

Making money or creating an inclusive culture?

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I know times are tough – organisations are in the mode of restructure after restructure and redundancies – and there is constant pressure to meet budgets and make more money.

Senior leaders are stressed and focussed on the bottom line and ask:

“How can you expect us to focus on an inclusive culture when we are in the eye of the storm? Let’s park this ‘inclusive culture’ stuff until we are making more money and we are in good times.”

Here's the thing – although it's definitely tougher. Focusing on an inclusive culture when business is all about making money, budgetary pressure and financial angst is even more important – because it is the key to turning things around.

Inclusion changes everything. It is at the backbone of exceptional organisational cultures. IT ENABLES DIVERSITYand it also enables increased employee engagement, innovation, collaboration, agility, greater safety, employee wellbeing and increases customer engagement.

AND INCREASING ANY OF THESE....HAS A DIRECT IMPACT ON THE BOTTOM LINE.

I have written a number of articles around thinking bigger about inclusion – but I see so much confusion, that I think its worth clarifying once again. The confusion primarily lies with MINDSET: we have used the words 'diversity and inclusion' for so long that our brain actually automatically thinks of the terms as interchangeable.

The problem with this – is that even with leaders who understand the bigger size of the prize – when we use the word INCLUSION....their brains automatically think traditional 'diversity' ie special groups.

We need to repeat over and over again to retrain those brains – that INCLUSION is way bigger than an impact on diversity (although increasing diversity is an outcome) – and that the words 'diversity' and 'inclusion' are very different.

Here is how I define INCLUSION:

EVERY employee feels like they belong and feels like their uniqueness is valued.

Read those words a couple of times. When you do – your brain starts to trigger an 'ah-ha' – which is, if every employee feels like that – we create a culture that is cooking with gas!! INCLUDING an organisation that MAKES MORE MONEY.

There are some senior leaders that 'get' this to such an extent that they decide that this is about CULTUREand not this separate strategy that stands alone which is – 'diversity and inclusion'. The latter is something everyone is passionate about and wants to do, but frankly, it's a 'nice to have'. Whereas the business case for an 'INCLUSIVE CULTURE' is a MUST ...because it directly impacts the bottom line!



Still not convinced? Let me break it down a little further with some fun facts and data:

1. **Inclusive leadership has IMPACT**

Employees who've worked with an inclusive leader experience;

- 81% increase in productivity and performance
- 84% increased motivation
- 86% increased innovation and creativity
- 79% improved collaboration
- 81% greater engagement and loyalty

Opportunity Now and Shapiro Consulting 2015

2. Deloitte Australia research shows that **inclusive teams outperform their peers by 80%** in team based assessments.
3. Uni of Michigan professors calculated a 30% error rate when problems are solved via the application of one dominant approach vs. a 100% accuracy rate when five different approaches are applied
4. Effective team leaders are inclusive leaders in ACTION (forget the talk!) Over half the respondents agreed that their organisations didn't have the right leaders to manage and motivate teams.

Research shows that effective team leaders display the following key ACTIONS:

- Provide clear direction and leadership
- Create and open and inclusive team culture
- Empower
- Develop and Coach

85% agree that inclusive leadership, which attracts and encourages diverse perspectives and dissent, is an effective means of improving team performance.

High performing teams are created by inclusive leaders. Strong leadership is a prerequisite for any high-performance team. Effective team leaders display the following key actions:

Create an open and inclusive team culture: Effective leaders of high-performance teams encourage members to voice views and ideas. Leadership in a team setting is much less about command and control, and more about getting the most out of a diverse and experienced group of individuals.



EY: The Power of Many

5. When pressures for unanimity seem overwhelming, members are less motivated to realistically appraise the alternative courses of action available to them.

Decisions shaped by groupthink have low probability of achieving successful outcomes.

GROUPTHINK - HARVARD

6. Are leaders better off treating all of their employees the same? This traditional viewpoint ignores that as human beings, employees are profoundly different from one another. Factors such as age, generation, gender, education level, and tenure, for instance, all relate to engagement, as do an employee's job category and industry. The best managers recognize and understand the fundamental differences among their team members and think about the implications for the workplace. These managers are energized by the potential these diverse individuals bring to the table. This approach has a significant impact on an individual's level of engagement.

GALLUP

7. **Collaboration Killer: The Illusion of Inclusion.** If you want true collaboration and you want to wholly embody mindful leadership, then when you ask those questions, you must REALLY ask. And then REALLY listen.
8. Innovation stems from 'creative abrasion'.
We surround ourselves with people who make us feel safe, who come from similar backgrounds and educations, who think, feel and dress like we do – and who agree with and endorse us.

Yet our biggest gains as humans come from "creative abrasion", where we rub up against people who make us feel uncomfortable and challenge our notions of ourselves and the world we live in.

This is where creativity and innovation truly spark.

AFR

9. When high diversity and high inclusion exist – customer service is better.
When at least one member of a team has traits in common with the end user, the entire team understands that customer better. A team with a member who shares a client's ethnicity is 152% more likely than another team to understand that client.

DELOITTE

10. WHEN ORGANISATIONS SUCCESSFULLY ENGAGE THEIR CUSTOMERS AND THEIR EMPLOYEES, **THEY EXPERIENCE A 240% BOOST IN PERFORMANCE-RELATED BUSINESS OUTCOMES** COMPARED WITH AN ORGANISATION WITH NEITHER ENGAGED EMPLOYEES NOR ENGAGED CUSTOMERS.

MOST EMPLOYEES ARE NOT GROOMED FOR THE ROLE OF BRAND AMBASSADOR, WHICH COULD BE COSTING THEIR COMPANIES MILLIONS OF DOLLARS IN LOST OPPORTUNITY.

EVERY EMPLOYEE PLAYS A ROLE Not every employee is on the front lines with the customer, but every employee is still responsible for customer engagement.

In fact, fully engaged customers represent a 23% premium in terms of share of wallet, profitability, revenue, and relationship growth over the average customer.

To maximize employee and customer interactions and win in the marketplace, organisations need engaged employees deployed in every facet of their operation, not just in customer-facing roles.

Business units in top 25% of engagement scores had customer ratings 12% higher than business units in bottom 25% of engagement scores, basically, engaged employees care more about customer needs.

GALLUP

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EY: The Power of Many



Inclusive leadership has IMPACT

Inclusive teams outperform their peers

Inclusive teams make less errors

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GroupThink impacts results

When pressures for unanimity seem overwhelming, members are less motivated to realistically appraise the alternative courses of action available to them. Decisions shaped by groupthink have low probability of achieving successful outcomes.

GROUPTHINK - HARVARD

Inclusion increases employee engagement

Are leaders better off treating all of their employees the same? This traditional viewpoint ignores that as human beings, employees are profoundly different from one another. Factors such as age, generation, gender, education level, and tenure, for instance, all relate to engagement, as do an employee's job category and industry. The best managers recognize and understand the fundamental differences among their team members and think about the implications for the workplace. These managers are energized by the potential these diverse individuals bring to the table. This approach has a significant impact on an individual's level of engagement.

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Fully engaged customers pay a premium in terms of share of wallet

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