



**SHIFT
FORWARD**

SHIFT/FORWARD

REDEFINING LEADERSHIP

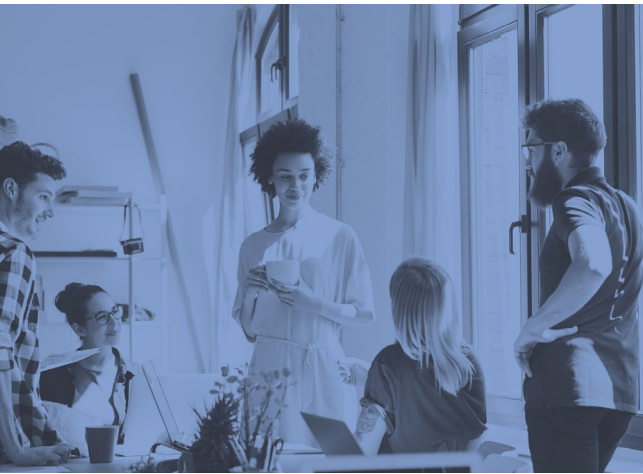
The Inclusion Imperative

INTRODUCTION

Today's workforce is calling for new leadership

The inclusion landscape for organizations has evolved dramatically. Even within the last year, expectations, conversations, and workforce needs have significantly changed. No matter where they are in their inclusion journey¹, organizations are struggling now more than ever to cultivate a diverse and inclusive environment for their people.

Actions speak louder than words when it comes to diversity and inclusion. From previous research², Deloitte discovered that much of today's workforce prioritizes inclusion as an experience instead of a purely programmatic solution. People want their leaders and peers to display inclusive behaviors on a daily basis. While effective programming is important, many people wanted to feel included in their teams, on their projects, and in everyday interactions.



This is a major challenge for organizations. How can organizations influence what are often highly personal experiences? A crucial factor is the behaviors modeled by leaders: "The behaviors of leaders (be they senior executives or managers) can drive up to 70 percentage points of difference between the proportion of employees who feel highly included and the proportion of those who do not."³ This inclusion challenge facing leaders inspired Deloitte and The Female Quotient to re-examine the role that leadership plays in advancing inclusion in organizations today. First, we explore what today's workforce sees as the impact of inclusion in their organizations and for their careers. Second, we examine the role that leaders can play in advancing inclusion and what specific traits today's workforce is seeking from leaders. Finally, we share actionable steps that leaders can take to embody the Human CEO and operationalize inclusion in their cultures.

Today's workforce is demanding change. They want to be part of organizations that advance inclusion and see leaders playing a critical role in fostering that culture. But to meet these expectations, leaders need to view inclusion as a distinct leadership skillset to be developed and prioritized, as well as rethink the traits and behaviors they exhibit on a daily basis.

With expectations for advancing inclusion continuing to evolve, redefining what leadership looks like today should be a crucial imperative for organizations seeking to engage talent, inspire innovation, and thrive in the future.

Janet Foutty, Chairman and CEO | Deloitte Consulting LLP
Terri Cooper, Chief Inclusion Officer, Deloitte
Shelley Zalis, CEO, The Female Quotient

¹ [Human Capital Trends 2018](#)

² Unleashing the power of inclusion

³ Eight powerful truths



PART 1

TO ADVANCE INCLUSION, ACTIONS SPEAK LOUDER THAN WORDS

The business case for inclusion is clear. Less clear is whether inclusion programs and initiatives are actually achieving their intended purpose. We wanted to learn whether inclusion initiatives and behaviors were actually being embedded into organizations, embodied by leaders, and positively impacting the experience and day-to-day performance of talent and teams.

We asked today's workforce how they were experiencing inclusion on a daily basis, how this was impacting their work, and whether inclusion efforts were enabling them to advance in their careers. We conducted a survey of over 5,000 respondents across the US in a range of different organizations and industries. Respondents reported that they often interpreted the message of inclusion as an organizational value. Yet, many believed that inclusion is not treated as a critical business issue. Fifty-five percent of respondents agree that inclusion is discussed within their organization, but rarely acted upon. While organizations may recognize the need for inclusion, some have faltered when it comes to enacting it and embedding it in their people's experiences.

Q: How much do you agree or disagree with the following statements about your current workplace?

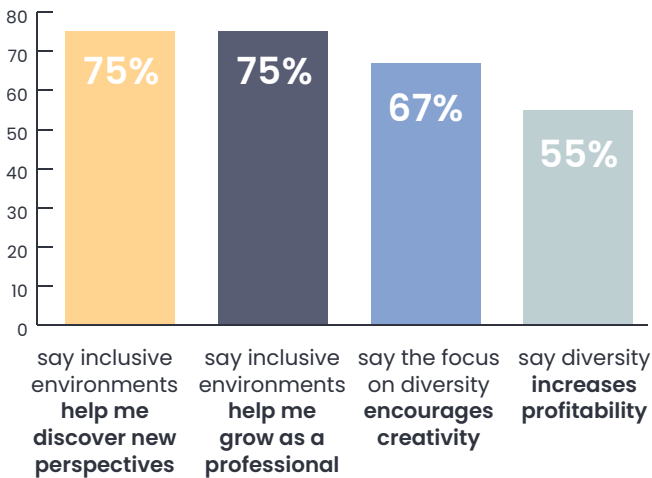
A: "Inclusion is discussed but rarely acted on."



INCLUSION DRIVES PERFORMANCE

When asked what specific values inclusion brings to the workplace, many respondents reported that inclusive environments help them discover new perspectives and grow as a professional. The majority also stated that diversity encourages creativity and increases profitability.

The majority of respondents said that diversity and inclusion positively contributed to their experience in the workplace



Q: What have been the biggest accelerators helping your personal career advancement?



Our research discovered that for many, an inclusive culture is a crucial component for a sense of advancement. Respondents identified acceptance as an important aspect in their career growth. Today’s workers want to be embraced for who they are and what they bring to the table. They want their distinct perspective to be heard. They acknowledge that acceptance and inclusion benefit their experience as well as the organization as a whole.

Second, respondents noted the importance of advocacy. Having strong relationships and a sense of community can be critical. They want to know that their leaders will have their back and lean in when difficulties arise. Finally, today’s workers feel that being authentic has been one of the biggest accelerators for helping their personal advancement. This finding is consistent across our research, but remains elusive for organizations to grasp. Respondents desire a workplace that values who they are, invites people to bring their true selves to work, and rewards authenticity.

LEWIS CHAN, SENIOR CONSULTANT, DELOITTE CONSULTING LLP

Lewis Chan began his career in the UK, but always knew that diversity and learning about other cultures would be critical for his growth. He spent two years working in Switzerland before moving to the US. He sees exposure to different environments as an essential component of his development: “That cultural understanding can be huge, both for your career, but also for your personal growth.” Lewis’s appreciation for inclusion and the ability to be culturally intelligent has continued to increase with each new experience that he’s had. “I’ve been given so many valuable experiences to interact with a diverse mix of people, not just in terms of race and gender, but also background and perspective. That’s the stimulation that I need to be successful.”



At a time when the output of the workforce is increasingly difficult to measure and innovation is the ultimate competitive edge at the forefront for organizations, today's workforce reports that an inclusive culture can play an integral role.

ANDRES HERNANDEZ, SENIOR CONSULTING, DELOITTE & TOUCHE LLP

"I served in the military as a reservist during the era of "Don't Ask, Don't Tell." When I got out, I was eager to get involved at work with both the veterans and LGBTQ community. I reached out to a senior leader because I saw that he was also involved in both these groups and, just through that simple outreach, he became my mentor. He supported me getting leadership positions in our veterans' community, asked me to join his team for a pro bono project focused on supporting veterans, and is the first person that I call when difficult situations arise. Recently, he helped me navigate a move across the country so I could live with my partner. I feel empowered, not only because I have such a strong relationship with my mentor, but also because he has modeled for me how I could be authentic and accepted as who I am at work."

In an era when organizations are continuing to see new and different ways to attract and engage talent, an inclusive culture could be the differentiator that today's talent is looking for. But, they aren't satisfied with organizations simply claiming that inclusion is a value. They want to experience it in their everyday interactions and view it as a crucial aspect to their development and a fundamental driver of inspiration. To truly embody what inclusion means and how it's experienced in organizations today, today's workforce is often looking to leaders to set the tone and redefine leadership to meet their expectations.

PART 2

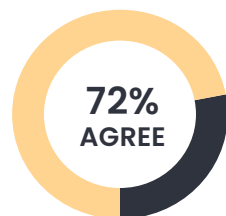
LEADERSHIP FOR A NEW ERA

There have been countless studies on the benefits of diversity and inclusion, yet today's workforce is still reporting that there is a gap between organizational rhetoric and their experiences. So, where does this disconnect come from? Many leaders know the right things to say to convey a commitment to inclusion, but are still stumbling on how to advance inclusion through their everyday behavior. Our Shift/Forward research tackles this question head on.

We asked respondents to assess what leadership means today. 72 percent indicated that we needed a new definition of what a "leader" is in today's world. This finding was also consistent across all company sizes and industries, as well as ethnic, gender, and age groups.

Q: How much do you agree or disagree with the following statement?

"We need a new definition of what a leader is in today's world."

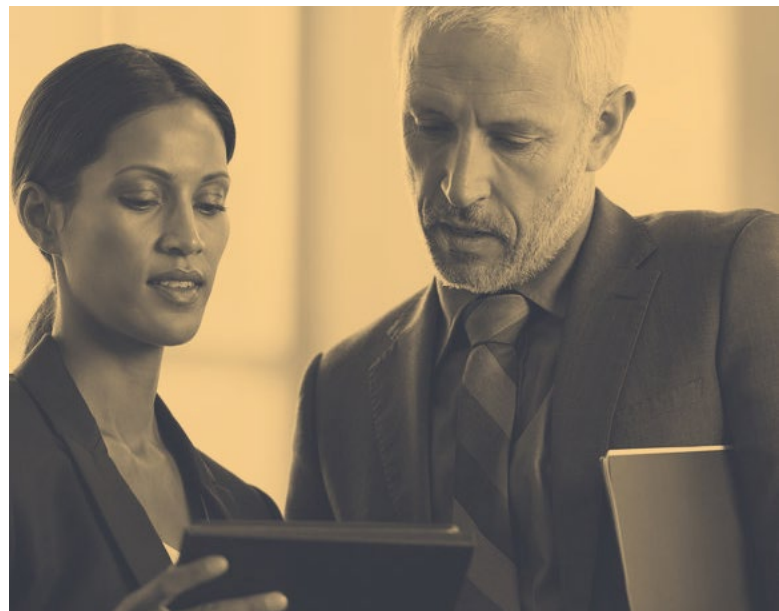


that we need a new definition of what a "leader" is in today's world

REEVALUATING LEADERSHIP

In *Six Signature Traits of Inclusive Leadership*, Deloitte identified a shift in expectations and needs in an era when inclusion continues to grow in prominence. Deloitte discovered what distinguishes inclusive leaders from their counterparts:

- **Commitment:** Treat everyone with fairness and respect, foster environments where team members can be themselves by modeling authenticity, and empower each other's well-being.
- **Courage:** Engage in tough conversations when necessary. Identify opportunities to be more inclusive, take ownership and engage others.
- **Cognizance of bias:** Be aware of unconscious biases so decisions can be made in a transparent, consistent, and informed manner.
- **Curiosity:** Listen attentively and value the viewpoints of others.
- **Cultural intelligence:** Seek out opportunities to experience and learn about different cultures and be aware of other cultural contexts.
- **Collaboration:** Create teams that are diverse in thinking.



Through our recent survey, we took these findings one step further. We recognize that these characteristics require a balance of different types of leadership traits.

Soft and hard power was first discussed by scholar and former Harvard University Dean Joseph S. Nye Jr., who stated, “We recognize that these characteristics embody both soft and hard leadership traits... In the business world, smart executives know that leadership is not just a matter of issuing commands, but also involves leading by example and attracting others to do what you want.”⁴

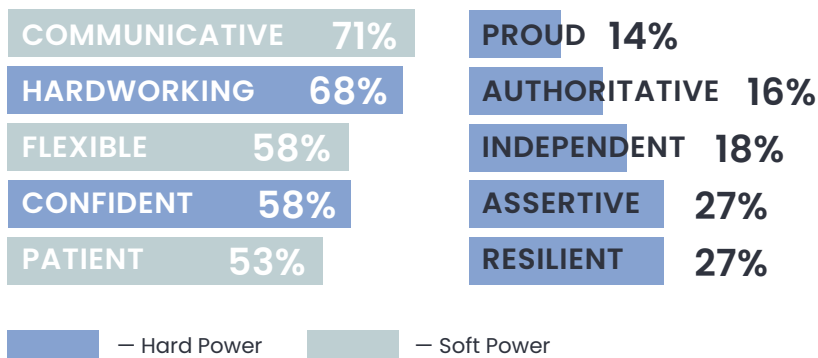
To determine what qualities are most important in today’s leaders, our research asked respondents to rank the traits identified based on what they feel is needed from leadership today.



HARD AND SOFT POWER TRAITS

Results revealed that today’s workforce is seeking a balance. When respondents were asked to select the most important values that make a good leader, the top five traits they identified were a mix of hard and soft power: three are soft power traits – being communicative (71 percent), flexible (58 percent), and patient (53 percent), while the other two are hard power traits – hardworking (68 percent) and confident (58 percent). It indicates that workers are seeking a balance and complement of different traits when it comes to effective leadership.

Q: What do you believe are the most important values to make a good leader?

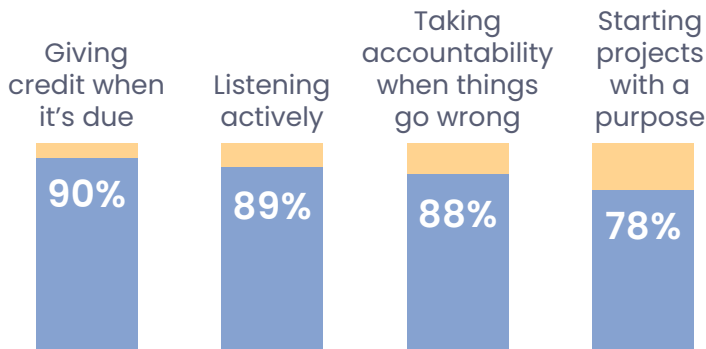


HARD POWER	SOFT POWER
Ambitious	Authentic
Analytical	Collaborative
Assertive	Communicative
Authoritative	Empathetic
Confident	Flexible
Hardworking	Intuitive
Independent	Loyal
Proud	Passionate
Rational	Patient
Resilient	Selfless
Straightforward	Transparent

⁴ <https://hbswk.hbs.edu/archive/the-benefits-of-soft-power>

Respondents also revealed that leaders who embrace some aspects of soft power are often most effective at helping organizations succeed. This is evident in the qualities of how respondents define being a good leader — such as giving credit where it’s due (90 percent), listening attentively (89 percent), being accountable (88 percent), and starting projects with a purpose (78 percent).

Q: How important do you believe it is that a leader in a professional/organizational setting does each of the following?



One-third of respondents weren't content with their personal potential for growth at their organizations (30 percent), and many see leadership as having a strong contribution to this. Respondents noted the top three barriers to career growth are leaders who prioritize office politics (25 percent), don't articulate a clear vision (22 percent) and don't understand their workers' strengths (20 percent).

Q: What have been the biggest barriers preventing personal career advancement?



By contrast, respondents indicated that the top contributors to their individual career advancement — feeling accepted, advocated for, and being authentic — embody primarily soft power traits that advance inclusion. These could be fostered by a leader creating an open and inclusive workplace or promoting employees' skills or encouraging them to be their true selves in the workplace — and prioritizing workers' needs.

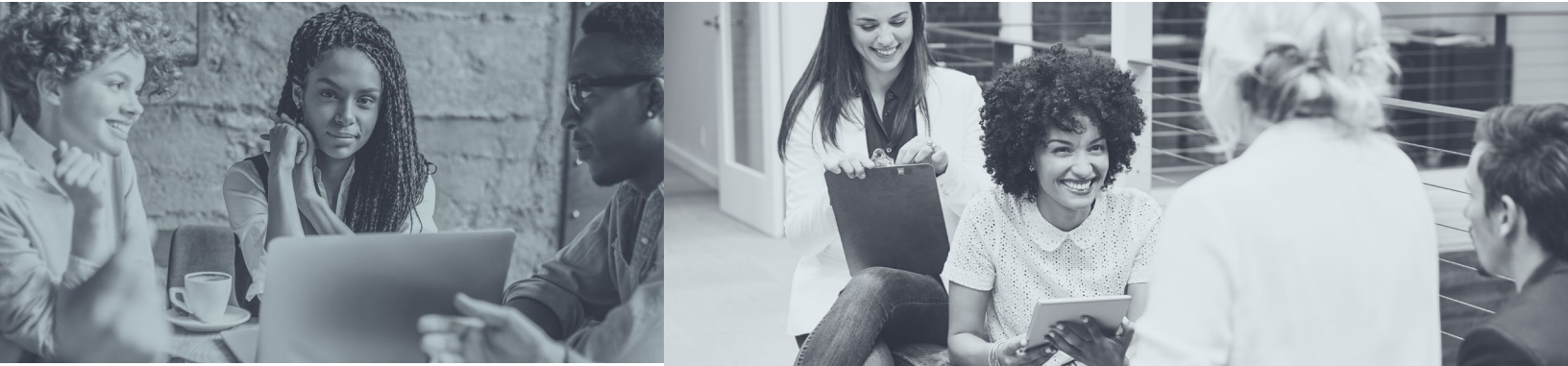
While the balance between hard and soft power can be delicate, what is clear is that respondents believe that the traditional emphasis on only hard power traits can hinder leaders and challenges organizations from reaching their full potential.

PART 3

THE RISE OF THE HUMAN CEO

As the expectations of today's workforce continue to evolve, leaders are recognizing that inclusion is a priority for organizations.⁵ Employees are looking for a leader who can cultivate work cultures that foster advocacy, acceptance, and authenticity across the entire organization. We have dubbed this type of leader the "Human CEO" – anyone who shows leadership through a balance of hard and soft power, at any level of seniority.

Q: What do you think should be the top priorities for your organization today?



These priorities further indicate that many of today's workforce seek leaders who can balance both hard and soft power traits. To create long-term vision planning, the leader would need to be assertive and ambitious, and to treat employees better, the leader should be communicative and empathetic. In addition, respondents were clear that they are looking for leaders to be more transparent (47 percent), authentic (50 percent), and to recognize their own weaknesses (53 percent). Today's workforce is seeking leaders with the humility to admit their own shortcomings and the courage to hold themselves accountable. By skillfully adopting these traits, the leader can then improve the organization.

Q: What do you believe leaders in the workplace should do more of to help their organizations succeed?



⁵ Human Capital Trends, 2017



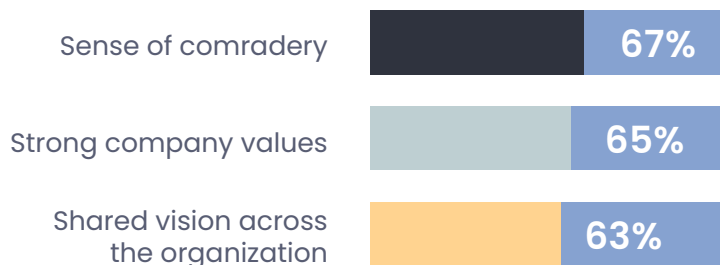
HUMAN CEOS CREATE WORK ENVIRONMENTS THAT FOSTER SUCCESS

The balance between hard and soft powers that the Human CEO embodies helps to create environments where employees can reach their full potential. This, in turn, contributes to the overall growth of the organization.

Attaining a successful workplace often entails building a cohesive work culture and fostering loyalty among employees. Many of today's workforce values cultivate open environments, where workers can bring their whole selves to work. They are looking for leaders to create a sense of comradery (67 percent), strong company values (65 percent), and a shared vision across the organization (63 percent), which they believe will have the strongest impact on long-term success.

The Human CEO understands the benefits of inclusion and works to provide a workplace where workers can thrive. We see top-performing companies making inclusivity an integral part of the workplace.

Q: How much of an impact do you think each of the following have on an organization's ongoing success?



Across the board, respondents agree that diverse environments stimulate creativity, growth, and profitability. Human CEOs know how to wield the right power to create diverse and harmonious workplaces where individuals can unite to attain the company's objectives.



CONCLUSION

With several simple principles, emerging and seasoned leaders can shift their leadership style forward to unlock growth opportunities across their organizations.

INCLUSION AS AN EXPERIENCE

Inclusion is a priority for many in today's workforce. An organization's inclusive environment often influences decisions about which companies they will consider joining and whether they decide to stay. It also can determine how they perceive their daily experiences. Today's workforce often expects leadership to foster an environment where different perspectives can be shared and where they can grow as a professional. They see diversity as a catalyst for creativity and profitability. Today's workforce views inclusion as fundamental to their experience, as well as essential to the way organizations conduct business today.

But many in today's workforce are not satisfied with just hearing about inclusion. They want to experience it.

STRIKE A BALANCE

Today's workforce is looking for leaders to set the tone. Their expectations are not simply for leaders to proceed as they always have, but to evolve the definition of leadership overall. Our research found that:

- Today's workforce values more than hard power alone
- Respondents seek leaders who are transparent and communicative
- Empathy, authenticity, and openness in leaders can inspire inclusion
- Respondents had a greater sense of opportunities in their organizations when leaders demonstrated hard and soft skills

Today, leaders should consider:

- **Modelling authenticity:** Sharing stories, being vulnerable when appropriate, and inviting others to do the same
- **Communicating transparently:** Discussing their perspective and being open, but also being an active listener and inviting other voices and perspectives to the table
- **Investing in relationships:** Getting to know their team, fostering an environment where strong relationships are valued, being an advocate, and showcasing acceptance
- **Evolving constantly:** Continuing to learn, grow, and develop new leadership traits, and constantly holding themselves accountable for advancing inclusion

REDEFINING LEADERSHIP TODAY

To truly embody a balance of hard and soft power, leaders should strive to be the Human CEO. This new definition of leadership prioritizes the humanity of leadership, demonstrates hard and soft power, and amplifies this tone throughout the organization. The Human CEO cultivates open, transparent, and inclusive environments where authenticity is encouraged and valued. Survey respondents indicated that when leaders display these traits, they not only perceive a benefit for their own career trajectory, but for the organization as a whole. Today's workforce is eager for change and for today's leaders to step up and seize the opportunities for their organizations to thrive in this new era. Now is the time for leaders to embrace this call, recognize that the leadership framework has changed, and embody the role of the Human CEO.



APPENDIX

SURVEY METHODOLOGY

To determine the underlying principles, practices, and ideas that are driving the cultural and societal shifts of tomorrow, we conducted an in-depth study on the changing dynamics of modern leadership, culture, and creativity.

The Harris Poll conducted this online survey on behalf of Deloitte and The Female Quotient among 5,075 knowledge workers from December 28, 2017 to January 4, 2018. "Knowledge workers" are defined as U.S. residents who are full-time employees aged 21 to 64 years old and who rely on technology to conduct the core responsibilities of their jobs. The sample composition includes members of the C-Suite (n=261), Upper Management (n=1,004), Middle Management (n=1,409) and Non-Management (n=2,063). This online survey is not based on a probability sample and, therefore, no estimate of theoretical sampling error can be calculated

CONTACTS

Janet Foutty, Chairman and CEO | Deloitte Consulting LLP
Terri Cooper, Chief Inclusion Officer, Deloitte
Shelley Zalis, CEO, The Female Quotient

SOURCES

¹ Deloitte. [2018 Human Capital Trends](#) (2018).

² Deloitte. *Unleashing the power of inclusion*. (2017).

³ Deloitte. *Eight powerful truths*. (2018).

⁴ Joseph S. Nye Jr. "The Benefits of Soft Power," *Harvard Business School*. (2004).

⁵ Deloitte. 2017 Human Capital Trends. (2017)

ACKNOWLEDGEMENTS

Key Contributor — Eliza Horn, Deloitte National Inclusion Communications Lead
Special Thanks — Siri Anderson, Deloitte Digital Eminence Lead & Content Strategist