

# Think You Know How to Lead Inclusively? Think Again.

Confronting the Illusion  
of Inclusion



In the constantly changing and unpredictable world of work, leaders must display empathy and great fortitude and quickly make decisions that reflect the best interests of their increasingly diverse workforce. By cultivating the mindset of an inclusive leader, you can be the driving force at the top, sparking the change that makes inclusion a part of your organizational DNA and transforms the culture.

The benefits to business are clear: Our research shows that inclusion, specifically, is a critical driver of team and employee effectiveness.

Yet, our research<sup>1</sup> also indicates that while most leaders believe fostering inclusion is important, employees often lack confidence in their leaders' sincerity. In fact, more than one-third of employees across all levels view senior leadership actions meant to drive inclusion as performative or insincere — and when senior leaders' actions are seen as insincere, only 3 percent of employees report experiencing an inclusive culture. Conversely, when employees feel senior leaders are sincere in their efforts to drive inclusion, seven out of 10 report experiencing an inclusive culture.

Unfortunately, many leaders are operating under the illusion of inclusion — the perception that their culture is more inclusive than it really is, or at least more inclusive than employees perceive it to be. This is in part because leaders have a more favorable day-to-day experience of inclusion.

<sup>1</sup> These findings come from a global study of nearly 5,000 employees that aims to demystify inclusion and better understand experiences of inclusion and how it is influenced by organizational culture. The study uses a proprietary inclusion assessment to uncover precise gaps and opportunities.

So what is inclusion? Inclusion is when employees and teams:

- » Are valued for their contributions, talents and inputs
- » Speak up by expressing ideas, offering constructive input or challenging the status quo
- » Have an impact on how decisions are made at the organizational, team or individual level
- » Use their talents to contribute fully to their job, team and organization

Only when all these elements are present can companies unlock the full contributions of employees and teams.

Creating a culture of inclusion starts at the top with leaders who adopt an inclusive mindset, which in turn helps them foster skills and behaviors that they can role model for their teams, creating accountability that cascades throughout the organization.

## The mindset of an inclusive leader

Leaders often assume that having the best of intentions will translate into inclusion within and for their team — but it does not. Even leaders with the best intentions may make choices or model behaviors that deter progress and hinder favorable employee experiences.

Our research finds that just 22 percent of employees feel their leader demonstrates the four attributes of an inclusive mindset: **intentionality**, **cultural agility**, **openness to change** and **adaptability**.

When leaders embrace these qualities, talent thrives:

Employees are

2x

more likely to feel they  
**develop professionally**  
at the organization

Employees are

2x

more likely to feel they  
receive **fair feedback** on  
their performance

Teams are

+17pts

more willing to  
**surface and validate ideas**  
before making a decision

Ultimately, leaders set the tone for what matters in their organizations, and the responsibility of fostering an inclusive culture starts with adopting the right mindset.

## **Intentionality: Take charge with unwavering commitment**

Intentional leaders have a sense of ownership that is foundational to creating an inclusive environment. They emphasize and prioritize inclusion in their organization's vision, values and talent development programs.

For example, Michael, an executive in the healthcare industry, responded to a groundswell of concerns from employees during a listening tour by putting out a personal statement about his organization's commitment to equity and inclusion. However, his employees were unreactive. Initially, Michael was confused by their lack of response. After receiving feedback that employees questioned the sincerity of the statement and whether the organization would follow through on its promise, Michael realized that more personal accountability was needed. He tried to identify how the organization may have fallen short on keeping its promises to be more inclusive. Moving forward, Michael decided to do things differently: He chose to focus on his own behaviors and enlisted a coach to help him understand his biases and growth areas. At the same time, Michael worked with his leadership team to identify ways that the organization could better engage in strategic efforts that increase inclusion.

### **Put it into practice**

Apply an inclusion lens to everything. Make it a point to regularly and intentionally explore the unintended consequences of your actions and decisions by asking:

- » Could what I'm doing stall or undermine my organization's efforts to be more inclusive, causing unforeseen negative impacts on the business?
- » What inner work is required for me to gain the courage to explore and address my non-inclusive behaviors — even if it's uncomfortable — while challenging others to do the same?

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## Cultural agility: Challenge your biases

Demonstrating cultural agility requires being flexible enough to change your perspective and behavior based on the often subtle commonalities and differences among people of all backgrounds, which benefits your employees and teams. Culturally agile leaders can experience diverse cultures and individuals with an appreciation for nuance fostered by humility, empathy and curiosity.

In our work with clients, we observe a consistent need to help leaders overcome affinity bias — the tendency to favor those who are most like us. Case in point: Zoe, the vice president of finance at a client firm, received a slate of internal candidates for a coveted rotation geared for emerging talent. This opportunity also offered more visibility to the C-suite.

While all candidates were nominated by their managers, the option to apply for the rotation was never formally advertised, nor was there a formal vetting process to generate the slate of candidates provided to Zoe. A deeper review of the list revealed that many individuals were often “go-to” referrals by their manager for exciting, high-visibility opportunities. This selection was based more on managers’ favoritism toward employees like themselves, despite the presence of other worthy high performers on their teams.

Affinity bias derails inclusive cultures by perpetuating homogeneity of ideas, perspectives, approaches and ways of working, stifling innovation and the advancement of diverse talent. We find that organizations that purposely challenge these biases and champion cultural agility ensure more visibility of top talent across the organization and develop a new, more inclusive decision-making process.

### Put it into practice

Reexamine the individual relationship you have with each member of your team. Consider to what extent you have been taking each team member’s unique perspective and background into account, and how you can foster a relationship where you adapt your leadership style to each person. This may mean changing the way you communicate with, recognize or incentivize each member of your team.

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## Openness to change: Question established ways of working

Inclusive leaders are open to learning, unlearning and challenging the status quo. They seek opportunities to incorporate broader perspectives and normalize adopting new ways of working while encouraging their teams to do the same.

Teresa, a regional leader of a global tech firm, enjoyed telling her team, “My virtual door is always open.” She did so with the expectation that people would come to her with any challenges they faced. Yet when an employee questioned the implementation of a new policy during a team meeting, Teresa quickly replied, “I hear you, but this is how it is and how I think things should work moving forward. If you have any issues or additional questions, reach out to me directly.”

The team sat in silence, the meeting ended and no one followed up. Teresa was bewildered; she felt like the meeting had gone well and was proud of her change management approach. After a few days, Teresa shared this scenario with her leadership coach. She was quickly humbled when she realized her openness to change was not what she assumed. Her coach helped her realize that by closing the conversation down instead of asking follow-up questions to learn more about the rest of the team’s perspective, she may have unintentionally displayed a lack of willingness to understand the team’s challenges or help them adapt to the new approach. With the support of her coach, Teresa dedicated time to having focused, virtual “power meetings” with each employee to better understand their concerns and to learn more about each team member’s needs to help her better champion change.

### Put it into practice

Don’t assume your reality is shared by others. Get curious. Ask tough questions that surface new and unconventional ideas, resulting in greater efficiency and improved ways of working. Questions such as “What am I missing?” or “What if I’m wrong?” often yield fruitful discussions and avenues to explore. And always respect and validate people’s perspectives.

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## Adaptability: Flex to involve different perspectives in decision-making

Inclusive leaders consistently and genuinely incorporate different vantage points and ways of thinking into their decision making or problem solving. They are flexible in their approach and when mistakes happen, they are unafraid to course correct.

Adaptability takes the internal to the external, translating an inclusive mindset into action. For example, Remy, a divisional vice president, was struggling to make decisions quickly while incorporating the diverse expertise of his global team. He tested a new approach and held a pre-project planning session with his team before the launch of a big new project. The team discussed questions such as: How do we reach a decision? Who is the ultimate decision-maker or responsible party? In what ways can we ensure our geographically dispersed team members have a voice and are heard? What is our process when someone makes a mistake? How can we make sure that failures are shared openly so that we can all have the benefit of learning from mistakes? What types of mistakes are manageable? What's non-negotiable? Remy found that when the team could discuss these things in advance, problems were solved and decisions were made much more quickly.

### Put it into practice

Adaptability requires courage and a willingness to involve others in decision-making and problem solving to achieve business goals — even if that means also shifting gears. Undoubtedly, you and your organization will make mistakes amid this culture shift. However, this doesn't mean that your efforts are in vain or ineffective; it's what you learn from your mistakes and do next that is the most influential and meaningful. Be transparent about how decisions are made and make sure you are involving differing perspectives, especially from people who may challenge you. This approach can be time consuming — and requires a healthy dose of vulnerability — but it is critical to reap the long-term gains from inclusive decision-making.



## About Spencer Stuart

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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit [www.spencerstuart.com](https://www.spencerstuart.com).

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