

ARTICLE

Inclusive leadership: Finding the right balance

Analysis of more than 30,000 surveys of leaders and their colleagues highlight the power—and a few perils—of being an inclusive leader. Leaders and their teams must find the right balance by watching out for a few behaviors.



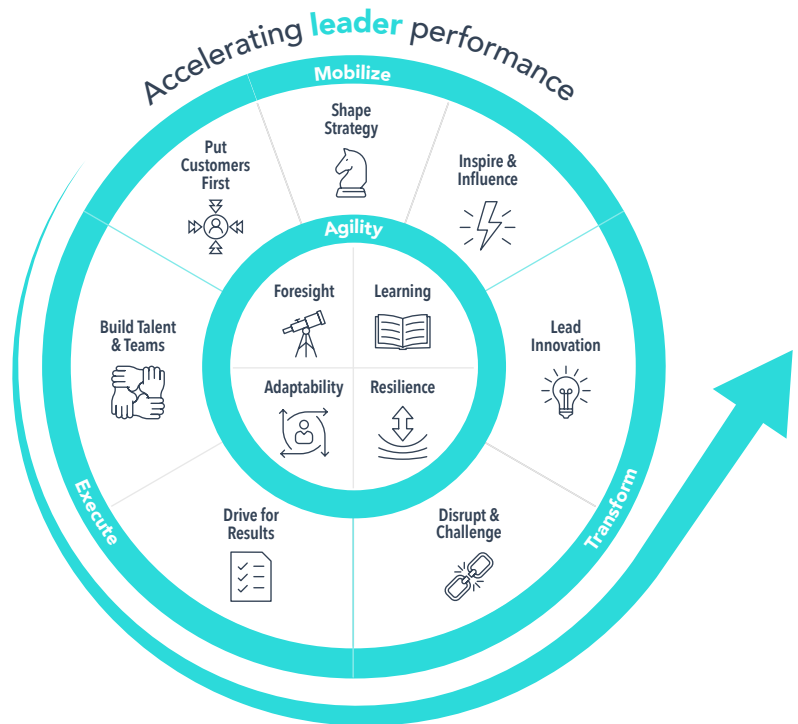
Companies that are making the most progress on DE&I, our work shows, make an intentional commitment to clarity and culture to create a systemic, whole-company focus on inclusion.

Inclusion matters more than ever to organizations of all kinds. A recent survey conducted by Heidrick & Struggles shows that 93% of executives from eight countries around the world said diversity, equity, and inclusion matter more to their company now than in early 2020—and employees are the most cited reason why.¹ Inclusion is at the core of thriving cultures, which engage and retain employees in the face of fatigue, changing priorities, and burnout.² Companies that are making the most progress on DE&I, our work shows, make an intentional commitment to clarity and culture to create a systemic, whole-company focus on inclusion. And leaders, at all levels, are at the heart of shaping, maintaining, and role modeling inclusion.

But what exactly do inclusive leaders do? How does being inclusive help them and their organizations? And do they run a risk of underemphasizing other important leadership capabilities when they focus on inclusion? Our analysis of more than 30,000 surveys of leaders and their colleagues—managers, peers, team members—fielded over the past few years highlights the key differences in how leaders who are perceived as inclusive behave. It also shows that leaders who are rated by their teams as most inclusive are rated higher than others across the board by their managers.

However, managers also highlight a few risks when leaders are particularly inclusive: perceptions that they are overly cautious, risk averse, or too focused on internal dynamics rather than external ones. That being said, internally, 52% of executives surveyed see DE&I efforts as significant contributors to business success, and more cite employees as the core drivers of that success than any other factor, our survey shows.³

Our analysis looks at 33 aspects of leadership, which contribute to 11 drive factors that, together, help leaders mobilize their organizations so they can execute and transform with agility.



1 Jonathan McBride, *Employees at the Center: What It Takes to Lead on DE&I Now*, Heidrick & Struggles, heidrick.com.
 2 For more see Rose Gailey and Ian Johnston, *Future-Focused: Shape Your Culture. Shape Your Future*, Chicago: Networlding Publishing, 2021.
 3 Jonathan McBride, *Employees at the Center: What It Takes to Lead on DE&I Now*, Heidrick & Struggles, heidrick.com.

We have found that the leaders considered most inclusive by their teams do three things particularly well: they build deep purpose and engagement, create a deep sense of belonging, and value individuality.⁴ To do so, the following five behaviors are central:⁵

Inclusive leaders:



And these behaviors don't only create collaborative, engaged, productive teams. The managers of the most inclusive team leaders rate those leaders higher across the board, on all 11 drive factors and all 33 energizers that underlie them.

4 For more see Alice Breeden and TA Mitchell, "Six actions leaders can take to nurture inclusive teams," Heidrick & Struggles, heidrick.com.

5 For more see Karen Rosa West and Megan Herbst, "What inclusive leaders do—and don't do," Heidrick & Struggles, heidrick.com.

Managers' rating of the most and least inclusive leaders: Positives (%)

● Bottom quartile ● Top quartile



Source: Heidrick & Struggles' LAQ360 assessment

The biggest positive difference in the underlying energizers is in empathy, which contributes to adaptability. More broadly, we know that empathy is a crucial part of leading with humanity and building connections in uncertain times and frequently changing conditions. The other two behaviors with the largest differences are developing leaders—which is, of course, an important part of building teams—and engaging and energizing the organization, which contributes to being inspiring and leading through influence.

“It is important for leaders to embrace a learning culture and be humble. We need to stop leading through our egos from lofty heights of self-importance.”

One leader's perspective

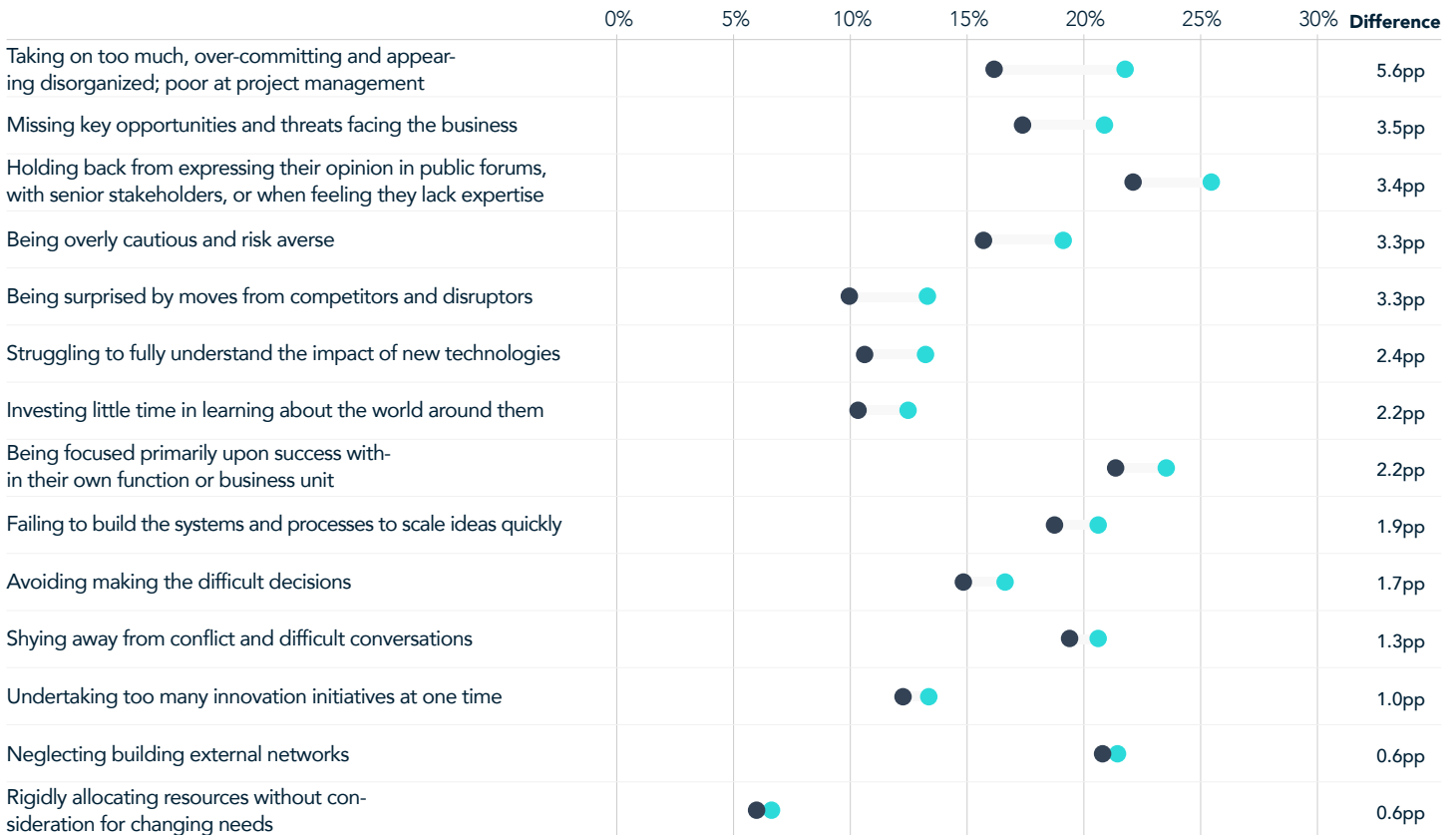
A C-suite executive at one of the largest banks in the world described their approach to inclusion this way: “It is important for leaders to embrace a learning culture and be humble. We need to stop leading through our egos from lofty heights of self-importance. It is so much easier to breathe and feel ourselves when we have the confidence to walk among our brethren without hiding behind our dysfunctional status symbols.

“We need to live inclusion by reaching out to colleagues—every smile, moment of eye contact, and minute of engagement matters if it is genuine. A leader's charisma, character, and courage matter but need to be seen through their honesty, humility, and humanity. Only when underpinned with integrity will intellect survive the test of time to continue to inspire. And words matter. Leaders need to walk the talk and be acutely aware of the impact of any missteps.”

Our surveys also measure derailing behaviors, and it's notable that the most inclusive leaders tend to be seen as demonstrating certain negative behaviors such as being disorganized, missing key opportunities, and holding back from expressing their opinions more often. The differences between the most inclusive leaders and the least are smallest on behaviors related to transformation.

Managers' rating of the most and least inclusive leaders: Potential perils (%)

● Bottom quartile ● Top quartile



Source: Heidrick & Struggles' LAQ360 assessment

Even the most inclusive leaders must be able to comfortably exercise their authority to make executive decisions—but they must also make sure their teams know when, why, and what the effects of those decisions will be.

Inclusion is central to good leadership today. But it is important for leaders to remember that inclusion doesn't mean being liked, or that everyone gets to have a voice all the time. Even the most inclusive leaders must be able to comfortably exercise their authority to make executive decisions—but they must also make sure their teams know when, why, and what the effects of those decisions will be. How they do that needs to vary, since each person and each team need to be led differently; inclusive leaders can draw on their ability to adapt to succeed. Inclusive leaders should actively seek the right balance, for themselves and their organizations, between internal and external, keeping in mind how and why diversity, equity, and inclusion are important to their organization's purpose and long-term business success. That right balance for each leader, and each organization, will be different, and it is only by finding their unique balance that leaders can ensure they and their organizations continue to reap the benefits.

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Further reading

Employees at the Center: What It Takes to Lead on DE&I Now

Getting DE&I right is more important, and more complicated, than ever. A survey of 420 executives from eight countries offers insights into how companies are trying to keep up with the pace of change and what questions to ask next.

"What inclusive leaders do—and don't do"

How do some leaders build teams that develop better ideas, innovate continuously, and drive strong business results—all while doing right by everyone?

"Six actions leaders can take to nurture inclusive teams"

Surveys of leaders and teams show that inclusive leadership creates agile, disciplined, collaborative teams—teams that can help their organizations accelerate performance and compete for talent.

Diversity, Equity & Inclusion Practice

Heidrick & Struggles' Diversity, Equity & Inclusion Practice helps our clients recruit, build, and develop inclusive leaders and diverse organizations that encourage the exchange of ideas and drive innovation.

Across industries and geographies, diversity, equity, and inclusion are now strategic imperatives—and for good reason. Companies that are committed to building a more diverse, equitable, and inclusive workplace not only better reflect the customers and constituencies they serve, they encourage different ways of thinking and promote policies that open doors of potential greatness for individuals, as well as organizations.

Our top-down approach helps senior leaders understand the real state of DE&I within their organizations so they can better identify opportunities for positive change. Working alongside our clients, we create comprehensive, data-driven strategies that foster inclusive cultures and deliver sustainable results.

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