Mindful Exclusion

Only when we are able to view our automatic responses without judgment can we truly aspire to evolve them further

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It's time to stop demonising exclusion. There are only so many seats around a boardroom table, only so many people who can be promoted, and as Michael Porter famously states 'the essence of strategy is choosing what not to do'. Exclusion is an inevitable manifestation of organisational decision-making, and according to a 2008 study by Bain & Company, decision effectiveness correlates with financial performance at a 95% confidence level regardless of country or sector.

What actually matters is not whether we exclude, but how. Too often exclusion is mindless – driven by cognitive shortcuts that helped our ancestors survive on the Savannah. These shortcuts were not designed for the speed, volume, scale or complexity of decisions we face in today's world. And yet, they continue to inform the flow of power in most organisations – for example, who gets connected, invested in, listened to and highlighted.

Mindful exclusion is guided by vision, not reactivity. It takes into account factors beyond mere survival to deliver sustained organisational performance. Rather than being a form of rejection it is an expression of interdependency – directing power to whoever is best positioned to serve. This is the type of exclusion observable in high-performing teams and it requires diversity.

Understanding the Process

As Director of the Centre for Synchronous Leadership (CSL), I have had the privilege of supporting hundreds of executives across a broad range of sectors to lead their teams and organisations more effectively. To see results, they must learn to notice their own process of exclusion and challenge the cognitive shortcuts that guide them. Here are three strategies that can help:

1 Engage with the Unfamiliar

Research reveals that a key determinant of decision-making success is the extent that we have stretched our thinking before reaching a conclusion. In Decisive, Chip and Dan Heath provide evidence that executive boards are six times more likely to later rate their decisions as 'very good' if they explored more than one alternative. In the 2018 Harvard Business Review (HBR) article *Why 'Many-Model Thinkers' Make Better Decisions*, Scott Page argues that drawing from diverse approaches benefits both humans and artificial intelligence – particularly when addressing complex issues. 'No matter how much data a model embeds, it will always miss some relevant variable or leave out some interaction. Therefore, any model will be wrong'.

However, engaging with the unfamiliar does not always come naturally. The Heath brothers suggest that only 30% of us, including CEOs, typically consider more than one alternative when making a decision. And once we've formed a view, our preference is to look for evidence that confirms it – a phenomenon known as confirmation bias. If others challenge us at this point, our initial instinct is to believe they are wrong. According to a 2018 study by Brad DeWees and Julia Minson, this may also lead us to conclude that they are less intelligent and less ethical.

Thus, our inclination to stick with the familiar is hardwired. It allows us to feel in control and to exhibit a level of confidence as leaders that others find reassuring. Ironically, this false sense of security poses a serious risk in today's highly complex world.

In human terms, this shortcut leads to the mindless exclusion of candidates – for hiring, staffing, promotion and so forth – on the basis that they are an 'unknown quantity.' Perhaps this explains why we have more Fortune 500 CEOs named James than women.

2 Encourage the Expression of Difference

Those brave enough to consider unfamiliar candidates may succeed in getting the right sources of diverse input into their organisations and around their top tables. However, in order to achieve the benefit to decision-making, these individuals must feel comfortable expressing their authentic views.

As social beings, we are hardwired to conform. In Solomon Asch's classic line experiment, he found that over one third of participants were willing to validate to a majority view that they believed was false, due to social pressure. Conformity also diffuses our sense of responsibility. It can lead us to refrain from speaking up or taking action in response to an emergency – a phenomenon known as the bystander effect – and even to collude in unethical behaviour.

The risk of reputational and financial damage associated with conformist cultures is clear from governance scandals such as Facebook and Volkswagen. Less obvious is the damage to organisational learning processes when employees are fearful of exposing their mistakes. Today's leaders must provide the psychological safety to express difference without fear of judgment. One of the best ways to do this is to role model it themselves.

3 Take on Diverse Perspectives

Leaders who create the safety for diverse views to be expressed may find themselves with a bigger problem. A 2012 study by Inga Hoever et al suggests that diverse teams perform worse than their homogenous counterparts unless they engage in perspective-taking, in which case they perform better. In the 2016 HBR article *Why Diverse Teams are Smarter*, David Rock and Heidi Grant provide evidence that diverse teams perform better because team members are more rigorous in exploring each other's views, leading them to constantly re-examine the facts.

However, perspective-taking requires effort, especially if you are the leader. Multiple studies demonstrate that as our status goes up, our level of perspective-taking generally goes down, and vice versa. This tendency can lead to a culture of deference, where seniority, position in the social pecking order and projected confidence are accepted as proxies for one's competence to contribute.

Amy Edmondson's extensive research in hospitals illustrates the danger of this dynamic, highlighting the increase in medical errors when physicians fail to listen to nurses. Although physicians may be more qualified, nurses are often more informed about the patient.

These three strategies are reflected in how high performing teams spend their time. A 2012 study conducted by Alex Portland found that the best teams regularly sought outside counsel – engaging with the unfamiliar. They invested in social time and one-on-one meetings – cultivating psychological safety beyond their roles. And in team meetings, everyone spoke and listened in roughly equal measure – helping to ensure diverse perspectives were considered.

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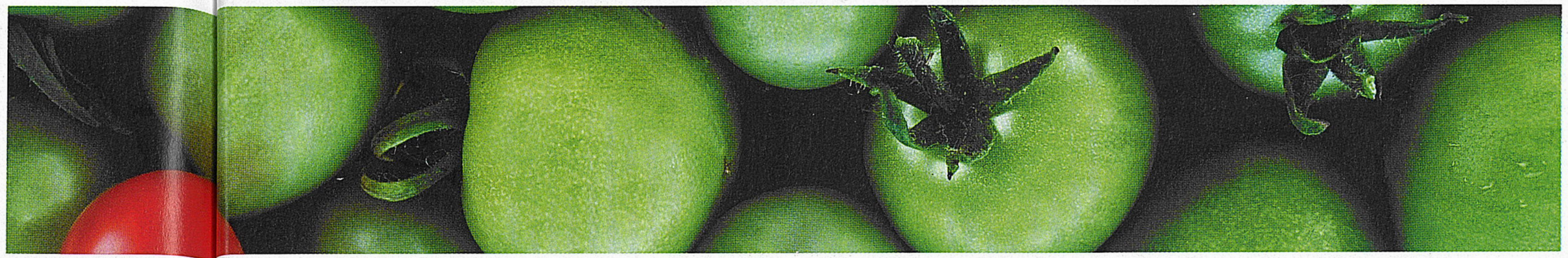

Diversity as a Litmus Test

When cognitive shortcuts govern organisational decision-making, stigmatised groups are the most affected. They are the unfamiliar, who struggle to conform, and whose perspectives are easier to ignore without consequence. Hence, their experience is a useful litmus test for mindless exclusion.

At CSL we have conducted a study of employee networks as change agents – including interviews with ethnic minority, LGBTQ+ and women's network leaders from over 70 organisations. In exploring the differences between strands, we have come to believe that each holds unique insight into the presence of specific shortcuts.

Ethnic Minorities and the Unfamiliar

Most people have family members who are women or LGBTQ+; far fewer have family or even close friends from a different ethnic background. Thus, in organisations where sticking to the familiar goes unchallenged, ethnic minorities are more likely to suffer. A 2017 study by Amanda Pallais supports this – showing that the reason ethnic minorities perform worse under biased managers is not necessarily due to poor treatment, but rather a lack of manager engagement.

Our research found several examples of ethnic minority networks helping their organisations to engage with the unfamiliar. Sometimes this involved providing feedback on the appeal of a product with specific audiences; other times, advice or connections to enter a new market. Had Dove received this type of input before launching its commercial where a black woman becomes white, or Gucci before launching its blackface turtleneck, considerable consumer backlash could have been averted.

LGBTQ+ and Authentic Expression

Unlike women or ethnic minorities, most LGBTQ+ employees have the option of 'covering' and hiding their source of difference at work. Thus, in organisations where conformity goes unchallenged, fewer LGBTQ+ employees are likely to come out. According to Kenji Yoshino's 2014 research, employees who 'cover' experience lower levels of self-confidence, see less opportunity in their organisation, and feel a diminished sense of commitment. These effects apply even to straight, white men – 45% of whom also report covering meaningful aspects of their identity.

Our research found that many LGBTQ+ networks had Allies programmes, offering those from the majority a way to contribute as part of their team. In several cases, what started as a message of support for LGBTQ+ employees broadened into a campaign to create a psychologically safe workplace.

Women and Perspective-taking

As a society, we hold women to a double standard, expecting them to be more empathetic than men. Thus, if the association between low perspective-taking and high status goes unchallenged, it can be harder for women to progress. The quest for leaders with 'gravitas' is often a manifestation of this.

Our research found several women's networks launching reverse mentoring programmes or encouraging members to find sponsors. Both initiatives paired women with senior advocates who could champion their capability. Reverse mentoring had the additional benefit of sensitising senior leaders to the limitations of existing proxies for leadership.

In these three examples, meeting the needs of stigmatised groups had broader implications for organisational performance. Leading these changes required network leaders to be mindful of their own cognitive shortcuts. In Dream Teams, Shane Snow provides evidence that the experience of being in the minority is one of the best ways to cultivate this type of cognitive flexibility.

Conclusion

The mindfulness of how we exclude has always impacted business performance. However, it matters now more than ever before. Consumers and employees have more choice and are increasingly interested in what organisations stand for. Growth in emerging markets is challenging everyone to rethink their definition of 'normal.' And, as artificial intelligence moves in, the way we work must radically change. Organisations that stick to what they know or fail to understand stakeholder perspectives will be left behind. Or, even worse, lose their license to operate.

In order to thrive in these exciting and challenging times, organisations must exclude more shrewdly than ever, using the criteria that actually matter for long-term performance. As their culture evolves to embrace diversity, they will know they are on the right track. ■