KEY INSIGHTS ON INCLUSIVE LEADERSHIP:

What the 360 data tells us

Key insights on inclusive leadership: what the 360 data tells us

The current focus on creating more resilient, equitable and sustainable organizations has made inclusion an essential capability for leaders.

Despite this, there remains surprisingly little guidance available to leaders on how to be inclusive and the behaviors that matter. Even then, most existing frameworks focus on the individual attributes and interpersonal competencies that influence a leader's social interactions at work. Common themes include being open to different ideas and perspectives, having the humility to admit not having all the answers, treating people fairly and respectfully, and advocating for members of underrepresented groups.

While these are fundamental components of leading inclusively, they are only half the story. What's missing is direction on the leadership behaviors that foster inclusion at the team and organizational levels, and which reflect the multi-layered nature of the concept of inclusion itself.[1]

To provide leaders with the complete yet actionable guidance they need, we developed the Inclusive Leadership Compass ('the ILC'). This framework is based on our extensive review of the academic literature on inclusion and inclusive leadership, and informed by our experience as practitioners in the field.

From here, we built a 360-degree assessment tool ('the 360 ILC') which helps leaders to understand their inclusive leadership shadow and improve their effectiveness.[2] To date, the 360 ILC has been administered to over 300 leaders and 3100 raters across multiple industries and geographies, including the US, Europe, and Asia Pacific.[3]

Crucially, the data gathered from the 360 ILC has allowed us to test the robustness of the Inclusive Leadership Compass framework and whether the behaviors identified within it do, in fact, matter. This analysis revealed a strong correlation between inclusive leadership effectiveness and how included people feel – that is, the more a leader demonstrates the behaviors in the framework, the more their direct reports feel that they are treated fairly and respectfully, that their uniqueness is valued and they belong, and that they feel safe to speak up and have opportunities to grow at work. This is an important finding – particularly given the elusiveness of inclusive leadership - and should provide leaders with confidence that role modelling the ILC behaviors will make a significant, positive impact.

So what does it mean to lead inclusively?

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1. Bernardo M. Ferdman (2020). Chapter 1 Inclusive Leadership: The Fulcrum of Inclusion. In 'Inclusive Leadership Transforming Diverse Lives, Workplaces, and Societies.' Edited by Bernardo M. Ferdman; Jeanine Prime; Ronald E. Riggio. Routledge.
2. The 360 ILC is administered on the Qualtrics platform.
3. The analysis referred to in this article was based on a subset of the 360 ILC data, comprising 237 leaders and 2366 raters.

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As shown in the Inclusive Leadership Compass framework (Figure 1), we categorize these behaviors into four key practices covering the dimensions of Self, Others, Team and Organization. That is, inclusive leaders:

- **Embrace difference (Self):** At an individual level, inclusive leaders are open, humble and believe in the value of diversity.
- **Empower diverse talent (Others):** At an interpersonal level, inclusive leaders support diverse talent to thrive, treating people fairly and respectfully and as valued individuals.
- **Enable diverse thinking teams (Teams):** At a team level, inclusive leaders create the conditions that power diverse thinking groups, enabling smarter ideation and decision-making.
- **Embed diversity and inclusion across the organization (Organization):** At an organizational level, inclusive leaders integrate diversity and inclusion into the workplace ecosystem, from vision and strategy to talent systems and accountability structures.

Mapped to these four practices are 16 Focus Areas, and their underlying behaviors, which collectively influence inclusive leadership effectiveness.

A powerful feature of this model is the presence of the Team and Organization dimensions – aspects which have received less emphasis in other conceptual frameworks, as we noted above. But their presence is more than just a novel addition. While inclusive leadership requires attending to all Focus Areas, our recent analysis of the 360-degree assessment data shows that it is the behaviors in these two dimensions specifically that differentiate the most inclusive leaders from the least effective ones, and which also drive higher business performance.

These findings are explained below.

Figure 1 The Inclusive Leadership Compass framework

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Insight # 1: The most inclusive leaders are change makers

As part of our analysis, we compared the behaviors of leaders rated in the top quartile (based on their overall inclusive leadership effectiveness) to those of leaders in the bottom quartile. We found that the most inclusive leaders outperformed the least inclusive leaders across all 16 Focus Areas, with the largest gaps evident in the following five Areas:

- Accountability (Organization)
- Vision & Strategy (Organization)
- Coaching (Team)
- Systems & Processes (Organization)
- Conviction (Self).

The results are shown in the table below (Figure 2).

What's striking about these results is the common thread that exists across these specific Focus Areas – namely, a leader's willingness and ability to effect cultural change. This is no simple task. Leadership experts Zenger & Folkman have described changing an organization's culture as the "highest expression of leadership" and the ultimate criterion on which to measure a leader's effectiveness.[4]

But while change is always challenging for leaders, it is perhaps even more so when the goal is greater diversity and inclusion. Why? Because this requires those who are the beneficiaries of the status quo to acknowledge its flaws, and to correct the very organizational processes and practices that have enabled their success.

Yet, our analysis shows that this is exactly what the best inclusive leaders do. In effect, while many leaders may talk about their commitment to greater diversity and inclusion, and even what needs to be done to achieve them, leaders in the top quartile take it upon themselves to make the change happen. Put simply, they are the changemakers.

Figure 2 Comparing the Top and Bottom Quartile leaders - the 5 largest gaps

Dimension	Focus Area	Top Quartile Score	Bottom Quartile Score	Difference
Organization	Accountability	4.0	2.7	1.2
Organization	Vision & Strategy	4.4	3.3	1.1
Team	Coaching	4.4	3.4	1.0
Organization	Systems & Processes	4.3	3.3	1.0
Self	Conviction	4.5	3.6	0.9

4. Refer https://zengerfolkman.com/wp-content/uploads/2019/05/White-Paper-Extraordinary-Leader-Insights-Excerpts-from-The-Extraordinary-Leader.pdf

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More specifically, leaders in the top quartile scored significantly higher than bottom quartile leaders on behaviors that reflect their belief in the value of diversity, and an appreciation of the structural inequalities that perpetuate homogeneity. Spurred into action, they employ three powerful change levers that, when combined with their own inclusive role modelling, help provide the foundations for transformation.[5] Specifically, these highly inclusive leaders: create a shared purpose; establish reinforcing mechanisms; and ensure others have the skills to behave inclusively themselves.

In the context of the 360 ILC, these behaviors include:

- Treating D&I as a business priority and calling out acts of exclusion (Conviction)
- Articulating an inspiring vision for diversity and inclusion, and allocating appropriate resources to achieve stated goals (Vision & Strategy)
- Prioritizing diversity in hiring, and challenging for bias during talent management processes (Systems & Processes)
- Providing opportunities for team members to develop their own inclusive capability (Coaching)
- Setting diversity and inclusion goals and holding people accountable for their achievement (Accountability).

Insight # 2: In a diverse and inclusive team, a leader's focus on Facilitation is the key to exceptional performance

The case for team diversity has been well made, in terms of improvements in innovation, problem-solving and decision making. Less understood are the specific leadership behaviors that are most effective in shoring up these performance outcomes. Advancing this understanding was another key goal of our analysis.

To do this, we combined the 360-degree assessment data with other data we collected about the leaders' teams in relation to their diversity, inclusiveness, and overall business performance (i.e., whether the team exceeded performance targets, met performance targets, or did not meet performance targets). We then separated out the leaders of highly diverse and highly inclusive teams and compared their behaviors to the leaders of highly diverse, highly inclusive, and high performing teams.

The results were at once fascinating and unsurprising.

Our analysis revealed that once a leader has built a team that is diverse (e.g., in terms of gender, race, background, thinking styles) and has created an inclusive climate, the key to high performance lies in one particular Focus Area: Facilitation. Specifically, we found a 29% difference in the demonstration of effective Facilitation behaviors between leaders of teams that exceeded their performance targets and other leaders - an increase two to three times greater than the next highest differentiating behaviors.

5. Refer https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/the-four-building-blocks--of-change

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That's not to say that the other competencies or practices are unimportant; the leader must be demonstrating each of these to a large extent to reap the performance windfall. Rather, once these building blocks of team diversity and inclusion are in place, our analysis shows that by paying deliberate attention to the behaviors identified in Facilitation, a leader can enable their team to achieve exceptional performance.

Its remarkable effect begs the question - what's so unique about this competency? We believe its power lies in the process-type behaviors that allow the team to leverage its diversity more effectively and efficiently, leading to enhanced ideation and/or decision making.

To achieve this, the leader effectively acts as a conductor - skilfully and intentionally orchestrating the diverse group to achieve synergistic performance. They implement processes and norms that encourage the expression and exploration of different ideas and perspectives and make clear where ultimate decision-making authority lies when consensus cannot be reached.

Notably, our analysis also shows that leaders who are adept at Facilitation pay particular attention to the intergroup dynamics that can undermine the cohesion of diverse groups (i.e., cliques), and help their team to navigate the fine line between healthy debate and unconstructive conflict.

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Closing remarks

These two insights - namely, the focus on Facilitation as the key to unlocking the performance bonus of a diverse and inclusive team, and the identification of the 'change related' competencies that differentiate the most inclusive leaders from the least – are valuable in helping leaders to home in on the behaviors that matter in creating more diverse and high performing teams and organizations. More broadly, by making explicit the multi-level nature of inclusion and by association, inclusive leadership, the Inclusive Leadership Compass provides leaders with a clear and complete roadmap for action at a time when inclusion is more important than ever.

About us

To learn more about these insights or the 360 Inclusive Leadership Compass, please visit www.inclusiveleadershipcompass.com or email us at info@inclusiveleadershipcompass.com