



Cultivating psychological safety to unlock diversity and performance

A handbook for people managers and team members

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WCM

What is psychological safety?

Psychological safety is “a condition in which an individual feels included, safe to learn, safe to contribute, and safe to challenge the status quo, without fear of being embarrassed, marginalized or punished in some way.”¹ At the team level, psychological safety facilitates learning by relieving excessive concerns about others’ reactions to actions that could embarrass or threaten others, as well as encouraging experimentation, well-intentioned interpersonal risk, and reflective communication.²

Why is it important?

Psychological safety on teams has been shown to increase:³

Innovation & creativity

Safe yet responsible risk-taking

Communication, knowledge sharing and team learning

Improved decision making and problem solving

Organizational efficiency

Improved employee engagement and commitment

Team performance and success

Diversity

A Google study on psychological safety found that who is on the team matters less than how the team members interact, structure their work, and value their contribution. The safer team members feel with one another, the more likely they are to admit mistakes, to work together and to take on new roles and challenges. Studies have shown the highest performing teams made more errors than the lower performers. Instead of hiding their mistakes, they feel safer acknowledging and correcting them with the team, rather than keeping them a secret, and are more likely to break organizational rules to improve organizational efficiency and increase innovation.⁴

Psychological safety is a cultural pillar of high-performing companies.

How employees may feel and behave...

With Psychological Safety

See mistakes as opportunities to learn

—

Willing to take risk and fail

—

Openly share opinions and ideas

—

Openly share struggles and challenges

—

Trust their teammates

—

Take responsible risks and go above and beyond

Without Psychological Safety

See mistakes as threats to their career

—

Unwilling to rock the boat and take risks

—

Keep opinions and ideas to themselves

—

Only tout their strengths

—

Fear their teammates and/or supervisor

—

Feel insecure in their job

Source: Grant, A. (2021). Think Again: The Power of Knowing What You Don't Know. Penguin Publishing Group.

**Diversity +
Inclusion =
Psychological
safety**

An inclusive environment fostered by a diverse workforce and championed by inclusive leaders is vital to the development of psychological safety.

Extensive research links diversity and having diverse perspectives on a team to improved decision making and performance. However, what's most important is that the decision-making process actively incorporates those diverse views. Therefore, diversity and inclusion must go hand-in-hand in order to create work environments characterized by inclusive leadership, equality, and fairness of opportunity, as well as openness and freedom from discrimination.⁵

People managers and leaders

How to create and cultivate psychological safety on your teams

1 Demonstrate Inclusive Leadership

A psychologically safe environment is cultivated when team members feel safe asking questions, giving and receiving feedback, experimenting, and making mistakes.⁶ Leaders with inclusive leadership traits:⁷

- encourage team members to demonstrate appreciation for others' contributions;
- empower and encourage everyone to contribute;
- actively challenges team members' behaviours that limit inclusion; and
- increase team members' inclination to take on risks and challenges.

Six traits of an inclusive leader⁸

1. Demonstrate a genuine and visible commitment to diversity, challenge the status quo, hold others accountable, and make inclusion a priority.

2. Demonstrate humility and vulnerability, be modest about your capabilities, admit your mistakes, and make room for others to add value. Normalize vulnerability and openly discuss your own weaknesses, struggles and failures. Be willing to respond to ideas that do not align with your own personal beliefs.

3. Show an awareness of bias, recognize systemic flaws, and work hard to create and maintain fairness.

4. Show empathy and curiosity about others, have an open mindset, listen without judgment, and seek to understand those around you with empathy.

5. Show cultural intelligence, be sensitive to the cultures and diverse needs of others and adapt accordingly.

6. Foster effective collaboration, empower others, make sure the team is safe psychologically, and emphasize team cohesion.

2 Create a Learning Culture⁹

A learning culture occurs when people are free to voice their opinions, ideas, and concerns without fear of retaliation.¹⁰ Encourage knowledge sharing, learning and experimentation, celebrate

appropriate failure, and recognize effort, attempt and intent, rather than focusing only on the outcome or result.

Set the tone

- Assist people to reframe their mistakes into learning and/or improvement opportunities.
- Emphasize how an individual's work affects others' responsibilities and discuss why communication, information sharing, and honesty are vital.

Invite participation

- Ask team members for their ideas, issues, questions, and feedback regularly.
- Lead with humility and vulnerability. These invites sharing and fresh thinking.
- Listen attentively.

- Consider other people's feedback and ideas with an attitude of not knowing so that you can remain more open to them.

Reward failure

- If people or teams work hard and fail, reward them and recognize their effort and intention (this does not mean praising all failures).

Encourage questions and reflective thinking

- Anticipate and demand that people ask a lot of questions. Questions give team members an opportunity to explain their decisions, actions and/or rationales.

3 Humanize Feedback

To create and uphold a psychologically safe environment, team leaders must ensure that their feedback is:

Timely	A conversation, not a statement—	receiving feedback in return)
Well intended	ask lots of questions	—
Actionable	A two-way street (be open to	Focused on behaviours and performance
Specific		
Private		

Team leaders should engage in frequent feedback conversations and should validate that their feedback is effective. This reveals blind spots in communication and increases trust in leaders themselves.¹¹ After giving feedback, a leader can ask:

- What worked and what didn't work in my feedback delivery?
- How did it feel to hear this message?
- How could I have presented it more effectively?

Leaders can demonstrate openness by asking for feedback on themselves. This demonstrates a desire to improve, conveys respect for employees' ideas, and opens the door for employee participation.¹² In a psychologically safe environment, leaders cultivate vulnerability by letting team members know how they use feedback to learn and grow.

Psychological safety is shaped by mutual vulnerability. The early process of building psychological safety is fragile, and when leaders make gestures to welcome feedback, team members can stabilize the dynamic by showing their own vulnerability and making feedback conversations more useful and actionable for both parts.¹³

When sharing feedback, individuals should feel:

- free to share suggestions and concerns,
- confident that they will not face retaliation or criticism for admitting a mistake, raising a concern or sharing feedback with any team member,
- encouraged to share points of view in 1:1 meetings and team meetings,
- heard and valued after sharing ideas or feedback

4 Challenge Power Structures

Power disparities have negative effects on team collaboration, decision-making, communication, and overall team performance. In organizations with salient power hierarchies, the risks of speaking up safely can be high, creating a culture of self-restraint where employees are cautious to challenge their bosses' ideas or decisions or challenging the status quo for fear of being punished or losing their jobs. Without psychological safety, people are less likely to speak up in the presence of opportunities or risks.

Strong teams should have a high degree of empowerment, strong communication and rapid information flow. A psychologically safe work

environment welcomes dissent, and team leaders should intentionally and regularly challenge group-think, and encourage healthy conversations over opposite ideas while avoiding conflict.

Reducing the perceived power differential and encouraging dissent can be as simple as moving to a more accessible space, letting team members voice an opinion first, and listening with empathy to everyone's opinion.¹⁴ It also involves providing team members with real-time information about processes and outcomes, and encouraging them to push back with data, actively report findings, and creating a continuous loop of learning and agile execution.

Endnotes

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