Inclusive Leadership
Unlocking the power of diversity through inclusion.
Inclusive leadership is effective leadership. It is critical to leading innovative teams where everyone is empowered to do their best work. A wealth of research supports the importance of designing inclusive organizations: when people don’t feel they can bring their full selves to work, typically they either leave the organization, or they cover up their differences and try to assimilate. As a result, organizations miss out on important perspectives and ideas, social network potential, and creativity. While everyone in an organization can and should contribute to fostering an inclusive culture, leaders have a uniquely important role to play.

So, what is inclusive leadership? In this white paper, we share Paradigm’s evidence-based framework for understanding inclusive leadership. We then provide actionable tactics all leaders can use to lead inclusively.

Why Prioritize Inclusive Leadership?

Organizations across industries and geographies are investing in building a diverse workforce. In the United States, Fortune 1000 companies spend about $1.5 million per year on diversity and inclusion programs. For a growing number of organizations, creating a workforce that is representative of our diverse society is a moral imperative. But many also understand the business benefits of diversity. Diverse teams are smarter, they make better decisions, and they solve problems more effectively than non-diverse teams. As a result, organizations with greater workforce diversity perform better financially, have greater levels of customer satisfaction, and are more capable of reaching strategic goals.

A recent global study found that with a 10% increase in gender diversity comes a 2-4% rise in profits, and that greater racial and ethnic diversity yields notable financial gains.

While the benefits of diversity are clear, organizational diversity efforts often overlook a key component to unlocking these benefits — inclusion. Diversity brings people from a wide range of backgrounds to the organization, while inclusion ensures that people feel valued and respected, and that they have equal
access to opportunities. By acting inclusively, leaders can boost satisfaction, performance, commitment, motivation, creativity, innovation, engagement, and well-being.

How can leaders become more inclusive?

Inclusive leadership doesn’t happen automatically. Through our research and work with clients, we have found that inclusive leaders do four things differently. They (1) use clear, consistent criteria to make decisions, and communicate those criteria to their teams; (2) create cultures where employees feel like they belong and are valued; (3) ensure that all employees feel like they have a voice; and (4) create opportunities for all employees to grow. While these practices foster a more inclusive culture for everyone on a team, they’re especially impactful for employees from underrepresented groups.

Drawing on these findings, Paradigm created our Inclusive Leadership Framework (see Figure 1).

Figure 1. Paradigm’s Inclusive Leadership Framework
Objectivity

Inclusive leaders ensure that decisions are made in objective, data-driven ways.\textsuperscript{25,26,27} This is important because it drives more equitable outcomes and communicates a sense of fairness to employees, ultimately boosting retention, performance, organizational commitment, and overall satisfaction.\textsuperscript{28,29,30} In fact, researchers have found that fairness in decision making is one of the most important factors employees consider in determining whether to stay or leave.\textsuperscript{31}

While most leaders intend to make objective, data-driven decisions, barriers like unconscious bias can undermine those efforts and have a particularly negative impact on employees from underrepresented groups.\textsuperscript{32,33,34} Here are three things leaders can do to boost objectivity, minimize bias, and make better decisions overall:

**Establish clear and transparent people processes.** Designing structured processes, and communicating those processes clearly, helps ensure that outcomes are fair and that employees perceive them as fair. When a promotion process isn’t transparent, for example, employees from underrepresented backgrounds may be concerned they will be overlooked for a promotion because they don’t “fit the mold” of a typical leader — and research supports their concern.\textsuperscript{35,36} To boost objectivity and increase perceptions of fairness, leaders should add structure to key decision-making processes and make an effort to communicate regularly on how decisions are made. For example, leaders can create guidelines around the factors that make someone ready for a promotion, tie those guidelines to job-level expectations, and communicate the guidelines clearly to employees.

**Be specific when giving feedback.** Providing specific examples to support feedback is helpful for ensuring evaluations are fair and objective. Articulating examples forces leaders to slow down and consider relevant context, which can interrupt unconscious bias.\textsuperscript{37} This approach also produces more accurate and actionable feedback to help employees grow and improve.\textsuperscript{38} To make this tactical, some leaders create a rule for themselves - for example, to give two specific examples to support each piece of feedback. When they can’t come up with two examples, they collect more data to ensure the feedback is well-grounded.

**Write down reasons for important decisions.** When people move and think quickly, it can force them to use mental shortcuts and rely on information that
may not be relevant. Writing down reasons for decisions interrupts that process, helping people slow down and consider information more robustly. Judges have found this strategy effective in prompting them to think through decisions more objectively before sharing them publicly. From saying yes to an informal coffee chat to assigning a high visibility project, leaders can use this tactic to promote more thoughtful decisions and ultimately more equitable outcomes.

## Belonging

Inclusive leaders ensure employees feel respected and valued, and that they are able to express themselves authentically at work. When employees feel confident they belong, they spend less time wondering, “do I fit in here?” As a result, they not only perform better, they also have higher levels of engagement, perseverance, health, and well-being. By fostering feelings of belonging, leaders empower people to focus on work and reach their full potential. Here are three things leaders can do to cultivate a sense of belonging:

### Improve representation and vocally support organizational inclusion efforts.

Employees who work in organizations with a diverse workforce are more satisfied and perform better — in large part due to fewer concerns about belonging. In addition to building more diverse teams, leaders can emphasize the importance of diversity as part of their organization’s mission or values and consistently communicate this both internally and externally. To communicate commitment internally, leaders can play an active role in diversity and inclusion initiatives by sponsoring employee resource groups, attending events, and advocating for these efforts. To communicate commitment externally, leaders can speak out against threats to inclusion in their communities. For example, in 2016, business leaders banded together to express, through public statements and tweets, opposition to anti-LGBTQ laws in North Carolina. In 2018, 49 companies signed onto an amicus brief calling for protection of sanctuary city funding, specifically citing the importance of fostering a diverse and inclusive culture.

### Foster a sense of belonging when people are new.

When people are new to a team they’re especially likely to wonder whether they belong, particularly if they don’t see many colleagues who look like them. Leaders can address this right from the start through effective onboarding programs that instill a sense of community.
For example, organizations can consider having managers personally welcome their new hires and walk them to training, assigning each new hire with an onboarding buddy, and/or setting up one-on-one meetings for the new hire with members of their team.

**Plan inclusive team events.** Social activities offer a powerful opportunity to strengthen social networks and increase belonging. But if not thoughtfully planned, these activities can backfire. In our work with one global consulting firm, we learned that employees who didn’t attend team happy hours felt excluded, and thought they had less of an opportunity to form connections that influenced career growth. To ensure social events are inclusive, leaders should gather feedback from employees on what types of events they are interested in (e.g., “Lunch & Learns”, volunteering, book clubs, hosting external speakers). Teams can then rotate events and times so people with different preferences and schedules have a chance to participate and connect.

**Voice**

Inclusive leaders ensure everyone on their team feels safe speaking up and sharing ideas. When employees feel like they have a voice, they are more satisfied and committed to their jobs. Demographic attributes like gender, race/ethnicity, age, and cultural background, coupled with people’s specific personalities and communication styles, can lead to some voices being heard far more often than others. Employees from underrepresented backgrounds often face unique barriers with respect to voice, as they are often less empowered to share ideas, given less speaking time, and interrupted when they do share. By proactively giving everyone a voice, leaders can ensure the best ideas are on the table. Here are three ways to ensure everyone has a voice:

**Reflect on communication preferences.** Leaders’ own communication preferences often influence the communication patterns on their teams. Reflecting on one’s own preferences, and observing the norms that have developed on the team, can highlight barriers and lead to effective strategies. For example, one senior leader at a tech company noticed that they took up a lot of airtime in meetings, and that this left little room for others to speak. To help rein in their dominating voice, this leader took five poker chips to every meeting and put down a chip whenever they...
Inclusive leaders proactively foster employee growth by ensuring everyone has an opportunity to learn, develop, and advance at work. One way leaders create a culture of growth is by developing and communicating a growth mindset — the belief that abilities and talents are malleable rather than fixed traits. Growth mindset leaders believe that with hard work and coaching, all employees can develop and improve. Here are three things leaders can do to create a culture that encourages everyone to learn and develop:

**Focus feedback on the process, not the person.** Though it may be tempting to tell an employee they’re “brilliant,” vague feedback focused on innate attributes...
can communicate a fixed mindset — the belief that talent is fixed, and either you have it, or you don’t. Leaders may also be more likely to give vague feedback to employees from underrepresented groups, stunting their growth. Instead, it’s helpful to focus feedback on the specific things employees are doing - behaviors, tactics, methods - that are contributing to or limiting success. At one high-growth tech company, inclusive leadership training includes strategies on how to give clear, consistent, specific, and growth-mindset-oriented feedback. The company has found that employees whose managers use these strategies feel more empowered in their roles.

**Talk openly about mistakes and failures.** Leaders in growth mindset organizations communicate that mistakes are a normal part of the learning process. Mistakes are discussed openly and analyzed in order to help employees grow, which in turn leads to fewer mistakes and better performance. At Paradigm, one way we encourage this behavior is through a #FavoriteMistakes Slack channel where people can share their own mistakes, as well as key learnings and strategies to avoid similar mistakes in the future. Our CEO contributes regularly, making it easier for the rest of the team to share and learn.

**Distribute time across the team.** People’s ability to grow and advance is directly related to the amount of time leaders invest in them. But research indicates leaders often invest more time in people from backgrounds similar to their own. To help distribute time evenly, leaders can reflect on who they spend formal (e.g., meetings) and informal (e.g., coffee chats) time with. One leader at a fast-growing startup tracked their time over a period of several weeks. After realizing they were spending a large majority of their time with white men, this leader proactively reached out to employees from underrepresented groups and invited one new person to lunch or coffee every week. In addition to fostering employee growth, this helps leaders by broadening their networks and exposing them to new people and new ideas.
Taking the Next Step

Inclusive leadership drives powerful outcomes for individuals, teams, and companies.

For individuals, it boosts wellbeing, motivation, and engagement. For teams, it increases innovation and boosts creativity. And for companies, it drives greater retention while amplifying the benefits of diversity. While this white paper offers individual-level tactics that all leaders can use to become more inclusive, ultimately organizations can amplify the impact of these efforts by deploying an overarching strategy that embeds inclusion into organizational systems and processes.

So how can organizations take the first step? Measuring inclusion through tools like an Inclusion Survey77 or an Inclusive Leadership Assessment78 offers a helpful, data-driven approach to understanding whether employees feel included, and what specific behaviors are influencing employee experiences. By gathering data and using it to inform organizational strategy, organizations will be swifter and more effective at building high-performing organizations where people from all backgrounds want to join, stay, and grow.
References


7. Ibid Dezső et al., 2012.


27. For example, an objective promotion process is one where there are no differences in promotion rates by gender or race/ethnicity (or other demographic factors); and also where employees have enough insight into the process to perceive it as equitable.


36. Ibid Walton et al., 2011.


42. This uncertainty can lead people to constantly scan their environment for cues of belonging, expending significant mental energy trying to figure out if they belong or not (Cheryan, Plaut, Davies, & Steele, 2009). This drains mental resources that otherwise could have been applied to work, and as a result leads to lower engagement and lower performance relative to their true potential.

43. Ibid Walton et al., 2011.

44. Ibid Walton et al., 2011


48. Ibid Walton et al., 2011.


54. The training can cover things like organization culture and values, team and communication norms, job expectations, and performance management — providing clear norms and expectations right off the bat.

55. Buddies, often more senior employees from a different team, serve as a social contact for the new employee to ask questions and receive guidance from on the day-to-day aspects of work.

56. Ibid Riordan et al., 2014.

57. Example - Oakland University Lunch and Learn: https://oakland.edu/diversity/lunch-and-learns/.


doi/abs/10.1080/09585192.20171335339


65. Ibid Detert et al., 2007.


70. Ibid Detert et al., 2016.


72. Research shows that employees from underrepresented groups receive less clear or more critical feedback as compared to majority group members. Ibid Reeves, 2014.

74. Ibid Mueller et al., 1998.


78. The Paradigm Inclusion Survey examines nine key factors identified, in academic research as well as in our own research, as central to creating an inclusive workplace (belonging, voice, purpose, engagement, access, objectivity, value diversity, growth, and decision making).

79. We focused on the four pillars to create the Paradigm Inclusive Leadership Assessment. This 180 degree tool compares leaders’ self ratings with ratings from their direct reports, identifying unseen gaps (when leaders rate a pillar higher than direct reports) and unknown strengths (when leaders rate a pillar lower than direct reports). Leaders and leadership teams can use results as an inclusive leadership development tool as well as a guide to prioritize and implement D&I strategy.