

# Opportunity Now

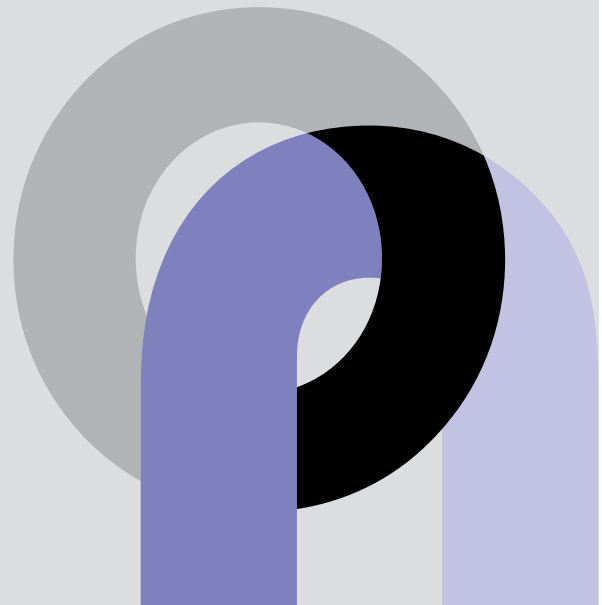
## Inclusive Leadership – from Pioneer to Mainstream

Maximising the Potential of your People

## Executive Summary

in partnership with

**S H A P I R O**



# Introduction

**This document is the executive summary of the Inclusive Leadership – From Pioneer to Mainstream: Maximising the Potential of your People research from Opportunity Now in partnership with Shapiro Consulting. A copy of the full research is available from [www.bitcdiversity.org.uk](http://www.bitcdiversity.org.uk)**

The research set out to answer three main questions:

- What makes a great Inclusive Leader?
- How does inclusive leadership add value to an organisation?
- Ways in which organisations can grow and develop their own inclusive leaders

We started from the knowledge that making the most of a diverse workforce is not just the right thing to do, it is a commercial imperative.

Inclusive leaders bring clear benefits to organisations, through facilitating innovation, making the most of diverse talent and, through their own adaptability, getting the best results for their organisation.

Our research included a review of existing research, reports and articles, focus groups, interviews with senior leaders and a wide ranging survey. Based on this, we have set out what an inclusive leader actually is, giving companies the tools to assess what inclusive leaders they currently have and to build more.

This executive summary is essential reading for anyone in a management or leadership role who wants to maximise the potential of their people.

This research was conducted and analysed by Dr Gillian Shapiro.

The report was written by Dr Gillian Shapiro, of Shapiro Consulting Ltd, and Helen Wells and Rachael Saunders of Opportunity Now

**BAE SYSTEMS**

**KPMG**

 **MARSH & McLENNAN  
COMPANIES**

**NOMURA**

With many thanks to BAE Systems, KPMG, Nomura and Marsh & McLennan Companies for their support of this research.

# Foreword

**Opportunity Now knows that a diverse workforce is a vital source of creativity, innovation and talent. Ensuring all employees are motivated and engaged is a clear commercial imperative.**



Great leadership is at the heart of great business and great organisations. It is also at the heart of creating cultures which are not only diverse, but cultures which leverage that difference for competitive advantage.

Inclusive leadership is a leadership style which embraces, encourages and taps into the creativity and ideas which come about in non homogeneous groups.

**Alison Platt, Divisonal Managing Director, Europe and North America, Bupa and Chair of Opportunity Now**

Leadership is the key to transforming organisational culture, through creating organisations in which women can thrive and reach their potential. Truly inclusive leaders are not as widespread as we might like. The greatest inclusive leaders have developed through osmosis not design – they build their ability to make the most of the diverse talent in their organisation through experience, almost by accident. This is why we have described them as pioneer leaders. They are breaking new ground, learning through example and experience and not via organisational design. This research sets out what an inclusive leader actually is, how you can identify one in your business, and how to systematically increase the number of these pioneer leaders in your organisation. I am confident that members of Opportunity Now will find it extremely useful, and hope that you make the most of the practical and pragmatic recommendations on how to achieve change within your business. We must make this shift, inclusive

leadership cannot be about pioneers, it is a leadership style that must run through our organisations.

Opportunity Now has been championing the business benefits of diversity for twenty years. We believe that systemically encouraging inclusive leadership will deliver the organisational and cultural change that is needed for all individuals to be able to thrive and succeed.

Opportunity Now and Shapiro Consulting are very grateful to BAE Systems, KPMG, Nomura and Marsh & McLennan Companies for their generous support of this research, and for the practical back up and invaluable input and ideas which made this piece of work possible.

# Inclusive leadership –

# why does it matter?

## Inclusive leadership – addressing the business issues of the decade

The business landscape is changing rapidly. The development of the knowledge economy is seeing flatter, less hierarchical structures in organisations. Increased agility is the response to emerging markets, economic downturn and the cultural change inspired by social media and new ways of networking. Organisations across the private, public and third sectors require leaders with diversity of thought coming from diverse backgrounds that can foster innovation, maximise employee engagement and make the most of the potential of their people.

## Inclusive leaders – increasing employee engagement

Our research demonstrates that inclusive leaders make a real difference in performance and engagement. 84% of respondents to our survey told us that their inclusive leader made them feel more motivated. 83% said that their inclusive leader had increased their loyalty to their team, leader and organisation. 81% reported that their inclusive leader improved their performance and productivity. 81% of respondents reported that their inclusive leader motivated them to go the extra mile above and beyond their day to day role.

1 Race for Opportunity, 2010.

2 Employers Forum on Disability, 2010, [www.efd.org.uk](http://www.efd.org.uk)

3 The Female FTSE Board Report 2010 [Report] / auth. Vinnecombe, Sealy and Dolor Graham and. - [s.l.] : Cranfield University School of Management, 2010.

4 Race for Opportunity, 2009

5 The Bottom Line: Corporate Performance and Women's Representation on Boards (2004-2008), Nancy Carter and Harvey Wagner, March 2011; A Business Case for Women, McKinsey 2010

## Demographic change

56.6% of first degrees are obtained by women. More than 10% of the UK workforce is from an ethnic minority background<sup>1</sup>. 6% of first class honour degrees are gained by students known to have a disability<sup>2</sup>.

Despite the increasing diversity of the workforce overall, women and BAME people continue to be under-represented in leadership and key decision-making roles.

Only 12.5% of FTSE 100 directorships are held by women<sup>3</sup>. Only 6.8% of all management positions are held by BAME people. Public administration, education and health account for almost 80% of all ethnic minority workers in management positions<sup>4</sup>.

## Inclusive leadership – breaking barriers

We know that diversity in decision makers is good for business<sup>5</sup>. We need a leadership approach that supports the building of diverse leadership pipelines for companies.

Our research told us that inclusive leaders can make a real impact in tackling the challenges that women and others can face in progressing at work. This includes:

- Making them feel more valued
- Increasing their self confidence and self belief
- Enabling them to be more authentic in the way they operate at work
- Creating career promoting opportunities

## The business imperative for inclusive leadership



# What is a great inclusive leader?

## What makes a great inclusive leader?

Through our research we have defined the knowledge and skills, behaviours and actions that define a great inclusive leader.

There are three core qualities of an inclusive leader:

- **Adaptable** – they are highly aware of diversity amongst the people they work with and manage. They are comfortable with using different and flexible approaches to work organisation to get the best results

and the most from their team. They are skilled at adapting their style to complement others, shifting cultural perspective in authentic ways.

- **Skilled in building a diverse talent pipeline in an organisation** – they understand their own role and responsibilities in seeking out and supporting the development of the best talent from a range of backgrounds and play an active part in this process. They are key to ensuring that the business has the range of diverse talent needed.
- **Innovative** – they understand the value of small, incremental

innovations that can improve quality, productivity, customer satisfaction and save costs; as well as larger innovations which can help lead to new products & markets. They are skilled at creating a working environment that fosters innovation – where employees feel safe, valued and empowered to innovate.

Expanding on the qualities, our research has found 24 characteristics – knowledge, skills, behaviours and actions that define a great inclusive leader, as summarised in the table below.

## 24 Characteristics of great inclusive leaders

Knowledge & Skills	Behaviours	Actions
<ul style="list-style-type: none"> <li>• Creating diverse teams</li> <li>• Flexing your style to match others</li> <li>• Providing tailored coaching and mentoring</li> <li>• Creating two-way communications across boundaries</li> <li>• Cognisant of your own assumptions and stereotypes &amp; skilled at minimising their impact</li> <li>• Skilled at leveraging the personal motivators and drivers of others to maximise performance</li> <li>• Role modeling inclusive leadership</li> <li>• Building safe environments that empowers creativity, innovation &amp; problem solving</li> </ul>	<ul style="list-style-type: none"> <li>• Being trusting of others, trustworthy and honest</li> <li>• Being approachable</li> <li>• Demonstrating a genuine interest in and respect of differences in others</li> <li>• Being open about your own strengths and weaknesses</li> <li>• Being non-hierarchical</li> <li>• Supporting others in reaching their career goals</li> <li>• Being authentic &amp; consistent</li> <li>• Being resilient in constructively challenging behaviours &amp; processes that do not support inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• Getting to know people in your team personally</li> <li>• Helping people in your team understand the bigger organisational picture</li> <li>• Seeking out, coaching and mentoring high potential diverse talent</li> <li>• Helping others in your team to recognise and focus on their strengths</li> <li>• Providing sponsorship to others</li> <li>• Influencing others on the business impact of inclusion and diversity</li> <li>• Asking for feedback on the impact of your behaviour, style and approach</li> <li>• Focusing on work output and quality &amp; promoting flexibility in work organisation</li> </ul>

# Where we are now – pioneer leaders

## Where we are now – pioneer leaders

Inclusive leaders are vital in building engagement, improving employee performance and developing a diverse leadership equipped to meet the business challenges of the decade.

Despite their importance, inclusive leaders are not yet widespread in organisations. This is because many organisations have not yet taken the formal actions required to develop inclusive leadership.

The inclusive leaders that do exist within organisations today are pioneers. They have forged their own path, developing an understanding of the importance of leveraging the benefits of diversity, and understanding how to do it. They have developed these capabilities through osmosis, not design. The inclusive leaders we spoke to developed their skills through personal and organisational experience, and sometimes through being supported by organisational systems and processes that reinforced the value of inclusion.

## How widespread is inclusive leadership?

66% of our survey respondents reported that, in their experience, less than half of the managers and leaders in their organisation are great inclusive leaders. Those inclusive leaders that do exist do not yet have the skills needed to make the most of their diverse workforce. Whilst the inclusive leaders described by survey respondents had many general people focused skills and behaviours, such as being approachable, trustworthy, honest and encouraging innovation, fewer had the skills and behaviours most relevant to diversity. Challenging non-inclusive behaviour in others, being aware of and able to minimise their own stereotypes or assumptions or understanding how diversity can add value to the team or business – all of these were more rare. There is a long way to go if truly inclusive leaders are to move from pioneers to the mainstream.

## Closing the inclusive leadership gap

It is clear that if we continue to rely on the “viral” spread of inclusive leadership alone, we will not develop the volume of inclusive leaders required to meet future business challenges. Our research has found that the three actions that our survey respondents believed would have the greatest impact in creating more inclusive leaders were:

- Create more role models at all levels of the organisation with inclusive competence to encourage others to emulate them
- Build more opportunities within development programmes for managers and leaders to build inclusive behaviours and skills
- Make it essential to demonstrate inclusive skills and behaviours when recruiting and promoting leaders.

# How to mainstream inclusive leadership

## From pioneer to mainstream

The shift that will move inclusive leaders from rare pioneers to the mainstream requires a whole system approach. It requires inclusion to be positioned centre stage on the leadership agenda and not approached as an issue that is additional or parallel to the core leadership development strategy.

The move from pioneer to mainstream needs organisations to consider the extent to which the skills, knowledge, behaviours and actions of inclusive leadership are reflected in their leadership framework, leadership development programmes and talent management and reward strategies. Inclusive leadership should be central to the recruitment, retention and development of leaders and managers.

We recommend organisations follow our framework that will enable them to:

- Identify their current inclusive leadership capabilities
- Move inclusive leaders from pioneers to mainstream
- Assess the effectiveness of their inclusive leadership capabilities in helping to address core business challenges

Different organisations will have different starting points as they begin this work – our five step model can be flexible, and is not intended to be prescriptive.

## Step 1: Build a sponsorship & change agent group

To achieve whole system change, all key change agents need to be involved. This helps to gain widespread buy-in right from the start and spread responsibility and accountability for achieving positive results across key players.

The change agents that are key to involve in mainstreaming inclusive leadership will vary between organisations, but are likely to include:

- Senior leaders and decision makers
- Known inclusive leaders
- Talent management / Leadership development practitioners, HR practitioners responsible for recruitment, promotion and reward processes
- Emerging leaders from groups who are currently under-represented in leadership
- Inclusion & Diversity practitioners

## Five step framework for mainstreaming inclusion as a core leadership capability



# 10 inclusive leadership

## self-assessment questions

1. Do you sponsor someone with high potential who is from a group currently under-represented in leadership to support them in realising their career aspirations?
2. Do you ask those you manage or lead for feedback on the impact of your style and approach in supporting them to perform well and/or progress their careers?
3. Do you know the different values and drivers that motivate those you manage or lead and do you leverage these to help improve performance?
4. Do you challenge others if their behaviour or actions do not support inclusion and diversity?
5. Are you aware of the stereotypes, assumptions and judgements you make about different groups (unconscious bias) and what you can do to minimise the potential negative impact of these?
6. Do you involve and encourage those you manage or lead to identify problems early on, come up with solutions and improvement ideas?
7. Does your team reflect diversity in its demographic make-up, background and perspectives and do you leverage this to avoid group-think?
8. Are you clear how inclusion and diversity can help you meet your own and the wider organisation's business goals?
9. Do you help those you manage or lead understand the bigger organisational and strategic picture and their role within this?
10. Do you mentor others, including women and people from minority backgrounds and check that your approach meets their specific needs?

## Step 4: Equip leaders to become great inclusive leaders



### Step 2: Define the strategic imperative for inclusive leadership

Clear organisational commitment and a well understood business case are vital if your work on inclusive leadership is to be successful. Define where inclusive leadership fits within your organisational goals, and how it will help deliver corporate priorities.

Once defined, it is important that the rationale for developing and mainstreaming inclusive leadership is communicated across the organisation and in particular with those who will be involved with the change taking place.

### Step 3: Identify your organisation's inclusive leadership gap

This research found that inclusive leadership is not yet widespread across organisations and that even good inclusive leaders often have further development needs particularly in relation to specific diversity issues. Your strategic imperative will inform where you particularly need to develop great inclusive leaders.

### Identifying your inclusive leadership gap: Self-assessment questions

We have developed ten questions that every leader in your organisation can ask them selves. If they cannot answer the questions or answer no to three or more of the questions, it is likely that they would benefit from developing their inclusive leadership capabilities. The collective score of your leaders to these questions will also help to establish your base-line inclusive leadership capability.

### Step 4: Equip leaders to become great inclusive leaders

There are four aspects to consider when equipping leaders to become great inclusive leaders and to ensure that inclusive leadership runs through the DNA of your organisational processes.

In order for inclusive leadership capabilities to become embedded in your organisation and for this to be sustainable, it is important to **check, challenge** and where needed, **change** elements in each of the above four areas associated with leadership development:

- recruitment
- performance management, promotion and reward
- leadership development
- organisational policies

### Step 5: Assess the outcomes of mainstreaming inclusive leadership

It is important that the progress of the organisation's work on building inclusive leadership is regularly measured and monitored. In the experience of Opportunity Now, senior buy in and accountability is crucial to achieving real and sustainable change.

# About Opportunity Now



opportunitynow  
men | women | workplace

Opportunity Now empowers employers to accelerate change for women in the workplace. We work with our membership of employers, from private, public and education sectors to offer tailored, practical and pragmatic advice on workplace issues.

Opportunity Now is an initiative of Business in the Community, a charity that stands for responsible business.

Founded in 1991, the original aim of Opportunity Now was to maximise the potential of female employees and improve their recruitment and retention prior to the start of the new millennium. 20 years on the need for the work of Opportunity Now is just as strong.

The campaign pillars of focus for 2011 – 2012 are:

- **Balanced Boards**
- **Flexible Working**
- **Equal Pay**

[www.bitcdiversity.org.uk](http://www.bitcdiversity.org.uk)

## Methodology

The research included a literature review, in-depth interviews and a survey sent out across the Opportunity Now membership.

A combination of one-to-one and group interviews were held with 68 people, both employees and leaders from across three organisations.

Based on the results of the in-depth interviews, a survey was designed. 600 people from numerous private and public sector organisations responded to the survey in July 2011.

The full report is available at [www.bitcdiversity.org.uk](http://www.bitcdiversity.org.uk)

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