

### BUILDING INCLUSIVE TEAMS: WHY INCLUSION MATTERS - PART 1

Recently, I've noticed an increase in pushback against DEI (Diversity, Equity, & Inclusion) initiatives. What surprised me was that these voices included people and companies I respect, not just those who misunderstand or oppose DEI for fear of disenfranchisement.

The core of their argument? Too much emphasis on diversity and not enough on inclusion. Hiring diverse talent is commendable, but it's only half the battle. Without inclusion, these efforts can mask underlying issues. For example, despite my company's efforts to hire more women in sales and software engineering, our overall gender balance remains stagnant due to higher female attrition rates.

What I realized was that inclusion is the missing ingredient. It is an area where all companies can improve, unlike the limited diverse talent pools. Inclusion is internally driven, meaning any company can become more inclusive by focusing on internal culture and practices.

This realization ignited a new passion within me. Since the beginning of the year, I've been focusing on making companies and teams more inclusive. And over the next seven months, I'll share the lessons I've learned and tools to help you foster a truly inclusive workplace. This first installment emphasizes why inclusion is essential and why it should be prioritized over merely hiring diverse talent.

#### What Do We Mean by Inclusion?

Before we can start providing you with the tools to build an inclusive company, it is important to align on a definition of inclusion. While there are many different variations on the definition of inclusion, I prefer the definition that inclusion has two main components: a sense of belonging and feeling valued for your unique contributions:

- **A Sense of Belonging** - The first thing that is critical is that you and your employees feel an overall sense of belonging to the team and the overall company. Everyone feels accepted and part of the team. In essence, people feel like they are a true part of the team, and that they are an important part of the organization. The benefit of this is that people that feel a sense of belonging are more likely to contribute their best work, collaborate effectively, and stay with the company longer.

But a sense of belonging isn't enough. It is important to feel like you are part of the team, but it isn't a positive thing if you have to contort yourself to fit into the team's way of working. In this manner, you aren't really feeling a true sense of belonging if you are changing who you are in order to fit the team or company.

- **Feeling Valued for Your Unique Contributions** - True inclusion requires that the team and organization value the individual for their unique contributions. It isn't enough to accept someone is different. A truly inclusive culture sees those differences as strengths. These different perspectives, skills, and experiences are the things that truly make a difference in team performance.

When a sense of belonging and feeling valued for your unique contributions is combined, that is when something special occurs within the company. This is when employees feel like that can be their true selves, and when they can share their perspectives without fear of negative consequences. This is the moment when a truly inclusive culture is born.

#### Why Inclusion Is Critical?

For some of you, everything you've read so far is like preaching to the choir. You are already a believer. But for others, inclusion might seem like a fluffy concept, especially when you're facing hard realities like meeting sales targets, staying profitable, or creating the next big product. Convincing leaders to focus on inclusion can sometimes feel like asking a homeowner to discuss the garden while their roof is leaking. However, inclusion is far from a soft concept; it provides substantial benefits to companies.

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Below is the research on the tangible benefits of inclusion:

- **Improved Decision Making** - Research by Korn Ferry (2016) shows that companies with higher levels of inclusion are 87% more likely to make better strategic decisions. This is because diverse perspectives are integrated into the decision-making process. Consider the financial impact if your company were 87% better at making strategic decisions.
- **Faster Time to Market** - The same Korn Ferry research indicates that inclusive companies are more innovative and quicker to launch new products. Specifically, inclusive companies were 75% faster at bringing products to market compared to their less inclusive counterparts. Imagine the competitive advantage if your company could launch new products in two months while your competitors took eight to launch the same thing.
- **Increased Employee Engagement** - Companies with higher levels of inclusion also have higher levels of employee engagement, and there is a lot of research that proves that higher levels of engagement lead to better business results. Research by McKinsey (2020) demonstrates that people feel more engaged when they are connected to their team and valued for their unique contributions. This enhanced engagement drives better performance, showing how crucial inclusion is to achieving business success.
- **Retention of Diverse Talent** - Higher engagement also leads to better retention. When employees feel valued and connected, they are more likely to stay with the company. Research by Cornell University (2023) highlights that fostering an inclusive environment significantly reduces turnover rates, especially among employees from marginalized backgrounds. Additionally, Google's DEI report (2020) found that inclusive practices improve retention and career progression, underscoring the importance of inclusion in maintaining a diverse workforce.
- **Overall Financial Performance** - If the above benefits aren't convincing enough, consider this: companies in the top quartile for diversity and inclusion are 27% more likely to outperform on profitability compared to those in the bottom quartile (McKinsey, 2020). This should seal the deal for most companies. Beyond the moral arguments for inclusivity, the financial benefits are clear. The more inclusive you are, the more successful you're likely to be compared to your competitors.

In conclusion, while focusing on diversity is essential, inclusion is what truly unlocks the potential of a diverse workforce. It drives better decision-making, faster innovation, higher employee engagement, improved retention, and ultimately, stronger financial performance.

### **My Own Journey to the Power of Inclusion**

My journey into understanding the true power of inclusion began with a critical examination of our DEI strategies. Despite our company's efforts to hire more women, particularly in sales and software engineering, our overall gender balance remained unchanged due to higher attrition rates among female employees. We were doing a great job at hiring diverse talent, but we weren't doing what was necessary to make them feel included.

To bridge this gap, I developed tools aimed at fostering inclusive teams. One such tool is an onboarding tool that helps managers and new hires understand their working dimensions, fostering better communication and collaboration. For the broader team, I created a healthy team toolkit to identify and leverage the similarities and differences in work styles within teams. These tools have helped us create a more inclusive environment where everyone feels valued and can contribute their best work.

While I must admit that we are not living in the perfect inclusive utopia because of my tools, I can share that focusing on inclusion has transformed our workplace culture and significantly improved our team dynamics. By valuing each individual's unique contributions and fostering a sense of belonging, we've seen tangible benefits such as higher employee engagement, better retention rates, and enhanced innovation. Nowadays, I don't even position these tools as "inclusion" tools, but rather performance tools that help leaders and teams succeed.

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## Next Month's Preview ...

Over the remaining six articles, I will share the insights and practical tools I've developed to build inclusive environments. This first installment emphasizes the importance of inclusion and why it should take precedence over merely hiring diverse talent. Next month we will start looking at how you can build an inclusive mentality within your team. We will tackle stereotypes and cognitive biases, and ultimately give you the tools to foster inclusion within your team. Let's embark on this journey together to unlock the full performance of our diverse teams.

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