

Despite all the uncertainty, the events of recent years have made one reality plainly clear for organizations: creating a diverse and inclusive workplace is both a moral and business imperative.

A culture that is inclusive of diversity can lead to greater innovation and creativity. It can provide insight into the needs of diverse customers, improve decision-making and help to reduce the risk of being blindsided. Critically, with many organizations increasingly purpose-driven and focused on their impact on society more broadly, an inclusive workplace can help all employees to thrive and ensure businesses are representative of the communities they serve.

This inclusion imperative has turned the spotlight squarely onto the organizational leadership needed to achieve it. Why? Leaders cast a powerful shadow on the culture of an organization and have the power to effect the changes needed. Indeed, it is now widely accepted that an inclusive culture must start at the top, with a critical mass of leaders role modeling inclusion. As one senior leader put it, "[Culture] begins with the behavior of your leaders. To say that another way, if you are interested in changing the culture of your organization, your first step should be to look in the mirror and make sure you are setting the kind of behavioral example you want everyone else to follow."

Yet, Inclusive Leadership is easier said than done, with the research pointing to two key challenges.

First, while the language of "Inclusive Leadership" is now widely used, its meaning is less well understood. For example, research shows that many leaders are simply not confident in their understanding of the specific

behaviors that impact people's experiences of inclusion. As such, many are reliant on trial and error and unable to be intentional in their efforts to be inclusive on a day-to-day basis.

Second, as with other self-assessments, many leaders are not good at judging how inclusive they are. For example, Deloitte's research found that just one third (36%) of leaders could accurately judge their inclusive capabilities as others saw them, with a third (32%) overestimating their effectiveness. Similar findings have been seen in research by Zenger and Folkman who also found that leaders who are the poorest at valuing diversity were more likely to overrate their capability. The implications? While feedback from others is always important for leaders, it is particularly true in the context of inclusion. As Zenger and Folkman put it: "Inclusivity is in the eye of the beholder. You might intend to be inclusive, and even think you are inclusive, but your impact on others might be very different."

To help address these challenges, we present a new framework of Inclusive Leadership - the Inclusive Leadership Compass.

As its name suggests, this framework orients leaders' attention towards the four critical sites of influence and action, helping them role model inclusion intentionally and confidently in different leadership contexts. Importantly, when applied as a 360-assessment tool, the framework allows leaders to understand their Inclusive Leadership shadow, which in turn enables them to make changes to their behaviors to lead others more fairly and effectively, and to better harness the diversity of their team for improved performance.

## First principles: defining inclusion

Unsurprisingly, any attempt to measure Inclusive Leadership requires an understanding of what it means for people to "feel included." Arguably, this should be a relatively easy task given the attention inclusion has received over the last few years by those in the field and organisations in general. And yet, while everyone has some understanding of the concept at an instinctive level, there is no real consensus - or shared definition - as to what inclusion actually means.

For example, while some definitions speak in general terms (e.g. inclusion means embracing all people regardless of their differences), others are narrower and focus on a particular theme (e.g. inclusion is about having a voice at the table). At a theoretical level, differences in interpretation are also emerging. Specifically, while some believe concepts of "equity", "belonging" and "respect" are integral to inclusion itself, others see these as distinct areas of focus, leading to the rise of acronyms such as "DEI" or "DEIB" or "DIB".

A robust definition is critical as it enables "inclusion" to be measured and translated into action. In this context, the Inclusive Leadership Compass is grounded in the following holistic definition of inclusion which comprises four distinct elements:

*"First, people feel included when they are treated **"equitably and with respect."** Participation without favoritism is the starting point for inclusion, and this requires attention to non-discrimination and basic courtesies.*

*The next element relates to **"feeling valued and belonging."** Inclusion is experienced when people believe that their unique and authentic self is valued by others, while at the same time have a sense of connectedness or belonging to a group.*

*At its highest point, inclusion is expressed as **"feeling safe to speak up"** without fear of embarrassment or retaliation, and when people **"feel empowered to grow"**... Clearly, these elements are critical for diversity of thinking to emerge."*

Importantly, this framing stands in broad agreement with the frequently cited definitions of "inclusion" by Miller and Katz (2002) and Catalyst (2014).

**Miller and Katz (2002): Inclusion means...**

**"A sense of belonging: feeling respected, valued, and seen for who we are as individuals; and a level of supportive energy and commitment from leaders, colleagues, and others so that we—individually and collectively—can do our best work."**

**Catalyst (2014): Inclusion means:**

**"Employees feel included when, simultaneously, they perceive they are both similar to and distinct from their coworkers. Perceiving similarities with coworkers engenders a feeling of belongingness while perceiving differences leads to feelings of uniqueness."**

# Introducing the Inclusive Leadership Compass

Inclusive Leadership is a relatively new approach to leading and distinct from other leadership theories in its unique application to the diversity context. It refers to the ability to adapt to and empower diverse talent and to harness team diversity to create value. This ability is enabled by a leaders' disposition toward equality and an openness to difference and reinforced through system-based measures aimed at promoting an inclusive climate.

The Inclusive Leadership Compass is predicated on this specific understanding of the term "Inclusive Leadership." More specifically, our research shows that inclusive leaders exhibit four practices which span the distinct but reinforcing dimensions of self, others, team and organization.

That is, they:

- Embrace difference (Self)
- Empower diverse talent (Others)
- Enable diverse thinking teams (Teams)
- Embed diversity and inclusion across the organization (Organization).

Underpinning these four practices are 16 Focus Areas, comprising attributes, sub-competencies, and other measures, which combine to influence Inclusive Leadership effectiveness.

These four dimensions are discussed in more detail on the following pages.



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## 1. Embrace difference (Self)

The path to Inclusive Leadership starts with the leader themselves - the personal values, beliefs and attributes that influence their motivation and ability to behave inclusively in an authentic and sustained way.

These include strong egalitarian views and a belief in the value of difference, along with a willingness to subordinate their self-interest for the benefit of others where required. They also include personal attributes such as an openness to different people, ideas and change more broadly; a high degree of self-awareness enabling adaptation and self-regulation; and humility, with their preparedness to be vulnerable promoting connectivity, learning and growth.

## 2. Empower diverse talent (Others)

The mounting expectation towards a "more human kind of leadership" is deeply rooted in how inclusive leaders relate with others at an interpersonal level.

In essence, inclusive leaders treat people with dignity and respect - regardless of their differences - and exert considerable effort to self-regulate their own biases and treat others equitably. They view their people through a very human lens, understanding their individuality and demonstrating empathy and genuine concern for their well-being.

Driven by the goal to help people thrive, inclusive leaders proactively throw their support behind diverse talent, clearing or creating new pathways to success. Similarly, they encourage autonomy and delegate decision making authority to people, balancing this with their availability for consultation on problems when the need arises.

## 3. Enable diversity thinking teams (Teams)

Inclusive leadership is often thought of through an individual lens and with respect to equality and inclusion of diverse employees. As we describe above, this is a critical dimension. However, with the shift towards teams and the value inherent in harnessing their collective intelligence, a focus on leading diverse groups is also important.

Inclusive leaders recognize this and give attention to inspiring a sense of shared purpose among diverse team members. They also lean into their personal attributes of humility and openness to create an environment of psychological safety where members feel safe to speak up with ideas, questions or concerns without fear of negative consequences. Inclusive leaders are skilled facilitators enabling the constructive exchange of different ideas. They manage dominant voices and encourage quieter ones; coaxing creative abrasion while avoiding unproductive conflicts.

Understanding their role as coach and the dynamic nature of leadership itself, inclusive leaders also support team members in becoming more inclusive themselves. For example, they set clear standards of acceptable behavior, create opportunity for dialogue about differences and facilitate capability development relating to inclusion.

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## 4. Embed diversity and inclusion across the organization (Organization)

To unlock its full potential, diversity and inclusion must run through the core of the organization, with business systems aligned to reinforce behaviors and enable the sustained cultural shifts required.

Knowing this, inclusive leaders step up and use their power to challenge the status quo, influencing the adaptation of systems and structures that reinforce the centrality of diversity and inclusion to the organization's purpose and business strategy. For example, they articulate a compelling vision, emphasizing inclusion as a fundamental organizational value. Similarly, they integrate diversity and inclusion into business reporting and accountability measures, and work to ensure these aspects are central considerations in talent-related processes. In addition, inclusive leaders are visible advocates for flexibility across the organization.

## Closing remarks

It is now widely accepted that leaders play a critical role in creating a culture that is inclusive of diversity, with many organizations aspiring to build their leaders' capability in this regard.

The first step is fostering a shared language and understanding of what it means to lead inclusively. Following this, leaders need to understand their Inclusive Leadership shadow, both from self-reflection and feedback from those around them. Armed with this insight, leaders can leverage their strengths and address their gaps, moving themselves, their teams and their organizations towards true inclusion.

## About us

**Bernadette Dillon** is a founder of the Inclusive Leadership Compass (ILC) and passionate diversity and inclusion advocate. Prior to founding the ILC, Bernadette worked at Deloitte for almost 15 years, where she consulted, researched and wrote extensively on inclusive leadership and diversity and inclusion more broadly.

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**Dr Sandy Caspi Sable** is a founder of the Inclusive Leadership Compass (ILC) and has been consulting in the field of leadership and inclusion for close to 2 decades. She was a leader in Deloitte's Diversity & Inclusion practice and has worked with global organizations to assist them to build inclusive cultures, leaders and teams. Sandy is a respected public speaker on D&I, and together with Bernadette, is a contributor to the definitive book on Inclusive Leadership (2020, Routledge & Taylor).

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