

BUILDING INCLUSION:

AN EVIDENCE-BASED MODEL OF INCLUSIVE LEADERSHIP

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An electronic executive summary of this research can be found on the [DCA website](#).

About Diversity Council Australia

Diversity Council Australia (DCA) is the only independent, not-for-profit workplace diversity advisor to business in Australia. We offer a unique knowledge bank of research, practice and expertise across diversity dimensions developed over 30 years of operation. In partnership with our members, our mission is to: lead debate on diversity in the public arena; develop and promote the latest diversity research, thinking and practice; and deliver innovative diversity practice resources and services to enable our members to drive business improvement. DCA works in partnership with members to generate ground breaking high impact diversity research that drives business improvement through providing evidence-based guidance on how to fully leverage the benefits of a diverse talent pool.

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“ While talk about inclusion and inclusive leadership seems to surround us, there is very little practical guidance which is evidence-based, business-focused and comprehensive – until now.

Our *Building Inclusion* research breaks new ground in this area; not only by shedding valuable light on the benefits of inclusive leadership but by giving organisations the know how to fully grasp the opportunities it presents. ”

LISA ANNESE

CHIEF EXECUTIVE OFFICER, DIVERSITY COUNCIL AUSTRALIA



Stockland

“ We are very pleased to continue our long standing partnership with Diversity Council Australia to help deliver this important Inclusive Leadership research.

Inclusive leadership is increasingly recognised as key to creating environments that not only harness diversity, but lead to a true sense of belonging and community. This is at the heart of Stockland’s purpose – ‘We believe there is a better way to live’. We strive to achieve this purpose every day through the creation of sustainable, inclusive communities.

Success in delivery of our purpose depends on our ability to create that same sense of belonging and inclusion within our workforce. This starts with inclusive leadership. Unlike broader leadership that has been documented and debated for years, exactly what inclusive leadership is, and practically what leaders need to do and say to create inclusive cultures, is not always clear. Solving this challenge presents an incredible opportunity for Australian workplaces.

We are proud to sponsor this research and look forward to realising the opportunities it offers. ”

MARK STEINERT

MANAGING DIRECTOR & CEO, STOCKLAND



“ A vibrant, diverse and inclusive workforce is critical to ANZ’s success as a super regional bank. To build the best connected, most respected bank in our region, we must attract a talented workforce which reflects the markets within which we operate. If we are to truly understand, respond and deliver services to our global customer base, we must be able to harness the variety of experience, backgrounds and perspectives such diversity brings.

To unlock the value of this diversity, our leaders need to have an inclusive leadership style which seeks to respect and value every voice, and thereby drive innovation and creativity, and give all employees a sense of belonging. ”

SUSIE BABANI

CHIEF HUMAN RESOURCES OFFICER, ANZ



“ Understanding and drawing on the diversity of our people is at the heart of meeting the needs of our customers, building strong relationships across the communities we serve and engaging the many talents of the Programmed team.

Leadership is the key to an inclusive culture. The ability to engage our people to connect with our vision for our future and to navigate the evolving business landscape is crucial for our ongoing success and continued growth.

Programmed is pleased to partner with the Diversity Council Australia and other sponsors on this leading research initiative and contribute to the conversation about what inclusive leadership looks like in practice. ”

CHRIS SUTHERLAND

MANAGING DIRECTOR, PROGRAMMED



“ At Optus, diversity is simply good business. It’s a key ingredient in the creativity and innovation that makes Optus a successful “Challenger” brand. But we also know we only derive real value from diversity when we make the effort to be inclusive. We need to ensure we involve all of our people to shape our strategy, our organisation, and our values. We welcome DCA’s work in helping leaders better understand how this is done. ”

PAUL O’SULLIVAN

CHAIRMAN, OPTUS

FIVE MINDSETS OF THE INCLUSIVE LEADER

Inclusive leaders create successful organisations in today's complex diverse global environment. They improve performance, productivity and innovation, through their ability to relate to a diversity of people and perspectives, be open and flexible, and focus on personal, team, and organisational growth.



DIVERSITY

All the differences between people in how they identify in relation to their age, caring responsibilities, cultural background, disability, gender, Indigenous background, sexual orientation, and socio-economic background (Social Identity), and their profession, education, work experiences, and organisational role (Professional Identity)

INCLUSION

Inclusion occurs when a diversity of people (e.g. different ages, genders) feel valued and respected, have access to opportunities and resources, and can contribute their perspectives and talents to improve their organisation



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OVERVIEW

Today's increasingly diverse business contexts demand leaders who can leverage workforce diversity as an organisational opportunity and resource. Inclusive leaders achieve this through creating a workplace culture in which a diversity of people are able to contribute their perspectives and talents to improve their organisation.

In this way, inclusive leadership can increase performance, productivity, and profit,¹ creativity and innovation,² access to diverse markets and opportunities,³ brand reputation,⁴ and employee engagement,⁵ commitment,⁶ and wellbeing.⁷

Our Goal

Building Inclusion: An Evidence-Based Model of Inclusive Leadership is a partnership research initiative between DCA, Stockland, ANZ, Programmed and Optus. This innovative report assists organisations by:

- Raising awareness of the benefits of inclusive leadership, and how it can be used as a business tool to improve individual, team, and organisational performance
- Generating an evidence-based model of inclusive leadership which organisations can implement in their own workplaces.

Why This Project?

Over the past decade, in business circles there has been a marked shift in focus from discussing *diversity* to *diversity and inclusion*. Organisations are increasingly recognising that if they wish to experience the benefits of diversity, they need to cultivate not just a *diverse* workplace but importantly also an *inclusive* one. There is also growing recognition that leaders have a critical role to play in achieving this – creating workplaces where a diversity of people feel valued and respected, have access to opportunities and resources, and can contribute their perspectives and talents to improve the organisation. While the language of inclusion and inclusive leadership is increasingly being used in business, there is little readily available practical guidance which is:

- **Evidence-based**, drawing on the latest international and national research
- **Business-Focused**, demonstrating the connection between inclusive leadership and both business outcomes (e.g. innovation, performance) and individual outcomes (e.g. feelings of belonging and uniqueness)
- **Comprehensive**, clearly describing and connecting the three inter-related concepts of diversity, inclusion and inclusive leadership, and describing not just the characteristics of an inclusive leader but importantly also the knowledge, skills and behaviours they need to build inclusion
- **Integrative**, explaining how inclusive leadership capabilities can be integrated into existing organisational leadership frameworks.

Our Approach

To develop an evidence-based model of inclusive leadership which addresses these oversights, we drew on two main data sources:

- Industry and academic literature about inclusive leadership and inclusion
- Interviews with executive or senior managers who were identified as having strengths in the practice of inclusive leadership.

In all, twenty-three executive/senior managers from six different Australian organisations, covering a range of functional business areas and a diversity of backgrounds were interviewed. They were selected for interview on the basis of two particular criteria, these being:

- Demonstrated commitment to integrating diversity and inclusion into their leadership practice
- Evidence of the positive impact of their inclusive leadership practice (see Appendix 1 for further information on the Methodology and the demographics of the interviewees).

The following report presents our model, supported by our research findings.

DCA's Inclusive Leadership Model

DCA's Inclusive Leadership Model Framework consists of five inclusive leadership capabilities that are described through reference to four elements: a Mindset (way of thinking), Knowledge, Skills, and Behaviours. Each Inclusive Leadership Capability focuses on having mindsets which are Identity-Aware, Relational, Open and Curious, Flexible and Agile, and Growth-Focused. The Model proposes each of the five capabilities is necessary for a person to be an effective inclusive leader.

Using the Model

We encourage each organisation to adapt the Inclusive Leadership Model provided in this report to their particular business context. Consider:

- Selecting the inclusive leadership mindsets, knowledge areas, skills, and behaviours that are most relevant to your particular organisation
- Adapting and refining these capabilities where necessary
- Identifying areas that can be a focus over a particular period of time or for a particular cohort of emerging leaders
- Using this (adapted) Model as a stand-alone organisational development tool and/or integrating it into your organisation's existing leadership capability framework (for further guidance see Chapter 5).

Finally, while human resource and diversity practitioners are our intended main audience for this report, business leaders and anyone with an interest in workplace diversity and inclusion will also find it relevant and useful.

DEFINING INCLUSIVE LEADERSHIP, INCLUSION AND DIVERSITY

Despite inclusive leadership's popularity in the business arena, there is often a lack of clarity about what organisations mean when they talk about it – including how it relates to the concepts of inclusion and diversity.

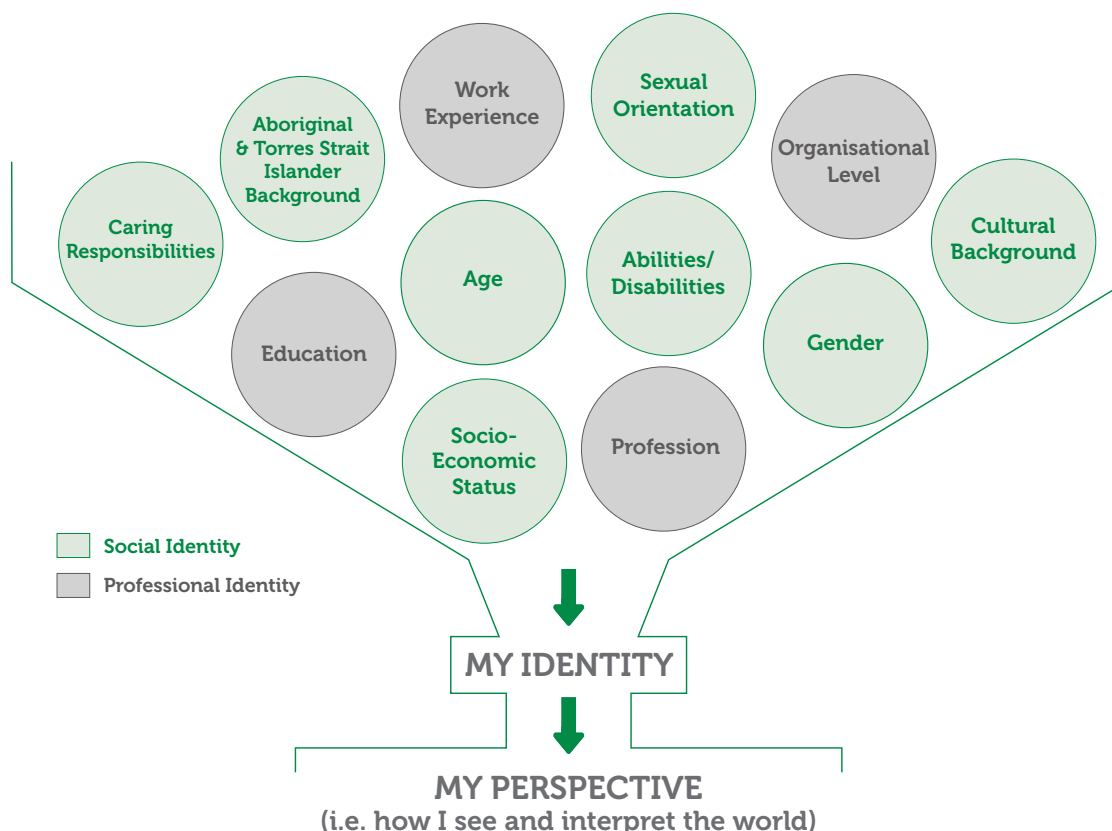
If organisations are to experience the benefits of inclusive leadership, then these concepts need to be clearly defined and described. Based on our review of the literature and interviews with inclusive leaders, we offer the following definitions.

What is Diversity?

All the differences between people in how they identify in relation to their:

- Age, caring responsibilities, cultural background, disability, gender, Indigenous background, sexual orientation, and socio-economic background (Social Identity)
- Profession, education, work experiences, and organisational role (Professional Identity).

All of these aspects of our identity inform our individual perspective of the world.



DCA's diversity definition takes into account the following important factors:

- **Identity-Based.** DCA encourages organisations to adopt an identity-based definition of diversity, which recognises the significant impact our social and professional identity can have on workplace experiences, opportunities, and productivity.
- **Our Identity Influences *Our* Perspective.** Our various identities – age, cultural background, gender, profession, sexual orientation and so on – are important aspects of our selves that can influence our perspectives, attitudes, behaviours, worldviews, and experiences.⁸ For instance, our identities can influence our approach to leadership (e.g. a more 'Western' approach based on self-promotion and assertive direct communication or a more 'Eastern' approach based on quiet reserve and deference and respect for seniority), our approach to work (e.g. a preference for collaborating or working more independently, or being extroverted or introverted), our learning preferences (e.g. information dissemination or interaction and reflection), or our career and employment drivers (e.g. remuneration, flexible work, meaningful work, status).
- **Our Identity Influences *Others'* Perspectives.** Our identity can also influence the way others view and treat us. At work, at home, in public and in private, we make assumptions about other people's identities based on how they look, act, and sound, and these assumptions can then affect the way we value, interact with, and treat each other.
- **Multiple 'Intersecting' Dimensions.** A person's identity is influenced by multiple dimensions rather than just one. For each individual, these different dimensions come together or 'intersect' to form their particular identity. For example, an individual may not just identify as male, but also as a 'Millennial' who is heterosexual and from an Anglo-Celtic cultural background.

What is Inclusive Leadership?

Inclusive leaders create successful organisations in today's complex diverse global environment. They improve performance, productivity and innovation, through their ability to relate to a diversity of people and perspectives, be open and flexible, and focus on personal, team, and organisational growth.

Inclusive leadership refers to the capabilities (i.e. mindsets, knowledge, skills, and behaviours) which ensure that a diversity of employee perspectives shape and improve an organisation's strategy, work, systems, values and norms for success.⁹

What is Inclusion?

Inclusion occurs when a diversity of people (e.g. of different ages, cultural backgrounds, genders) feel valued and respected, have access to opportunities and resources, and can contribute their perspectives and talents to improve their organisation.

DCA's definition takes into account evidence that inclusion is associated with:

- **Value and Respect.** A culture of inclusion exists when individuals who vary across all dimensions of diversity (e.g. age, cultural background, gender) report feeling safe, trusted, accepted, respected, supported, valued, fulfilled, and engaged in their working environment, both as individuals and as members of particular identity groups.¹⁰ As part of this, a workplace environment is regarded as inclusive when employees feel they can be authentic at work, that is, bring their 'whole self' to work and not feel that they need to conceal who they are in order to contribute and succeed.¹¹
- **Belonging and Connection.** A workplace is inclusive when everyone, across multiple types of difference, feels a connectedness to co-workers,¹² accepted and treated as an insider by others in their team and organisation,¹³ and a sense of belonging.¹⁴

- **Participation and Contribution.** An inclusive workplace culture exists when a diversity of employees believe their organisation engages in efforts to involve them in the mission and operation of the organisation.¹⁵ Inclusiveness encourages individuals of all identity groups to contribute all their talents, skills and energies to the organisation, not merely those that could be tolerated or accepted within a narrow range of monocultural style and expectations.¹⁶
- **Influence.** A culture of inclusion exists when the diversity of perspectives that members of different groups bring to the organisation are viewed as a source insight and a valuable resource¹⁷ that can shape its strategy, work, management and operating systems, and core values and norms for success.¹⁸
- **Opportunity.** Inclusion is also the way an organisation configures its systems and structures to value and leverage the potential, and to limit the disadvantages, of differences.¹⁹

DCA's definition also recognises the centrality of the following for inclusive leadership and inclusion:

- **Group Dynamics.** Inclusion involves understanding what it means to be an insider or an outsider in a work group or organisation. Identity-based differences (e.g. cultural background, gender, profession) can lead to the creation of particular social categories or groups in the workplace. The group-identification process is driven by a desire to belong, and identifying (or self-categorising) with a particular group can be a source of pride and self-esteem. This can then result in the creation of a range of in-groups (groups defined as "us" or "majority" with high status and power) and out-groups (groups defined as "other" or "minority" with limited status and power) in organisations. In-groups and out-groups can be created on all aspects of identity diversity, ranging from gender, to profession, to shared experiences in working on a particular project or in a particular area. These processes can lead to a workplace characterised by hostility and discrimination and problematic working relationships (e.g. through the reduction in communication, cooperation, and collaboration). Inclusive practices redefine who the 'we' is in the organisation or work group so that all have the right to be there, have an equal voice, and define (and redefine) norms, values and preferred styles for success.²⁰
- **Societal Dynamics.** Inclusion also involves understanding that there are strong societal norms and expectations associated with identity-based differences (e.g. cultural background, gender) and these influence what it means to be an insider or an outsider in a work group or organisation. For example, in Australia there remain strong expectations that mothers' main family responsibility is childcare and domestic duties, while fathers' is to provide financially for the family.²¹ This means employers can (mistakenly) view female workers with care giving responsibilities as being less committed, less competent, and less valuable than their male counterparts.²²

THE INCLUSION ADVANTAGE: WHY INCLUSIVE LEADERSHIP MATTERS

Inclusive leadership and inclusion can deliver a range of positive organisational, team, and individual outcomes.



PROFIT & PERFORMANCE

- Numerous studies have found that inclusive environments are associated with improved job and/or team performance,²³ as well as higher return on income and productivity.²⁴
- Research has found that African-American and Hispanic employees produce significantly larger sales per hour in stores with an inclusive work climate, with an annual sales gain of \$27,000 per employee. White sales personnel also showed improvements.²⁵



INNOVATION

- Teams with inclusive climates have higher levels of innovation and profit.²⁶
- Having a flexible rather than fixed view of one's own and other's social identities – a key attribute of inclusive leadership – is associated with greater creativity²⁷ and improved innovation.²⁸



ENGAGEMENT & OPPORTUNITY

- Inclusive leadership is associated with greater team engagement,²⁹ while individuals working in more inclusive team climates report higher levels of commitment and satisfaction.³⁰
- Minority members with a sense of belongingness report a high level of career optimism,³¹ while employees from all groups who have access to information demonstrate better job opportunities and career advancement.³²
- Exclusion from information is associated with decreased perceptions of competence, less liking of other group members, and decreased participation in group tasks.³³



WELLBEING

- Inclusion is associated with a higher sense of employee wellbeing³⁴ and psychological safety.³⁵
- Accessing people's diverse perspectives to inform and enhance core work and work practices is associated with all employees feeling valued and respected.³⁶
- Exclusion from information is linked to decreased mood,³⁷ while needing to conform to organisational norms and suppress your uniqueness is associated with emotional exhaustion, which in turn affects turnover intentions.³⁸



PRODUCTIVE CONFLICT

- In teams with an inclusive culture, when interpersonal conflict does occur, employees are better able to resolve that conflict and be more satisfied as a result of having worked through the conflict effectively.³⁹
- Inclusion is linked to better intergroup relations in culturally diverse teams. These teams have open discussion of different points of view, with all members being accorded equal power and status, and this leads to effective and productive resolution and integration of these differing viewpoints.⁴⁰



LEGAL RISK

- In inclusive climates, members of traditionally marginalised groups experience lower levels of harassment and discrimination.⁴¹
- People who have a more advanced understanding of social identity – a key attribute of inclusive leadership – demonstrate more tolerance and positive attitudes toward outgroup members.⁴²
- Similarly, attitudes that acknowledge ethnic differences generate more positive interethnic group relations⁴³ and less ethnic bias.⁴⁴

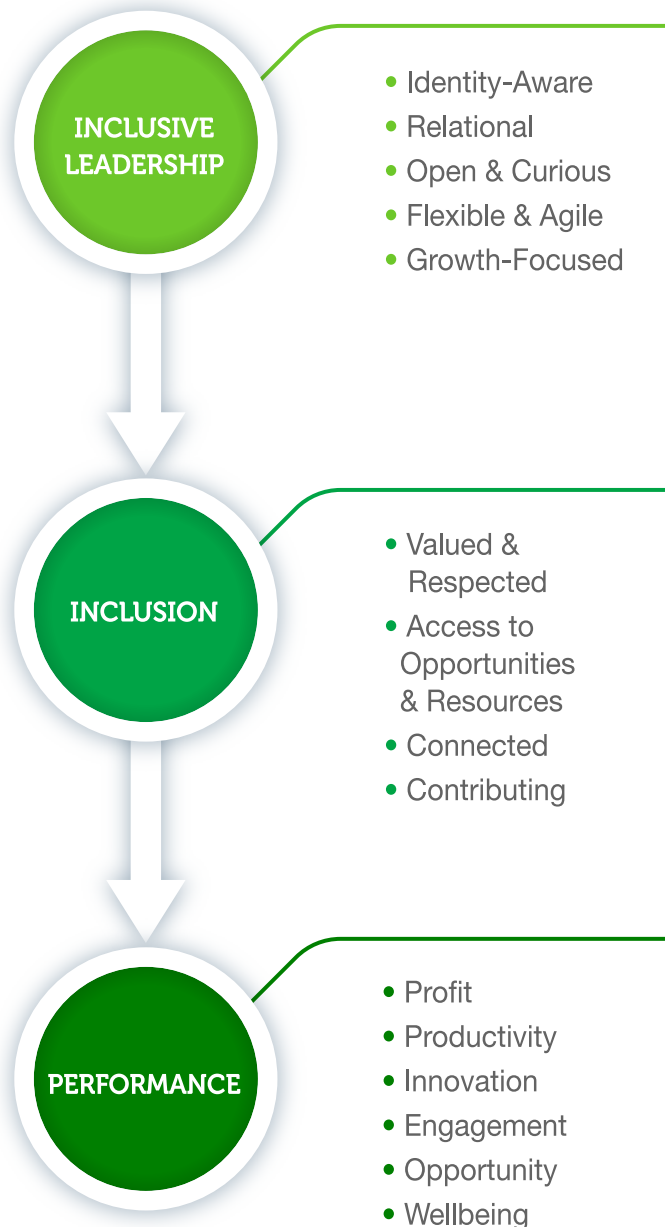


TALENT COSTS

- Numerous studies show that inclusion and inclusive leadership are associated with reduced turnover.⁴⁵
- A study of cultural change in an oil rig demonstrated that shifting from a hard-driving, macho culture to a gender-inclusive culture resulted in the company's accident rate declining by 84%, while productivity, efficiency, and reliability increased beyond the industry's previous benchmark.⁴⁶
- Both women and men are more likely to remain with an organisation where there is an inclusive diversity climate as they perceive a concrete payoff to themselves by staying in an organisation they consider to be fair.⁴⁷
- When employees feel excluded, they are more likely to leave an organisation and if they do stay they may feel that they are not working to their full potential.⁴⁸
- Workplaces that encourage employees to voice their opinions and be involved in decision making have on average 33% lower employee turnover.⁴⁹

WHY INCLUSIVE LEADERSHIP MATTERS

Inclusive leaders possess capabilities which can make their organisations inclusive. Inclusion at work drives performance, by delivering a range of positive organisational, team and individual outcomes.



INCLUSIVE LEADERSHIP MODEL

Research reveals that inclusion drives performance, but how can organisations access the inclusion advantage? Inclusive leadership is one key enabler. Inclusive leaders are uniquely placed to leverage workforce diversity to achieve innovation, performance and productivity.

Overview: Mindsets as Central

DCA's *Inclusive Leadership Model* proposes that there are five capabilities necessary for a person to be an effective inclusive leader. These capabilities are based on building mindsets (ways of thinking) which are *Identity-Aware*, *Relational*, *Open & Curious*, *Flexible & Agile*, and *Growth-Focused*. Each inclusive leadership capability is described through reference to these mindsets, as well as the specific knowledge, skills, and behaviours required by inclusive leaders.

Mindsets have been defined in various ways to include belief systems, ways of thinking or framing, mental models, and mental representations.

- Dweck is one of the pioneers of research into the influence that mindsets have on both behaviour and outcomes.⁵⁰ Her extensive work shows that outcomes are more positive when people have a “growth” mindset – a belief that our basic abilities can be developed through effort, as opposed to a “fixed mindset” – a belief that our basic abilities such as intelligence or talent are fixed traits and cannot be changed.
- Further, van Knippenberg, van Ginkel and Homan in a major theoretical and empirical review conclude that the accuracy, sharedness, and awareness of sharedness of diversity mindsets (defined as team members’ mental representations of team diversity), influence the impact that diversity has on performance.⁵¹

‘Build’ Model

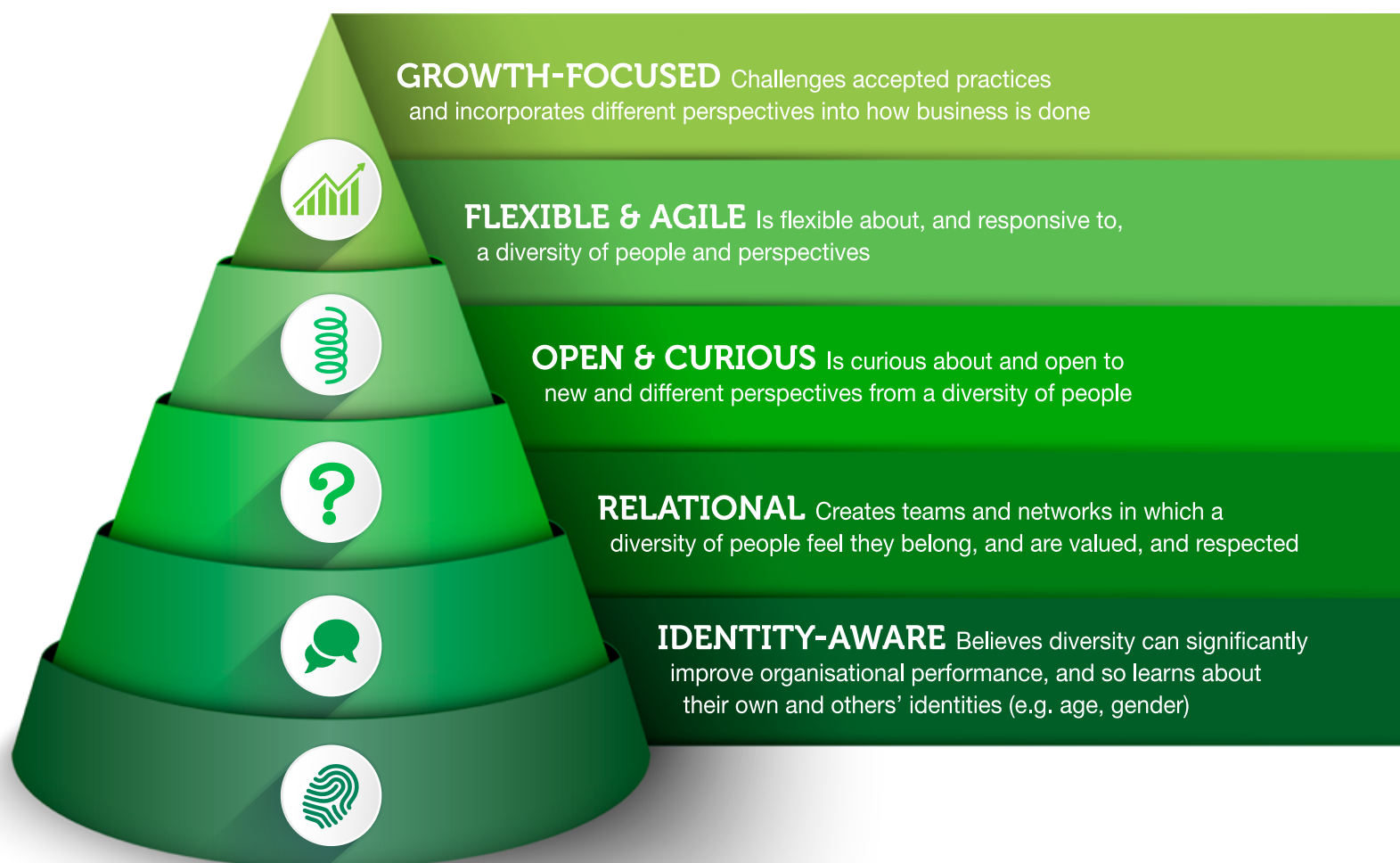
DCA's *Inclusive Leadership Model* proposes that leaders’ understanding of identity will influence each of the other four capabilities – *Open & Curious*, *Relational*, *Flexible & Agile*, and *Growth-Focused* – and that each component of the Model is necessary for a person to be an effective inclusive leader. Further, it is our view that each of these components builds on each other. For example, being open and curious is not sufficient to be an effective inclusive leader. Effectiveness requires that a leader builds on this curiosity by being flexible and agile in their response to the diversity of perspectives that are elicited, and then to have the capability to incorporate this diversity into business decision-making, and challenge and change accepted practices.

Identity-Aware As The Foundation

Identity-aware capability is the Model’s foundation, and is fundamental to being an inclusive leader. *It is identity awareness that differentiates this framework from a generic ‘good’ Leadership Framework.* An essential beginning point both for individual change and for developing a set of capabilities is having a good understanding of who you are and what matters to you. For inclusive leadership, understanding your own personal and social identity is critical for the development of the skills and behaviours needed to understand, work with, and integrate the perspectives of staff with a diversity of identities.

FIVE MINDSETS OF THE INCLUSIVE LEADER

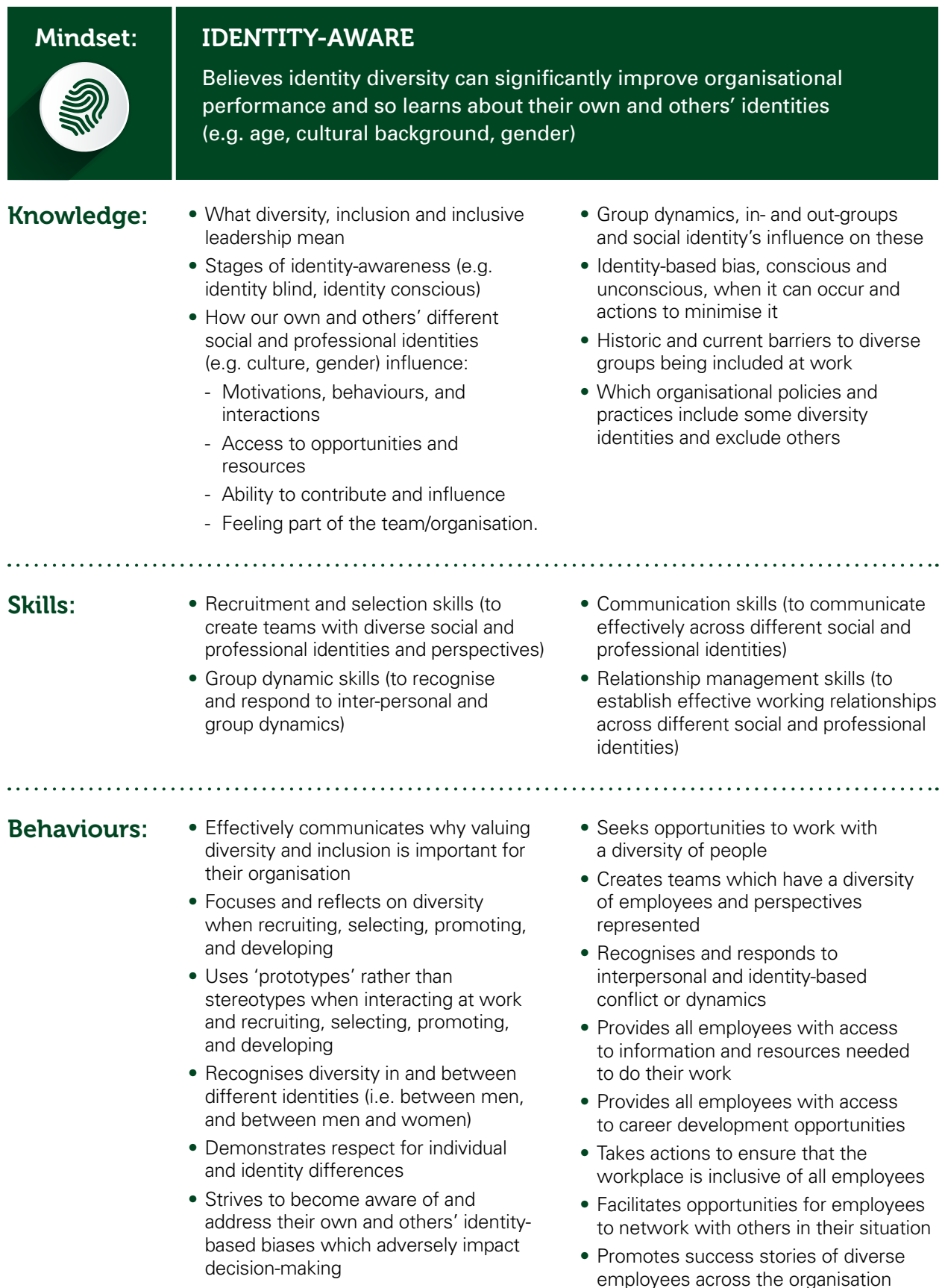
Inclusive leaders drive performance, productivity and innovation, through their ability to relate to a diversity of people and perspectives, be open and flexible, and focus on personal, team, and organisational growth.



We encourage each organisation to review the above Inclusive Leadership Model and adapt it to their particular business context. This could include, for example:

- Selecting the inclusive leadership mindsets, knowledge areas, skills, and behaviours that are most relevant to your particular organisation
- Adapting and refining these capabilities where necessary
- Identifying areas that can be a focus over a particular period of time or for a particular cohort of emerging leaders
- Using this (adapted) Model as a stand-alone organisational development tool and/or integrating it into your organisation's existing leadership capability framework (*for further guidance see [Chapter 5](#)*).

Figure 1: DCA's *Inclusive Leadership Model*



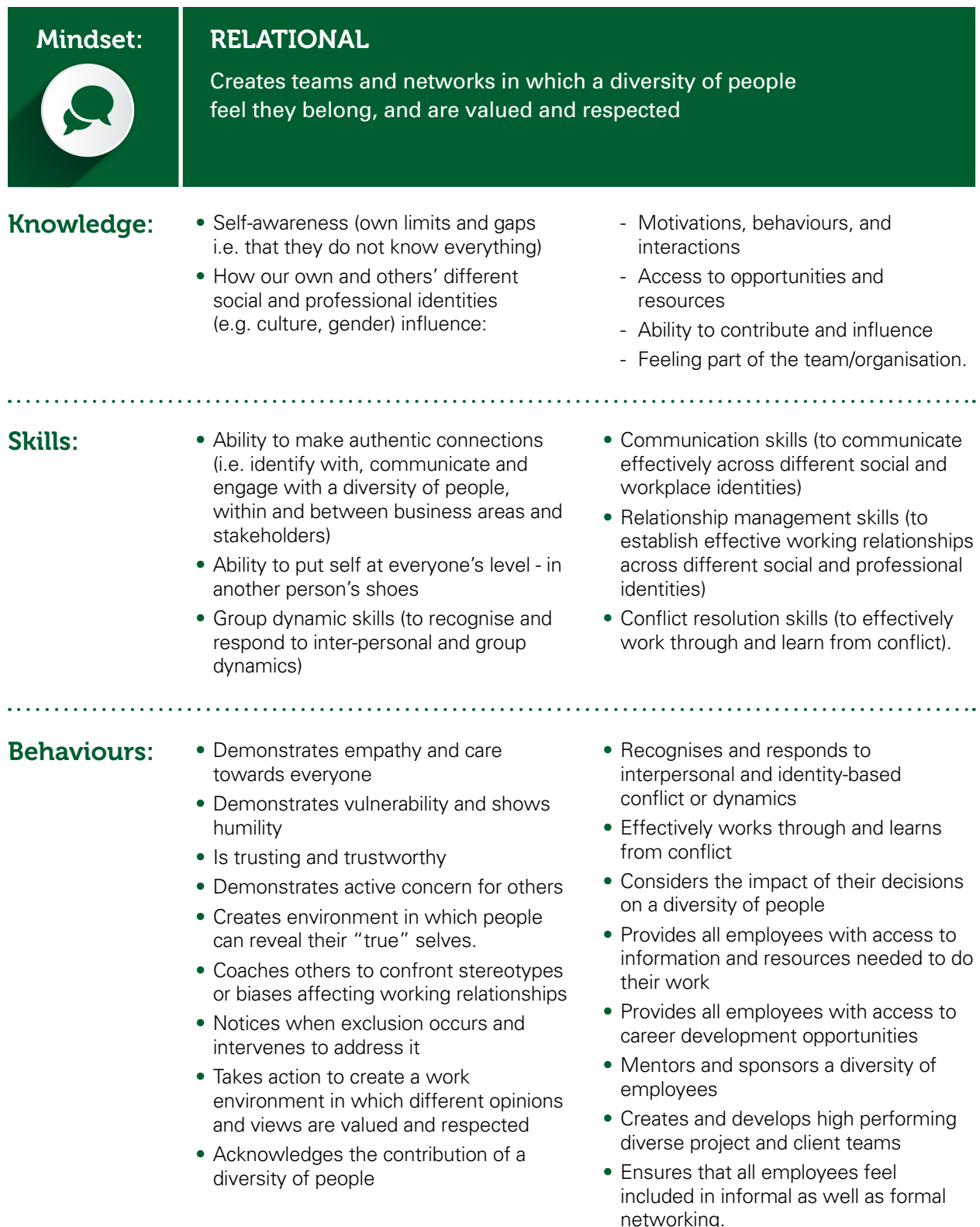


Inclusive Leaders are IDENTITY-AWARE

“Fundamentally, inclusive leadership requires self-awareness – you have to be able to move past the white Anglo lens that you unconsciously view your workplace through. Once you start to understand that, then you’re in a position where you can better help other people become more self-aware too.”

“If I think about my team, I can’t treat the 27-year old male the same as I treat the 37-year old mother of two or the 32-year old mother of two, and I’ve got a 22-year old who I can’t treat the same as the 27-year old. But I don’t know why I would expect I can! They’re all different individuals and their age is one piece of the jigsaw puzzle, their gender is another, their ethnicity is another, but you can’t just pick up a piece and say, “Gender, I’ve got that answer. Ethnicity I’ve got that answer.” It just doesn’t work that way.”

Figure 1: DCA's *Inclusive Leadership Model* (continued)





Inclusive Leaders are RELATIONAL

“We all like to have people around us who are like us – lots of mini you’s around you. It’s just human nature, so diversity and inclusion require actually stepping outside your comfort zone to work with people different to yourself.”

.....

“One of the first women we brought into the business faced resistance from her direct reports, but in the long term has succeeded as the boys club started to break down. After her first year, it was apparent to me from checking in with a variety of people that things were not going well. Then the financial metrics came in and these had gone from profit to loss. I went to her office and she said to me, “Just give me the letter, I know you’ve come to fire me.” But I know there are often other circumstances at play which prevent people from being able to fully contribute. You need to investigate, ‘What is really going on here?’ My judgement was her direct reports were pulling her down to try to get her to leave – there was a barrage of undermining. I said to her, “You’ve got my 110% support and we’ll sort this out.” And we did and now she runs the highest performing business in the state.”

.....

“When I’m new to a role I do an exercise called Above & Below the Line. In a meeting I’ll ask everyone to anonymously write down on a piece of paper all the things above the line that they like about the team dynamic and behaviours, and all the things below the line that they don’t like. I summarise this and then feed it back to the team and facilitate a session where we decide from this point of time onwards if x, y, z behaviours occur we need to call people on it.”

Figure 1: DCA's *Inclusive Leadership Model* (continued)

Mindset: 	OPEN & CURIOUS Is curious about and open to new and different perspectives from a diversity of people
Knowledge:	<ul style="list-style-type: none"> • The evidence base about how different views contribute to better decisions • The impact curiosity has on individual, team and organisational outcomes • Knows that the leader can't know everything!
Skills:	<ul style="list-style-type: none"> • Active listening skills • Divergent and creative thinking skills • Information seeking skills (being inquisitive and asking questions) • Openness to/tolerance of ambiguity and uncertainty • Consultation skills.
Behaviours:	<ul style="list-style-type: none"> • Seeks opportunities to work with a diversity of people • Creates teams that have a diversity of people and perspectives represented • Actively seeks new and different ideas, perspectives and experiences to contribute to decision-making • Plans work activities, meeting times and work-related social activities to ensure that all can participate • Demonstrates and encourages divergent and creative thinking • Demonstrates willingness to learn • Demonstrates curiosity by making the effort to think more deeply about particular topic or possible explanations for identified problem • Demonstrates curiosity by asking "how" and "why" questions. • Is consultative across differences in background, experiences, in job level/function • Demonstrates openness to different perspectives • Recognises and values different perspectives • Facilitates information sharing within and between different groups, to promote understand of the organisation's vision/ business priorities • Creates a safe environment which ensures that everyone is included and heard • Is approachable, open, responsive, attentive, and accessible to all staff • Is non-judgmental about different views, practices, values and perspectives • Is comfortable hearing messages which are welcome, as well as those that may be uncomfortable • Is comfortable being vulnerable and making mistakes • Invites disagreement and alternative views.



Inclusive Leaders are OPEN & CURIOUS

“ To be an inclusive leader you have to have an open mind to learn. I come from a working class Protestant background in Glasgow where religious separatism meant people’s minds could be very closed. ”

.....

“ It involves being open-minded about what different people can do. Thinking about disability, for example, our thinking needs to be flipped to consider what people can do rather than what they can’t do. You have to be broad-minded to look at the world of possibilities and to look for untapped potential. ”

.....

“ The mark of an inclusive leader is really being open to losing the tag of ‘normal’. What’s normal? Our population is so diverse now that normal is just a setting on a washing machine. ”

.....

“ Some people feel very comfortable playing devil’s advocate in meetings and arguing a point. Others sit there and say nothing. Sometimes this may be because of culture or gender. If I want to get the richness of their views I can’t seek views just in group forums. So I always say at the start and end of meetings, ‘If you don’t feel comfortable stating your view here, I still want to hear from you. Leave me a voicemail, come and see me personally, send an email, and for those who feel comfortable stating your view here, we’ll have these meetings as well.’ ”

Figure 1: DCA's *Inclusive Leadership Model* (continued)





Inclusive Leaders are FLEXIBLE & RESPONSIVE

“My manager would be certainly top of the list in terms of being an inclusive leader. He’s just more creative than most people in that way. Take my two-day-week part-time role, I work on other people’s client engagements and he actively encouraged that because that’s what I wanted to do and what I’m particularly good at whereas other people would say, “No, consultants have their own clients, that’s how it’s done.”

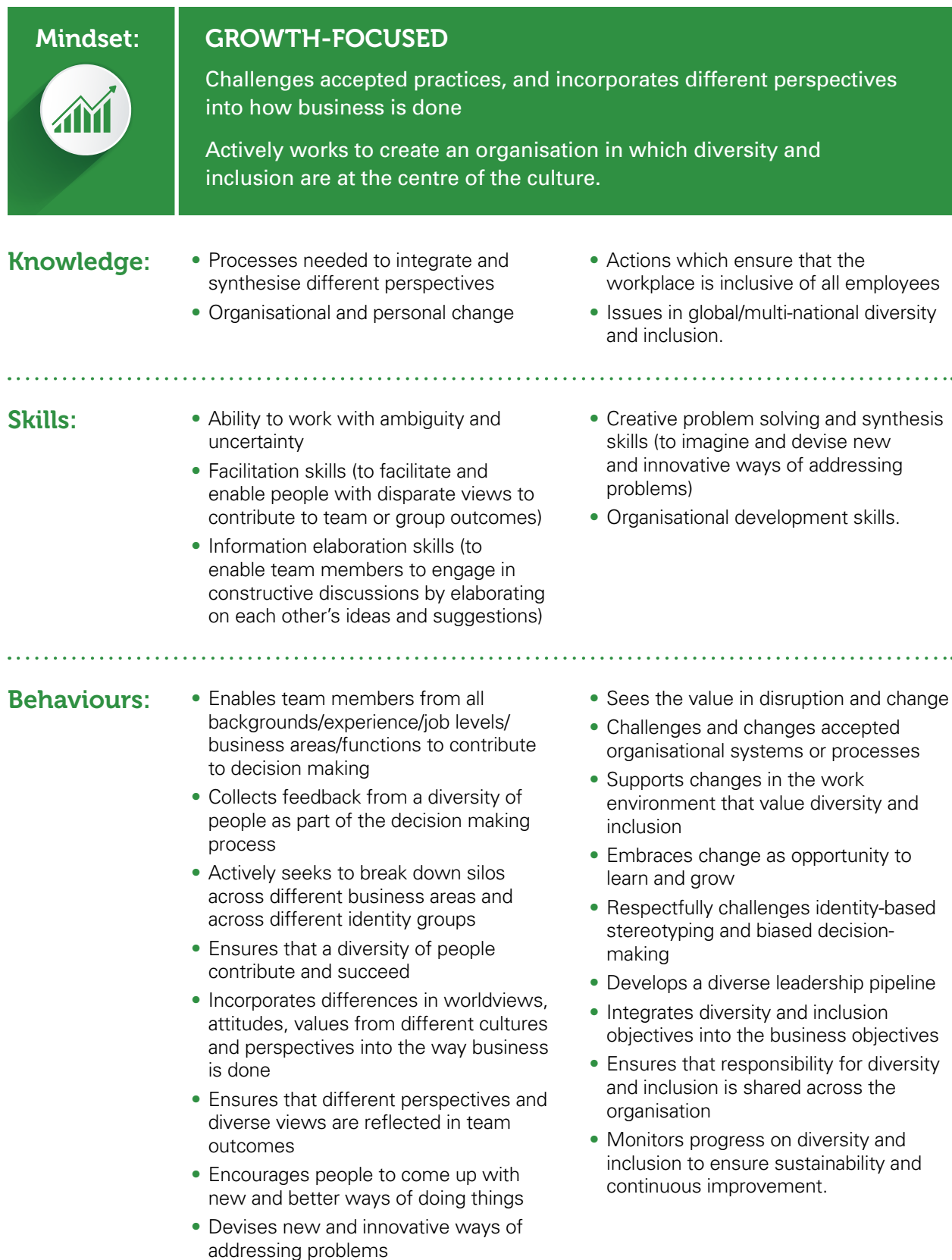
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“My boss was brilliant – didn’t blink that I was pregnant or might want to come back part-time and didn’t assume I might never want to come back. He was focussed on what I’d achieved, what skills I had, what I could do in the future and ignored the fact I was pregnant other than to accommodate that in the promotion assessment process. They do a fairly stringent day of tests and I was in the middle of quite a serious bout of morning sickness so they structured that differently for me. They said, ‘Right three months pregnant, heavy morning sickness, she can have two days, whatever breaks she needs, there’s the loo, there’s the bucket.’ They were responsive to my situation – not oblivious.”

.....

“I’ve been mentoring a young man in a GM role overseeing \$100M area of the business. He came to me a couple of months ago complaining that the tender processes were increasingly asking him to report on what we were doing on Indigenous employment. He was frustrated and said, “It’s irrelevant, I just hire the best person for the job!” So I gave him heaps of information to look at and then I met him recently and whereas previously he would have said, ‘Why should I treat anyone differently?’ Now he sees that because of someone’s experiences and background you may need to, to get the best out of them.”

Figure 1: DCA's *Inclusive Leadership Model* (continued)





Inclusive Leaders are GROWTH-FOCUSED

“ You have to have the courage to give voice to diversity and to be willing to challenge people who are early on in the diversity and inclusion journey. You also have to challenge stereotypes and the tendency to categorise and make assumptions about people, their identity and what matters to them. ”

.....

“ At the senior executive meeting two weeks ago we had a debate about, “I want my team to be able to shout our organisational name from the tallest tower in Sydney!” And I said, “Is that really what you’re really looking for in executive candidates? What about the manager from Asia who may be softly spoken but does absolutely brilliant technical work? Are we to tell them that they don’t have a leadership track at all? That particular person I don’t think we convinced him! But there was lots of nods around the room in relation to well we really need to rethink how we’re doing this evaluation. ”

.....

“ At our executive meeting I discussed promotional prospects for people returning from parental leave. I said, ‘I’d like to hear the group’s view on someone who takes a 12-month career break for parental leave – they’ve returned just before promotion time and their colleague is also up for promotion. They were both rated as high performers. What do we do?’ You could see they were uncomfortable and blurted out, ‘I don’t think that’s right,’ and ‘I don’t want to sound sexist but that person wasn’t here for 12 months.’ But by the time the discussion finished there was consensus and the group came to the answer that you can’t say, ‘12 months out equals you’re 12 months behind.’ It really depends on the individual’s experience at that level and whether they take leave during formative years. I really believe that executive group understands now and would take a much better approach. ”

USING THIS INCLUSIVE LEADERSHIP MODEL

To utilise DCA's *Inclusive Leadership Model* in your own organisation, we make the following recommendations.

Assess Current State

Draw on available data to assess the inclusiveness of your organisation's climate and the level of inclusive leadership capability amongst managers – for example you could use data generated from employee opinion surveys, interviews or focus groups with managers and employees on diversity, inclusion and inclusive leadership, and/or workforce analytics such as retention rates and engagement levels (see Chapter 6 for further information on measuring inclusive leadership in your organisation). Use findings from this workforce analysis to demonstrate the business need for focusing on building inclusive leadership capability.

Engage Your Leadership Team

Begin by establishing the business critical nature of inclusive leadership in your organisation.

Use the Model to engage your organisation's senior leadership team in a business strategy process to explore and agree on the following:

- What does inclusive leadership mean in our organisation?
- Why is inclusive leadership business critical?
- What are the expected business outcomes of inclusive leadership?
- What will be our organisation's key measures of inclusive leadership?
- What are our organisational expectations in relation to all leaders developing inclusive leadership capabilities?

Communicate Expectations

Develop and implement a process to communicate these intentions and expectations about inclusive leadership to the wider organisation.

Integrate Inclusion into Your Leadership Framework

Priority should be given to integrating the inclusive leadership capabilities identified here into your organisation's current leadership framework. Begin this process by engaging with relevant staff who have responsibility for Leadership, Talent and Measurement in your organisation to:

- 1. Review** your current leadership framework and your agreed Inclusive Leadership Model, and identify the alignments and gaps between the two.
 - The degree of alignment will depend on your current leadership framework and whether it is similar to the one used here in terms of mindsets, knowledge, skills and behaviours.
 - Alignment would be expected for specific components of common leadership capabilities such as collaboration (e.g. "Actively seeks to break down silos across different business areas and across different identity groups"), communication (e.g. "Effectively communicates why valuing diversity and inclusion is important for their organisation"), and teamwork (e.g. "Ensures different perspectives and diverse views are reflected in team outcomes").

- Gaps would be more likely to occur for the “Identity-aware” mindset (e.g. “Recognises diversity in and between different identities; i.e. between men, and between men and women”), and you will need to consider the extent to which this capability is easily integrated into your leadership framework. A conclusion that you might reach after this analysis is to add a stand-alone inclusive leadership component to your current model.

2. Integrate the inclusive leadership capabilities into your general leadership framework. There are two approaches to consider here.

- First, include specific inclusive leadership components into the relevant sections of your leadership framework. For example if your framework has a teamwork capability, and does not currently have a group dynamic component, you might include items such as “Has group dynamic skills to recognise and respond to inter-personal and group dynamics”.
- Second, when you come to assess an individual’s leadership capabilities, you could extract responses to the specific inclusive leadership components and develop a capability report in terms of the five Inclusive Leadership Mindsets.

Identifying Talent

The Model can be used to assist your organisation to better identify your next generation of leaders. When selecting leaders and emerging leaders, consideration should be given to the extent to which potential talent possess and demonstrate the inclusive leadership capabilities referred to in the Model.

Learning & Developing

Identify and agree on the learning and development activities and experiences needed to build your organisation’s inclusive leadership capability.

Measuring Success

Implement the agreed measurement process, discussed and decided on as part of the above leadership engagement process (see next chapter for further guidance).

MEASURING INCLUSIVE LEADERSHIP AND ITS IMPACT

An effective approach to measuring an organisation's inclusive leadership capability involves three different levels:

- Individual inclusive leadership capability using traditional leadership measurement tools
- Inclusive leadership capabilities as displayed at direct report and team level
- Inclusive leadership-related organisational outcomes.

The following inclusive leadership measures address these areas, while also recognising the need for multiple types of measurement (e.g. employee survey, workforce analytics). DCA recommends selecting a range of measures which are most closely linked to your organisation's business and talent management objectives.

Inclusive Leadership Capabilities (Individual Level)

Inclusive leadership capabilities could be measured using broad criteria for assessing leadership effectiveness that have been previously identified by researchers.⁵² For instance:

- Individual leader effectiveness (e.g. ratings of the individual leader or the degree to which the individual leader is seen to influence the achievement of organisational objectives)
- Performance of the group or organisation being led
- Followers' satisfaction with the leader
- Followers' satisfaction with their jobs
- Annual performance review processes in which inclusive leadership capabilities are specifically considered
- Extent to which leaders demonstrate accountability for diversity and inclusion outcomes (e.g. by including these measures as part of their KPIs).

Inclusive Leadership Capabilities (Team Level)

When assessing inclusive leadership it makes sense to focus on outcomes or indicators that relate to shared team or business unit views on inclusion, these being value and respect, connection and belonging, participation and contribution, and influence and opportunity. A key tool for measuring inclusive leadership capability at this level is the employee survey.

Employee survey findings could be reviewed for each leader's particular team or business unit. It is important that these statistics are analysed by your organisation's priority social identity groups (i.e. age, cultural background, gender) For example, you could compare the employee engagement scores for men versus women in a particular business unit, in the expectation that if inclusive leadership capability is high, these should be relatively high and similar for both men and women.

Examples of statistics include:

- Job and/or team satisfaction
- General wellbeing (psychological and/or physical)
- Commitment to the organisation
- Employee and/or team engagement
- Perception of organisational commitment to diversity and inclusion
- Perception of managerial commitment to diversity and inclusion
- Perception that managers are prepared to challenge mindsets and behaviours that are not consistent with diversity and inclusion
- Perception of access to career development and opportunity
- Perception that workplace practices are implemented fairly
- Feeling valued and respected
- Feeling accepted and belonging/being part of the team
- Being included in discussions and decisions.

Inclusive Leadership Capabilities (Organisational Level)

Review key talent management statistics for each leader's particular functional or business unit.

Ensure that these statistics are analysed by your organisation's priority social identity groups (i.e. age, cultural background, gender). For example, you could compare the turnover rates for men versus women in a particular business unit, in the expectation that these should be relatively low and similar for both men and women. Examples of statistics include:

- Retention and/or turnover rates
- Job and/or team performance
- Appointments
- Promotions
- Percentage of staff working flexibly, including at management levels
- Frequency and severity of diversity-related complaints
- Diverse workforce at all levels.

DEVELOPING INCLUSIVE LEADERS

Developing inclusive leaders does not just happen by accident. To kick start inclusive leadership in your organisation, learning modules are a useful approach. Following are two examples, one focused on team-based experiential learning and the other on personalised individual development.

Inclusive Leadership Experiential Learning Modules

Consider designing a range of Inclusive Leadership Experiential Learning Modules of three to four hours duration each. These could cover the following key areas:

What is Inclusive Leadership? Why Does it Matter to Our Business?

The expected learning outcomes could include:

- An understanding of what inclusive leadership is and why it is business critical (as agreed by senior leaders)
- The motivation and will to actively engage as an inclusive leader
- Having the competence and self-confidence to communicate their learning outcomes to their direct reports
- Presenting their Inclusive Leadership learning outcomes to their direct reports, obtaining feedback, reflecting on this and adapting their behaviour to embrace this feedback.

Mindsets that Enable Inclusive Leadership

The expected learning outcomes could include:

- Understanding of the critical role of mindsets in shaping approaches to inclusive leadership
- Exploration and understanding of their own inclusive leadership mindsets
- Understanding of and ability to articulate the mindsets that enable inclusive leadership
- Understanding of the influence of these mindsets on their own wellbeing and effectiveness as a leader
- The integration of these inclusive leadership mindsets into their own way of thinking about leadership, working with teams and the achievement of business outcomes
- Skills to enact these mindsets into their day-to-day life, both in work and non-work situations.

Inclusive Leadership Skills and Behaviours

The expected learning outcomes could include:

- Understanding of the core inclusive leadership skills (e.g. flexibility in thinking, creative synthesis, group dynamics – note a decision would need to be made about which skills to include as the time frame suggested would preclude covering all necessary skills, or alternatively more modules could be developed)
- The development of self-efficacy to enact these skills (using experiential activities)
- The skills and tools to implement a team-based inclusion activity (e.g. involving decision-making, problem solving, engaging with other functional areas)
- The implementation of a team-based activity. This should also include evaluation and feedback, and then adapting their approach in response to this.

Personalised Individual Development

Consider developing personalised individual development initiatives that could involve:

- One-on-one coaching either with an internal staff member already recognised for having outstanding inclusive leadership capabilities or with an external coach. This process should involve feedback and reflection
- Developing a plan of engagement in activities that involve, for example, (i) immersion experiences either within the business (e.g. taking responsibility for a particular diversity initiative, engaging in reciprocal mentoring with someone from a different culture) or in the broader community (e.g. doing volunteering work with a community group); or (ii) exploratory learning activities to increase understanding of diversity and inclusion issues
- More in-depth, confidential, personal exploration using either 360 degree feedback processes or standard psychological assessment tools (with a registered psychologist).

HOW CAN I BUILD MY INCLUSIVE LEADERSHIP CAPABILITIES?

Today's increasingly diverse business contexts demand leaders who can leverage workforce diversity as an organisational opportunity and resource.



1. BUILDING AN IDENTITY-AWARENESS MINDSET

You can further develop your understanding about the ways that individual identity influences behaviour and interactions across your organisation in the following ways:

- **Reflect on your own identity** (e.g. your cultural identity, gender, socio-economic background and sexual orientation) and think about what advantages or disadvantages you might experience as a result.
- **Take the responsibility** for familiarising yourself with diversity. Do not expect people from other backgrounds to always educate you about their history, culture or to explain concepts like racism or sexism to you.
- **Start a conversation**, respectfully asking colleagues or students where they have lived, travelled, about their experiences of work, their cultural life, and about their expectations, roles and experiences.
- **Offer opportunities** for employees from diverse backgrounds to share their personal stories and perspectives with the rest of the team. Understand that people are more likely to share when they take an active role and the learning is mutual.
- **Think about and challenge assumptions** that may be made about people. Physical appearances can be deceptive and superficial; for example, a second generation Australian from a non-Anglo background may identify very differently from a recent immigrant who looks superficially similar.
- **Help your team to avoid generalising behaviour** and stereotypical expectations of people (positive or negative); for example, 'Asian staff are great with numbers' by making your feedback specific to individuals and calling out stereotyping when you hear it.
- **Ensure that other leaders** in your organisation are also provided with opportunities to reflect on their own identities and biases.
- **Make sure that your awareness of identity is translating** into effective inclusion across the organisation – ask diverse employees about their experiences of inclusion: good and bad.
- **Examine your leadership pipeline** to ensure that diverse identities are represented and if not, think more broadly about where your gaps are.



2. BUILDING A RELATIONAL MINDSET

You can create teams and networks in which a diversity of people feel connected, valued, and respected in the following ways:

- **Reflect on your ability to communicate** effectively across different social and workplace identities and practice by engaging in conversations with people in different parts of your organisation and with different identities to your own.
- **Set up an event where staff are challenged** to get to know something about you, their colleagues and the diversity of experience and people in your organisation.
- **Make a point of ensuring that your feedback to staff is specific** and constructive enough that they can articulate their value to your team and your organisation.
- **Evaluate your pipeline of emerging leaders** and consider how well you support the development of diverse employees and reward people's strengths and accomplishments – do you regularly network with, and offer assignments that grow the skills of, a diversity of staff?
- **Reflect on your conflict resolution skills** – do you handle difficult people and tense situations in a way that de-escalates the conflict? If not, you might like to think about developing your skills in conflict resolution through formal training or coaching.
- **Evaluate your formal networks** to assess whether your networks allow a diversity of employees to feel comfortable to participate.
- **Ensure that leaders** across your organisation are modelling inclusive networking and are mentoring and sponsoring a diversity of employees.
- **Reflect on how parts of your business** in different offices, states and countries relate to each other and whether there are mechanisms in place to support productive and respectful interaction.



3. BUILDING AN OPEN & CURIOUS MINDSET

You can be curious about and open to new and different perspectives from a range of people in the following ways:

- **Challenge yourself** to ask at least six questions every time you are given a piece of information – who, what, when, where, why, and how are a great place to start.
- **Practise your skills in active listening** – summarise or paraphrase what someone is saying, and if appropriate, reflect back their feelings such as by saying 'I sense you are feeling frustrated', or 'I understand what you need'. Avoid interrupting before the speaker finishes a sentence or statement, unless you need clarification.
- **Think about new ways** you could encourage cooperation, collaboration and sharing plans, and information in your team.
- **Play devil's advocate** in your next meeting and try to get everyone to consider all the alternatives.
- **Ensure that across your whole organisation** work activities, meeting times and work-related social activities are scheduled so participation is maximised – investigate technologies that can help you.
- **Educate your leaders** about the benefits of curiosity and openness – offer opportunities for them to formally develop their skills as active and reflective listeners.
- **Evaluate the 360-degree feedback** that you provide in your organisation – ensure that you provide broad and deep feedback to help your leaders understand the value of receiving feedback and allow time for follow-up reflection and conversations so they can learn, improve and change.



4. BUILDING A FLEXIBLE & AGILE MINDSET

You can further develop your ability to be flexible about and responsive to a diversity of people and perspectives in the following ways:

- **Consider how well you are able to adapt** your responses and tactics to fit shifting circumstances and practice by changing the usual order of your daily activities, your normal habits or your working environment.
- **Practise mixing up the way you think** – innovation and creative ideas often arise after periods of both focused thought and diffuse attention, so allow time to concentrate on projects or challenges both in a deliberate manner and in an unfocused way while you're doing something else.
- **Question your thoughts and words** by becoming more aware of what you're thinking and saying and changing those thoughts and words that don't serve you well or impact negatively on those around you.
- **Investigate new technologies** that can support both accessibility and high performing flexibly working teams.
- **Reflect** on how well you actively support and model flexible working.
- **Assess whether your organisation has mainstreamed flexible working** (i.e. made flexible work standard business practice) – ensure that your policies, processes and technologies are in place to support it.
- **Ensure that people across your organisation** are provided with regular opportunities to provide feedback on how included they feel and any difficulties they may have experienced.
- **Evaluate whether your organisation has mechanisms in place** to capture innovation from all your employees.



5. BUILDING A GROWTH-FOCUSED MINDSET

You can further develop your ability to challenge accepted practices and incorporate different perspectives into how business is done in the following ways:

- **Read up** to develop your understanding of issues in global/multi-national diversity and inclusion.
- **Practise your facilitation skills** so as to better enable people with disparate views to contribute to team outcomes.
- **Reflect** on the ways in which you encourage your team to devise new innovative ways to address problems.
- **Practise respectfully challenging** identity-based stereotyping and biased decision-making.
- **Challenge yourself** to see and articulate the value in disruption.
- **Champion change** and enlist others in its pursuit.
- **Evaluate** whether diversity and inclusion objectives are integrated into your organisation's business objectives and ensure that responsibility for diversity and inclusion is shared across your organisation.
- **Assess** the extent to which your organisation monitors progress on diversity and inclusion to ensure sustainability and continuous improvement.
- **Investigate** the extent to which team members from all backgrounds/ experience/job levels/business areas/functions can contribute to decision-making.
- **Evaluate your processes** to see if there are mechanisms in place to facilitate changes in policy or strategy as a result of feedback from different parts of your organisation.

APPENDIX 1: METHODOLOGY

Interviewees

In all, twenty-three senior or executive managers from six different organisations, covering a range of functional business areas were interviewed.

All interviewees were selected on the basis that they had been identified as having strengths in the practice of inclusive leadership within their organisation. Specifically, interviewees needed to meet two particular criteria.

1. Demonstrated commitment to integrating diversity and inclusion into their leadership practice through actions which could include any or all of the following:

- Leading high performing or innovative teams with a diverse range of team members who report a high level of engagement
- Leading teams of people from diverse backgrounds, genders and/or abilities who report feeling valued and respected
- Including all team members in discussions and decisions and actively seeking divergent opinions
- Sharing credit for team performance
- Recognised as an effective collaborator across different areas of the business
- Demonstrating high levels of curiosity and openness in working with a diversity of perspectives
- Engaging in a range of different experiences to develop their diversity and inclusion skills and behaviours
- Having a well-developed understanding of the business imperatives for effectively managing diversity
- Having a preparedness to challenge mindsets and behaviours that are not consistent with diversity and inclusion
- Effectively managing international cross-cultural teams
- Effectively managing and supporting mainstreamed flexible working.

2. Evidence of positive impact of their inclusive leadership practice, which could include any or all of the following (analysed by demographic diversity):

- 360 degree performance appraisal feedback
- Retention rates
- Job satisfaction
- Job/team performance
- General wellbeing
- Organisational commitment
- Engagement
- Perceptions of career opportunity/that workplace practices are implemented fairly
- Appointing staff from a diverse range of backgrounds, including at higher levels (i.e. amongst direct reports)
- Having staff working flexibly, including at higher levels (i.e. amongst direct reports)
- Minimal diversity-related complaint levels.

Figure 2: Demographics of Inclusive Leader Sample Group

Age	<ul style="list-style-type: none"> 17% 30 – 39 years 52% 40 – 49 years 31% 50 – 59 years
Country of birth	<ul style="list-style-type: none"> 61% Born in Australia 26% Born in other English speaking countries 13% Born in Asia
Cultural identity (major)	<ul style="list-style-type: none"> 70% identified as being from an English speaking background (the majority of these identified as being Australian) 19% identified as being Asian 9% identified as being Aboriginal or Torres Strait Islander 61% reported having a single cultural identity 39% reported having a multiple cultural identity
Disability	<ul style="list-style-type: none"> 9% identified as having a disability 91% identified as having no disability or preferred not to say
Gender	<ul style="list-style-type: none"> 44% Female 56% Male
Indigenous identity	<ul style="list-style-type: none"> 9% identified as being Aboriginal or Torres Strait Islander
Sexual orientation	<ul style="list-style-type: none"> 9% LGBTIQ 91% Heterosexual or preferred not to say
Role (current)	<ul style="list-style-type: none"> 26% C-Suite or Board Director 65% Senior Managers 9% Managers
Global/Local Role	<ul style="list-style-type: none"> 22% Global 78% Local

Interview Approach

Interviews were conversational and informal, and covered:

- What inclusive leadership meant to interviewees, and what they did when leading inclusively
- Practical examples of times they had tried to lead inclusively
- Any positive outcomes they may have experienced when leading inclusively
- Ratings of how important inclusive leadership is in terms of achieving business objectives
- Ratings of leaders in their organisation in terms of current inclusive leadership capabilities
- Views about whether and how inclusive leadership can be measured
- Initiatives and experiences they would recommend to a direct report to improve their inclusive leadership capabilities
- Initiatives and experiences that have been instrumental in their own development of inclusive leadership capabilities.

Analytical Approach

Thematic analysis of these interviews was then conducted. The process of analysis and interpretation involved reviewing interview themes in company with those identified in the academic research.

The dominant themes were then used to develop a model of inclusive leadership.

APPENDIX 2: INCLUSIVE LEADER INTERVIEW FINDINGS

Defining Inclusive Leadership

Not Common Terminology

Despite the fact that all interviewees had been selected because they had been identified as inclusive leaders, a third indicated that inclusive leadership was not a term commonly used in their organisations nor was it a term that they were very familiar with.

Range of Meanings

We found interviewees expressed a broad array of meanings for inclusive leadership, including (in order of commonality):

- Enabling different views or ideas to come to the table/contribute and be respected. This also included ensuring that: people were not maligned because of their different views; people felt they were able to have a voice and be themselves at work; and people engaged with different work functions rather than working in silos
- Ensuring people from different social identity groups (e.g. gender, cultural background, disability, people with caring responsibilities) feel included at work and in work-related social activities. This required being aware of how exclusion and inclusion play out at work and in the broader society
- Actively involving all staff in decision-making and problem solving. This required connecting, engaging and collaborating with all people to inspire them to “come on the journey with you” and actively contribute to business outcomes
- Focusing on people’s strengths, what they can do and potentially contribute versus just categorising people on the basis of demographic diversity or past employment history
- Having a diversity focus at all stages of talent management, including when hiring and creating work teams, recognising and rewarding, promoting, designing roles, allocating work, and developing organisational culture
- Being open-minded and non-judgemental
- Leveraging diversity and integrating diverse views to achieve improved business outcomes.

Focused on Team and Organisation

When discussing their own inclusive leadership practice, most interviewees (65%) described examples which involved their own immediate team. Some (17%) gave examples which involved project or cross-functional teams, and few (9%) involved the organisation’s diversity or gender strategy. This distinction between a person’s own team of direct reports and the broader business is an important one. Often the context for the display of inclusive leadership is assumed to be the immediate team, whereas many of the people interviewed discussed the critical nature of this capability in working across different business areas and with those from different functional areas.

Consider Range of Diversity Dimensions

The majority of interviewee examples involved a dimension of demographic or social identity diversity such as gender/women (31%), culture/ethnicity/language (16%), disability (12%), Indigenous (9%), age (9%), sexual orientation (6%), and caring responsibilities (6%). Nine per cent involved diversity in terms of business function or professional group.

Business Relevance of Inclusive Leadership

Most interviewees rated inclusive leadership as critical to their organisation in terms of achieving business objectives – over two thirds rated the importance as either a 9 or 10 out of 10, and 27% rated it as being either 7 or 8. All interviewees were able to provide strong business reasons for why they gave the rating that they did. The two most common responses involved increased performance for the organisation (55%) and increased staff performance or capability (41%), as elaborated below.

Organisational Performance

- Increased competitiveness in products and services
- More responsive and therefore improved customer focus/customer service
- Increased innovation in products and services
- Better decision-making
- Increased organisational agility and adaptability.

Staff Performance & Capability

- More effective team working relationships
- Increased collaboration and knowledge sharing
- Higher employee engagement, and recognition as a great place to work
- Expansion of the talent pool and the diversity of job applicants
- Retention.

Current Inclusive Leadership Capability

Six out of Ten

Despite the high ratings of business importance, when asked for their assessment of the current level of inclusive leadership capability in senior leadership groups in their organisation, many gave relatively low ratings. The mean rating was 5.8 out of ten. Fifty-two percent rated the capability as either 7 or 8; 26% rated it as either 5 or 6; and 17% rated inclusive leadership capability as being below 5.

Challenging Non-Inclusive Behaviour

Most interviewees acknowledged that there was considerable diversity in this capability at senior levels – that the capability was high in some leaders but not in others. It was also recognised that a reason for this was that priority is not currently given to inclusive leadership capability, and that when leaders display behaviours that are contrary to inclusive leadership, they are not challenged.

Measuring Inclusive Leadership

Is it Possible?

In all, 80% of interviewees were confident that inclusive leadership capability can be measured, 14% said that it might be possible though difficult, and 6% said this was not possible.

Most Effective Measures

There was considerable variability in views about how measurement could be achieved. Ideas that were most common were:

- Through an employee survey, and/or staff engagement measures (30%)
- Employee diversity outcomes on the assumption that if inclusive leadership capability is high, this will be reflected in greater employee diversity in a range of contexts; for example, diversity of job applicants, promotions, people in leadership positions and team composition (24%)
- Standard leadership measurement tools; for example 360 degree feedback, leadership styles (11%)
- Qualitative feedback either from customers, one-up managers or from staff (11%).

Developing Inclusive Leaders

Developing My Direct Reports

When asked what activities they would recommend their direct reports to engage in to develop their inclusive leadership capabilities, interviewees focused strongly on intervention and having the person engage in specific work or task-based activities and experiences. Even so, 17% argued that attending courses would not work and that teaching inclusive leadership capability is a challenge. The most common responses were: engage the person in one-on-one coaching that involves strong feedback about the person's behaviour and impact (24%); attend specific courses such as unconscious bias or cultural awareness (23%); design or enable the person to engage in diversity-related immersion experiences either at work or in the community (e.g. to increase their awareness of specific identity groups) (20%); an influencing role for the leader by both being an effective inclusive leadership role model to their direct reports, and by increasing their understanding of the what and the why of inclusive leadership (20%); and having the person engage in direct feedback and/or individual assessment to gain insight (e.g. through 360 degree feedback or psychological assessment) (8%).

My Own Inclusive Leadership Development

When asked to focus on their own development of inclusive leadership, interviewees provided a mixture of both work and personal/life-based experiences. These conversations also included a view that they were naturally like this or have always been someone who focuses on inclusion (7%). The most common responses covered:

- Immersion experiences with either difference or diversity (e.g. by living in different countries, working with diverse teams, working with particular demographic groups, working in cross-functional or cross-national teams) and experiential learning (21%)
- Personal and life experiences including experiences of being an outsider or observing others being discriminated against (5%)
- Learning from their experiences with both good (12%) and bad (5%) leaders
- Inclusive leadership is part of their core values and who they are as a person (12%)
- Insight gained through introspection/reflection, coaching and through behavioural and psychological assessment (11%)
- Interestingly, only 9% said that attending leadership or training courses (e.g. on unconscious bias) had had an impact on their development as an inclusive leader.

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