

# The CEO cultural cookbook - the value of data centricity

Good organisational culture and health is the single greatest advantage of any business, public or third sector organisation. It is the foundation of success, as it increases productivity, fosters innovation and ultimately helps the organisation deliver on its strategic objectives. It enables organisations to take full advantage of the unique viewpoints and perspectives of employees and leaders.

Good culture is first and foremost inclusive, fostering a sense of belonging; it allows people to thrive and effectively contribute to organisational success, regardless of their socioeconomic background, race, ethnicity, faith, or gender.

However, an inclusive culture cannot happen without a good leadership. It is therefore critical that leaders are confident about what inclusivity means, and can act upon it.

To support leaders and organisations develop a strong culture and to gain nuanced, sophisticated and contextual understandings of cultural dynamics at all levels, we developed the Culture Diagnostic Index (CDI), a tool that helps organisations collect the right data and turn it into action.

Before we go into practical steps and unpack the importance of data and its role in cultural change, let's first understand what inclusive leadership entails.

Romeo Effs, founder and CEO of Lumorus, a UK-based governance, leadership and organisational health consultancy



## Inclusive leadership traits

According to Deloitte, there are six traits that inclusive leaders demonstrate<sup>1</sup>:

- Courage – inclusive leaders are not afraid to speak up and challenge the status quo.
- Commitment to diversity and inclusion.
- Awareness of bias – inclusive leaders are mindful of personal and organisational blind spots.
- Curiosity about others – having an open mindset and a genuine desire to understand others.
- Cultural intelligence – effectiveness in cross-cultural communication and appreciation of other cultures.
- Effective collaboration – inclusive leaders empower people and facilitate the sharing of diverse perspectives.

Inclusive leaders are able to lead highly diverse organisations effectively and reap the benefits that come with diversity by establishing an organisational culture that fosters innovation and facilitates a healthy environment where employees are engaged and productive. However, to do that, it is imperative that they have an in-depth understanding of their workforce – and this is where data becomes critical.

## The value of data

Effective leaders know that the first step towards achieving change involves collecting meaningful data. Indeed, it is an essential component of any

business decision-making process. Businesses use data to inform management decisions across all business areas, such as performance, productivity, investment, and development.

Inclusive leaders know the value of data when it comes to organisational health; it gives them a deeper understanding of their employees and their lived experiences. They use the collected data to extract meaningful information that will help them in building the kind of culture they envision by identifying any existing gaps or issues and working towards consistently improving them.

### **What should be measured and how?**

Many companies often focus on collecting diversity data, which is considered to be easier to measure and manage. It involves analysing demographics, promotion statistics and hiring numbers. In contrast, inclusion data is often perceived as being less tangible and more difficult to measure, as it is embedded in social norms, culture and biases that are not always easy to identify. This often results in inclusion being targeted solely through various initiatives, such as trainings and seminars. While these approaches can be effective, without capturing the right data, the long-term effect is not identified, which could lead to a slow progress in creating an inclusive culture.

There is a wide array of ways in which inclusion can be measured. Organisations can start by measuring employees' sense of belonging, perceived wellbeing at work and psychological safety. Psychological safety is especially important; it is a belief that you will not be humiliated or punished for making mistakes<sup>2</sup>. It allows individuals to speak up, ask questions and suggest innovative ideas, without fearing that they might be rejected. When coupled with a strong sense of belonging and wellbeing, it enables employees to bring their whole selves to work, leading to more divergent and innovative thinking and improved collaboration. Measuring it, provided it is done in a confidential way, will enable leaders to understand the feeling employees have about their work and company culture, and consequently, to actively address cultural issues.

Organisations can also use other metrics, including measuring beliefs and attitudes, unconscious bias, social networks, as well as dependencies and connections that exist between employees. This will give an insight into the relationships between teams and individuals, and the impact of these relationships on organisational health.

Finally, having a quality inclusion data does not mean that companies can forgo diversity data. To collect quality diversity data, it is crucial that companies not only track the demographics and hiring numbers, but also turnover and retention, career progression of different groups and pay gaps. When tracked over time, this will give a more comprehensive view of the organisational health and culture.

### **Meaningful data and Inclusive leadership – a recipe for transformation**

Meaningful and quality data coupled with inclusive leadership can be incredibly transformative for companies, enabling them to achieve the type of culture they envision. Besides, a visible commitment can increase employee trust and engagement, increasing their willingness to participate in building the intended culture. Companies will be able to reap the benefits of greater inclusion and diversity even with small changes in place.<sup>3</sup> In the long-term, it will prove to be their greatest advantage, facilitating sustained growth, innovation and success.

### **About the author**

Romeo Effs is the founder and CEO of Lumorus, a UK-based governance, leadership & organisational health consultancy that provides bespoke services using a mixture of diagnostic tools and development that assist organisations and their leaders to perform and create long term value. To find out more, visit the Lumorus website.

On Tuesday 21 September between 15:00 and 16:00, Romeo Effs will be running a workshop on these themes as part of GGI Festival of Governance Culture Week. Full details and joining instructions are available on the Festival of Governance website.