Inclusive Leadership: Critical for a Competitive Advantage

Berlitz Cultural Insights Series

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Diversity without inclusion does not work

Diversity exists today in just about every part of the world and every industry sector. As the world becomes “flat” and organizations continue to globalize, a diverse workforce is commonplace.

Global organizations understand that a diverse workforce can be the primary source of competitive advantage. But simply having a diverse organization is not enough.

Successful organizations share one common characteristic. They have learned how to leverage diversity to create a unified and inclusive global culture.

This includes developing a deeper understanding of culture and cultural differences as it applies to individuals, teams, functions and organizations.

Practicing diversity and inclusion on a global scale allows for more effective talent management (attraction and retention), more effective alignment and team performance, and improved efficiency, all factors which contribute to building a high-performance organization.

To be successful, organizations and corporate leaders must embrace the differences people represent and demonstrate they are inclusive as well as diverse.

Global trends

The importance of diversity and inclusiveness are further underscored by key global trends that are affecting the workforce.

- The workforce is advanced; industrialized economies are maturing.
- The percentage of immigrants and minorities in the workforce and customer base of industrialized countries will increase.
- The proportion of women in the workforce and in decision-making positions will increase.
- There is increasing recognition and acceptance of gay/lesbian lifestyles.
- People with disabilities are increasingly represented in the workforce.
- There are increasing cross-border/cross-boundary influences and dependencies (M&A, suppliers, JVs, stock- and stakeholders, etc.).
- Several generations with different needs and learning styles are represented in the workforce.
Inclusive Leadership: Critical for a Competitive Advantage

“Understanding Diversity and Inclusion

Today, diversity has a much broader meaning than traditional definitions focusing only on gender and ethnicity.

**Diversity** in the global context can be defined as visible and invisible differences, thinking styles, leadership styles, religious background, sexual orientation, age, experience, culture etc.

**Inclusiveness** is the quality of the organizational environment that maximizes and leverages the diverse talents, backgrounds and perspectives of all employees.

**Diversity is the mix; inclusiveness is the lever.**

Many organizations focus on attracting a diverse group of employees, but then struggle with retaining the right talent. Organizations with a highly diverse workforce that do not pay attention to an inclusive environment are likely to be more dysfunctional than organizations without a diverse staff.

Research suggests that the answer lies not so much in policies and procedures as in the mindset of leaders in creating a culture that is inclusive.

The following chart shows the relationship between diversity and inclusion.

The upper left quadrant (A) shows high diversity but low inclusion.

The lower left quadrant (B) represents low diversity and low inclusion.

The bottom right quadrant (C) shows high inclusion but low diversity.

Quadrant D shows high inclusion and high diversity.

Organizations that practice inclusion as well as diversity are able to experience high levels of collaboration, engagement and retention which provide a competitive advantage.

**Achieving Quadrant D**

Adapted from The Guide for Inclusive Leaders, 2005
The role of the leader is crucial in driving performance in a globally diverse and inclusive environment

Traditional teams created with no particular emphasis on diversity typically perform at average levels. Global and culturally diverse teams experience heightened risks and opportunities, but high team performance occurs if the team leader drives performance through inclusiveness.

The journey to cultural agility

Focusing on inclusion starts with developing Cultural Agility, the ability to effectively navigate, communicate, interrelate and function well in diverse cultural settings.

Culturally agile leaders are adaptable and flexible. These are skills necessary to reduce risk and maximize opportunities to achieve performance and results.

Developing cultural agility starts with an open attitude, which leads to self-awareness, other awareness, knowledge and skills to apply this knowledge.

Leaders agile enough to diagnose team dynamics exhibit change agent behavior. Leaders who are unable or unwilling to use this change agent behavior can negatively impact the organization in a number of ways: unconscious biases in grooming of individuals, unequal and inequitable standards, lag in using diversity and inclusiveness to further client relations and grow accounts and the inability to retain talent.

Also important on the journey to cultural agility is a focus on micro-behaviors: small, subtle, often unspoken and unconscious behaviors that communicate dispositions, attitudes, biases, and sentiments. Body language, voice tone, and facial expressions can impact positively or negatively, putting some team members at a disadvantage and others at an advantage.

Four key skills are fundamental to attaining cultural agility:

- **Cultural Due Diligence**: the process of adequately assessing the possible effects of culture in relationships.

- **Style-Switching**: the ability to use a broad and flexible behavioral repertoire to accomplish one’s goals.
Inclusive Leadership: Critical for a Competitive Advantage

- **Cultural Dialogue:** the ability to illuminate cultural underpinnings of behavior and performance, close cultural gaps and create cultural synergy through conversation.

- **Cultural Mentoring:** the ability to advise, teach and coach individuals in one’s sphere of influence to (a) recognize the cultural underpinnings and consequences of their behavior, (b) understand the cultural and behavioral requirements for true inclusion, and (c) support change through inclusive behaviors, practices, and approaches (including policies and systems).

**Practical suggestions to get you started on your journey to cultural agility**

To become an inclusive leader:

- **Check your assumptions and biases.** Cultivate a non-judgmental attitude towards differences. Ask yourself: are your assumptions based on fact?

- **Assume positive intent.** Participate in meetings and discussions with a positive attitude to build an inclusive environment.

- **Slow down your responses.** Think and listen before you talk. Develop listening skills that help build inclusive behavior.

- **Scan social dynamics and interaction patterns for exclusion behaviors.** Look at your team. Are some members more dominant while others are more passive and quiet? Work to engage passive participants.

- **Treat everyone as your Number 1.** Give everyone a voice. For example, someone on a performance improvement plan should be treated with the same respect and included in the same way as any other colleague.

- **Deepen self and other-awareness.** Recognize your own behaviors, how it impacts team members’ behaviors, and work toward becoming more inclusive.

- **Engage and motivate others in learning about differences and experiences non-judgmentally.** Speak with peers and direct reports about the importance of the journey to cultural agility. Talk about your own journey; share it with others and engage colleagues in conversation about the importance of inclusion.

- **Engage in constructive conversations to prevent, reveal and transform exclusionary patterns and behaviors.** Go into meetings and discussions with a win-win attitude.

- **Provide individual feedback and coaching to transform exclusion behaviors.** Be forthcoming and let someone know when their non-verbal or verbal behaviors are exclusionary.

- **Model inclusive behaviors in your sphere of influence.** Leaders lead by example.

“Innovation provides the seeds for economic growth, and for that innovation to happen depends as much on collective difference as on aggregate ability. If people think alike then no matter how smart they are, they most likely will get stuck at the same locally optimal solutions. Finding new and better solutions, innovating, requires thinking differently. That’s why diversity powers innovation.”

(Dr. Scott Page, Professor of Complex Systems, University of Michigan at Ann Arbor)
About Berlitz Corporation

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Berlitz programs can be delivered through facilitated sessions face-to-face, live online via the Berlitz Virtual Classroom®, or through web-based self-directed or blended options. Together with TMC, we offer web-based learning programs and assessment tools. The Cultural Navigator™ delivers the most comprehensive and timely cultural business intelligence available through an online interface. The Cultural Orientations Indicator (COI), a statistically valid assessment tool, measures personal cultural preferences. The COI enables individuals to acquire the awareness and knowledge necessary for building effective skills and behavioral adaptations for multicultural management and business.

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About the Author

Malini Janakiraman, a certified TMC consultant, has had 25 years of corporate experience in Accounting and Human Resources and is fluent in three languages. She was born and raised in Bangalore India and works on a global basis; currently consulting in the field of Diversity & Inclusion, Executive Coaching and Leadership Development. Malini has an International MBA from Thunderbird University.