



Inclusive Future

State of the art:
Defining and Measuring
Inclusion and Inclusive
Leadership

Alexander Fleischmann

Executive Summary

Executive Summary

Seeing equity, inclusion & diversity (EI&D) as central to business success, this first report of the *Inclusive Future* project looks at the state of the art in defining and measuring inclusion and current approaches to inclusive leadership. To lay the foundation for an *Inclusive Future*, this report reviews the academic literature on the topic, presents approaches followed by consultants and provides case insights from leading corporations.

Based on this comprehensive review, this report introduces a basic model of inclusion and inclusive leadership which defines inclusion as consisting of various components that may cover more personal needs (for belongingness, uniqueness and authenticity) and organizational ones (for participation and fairness) together with psychological safety taking a middle ground between personal and organizational aspects. Our basic model positions inclusive leadership as a central antecedent of inclusion, highlighting that inclusive leadership is key in creating inclusive environments.

To measure inclusion, this report presents metrics for all these possible components of inclusion, including scientifically validated metrics. In addition to approaches that focus on particular aspects of inclusion, composite measures are also discussed. The metrics used by consultants and implemented by corporations are composite measures, which means that they cover various aspects of inclusion. In general, these approaches are based on measuring employees' perception of inclusion using surveys. The connection between inclusion and diversity is, hence, established by analyzing the perception of inclusion related to specific demographic and organizational dimensions as well as their intersections. Additionally, approaches that combine inclusion and diversity in the very

conceptualization are introduced together with alternative ways of measuring inclusion, e.g. based on artificial intelligence.

The in-depth analysis of the various approaches shows that there exist several scientifically validated approaches, but as they are based on numerous questions their practicality must be questioned. The analysis of the company cases shows that basically each company has its own way of measuring based on specific components of inclusion, which makes benchmarking impossible. Looking at current implementations reveals, moreover, that BP transparently reports its results to external audiences but has stopped its annual survey opting for more immediate and adaptable pulses. Nike, in contrast, aims to benchmark its inclusion index with other companies. The case of Microsoft highlights how contemporary IT technologies can be used alongside established employee surveys.

Another challenge of current approaches to defining and measuring inclusion – in particular for multinational corporations – is that data on the diverse composition of the workforce must be collected in compliance with local legal frameworks. The analysis of the company cases shows that Microsoft and BP have started initiatives for voluntary self-identification.

The second part of this first report is dedicated to inclusive leadership as a key driver for creating inclusive work environments. It sees inclusive leadership as comprising both the behavior of individuals who enact and role model inclusivity as well as strategic leadership that sets an inclusive organizational framework.

The basic definition of inclusive leadership we provide combines participatory and collaborative

approaches to leadership with a dedicated focus on diversity. Accordingly, inclusive leadership means fostering participation and diversity simultaneously. Hence, inclusive leadership is about balancing the – sometimes contradictory – needs for belongingness and uniqueness. This should avoid establishing cultures of conformity or cultures of singularities. In combining participation and diversity, the focus shifts from leaders to leadership as a collective process.

Based on this broad definition, key principles of inclusive leadership and key practices are introduced for several levels: For the individual, being inclusive means, among others, focusing on cultural humility, courage and the ability to recognize different contributions and act on them. At the team level, listening well, empathy and curiosity are imperative. Moreover, strategic leadership at the organizational level is also discussed. In general, inclusive leadership therefore means being a visible supporter of inclusion.

The final section of the report discusses the potentials and limits of inclusion metrics. The review of current approaches suggests that employee surveys should be combined with real-time pulses and artificial intelligence solutions. Regarding the specific components of inclusion, the current challenges PMI faces in implementing an inclusive culture suggest focusing on fairness and inclusive leadership. Moreover, it seems worthwhile to consider surveys with voluntary self-identification related to diversity, as the case insights suggest.

Based on the foundations established in this report, Part II of Inclusive Future will elaborate how inclusion must be redefined in light of the tremendous changes and challenges we are

currently witnessing, among them COVID-19, Black Lives Matter, #MeToo, postcolonial struggles, Generation Z entering the labor market together with digitalization, new forms of work and ongoing trends such as platform economies, sustainable capitalism and net positive. The question will, hence, be what the purpose of an organization will be in the 2020s – and what role inclusion has to play in this transformation.

Part III will then take an even deeper look at the specificities of this transformation process, elaborating practices needed to sustainably implement inclusive work environments.

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Introduction

Introduction

Equity, inclusion & diversity (EI&D) have been a top priority for business to attract and retain talent from all walks of life, to serve and represent a broad group of customers and stakeholders and to build an open and safe culture where everyone can thrive. Still, not enough progress has been made when it comes to the diversification of senior leadership positions (Nkomo, Bell, Roberts, Joshi, & Thatcher, 2019). The management of corporations and especially their C-suites do not mirror the communities they serve.

Meanwhile, the need to deliver on EI&D has become even more pressing with the #MeToo, Black Lives Matter or LGBTQ+ movements highlighting the urgent need for profound social and organizational changes, putting a spotlight on injustice and inequalities and holding organizations responsible for their commitments. Moreover, even though COVID-19 has disrupted lives globally, its impact on the most vulnerable has been the most severe. In the US, this included Black/African Americans, Latinx, and Native Americans/Alaska Native communities who not only face inequalities related to health, but also the socioeconomic consequences of the pandemic (Sabatello et al., 2021) – the same holds true for migrants and refugees in other geographical regions (see, e.g. Nardi & Phillips, 2021). Related to the advancement of women, the United Nations see that “even the limited gains made in the past decades are at risk of being rolled back” (United Nations, 2020).

For organizations, research shows that diversity can have positive and negative effects on team performance as it may lead not only to increased creativity and satisfaction but also to lower social integration and increased conflict (Stahl, Maznevski, Voigt, & Jonsen, 2010).

It is inclusion and inclusive leadership that “unlocks” the positive potential of a diverse workforce (Hewlett, Marshall, Sherbin, & Gonsalves, 2013).

Diversity (the representation of people from underrepresented groups) can exist without

inclusion as an organization may have a diverse workforce but only a privileged group is in key decision-making positions. But inclusion can also exist without diversity in cases of a homogenous workforce being able to participate in organizational decision-making (Mor Barak, 2017: 492).

“teams that are diverse in gender and highly inclusive perform 40% better than teams that are only diverse.”

(Gartner, 2020)

While diversity management aims to ensure that individuals from underrepresented groups are part of the organization, it can only be “the initial step toward workplace inclusion” (Mor Barak, 2017: 363) and requires psychological and physical safety to deliver the many EI&D promises (Nembhard & Edmondson, 2006; Prime & Salib, 2015). Hence, instead of focusing solely on representing within an organization the diversity of its environment, inclusion aims to create organizational structures, team environments, behaviors, and leadership potentials that foster an environment where everyone feels part of the organization (see, e.g. Nkomo, 2014; Shore, Cleveland, & Sanchez, 2018).

“those who feel very included are more likely to also feel fully engaged, i.e. committed to and excited by their employer.”

(McKinsey, 2020a: 4)

Unlocking the potential of diversity through inclusion today implies taking intersectionality into account, which means that individuals are different and similar along various – intersecting – lines. For instance, in terms of race/ethnicity, sexual orientation, a black leader might also be female and part of the LGBTQ+ community.

Indeed, the fact that diversity must be coupled with inclusion for value add to percolate to the surface and fulfill a business and moral D&I case is by now well established, both in the practitioner-oriented literature as well as in academic discourses.

Creating truly inclusive environments is, however, a major challenge even for companies with a comparatively diverse workforce, as a recent study by McKinsey shows (Hunt, Prince, Dixon-Fyle, & Dolan, 2020). Inclusion is and has been of central importance for multinational corporation (MNCs) operating in various regions across the globe with a broad array of cultural values and norms – often combined with a spatial and cultural “gap” between a central headquarter and dispersed subsidiaries (Farh, Liao, Shapiro, Shin, & Guan, 2021; Özbilgin, Tatli, & Jonsen, 2015).

“inclusion applies to and can benefit all colleagues.”

(McKinsey, 2020a: 10)

As creating inclusive environments is a major challenge, how is it possible to foster the inclusive behavior of everyone in the organization to create an organizational culture that allows everyone to thrive?

In this first report we focus on two milestones on the journey towards an inclusive organization:

- 1 Defining and measuring inclusion to set the stage and allow progress to be tracked and
- 2 Key features of inclusive leadership to create an inclusive organizational culture.

Related to the second milestone, research shows the crucial role of leadership in establishing an inclusive work environment, as will be discussed when the current definitions of inclusion are introduced.

Related to the first, a recent Gartner survey shows that setting equity, diversity and inclusion goals and tracking them through metrics was one of the two top priorities of EI&D leaders (Romansky, Garrod, Brown, & Deo, 2021). McKinsey asserts at the same time that “inclusion and workplace culture are inherently difficult to measure” which poses a “significant challenge for senior leaders” (Hunt et al., 2020: 33) – as will be elaborated next.

Corporate inclusion indices and their challenges

As this report shows in detail, in today's corporate world an inclusion index is typically a percentage figure that depicts how many employees feel included in the organization. This is generally assessed by asking employees several questions around inclusion in an (often annual or biannual) employee survey. Hence, an inclusion index currently measures the perception of employees quantitatively at one point in time. The proportion of employees who feel included is sometimes reported for external audiences as one figure for the whole company. However, only a limited number of corporations disclose details on how inclusion is measured, which makes solid benchmarking impossible.

Internally, the data on the perception of inclusion is analyzed along business units (departments, regions, functions), along demographic groups as well as combinations of them (e.g. senior female leaders) as well as providing intersectional analyses. The latter is achieved, for instance, when data for female leaders of an underrepresented ethnicity is compared to that of the dominant group.

For multinational corporations, this bears the challenge that only data along gender and nationality can be collected and analyzed globally. Many companies report data along race and ethnicity only for the US and the UK based on the legal definitions in these jurisdictions. Some regions allow data to be collected on employees' age, some countries have quotas to employ people with an officially recognized disability. As the company cases collected for this report show, Microsoft and BP started initiatives to encourage employees to self-disclose their demographics where it is safe to do so.

McKinsey Global Survey on efforts organizations take to create a diverse and inclusive environment: 35% too little effort, only 6% too much is being done

(McKinsey, 2020a: 4)

Of those companies that report the result of their inclusion index, most report only small progress on this figure, which indicates that there is still much to do to create truly inclusive workplaces.

The future of measuring is also currently being debated in the corporate world: While Nike plans to benchmark its performance on their inclusion index and set a goal for 2025, BP has stopped its annual pulse survey and with it the procedure of asking the same questions on inclusion every year. Instead, it now uses a weekly survey with questions adapted to contemporary needs to gain insights.

Accordingly, the question of how to measure inclusion in a reliable and impactful way is also up for debate.

The current approach of measuring the perception of employees has several positive sides, but also some pitfalls. Research at Facebook suggests that employee surveys can influence behavior, as those employees asked whether they intend to improve their work experience were 12% more likely to request a list with resources on the topic compared to those that did not get this question (Judd, O'Rourke, & Grant, 2018).

Among the pitfalls is their one-time picture: as they are only taken once a year or even every other year, they measure one moment in time that may not be representative of a longer period, i.e. the previous year, even though the questions might address such a long period. Moreover, it remains unclear whether "employee responses to internal satisfaction surveys, even if anonymous, are fully representative of their experiences and are not influenced by employees' perceptions about what their employers consider to be acceptable responses" (Hunt et al., 2020: 33).

Also in the academic literature, the common approach companies take, i.e. asking a few questions related to inclusion in annual employee surveys, is criticized from a methodological perspective.

“The limitation of this approach is that most of these questions are single items (as opposed to scales) with only face value validity — that is, they look like they measure what they intend to measure but there is no other evidence for their validity or reliability (i.e. that they measure what they say they measure and that they do it consistently).”

(Mor Barak, 2017: 492)

Some reliable and validated scales comprising several questions do exist in the academic literature – as explored in depth in this report – that consist of several questions for each item of inclusion, e.g. several questions on belongingness. However, companies do not want to over-survey their employees. Hence, asking 20 or more questions in endless questionnaires only on inclusion seems more than impractical.

On the other hand, several consultants promote and many companies use inclusion indices that comprise a handful of questions on inclusion spanning several aspects (e.g. authenticity, inclusive leadership, etc.). Robust data on their reliability and validity is, however, not available.

The question is, therefore, how to balance applicability and scientific validity, to balance practicality with rigorousness and whether there are alternative ways of measuring. Moreover, the question arises of how to take action to create truly inclusive environments against this backdrop.

The aim of this first report in the research project Inclusive Future is to give an overview on how inclusion is measured today to make an impact on organizational equity and to create a sustainable inclusive organizational culture.

Inclusive Future

This report is the first of three compiled as part of the Inclusive Future project run jointly by IMD Business School and Philip Morris International (PMI). This first part is dedicated to scrutinizing the concept of inclusion, how it is measured and how inclusive leadership can help in creating sustainable inclusive work cultures. Its aim is to collect current approaches and address the following research questions:

- *How can inclusion be defined today?*
 - at the organizational and team level as well as for individuals
- *How is inclusion measured today – quantitatively and qualitatively?*
- *How to measure inclusion to impact equity in everyday organizational life?*

Part II will look at how the tremendous changes we are currently witnessing in many societies influence the debate on inclusion: 2020 and 2021 have been characterized by a pandemic of historic dimensions (Feehan & Apostolopoulos, 2021) with health-related as well as tremendous social and economic effects. Indeed, already existing inequalities increased (Adams-Prassl, Boneva, Golin, & Rauh, 2020; Blundell, Costa Dias, Joyce, & Xu, 2020), inequalities that also characterize organizations (Bapuji, Ertug, & Shaw, 2020; Bapuji, Patel, Ertug, & Allen, 2020). Research shows that women and people of color predominantly suffer from the socioeconomic effects of the pandemic. This can be seen in their risk of being subjected to domestic violence which increased significantly when in home quarantine (Steinert & Ebert, 2020). Results from the US and the UK show that women are significantly more likely to lose their job during the pandemic (Adams-Prassl et al., 2020) and young and low-paid workers are more likely to work in sectors affected by lockdowns (Blundell et al., 2020). This means that migrant workers in Europe are more severely hit by the socioeconomic effects (Fasani & Mazza, 2021) and that in the US Black and Hispanic women are those whose employment rates recover the slowest (CNBC, 2021; World Economic Forum, 2020).

In addition to COVID-19, in 2020 the persistence of racial inequalities stood behind social movements like Black Lives Matter (Mir & Zanoni, 2020; Özbilgin & Erbil, 2021), sexual harassment and sexism were problematized in movements like #MeToo (Bell, Meriläinen, Taylor, & Tienari, 2019; Ozkazanc-Pan, 2019) and postcolonial struggles also affected organizations (Seremani & Clegg, 2016).

Moreover, COVID-19 accelerated the speed of digitalization and new forms of work (Kudyba, 2020; Nagel, 2020). Combined with ongoing trends such as platform economies, sustainable capitalism, net positive, new and participatory forms of work (Atzeni, 2016; Bloom & Śliwa, 2021; Lee & Edmondson, 2017; Parker, Cheney, Fournier, & Land, 2014) as well as Generation Z entering the labor market (Mahmoud, Fuxman, Mohr, Reisel, & Grigoriou, 2021), questions arise on how organizations can contribute to social and ecological sustainability, what the purpose of an organization will be in the 2020s – and what role inclusion has to play in this transformation.

The third and last part of Inclusive Future will explore – against this backdrop – ways to measure inclusion in a reliable and impactful manner and how inclusive leadership and inclusive management practices can create inclusive workplaces.

Inclusion at Philip Morris International

This research project is geared directly toward the Inclusion and Diversity initiatives of Philip Morris International (PMI). Embedded in PMI's strategy to deliver a smoke-free future, the company runs its I&D efforts under the banner "The Joy of Belonging". Belonging – the feeling of belonging while embracing individual uniqueness – is conceptualized as grounded in

- personal security (a workplace free from harassment)
- fairness (alleviating unconscious bias, confidence in processes and trust in leadership) and
- psychological safety (ability to express one's opinion and the valuing of different perspectives).

PMI launched a comprehensive I&D strategy to achieve this state aiming at

- leveraging talent diversity
 - *representation in management* (gender, nationality)
 - *bias interventions* (bias removal process in talent reviews and recruitment)
- creating a culture of open dialogue
 - *fairness and transparency* (PMI Leadership Model, MyPerformance, Opportunity Market Place, Equal Pay)
 - *behavioral change training* (unconscious bias, cultural awareness, Men Advocating Real Change)
 - *Employee Resource Groups* (LGBTQ+, race and ethnicity, women, disabilities, one on parents is announced)
- working environment for sustainable high performance
 - *Smart Work* (new ways of working) and parental leave initiatives
 - *health, wellbeing and resilience*

Before Inclusive Future was launched, PMI ran a pilot survey on inclusion in the Consumer Function in Switzerland and for all employees in the Philippines. Run by ClearSight, the study measured inclusion along the four dimensions of belonging, acceptance, trust & fairness as well as safety & access.

The highest positive score of 80% was obtained for safety & access, while trust & fairness only scored 45% and was the dimension of inclusion with the lowest rating.

Regarding specific underrepresented groups, the pilot survey at PMI revealed that female directors (grade 14 to 16), people with disabilities, ethnic minorities and the LGBTQ community (terminology as used in the report of this survey) reported specifically low rates on their perceived inclusion.

The item with the lowest value overall was the statement "I believe opportunities and recognition are distributed fairly to everyone, no matter who they are" with a score of 31%. Similarly, the item "I believe that everyone, no matter who they are, can be successful in the Consumer Function" scored low with only 48%. Hence, this pilot survey revealed equal and fair opportunities as a key challenge for PMI. Interestingly, both items were low across all demographic splits. As ironic as it may seem, this can also be read as a good sign as there is no group who sees – on average – the distribution of opportunities and recognition differently. In addition, the score on the trust in leadership was also low (45%), which implies that there is a need to greatly improve inclusive leadership structures at PMI.

These results go hand in hand with the narrative interviews held with the seven (co-)heads of Employee Resource Groups (ERGs) for the purpose of this study. Held to get a more nuanced picture of the I&D efforts, the interviews touched on how the ERGs started, their successes and challenges as well as resources, structure, membership base and collaboration with other ERGs. In addition, interviewees were asked on their own involvement and their perception of PMI as an inclusive and diverse employer.

While the interviewees also pointed towards positive developments, two common themes are identifiable as challenges for PMI:

- The existence of *informal* networks of employees with long tenure at PMI that are able to position close colleagues of the same demographic group in important roles. Given the long tenure of these employees, they are described as being predominantly white male with a Western European or North American background. This reflects a typical in-group vs. out-group conflict (Tajfel & Turner, 1979) and corresponds to the lack of equal and fair opportunities identified in PMI's inclusion pilot.
- The second major challenge identifiable in the interviews was the lack of the ability to listen to different voices. Several interviewees mentioned meetings as a specific example of this. For instance, one interviewee reported incidents in which only the points raised by white male employees who speak English without an accent were listened to. This is in line with interviewees' observations that PMI already has a pool of diverse talents, but "bringing them to the table" and promoting them does not work out accordingly.

Overall, these first results of the interviews correspond to the findings in a recent study by McKinsey on inclusion: Using employee reviews on the platforms Glassdoor and Indeed, they found that the highest level of negative sentiment was observable related to the lack of equality (ranging from 63% to 80% negative sentiments across industries) and fairness of opportunity (Hunt et al., 2020: 34).

As we compile this report, PMI conducts an employee pulse survey using Gartner's 7 dimensions, as will be discussed in detail below (p. 32).

In line with the aims of the first part of Inclusive Future, the rest of this report is dedicated to revisiting the state of the art regarding inclusion metrics and inclusive leadership to lay the foundation for measuring inclusion in an impactful way to create inclusive leadership structures and ultimately truly inclusive organizations where everyone belongs and everyone's contribution is recognized and taken into account.

Defining Inclusion

Inclusion – when taken seriously and successfully implemented – requires organizations to take a completely new and fresh look at their organizational structures, policies and practices as well as team and leadership behaviors.

“Diversity can provide advantages only when it is combined with fundamental changes in individual behaviors and attitudes, group norms and approaches, and organizational policies, procedures, and practices that result in people feeling appreciated, valued, safe, respected, listened to, and engaged — both as individuals and as members of multiple social identity groups.”

(Ferdman & Deane, 2014: xxiv)

Hence, inclusion does not mean that “different employees” are assimilated into an existing culture, but that inclusion is a process to co-construct a pluralistic culture (Mor Barak, 2017: 385).

“Why invest in recruiting and hiring diverse associates, only to reward them for conforming to institutional practices once they enter.”

[Gallegos, 2014: 196]

In its broadest definition, inclusion is a comprehensive concept that spans from the micro level of the individual to the macro level of societies, as depicted in Figure 1 below.

While this report focuses on inclusion as perceived by the individual in relation to their team members, leaders and the organization, the overall scope of Inclusive Future is to embed inclusion into broader societal transformation and challenges.

At the organizational level, inclusion means that all individuals within an organization feel part of it, a sentiment that for a very long time was the privilege of dominant identity groups.



Figure 1: Systems of inclusion: a multi-level analytical framework (Ferdman, 2020: 9)

“In inclusive environments, individuals of all backgrounds — not just members of historically powerful identity groups — are fairly treated, valued for who they are, and included in core decision making.”

(Nishii, 2013)

The definition of inclusive work environments provided by Nishii (2013) already provides the core elements that will be developed in this report. It defines inclusion as:

- Embracing all employees while
- At the same time acknowledging differences along historically established inequalities (diversity),
- Values uniqueness and authenticity,
- Sets fair treatment as central to inclusion and
- Sees participation in core decision making processes as crucial and, further, conceptualizes
- Voice as the ability to speak up without fearing negative consequences and that
- Contributions are appreciated and taken up by leaders and other members.

Acknowledging differences and bringing in different points of view without fear of retaliation is central to psychological safety, which can be defined as “a shared belief that the team is safe for interpersonal risk taking” (Edmondson, 1999: 354). Hence, psychological safety highlights the social aspect of inclusion by putting an emphasis on the need for a safe environment to express oneself without having to fear negative consequences (see also Kahn, 1990). Working environments that are psychologically safe are typically also those where it is safe to express diverse perspectives (Edmondson, 2020) – also those contradicting the ones held by members of the majority group.

Therefore, inclusion is not about simply relating to others, it is not simply about communicating with others, but it is about establishing “certain relationships that communicate the value of an individual to the community [that] are especially facilitative of inclusion” (Farh et al., 2021: 584). It is, hence, not only about having voice, but also about being heard irrespective of one’s background.

“Few goals could involve more emotionally challenging and uncertain paths to achievement than that of building equitable, engaged, inclusive workplaces, where people feel they belong regardless of their race, gender, sexual orientation, or cultural heritage. Thus, psychological safety is not only characteristic of such inclusive organizations, it is also needed to design and implement the necessary changes to get there.”

(Edmondson, 2020)

At first sight, similar definitions of inclusion are used by consultants. Gartner (2020) defines inclusion as a work environment:

- “where all individuals
- are treated fairly and respectfully,
- have equal access to opportunities and resources and
- can contribute fully to the organization’s success”.

For McKinsey (2019) three components represent inclusion:

- Openness: it is safe to express thoughts, ideas, and concerns.
- Equality: there is a perception of fairness, an equal chance for all employees to succeed.
- Belonging: employees share a positive connection to each other and the organization.

In this definition, openness shows large overlaps with the basic definition of psychological safety.

However, taking a closer look one can see that in these two definitions by consultants diversity and difference is missing – a crucial aspect as will be explored in more detail next.

Inclusion and diversity

The fact that inclusion and diversity have to be seen as interconnected has already been mentioned in the introduction and the discussion of current corporate inclusion measures. The relevance of incorporating diversity into a definition of inclusion is also highlighted by research that shows how inclusion is perceived differently by different demographic groups.

For instance, a study in a hi-tech company in Israel found that women felt more excluded whereas employees with a long tenure in the company and older workers (which was not analyzed intersectionally together with gender) felt more included in decision-making – also because they are

often part of senior management (Findler, Wind, & Mor Barak, 2007). Similar results were found in a study in Korea, where men, those from the dominant region, employees with higher education and those in more senior positions felt more included (Cho & Mor Barak, 2008).

In a study representative of the US workforce, Coqual (formerly Center for Talent Innovation) looked at how different demographic groups report on their belonging at their workplace. Unsurprisingly, white men were those with the highest median score, as can be seen in Figure 2 below.

Professionals’ median belongingness scores

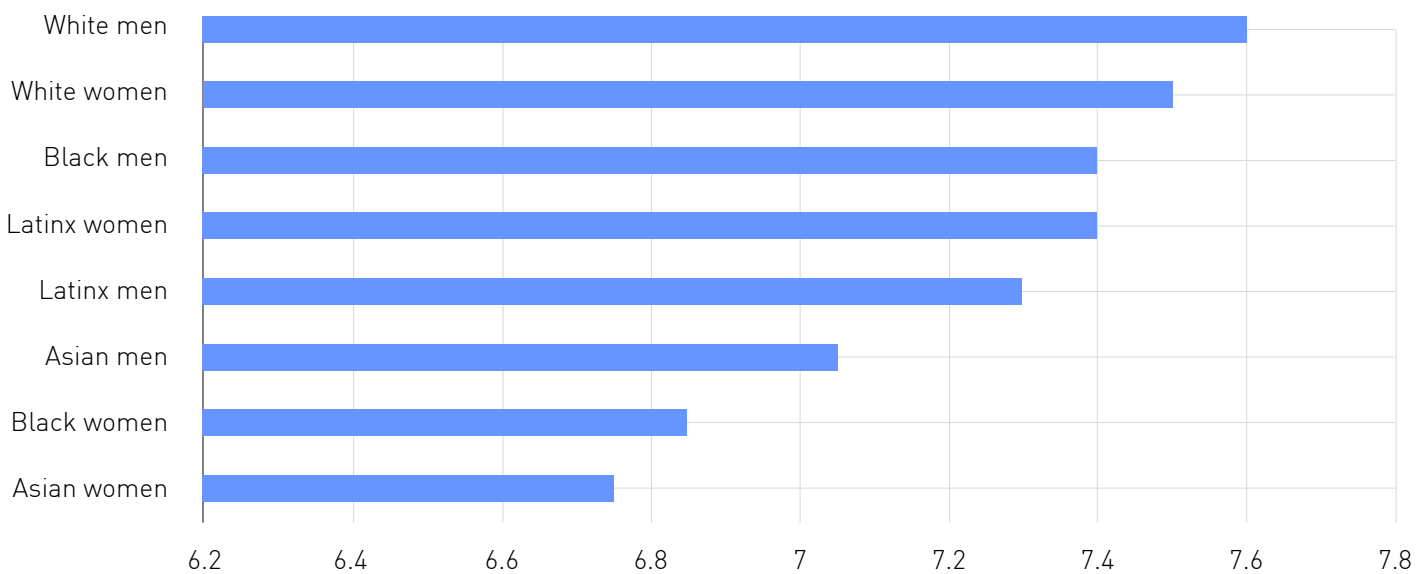


Figure 2: Median Belongingness Scores by Demographic Group (Source: Coqual, 2020: 4)

Also, McKinsey (2020) maintains that its survey research revealed that while all individuals face barriers to feeling included in the workplace, “respondents who are ethnic and racial minorities and those who identify as LGBTQ+ encounter additional challenges”. It is therefore imperative to take diversity segmentation into account when measuring and especially when analyzing inclusion.



A basic model of inclusion and inclusive leadership

In summary and in foresight of the inclusion metrics introduced below, inclusion is a multifaceted phenomenon. In academic literature, consultancy papers and corporate practices, one finds a multitude of how inclusion can be defined and measured and what the possible preconditions (antecedents) and outcomes of inclusion are (a short theoretical discussion is provided in Box 1 below).

For this report, based on the literature reviewed and cited here, the following basic model is proposed:

Inclusion is conceptualized as consisting of several components that cover more personal needs (for belongingness, uniqueness and authenticity) and organizational ones (for participation and fairness)

with psychological safety taking a middle ground in between personal and organizational aspects. Moreover, in this simplified model diversity is seen as a component of inclusion to highlight that not only people from a dominant group should be and feel included but all members of the organization.

Among the many possible antecedents that can be found in the literature, this model focuses on those that can be addressed in organizations: Leadership, work design and inclusive policies and practices.

Also for the outcomes only those with a corporate relevance are listed, however without relating them to the specific component of inclusion they were empirically tested against (see also Box 1).



Figure 3: A basic model of antecedents, components and outcomes of inclusion

Several studies prove the positive impact of leadership on various components of inclusion: The perception of being included in organizational processes is positively related to how leader-member exchanges are judged (Brimhall, Mor Barak, Hurlburt, McArdle, Palinkas, & Henwood, 2017) and how authentic leadership is perceived (Cottrill, Denise Lopez, & C. Hoffman, 2014). Transformational leadership also has a positive impact on this perception of inclusion (Brimhall, 2019a).

Leadership has equally proven to have an influence on the perception of psychological safety. As a recent meta-analysis of 136 samples shows, work design and positive leadership relations (including inclusive leadership, leader-member exchange, transformational leadership and trust in leadership) were the two factors that had the most significant impact on the perception of psychological safety (Frazier, Fainshmidt, Klinger, Pezeshkan, & Vracheva, 2017).

Box 1:

Antecedents, outcomes or part of inclusion? Simplified model

The question of what constitutes an antecedent, i.e. a precondition of inclusion and what is a part of it, is highly debated in the academic literature. Shore, Randel, Chung, Dean, Holcombe Ehrhart, and Singh (2011), for instance, define inclusion as the perception of belongingness and uniqueness in a work group and propose a conceptual model that sees inclusiveness climate (fairness systems and diversity climate), inclusive leadership (management philosophy/values, strategies and decisions) and inclusive practices (promoting satisfaction of belongingness/uniqueness needs) as their precondition. Chung, Ehrhart, Shore, Randel, Dean, and Kedharnath (2020) tested this and found a correlation between inclusion (belongingness and uniqueness) and the perception of leader inclusiveness, diversity climate and (non-significantly) with overall justice. However, as in similar studies, they have to admit that correlations are not causalities, which implies that the perception of inclusion could also influence the perception of leader inclusiveness and not the other way round, and that the proposed outcomes (helping behavior, creativity and job performance) could also be antecedents.

Also, how psychological safety relates to inclusion can be seen in various ways. Edmondson (2019: 201) maintains that “a workplace that is truly characterized by inclusion and belonging is a psychologically safe workplace” and admits that focusing only on psychological safety is not enough to build inclusion, diversity and equity, which implies that psychological safety is a part of a broader inclusion concept. Prime and Salib (2015) from Catalyst, in contrast, follow Shore et al. (2011) in defining inclusion solely as belongingness and uniqueness and conceptualize inclusive leadership as enhancing psychological safety and psychological safety leading to higher perceptions of inclusion.

The model presented here is a basic or simplified model because it combines the various components that are generally discussed in isolation from each other (studies focusing either on inclusion as participation and its antecedents and outcomes “vs.” studies on psychological safety and its antecedents and outcomes) and that also have different research histories and traditions. For instance, Edmondson introduced her measure for psychological safety in 1999 and the paper has since been cited over 9,600 times with many studies having no connection to inclusion or diversity at all, e.g. researching ‘solely the impact of psychological safety on the return on assets and managers’ ratings of goal achievement (Baer & Frese, 2003) without any reference to inclusion.

Measuring Inclusion

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Measuring Inclusion

This chapter gives an overview of current state-of-the-art approaches to measuring inclusion, as summarized in Figure 4 below.

Both in academic studies and in the corporate world, the most common way to measure inclusion is to ask individuals using questionnaires listing statements that must be rated on Likert scales, hence, measuring the individual perception of inclusion. This chapter starts by reviewing academic studies that measure inclusion in terms of belongingness, uniqueness, authenticity, participation, fairness and psychological safety.

Subsequently, composite measures are presented: They combine various aspects of inclusion, e.g. fairness, value for difference and participation. As mentioned in the introduction, the inclusion indices used by companies and promoted by consultants are composite measures, most often relying on one question for each aspect of inclusion. This part also presents how Microsoft, BP, Shell and Nike measure inclusion.

Glossary

Measure: broad term used for any measurement of a phenomenon

Metrics: broad term used to quantitatively measure various phenomena

Score: the specific result of a measurement

Item: one question or statement in a survey

Index: a combination of various items into one score to measure a concept or construct

Scale: a way to position phenomena on a continuum/ typical example: Likert Scale, on which respondents position themselves (even though some use scale and index interchangeably)

NB: as in this report the original wording for each measure is used, some examples provided may contradict these distinctions

In addition, this chapter also explores alternative ways of measuring, i.e. sentiment analysis that does not rely on asking individuals on their perception. Additionally, composite indices are also discussed that combine in their very construction aspects of inclusion with diversity.

The measures in italics are those where comprehensible data on their reliability and validity is available – see also the in-depth discussion in the appendix.

The additional field in the graph highlights that the diverse composition of the workforce is of importance for all inclusion metrics. While the “classical” approach is to analyze employees’ perception along granular demographic data, the composite indices aim at combining the two concepts in the very construction of the measure.

As discussed when introducing the basic model above, these different ways of measuring inclusion can be seen as measuring different components of inclusion. Most of the academic studies measure inclusion according to one instrument and correlate it to antecedents and outcomes, sometimes to other instruments to assess their validity.

Part II of this project will reassess these measures and definitions in light of the societal changes in recent years to evaluate their appropriateness for an inclusive future. At this point one cannot judge which one is the best way of defining and measuring inclusion – as discussed from a theoretical perspective briefly in Box 2 below.

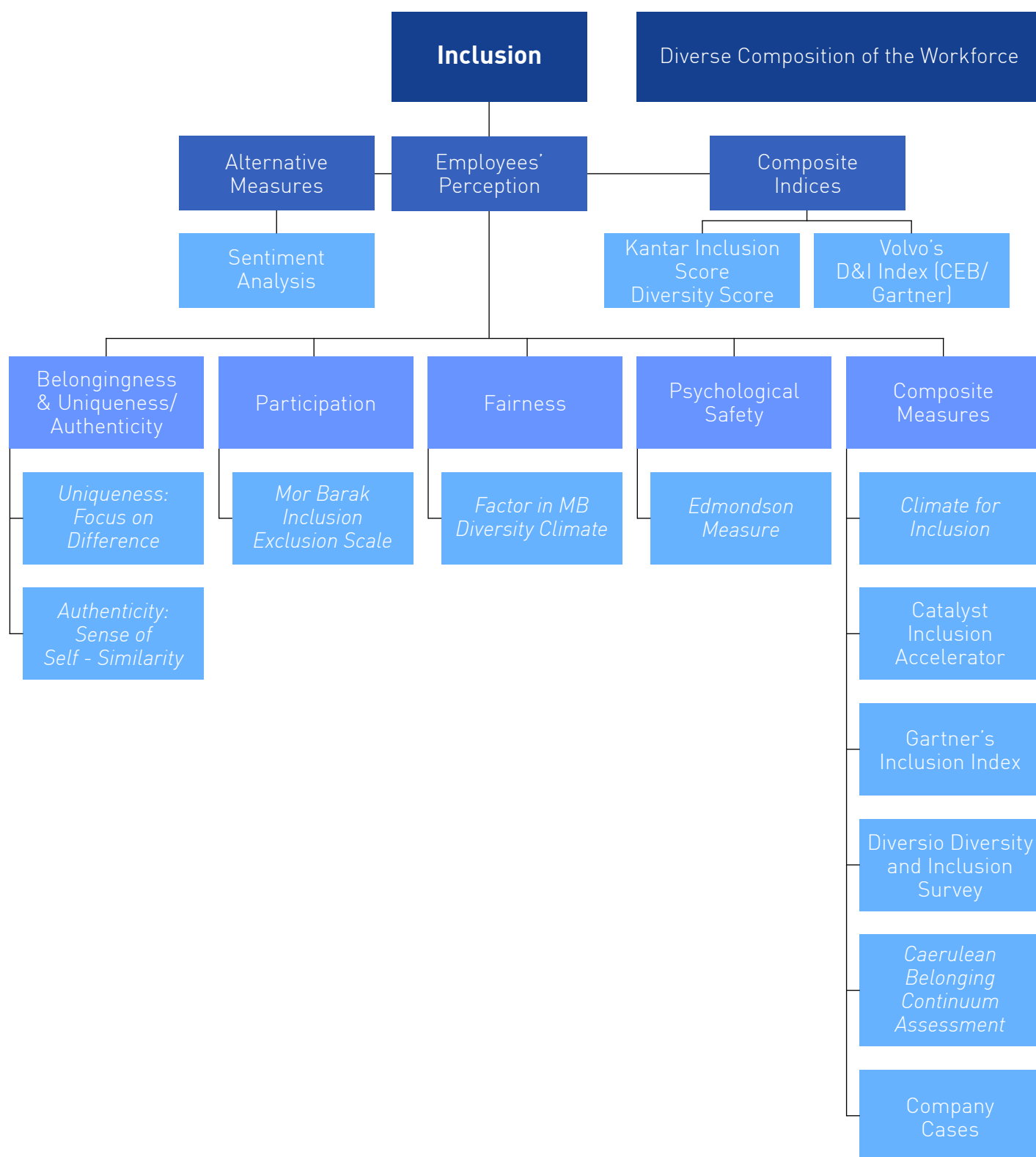


Figure 4: Contemporary approaches to measuring inclusion – metrics in italics with reliability and validity information

In addition to the measures reviewed in this report, in the academic literature one finds a plethora of measures that were not considered to be central to the topic. Among them the Perceived Insider Scale (Stamper & Masterson, 2002) and various diversity perception scales (as reviewed by Goyal & Shrivastava, 2013) – from the latter this report only discusses fairness as part of the Mor Barak et al. Diversity Climate Scale.

Why measure?

The question why inclusion should be measured in the first place runs as a red thread through the Inclusive Future project. Critics maintain that in diversity work there is the risk of ending up “doing the document rather than doing the doing” (Ahmed, 2007), which cautions to only implement metrics that are actionable.

Hence, the key to successful measurement is to embed inclusion, diversity and equity within the core values, goals and aspirations of the organization and to have a vision of what an inclusive organization looks like. Relating EI&D to the critical success factors of the business makes it possible to select appropriate metrics that serve both the moral case of providing a safe working environment free of discrimination and the business case of increased innovativeness, job satisfaction and performance to succeed in diverse market environments. Measuring inclusion in a reliable way is in itself also related to inclusion and psychological safety, as the quote by Amy Edmondson (2020) on the next page illustrates.

Accordingly, one can argue that the more individuals feel psychologically safe and included, the more concerns to further improve inclusiveness might be heard.

The subsequent chapters of this report will set the stage for measuring inclusion in a reliable way by providing an in-depth overview of current approaches to measuring inclusion.

“Metrics are crucial to tracking progress against inclusion objectives, though they should be consistent with the organization’s culture to ensure success is tied to performance goals.”

(Gartner, 2019b)

“When an organizational goal is more subjective than objective (meaning it can best be measured by assessing subjective perceptions), psychological safety is more necessary in achieving – and measuring – it. For instance, there is no way to know if you’re achieving the goal, of say, belonging, without broad and candid input from people in different groups.”

(Edmondson, 2020)



Box 2:

Is there 'one best way' of measuring inclusion?

For instance, Chung et al. (2020), who developed a measure based on belongingness and uniqueness tested their approach for incremental validity, i.e. if it adds knowledge compared to Mor Barak's (2017) focus on participation. Even though their model shows higher correlations for antecedents and outcomes of inclusion, they admit that the magnitude of this difference is not large and conclude that

“our work group inclusion measure is complementary to Mor Barak's measure and can provide guidance for organizations regarding possible areas of improvement in terms of belongingness and uniqueness”

(Chung et al., 2020: 93)

Measuring Employees' Perception

Measuring Employees' Perception

1 Inclusion as belongingness and uniqueness

We know from research that individuals need to balance seemingly contradicting needs, e.g. feeling recognized as an individual and feeling they belong with others (see Box 3 below for the theoretical background).

Inclusion means, therefore, both being part of a specific social group (organization, work group, etc.) as well as having a sense of being oneself (uniqueness) (Shore et al., 2011).

A focus on uniqueness has the benefit of addressing the individual sense of being different in a group and is therefore particularly suitable to focus on the perception of employees from underrepresented groups. In a 2015 Catalyst report, inclusion is similarly defined as belongingness and uniqueness based on an empirical study in six countries (Prime & Salib, 2015).

Chung et al. (2020) developed 10 items to measure inclusion in terms of belongingness and uniqueness based on Shore et al.'s (2011) definition.

As can be seen at the bottom of the table below, the statements assessing the sense of uniqueness focus on individuals being different and having a divergent view and whether these different opinions are valued by the work group.

Chung et al. (2020) ran several tests to explore the validity and reliability of their measure (a detailed description is given in the appendix). It can be assumed that their metrics really measure inclusion and that belongingness and uniqueness are related but distinct concepts that measure inclusion in a valid way.

Belongingness

- I am treated as a valued member of my work group
- I belong in my work group.
- I am connected to my work group
- I believe that my work group is where I am meant to be
- I feel that people really care about me in my work group

Uniqueness

- I can bring aspects of myself to this work group that others in the group don't have in common with me
- People in my work group listen to me even when my views are dissimilar
- While at work, I am comfortable expressing opinions that diverge from my group
- I can share a perspective on work issues that is different from my group members
- When my group's perspective becomes too narrow, I am able to bring up a new point of view

Table 1: Measuring belongingness and uniqueness at the work group level (table based on Chung et al., 2020)



Box 3: **Optimal distinctiveness theory**

Optimal distinctiveness theory (ODT; Brewer, 1991) posits that individuals have two needs they need to balance: Feeling similar to others and having a sense of uniqueness in such social relations. While these needs seem to be contradictory, studies show that in heterogeneous groups not only shared similarities are core to identity formation but also expressions of individuality in what is known as inductive social identity formation (Jans, Postmes, & van der Zee, 2012).

2 Inclusion as belongingness and authenticity

A similar approach is followed in conceptualizing inclusion as belongingness and authenticity. Whereas the aforementioned concept of uniqueness focuses on how individuals differ, authenticity makes it possible to grasp conceptually a sense of being oneself also by being similar to others in a group (see Box 4 below for the theoretical background).

In their conceptualization of inclusion, Jansen, Otten, van der Zee, and Jans (2014) identify two subcomponents for belongingness and authenticity:

Belongingness:
group membership +
group affection

Authenticity: room
for authenticity +
value in authenticity

(Jansen et al., 2014)

This reflects that belongingness consists of a perception of being a valid member of the group (group membership) and that other members of the group have positive emotions towards oneself (group affection). For authenticity they measure if there is a general possibility to be oneself (room for authenticity) and if this authenticity is also valued.

To measure inclusion in terms of belongingness and authenticity, Jansen et al. (2014) developed the valid and reliable (see Appendix) Perceived Group Inclusion Scale (PGIS) consisting of four items each measured using four questions.

Uniqueness or authenticity:

What's the practical use of distinguishing?

The difference between uniqueness and authenticity may seem marginal, but which one to choose is a strategic question:

While uniqueness highlights difference and mirrors debates in social movements on the recognition of underrepresented identities, authenticity reflects that being oneself may also mean being similar to others in the group, which conceptually also embraces members of the dominant social group and might avoid highlighting divisions between social groups

Belongingness

group membership

This group...

1. ...gives me the feeling that I belong
2. ...gives me the feeling that I am part of this group
3. ...gives me the feeling that I fit in
4. ...treats me as an insider

group affection

This group...

1. ...likes me
2. ...appreciates me
3. ...is pleased with me
4. ...cares about me

Authenticity

room for authenticity

This group...

1. ...allows me to be authentic
2. ...allows me to be who I am
3. ...allows me to express my authentic self
4. ...allows me to present myself the way I am

value in authenticity

This group...

1. ...encourages me to be authentic
 2. ...encourages me to be who I am
 3. ...encourages me to express my authentic self
 4. ...encourages me to present myself the way I am
-

Table 2: Perceived Group Inclusion Scale (PGIS) (table based on Jansen et al., 2014)

Box 4: **Self-determination theory**

Self-determination theory (SDT; Deci & Ryan, 1991, 2000) identifies the needs of “relatedness” and “autonomy” as complementary. While relatedness covers the need to feel a connection with others, autonomy – which in later developments has been labeled authenticity – reflects the need to act according to one’s own sense of self (Jansen et al., 2014).

3 Inclusion as participation

The previous two measures focused on employees' general perception of belongingness and uniqueness/authenticity in their work group.

A different approach to conceptualizing and measuring inclusion is taken by Mor Barak (2017) who focuses on participation in key organizational practices in her definition of inclusion:

“full participation in communication and decision-making processes is welcomed and that their unique contribution to the organization is appreciated”

(Mor Barak, 2017: 492)

Based on this definition, Mor Barak (2017) developed the MBIE:

Most published academic studies that use a validated inclusion scale use the Mor Barak Inclusion-Exclusion Scale (MBIE) or specific subscales of it (Chung et al., 2020). The MBIE measures inclusion by asking individuals how they perceive their inclusion in decision-making processes, information networks and their overall involvement. A specific feature of the MBIE is that it allows inclusion to be measured not only for the work group as with the previous scales, but at the following five levels:

- Work group
- Organization
- Supervisor
- Higher management
- Social/informal

Each item is measured with one question, as can be seen in the table below. Statements marked with (R) are reversed, which means that in contrast to the other ones, negative statements will yield high values. Overall, the measure has proven to be valid and reliable, as discussed in the appendix.

We recognize that the number of questions might be impractical for an immediate implementation in a corporate context. In addition, we find the essential aspects of psychological safety are missing in this measure. However, the focus on decision-making processes makes it possible to grasp transparency and fairness as well as listening to diverse voices – key challenges for inclusion at PMI.

Moreover, these questions might be worth considering in career development or to be integrated in a 360-degree feedback – as will be explored in detail in Part III of this project.

inclusion dimension	decision-making process	information networks	participation/involvement
system levels			
work group	I have influence in decisions taken by my work group regarding our tasks	My coworkers openly share work-related information with me	I am typically involved and invited to actively participate in work-related activities of my work group
organization	I am able to influence decisions that affect my organization	I am usually among the last to know about important changes in the organization (R)	I am usually invited to important meetings in my organization
supervisor	My supervisor often asks for my opinion before making important decisions	My supervisor does not share information with me (R)	I am invited to actively participate in review and evaluation meetings with my supervisor
higher management	I am often invited to contribute my opinion in meetings with management higher than my immediate supervisor	I frequently receive communication from management higher than my immediate supervisor (i.e. memos, emails)	I am often invited to participate in meetings with management higher than my immediate supervisor
social/informal	I am often asked to contribute in planning social activities not directly related to my job function	I am always informed about informal social activities and company social events	I am rarely invited to join my coworkers when they go for lunch or drinks after work (R)

Table 3: Mor Barak Inclusion-Exclusion Scale (table based on Mor Barak, 2017: 494–495)

Given that the MBIE measure is the one most used in published studies, one finds many studies that link inclusion in terms of participation to various antecedents and outcomes. Among them are also those that highlight how involvement in information networks and decision-making is related to wellbeing (Mor Barak & Levin, 2002) and to the perception of fairness in terms of the distribution of rewards and compensation within an organization (Findler et al., 2007). Moreover, the MBIE or its components have been used both in for-profit as well as non-profit organizations and in various geographical and cultural contexts, such as the US, Korea, Israel and Denmark.

4 Inclusion as psychological safety

In addition to belongingness, uniqueness/ authenticity and participation, we have already mentioned that psychological safety is commonly understood as being a part of organizational inclusion. The seminal work of Edmondson (1999, 2019) leads the discussion in this field.

Psychological safety can be defined as “a shared belief that the team is safe for interpersonal risk taking” (Edmondson, 1999: 354). As such, psychological safety highlights the social aspect of inclusion by putting an emphasis on the need for a safe environment to express oneself without having to fear negative consequences (see also Kahn, 1990).

“psychological safety is not a personality difference but rather a feature of the workplace that leaders can and must help create.”

(Edmondson, 2019: 13)

A climate of psychological safety combines elements of trust and respect; psychological safety exists in work groups rather than between specific individuals and can, accordingly, also differ within one corporation across groups (Edmondson, 2019). Research shows that teams with high psychological safety make both fewer errors and raise these errors more often (Edmondson, 2019: 36) and that psychological safety is a precondition for task conflict to be used productively, e.g. discussing different views in an open and respectful way which ultimately leads to higher team performance (Bradley, Postlethwaite, Klotz, Hamdani, & Brown, 2012). Moreover, also in virtual teams one can foster psychological safety, as remote work during the pandemic showed (Meister & Sinclair, 2021).

Edmondson (1999, see also 2019) developed the following seven items to measure psychological safety:

Measuring Psychological Safety

If you make a mistake on this team, it is often held against you (R)

Members of this team are able to bring up problems and tough issues

People on this team sometimes reject others for being different (R)

It is safe to take a risk on this team

It is difficult to ask other members of this team for help (R)

No one on this team would deliberately act in a way that undermines my efforts

Working with members of this team, my unique skills and talents are valued and utilized.

Table 4: Measuring Psychological Safety (Source: Edmondson, 2019: 20)

These items target not only core aspects of psychological safety, but connect them also to a sense of uniqueness (being different and having unique skills and talents).

Similar to the MBIE scale discussed above, Edmondson’s seven items to measure psychological safety are also widely used in published research (Frazier et al., 2017) and have been applied in several countries with the items being translated into other languages, among them German, Spanish, Russian, Japanese, Chinese, and Korean (Edmondson, 2019: 20).

One of the most famous applications is within Google’s Aristotle project, where research showed that psychological safety is the one feature that underpinned all others predicting which team performs best. Hence, team performance is not dependent on who is on a team, but how these people interact and relate to others’ contributions in a psychologically safe way (Rozovsky, 2015). Psychological safety has been shown to enhance employees’ sense of vitality (Kark & Carmeli, 2009) and a study from as early as 2006 showed, moreover, that psychological safety can improve the operations of geographically dispersed teams that collaborate virtually (Gibson & Gibbs, 2006).

In relation to diversity, a study on Turkish immigrant workers in Germany shows that “the effect of immigration background on mental health, work engagement, and turnover through affective commitment depends on the level of perceived psychological safety at the workplace, specifically in terms of an open and inclusive work climate” (Ulusoy et al., 2016), which implies that the strains suffered by underrepresented employees are mitigated by a psychologically safe and inclusive environment. Moreover, research from the US shows that psychological safety is particularly important for racial minorities in shaping their work performance (Singh, Winkel, & Selvarajan, 2013). Similar results can be seen in the figure below, drawn from a study in a US-based Fortune 100 multinational operating in mining and minerals processing, in which organizational community of practice performance is related to the national diversity of the team. As can be seen, psychological safety helps to improve the performance of teams of diverse national backgrounds:

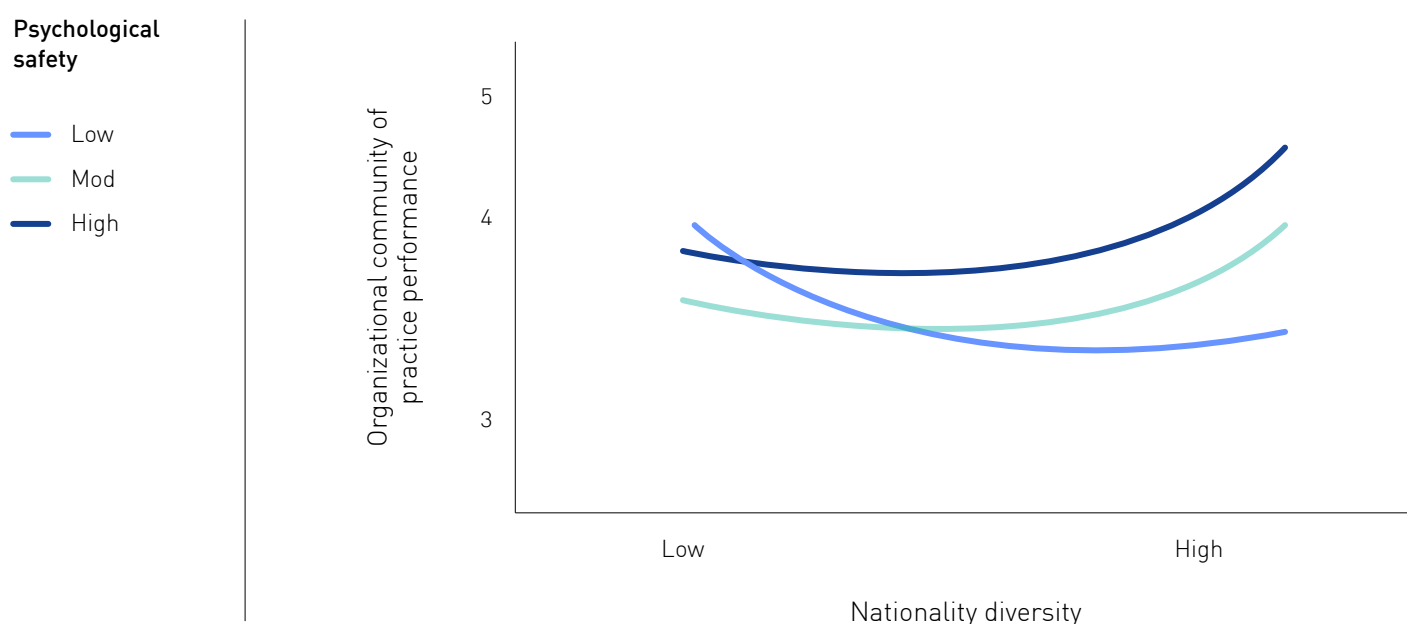


Figure 5: Psychological safety and performance in diverse teams (nationality) - (Source: Kirkman, Cordery, Mathieu, Rosen, & Kukenberger, 2013: 350)

5 Inclusion as fairness (factor in Mor Barak et al.'s Diversity Climate Scale)

To measure fairness as a component of inclusion, one factor of the Diversity Climate Scale developed by Mor Barak, Cherin, and Berkman (1998) is introduced below. The whole Diversity Climate Scale consists of an organizational dimension (composed of a fairness and an inclusion factor) and a personal dimension (composed of a personal diversity value factor and a personal comfort with diversity factor). Several studies used only one of the factors, with organizational fairness being the one most often used (Mor Barak, 2017).

In line with this factor being part of the Diversity Climate Scale, a positive feature is that in several questions fairness is directly related to diversity.

However, it is interesting to see that the list of diversity dimensions varies and is not coherent throughout the six items.

The scale or its components were used in various geographical and cultural contexts, among them India, Australia, the US and Italy (Paolillo, Pasini, Silva, & Magnano, 2017).

The reliability and validity together with the items of the other three factors can be found in the appendix.

Organizational Fairness Factor

1. I feel that I have been treated differently here because of my race, gender, sexual orientation, religion, or age (R)
2. Managers here have a track record of hiring and promoting employees objectively, regardless of their race, gender, sexual orientation, religion, or age
3. Managers here give feedback and evaluate employees fairly, regardless of employees' race, gender, sexual orientation, religion, age, or social background
4. Managers here make layoff decisions fairly, regardless of factors such as employees' race, gender, age, or social background
5. Managers interpret human resource policies (such as sick leave) fairly for all employees
6. Managers give assignments based on the skills and abilities of employees

Table 5: Organizational Fairness Factor (table based on: Mor Barak, 2017: 503)



Composite Measures

While the measures discussed so far focused on one particular aspect of inclusion (when one sees belongingness and uniqueness as one focus on individual perception), the following instruments combine different aspects of inclusion in their metrics.

Composite Measures

1 Climate for inclusion

To create and measure an inclusive working environment, also referred to as “climate for inclusion” in academic research, we need to look at three key pillars (Nishii, 2013):

1. Fair employment practices and diversity practices that aim at eliminating bias
2. The integration of differences and the integration of diverse employees
3. The inclusion in decision-making processes.

Based on this, Nishii (2013) developed the following composite scale to measure it – its validity and reliability is again discussed in the appendix.

Foundation of equitable employment practices

- This [unit] has a fair promotion process
- The performance review process is fair in this [unit]
- This [unit] invests in the development of all of its employees
- Employees in this [unit] receive “equal pay for equal work”
- This [unit] provides safe ways for employees to voice their grievances

Integration of differences

- This [unit] is characterized by a non-threatening environment in which people can reveal their “true” selves
- This [unit] values work-life balance
- This [unit] commits resources to ensuring that employees are able to resolve conflicts effectively
- Employees of this [unit] are valued for who they are as people, not just for the jobs that they fill
- In this [unit], people often share and learn about one another as people
- This [unit] has a culture in which employees appreciate the differences that people bring to the workplace

Inclusion in decision-making

- In this [unit], employee input is actively sought
 - In this [unit], everyone’s ideas for how to do things better are given serious consideration
 - In this [unit], employees’ insights are used to rethink or redefine work practices
 - Top management exercises the belief that problem-solving is improved when input from different roles, ranks, and functions is considered
-

Table 6: 15-item scale to measure Climate of Inclusion (table based on Nishii, 2013)

A recent meta-analysis (Holmes, Jiang, Avery, McKay, Oh, & Tillman, 2021) showed that the inclusion climate, as suggested by Nishii (2013), is better suited to measure how employees’ individual contributions are valued compared to measures that focus on a diversity climate.

After reviewing how inclusion is measured in academic studies, the following examples focus on indices developed by consultants and those used by corporations.

2 Catalyst's Inclusion Accelerator

Catalyst defines inclusion as relying on five dimensions that employees experience in an inclusive work environment - as can be seen in the table below.

In its approach, Catalyst combines aspects of psychological safety known from Edmondson (1999) (addressing tough issues and making mistakes), uniqueness related to psychological safety (having different views, unique perspectives and talents) and uniqueness itself (expressing a self that is different) with Mor Barak's (2017) focus on inclusion in decision-making processes.

Comparing it already at this point to the company cases discussed below, one sees that Catalyst's five dimensions of inclusion that underlie its Inclusion Accelerator do not cover aspects of inclusive leadership, i.e. the perception of employees on how inclusion is promoted by the organization or formal leaders.

valued	<ul style="list-style-type: none"> You are appreciated and respected for your unique perspectives and talents
trusted	<ul style="list-style-type: none"> You make meaningful contributions and are influential in decision-making
authentic	<ul style="list-style-type: none"> You can bring your full self to work and express aspects of yourself that may be different from your peers
psychological safety: latitude	<ul style="list-style-type: none"> You feel free to hold differing views and make mistakes without being penalized
psychological safety: risk-taking	<ul style="list-style-type: none"> You feel secure enough to address tough issues or take risks

Table 7: Catalyst Five Dimensions of Inclusion (table based on Travis, Shaffer, & Thorpe-Moscon, 2019)

3 Gartner's Inclusion Index

Gartner developed an inclusion index spanning six aspects of inclusion plus one question on the perception of the diverse composition of the management team:

Focus	Question
Fair treatment	<ul style="list-style-type: none"> Employees at my organization who help the organization achieve its strategic objectives are fairly rewarded and recognized
Integrating differences	<ul style="list-style-type: none"> Employees at my organization respect and value each other's opinions
Collaborative decision-making	<ul style="list-style-type: none"> Members of my team give fair consideration to ideas and suggestions offered by other team members
Psychological safety	<ul style="list-style-type: none"> I feel welcome to express my true feelings at work
Trust	<ul style="list-style-type: none"> Communications we receive from the organization are honest and open
Belonging	<ul style="list-style-type: none"> People in my organization care about me
Diversity	<ul style="list-style-type: none"> Managers at my organization are as diverse as the broader workforce

Table 8: Gartner's Inclusion Index as currently used at Philip Morris International (data provided by PMI, see also Romansky et al., 2021)

As we write this report, PMI is running an employee pulse survey using these questions.

Though Gartner's Inclusion Index aims at covering a broad array of aspects, again notions of inclusive leadership are missing.

In addition, the question related to psychological safety refers only to expressing feelings without mentioning that these expressions are possible without fear of retribution.

Moreover, from a methodological standpoint it is doubtful whether the first question on fair treatment can be answered easily, as several aspects (helping the organization in its objectives, fair rewards and recognition) are asked at the same time.

In a recent Harvard Business Review article, Gartner consultants Romansky et al. (2021) explore the validation of their inclusion index (see appendix). Described as being based on qualitative interviews with EI&D experts, literature reviews and existing indices together with "a series of factor analyses" (Gartner, 2019, provided by PMI), no transparent data on the results of these analysis is available. Hence, the validity and reliability can only be assumed.

4 Diversio's Diversity and Inclusion Survey

Diversio developed its Diversio Diversity and Inclusion Survey along the six themes of

- inclusive culture
- unbiased feedback & reviews
- access to networks
- flexible working options
- safe work conditions
- recruiting & hiring.

The validity and reliability of the survey can only be assumed, as discussed in detail in the appendix. Diversio provides only one reliability measure for the whole survey, which suggests that the whole survey measures the same, but one cannot judge if this holds true for the six themes. Similarly, the validity cannot be assessed in depth as only the correlation for all items is reported (Diversio, 2021).

5 Carulean’s Belonging Continuum Assessment²

Caerulean developed the Belonging Continuum Assessment™ that uses 11 factors of belongingness grouped into four clusters - as can be seen in the table below.

The measure can be considered valid and reliable, as discussed in the appendix – even though the test for discriminant validity is doubtful.

²Data provided by Philip Morris International..

organizational alignment

- stability
- organizational culture

managerial alignment

- feedback
- autonomy

social alignment

- peer perception
- peer connectedness

personal alignment

- intrinsic motivation
- extrinsic motivation
- mentoring & support
- high-performance
- high-potential

Table 9: 11 Factors of the Caerulean Belonging Continuum Assessment (table based on: Caerulean, 2021)

Composite Indices

The approaches to measuring inclusion presented so far relied on asking employees how they perceive inclusion based on various aspects of it (e.g. belonging, psychological safety, participation in decision-making processes). As previously mentioned, to obtain actionable results that unlock the potential of inclusion and diversity, it is of utmost importance to analyze the results in relation to the diverse composition of the workforce.

The following examples, in contrast, explicitly combine survey data with data on the diverse composition of the workforce.

Composite Indices

1 Kantar's Inclusion Index

Kantar's (2020) Inclusion Index combines aspects of the previously discussed inclusion scales, i.e. the perception of individuals towards inclusion, the absence of discrimination and negative behavior with a score that measures diversity representation in relation to a set benchmark.

Inclusion Score

- **Company sense of belonging score**
8 statements: Inclusion, belonging, attachment, being valued
- **Absence of discrimination score**
7 statements: "Discrimination experience across a wide variety of characteristics including gender, sexual orientation, ethnicity, religion, health and wellbeing, age, and social class"
- **Presence of negative behavior score**
6 statements

Diversity Score

- Measured as diversity representation in relation to a benchmark to cover several underrepresented groups

Table 10: Kantar Inclusion Index (table based on: Kantar, 2020)

2 Volvo / Gartner³

In its composite index, Volvo combines data on inclusion (Inclusiveness Index) with figures on the diversity representation within the company (Balanced Team Indicator).

The table at the bottom shows the five items that comprise the Inclusiveness Index.

An interesting feature of this Inclusiveness Index is that it aims to ensure that minority voices are heard. For each of the above items, 1 point is given for scores above 70% and 2 points for scores above 85%.

Additionally, negative replies must be below 7% to get 1 or below 5% to get 2 additional points. Instead of simply using an average that could be distorted by a social majority, low negative values are also accounted for.

focus on minority voices: instead of using averages, to get the full score the negative replies must be under 5%

While the other metrics discussed so far rely on an in-depth analysis for specific demographic groups, often in combination with organizational functions, Volvo's composite index embeds this thinking in the very composition of the index, awarding full points only to entities without a large proportion of employees with a negative perception on inclusion. Each entity can obtain a maximum of 20 points for its Inclusiveness Index and 20 points on its Balanced Team Indicator, as can be seen on the next page.

³Data provided by Philip Morris International.

Inclusiveness Index (20 points)

My business entity has a climate in which diverse perspectives are valued	4 points
My ideas and suggestions count	4 points
There is an environment of openness and trust in my workgroup/team	4 points
My immediate supervisor treats me with respect and dignity	4 points
I feel respected and valued by members of my workgroup/team	4 points

Table 11: Inclusiveness Index at Volvo

Balanced Team Indicator (20 points)

Diverse executive team composition	6 points
Diverse team composition below top team	6 points
Gender balance	4 points
Perceived commitment to diversity	4 points

Table 12: Balanced Team Indicator at Volvo

With the two components depicted on two axes, a matrix can be drawn that positions each entity according to their advancement related to inclusiveness (x-axis) and the diverse composition of the team (y-axis), as can be seen below. Accordingly, this composite scale makes it possible to measure progress on inclusion and diversity simultaneously.

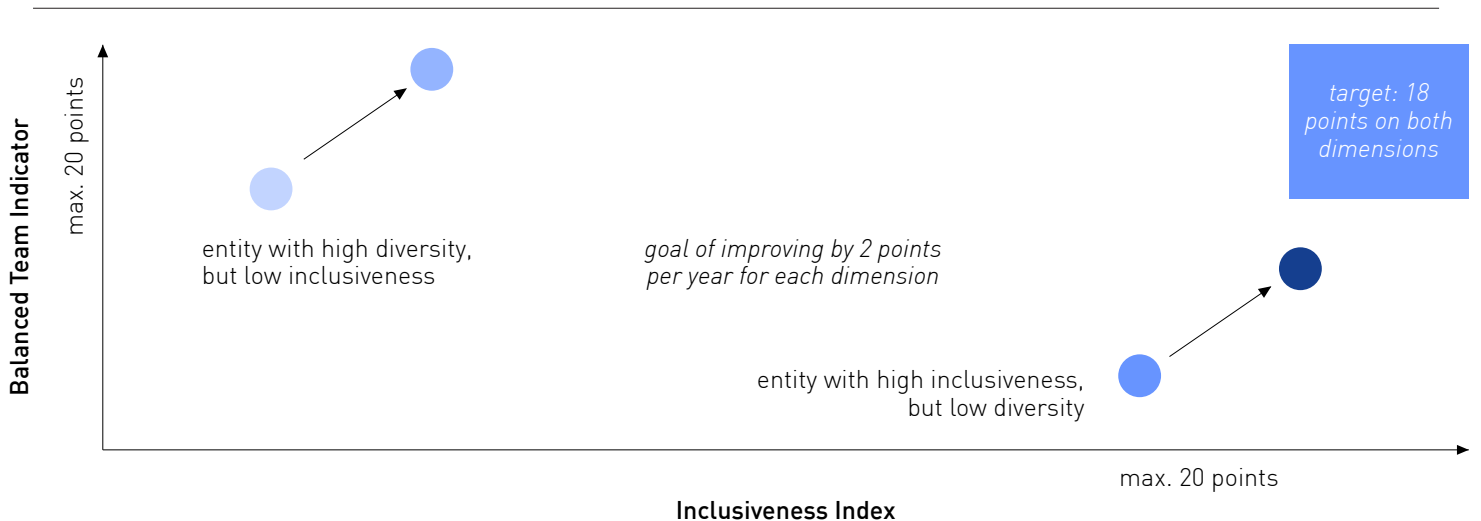


Figure 6: Progress on Composite D&I Index at Volvo

TIME FOR
CHANGE



Alternative Ways of Measuring

In addition to measuring the perception of employees and composite indices that combine them with diversity metrics, McKinsey used a sentiment analysis to assess how inclusive companies are.

Alternative Ways of Measuring

1 McKinsey: sentiment analysis

In an effort to assess the sentiments of employees towards inclusion, McKinsey (Hunt et al., 2020) used a natural language processing algorithm to analyze publicly available reviews of employers on the two platforms Glassdoor and Indeed.

While it is beyond the scope of this current report to assess how algorithms and deep learning architectures analyze natural language (see, e.g. Yadav & Vishwakarma, 2020) at this point it can nevertheless be asserted that using other data than that derived from surveys is worth considering for further investigation.

For its sentiment analysis, McKinsey focused on three concepts to capture inclusion:

Equality

Fairness and transparency in promotion, pay and recruitment, and equal access to sponsorship opportunities as well as other resources and retention support. Companies that embrace equality ensure a level playing field across critical talent processes, building representation targets into workforce plans and deploying analytical tools to build transparency

Openness

An organizational culture where people treat each other with mutual respect, and where bias, bullying, discrimination and micro-aggressions are actively tackled. In companies that embrace openness, the work environment is welcoming and conducive to discussion, feedback which includes the most senior leaders, and risk-taking

Belonging

An outcome resulting from the organization's demonstrating commitment to support the wellbeing and contributions of diverse and other employees. Leaders and managers foster connections with their diverse talent and between all employees, building a sense of community and encouraging them to contribute their diverse talents fully

Table 13: McKinsey's Conceptualization of Inclusion (Hunt et al., 2020: 33-34)

Having reviewed how inclusion is defined and measured in academic studies and by consultants, four company cases will now be discussed: Microsoft, BP, Shell and Nike.



Case Insights

The following purposively sampled⁴ cases illustrate state-of-the-art approaches to measuring inclusion in the corporate world and provide the following key insights:

- Microsoft – as an IT company – complements its annual survey with sentiment analyses, short surveys and its own workplace analytics data
- Microsoft and BP started initiatives for self-identification in surveys along diversity dimensions
- BP reports results for each component of the inclusion index transparently to external audiences
- BP stopped its annual survey in favor of weekly pulse surveys with adjustable questions
- Royal Dutch Shell started measuring inclusion more than 30 years ago and invested in a mandatory D&I training of its top 5000 managers; recently D&I e-learning became mandatory for all
- Nike plans to benchmark its inclusion index - without making transparent how this will be achieved (and did not respond to requests to share information on how benchmarking is envisioned)

⁴The cases discussed here were selected based on the Universum list of best employers for diversity and inclusion – the employer branding specialist conducted a survey among Generation Z engineering students to compile this ranking (Insider, 2019). Starting with the top companies, the diversity and inclusion reports were analyzed, looking for companies that disclose the items they use. The cases also show a theoretical coherence with the aims of Inclusive Future, as BP and Shell also embed their EI&D initiatives in their long-term business transformation, whereas Microsoft expands its measuring based on technology and Nike aims at benchmarking its inclusion index.

1 Microsoft

As a global IT company, Microsoft's approach to diversity is characterized by "listening, learning, and responding" (Microsoft, 2020: 20) – a stance also taken by competitor Google: "We're listening, learning, and taking action" (Google, 2021: 1).

In its formal approach to listening, Microsoft relies on its annual employee engagement survey – which comprises questions on inclusion – but mentions the company is increasingly learning from

- "our systems for listening to employee sentiments,
- including a short survey sent to a random sample of employees each day,
- our AskHR questions intake process,
- employee resource groups,
- our Microsoft 365 Workplace Analytics data,
- and many other formal and informal feedback loops" (Microsoft, 2020: 19)

Hence, Microsoft's Global Diversity & Inclusion report describes how these additional sources allow it to "learn predictors of certain inclusion sentiment", using its own behavioral Workplace Analytics to identify possibilities to improve collaboration and networks. Moreover, Microsoft started a self-identifying initiative to get more reliable data on the diverse composition of its workforce (for details see Box 5 below) to get demographics in addition to gender (globally) and race/ethnicity (US).

Focus	Question
<i>Authenticity</i>	I can succeed in my work group while maintaining my own personality and style
<i>Psychological safety</i>	I feel free to express my thoughts and feelings with my work group
<i>Participation</i>	People in my work group openly share work-related information with me
<i>Belonging</i>	I feel like I belong on my team
<i>Inclusive leadership + diversity</i>	My manager cultivates an inclusive environment and diverse workforce by valuing and leveraging employees' differences and perspectives
Inclusion Index: 88%	

Table 14: Microsoft's Inclusion Index [Source: Microsoft, 2020: 19] – Focus in italics added

Looking at the composition of the questions, one can see that they cover a broad spectrum of inclusion: Not only the basic definition of inclusion as uniqueness and belongingness as well as psychological safety (here also without adding the notion of retribution), but also if information is shared (participation) and if inclusive leadership is practiced in relation to diversity. All insights on inclusion contribute to Microsoft's company-wide Diversity & Inclusion Core Priority and are also part of the company's performance and development approach.

“in which employees and managers engage in ongoing dialogue to discuss how each person is contributing to an inclusive work environment, making inclusion a daily and personal part of our jobs.”

(Microsoft, 2020: 19)

Box 5:

Microsoft's self-identification initiative

In 2020, Microsoft started providing data on the voluntary self-identification of its employees. Of the 46.1% of US employees who responded to the survey, 13.2% self-identified as having a disability. Hence, 6.1% of all US employees in Microsoft's core business identified as a person with a disability (Microsoft, 2020: 15).

“Demographic figures are vital to our diversity and inclusion efforts, but don't always give the full picture — each of us is more complex than the limited options that exist today in our systems. We're currently working on ways to collect richer information about employees that help to tell a more complete story. Employees in some countries are now able to voluntarily and confidentially share personal attributes like sexual orientation, disability status, military status, more robust options for gender identity, or identifying as transgender, providing it is safe to do so. This process will help us to better understand the diversity of Microsoft's employees and ensure we are making more inclusive and principled program decisions pertaining to benefits, resourcing, and support.”

(Microsoft, 2020: 15)

2 BP

Like PMI, BP also embeds its diversity, equity and inclusion efforts in its organizational transformation process. BP targets to become a net zero company by 2050 (BP, 2020: 2) and focuses its DE&I on:

transparency

- encouraging employees to voluntarily share their diversity data with BP
- DE&I data openly reported internally and externally
- providing a space for open dialogue

accountability

- DE&I objective for every employee (UK and US) tied to performance and linked to compensation
- entities accountable for inclusive supply chain

talent

- hiring “from ethnically diverse and other under-represented communities”
- developing people of high potential or employees with critical key skills from these communities
- focusing on their equitable progression
- links to external organizations to secure a diverse talent pipeline “from school age onwards”

BP analyzes the inclusion index by ethnicities and discloses key findings in its DE&I report

(BP, 2020: 32)

Until 2019, BP ran an annual pulse survey among its employees with eight questions on inclusion. Interestingly, in 2020 it stopped this practice and changed to a weekly Pulse Live – with the downside of no longer being able to provide data on these questions:

“... from the start of 2020, we stopped our full annual Pulse survey and introduced a weekly ‘Pulse Live’ survey.

‘Pulse Live’ enables us to better monitor changes in employee sentiment and quickly adapt our questions to changing circumstances.

But as a result, we no longer capture answers to these specific inclusion questions and cannot show data for 2020.”

(BP, 2020: 32)

In line with its pledge to transparency, in their report BP disclose all questions from its inclusion index together with the score for each one as well as selected key findings (see next page).

Similar to other MNCs, BP reports on its gender distribution globally, while – in its terminology – ethnicity is gathered using the country-specific terminology of the US and the UK. Part of its move towards transparency is also to encourage employees to voluntarily disclose their diversity-relevant data with the company, similar to Microsoft’s efforts. Hence, BP applies the “general rule” to “collect ethnicity data through self-identification” (BP, 2020: 34) and it aims to capture more data, for instance related to disabilities, LGBT+, generations and veterans.

Looking at the composition of the questions in the table below, one sees a comparatively high focus on leadership issues. For instance, the first question does not directly address the perception of an inclusive environment for people from diverse backgrounds, but whether the company was able to create such an inclusive environment. Furthermore, employees are asked whether action follows leaders' words related to inclusion and if humbleness is practiced. Moreover, two questions directly address the issue of listening and voice.

Focus	Question	Score
<i>Inclusive Leadership: Diversity</i>	BP has created an environment where people from diverse backgrounds can and do succeed	81%
<i>Inclusive leadership: Listening</i>	Leaders in my part of the business listen carefully to all perspectives	62%
<i>Participation: Decision-making</i>	My manager involves me in decisions that affect me	74%
<i>Inclusive leadership: Humbleness</i>	My manager is comfortable with being challenged by members of the team	67%
<i>Belonging</i>	How would you rate the extent to which you are treated with respect and dignity?	79%
<i>Participation: Voice</i>	I have regular opportunities to ask questions, give my point of view and get my voice heard	81%
<i>Participation: Influence</i>	Employees are encouraged to provide their ideas for improving the business	74%
<i>Inclusive leadership: Action</i>	When it comes to inclusion, leaders' actions support their words	71%
Overall Inclusion Score		74%

Table 15: Inclusion Score at BP (Source: BP, 2020: 32) - Focus in italics added

58 % of total respondents provided their demographical data in the pulse survey

(BP, 2020: 32)

As it is neither mandatory for employees to provide demographical data for the survey nor to respond to the eight inclusion questions, it is interesting that the results in the table above are stated as covering only those employees who provided both demographical information and answered the inclusion questions.

In its analysis, BP describes how the scores are similar to the results of the previous year with minor differences between demographic groups. One of the two questions with the highest score of 81% is the one asking whether BP has been able to create “an environment where people from diverse backgrounds can and do succeed”. Interestingly, BP itself provides an important caveat here, as...

“white employees responded 12% [US] and 11% [UK] more positively”

(BP, 2020: 32)

compared to non-white respondents. Similarly skewed results (5% difference) are reported for the question on “the extent to which you are treated with respect and dignity”, where white respondents again had a higher score. In contrast, the question on being encouraged to provide ideas, female respondents had a slightly (4%) more positive view. Interestingly, the question related to a particular trait of inclusive leadership – listening – got the overall lowest score.

3 Royal Dutch Shell

Royal Dutch Shell (RDS) also embeds its diversity and inclusion strategy in its long-term change process to transform the business into net zero emissions. Called Powering Progress, this process spans the four key strategic goals of generating shareholder value, respecting nature, achieving net zero emissions and powering lives (Shell, 2020). Part of the latter is the ambition to become “one of the most diverse and inclusive organisations in the world” (Shell, 2021).

For D&I, RDS has four focus areas: gender, race and ethnicity, LGBT+ and people with disabilities. A long-term best practice as it started measuring inclusion over 30 years ago, Shell used five questions to compile its inclusion index as can be seen in the table below.

The questions were designed to make sure they correlate with employee engagement. The survey

was run globally and an emphasis was placed on the fine-grained analysis of the results. They were analyzed by region, by function or seniority as well as by combinations of these variables, e.g. gender and seniority.

Currently, Shell is implementing several programs to deepen its D&I efforts. In February 2021, Shell launched its first mandatory e-Learning for diversity and inclusion for staff and contractors, presenting the company’s emphasis on respect in the workplace and behavior that is not tolerated. A specific training on racial issues was also launched for the US entity. To reduce bias in hiring decisions, the company launched ‘Breaking the Bias’ sessions for management hires and a ‘Think Differently: Hiring for our Future’ program (Lee, 2021).

Focus	Question
<i>Belonging</i>	Where I work we are treated with respect
<i>Psychological safety</i>	I am free to speak my mind without fear of negative consequences
<i>Uniqueness</i>	My organization has a working environment in which different views and perspectives are valued
<i>Safety & anti-discrimination</i>	My organization has a working environment that is free from harassment and discrimination
<i>Fairness</i>	The decisions leaders in my organization make concerning employees are fair

Table 16: Inclusion Index as measured by Shell (Source: Shell, n.d.: 10) - Focus in italics added

4 Nike

Part of Nike’s purpose25 strategy that covers community, planet and people, the company set itself a broad array of diversity, equity and inclusion goals for 2025. They cover

- representation and hiring
- pay and benefits
- health and safety
- business diversity and inclusion
- inclusive culture and engagement.

For the latter, Nike plans to continue its efforts to provide access to its products and facilities for all abilities and that 100% of its strategic suppliers are

measuring and improving the engagement of their employees that produce for Nike (Nike, 2020: 68).

For its internal inclusive culture and engagement, Nike set itself the goal to be in the top quartile in benchmarked companies regarding engagement and inclusion. Its approach to measuring it can be seen in the tables below.

Even though engagement indices are not the focus of this report, it is worth highlighting that the perception of the future of the company is added here to questions related to work satisfaction.

Engagement Index

I am optimistic about the future of Nike, Inc.
 I would recommend Nike, Inc. as a great place to work
 My work gives me a feeling of personal accomplishment

Table 17: Nike Engagement Index (Source: Nike, 2020: 69)

The questions for inclusion address the individual, the team level, management and the whole organization.

For 2020, Nike reports an inclusion index of 71% and indicates that this figure rose by two percentage

points compared to the previous year. This increase is ascribed to the rollout of its Unconscious Bias Awareness (UBA) training and “a reinvigorated commitment to building upon our culture of belonging” (Nike, 2020: 20).

Focus

Question

Uniqueness

My team has a climate in which all perspectives are valued

Belonging

I feel valued as an employee of Nike

Authenticity

I can be myself at work

Fairness

All employees, regardless of their differences are treated fairly

Inclusive leadership + diversity

My manager supports inclusion and diversity in the workplace

Inclusive leadership: organization

Nike, Inc. is committed to diversity and inclusion in the workplace

Table 18: Nike Inclusion Index (Source: Nike, 2020: 69) - Focus in italics added

After this in-depth look at defining and measuring inclusion and selected case insights, the rest

of this report is dedicated to creating inclusive environments through inclusive leadership.

Inclusive Leadership

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Inclusive Leadership

As introduced in the basic model above, inclusive leadership is a key driver in establishing work environments in which talent from all walks of life can thrive.

On a very abstract level, inclusive leadership (IL) comprises individual behavior that enacts and role models inclusivity (Boekhorst, 2015) as well as strategic leadership (Boal & Hooijberg, 2000) that sets an inclusive organizational framework to generate an inclusion policy-practice alignment (walk the talk) which fosters an inclusion climate and its positive perception (Mo Barak et al 2021).

In other words, when leaders are able to create an environment in which all members of a team are able to fully express their ideas, they are “harvesting the benefits of diversity”. Doing this they signal at the same time to others that diversity and difference are valued and are thereby “cultivating value-in-diversity beliefs” (Leroy, Buengeler, Veestraeten, Shemla, & J. Hoever, 2021).

With this broad aim to influence mindsets, biases, behaviors and structures to promote equity across multiple identity groups, inclusive leadership is the “fulcrum of inclusion” (Ferdman, 2020: 3).

As mentioned, a recent study by McKinsey used artificial intelligence to scrutinize employees’ reviews on Glassdoor and Indeed and found that accountability and leadership were the top issue raised when employees reviewed their company’s I&D performance: 56% of the statements on I&D leadership had a negative sentiment. These results show the urgent need “for companies to engage their core business managers better in the I&D effort” (Hunt et al., 2020: 5, 34)

accountability and leadership: top issue when employees review I&D performance

(Hunt, Prince, Dixon-Fyle, & Dolan, 2020)

In line with our basic model that positions leadership as central in creating an inclusive environment, McKinsey (2020) identified the four most impactful organizational practices that stand out in their link to perceptions of inclusion:

- 1. Diverse, inclusive leadership**
leaders with diverse backgrounds + practices of inclusive leadership
- 2. Meritocracy and initiatives to increase fairness in performance evaluations**
- 3. Sponsorship**
having at least one mentor who sponsors your career
- 4. Substantive access to senior leaders**

“Senior LGBTQ+ or ethnic or racial minority leaders are more likely than other leaders to say that sponsorship relationships have positively influenced their careers.”

(McKinsey, 2020a: 9)

It is therefore imperative for companies to invest in IL to build truly inclusive work cultures. Korn Ferry (2021) maintain that IL can have benefits on all levels:

individual level	<ul style="list-style-type: none"> • unlocks individual potential • helps attract a diverse talent pool
team level	<ul style="list-style-type: none"> • unlocks collective intelligence
organizational level	<ul style="list-style-type: none"> • drives innovation and growth • crucial in creating an inclusive work environment

where leaders focus on inclusivity people are 1.7 times more likely to feel very included

(McKinsey, 2020a: 9)

As mentioned, several studies show the positive impact of inclusive leadership in diverse settings. Nishii and Mayer (2009) demonstrate the crucial role of leaders in reducing employee turnover in diverse groups. IL has also a positive influence on the helping behavior of employees, both towards colleagues as well as supervisors (Randel, Dean, Ehrhart, Chung, & Shore, 2016). A recent study in the nonprofit sector revealed that engaging employees in critical organizational processes fosters an inclusive climate which leads to increased innovation and job satisfaction (Brimhall, 2019b).

Leadership education at Nike: 100% of vice presidents completed Inclusive Leadership program

(Nike, 2020: 68)

Moreover, inclusive leadership has a positive impact on psychological safety and ultimately leads to higher involvement in creative work (Carmeli, Reiter-Palmon, & Ziv, 2010: 250). Catalyst found that empowerment and courage show the biggest impact on employees' sense of psychological safety (Prime & Salib, 2015).

How can inclusive leadership foster an inclusive culture?

- IL benefits all, but in particular underrepresented talent as they face additional barriers to feel included and develop their entire potential (Korn Ferry, 2021)
- IL is key in creating a "meta-narrative" (Wasserman, Gallegos, & Ferdman, 2008) that positions inclusion as a key feature for sustainable growth and performance (strategic leadership)
- IL role models inclusive behavior in everyday organizational life to change mindsets and overcome biases (van Knippenberg & van Ginkel, 2021)

Inclusive leadership is "beneficial to diverse work groups while also being effective for more homogeneous" ones

(Randel et al., 2018: 191)

Our Basic Definition:

Inclusive Leadership =
Fostering Participation +
Diversity

Our Basic Definition: Inclusive Leadership = Fostering Participation + Diversity

In today's plethora of leadership approaches, several highlight that leadership is about empowering individuals and enabling their participation to boost consumer focus, agility and performance. These approaches include transformational leadership, empowering leadership, servant leadership, authentic leadership and leader-member exchange (Randel et al., 2018).

Agile leadership also centers on leaders being humble, adaptable, visionary and engaged – the latter being a “willingness to listen, interact and communicate with internal and external stakeholders” (Wade, Neubauer, El Assir, & Tarling, 2017).

However, even in their relational and participatory perspectives, these approaches “fail to incorporate issues of equity, diversity, and social justice” (Gallegos, 2014: 178). IL, on the contrary, explicitly takes diversity into account. This means that inclusive leaders “interact with the diversity around them, build interpersonal trust, take the views of others into account, and are adaptive” (Korn Ferry, 2021) to set an inclusive framework that reduces ambiguity about everyday inclusive behavior (Nishii & Leroy, 2020).

Hence, our basic definition of inclusive leadership combines participatory and collaborative approaches with a focus on equity and diversity:

Basic definition of Inclusive Leadership:
fostering participation + diversity

With participation and diversity as key elements, this basic definition relates to the above definition of inclusion as fostering belonging and uniqueness.

As mentioned above, belongingness and uniqueness are needs that can be contradictory. Regarding inclusive leadership this means that leaders who solely focus on fostering belongingness may indeed promote a culture of conformity while a pure focus on uniqueness may result in a culture of singularities. Research shows that an overemphasis on belongingness is associated with less creativity and innovation, an overemphasis on uniqueness may result in lesser productivity in terms of group output (Randel et al., 2018: 200) – see also Box 6 below. Hence:

Key to Inclusive Leadership: *Balancing uniqueness and belongingness*

Balancing uniqueness and belongingness is a crucial task in contemporary organizational settings as leaders are generally trained towards pursuing collective – i.e. organizational – goals (Randel et al., 2018: 199). This means that when organizations conceptualize procedures for work group inclusion – like onboarding, team building or team visioning workshops – activities to value uniqueness and diversity must be part and parcel of these initiatives (Chung et al., 2020: 95).

In addition to balancing uniqueness and belongingness in fostering participation and diversity, inclusive leadership should not only be seen as traits or tasks of individual leaders, but as a collective learning process, as will be outlined next.

Box 6:

Shared mental models: homogeneity vs. uniqueness?

Research has shown that shared mental models of group members, for instance a common understanding of tasks, processes and goals, offers performance advantages (DeChurch & Mesmer-Magnus, 2010). Hence, from this perspective managers would be encouraged to promote the adoption of these shared mental models. However, as they are “less than inclusionary” and may dampen a group’s creativity, managers must balance them with promoting the uniqueness of each team member (Randel et al., 2018: 200).

Inclusive
Leaders →
Inclusive
Leadership

Inclusive Leaders → Inclusive Leadership

The challenges companies face today are not only too complex for any individual leader to solve, being embedded in societies characterized by diversity and strong social movements and the need to serve and represent a broad group of customers and stakeholders make it indispensable to see leadership as a collective process. Such an approach connects an understanding of inclusion as uniqueness and belongingness with one that emphasizes inclusion as participation in decision-making processes.

“Hierarchy (or, more specifically, the fear it creates when not handled well) reduces psychological safety. Research shows that lower-status team members generally feel less safe than higher-status members.”

(Edmondson, 2019: 14–15)

“Today’s business problems are far too complex for any one leader to solve.”

(Prime & Salib, 2015: 2)

Accordingly, contemporary academic leadership studies start to see leadership as a collective process. Hence, inclusive leadership can be practiced not only by formal but also by informal leaders and all members of an organization (Randel et al., 2018) – see also Box 7 for the theoretical background. This has consequences for how leadership and leaders are seen, as summarized in the table on the next page.

	Traditional entity-based leadership	Inclusive relational-based leadership
role of leadership	<ul style="list-style-type: none"> • Leadership seen as a formal role that drives organizational process • Entity-based process of leading • Positional, formal and informal 	<ul style="list-style-type: none"> • Leadership seen as generated in social dynamics • Collective, consensual process of leading • Community and collectives of leaders, and leaders in place, formal and informal
role of the leader	<ul style="list-style-type: none"> • Create and enforce rules and regulations • Take control and solve problems • Focus on me, us, and them • Focus on similarity and common ground 	<ul style="list-style-type: none"> • Question dominant and normative practices; focus on fairness, equality, and civil dissent • Create a holding space for followers to solve problems • Focus on we and all • Value and pursue diversity and multiple viewpoints

Table 19 Differences between traditional entity-based and inclusive relational-based leadership (Source: Booyesen, 2014: 305)

Looking back on our basic definition of inclusive leadership, this means

inclusive leadership shifts the focus from leaders to leadership as a collective process.

This also implies that the role bosses take within organizations has to be reframed, as maintained by Edmondson (2019) in relation to psychological safety as summarized in the table below.

	Default frames	Reframe
The Boss	<ul style="list-style-type: none"> • Has answers • Gives orders • Assesses others' performance 	<ul style="list-style-type: none"> • Sets direction • Invites input to clarify and improve • Creates conditions for continued learning to achieve excellence
Others	<ul style="list-style-type: none"> • Subordinates who must do what they're told 	<ul style="list-style-type: none"> • Contributors with crucial knowledge and insight

Figure 7: Reframing the role of the boss (Source: Edmondson, 2019: 164)

Therefore, in other – academic – words, inclusive leadership can be defined as:

“an ongoing cycle of learning through collaborative and respectful relational practice that enables individuals and collectives to be fully part of the whole, such that they are directed, aligned, and committed toward shared outcomes, for the common good of all, while retaining a sense of authenticity and uniqueness.”

(Booyesen, 2014: 306)

What does this mean for individuals in formal leadership positions? How does this translate into everyday leadership practices? These questions will be explored next.

Box 7:

Inclusive Leadership as collective process – conceptual background

The academic debate on inclusive leadership is grounded in an understanding that leadership can be taught (e.g. Doh, 2003), that it is a practice rather than a set of characteristics of individuals (e.g. Heifetz, 1994), which ultimately sees leadership as a collective phenomenon (e.g. Uhl-Bien, 2011) residing not only in the executive suite but “in the collective intelligence of employees at all levels” (Heifetz & Laurie, 1997: 124). This view is in contrast to a “classical” understanding that focuses on individual leaders, leaders defined by their formal authority in hierarchical positions and the leader-follower relations this entails.

Key Principles of Inclusive Leadership

Key Principles of Inclusive Leadership

The act of balancing uniqueness and belongingness needs to be translated into specific leadership principles and practices. Ferdman (2020) identifies three key principles of inclusive leadership:

Self-awareness and authenticity relate to the individual level. This comprises not only being authentic oneself, but also promoting this for others. As unconscious biases translate into micro-inequities that signal value or disfavor for employees (Young, 2017), self-awareness is key in inclusive leadership. Self-awareness and authenticity must also be applied to the organizational level: Here, one has to be aware of the role one plays in fostering – but also inhibiting – an inclusive culture.

Key for both the individual and organizational level is to establish a learning mindset guided by humility.

“The journey to becoming an inclusive leader starts with self-awareness.”

(Korn Ferry, 2021b)

Conceptual and operational clarity and vision means that inclusive leadership must be based on knowledge, training and self-education. Moreover, there is not only a need for knowledge on inclusion and how it operates, but also for looking beyond the given to create inclusive visions.

Capacity for complexity and paradoxical thinking and behavior is of vital importance for inclusive leadership. This means that perspectives are taken into account that are – or only seem to be – conflicting. The crucial task here is to accept the existing while simultaneously striving for new ways and openness, fostering the sense of belonging for everyone while simultaneously challenging the status quo. Similarly, fairness and transparency have to be striven for while ensuring that existing norms and values are acted on.

balancing
belongingness
and uniqueness
means balancing
the acceptance of
individual behaviors
and styles with a
commitment to
openness and doing
things differently

leaders who are
part of the dominant
social group can also
be inclusive leaders



Key Practices and Behaviors: Being a Visible Supporter

Key Practices and Behaviors: Being a Visible Supporter

Inclusive leadership is more than developing “soft skills” like compassion and care, as Gallegos (2014: 179) maintains: Addressing “incidents of structural inequity and making change to long-standing traditions and organizational practices” takes courage and calls for tough decisions – decisions that help to create sustainable inclusive environments and position oneself as a visible supporter of inclusion.

Inclusive leadership needs to be practiced at all levels: the individual (I), the relational level of teams and the organizational one:

“Inclusive leadership is not just about having an attitude of openness, it’s a set of disciplines and traits that can be assessed, coached and put into action.”

(Korn Ferry, 2021b)

I	<ul style="list-style-type: none">• cultural humility• courage• tolerance for imperfection and ambiguity• awareness of identity, privilege and bias• ability to recognize different contributions• ability to act on different input
Team	<ul style="list-style-type: none">• listening well• practicing empathy• being curious
Organization	<ul style="list-style-type: none">• explicitly define (and redefine) the boundaries and rules for acceptable inclusive behavior• fostering equity• create the conditions for conversations to explore differences• model and communicate an understanding of and valuing of (and comfort with) diversity• being authentic and use personal experiences strategically

Table 20: Manifestations of Inclusive Leadership (table inspired by Gallegos, 2014 and Wasserman et al., 2008)

McKinsey (2020: 11) relates inclusive behavior directly to supporting organizational I&D initiatives:

- participating in allies' programs supporting underrepresented groups
- calling out microaggressions when they occur
- posting signs of visible support for underrepresented groups in their offices
- serving as sponsors for talent from underrepresented groups
- creating opportunities for underrepresented groups to connect
- leaders educating themselves on inclusion, diversity and bias

In focusing on calling out microaggressions, a crucial aspect of everyday organizational life is addressed. Micro-messages are everyday occurrences in the workplace that lead to employees feeling valued or disfavored (Young, 2017), with microaggressions being "incidents in which someone accidentally (or purposely) makes an offensive statement or asks an insensitive question" (Washington, Hall Birch, & Morgan Roberts, 2020). Over time, microaggressions can have a negative impact on an employee's wellbeing and health (Washington et al., 2020) with these so-called "subtle forms of discrimination" being as consequential for those discriminated against as overt forms (Jones, Peddie, Gilrane, King, & Gray, 2016).

Showing inclusive leadership behavior, in contrast, allows one to be a visible supporter of an inclusive environment, a behavior that can be shown by formal and informal leaders as well as all members of the organization.

The strategic task is then to implement inclusive leadership into the whole talent supply chain and competency frameworks, as will be explored next.

Korn Ferry analyzing 24,000 leader assessments: "only 5% of leaders globally can be defined as inclusive"

(Korn Ferry, 2021a)

Inclusive Leadership in the Talent Supply Chain: Competency Frameworks

Inclusive Leadership in the Talent Supply Chain: Competency Frameworks

To create inclusive and psychologically safe organizations, “interrelated goals related to hiring, training, promoting, and learning must go hand in hand with efforts to shift the workplace climate” (Edmondson, 2020). Inclusive leadership must therefore be part of the whole talent supply chain to attract diverse talent (inward mobility) and to promote diverse talent (upward mobility).

Key to this endeavor is to integrate IL principles into reward and remuneration systems (Boekhorst, 2015) and to make inclusive leadership part of competency frameworks. A competency framework is a set of leadership characteristics that describe what competencies are expected at various levels of the organization.

As can be seen in the figure below, the CGMA (2019) competency framework, for instance, embeds the five skills (technical, business, digital, leadership and people) within the core values of ethics, integrity and professionalism.

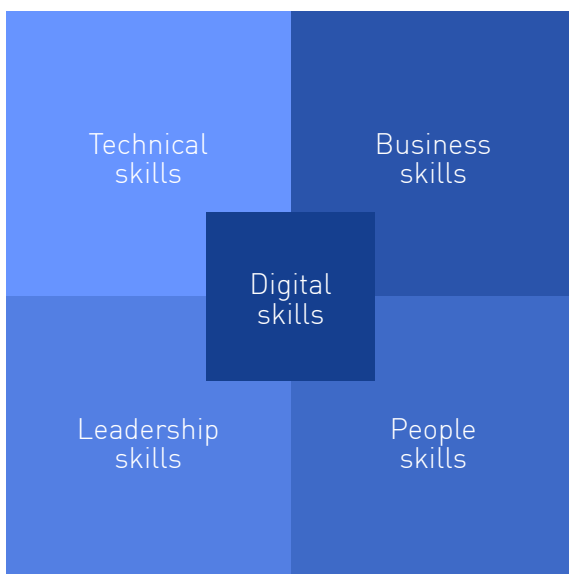


Figure 8: CGMA Competency Framework (CGMA, 2019: 2)

For each of these five skills, specific components are defined to measure them along four different competency levels, starting with foundational and intermediate to advanced and expert levels. The leadership skill comprises team building, coaching & mentoring, driving performance, motivating & inspiring as well as change management.

Inclusive leadership can be identified at various levels, for instance when in team building the foundational competencies consist of:

- “Proactively listen to, consider and embrace diverse ideas and styles
- Interact effectively with all people, participate in teams and groups, and cooperate with others
- Apply an understanding of available resources and use them effectively” (CGMA, 2019: 64).

And the expert level is defined by:

- “Advocate and successfully leveraging diversity to maximise organisational strength
- Creating a culture of cooperation and integration
- Harnessing skills, experiences and the expertise of all team members
- Create a common goal and a climate where people feel part of something bigger than their own individual success or their immediate team” (CGMA, 2019: 64).

As can be seen in this illustrative example, integrating inclusive leadership in competency frameworks makes it possible to build inclusive talent to sustainably foster an inclusive work environment.

1 Case insight: Inclusive Leadership at Johnson & Johnson

Johnson & Johnson developed new Leadership Imperatives in 2019 – shape, connect and grow – to further drive honest, open, respectful and ultimately inclusive interactions at all levels of the company. These imperatives are, furthermore, incorporated in work objectives and performance evaluation (Johnson & Johnson, 2020: 13).

In addition to rolling out the new leadership imperatives, it focused on:

unconscious bias training

which was completed by more than 95% of employees by the end of 2019 with plans to implement a Conscious Inclusion training in 2021

reimagined ERG engagement

with a focus on creating “virtual psychologically safe environments”, establishing not only support networks but also environments “where tangible actions have taken place to meet the needs of their members” (Johnson & Johnson, 2020: 17)

cascaded empathetic conversations guide

that should encourage “leaders to hold difficult but essential conversations on topics such as racism, social injustices, bigotry and discrimination.” (Johnson & Johnson, 2020: 17) with a particular focus on racism and the Black community

Raise Your Voice global dialogues

held multiple times, these dialogues aimed to give employees the possibility to “share experiences and insights surrounding racism and injustice, actively listen, learn and engage with colleagues on these important topics” (Johnson & Johnson, 2020: 17) with the results of these dialogues used to derive action plans

launched cultural immersion in understanding the Black experience

in an effort to “further our Company’s commitment towards combatting systemic inequity and social injustice” (Johnson & Johnson, 2020: 18).

Leadership at PMI

Leadership at PMI

PMI Leadership Model

Consumer* First

1. We are passionate about our consumers, relentlessly seeking to understand and delight them.
2. We act upon data-driven insights.
3. We work as one PMI team.
4. We are agile in our Ways of Working.
5. We measure outcomes to further enhance the consumer experience.

Forward Looking

1. We are humble and acknowledge we don't have all the answers.
2. We are curious; we seek input and ideas from diverse sources to continuously improve and innovate.
3. We make timely decisions informed by facts.
4. We take ownership for our decisions, holding ourselves and others accountable.
5. We are persistent and results driven to deliver our Smoke-Free Vision.

Empowering People

1. We provide context, clear direction, and measurable objectives.
2. We actively support each other and give the space to deliver.
3. We proactively seek, provide, and act on constructive feedback based on facts.
4. We develop ourselves and others to strengthen our organization.
5. We are inclusive, we champion diversity, and we act with compassion and integrity in everything we do.

*Consumer refers to external consumers as well as to internal customers

Figure 9: PMI Leadership Ideal

In the leadership model that is currently rolled out at PMI, the three leadership dimensions – consumer first, forward looking and empowering people – all harbor possibilities for inclusive leadership.

In light of the diverse markets to be served, listening to and including diverse voices is imperative to place consumers first.

Humbleness is not only part of PMI’s leadership dimension “forward looking”, but also a key manifestation of inclusive leadership. In light of the results of both the pilot survey on inclusion and the interviews held for the purpose of this project, strengthening trust and fairness and avoiding that only voices from members of the majority group are heard is of utmost importance – not only for the immediate inclusive culture, but also to allow diverse talent to thrive in the organization and that a diverse talent pipeline is secured. Similarly, curiosity and accountability are indispensable parts of inclusive leadership.

Inclusive leadership implies asking questions like

“Whose voices or perspectives might we be missing?”

“What are the limitations to the current ways we are seeing this issue?”

(Gallegos, 2014: 181)

The dimension of empowering people with the focus on supporting each other, constructive feedback and inclusion and diversity is clearly associated with inclusive leadership.

Box 8 below provides an example of how inclusive leadership can be measured.

Box 8: Measuring Inclusive Leadership

Based on Edmondson’s (2004) conceptualization of inclusive leadership qualities (openness, availability and accessibility), Carmeli et al. (2010: 260) developed the following items to measure inclusive leadership:

- The manager is open to hearing new ideas (openness)
- The manager is attentive to new opportunities to improve work processes (openness)
- The manager is open to discuss the desired goals and new ways to achieve them (openness)
- The manager is available for consultation on problems (availability)
- The manager is an ongoing “presence” in this team — someone who is readily available (availability)
- The manager is available for professional questions I would like to consult with him/her (availability)
- The manager is ready to listen to my requests (availability)
- The manager encourages me to access him/her on emerging issues (accessibility)
- The manager is accessible for discussing emerging problems (accessibility)

The items showed a high reliability (Cronbach’s $\alpha = .94$).

Discussion: Potentials and Limits of Inclusion Metrics

Revisiting the current definitions and metrics of inclusion in this report proves contemporary assertions right that by now there is “no standardized, universal metric” (Hunt et al., 2020: 33). This makes benchmarking today almost impossible, as the company cases also revealed that each organization uses its own set of questions related to different aspects of inclusion.

On the other hand, some validated scales used in published academic studies exist. But as they comprise a comparatively large number of questions, they appear to be impractical to implement in regular employee surveys.

The question of how to get actionable results that have an impact on equity can therefore be discussed in terms of implementing metrics and their content.

Discussion: Potentials and Limits of Inclusion Metrics

1 Implementation: Employee surveys and/or real-time pulses

While some research suggests that employee surveys might even influence employees' behavior (Judd et al., 2018), others ask whether employee surveys reflect employees' experiences in the first place (Hunt et al., 2020: 33).

Hence, whereas BP stopped using employee surveys (and with them the inclusion index) in favor of more immediate and short forms of surveys and data from other IT-generated sources, Nike aims at benchmarking its score on inclusion measured through a "classical" survey. Microsoft combines the two approaches, but as an IT company it has a good starting position for such an approach.

Gartner consultants Romansky et al. (2021) see the value of using (their) survey-based inclusion metrics as an opportunity to start broader listening initiatives, it allows leaders' self-reflection to foster inclusive leadership as well as starting process changes in HR. Moreover, metrics would allow for vigilance as, for example, reporting systems for exclusionary behavior can be implemented or leaders are put in a position to spot microaggressions.

So the question is not either employee survey or other sources, but rather which goals are being pursued with them. A combination of, for instance, bi annual in-depth inclusion surveys focusing on specific components with quicker pulses and artificial intelligence solutions together with implementing inclusion into performance reviews and talent development might be a way forward that will be further elaborated on in the next phases of the project. Such an approach combines the advantages of surveys – generating comparable results on a broad scale – with the advantages of short-term measures and interventions in between.

2 Content: Components of inclusion

With PMI currently focusing on psychological safety in its I&D strategy, implementing or developing inclusion metrics that comprise this aspect is imperative. However, in light of PMI's current challenges to inclusion around trust and fairness, the existence of informal networks and a lack of listening abilities, also looking at inclusive leadership and accountability is advisable. This is also imperative in light of interviewees highlighting that PMI already has talent with backgrounds that differ from those prevailing in the company, but that there is a lack of recognition and support of them.

The inclusion index used by BP has revealed how a focus on leadership issues might make it possible to generate more actionable results, as leadership accountability is directly addressed – with the results from BP showing that listening got the lowest score in its inclusion index.

Moreover, aspects of shared decision-making (Mor Barak, 2017) might prove fruitful to bring everyone to the table – an issue that will be further explored in Part II of this project.

3 Content: The role of diversity

The review of current approaches has also highlighted that diversity must take center stage in analyzing and measuring inclusion. Given legal constraints, gender and nationality are the only dimensions reported globally by many organizations, with race and ethnicity reported predominantly for the US and the UK, as the cases discussed in this report showed. Still, even though “reviewing global impact is great, measuring the impact locally as broadly as possible is critical – global direction, local measurement” (Sweeney & Bothwick, 2016: 244). This means that even if data is only available on a local level, this should not prevent its local usage – with the potential to eventually have an impact on other markets.

Some companies reviewed for this report (BP and Microsoft) explicitly follow a strategy of advocating for voluntary self-identifying in relation to numerous diversity dimensions. Such a strategy makes it possible to take up additional dimensions that characterize contemporary societal debates around diversity, ranging from generations, parenthood and political views to non-binary gender identifications and intersectional approaches. Moreover, the question whether identity-conscious or identity-blind approaches (Leslie, Bono, Kim, & Beaver, 2020) or a combination of the two is the way forward will be explored.

“Creating psychologically safe environments in diverse teams is a way to overcome implicit assumptions that limit collaboration and learning and to unlock the enormous potential of team collaboration.”

(Edmondson & Roloff, 2009: 203)

Outlook

Measuring inclusion in an impactful way means that it helps in creating a working environment in which everyone feels included and psychologically safe. Part II of this project will examine how broader societal changes like COVID-19, digitalization and new forms of work together with social movements like #MeToo and Black Lives Matter influence the debate on inclusion and must be reflected in inclusion metrics. Ways forward could be to look at definitions and measures of inclusion outside the business and organizational world, e.g. in terms of broader definitions of social inclusion.

The next part of this research project will take up these trends and combine them with further analyses of the interviews and additional data collection as well as the first results from PMI's inclusion pulse survey to redefine what inclusion means in contemporary global societies – and how to measure it in a way to impact change: Benchmarking and using metrics that are widely used? Or design questions that have a specific relation to how an inclusive future at PMI should look like? Standardized questions every year or adapting them? Which data will show that inclusion and diversity efforts are successful? Which ones will show that change is actually happening?

In light of research that shows how employee surveys also impact behavior, they could be used to survey employees' perception of inclusion while simultaneously nudging behavior – items could be phrased like “I plan to increase my efforts to make PMI a more inclusive workplace”.

Moreover, as an inclusive culture becomes visible in unbiased hiring, promoting, talent recognition and performance evaluation, the whole supply chain of human resources must be aligned to inclusive ends. These issues will be elaborated on in Part III of this project, in relation to building up a diverse leadership pipeline (Leslie et al., 2020) or “repairing the broken rung” (McKinsey & Lean In, 2020; Pinsight, 2021) for diverse talent to secure both inward and upward mobility. Indeed, the question will be whether the next step after unconscious bias is *conscious inclusion as an everyday organizational practice*.

Part III will also take a closer look at the opportunities and threats of measuring inclusion using artificial intelligence, algorithms and gamification. While current research also shows how algorithms and machine learning may perpetuate biases (see e.g. Fu, Huang, & Singh, 2020), we see these technologies as being in their infant stage and recognize the speed of development. Hence, the question will be how to use these technologies and advance them in a way that they become less biased in order to support an inclusive future.

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Appendix: Validity and Reliability

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Inclusion as belongingness and uniqueness

Chung et al. (2020) developed their 10-item measure based on a review of existing theoretical concepts of inclusion. Initially 30 items, the questions were reduced to 18 using an Exploratory Factor Analysis. Thereafter, these items were given to 13 subject matter experts with the task of attributing them to either uniqueness or belongingness to check for content validity. This led to rewording items and the selection of the 10 items with the highest expert ranks. With these 10 items they ran Confirmatory Factor Analyses with two samples. The two-factor model with inclusion as belongingness and uniqueness showed significantly better results than the one-factor model and had the following results of fit indices for sample 1: $\chi^2 = 114.19$ (df = 34) CFI = .95 (value greater than .95 indicates good fit), SRMR = .04 (value less than .08 indicates good fit), RMSEA = .07 (value less than .06 indicates good fit) and for sample 2: $\chi^2 = 112.19$ (df = 34), CFI = .95, SRMR = .04 and RMSEA = .08.

The results of the Confirmatory Factor Analyses suggest that belongingness and uniqueness are related but distinct concepts. Both uniqueness and belongingness had high alpha reliability values ranging from .88 to .91 for both samples.

To explore the nomological validity, Chung et al. (2020) tested for correlation of their inclusion measure with other measures. This showed high correlations with Mor Barak's (2017) work group inclusion subscale ($r = .72, p < .01$), Perceived Organizational Support, POS ($r = .59, p < .01$), work group identification ($r = .58, p < .01$) and voice ($r = .59, p < .01$) – and to a lesser extent to self-verification ($r = .24, p < .01$). Discriminant validity was measured by correlating their measure to the Ten-Item Personality Inventory measuring the big five personality dimensions. As the correlation was significantly lower (r s ranging from .16 to .25; all p s $< .01$) than the correlations with the above

constructs, it can be said that inclusion measured as uniqueness and belongingness is distinct from personality dimensions.

Chung et al. (2020) tested their measure also for incremental validity, i.e. if their model improves knowledge in comparison to existing ones. They ran semi-partial correlations that revealed that, when controlling for Mor Barak's work group inclusion measure, their inclusion scale is related significantly to the following assumed antecedents of inclusion: Overall justice ($sr = .60, p < .01$), diversity climate ($sr = .29, p < .01$), and leader inclusiveness ($sr = .56, p < .01$). Regression analysis was run regarding proposed outcomes: Their inclusion scale is significantly related to turnover intentions ($\Delta R^2 = .09, p < .01$), helping ($\Delta R^2 = .07, p < .01$), and positive and negative health ($\Delta R^2 = .03$ for both, $p < .01$), also over and above Mor Barak's measure. Chung et al. (2020) themselves admit that the magnitude of their incremental difference is not large and conclude, hence, that "our work group inclusion measure is complementary to Mor Barak's measure and can provide guidance for organizations regarding possible areas of improvement in terms of belongingness and uniqueness" (Chung et al., 2020: 93).

Perceived Group Inclusion Scale (PGIS)

Jansen et al. (2014) tested the validity of their scale in an Exploratory Factor Analysis distributing questionnaires to students and a Confirmatory Factor Analysis using a second sample of employees. For the latter a model that conceptualized four first-order factors (group membership, group affection, room for authenticity, and value in authenticity) were grouped into the two second-order factors of belongingness and authenticity and showed the following validity results: For students: $\chi^2/df=1.81$, RMSEA= .05, CFI = .97, NNFI = .96 (values > .97 indicate excellent, values > 0.95 good fit). For employees: $\chi^2/df= 3.56$, RMSEA=0.07, CFI =0.97, NNFI = 0.96). All first-order factor loadings exceeded .70 and differing reliably from zero ($p < .01$). Hence, these result indicate a good fit of the model.

The reliability was tested using alpha values, which were for both students and employees >.96 for the scale and >.93 for each component. The nomological validity was tested against state self-esteem, trait self-esteem, solidarity, satisfaction and centrality for the student sample and diversity climate, personal self-verification and psychological safety for the employee sample (with only the latter showing non-significant results). Predictive validity was measured related to positive and negative mood, work satisfaction, trust, group conflict, individual creativity, group creativity, group performance and group learning behavior, with all findings supporting the predictive validity of the PGIS (Jansen et al., 2014).

Inclusion as participation

Nomological validity of the measure was tested by correlating it to Porter and Lawler's organizational satisfaction measure, which resulted in a moderate correlation ($r = .63$, $p < .05$). Discriminant validity was tested by showing that the scale is distinct from Porter's work alienation scale ($r = -0.32$, $p < .05$) (Mor Barak, 2005 as cited in Cho & Mor Barak, 2008).

As the Mor Barak Inclusion Exclusion Scale (MBIE) and its subscales are the most widely used in published studies (Chung et al., 2020), one finds numerous studies in various geographical and cultural settings where either the entire 15 items scale, its subscales or its previous version (Mor Barak & Cherin, 1998) has been applied.

In a study in one of Korea's largest corporations, the MBIE was distributed to 381 employees and their 320 supervisors. It showed a high reliability with a Cronbach's alpha of .84 (Cho & Mor Barak, 2008). Ten items were used in a study in a tech company in Israel, where the Cronbach's alpha for internal reliability was .81. The five items measuring group inclusion of the MBIE were used in a study in Denmark researching language diversity among academics and showed a high internal reliability with a Cronbach's alpha of .88 (Lauring & Selmer, 2010).

In a study in the non-profit sector in the US, the full 15-item MBIE scale was used to study how teenage volunteers can be retained. Out of the eight subscales of the MBIE, only the social group inclusion scale had a low Cronbach's alpha of .58, with all other subscales having a high score between .70 and .82 (Waters & Bortree, 2010). In another study in the US non-profit sector, Acquavita, Pittman, Gibbons, and Castellanos-Brown (2009) found a Cronbach's alpha of .91 for the whole 15-item scale.

Inclusion as psychological safety

Most of the published studies that research psychological safety rely on Edmondson's (1999) seven items or variations of it (Frazier et al., 2017). In her initial study, Edmondson (1999) developed the Psychological Safety measure based on qualitative research with eight teams, followed by two surveys and structured interviews to obtain quantitative data. Moreover, in a third phase, teams selected based on the quantitative findings were observed. Discriminant validity was tested through a factor analysis that confirmed the items for the psychological safety measure and through producing a multi-trait, multimethod (MTMM) matrix that compared the correlations of antecedent and outcome variables, proving that correlations between theoretically similar items were larger compared to those intended to measure different constructs (.35 resp. .36 compared to .25). The measure for psychological safety provided for its reliability a Cronbach's alpha of .82. Based on an intraclass correlation (ICC) it was assured that data from individual respondents converges with the group attributes, which yielded a high score of .39 for psychological safety. In addition, the survey data correlated with the quantitative data of the structured qualitative interview, which also proves the validity of the measure.

Mor Barak et al's Diversity Climate Scale

The validity of the overall Diversity Climate Scale was tested using Exploratory Factor Analysis for 23 items: these factors showed a good fit with Bartlett's Test of Sphericity being 4593.15 at $p < .001$, and the Kaiser-Meyer-Olkin measure a .90 (Mor Barak, 2017: 504). Using Principal Component Analysis with varimax rotation made it possible to identify the four factors and to eliminate some erroneous items which led to the 16 items used in the scale. The four factors showed eigenvalues between 1.2 and 5.4 and explained 57.1 % of the variance, with the fairness factor showing the highest score of 29.9%.

The overall scale showed a high reliability (Cronbach's alpha of .83) and the Fairness Factor even a higher one with an alpha value of .86. The whole factor structure was tested distributing it in a survey to 2,686 employees a US-based hi-tech company with a diverse workforce.

Also in later studies, the fairness subscale showed good reliability with a Cronbach's alpha of .92 (Buttner, Lowe, & Billings-Harris, 2010).

The three other factors of the scale are:

Organizational Dimension: Organizational Inclusion Factor

1. Management here encourages the formation of employee network support groups
2. There is a mentoring program in use here that identifies and prepares all minority and female employees for promotion
3. The "old boys' network" is alive and well here (R)
4. The company spends enough money and time on diversity awareness and related training

Personal Dimension – Personal Diversity Value Factor

1. Knowing more about cultural norms of diverse groups would help me be more effective in my job
2. I think that diverse viewpoints add value
3. I believe diversity is a strategic business issue

Personal Dimension – Personal Comfort with Diversity

1. I feel at ease with people from backgrounds different from my own
2. I am afraid to disagree with members of other groups for fear of being called prejudiced (R)
3. Diversity issues keep some work teams here from performing to their maximum effectiveness (R)

(Mor Barak, 2017)

Climate for Inclusion

The three components of the Climate for Inclusion measure were developed by Nishii (2013) based on a literature review and asking 10 field experts to group items to these three components. Selecting those that were correctly attributed led to 47 items that were put in a survey for 633 university employees. Based on an Exploratory Factor Analysis, items with low or double factor loadings were eliminated leading to 31 items loading on three factors with eigen values bigger than 1 and explaining 64.85% of the variance. With the results of a survey among 701 working adults, a Confirmatory Factor Analysis with the three factors showed a good fit with the data: ($\chi^2_{421} = 865.43$, CFI = .98, RMSEA = .04, SRMR = .03). Also the reliability showed very good results

with alpha values of .93, .94, and .97. To test the discriminant validity, the three components of the Climate for Inclusion were related to procedural and interactional justice, which showed that they are moderately related, but distinct from each other.

A final shortened version with 15 items was developed based on factor loadings, wording and content. Also this shortened version showed good results in the Confirmatory Factor Analysis: $\chi^2_{80} = 217.97$, CFI = .98, RMSEA = .04, SRMR = .02 (Nishii, 2013).

Diversio's Diversity and Inclusion Survey

Diversio reports that based on a meta-analysis and a systematic literature review, key drivers for diversity and inclusion were identified. The six characteristics of inclusion of its survey were developed and validated based on Diversio's "internal dataset and public data from more than 20,000 companies worldwide, analyzing feedback from over 50,000 employees and 30 countries". A validation test in 2019 was run by the University of Waterloo with 11,027 respondents across 18 organizations. Despite the large data set mentioned to be used to validate the survey, Diversio only mentions an overall Cronbach's alpha of .84, which would indicate a high reliability of the whole survey. But as the survey measures different constructs, alpha value for all six themes would be needed to comprehensibly assess the reliability. In addition, Diversio only reports an "all item-total correlation greater than 0.5", which for them indicates "a high chance of questions reflecting the concept being measured". However, it remains unclear what correlates with what and if, for instance, a factor analysis proved that the items are attributed correctly to the six themes. Moreover, to judge the nomological validity of the survey, correlations of the themes to similar concepts would be needed.

In summary, the reliability and validity of the survey remain doubtful.

Caerulean's Belonging Continuum Assessment

Initially, 68 items were constructed for the 11 core factors comprising the instrument. The items were compiled in a survey distributed through snowballing (family, friends and colleagues) as well as being sent to employees at selected organizations. An initial Confirmatory Factor Analysis (CFA) did not bring a satisfying result, hence, the items were reduced to 50, which led to the following fit measures: $X^2(1120) = 1,838.92$, $p < .001$, RMSEA = .05 (value less than .06 indicates good fit), CFI = .91 (value greater than .95

indicates good fit), SRMR = .06 (value less than .08 indicates good fit).

Reliability was tested using Cronbach's alpha: The values ranged from .71 to .91, which indicates a good reliability; 8 out of the 11 factors had an alpha above .80.

Discriminant validity was tested by correlating the 11 items, with results ranging from -.06 to .75, which would according to Caerulean indicate that "each factor is a distinct construct". This assessment is doubtful, as this has already been proven using factor analysis. Moreover, this is a different approach to those taken in published academic studies, in which discriminant validity is tested by correlating the constructs to measures one wants to distinguish.

Nomological validity was tested by correlating the 11 factors to measures from published studies. Except for mentoring & support, all factors showed moderate to high correlations (.37 to .69). Moreover, the 11 factors were related to job satisfaction and work engagement. Also here, except for mentoring & support, the factors correlated.

Taken together, the Caerulean Belonging Continuum Assessment can be considered reliable and validated, even considering the different approach taken to discriminant validity.

Gartner's Inclusion Index

Gartner consultants Romansky et al. (2021) report in a Harvard Business Review article how their inclusion index was constructed. The seven key concepts - fair treatment, integrating differences, decision-making, psychological safety, trust, belonging, and diversity - that comprise the index are based on qualitative interviews with more than 30 EI&D executives as well as a review of the academic literature and existing indices. For these seven concepts all together 45 statements were constructed which were sent out in a survey to nearly 10,000 employees around the world "asking them to rate their level of agreement". Subsequently, Gartner "distilled the responses to determine the one statement for each element that best represents that element of inclusion" (Romansky et al., 2021), in a research note (Gartner, 2019, provided by PMI) they talk about "a series of factor analyses".

However, neither the HBR article nor the research note provides comprehensible data on the validity or reliability of the index. Hence, the validity and reliability remain doubtful.

