

LEADERSHIP

Creating a Culture Where Employees Speak Up

by Sylvia Ann Hewlett

JANUARY 08, 2016



All of us aspire to work for leaders who truly value our input. We're looking for a "speak-up culture"—the kind of workplace where we feel welcome and included, free to express our views and opinions, and confident that our ideas will be heard and recognized. But it's not just employees who benefit from this kind of workplace culture. So do employers and shareholders.

Research we conducted at the Center for Talent Innovation reveals a remarkable correlation between inclusive leadership, innovative output, and market growth. We find that at publicly traded companies with two-dimensional diversity—where the senior leadership team has *both inherent diversity* in terms of gender, age, and race, *and an acquired appreciation for difference* based on experience and learning—employees are 70% more likely than those at non-diverse publicly traded companies to report having captured a new market in the last year and 45% more likely to report having grown market share.

Case studies we did for our report give weight to these findings. At Standard Chartered, for example, the insights of one Indian female banker translated into innovation that boosted net sales at two branches by 127% and 75% within two years. Her insight? Local women—wage-earners, entrepreneurs, and purse-string holders—were looking for a more welcoming, less condescending experience when they went to deposit money, apply for credit, choose savings and investment products, and ask for financial advice. Management endorsed her proposal to make over the New Delhi and Kolkata branches into all-women-staffed banks. Today, Standard Chartered is the go-to bank for women in South Asia.

Our case studies also make clear why so many companies that have succeeded in diversifying their ranks fail to capitalize on that diversity: management too often elicits and endorses the ideas of people like themselves. More than half our respondents (56%) say leaders at their firm fail to see value in ideas that they personally don't see a need for. That lack of understanding translates into a chokehold that constricts not only the flow of ideas but arguably, the very ideas with growth-market potential: women, for example, are 26% less likely than straight white men to get their ideas endorsed (43% vs. 54%).

Leaders with acquired diversity, our US data shows, are more likely to behave in ways that unlock the innovative potential of their entire team. Research we did in eleven growth markets in 2015 (Brazil, China, Hong Kong, India, Japan, Russia, Singapore, South Africa, Turkey, the UK, and the U.S.), makes clear just what those behaviors are across geography. Global team leaders who unleash ideas, we find, are those who: 1) ask questions, and listen carefully; 2) facilitate constructive argument; 3) give actionable feedback; 4) take advice from the team and act on it; 5) share credit for team success; and 6) maintain regular contact with team members. Members of global teams whose

leaders exhibit at least three of these behaviors are more likely than global team members whose leaders exhibit none of these behaviors to say they feel free to express their views and opinions (89% vs 19%) and that their ideas are heard and recognized (76% vs 20%).

Leaders who behave this way don't just get more people to speak up. Our 2015 global dataset reveals that inclusive leaders (those who exhibit at least three of the six behaviors cited above) of global teams are also far more likely than non-inclusive global team leaders to foster collaboration among diverse team members. Fully 88% of global team members with inclusive leaders—as compared to a mere 22% of those with non-inclusive leaders—say they embrace the input of those whose background or expertise differs from their own. Inclusive global leaders also foment risk-taking: a robust 63% of global team members with inclusive leaders—as compared to a mere 21% of global team members with non-inclusive leaders—say they're not afraid to fail. And a majority (54%)—as compared to a distinct minority (12%)—say that nobody on their team is afraid to challenge the status quo or group consensus. A speak-up culture, in short, unleashes innovative potential and enhances collaboration across both distance and difference—a competitive edge for any multinational company.

This is an instance where a company's bottom-line gains come not at the expense of its employees, but rather, as a result of their greater engagement. Across our eleven markets, global team members with inclusive leaders, we find, are more likely than those with non-inclusive leaders to say they're willing to go the extra mile for company success (84% vs. 70%). And across markets, global team members with inclusive leaders are less likely than those with non-inclusive leaders to say they intend to leave within a year (12% vs 28%).

In other words, companies with inclusive leaders enjoy not only market success, but are also positioned as employers of choice worldwide—ensuring a virtuous circle of attracting and keeping the people likeliest to stoke innovation and market growth. Win-wins are too rare in today's cutthroat global economy to let this one go unnoticed.



Sylvia Ann Hewlett is the founder and CEO of the Center for Talent Innovation and the founder of Hewlett Consulting Partners LLC.

This article is about **LEADERSHIP**

FOLLOW THIS TOPIC

Related Topics: ORGANIZATIONAL CULTURE | DIVERSITY

Comments

Leave a Comment

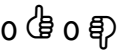
POST

6 COMMENTS

ADAM DEPARTEE a year ago

I really appreciate the research in this article. The numbers clearly speak to the benefits of an inclusive company culture. The title of this article does not seem to line up with the content though. I would have loved to hear about what this companies are doing to create the culture that produces these results. Thanks for the numbers and research!

REPLY



JOIN THE CONVERSATION

POSTING GUIDELINES

We hope the conversations that take place on HBR.org will be energetic, constructive, and thought-provoking. To comment, readers must sign in or register. And to ensure the quality of the discussion, our moderating team will review all comments and may edit them for clarity, length, and relevance. Comments that are overly promotional, mean-spirited, or off-topic may be deleted per the moderators' judgment. All postings become the property of Harvard Business Publishing.