

INCLUSIVE LEADERSHIP

Setting the organisation's leaders up for success with inclusive leadership skills is the key to Inclusion of Diversity.



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"The Universal Declaration of Human Rights states that all human beings are equal in dignity and rights and that everyone has the right to work and favourable working conditions."

GREETINGS FROM DIVERSITY FACTOR

Welcome to our white paper on Inclusive Leadership. We are happy you are reading it because that probably means you are on the same mission as us.

In Diversity Factor, we believe that organisational excellence is linked to a diverse and engaged workforce, and we help organisations create an inclusive environment where diversity thrives.

Even though we believe diversity and inclusion go beyond the business case, we sometimes need numbers to be able to showcase the benefits of Diversity and Inclusion. Just remember, your people are the ones that make the numbers come true. Inclusive leadership must be mastered to achieve these numbers because inclusion is the foundation for diversity.

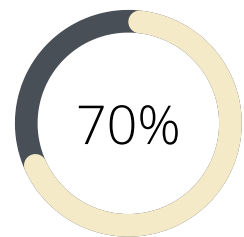
Recognising that Diversity, Inclusion, and Equity (DEI) is a new paradigm for some and an experienced world for others, we are here to help no matter where your organisation is on the journey. We hope this paper will provide some insights into Inclusive Leadership.

All the best,

Diversity Factor

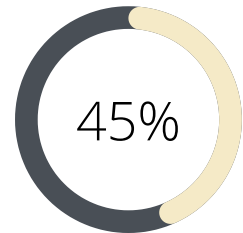
If you need the numbers

Companies with two-dimensional diversity in leadership were 70% more likely to enter a new market in the past year



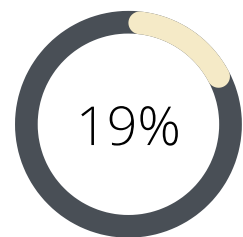
HBR

Companies with two-dimensional diversity in leadership were 45% more likely to report market growth



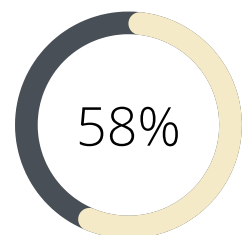
HBR

Companies with higher-than-average diversity had 19% higher innovation revenues,



HBR

Organizations with above-average gender diversity and engagement outperformed other companies by 46- 58%



Gallup

DEFINITIONS

What are we talking about, when we talk about DEI.



DIVERSITY

Representation of all the uniqueness in all of us



INCLUSION

A culture that respect and values everyone



EQUITY

Fair and equal treatment and opportunities



PSYCHOLOGICAL SAFETY

Feeling safe to speak up with ideas, questions, concerns or mistakes



BELONGING

To feel connected to co-workers, leaders, and the organisation through authentic inclusion



ALLY AT THE WORKPLACE

Using your position to foster inclusion and respect for less privileged

D&I
Diversity & Inclusion

DEI
Diversity, Equity & Inclusion

INCLUSIVE LEADERSHIP AND CULTURE

Diving into the world of inclusion - and exclusion

To be an Inclusive Leader means letting everybody be seen, heard, valued, respected and able to contribute with their uniqueness -to perform better business.

Before we dive into how to be an Inclusive Leader, we need to establish the foundation - or, as we say, look closer at culture. A company's culture determines a massive part of how leadership is performed and viewed. Leaders, as well as employees, tend to adapt to the existing culture. Therefore a change towards more inclusion and diversity requires a focused effort from leaders.

"Culture - What kind of behaviour do we reward and accept?" Diversity Factor

Organisational culture is what separates your company from all the others. It is what establishes the community for your people with its unique characteristics.

Culture concerns how employees and leaders dress, speak, behave, work, and use artefacts. Furthermore, culture is about shared, underlying and unconscious perceptions of the world and how things usually are done.

Leaders are responsible for the culture, acknowledging the need for changes - and not least to future-proof the company and ensure that the company utilises everybody's potential to the benefit of, of course, the company but also the individual employee. Moreover, leaders have the power to support cultural changes in a more inclusive and diverse direction.

The question is, what is an inclusive culture? The answer to that lies in the answers to some of these questions: Who is a part of the community? Who is not?

Everyone can remember a time when we didn't feel like a part of the football team, the class, the network, or the inner circle of the family or friend group.

If team members have this feeling at the workplace, it will affect their well-being and performance; they will likely be reluctant to contribute and sometimes feel stressed.

What does exclusion look like?

Exclusion can be subtle, leading to structural discrimination and unequal access to jobs, positions, pay, bonuses, courses, or projects being the reality.

On a day-to-day basis, inclusion and exclusion can be seen by observing, e.g. who is talking at the meetings, which ideas are preferred, who is talking with who during the breaks, and who is the preferred sparring partner? Or what is the (informal) dress code, the preferred educational background or ethnicity in a company?

It can also be observed how women, minorities, people from other departments, abroad, or the merged entity are talked about and spoken to.

Reflections on the cultural norm:

- Do the project timeline respect all national holidays and traditions?
- What kind of humour exist at the office? Is it on behalf of stereotyped groups?
- To whom do meeting hours benefit the most, and to whom does it not?
- Is social events suitable and fun for everybody?

"You need to master inclusion to harvest the benefit of diversity. Otherwise, the organisation lose out on innovation and performance." Diversity Factor

Inclusive (top) leaders are responsible for acting on exclusive cultures, creating visions for inclusion, and ensuring a strategy for an inclusive culture is developed and supported.



Example - The organisation is missing out on performance

During meetings, people with a tendency to extrovert behaviour are the ones that are being heard. Younger, less experienced and more introverted people are not contributing with their ideas or concerns. However, this is how it has always been - so to be a part of the "community", with a lack of trust, no one challenges the culture.



Let's give you an example

Data shows sexist and racist discrimination in an organisation, making it clear there is a cultural (and structural) problem.

A woman from HR facilitates a meeting with the top25 (male) leaders, pointing out the challenges and setting the scene for Inclusive Leadership Training.

One male participant stopped the session and was hostile toward the HR woman. He doesn't agree with the presented facts nor approve of the Inclusive Leadership Training.

The leader pushes for a discussion with an aggressive attitude for over half an hour.

No one is stopping him. Afterwards follows, a debrief. The HR woman is told not to take it personally. The leader is excused; this is how "he is", and the situation is even laughed about.

The situation describes an exclusive and discriminating culture and how it is reproduced by ignoring, diminishing, and reinforcing the unhealthy culture.

"You know you have a healthy culture when your people are both willing and able to tell when you're wrong." Timothy R. Clark

Why is everybody not included?

Even though people overall have a lot in common, people are also naturally diverse.

To understand some of the inclusive and exclusive mechanisms in the workplace, we must look at how our brain functions when meeting people in modern society.

Our brain is outdated, so when we act and behave in a complex world, we do it based on what our brain learned and adapted ages ago when humans lived in a much simpler way.

We are talking about the concept of unconscious bias - shortcuts in the brain to reduce complexity. Even though people differ expansively, research shows that our brains narrow people into stereotyped categories. Moreover, we prefer some types over others, depending on where and which experiences we have gained from our upbringing and the society around us.

In our everyday life, we make decisions which we think are reasonable and carefully thought through, but the reality is that up to **99 %** of our decisions are made based on the unconscious

biases our brain has developed throughout our life.

Adult human beings take approximately 35.000 decisions on a daily basis.

We need unconscious bias to survive in a complex world. However, we all - especially leaders - have to uncover our own biases (e.g. preferences of people) and recognise when the biases play a part in our decisions and behaviour, especially when they become a barrier to sound business decisions.

When we at Diversity Factor train Inclusive Leadership, we do it based on a broad spectrum of diversity beyond gender and ethnicity. We train leaders in awareness of their exclusive unconscious behaviour and how to get a more holistic picture of inclusion and diversity.



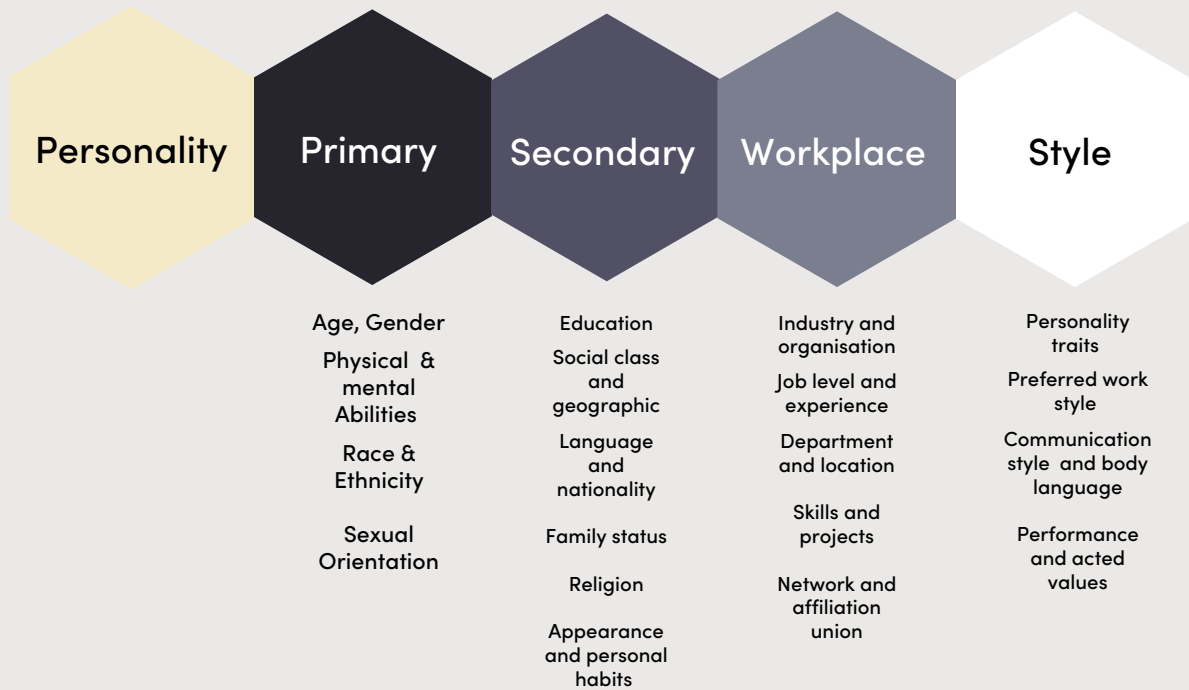
The brain receives 11 million information stimuli every second to the unconscious brain. We can not control the process.

7-40 pieces of information are taken to the conscious brain to relate to.

LEADING COMPLEXITY

D&I is often reduced to targets focused on gender, LGBTQ+ and/or ethnicity. D&I is much more; it has to do - and include - all of us. This is why Diversity Factor work with D&I through an intersectional* lens.

Dimensions of Diversity by Diversity Factor



"Intersectionality is a lens through which you can see where power comes and collides, where it interlocks and intersects." Kimberlé Crenshaw

Reflect on diversity and inclusion:

- How has your unconscious definition of diversity been related to diversity & inclusion in the workplace?
- Who is your preferred personality type in a working situation, and why?
- How will you describe a typical talent or leader at your company?
 - How do they look, act and behave?
 - Do they have a shared set of personality traits?



LEADING INCLUSION

Leaders at every level have an essential role in creating an inclusive culture. However, their role differs from one another.

It is crucial for a successful D&I strategy that executives authentically show, communicate and support the priority of diversity and inclusion. Also, to say, what is measured is being done.

Therefore, top management needs to know why DEI is essential for performance and a business priority.

They need knowledge, language, will and curiosity to lead the organisation into a sustainable, inclusive future, ready to meet stakeholders and the market. This is often achieved through Executive seminars, training or workshops.

At every level, also the execution level, leaders have to be role models and continuously support the inclusive culture. They have to make sure of structures which support equity in practices and policies.

They have to communicate the desired behaviour and be an ally to the less privileged and less empowered team members by insisting on respect and valuation of everybody.

To support the culture towards more inclusion of diversity, leaders have to do the actual work to block their unintentional behaviour that reinforces exclusion.

LEADERSHIP LEVEL	Personal level	Leading others	Leading culture	Leading organisation
BOARD	<i>Self-educate and self-regulate Be mindful and compassionate Allyship</i>	<i>Support the Executive level in the D&I priority and set targets for the effort connected to remuneration.</i>	<i>Role modelling by sharing power and vulnerability Foster Inclusion (network, behaviour, language, collaboration etc.)</i>	<i>Integrate D&I in the company's performance scorecard and set diversity targets</i>
EXECUTIVE	<i>Self-educate and self-regulate. Be mindful and compassionate Allyship</i>	<i>Prioritise Inclusive Leadership Development Encourage reflection and learning Support a paradigm shift and new ways to practice leadership.</i>	<i>Role modelling by sharing power and vulnerability, Foster Inclusion (network, behaviour, language, collaboration, etc.) Communicate vision Create psychological safety</i>	<i>D&I as a strategic priority D&I vision and mission Allocate resources De-bias all structures and policies and adjust accordingly</i>
LEADER	<i>Self-educate and self-regulate Be mindful and compassionate Allyship</i>	<i>Facilitate and support development Engage & empower Adaptive communication Allow for and value differences</i>	<i>Role modelling by sharing power and vulnerability Communicate plan Practice Inclusive Leadership Create psychological safety</i>	<i>Build structures and practices for inclusive collaboration Highlight necessary changes to top level</i>

Simple illustration of the distribution of inclusive leadership responsibilities. However, everything depends on the context and has fluid boundaries

THE CORE OF INCLUSIVE LEADERSHIP

Diversity is the link to high-performance teams, more innovations and better financial performance. However...

...the Inclusive Leader is the key to unlocking the potential of diversity. But what is Inclusive Leadership?

Leadership theory is based on setting the direction and leading others to do their jobs most efficiently. Inclusive Leadership adds on by focusing directly on diverse groups and individuals.

Research has shown that diverse teams can help organisations to perform better. However, organisations need those diverse teams to collaborate to harvest diversity's benefits.

Moreover, leaders need to master Inclusive Leadership to lead in a still increasingly complex, volatile, and global world, with mixed nationalities, fluid identities, and pressure from different stakeholders, to mention just a few characteristics.



Altruistic values have been identified as a sign of inclusive behaviour. Research from Deloitte has also shown six traits which can be trained that are typical of an inclusive mindset and behaviour:

- Cognizance
- Curiosity
- Courage
- Cultural intelligence
- Commitment
- Collaboration

Working with DEI from an organisational change and learning perspective and acknowledging the psychology behind working with people, Diversity Factor has added two elements to the six traits:

- Communication
- Compassion

These eight components are the foundation of how Diversity Factor work with and believes in Inclusive Leadership, whether we facilitate learning, give inspirational Impact Talks or advice organisations.

DIVERSITY FACTOR'S INCLUSIVE LEADERSHIP MODEL

COGNIZANCE

Uncover your blindspots and self-regulate.

By default, our brain excludes people, and our decision-making becomes a barrier to good business and inclusion. On an ongoing basis, leaders must learn how to block and overcome unconscious biases in the workplace.



COURAGE

To show authenticity, vulnerability and support for others.

It takes courage to be a role model, unmask and be open about your imperfections, and take on the responsibility for an inclusive and respectful culture by demanding inclusive behaviour.



CURIOSITY

To connect, understand and value uniqueness.

Ask questions and listen with empathy to understand other perspectives is an essential skill for inclusive leaders. They are exploring what is being said openly, without judgement. They are curious about people who are different.



COMMITMENT

Lifelong DEI learning and development

DEI can be hard work; it takes time, reflection and resources. On a sustained level, leaders must prioritise DEI as a business strategy and at all times foster fairness, respect and psychological safety.



CULTURAL COMPETENCIES

Self-educate and adapt authentically and flexible to the context.

Inclusive Leaders use their curiosity to learn about cultural differences and understand how their context frames their perception and tendency to judge others as less suitable. They are aware of cultural differences without stereotyping and values differences.



COMMUNICATION

Because change needs consistency, and words matter.

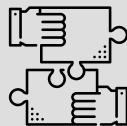
Awareness of the impact of language to communicate inclusively and consistently emphasising the wanted culture is essential for Inclusive Leaders and Inclusive Cultures.



COLLABORATION

The link to high performance.

Diverse teams outperform homogeneous teams over time with an inclusive leader who creates psychological safety so that everybody feels valued and empowered to contribute with their diverse opinions and ways of contributing. To create success, the leader supports the team by intentionally seeking alternative perspectives and letting the team innovate by using each other's contributions.



COMPASSION

Be responsible and effective in a human way.

Selfcare through mindfulness or meditation is helpful for Inclusive Leaders to navigate a challenging world. Moreover, it strengthens the ability to be compassionate towards team members, which helps create the psychological safety needed in an inclusive and learning organisation. Compassion is the holistic and human way of handling demanding situations.



"Inclusive Leaders has seen the link between diversity, inclusion and higher business performance. They are committed to DEI, understand the dynamics of inclusion and exclusion, and know how to support new behaviour and practices." Diversity Factor



INCLUSIVE LEADERSHIP

As an Inclusive Leader, you authentically see everyone in the organisation as a human being. You connect and treat them equally, with respect and empathy - for them to thrive and contribute at their best.

Meeting employees in this way every time you interact with them will create well-being, psychological safety and better performance. The point is that inclusive leadership is exercised every day, where difficult decisions are made, and tough messages are delivered. It will create sustainable results in the long run.

Internal

As an Inclusive Leader, you will actively seek to understand others' perspectives, show vulnerability, share and learn from mistakes, and be courageous enough to go into difficult conversations.

External

As an Inclusive Leader, you hold others accountable for their behaviour and work processes. You will guide and empower, and you will actively support underrepresented groups.



OUR FRAMEWORK

Inclusion and diversity start with acknowledging the need for change, whether it comes from inside or outside the organisation. The business case for diversity and inclusion clearly comes in handy. However, diversity and inclusion must have a higher purpose than just profit.

Establishing why you want to work with diversity and inclusion and collecting data to support the journey is critical. We can help you with that and also help in the initial phases of scaling knowledge and awareness in your organisation.

However, even though awareness training is a place to start, it can never end there. Inclusion and diversity is a lifelong journey that requires time, new experiences and a lot of intentional reflections. Often the learning is about a new way of viewing the world, new behaviour, practices and language. That is not happening in an hour or a one-off workshop. This is why we develop bite-size Inclusive Leadership training modules in collaboration with the organisations. We know D&I - the organisations know their company by heart.

After the awareness training, where the foundation is set, Inclusive Leadership modules are designed to fit the context, with relatable real-life cases and actions planned.

We always recommend and support the organisations to continue the learning to ensure that it will be embedded in everyday life and ongoing training activities and leadership development to reduce the risk of backlash.

Every Inclusive Leadership program is tailored to the unique situation and organisation. To be successful, it needs to be in line with the existing strategy and values and be recognisable and useful for the leaders.

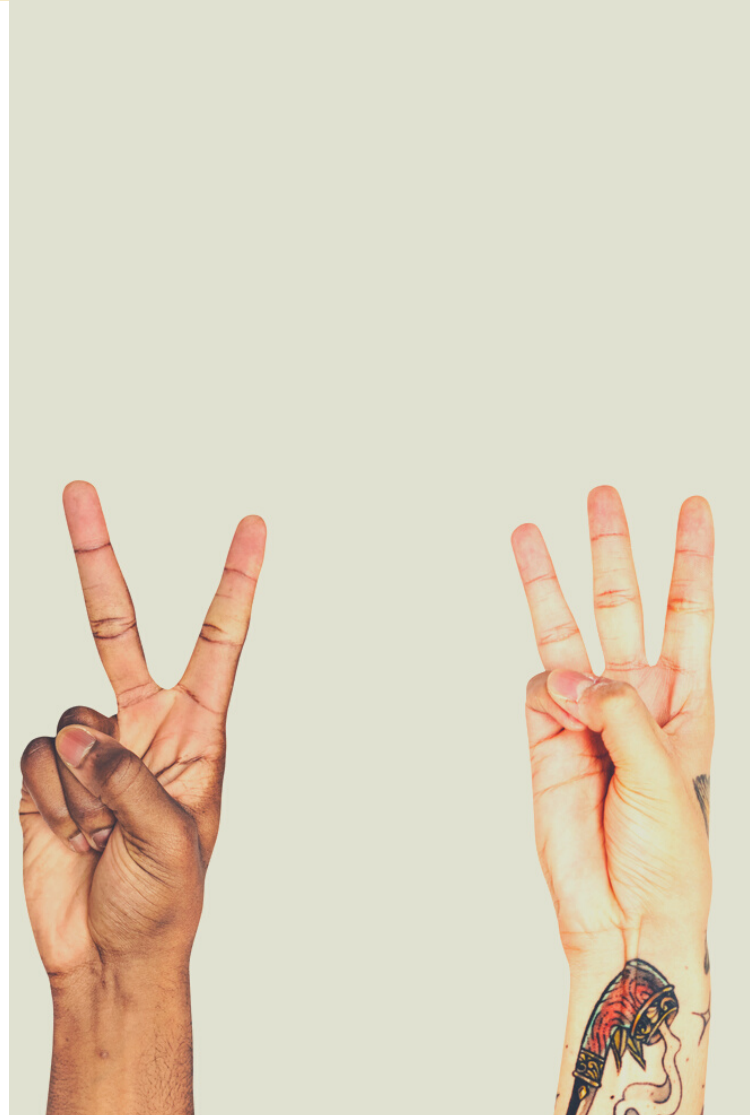
We do it with a balanced mix of situational exercises and a disruptive approach - all in line with the organisation's values, tone of voice and data collection.

ABOUT DIVERSITY FACTOR

In Diversity Factor, we're not about "hauling businesses", kicking and screaming into the world of diversity and inclusion. We are there for the ones that have had that penny-dropping moment that diversity and inclusion are not there to scare them and to beat them up. It's there to liberate their organisation and future-proof it. Our role is to service the clients who want to advance their diversity and inclusion journey and need a route to market.

We believe that organisational excellence is linked to a diverse and engaged workforce, and we help you create an inclusive and more equitable environment where diversity thrives.

Our approach is positive, practical, and intersectional. We support you from ideation to implementation and work together to tailor-make our solutions fit your unique needs.



HOW WE HELP



Analysis: Whether it is your culture or structure, we analyse and re-design to reduce bias and discrimination.



Workshops: We know D&I; you know your company. Together, we co-create your D&I strategic approach to ensure an inclusive culture.



Learning: We onboard your leadership and/or your entire organisation through bit-sized learning focused on inclusion.



Community: We provide a space for your D&I professionals to learn the latest and network with peers.

RESOURCES

Deloitte Human Capital Trends study shows worker well-being, and belonging are now the top priority, Deloitte

Diversity Matters, McKinsey

Diversity wins: How inclusion matters, McKinsey

Getting real about Inclusive Leadership (Report), Catalyst

How and Where Diversity Drives Financial Performance, Harvard Business Review

How Diversity Can Drive Innovation, Harvard Business Review

Neuro Diversity as a competitive advantage, Harvard Business Review

Organisationskultur og ledelse, Edgar H. Schein

Sense of Belonging, Cornell University Diversity and Inclusion

The difference. How the power of diversity creates better groups, firms, schools, and societies. Princeton University

The Fearless Organisation. Amy Edmondson.

The mind of the leader, Rasmus Haugaard et.al

The six signature traits of inclusive leadership, Deloitte

The Value of Belonging at Work, Harvard Business Review

Thinking, fast and slow, Daniel Kahneman

Using Employee Engagement to Build a Diverse Workforce, Gallup

Why diverse teams are smarter. Harvard Business Review

Why inclusion matters in the workplace. McKinsey