The cyclical relationship between innovation and inclusion in the workplace

Workplaces are constantly evolving in the modern-day world. As such, business leaders must be readily adaptable in responding to new situations and problems as they occur. This continual advancement can cause a shift in the focus of an organisation's business goals. Two areas that have seen recent prolonged interest within organisations are: innovation, and diversity and inclusion (D&I).

Innovation has been a focus in order to keep businesses competitive and refers to the multi-stage process by which ideas are transformed into new or improved products, processes, or services. In 2018, 62% of high growth companies indicated that they planned to make the majority of their investments in innovation technologies.

Diversity & inclusion is often a focus of organisations striving to promote fairness. In the context of the workplace, diversity refers to heterogeneity within the demographic composition of people at work. Inclusion on the other hand, describes the involvement of such diverse people in the various organisational processes. Sixty-nine per cent of executives indicate that diversity & inclusion is a pressing issue. Within D&I, there has been a shift towards focusing on inclusion, since diversity does not imply inclusion. Specifically, any workplace can recruit a diverse group of people, but this does not mean that everyone will be equally involved and valued.

Clearly innovation and inclusion are at the forefront of businesses concerns. But what do these two topics have in common?

How do innovation and inclusion relate?

To start with, both innovation and inclusion can be improved. Statistical studies have shown that currently only one third of companies see revenue increases as a result of their innovations, and only 10% of companies are classified as meeting the standard of inclusivity.

Most importantly, there appears to be a relationship between workplace inclusion and innovation. A recent workplace analysis showed that more inclusive companies were 1.7 times more likely to be innovative leaders in their field. This suggests that in addition to the benefits of a fair workplace, inclusion may also serve as a way to benefit and ultimately improve innovation performance. Although additional findings have also suggested this relationship between inclusion and innovation (here, here, here, and here), the underlying reason for this link may not be immediately clear.

One of the major outcomes of increasing workplace inclusion is that more people are involved in workplace processes, such as the innovation process. An inclusive innovation process is often referred to as co-creation, which stresses the importance of collaboration among all members of an organisation. And when more people participate in projects involving innovation, success increases. Why does this occur?

This inclusive shift towards co-creation increases innovation success, firstly, because it changes behavioural attitudes towards communication, most notably feelings of trust and acceptance among employees (here and here). When members of an organisation trust each other and feel valued, they are more likely to take risks and share ideas, which is essential to the innovation process.

The consequence of this is a fundamental change in the structure of workplace social communication networks. A social network is composed of the members and connections between them. When more people are involved, these networks grow richer and increase in the amount of total connections between members.

Having a larger and more connected network relates to the innovation process by fostering creative performance. Creativity refers to the production of a novel and useful idea and is a crucial first step in the process of innovation, as it sets up the idea to be subsequently implemented. A larger communication network increases creative ideas primarily because it provides access to more diverse knowledge. Rather than a workplace where participation is dominated by a small group of individuals, inclusive workplaces allow individuals to gain more insights, and ultimately have a higher chance of coming up with an idea that is novel and useful. Of course, the production of a creative idea does not necessitate that it will be successfully implemented for innovation, but there is a positive relationship between these processes occurring (here and here).

As we have outlined, workplace inclusivity is a powerful tool in aiding innovation performance. The relationship between these variables does not stop there. It has been proposed that innovation can also be a tool to promote inclusivity at work. This type of innovation is called administrative innovation, which can be targeted at changing social workplace infrastructures. In order for workplaces to increase inclusivity, certain processes must change, and the creation of novel practices to implement this is a promising start. However, there are many barriers preventing this process from being successful.

Barriers to inclusion in the workplace

Many of these barriers are psychological. Firstly, people are resistant to change and since most workplaces currently operate without optimal levels of inclusion, there will be pushback to the introduction of a new system which promotes inclusivity. Another barrier that may occur in individualist cultures is that it is more difficult to develop a mentality of inclusiveness, due to the competitive and highly independent nature of people in such individualistic cultures.

Not only are these barriers psychological, it is also possible that they are a result of social workplace norms. Workplace norms are known to have a substantial effect on influencing workplace behaviours. Thus, it is possible that many of the barriers to adopting more inclusive workplace practices result from social learning at work. When employees see their co-workers and bosses act in a certain way, this perpetuates that type of behaviour. In the case of inclusivity, if the known workplace culture is that only a subset of individuals are valued for their contributions, this barrier may be hard to break. This begs the question: how can we change workplace culture to be more inclusive?

Changing workplace culture for inclusion

In order to change a culture, research has identified leadership style as an influential factor. This has also shown success for promoting an inclusive workplace climate. Specifically, an engagement form of leadership, which sought out the opinions of all employees in decision making, was able to cause increases in ratings on the inclusivity of the work culture – even when tested six months later.

As proposed above, it is possible that social learning caused these long-lasting effects. When employees see people in leadership positions act in an inclusive way, they may learn to adopt these behaviours themselves, thus enforcing a culture of inclusion. Breaking the exclusive workplace culture is also easier to sustain when imposed from people in leadership positions, as their actions have greater influence over more junior employees.

Concluding remarks

This blog post has outlined two important goals of every organisation; innovation and inclusion. As discussed, not only are these areas currently lacking in success across organisations, there is also a stable cyclical relationship between them; innovation and inclusion can each be used to produce benefits in the other. Although there are barriers to adopting an inclusive workplace culture, an engagement form of leadership style may be a solution to build a more inclusive climate at work.

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