Inclusive Future

Summary of Part I, II & III

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Equity, inclusion & diversity (EI&D) is often regarded as a set of preachy “eat your greens” issues that organizations are socially pressured into adopting. This attitude towards EI&D is outmoded and out of touch with the complex socioeconomic conditions which organizations operate in today. In fact, it is becoming apparent that the discipline of fostering EI&D makes organizations more responsive, more resilient, better informed and better able to recruit and retain employees.

There are strong operational and moral imperatives for diversity. A diverse workforce can bring a broad range of experiences and views to bear on the complex business challenges of this time. Organizations are also finding that the growing ranks of Millennial and Generation Z employees support diversity from a moral perspective, and indeed expect it as a normal condition of life.

However, simply having a broad diversity of employees, while necessary, is not in itself sufficient for an organization to thrive. To reap the benefits of diversity, an organization must also become more inclusive. Gender and nationality, two key elements of diversity, can be defined, identified, and measured objectively. By contrast, inclusion is subjective. It is about how employees feel an organization treats them in relation to their diversity. This makes inclusiveness harder to define and measure.

Organizations are keen to have clear definitions, tools, and metrics to define EI&D operationally and implement policy. To this end, the International Institute for Management Development (IMD), sponsored by Philip Morris International (PMI), undertook with full editorial independence the Inclusive Future project.

Part I of the project involved research into academic literature, consultants’ approaches, and corporate case histories to review current best practice to measure inclusion. Part II of the project delved into the recent social movements and socioeconomic factors that have influenced EI&D needs so powerfully. Part III briefly looked at practical tools to measure and facilitate inclusion, introducing the Inclusion Net Promoter Score (iNPS).

This summary is designed to provide an overview of project’s findings and conclusions.
Inclusive Future Part I

Topline Summary
Inclusive Future Part I
Topline Summary

The business case for EI&D is well researched and well documented. We therefore started the Inclusive Future project by analyzing the work that leading academics, consultants and corporations have carried out to foster it. It became clear, as outlined below, that several factors have made it impossible to establish broadly agreed benchmarking metrics to track diversity and inclusion across industries. For diversity, legal constraints in many countries make it impossible to gather data on important dimensions such as race and sexuality. Consequently, organizations cannot reliably map and track their own diversity, nor compare it with that of other organizations.

Inclusion is even more of a conundrum. Differing operational definitions of inclusion have led to different elements being identified and measured. Some models of inclusion highlight personal needs for feelings of “belongingness”, “uniqueness” and “authenticity”. Others focus on organizational needs for participation and fairness. Even where different organizations focus on the same elements of inclusion, there is no common approach to the nature and number of questions included in their surveys.

Apart from gender and nationality, whichever other elements of diversity are measured, the process of measurement inevitably involves individuals completing self-report questionnaires. This brings its own difficulties in measuring inclusion for all employees. On each question, it is not possible to determine to what extent employees’ responses authentically reflect their experience and to what extent they are influenced by how they think they “should” respond. Then, for surveys as a whole, there is the challenge of balancing practicality and thoroughness. Longer survey questionnaires offer the benefit of greater depth, but with the risk that respondents get tired of answering; shorter surveys are more practical but risk missing important information.

The timing, frequency and locality of surveys also vary too widely to permit standardized metrics to be developed. Among major corporations, Microsoft fields an annual employee satisfaction survey including questions on inclusion, and sends out short surveys every day to a random selection of employees. BP stopped using employee surveys (and with them its inclusion index) in favor of more immediate and short forms of surveys and data from other IT-generated sources.

In short, Part I of the project did not yield a unified index or metric to guide EI&D. Nevertheless, from the research, we were able to generate a broad model to be explored and elaborated in Part II. The crucial element of this model is “psychological safety”, denoting an inclusive environment in which all employees feel able to express their unique perspective without fear of negative consequences. This is fostered by “inclusive leadership”, a key driver for creating inclusive work environments that balance employee needs to feel part of the whole (“belongingness”) while remaining authentically themselves (“uniqueness”)). Inclusive leadership requires a nuanced style that reflects shifts in society. It balances each individual employee’s need to feel part of the whole (“belongingness”) with their need to feel that their individuality is recognized and appreciated (“uniqueness”).
## Inclusive Future Part II

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Inclusive Future Part II

Topline Summary

As Part I found, the imperatives for equity, inclusion & diversity (EI&D) have been broadly recognized, researched, and enacted for well over a decade. However, three recent social factors have made key elements of EI&D more starkly apparent to everyone. Specifically, MeToo has made individual cases of sexual harassment and sexism visible, spurring people to examine ways in which gender is part of general power imbalances. The 2020, the murder of George Floyd by a white police officer in Minneapolis made the Black Lives Matter (BLM) movement and racial inequity more salient not only in the United States, but around the world. And since early 2020, the COVID-19 pandemic has revealed and exacerbated the chronic Socioeconomic Inequalities that present threats to democracy, order, and economic growth.

This summary of Part II of the Inclusive Future project starts by examining MeToo, BLM and Socioeconomic Inequalities before looking at how EI&D dynamics have been disrupted by COVID-19 and accelerated by fast-developing technology and generational change. It then proposes ways in which organizations including PMI can recognize these shifts and work constructively with them to the benefit of all.

MeToo

It’s over 15 years since MeToo was first used by Black activist Tarana Burke to encourage conversations about sexual violence. Tellingly, it wasn’t until MeToo was used by white actress Alyssa Milano in 2017 that it rapidly gained momentum and resonated around the world.

The MeToo movement has sparked extensive revelations of sexual harassment and sexual violence that women have endured in the workplace. It has popularized the notion of toxic masculinity to denote a prevalent type of destructive male culture that harms men too. Hidden behavior that had previously been tolerated as unwelcome but “normal” has therefore been “denormalized”. It’s not just predatory male behavior, but also many other everyday sexist behaviors that inhibit, marginalize, or exclude women from being heard and taken seriously. For example, it is now recognized that men interrupt women 30% more often than they do other men, heavily impacting women’s ability to be seen as leaders. When women of all backgrounds are not heard, important intelligence goes to waste.

The MeToo movement has raised awareness that sexual abuse and inequity cut across more than a simple sectional divide between male and female. This has led to a growing understanding of “intersectionality”. The term refers to conjunctions of various individual attributes such as gender, race, class, sexual orientation, and physical ability that may lead to a person suffering inequity or exclusion. With specific regard to MeToo, we found that women and people with a lower socioeconomic background remain at a higher risk of sexual harassment and abuse compared to others.

The MeToo movement has driven a substantial shift in mindsets, prompting many men to become advocates and allies of women. However, it has also become a contested field. Skeptics, opponents, and indeed many ordinary members of the public, are concerned that MeToo risks going “too far”. Some contend that it strains relationships between men and women. A common trope is that MeToo would lead to a “policing of sex”, revealing the mistaken perception that the movement is not about consensual sex, but about abuse of power at work. Some fear that it potentially exposes too many men to false accusations of sexual abuse, although the irony here is that this makes survivors of sexual abuse more hesitant to report it, and data demonstrates that less than 5% of denunciations are false.
Like MeToo, the origins of Black Lives Matter (BLM) go back several years. The movement was started in the United States by three Black women in 2013 to highlight cases of police violence, and to show how Black lives are shaped by a history of slavery and colonialism. However, it wasn’t until the murder of George Floyd in 2020 that the movement gained traction in the United States and beyond, prompting conversations about racial topics not just in North America but around the globe.

A major effect of BLM has been to raise the visibility of systemic racism and racial injustice in many countries. It has compelled corporate executives to look hard at these issues and ask what they can do to change things. A survey of the HR Policy Association found that the movement led to an 85% expansion of inclusive activities, an 85% increase in C-suite involvement, and 70% starting/expanding unconscious bias training.

The source of BLM, the United States, has its own unique history of racism. However, BLM has resonated in many other countries that have their own local constellations of racism and xenophobia. It has emboldened advocates and social movements to highlight local racial issues that may previously have been ignored, dismissed, or denied.

As with MeToo, questions of intersectionality and visibility are raised by Black Lives Matter. It is striking that BLM achieved global spread because of the highly visible murder of a Black man, while much of the groundwork for the movement was done with little visibility by Black women (two of whom identify as queer). The vocal support of many companies for BLM has prompted questions about the visibility and lives of underprivileged groups working in the lower ranks of such companies.

Like MeToo, BLM has shone a revealing light on established structures of power and relative privilege. As with MeToo, it has sparked waves of debates, advocacy, and solidarity, but also resistance and contestation. Critics counter BLM with statements such as “All Lives Matter” and claims that affirmative action leads to white employees being “the real victims of discrimination.”
Socioeconomic Inequality

The traction gained by MeToo and BLM have shown that gender and race are two factors of inequality that are relatively clear to discern and define. Both are elements of “the ways in which access to resources and opportunities are differentially distributed across a particular population”. Other factors include social class, educational attainment, and income distribution. This is what may be termed “socioeconomic inequality”. They are less visible and less readily dramatized in media coverage.

Elements of socioeconomic inequality have arguably been a recurring theme of politics for a long time. Growing inequalities of wealth have been influentially highlighted by best-selling academic Thomas Piketty in his 2014 book Capital in the Twenty-First Century and his 2020 book Capital and Ideology.

Socioeconomic inequality is a challenge for organizations because they themselves are part of the problem. In many cases, their inclusiveness does not stretch to socioeconomic diversity. Whether deliberately or inadvertently, they perpetuate socioeconomic inequality through their hiring practices, promotion tracks, role allocations, compensation schemes, and organizational structures. Fortunately, organizations that are committed to EI&D can be part of the solution. They can become aware of socioeconomic diversity and ensure that socioeconomic background is included in their systems to identify talent.
COVID-19 – The Disruptor

General lack of awareness about, or attention to, these inequalities was tellingly illustrated by the claim in the early days of the COVID-19 pandemic that “we are all in the same boat”. Within just a few weeks it became apparent that in fact we “are in the same storm but not in the same boat”. COVID-19 has had the effect of making inequalities glaringly apparent to all and actually making them worse for many.

In terms of health impacts, sickness and death from COVID-19 has disproportionately hit disadvantaged populations such as people of color in the United States and the United Kingdom.

In the workplace, women, Black people, young, less educated and precarious workers were hit hardest by reduced paid hours and more job losses. Among workers fortunate enough to be able to work from home in relative comfort and safety, many women found themselves juggling the tasks of work and providing care for children and the elderly. Consequently, working through the pandemic, more women than men have felt stressed, exhausted, and excluded. This effect is even more marked among LGBTQ+ women and women with disabilities.

At the time of writing (early 2022) the pandemic is still not over, so it is not possible to predict its long-term effects with any certainty. What we can say for sure is that COVID-19 has accelerated the pace of technological change, giving many organizations and employees prolonged experience of working remotely. Hybrid working, mixing on-site and remote working, is likely to become part of the “new normal”. This will also mean more blended meetings that involve both in-person and remote employees.

Among the pluses, hybrid and blended working can potentially enable employees to custom design their working days to optimize meeting their work goals while accommodating other priorities such as family, fitness, or hobbies. Among the challenges, on the other hand, is creating and maintaining an environment in which all employees feel included and heard, whether they are present in person or online. While the formal aspects meetings may be run inclusively, remote participants risk not being included in informal comments, jokes, and conversations.

Millennials, Generation Z & Technology

The rising generational cohorts of Millennials and Generation Z bring some distinctive and related attributes to the workplace. They embody some of the big shifts in awareness and mindsets that organizations must adapt to as they work at fostering diversity and inclusion.

Both cohorts use technology fluently, especially social media technology. Both cohorts seek achievements and constant development while expecting a good work-life balance. Generation Z in particular supports movements such as MeToo and BLM and is apt to voice their support online with so-called ‘hashtag activism’. Together, these cohorts are accelerating the development of inclusive cultures that value diversity and fairness, work-life balance, and purpose.

Even more than most, Millennial and Generation Z employees need to feel that they are being heard by their employers. Otherwise, they tend to voice their concerns and air their grievances publicly through social media. This can prove problematic for organizations, especially in a digitally accelerated environment where organizations are likely to be scrutinized, fact-checked and called to account.

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Inclusive Future Part III

Topline Summary
Inclusive Future Part III

Topline Summary

Measuring inclusion and inclusive leadership is not an end in itself. An open and pluralistic organizational culture, i.e., an inclusive working environment, increases an organization’s resilience and prepares it to proactively navigate the sort of disruptive periods we have experienced since 2020. When the data is collected and analyzed properly, the results offer unique insights to transform an organization and foster inclusion and inclusive leadership throughout. As Parts I and II found, a comprehensive approach is needed that focuses on uniqueness, fairness/equity and psychological safety and also takes belongingness, participation, and authenticity into account.

For organizations that are interested in evolving E&D, Part III proposes a menu with a core set of standardized questions to measure results over time; qualitative and quantitative methods and tools to gain varied types of insights; and recommendations about inclusion nudges to spur behavioral change. In an interesting example of a positive feedback loop, research indicates that sharing the results of inclusion metrics with a broad internal audience spurs behavioral change.

To allow comprehensive measurement of progress over time, it is advisable to compile an inclusion index as part of an Employee Engagement survey, comprising 6-10 standard questions covering the key components of inclusion, including:

- Psychological safety
- Uniqueness
- Fairness
- Participation
- Belonging
- Authenticity

Many organizations already have questions that measure some of these components in established employee engagement surveys. They can continue with their established questions and complement them with new inclusion-focused questions to encompass the six inclusion components listed above, thereby getting a fuller and more accurate picture. The phrasing of such questions can serve a dual purpose: to gather information about past and present behavior, and to influence future behavior. Scalar agree/disagree statements such as: “I am committed to improve my leadership skills in terms of active, humble listening” can nudge the respondent to do more of the behavior.

This type of survey measurement is thorough, but takes time and is costly. To complement it, a new pulse tool is currently being tested: the Inclusion Net Promotor Score (iNPS). It asks respondents to rate: “How likely are you to recommend our organization to a friend or colleague from an underrepresented group as an inclusive place to work?” (By “underrepresented group” we mean women, people from ethnic or racial minorities, with different sexual orientation or different abilities.) This single-scale evaluation can be enriched with an open-ended free-text question: “What is the one thing (name of organization) could do to improve this?”

The iNPS is an easily implantable way (both in terms of time and cost) to obtain quantitative information. Its usefulness hinges on being able to apply intersectional analysis to the results. It should be clear which demographics in the organization find it inclusive enough to recommend – and which don’t. Intersectional data can be gathered by encouraging respondents to voluntarily and anonymously self-identify in terms of belonging to underrepresented groups.

Quantitative surveys such as the iNPS yield numbers that measure responses to a pre-set list of questions and statements. To obtain richer, more detailed information, it’s advisable to complement quantitative surveys with qualitative methods. Provided a psychologically safe environment is fostered, valuable insights can be found in open-ended conversations with employees, whether in more formal settings such as focus groups and appraisal sessions, or less formal settings such as lunch-and-learn sessions.

Another source to obtain information is the use of artificial intelligence (AI). AI is already widely used by HR. We anticipate that AI analysis of communications will be further developed to gather data relevant to E&D purposes. As with both quantitative and qualitative methods, it is essential to guard against bias. This can be achieved by having multidisciplinary teams design the gathering system, interpret the results, and apply the learnings with intersectional input.
Key Points & Guidelines
Key Points & Guidelines

An organization is inevitably surrounded by diversity in the societies where it operates. This is a fact, not an option. Some forms of diversity are more visible than others, but they are no less important for that. The organization needs to be aware that many different forms of diversity combine in intersectionality.

An organization needs diversity to develop the skills and benefits of being inclusive. Without diversity, an organization tends to default to 'group think', where people simply agree with each other. Diversity helps an organization learn to operate better, whereas a homogenous (non-diverse) workforce, with less diversity, is a risk factor for all forms of harassment.

Rapid changes in operating environments have become faster and more complex since 2020. It is therefore essential for an organization to develop inclusive leadership to benefit from the diversity in the organization. Inclusive leaders don’t think or act as if they have all the answers. Rather, they listen with humility so that diverse employees feel safe to speak up and contribute without fear of negative consequences.

Creating more equitable, inclusive, and diverse work cultures requires willingness to engage in difficult conversations about issues such as sexism and racism. It involves using emotionally freighted terms such as patriarchy, toxic masculinity, intersectionality, psychological safety, and privilege that some employees may find challenging or politically loaded. It takes leaders with the skills to foster psychological safety where emotive issues can be discussed honestly and inclusively. It takes inclusive leadership to prevent such conversations from becoming “us versus them”.

To encourage everyone to foster inclusiveness, an organization must clearly articulate its values, strategy, and position on EI&D. This provides essential reference points to help leaders at every level become visible advocates and models of inclusion. Equally, this articulation helps the organization to manage the EI&D missteps that are bound to arise.

There is no universal gold standard to measure even diversity, let alone inclusion, because there are too many variables and constraints. In the absence of an ISO-type set of universal standards, an organization must both have a wide-angle view of inequality as a whole and zoomed-in views of unique intersectional experiences.

Beyond all the complexities of measuring and tracking EI&D, organizations should be guided by four clear principles:

1. Foster psychological safety above all, so that all employees can contribute their experience authentically without fear of negative consequences.

2. With psychological safety as the linchpin, attend to the six key components of inclusion:
   - Personal components (belongingness, authenticity and uniqueness)
   - Organizational components (participation and fairness)
   - Matrix Component (without diversity, there is no inclusion; just like minded people echoing each other)

3. Develop inclusive leadership, with humble listening and willingness to become allies and advocates of underrepresented employees.

4. Increase visibility so that all employees get noticed and included, especially those who may be less visible because of intersectional traits such as gender and race.
Inclusive Future

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

Alexander Fleischmann
This research project is a product of IMD’s Equity, Inclusion & Diversity Department headed by Josefine van Zanten, Senior Advisor EID. Alexander Fleischmann, affiliate researcher at IMD, delivered the academic research. The authors would like to thank Professors Ginka Toegel and David Bach who served as academic supervisors and improved the content with their insightful feedback.

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Executive Summary

Seeing equity, inclusion & diversity (E&ID) 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 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.
Introduction
Introduction

Equity, inclusion & diversity (E&I&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 E&I&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).

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).

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 E&I&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).

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 E&I&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.

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?

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

(Gartner, 2020)

“inclusion applies to and can benefit all colleagues.”

(McKinsey, 2020a: 10)

“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)
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.

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.

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"

“McKinsey, 2020a: 4"

“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; Ozbilgin & 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 & Sliwa, 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)
- 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 lco-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, the 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.
“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)

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.

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.

```
| Society: inclusive policies, practices, values, ideologies |
| Organization: inclusive values, policies, practices, climates |
| Leaders and leadership: inclusive practices, competencies & mindsets |
| Groups and teams: inclusive practices & norms, collective experience of inclusion |
| Individuals: inclusive interpersonal behavior, mindsets |
| Experience of inclusion: individual |
```

"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.

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

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).

<table>
<thead>
<tr>
<th>Drivers</th>
<th>Components</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Personal</td>
<td>Performance</td>
</tr>
<tr>
<td>Inclusiveness Policies and Practices</td>
<td>Belongingness</td>
<td>Job Satisfaction</td>
</tr>
<tr>
<td>Work design etc.</td>
<td>Uniqueness</td>
<td>Commitment</td>
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<tr>
<td></td>
<td>Authenticity</td>
<td>Engagement</td>
</tr>
<tr>
<td></td>
<td>Psychological Safety</td>
<td>Helping Behavior</td>
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<td></td>
<td></td>
<td>Creativity</td>
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<tr>
<td>Organizational</td>
<td></td>
<td>Innovation</td>
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<tr>
<td></td>
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<td>Employee Turnover</td>
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<td>Wellbeing</td>
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<td></td>
<td></td>
<td>Vitality</td>
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<td></td>
<td></td>
<td>Company Performance</td>
</tr>
<tr>
<td>Diversity</td>
<td>etc.</td>
<td>etc.</td>
</tr>
</tbody>
</table>

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, McArule, 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 (2013) 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: 2011) 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.
<table>
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<tr>
<th>Section</th>
<th>Page</th>
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<td>Composite Measures</td>
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<td>Composite Indices</td>
<td>57</td>
</tr>
<tr>
<td>Alternative Ways of Measuring</td>
<td>63</td>
</tr>
</tbody>
</table>
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.

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.

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.”

(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
Inclusive Future

Part I Report

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.

Measuring Employees’ Perception

<table>
<thead>
<tr>
<th>Belongingness</th>
<th>Uniqueness</th>
</tr>
</thead>
<tbody>
<tr>
<td>• I am treated as a valued member of my work group</td>
<td>• I can bring aspects of myself to this work group that others in the group don’t have in common with me</td>
</tr>
<tr>
<td>• I belong in my work group</td>
<td>• People in my work group listen to me even when my views are dissimilar</td>
</tr>
<tr>
<td>• I am connected to my work group</td>
<td>• While at work, I am comfortable expressing opinions that diverge from my group</td>
</tr>
<tr>
<td>• I believe that my work group is where I am meant to be</td>
<td>• I can share a perspective on work issues that is different from my group members</td>
</tr>
<tr>
<td>• I feel that people really care about me in my work group</td>
<td>• When my group’s perspective becomes too narrow, I am able to bring up a new point of view</td>
</tr>
</tbody>
</table>

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.

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.

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

<table>
<thead>
<tr>
<th>Belongingness</th>
<th>group membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>This group...</td>
<td></td>
</tr>
<tr>
<td>1. ...gives me the feeling that I belong</td>
<td></td>
</tr>
<tr>
<td>2. ...gives me the feeling that I am part of this group</td>
<td></td>
</tr>
<tr>
<td>3. ...gives me the feeling that I fit in</td>
<td></td>
</tr>
<tr>
<td>4. ...treats me as an insider</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>group affection</th>
</tr>
</thead>
<tbody>
<tr>
<td>This group...</td>
</tr>
<tr>
<td>1. ...likes me</td>
</tr>
<tr>
<td>2. ...appreciates me</td>
</tr>
<tr>
<td>3. ...is pleased with me</td>
</tr>
<tr>
<td>4. ...cares about me</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authenticity</th>
<th>room for authenticity</th>
</tr>
</thead>
<tbody>
<tr>
<td>This group...</td>
<td></td>
</tr>
<tr>
<td>1. ...allows me to be authentic</td>
<td></td>
</tr>
<tr>
<td>2. ...allows me to be who I am</td>
<td></td>
</tr>
<tr>
<td>3. ...allows me to express my authentic self</td>
<td></td>
</tr>
<tr>
<td>4. ...allows me to present myself the way I am</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>value in authenticity</th>
</tr>
</thead>
<tbody>
<tr>
<td>This group...</td>
</tr>
<tr>
<td>1. ...encourages me to be authentic</td>
</tr>
<tr>
<td>2. ...encourages me to be who I am</td>
</tr>
<tr>
<td>3. ...encourages me to express my authentic self</td>
</tr>
<tr>
<td>4. ...encourages me to present myself the way I am</td>
</tr>
</tbody>
</table>

---

**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.

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

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.
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:

- 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.

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).

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:

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)
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.
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.

<table>
<thead>
<tr>
<th>Focus</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>valued</td>
<td>• You are appreciated and respected for your unique perspectives and talents</td>
</tr>
<tr>
<td>trusted</td>
<td>• You make meaningful contributions and are influential in decision-making</td>
</tr>
<tr>
<td>authentic</td>
<td>• You can bring your full self to work and express aspects of yourself that may be different from your peers</td>
</tr>
<tr>
<td>psychological safety: latitude</td>
<td>• You feel free to hold differing views and make mistakes without being penalized</td>
</tr>
<tr>
<td>psychological safety: risk-taking</td>
<td>• You feel secure enough to address tough issues or take risks</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Focus</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair treatment</td>
<td>• Employees at my organization who help the organization achieve its strategic objectives are fairly rewarded and recognized</td>
</tr>
<tr>
<td>Integrating differences</td>
<td>• Employees at my organization respect and value each other’s opinions</td>
</tr>
<tr>
<td>Collaborative decision-making</td>
<td>• Members of my team give fair consideration to ideas and suggestions offered by other team members</td>
</tr>
<tr>
<td>Psychological safety</td>
<td>• I feel welcome to express my true feelings at work</td>
</tr>
<tr>
<td>Trust</td>
<td>• Communications we receive from the organization are honest and open</td>
</tr>
<tr>
<td>Belonging</td>
<td>• People in my organization care about me</td>
</tr>
<tr>
<td>Diversity</td>
<td>• Managers at my organization are as diverse as the broader workforce</td>
</tr>
</tbody>
</table>

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.

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).

### Carulean’s Belonging Continuum Assessment

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.

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

<table>
<thead>
<tr>
<th>Organizational Alignment</th>
<th>Managerial Alignment</th>
<th>Social Alignment</th>
<th>Personal Alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>stability</td>
<td>feedback</td>
<td>peer perception</td>
<td>intrinsic motivation</td>
</tr>
<tr>
<td>organizational culture</td>
<td>autonomy</td>
<td>peer connectedness</td>
<td>extrinsic motivation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>mentoring &amp; support</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>high-performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>high-potential</td>
</tr>
</tbody>
</table>
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 / Gartner

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.

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.

Inclusiveness Index (20 points)

<table>
<thead>
<tr>
<th>Item</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>My business entity has a climate in which diverse perspectives are valued</td>
<td>4</td>
</tr>
<tr>
<td>My ideas and suggestions count</td>
<td>4</td>
</tr>
<tr>
<td>There is an environment of openness and trust in my workgroup/team</td>
<td>4</td>
</tr>
<tr>
<td>My immediate supervisor treats me with respect and dignity</td>
<td>4</td>
</tr>
<tr>
<td>I feel respected and valued by members of my workgroup/team</td>
<td>4</td>
</tr>
</tbody>
</table>

Table 11: Inclusiveness Index at Volvo

Data provided by Philip Morris International.
Balanced Team Indicator (20 points)

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diverse executive team composition</td>
<td>6</td>
</tr>
<tr>
<td>Diverse team composition below top team</td>
<td>4</td>
</tr>
<tr>
<td>Gender balance</td>
<td>4</td>
</tr>
<tr>
<td>Perceived commitment to diversity</td>
<td>4</td>
</tr>
</tbody>
</table>

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.

![Graph showing balanced team indicator]

**Figure 6: Progress on Composite D&I Index at Volvo**
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 sampled 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).

The 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 E&I initiatives in their long-term business transformation, whereas Microsoft expands its measuring based on technology and Nike aims at benchmarking its inclusion index.
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).

<table>
<thead>
<tr>
<th>Focus</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Authenticity</strong></td>
<td>I can succeed in my work group while maintaining my own personality and style</td>
</tr>
<tr>
<td><strong>Psychological safety</strong></td>
<td>I feel free to express my thoughts and feelings with my work group</td>
</tr>
<tr>
<td><strong>Participation</strong></td>
<td>People in my work group openly share work-related information with me</td>
</tr>
<tr>
<td><strong>Belonging</strong></td>
<td>I feel like I belong on my team</td>
</tr>
</tbody>
</table>

**Inclusive leadership + diversity**

My manager cultivates an inclusive environment and diverse workforce by valuing and leveraging employees’ differences and perspectives

**Inclusion Index: 88%**

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.

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

**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).

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.

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).

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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</thead>
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</table>
### 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).

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)

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)

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

(Nike, 2020: 68)

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

(Randel et al., 2018: 191)

<table>
<thead>
<tr>
<th>individual level</th>
<th>team level</th>
<th>organizational level</th>
</tr>
</thead>
<tbody>
<tr>
<td>• unlocks individual potential</td>
<td>• unlocks collective intelligence</td>
<td>• drives innovation and growth</td>
</tr>
<tr>
<td>• helps attract a diverse talent pool</td>
<td></td>
<td>• crucial in creating an inclusive work environment</td>
</tr>
</tbody>
</table>

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 (Brinhall, 2019b).

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

(Nike, 2020: 68)
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). Agile leadership, 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:

**Our Basic Definition:**

**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
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.

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.

“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)

Looking back on our basic definition of inclusive leadership, this means inclusive leadership shifts the focus from leaders to leadership as a collective process.

<table>
<thead>
<tr>
<th>Role of Leadership</th>
<th>Traditional entity-based leadership</th>
<th>Inclusive relational-based leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leadership seen as a formal role that drives organizational process</td>
<td>Leadership seen as generated in social dynamics</td>
</tr>
<tr>
<td></td>
<td>Entity-based process of leading</td>
<td>Collective, consensual process of leading</td>
</tr>
<tr>
<td></td>
<td>Positional, formal and informal</td>
<td>Community and collectives of leaders, and leaders in place, formal and informal</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role of the Leader</th>
<th>Traditional</th>
<th>Inclusive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Create and enforce rules and regulations</td>
<td>Question dominant and normative practices; focus on fairness, equality, and civil dissent</td>
</tr>
<tr>
<td></td>
<td>Take control and solve problems</td>
<td>Create a holding space for followers to solve problems</td>
</tr>
<tr>
<td></td>
<td>Focus on me, us, and them</td>
<td>Focus on we and all</td>
</tr>
<tr>
<td></td>
<td>Focus on similarity and common ground</td>
<td>Value and pursue diversity and multiple viewpoints</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Default frames</th>
<th>Reframe</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Boss</strong></td>
<td></td>
</tr>
<tr>
<td>• Has answers</td>
<td>• Sets direction</td>
</tr>
<tr>
<td>• Gives orders</td>
<td>• Invites input to clarify and improve</td>
</tr>
<tr>
<td>• Assesses others’ performance</td>
<td>• Creates conditions for continued learning to achieve excellence</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td></td>
</tr>
<tr>
<td>• Subordinates who must do what they’re told</td>
<td>• Contributors with crucial knowledge and insight</td>
</tr>
</tbody>
</table>

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.”

(Booisen, 2014: 306)
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:

<table>
<thead>
<tr>
<th>Individual (I)</th>
<th>Team</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>cultural humility</td>
<td>listening well</td>
<td>explicitly define (and redefine) the boundaries and rules for acceptable inclusive behavior</td>
</tr>
<tr>
<td>courage</td>
<td>practicing empathy</td>
<td>fostering equity</td>
</tr>
<tr>
<td>tolerance for imperfection and ambiguity</td>
<td>being curious</td>
<td>create the conditions for conversations to explore differences</td>
</tr>
<tr>
<td>awareness of identity, privilege and bias</td>
<td></td>
<td>model and communicate an understanding of and valuing of (and comfort with) diversity</td>
</tr>
<tr>
<td>ability to recognize different contributions</td>
<td></td>
<td>being authentic and use personal experiences strategically</td>
</tr>
<tr>
<td>ability to act on different input</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

“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)

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, Gitirane, 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)

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

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.

---

**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 combating systemic inequity and social injustice” (Johnson & Johnson, 2020: 18).

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![Figure 8: CGMA Competency Framework (CGMA, 2019: 2)](Figure 8: CGMA Competency Framework (CGMA, 2019: 2)
Leadership at PMI
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.

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

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 α = .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.
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, biannual 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.
Appendix: Validity and Reliability
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 .06 indicates good fit), RMSEA = .07 (value less than .06 indicates good fit) and for sample 2: $\chi^2 = 112.19$ (df = 31); 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 ps < .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 > .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 ($r = -.032$, $p < .05$) (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 .38, 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 Castelanos-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 qualitative 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 .29). 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: 304). Using Principal Component Analysis with varimax rotation, it was attempted 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 (Buttrner, 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 measures 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: χ²(R) = 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: χ²(R) = 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 comprehensively assess the reliability. In addition, Diversio only reports an “all-item-total-correlation greater than 0.5”, which for the tested indicator amounts to “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: χ²(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 E&I & executive 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.


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Inclusive Future

Part II of III

The Changing Framework for Inclusion and Inclusive Leadership

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IMD
Executive Summary

This research project is a product of IMD’s Equity, Inclusion & Diversity Department headed by Josefine van Zanten, Senior Advisor E&I&D. Alexander Fleischmann, affiliate researcher at IMD, delivered the academic research. The authors would like to thank Professors Ginka Toegel and David Bach who served as academic supervisors and improved the content with their insightful feedback.

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Executive Summary

The aim of this second report of the Inclusive Future project is to look at the political and socioeconomic environment of organizations and analyze how key vectors of influence impact inclusion and inclusive leadership – as can be seen in the overview graph on page 7. A detailed version of it can be found in the final conclusions (pages 88-89).

It takes a look at social movements and socioeconomic influences:

- the #MeToo movement
- the Black Lives Matter movement
- socioeconomic inequalities (as brought into focus and exacerbated by COVID-19)

as well as

- COVID-19 as an unforeseeable disruptor together with two accelerators
- Millennials in management positions and Generation Z entering the workforce
- technological change

A first quantitative overview is provided using data obtained from Google Trends: It shows how the last two years have been impacted by the Black Lives Matter movement and COVID-19. The main part of this report provides an in-depth look at these drivers of change and aims to grasp their complexity while allowing to derive actions for inclusion and inclusive leadership.

Analyzing the two social movements #MeToo and Black Lives Matter reveals how they bring visibility to individual cases to point toward broader structural issues (patriarchy, toxic masculinity and systemic racism, and white privilege) and call for justice for underrepresented and marginalized groups. For defining and measuring inclusion this implies a focus on fairness and equity to address the structural imbalances brought forward. Moreover, as the two movements also sparked a debate on intersectionality, i.e. the specific situation of, e.g. Black women, organizations are urged to take uniqueness into account in measuring inclusion while keeping in mind that even the unique intersectional experiences are embedded in broader structures.

Once more, psychological safety is identified as the linchpin between the individual and organizational level. The heated debates around #MeToo’s call to challenge patriarchy and toxic masculinity and Black Lives Matter’s call to overcome systemic racism and white privilege urge the fostering of a psychologically safe environment where everyone feels safe to speak up on these issues. These social movements in combination with socioeconomic inequalities call, moreover, for inclusion to be taken seriously at all hierarchical levels for all individuals, not just those with talent or high potential. In combination with the analysis of socioeconomic inequalities, this calls for taking up socioeconomic background as an additional dimension of diversity going forward.

For inclusive leadership the impact of the social movements and socioeconomic inequalities shows that listening with humility is at center stage.

Crediting input from underrepresented groups and acting as their visible ally and vocal advocate is core in supporting the changes required to enhance inclusion and grow inclusive leadership. In addition, employees at all levels should actively educate themselves on the issues raised by the social movements and contribute to creating an inclusive culture.

The calls for justice voiced by social movements imply that fairness and equity are fostered and that inclusive leadership is seen as a collective process:

To create psychological safety, everyone should be able to take a lead in creating an inclusive culture. In other words, every employee can and ought to contribute. As organizations are increasingly scrutinized, fact-checked and held accountable, inclusive leadership at the organizational level means taking a stand in potentially heated debates and back this up with broad and sustainable policies within the organization.

COVID-19 is analyzed as an unforeseeable disruptor that brought existing inequalities to the fore – and exacerbated them. Data shows the pandemic’s unequal impact on those who lost their jobs as well as for those who remained in work. Organizations are urged to take this inequity into account, especially where underrepresented groups are concerned. Moreover, COVID-19 accelerated the speed of digital transformation, which calls for ensuring that remote and hybrid forms of work unfold their inclusive potential. As during face-to-face meetings, inclusive leadership – as a collective process – is equally important in hybrid meetings to ensure that everyone’s voice is heard, that offline conversations are shared with those participating online, that all contributions are credited and that the most optimum output is reached. Recent phenomena like the Great Resignation induced by COVID-19 hint, moreover, at a radical shift in the relation to work and a renewed call for work-life balance and purpose.

These trends are accelerated by two additional changes in the workforce: Technological transformation as well as Millennials taking on management roles and Generation Z entering the labor market. Both generations actively support diversity-related social movements and show a higher affinity for Equity, Inclusion and Diversity (EI&D) in the workplace. Moreover, these generations put more emphasis on organizational purpose and on making a difference in society than their predecessors.

Taken together, this report prepares the ground for Part III of Inclusive Future, in which ways to measure inclusion in order to create inclusive cultures and to foster inclusive leadership will be elaborated on.
Millennials and Gen Z as accelerators

- Inclusion
  - Uniqueness
- Inclusive leadership
  - Humble, educated listeners

Socioeconomic inequalities
- Psychological safety
  - Inclusive leadership as collective process

Black Lives Matter
- Fairness & equity
  - Take a stand and back it up

Technological transformation as accelerator

COVID-19 as unforeseeable disruptor
Unforeseen disruptor: COVID-19

Accelerators: Millennials, Generation Z and Technological Transformation

Conclusion: New avenues for defining and measuring inclusion and to inclusive leadership

Appendix

References
Introduction
Introduction

Part I of Inclusive Future established the state-of-the-art components of inclusion. Inclusion comprises belongingness, authenticity and uniqueness as personal aspects, participation and fairness as organizational components as well as psychological safety, the latter taking a middle ground position in providing an environment that allows individuals to speak up freely without fear of retribution. As individuals from all walks of life should feel included, diversity is also key to definitions of inclusion – the figure on the next page summarizes this.

In Part I we discussed inclusion in depth and for each of its different components we obtained a benchmark of good practices to measure inclusion. While measures used in the academic field are tested intensively for reliability and validity, the high number of detailed questions prevents them from being applied in a corporate setting, which tends to limit the amount of time and effort employees need to spend on surveys. There, inclusion indices are used for several years that mix and match various aspects of inclusion, which makes a comparison or even benchmarking across organizations virtually impossible. While the common approach to measuring inclusion is to embed inclusion questions in larger employee engagement surveys, also alternative modes of measuring based on algorithms and artificial intelligence were discussed.

Most importantly, inclusive leadership was identified as a key driver for inclusion. Balancing belongingness, authenticity and uniqueness, inclusive leadership encompasses a broad array of inclusive behaviors that foster an environment where people from all walks of life feel they belong and can participate, where they can be their unique self and where their genuine input is valued and acted upon.
Have the socioeconomic events of the last years impacted the definition of inclusion? And if so, how?

Part II seeks answers to these questions. First, to assess their global impact, quantitative data from Google Trends is used to identify their importance on a macro level.

Based on this first quantitative analysis, the impact of key drivers of change is analyzed in detail. It starts with #MeToo and Black Lives Matter, two social movements that have had a global impact on debates related to inequalities, sexism and racism. The discussion of socioeconomic inequalities gained broader attention due to COVID-19 and is taken into account in this report as a third global social phenomenon. After looking at social movements and socioeconomic inequalities, we will review the impact of COVID-19 as an unforeseeable disruptive event, in particular how it accelerated the digitalization of work. In addition, we point toward two additional accelerators that are already impacting and will have a continued impact on inclusion and inclusive leadership: Millennials and Generation Z in the workforce as well as technological change.

Hence, Part II of Inclusive Future takes a closer look at how these phenomena impact inclusion at the individual, team and organizational level and explores what this means for measuring inclusion and inclusive leadership going forward.

Last but not least, it should be highlighted that, whenever possible, sources from underrepresented groups were used in this report to let individuals from the various groups speak for themselves.

“Climate strikes, calls for unionization, and support for Black Lives Matter and the #MeToo movement are becoming part of the reality in organizations, reinforced by the growing pressure from investors targeting environmental, social, and governance (ESG) aims.”

(Reitz, Higgins, & Day-Duro, 2021)
Key politico-socioeconomic drivers: First quantitative overview
Since the beginning of 2020, the world has been turned upside down. This chapter analyzes the global importance of the key vectors of influence that will have an impact on how inclusion will be defined and measured in the future and what inclusive leadership and inclusive cultures will look like.

For this first quantitative view, search volume data obtained from Google Trends for the purpose of this project is analyzed (the detailed methodological background can be found in the Appendix). We identified Black Lives Matter (BLM) and #MeToo as key social movements that grasped the attention of Equity, Inclusion & Diversity (E&I&D) experts and bring it in relation to economic inequality, a phenomenon that gained high visibility through the pandemic and is likely to continue to influence inclusion and inclusive leadership. Moreover, with COVID-19, we take into account the impact of the global pandemic itself.

As can be seen in the graphs on the next page, economic inequality and the #MeToo movement have had comparable numbers of searches over the past two years, with economic inequalities gaining momentum in the second half of 2021.

While the social movement #MeToo generated comparatively little search volume globally over the past two years, the Black Lives Matter movement generated such a high search interest that it surmounts the others. The tremendous peak of Black Lives Matter at the end of May 2020 is generally associated with the murder of George Floyd on 25 May 2020, but it is important to highlight that it coincides with the protests against the murder of Breonna Taylor. She was killed by the police in her apartment on 26 March, but due to COVID-19 restrictions protests were delayed to later that year (Holmes, 2020).

Still, this high peak of BLM diminishes when adding COVID-19 to the picture. It interrupted lives tremendously globally — which can also be seen in its huge peak in 2020 and the ongoing high search volume throughout 2021 that clearly outnumbers the other topics considered in this analysis. Moreover, topics related to COVID-19 also dominate the global top 10 of all Google searches in 2020 (see Appendix).
Setting the massive interest in COVID-19 aside, the analysis of the regional distribution highlights that BLM is the top search topic in many countries, but not in all: Economic inequality is top in many Asian and African countries as well as in Brazil, and #MeToo in Nepal, South Korea, India, Bangladesh and Nicaragua – as can be seen in the graph below.

The remaining part of this report is devoted to analyzing how these trends impact inclusion and how it can be defined and measured in organizations, what this means for inclusive leadership, and what managers and organizations must keep in mind to prepare for an improved inclusive future.

Beyond COVID: BLM, #MeToo & economic inequality

Global Google searches compared

- Black Lives Matter
- Economic inequality
- #MeToo movement

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Impact on inclusion and inclusive leadership

First conclusion: Social movements and socioeconomic inequalities

#MeToo
Black Lives Matter
Socioeconomic inequalities

After this first quantitative overview, we will now take a detailed look at the key failure of these drivers: impact on inclusion and inclusive leadership.
#MeToo

For organizations and their EI&D journey to enhance inclusion and inclusive leadership

#MeToo implies:

1. #MeToo makes individual cases of sexual harassment and sexism visible and points toward systemic power imbalances (patriarchy)
2. #MeToo highlights intersectionality: Race and socioeconomic background
3. #MeToo as a contested field: Advocacy, backlash, and the role of men and masculinity
#MeToo

The #MeToo movement dates back to 2006, when Black activist Tarana Burke used the hashtag on myspace to encourage victims of sexual violence to openly speak up about their experiences (Almanssori & Stanley, 2021; Onwuachi-Willig, 2018). The movement gained worldwide momentum in 2017 when actress Alyssa Milano, in light of growing accusations against Hollywood producer Harvey Weinstein, tweeted “If you’ve been sexually harassed or assaulted write ‘me too’ as a reply to this tweet” (Lee & Murdie, 2020), which resulted in 0.8 million uses of #MeToo on 16 October 2017 (Anderson, Toor, Rainie, & Smith, 2018).

#MeToo, hence, became the “hallmark of the current women’s movement” (Keplinger, Johnson, Kirk, & Barnes, 2019).

Central to the movement is how sexual harassment and violence is embedded in gendered power relations at work (see, e.g., North, 2017), which implies that organizations should act on the issues raised by this movement.

sexual harassment and sexism embedded in gendered power relations at work

“I don’t want to keep talking about individuals. You are all going to keep making boogiemen when we should be talking about systems. A person like Harvey Weinstein doesn’t just exist in a vacuum.”

Tarana Burke in a talk at Brown University, 2018
By now, #MeToo had spread globally with local variations of the hashtag being used around the world:

<table>
<thead>
<tr>
<th>#MeToo</th>
<th>#YoTambièn</th>
<th>#SendeAnlat (Turkey)</th>
<th>#sdds (Kazakhstan)</th>
<th>#WithYou</th>
</tr>
</thead>
<tbody>
<tr>
<td>#WeToo</td>
<td>#QuellaVoltaChe (Italy)</td>
<td>#AnaKaman (Egypt)</td>
<td>#RiceBunny (China)</td>
<td>#sas (China)</td>
</tr>
<tr>
<td>#asdas (S.Korea)</td>
<td>#asce (Macedonia)</td>
<td>#BalanceTonPorc (France)</td>
<td>#Cuéntalo (Spain)</td>
<td>#TimesUp</td>
</tr>
<tr>
<td>#TimeisNow</td>
<td>#HearMeToo</td>
<td>#MeQueer</td>
<td>#NiUnaMenos</td>
<td>#MeTooUN</td>
</tr>
<tr>
<td>#AidToo</td>
<td>#PremieroAssedio (Brazil)</td>
<td>#BabaeAko (Philippines)</td>
<td>#BabaeAk (Philippines)</td>
<td>#Sexual Harassment</td>
</tr>
</tbody>
</table>

#MeToo global hashtag family (UN Women, 2021)

#MeToo makes individual cases of sexual harassment and sexism visible and points toward systemic power imbalances (patriarchy)

An analysis of #MeToo tweets at the very height of the online movement on 15 October 2017 shows that the majority of tweets

- narrated stories of sexual harassment
- asserted existing patriarchal norms
- showed solidarity for victims (Wood, 2018)

Publicly speaking about it led to a denormalization of sexual harassment and violence (Wood, 2018). Hence, the #MeToo movement has increased visibility of a phenomenon usually hidden in patriarchal societies (Clark-Parsons, 2021) and not systematically confronted.
A study comparing the prevalence of sexual harassment and violence in the US in 2016 and 2018 – before and after the peak of the movement in October 2017 – concluded that:

- The most severe forms of sexual harassment decreased: While in 2016 25% of women reported sexual coercion, this number fell to 16% in 2018.
- Reports of unwanted sexual attention fell from 66% to 25%.
- In contrast, the number for gender harassment (measured, for instance, as being confronted with sexist remarks or the display of sexist material in the workplace) increased from 76% in 2016 to a staggering 92% in 2018.
- At the same time, the reported sense of self-esteem of women increased and their reported self-doubt decreased over the two-year period – and had a weaker relation to reported sexual harassment (Keplinger et al, 2019).
- Moreover, qualitative interviews showed that women saw a heightened scrutiny on the topic and that they felt more empowered and less ashamed to speak about sexual harassment (Keplinger et al, 2019), bringing the conversation to the front with more confidence.

A study among men and women in the US showed that women were more likely to believe that sexual harassment in the workplace would decrease in light of the #MeToo movement and 77% of male respondents said they would be more careful about possible inappropriate behavior (Atwater, Tringale, Sturm, Taylor, & Braddy, 2019). This new mindset may offer organizations opportunities to help eradicate sexual harassment in the workplace with proactive initiatives.
Review sexual harassment policies

With sexual harassment being at the core of the #MeToo movement, organizations are now more than encouraged to reassess their anti-harassment policies, provide anti-harassment training and ensure that anonymous, neutral and fair grievance processes are in place. While many already have such processes in place, the data calls for improving them. Moreover, as the US Equal Opportunities Commission (2021) maintains, a homogenous workforce is a risk factor for sexual harassment. Accordingly, ensuring a diverse composition of the workforce is an important aspect to prevent harassment.

Discussing patriarchy is a necessary evil

That women are underrepresented and that men dominate leadership positions in organizations is a well-known fact and backed up by numerous studies (see, e.g., Ashcraft, 2012; Credit Suisse, 2019; Lewis & Simpson, 2012). #MeToo brought this issue to the center stage once more. As a result, organizations are now increasingly held accountable for addressing the systemic hurdles to equal access to leadership roles for all genders.

This implies that discussing patriarchy and its impact on corporate culture, systems and processes, as well as behaviors, is a necessary evil to accelerate inclusion and inclusive leadership.

Issues to revisit may include the unequal distribution of management positions reflected in in-group and out-group dynamics (Tajfel & Turner, 1979; van Knippenberg, 2018). For example, at team level: men interrupt women 30% more often than they do other men (Hancock & Rubin, 2015), heavily impacting women’s ability to be seen as leaders.

Psychological safety to speak up – inclusive leadership to listen

Creating a psychologically safe environment is key for people to speak up about sexual harassment and everyday sexism. Similarly, inclusive leadership should focus on leaders’ capabilities to listen.

Promoting talent and going beyond it: Inclusive culture

Organizations can act on the power imbalances between women and men by reviewing their talent pipeline, fast-tracking women and reviewing their external hiring policies. While many organizations are already working on these steps, few have mastered the fine nuances and behavioral influences that impact the end result. Most still require a thorough review of these steps to identify key decisive moments to improve the selection and promotion of talents.

Inclusive leadership, i.e. for leaders to act as visible allies and vocal advocates, plays a pivotal role in progressing toward further equity in organizations. Moreover, the systemic power imbalances call for a broadening of inclusion efforts beyond talent. This implies seeing leadership as a collective process and fostering inclusive cultures.

Systemic power imbalances: Focus on measuring fairness and equity

To measure and define inclusion, #MeToo’s focus on sexual harassment embedded in systemic power imbalances calls for a focus on fairness and equity.
#MeToo highlights intersectionality: Race and socioeconomic background

Despite the fact that Tarana Burke, a Black woman, initiated the #MeToo movement, it only gained momentum after the white actress Alyssa Milano used the hashtag in 2017 (Onwuachi-Willig, 2018) emphasizing that, once more, the intersection of gender and race matters to obtain visibility.

However, aside from the intersectionality of gender and race, #MeToo also points toward the intersectionality of gender and socioeconomic background. Harassment is not an assembly of individual cases; instead it arises from systemic power imbalances (North, 2017). Empirical studies show that gig workers, part-time and temp employees as well as those making a minimum wage – those most vulnerable – have the greatest risk of being subject to sexual harassment (Johnson, Keplinger, Kirk, & Barnes, 2019). This calls for organizations to expand their inclusion efforts to all sites.

Moreover, even though the media attention was directed to white cis-women being assaulted by cis-men, sexual harassment and violence is also prevalent for members of the LGBTQ+ community (Ison, 2019).

In short, sexual harassment is the result of a power dynamic that affects all situations – and where women and people with a lower socioeconomic background remain at a higher risk compared to others.

Bring visibility to women from all backgrounds

Women from underrepresented backgrounds still take marginal positions within organizations (see, e.g., Holck, 2018; McKinsey & Lean In, 2020; Nkomo, Bell, Roberts, Joshi, & Thatcher, 2019) and #MeToo fueled the debate on intersectional inequalities.

The new emphasis encourages organizations to review their access to leadership positions for women including those from underrepresented groups. Moreover, this implies considering the potential to fast-track talent - while being aware of the dynamics of such a process within the organization.

In addition, the intersection of gender and socioeconomic background points toward broadening inclusion beyond a focus on talent – to all areas and sites of the organization. For measuring inclusion this means distributing surveys also to employees that do not have access to computers. Moreover, it should be ensured that they have access to information on EI&D issues.

Intersectionality: Focus on measuring uniqueness

The debates around the intersectional specificities of #MeToo point toward focusing on uniqueness in defining and measuring inclusion – while being aware that even the unique intersectional experiences are embedded in structural inequalities, as mentioned.
#MeToo as a contested field: Advocacy, backlash and the role of men and masculinity

The #MeToo movement brought visibility to sexual harassment and sexism and in its wake both advocacy and backlash surfaced. While two-thirds of tweets at the heart of #MeToo in October 2017 were positive – promoting advocacy, raising awareness, showing emotional support and expressing a need for change – a significant number of reactions were negative: Users trying to distract from the topic, promoting a different agenda, trying to take control over the debate or trolling it (Bogen, Bleiweiss, Leach, & Orchowski, 2021).

While feminist critics maintain that #MeToo did not go far enough, as it did not succeed in addressing systemic forms of patriarchal oppression to make an immediate impact, conservative critics point out that #MeToo went too far (Fileborn & Phillips, 2019) using rhetorical strategies of denial of systemic violence (Flood, 2019) or claiming that #MeToo would be about “destroying the lives of the accused and straining personal and professional relationships between men and women” (Clark-Parsons, 2021: 363).

The above leads to the inevitable role of men and masculinity in the #MeToo movement. Some men actively support the #MeToo movement and are visible advocates and allies, as can be seen in the use of #HowIWillChange – a hashtag initially promoted to talk about toxic masculinity, listening to the experiences of women, calling out other men, and making commitments to dismantle rape culture (Pettyjohn, Muzzey, Maas, & McCauley, 2019).

But also in this debate resistance to social change was voiced, promoting views that men are treated unfairly (Pettyjohn et al., 2019). With #himtoo, a specific counter movement to spark the idea that men would be falsely accused was initiated – a campaign that was not successful in derailing #MeToo (Boyle & Rathnayake, 2020). A common trope of critics is also that #MeToo would lead to a “policing of sex”, even though the movement is not about consensual sex but about “abuse of power at work” (North, 2017).

Fact Check: Wrong accusations

A recent analysis of false reporting rates in police rape cases (Orchowski, Bogen, & Berkowitz, 2020) shows that – depending on the methodology used – false reporting ranges from 2.1% to 10.3%, a figure that is much lower than the public perception of wrong accusations being a common move by women to ‘hunt’ men and ruin their careers. This gap leads the authors to the conclusion that:

“Overestimation of the prevalence of false accusations perpetuates a culture where survivors of sexual violence are not believed when they come forward to report their experiences. Survivors who believe that their report will be met with skepticism may also refrain from reporting, which can reduce the likelihood that perpetrators of sexual violence are apprehended.”

(Orchowski et al., 2020: 2–3)
Data from the US on the impact of #MeToo on the workplace shows that 16% of surveyed men claim to be more hesitant to hire “attractive women” (Atwater et al., 2019) after #MeToo and 39% of women believed that the attitude of men towards gender and diversity will be affected negatively. This issue also surfaced in the interviews with the Employee Resource Groups (ERG) at Philip Morris International (PMI), as can be seen below:

“I hear now that, you know, men will tell female colleagues, ‘Ah, but you’re lucky because you are a woman anyway, so, you know, your chances of getting promoted are higher than mine’, which is not the... you know, the reality. The reality is we want the opportunities to be the same.”

Interview with PMI ERGs

In the same study, 70% of female respondents and 58% of males agreed with a statement that “powerful men will continue to engage in sexual harassment” (Atwater et al., 2019: 9). Similarly, more than one-third of women believe that men are punishing women for speaking up on sexual harassment (Atwater, Sturm, Taylor, & Tringale, 2021: 310). Overall, 42% of women in the US conclude that nothing has been done since 2017 to address the issues raised by #MeToo – with only 33% of men agreeing to this (Have Her Back, 2019).

In line with this are statements that being a woman is “something holding you back a little bit”. With a representative of the Women’s Inspirational Network (WIN) reporting that they invited a professor who “just wrote her 15th book about the patriarchy” to an event, one can see that initiatives are already taken to debate core issues raised by the #MeToo movement. Indeed, the key question is how to include men in such heated discussions. As these are potentially dichotomous debates of “us” versus “them”, facilitation and leadership are needed to address these issues in a sustainable way.

A dichotomous pattern became visible at an event organized by WIN when negative anonymous comments were made asking whether WIN is biased against men.

As the PMI quote illustrates, also the interviews with the ERG (co-)heads pointed toward masculinity and male culture as a central trope. However, the transition to smoke-free can be seen as a window of opportunity to disrupt this male culture, as the following quote shows.

“So it was a very masculine culture and a very, uh, homegrown culture. And then as the company’s vision has shifted to smoke-free, I think it helped in many ways, because we recognized that we didn’t have the skills within the company to... to get us where we wanted to go. [...] I think if we were still like a pure play tobacco company, a cigarette company, I think it would be even harder than it currently is. And it’s kind of hard today.”

Interview with PMI ERGs

In inclusive future Part II report, the US data on #MeToo impact on workplace shows that 16% of men hesitate hiring attractive women (Atwater et al., 2019). More than 39% of women believe men’s gender attitudes will change negatively. Interviews with PMI’s ERGs reflect the need for equal opportunities.

More than 2/3 of US women believe men punish women for speaking up.

In the same study, 70% of women and 58% of men agreed on powerful men continuing sexual harassment (Atwater et al., 2019: 9). Since 2017, only 33% of men, compared to 42% of women, acknowledge #MeToo's impact. Women feel hindered due to gender biases.

有毒男性文化和主导男性文化

In line with this, WIN included a professor who wrote about patriarchy, indicating initiatives to debate #MeToo's core issues. But, achieving inclusivity requires active leadership.

And then do we really, uh, also not create a divide? That’s what scares me the most. It becomes us versus them, which is not right, you know. It’s not about fixing the women and it’s not about blaming the men. It’s about Can we take [...] our characteristics, and by working together on a more equal footing and giving the opportunities to both genders, equal opportunities [...] I think that’s what creates a better future.”

Interview with PMI ERGs

Open debate beyond fixing women and blaming men.

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Toxic masculinity and alpha male culture

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Interview with PMI ERGs

Open debate beyond fixing women and blaming men.
Dichotomized debates demand a clear position

Organizations are part and parcel of the contested debates brought to the fore by #MeToo. Within organizations, potentially dichotomized debates (‘us’ vs. ‘them’) need to take place in a well-thought-out, facilitated manner to allow all positions to be heard.

However, in order to stay on focus, these discussions are best accompanied by clear statements and guidance/coaching from top leaders in regard to the organization’s strategic position on EI&D, alignment to its values and beliefs. Moreover, practices and policies that support these statements and anchor them in an inclusive culture are needed.

Men as allies and advocates – also in the debate on toxic masculinity

#MeToo also showed that many men take an active position as allies and advocates for gender equality – and that many men are suffering from and are willing to fight toxic masculinity.

This becomes visible in masculine anxiety, the fear of men not being able to live up to rigid standards of masculinity in society (DiMuccio, Sattari, Shaffer, & Cline, 2021).

Organizations can build on this knowledge to role-model different behaviors and highlight successes through storytelling.

Fostering psychological safety to create space for critical debates

The heated debates that can arise around #MeToo and gendered power relations call for fostering inclusion as psychological safety in order to establish a culture where everyone feels safe to speak up. Feeling safe to speak up also implies that some debates and conversations require clear guidance and coaching from key role models to offer a congruent language and approach to difficult topics.

Creating an inclusive culture might call for excluding the exclusionary

Creating an inclusive culture where everybody feels safe to speak up without fear of retribution may actually call for steps to exclude those that create a psychologically unsafe environment. In other words, it might lead to excluding those who are not willing to align to the organization’s EI&D strategy and position, its values and beliefs and openly or unconsciously work against the common EI&D goal.

In one of the largest public oil & gas organizations, the CEO was openly heard to reply to people who inquired if their career as men was now limited due to an emphasized focus on increasing the presence of women in leadership positions, on at least two occasions: ‘If I still must explain the D&I business case to you, then this may no longer be the right place for you to work’. While the statement may lead to excluding those who are not aligned to the EI&D strategy, it equally emphasized the clear position of the organization’s expectations of leaders.
Black Lives Matter

For organizations and their EI&D journey to enhance inclusion and inclusive leadership BLM implies:

1. BLM brings visibility to systemic racism and racial injustice – across the globe
2. BLM points to intersectionality: Gender, LGBTQ+ and socioeconomic background
3. BLM fuels local debates on racism – globally
4. BLM as a contested field: From acknowledging white privilege to resistance
Black Lives Matter

Black Lives Matter (BLM) is a decentralized social movement that was initiated in 2013 by Alicia Garza, Patrisse Cullors, and Opal Tometi, three Black women – two of them identifying as queer (Petermon & Spencer, 2019) - as a movement to fight police violence and acts of police murder that remained unpunished.

The movement addressed how Black lives are shaped by a history of slavery and colonialism (Anderson, Barthel, Perrin, & Vogels, 2021) and evolved over the years into a broader movement “to fight for Freedom, Liberation and Justice” (blacklivesmatter.com, 2021) – BLM also uses individual cases to point toward systemic issues, in this case systemic racism.

After being around for seven years, the movement saw a huge peak in May 2020 with protests against the deaths of George Floyd and Breonna Taylor. As the data from Google Trends showed, BLM was by far the most searched term among the social issues considered and by 2020 it became the largest protest movement in US history (New York Times, 2020).

Suddenly, a conversation that had previously taken place predominantly in North America crossed continents and impacted racial topics across the globe – and opened a new window of opportunity to discuss inclusion & diversity within organizations, as the quote on the next page and the subsequent chapters show.

“Yeah, so it was really cool because we just started this conversation [on LGBTQ+ rights, AF] and [André Calantzopoulos] started thinking about it and everything happened with Black Lives Matter and he got really affected by that as well. So, I think there was just the moment in time that we had the right people speaking up and not afraid to speak up.”

Interview with PMI ERGs

Further approaches:

Listening sessions and sharing experiences; removal of names from resumes; community partnerships to help source/prepare diverse talent; creating DE&I positions; piloting separate initiatives with commitment to advancing racial equality; and adding/strengthening incentive metrics on diversity (HR Policy Association, 2021)
After the death of George Floyd, the movement spread online and – even amid the first height of the COVID-19 pandemic – on-site protest spread globally with a focus on North America and Europe.

“As the nation recognizes the anniversary of George Floyd’s death, many corporate executives who vowed to change the course on diversity, equity and inclusion are still trying to figure out how to take bolder actions to create more diverse and inclusive companies.”

(Bowie, 2021)

BLM had and still has a huge impact not only on online communication, but also on the way we speak and the way we look at, e.g., colonial monuments, education and corporations:

“Statues were toppled, curators forced to reexamine their exhibits and collections, university vice-chancellors and directors issued statements about their commitment to tackle racial inequality, and courses were scrutinized for decolonization. Everywhere symbolic gestures were made toward anti-racism.”

(Shah & Lerche, 2021: 94)

S&P 500 companies’ reaction to BLM in Summer 2020 (As You Sow, 2021)

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Action Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>66%</td>
<td>Issued statements after the murder of George Floyd</td>
</tr>
<tr>
<td>50%</td>
<td>60% of statements included CEO’s responsibility for racial justice</td>
</tr>
<tr>
<td>40%</td>
<td>36% named victims of police violence</td>
</tr>
<tr>
<td>14%</td>
<td>17% stated Black Lives Matter</td>
</tr>
<tr>
<td></td>
<td>6% have joined #stoptheforprofit</td>
</tr>
<tr>
<td></td>
<td>16% on social media</td>
</tr>
<tr>
<td></td>
<td>28% did not refer to structures</td>
</tr>
<tr>
<td></td>
<td>55% claim to be or to become an antiracist organization</td>
</tr>
<tr>
<td></td>
<td>6% acknowledge pervasive racism</td>
</tr>
<tr>
<td></td>
<td>6% donated to racial justice organizations</td>
</tr>
</tbody>
</table>

Global Black Lives Matter protests 25 May 2020 – 18 November 2020

(Black Lives Matter Map, 2020)
Visibility: Give voice in meetings – and listen

Black Lives Matter as a social movement leads to inquiring about the visibility of Black employees as well as their position in emerging talent and leadership positions. This urges organizations to review, among others, their meeting culture to allow different voices to be heard, so that all talent can be seen as potential leaders and to emphasize listening with humility in inclusive leadership.

Visibility: Access to leadership positions

We know that race-based data is hard to obtain in all countries. As a result, organizations may miss valuable data to enhance racial equity. Nevertheless, in light of scarce concrete data, organizations may challenge themselves on how well they identify and develop Black talent across the globe, how well their uniqueness is fostered and how the visibility of Black employees is ensured – especially Black women, who remain more invisible than black men as data shows (McKinsey & Lean In, 2020) and as will be outlined below.

Take a stand – and back it up

With BLM exposing the blatant disregard toward Black people in North America, many companies felt compelled to take a stand. Stepping up as a visible ally and vocal advocate is as helpful to demonstrate inclusion as it is necessary to develop inclusive leadership. However, with BLM accelerating the debate, organizations are ever more scrutinized, their statements are fact-checked and accountability is increased – by customers, employees, partners, and other stakeholders. Hence, taking a stand without walking the talk can easily lead to accusations of “woke-washing” (Dowell & Jackson, 2020). Organizations must have sound internal policies for these enhanced expectations, as “statement fatigue” is emerging and critics and activists alike demand and fact-check authenticity of those who speak up.

Inclusive leadership: Educate yourself

In general, it is not the task of members of underrepresented groups to educate members of a majority, rather everyone should educate themselves and get acquainted with areas that they are not familiar with. Educating yourself starts with listening with humility.

Psychological safety: Discussing systemic racism and white privilege is a necessary evil

Similar to the push from the #MeToo movement, addressing systemic racism and white privilege within a corporate context is an unavoidable yet necessary evil to challenge both visible and invisible hurdles in an effort to create truly inclusive cultures. Here too, creating a psychologically safe environment is a key component for open and constructive discussions.

Systemic racism: Focus on measuring fairness and equity

To address systemic racism, fairness and equity are core components to measure inclusion and inclusive leadership.
BLM pointing to intersectionality: Gender, LGBTQ+ and socioeconomic background

Central to BLM from its very beginning was contesting the invisibility of Black women as victims of police violence:

Black feminist Professor Kimberley Crenshaw – the scholar who coined the term intersectionality (Crenshaw 1998 [1989]) – launched the hashtag #SayHerName in 2014 to make Black women visible (Kennedy-Macfoy & Zarkov, 2020).

Similarly, two of the three initial founders of the Black Lives Matter movement identify as queer women, a fact that oftentimes went unnoticed but is in line with the invisibility of Black queer subjects in societies (Petermon & Spencer, 2019).

The intersection of race and socioeconomic background became apparent in the critique of company statements that were issued in solidarity with the BLM movement.

Visibility of Black women

Just as Black women were initially rendered invisible within the BLM movement, organizations need to ask themselves whether Black women are similarly rendered invisible in their midst – as research has shown (see, e.g., Sesko & Biernat, 2010). Hence, knowing what we know now, another look at meeting participation, talent reviews and promotions is encouraged to enhance their inclusion.

Intersectionality and inclusive culture

Diversity can no longer be addressed in silos, and various intersections should be taken into consideration. While proper data on ethnicity or race may not be available everywhere (e.g., across continental), it does not mean that diversity cannot be addressed through changes in behavior and fostering an inclusive culture.

Intersectionality: Focus on measuring uniqueness

The debate sparked by BLM around the intersection of race with gender, sexual orientation and socioeconomic background calls for uniqueness to be a higher priority than in the past – while, again, being aware that even seemingly unique intersectional experiences are embedded in structural inequalities.

BLM fuels local debates on racism – globally

Originated in the US to give visibility to the oppression of Black people, BLM spread across the globe and relates to specific local constellations of racism and xenophobia.

Hence, both the online activism and the global demonstrations in May 2020 also “protest police violence against Black and Brown bodies and against institutional racism in their own countries” (Kennedy-Macfoy & Zarkov, 2020: 2). For instance, protests in France in June 2020 connected BLM to the death of Adama Traoré and the country’s colonial history (Jeune Afrique, 2021; Le Monde, 2020).

A look around the world – without aiming to be exhaustive – shows that BLM in Asia can be seen in light of the economic rise of the region and new “intraregional and intercontinental flows and new interracial encounters” (Raghuram, 2021: 2) that coin a new situation for race and ethnicity in the region.

Studies look at racism between “co-ethnic Chinese” in Singapore (Ang, 2018), Sinophobia in Australia and Singapore (Ang & Colic-Peisker, 2021) or how in Japan racism is “dismissed” by claiming its inexistence (Kawai, 2015). The direct impact of Black Lives Matter can be seen in India, where famous Bollywood stars spoke in solidarity with the BLM movement – to be criticized next for their hypocrisy as they earn money as testimonials for bleaching creams (Raghuram, 2021).

We may see it not so much as race, people understand Chinese, Malays, and Indians, which is the race, which are community races in the population. But I think from a company perspective, we might see race, from a corporate perspective, as whether it’s Asians or non-Asians. […] So we [in contrast, AF] see the race differentiation to be a little bit different. Therefore, to actually make a difference, you almost have to localize or regionalize your action plan and first understand what race and ethnicity, well, means to people.”

Interview with PMI ERGs
BLM as a contested field: From acknowledging white privilege to resistance

Black Lives Matter sparked a wave of solidarity of allies and advocates and provoked debates around white privilege (Cole, 2020) and how white people are complicit in perpetuating systemic racism (Cornelius, 2020).

As could be expected, countermovements also emerged: #AllLivesMatter (Giorgi, Guntuku, Rahman, Himelein-Wachowiak, Kwarteng, & Curtis, 2020) accuses BLM of implying that only Black lives would matter and thereby dilutes the specific racist structures Black people are exposed to (Atkins, 2019).

#BlueLivesMatter emerged (Giorgi et al., 2020), which focuses on police officers being killed and advocating for making these acts part of hate crime legislation. Looking at 42 million tweets between January 2013 and June 2020 reveals that 85% (36.9 million) can be attributed to BLM, vs. 8% (3.4 million) to BlueLivesMatter and 7% (3 million) to AllLivesMatter. These numbers put the conversation back into perspective.

When white employees express that they are the “real victims of discrimination” – at times as the result of equal opportunities or affirmative action initiatives – the issue of white privilege is raised. As perception, not reality, structures how employees respond to such initiatives, it is crucial to bring “everyone on the same page as to what the reality is and why it is a problem for the organization” (Livingston, 2020: 67), i.e. pointing to the absence of Black employees and people with a minority background in leadership positions as well as giving this transparency and visibility and why it matters to organizations.

Fostering allyship and advocacy

To bring more white employees actively on board, fostering and rewarding visible allyship and vocal advocacy helps to nurture inclusion and inclusive leadership.

Fostering psychological safety to create space for critical debates

Cultivating a culture of psychological safety should establish a safe arena to discuss contested issues. In addressing topics like systemic racism and white privilege, the key is to “chose justice over comfort” in processes of “self-reflection, cultural humility, action, and re-engagement after disconnections” (Suyemoto, Hochman, Donovan, & Roemer, 2021) – aspects that relate to the key features of inclusive leadership discussed in Part I.

In Europe the BLM discourse is interacting with migration after World War II, the refugee movements peaking in 2015 and anti-Muslim racism, what Genova (2018) calls an “unresolved racial crisis that derives fundamentally from the post-colonial condition of ‘Europe’ as a whole” (p. 1765).

Also within a US discourse, Black Lives Matter is embedded in other anti-racist struggles, e.g. against anti-Asian racism in the wake of the COVID-19 pandemic (Ho, 2021).

The need for local implementations can also be seen in the different terminologies used in different geographies and regions.

Europe: BLM interacts with migration and refugee discourses

Global movement demanding local answers

Even though BLM brought different forms of racism to the global agenda, organizations are encouraged to avoid simply referring to the North American discourse across all continents. Instead, listening to, and teaming up with, local advocates and social movements is a sound way to address the racial issues locally, and personalize the solutions to racism and xenophobia as much as possible.
Socioeconomic inequalities
Socioeconomic inequalities: Highlighted and exacerbated by COVID-19

On a broad level, inequalities can be defined as "the ways in which access to resources and opportunities are differentially distributed across a particular population" (Amis, Brickson, Haack, & Hernandez, 2021: 431). Over the past decade, several empirical studies have shown how wealth and income are distributed ever more unequally across the globe – with Piketty’s (2014, 2020) work among the most influential.

While the unequal distribution of wealth and income has become greater, extreme poverty has been reduced globally. This double-edged trend can be seen in the graph below. While the top 1% captured 27% of global growth in 1980–2018, also the bottom 50% were able to capture some. In comparison, the "global middle class" did not benefit much.
However, with the recent COVID-19 pandemic shaking up the global economy, the pre-COVID projections to reduce extreme poverty are revoked again.

To summarize, inequality can be seen as “one of the most pernicious threats to our society” (Amis et al., 2021: 431), as a threat to democracy (Wolf, 2017), and to the global liberal order (Flaherty & Rogowski, 2021) with the IMF seeing inequality of opportunity as the biggest threat to economic growth (Aiyar & Ebeke, 2019).

For organizations and their journey toward inclusion and inclusive leadership this means that

- Organizations are inadvertent drivers of socioeconomic inequalities, as much as they have the potential to act on them.
- Inclusion and diversity strategies have so far – with a few exceptions – ignored socioeconomic inequalities and social class as a dimension of diversity.

**Inequalities and organizations**

It is widely stated that organizations may inadvertently perpetuate socioeconomic inequalities, which means at the same time they are part of the solution. For instance, organizations shape individual employment opportunities which define the socioeconomic status of individuals. Inequalities within organizations must, moreover, be seen as reproduced in everyday practices.

Amis, Mair, and Munir (2020) identify in this regard five major practices that reproduce inequalities:

### Hiring practices
- Evaluation based on cultural similarity
- Recruitment tools and instruments
- Informal networks

### Promotion
- Informal networks
- Mentoring
- Socialization

### Role allocation
- Organizational demands
- Task assignment

### Compensation
- Remuneration structure
- Exploitative and discriminatory practices

### Organizational structuring
- Organization cultures
- Hierarchies and bureaucracies
With organizations being identified as central sites for the reproduction of socioeconomic inequalities, the role of socioeconomic background in inclusion and diversity becomes apparent. Ingram and Oh (2021) show how in the US individuals with a disadvantaged social class background (in particular with a low educational background) are substantially less likely to become managers – a disadvantage that is comparable to the one of women and Black Americans.

This calls for organizations to include socioeconomic background in talent identification, such as expanding universities graduates are sourced from and their subsequent access to leadership positions as well as allowing for different behaviors and language styles.

Moreover, E&I efforts should be implemented at all levels of an organization.
First conclusion: Social movements and socioeconomic inequalities
First conclusion: Social movements and socioeconomic inequalities

Without aiming to ignore the specificities of #MeToo and Black Lives Matter, the in-depth look taken above shows similarities in how they impact inclusion and inclusive leadership, as summarized in the graph on the next page. Both social movements take individual cases to problematize underlying systemic issues – and socioeconomic inequalities also point to a systemic problem.

Hence, to address and measure inclusion these phenomena urge organizations to focus on the uniqueness of intersectional experiences at the individual level – while being aware that this is embedded in calls for justice. Accordingly, organizations are advised to focus on fairness and equity to reflect these calls of social movements. Psychological safety is positioned again as the linchpin to allow for open discussions.

For inclusive leadership this means on the individual level focusing on humble listening and urging individuals to educate themselves. At the team level, the social movements and inequalities call for inclusive leadership as a collective process to establish an inclusive culture. At the organizational level, taking a stand and backing it up means that organizations themselves become visible allies.

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Unforeseen disruptor: COVID-19

COVID-19 impacts organizations and their journey toward inclusion and inclusive leadership in the following ways:

1. COVID-19 disrupted the labor market unequally
2. COVID-19 impacted underrepresented groups in the workplace
3. COVID-19 accelerated the pace of digitalization: Hybrid work as the new normal
COVID-19 is a pandemic of historic dimensions (Feehan & Apostolopoulos, 2021) with tremendous health-related consequences exacerbated by socioeconomic inequalities. People of color in the US, for instance, were more likely to get sick, be hospitalized and die from COVID-19 (CDC, 2021) and in the UK, the mortality rate of Black and South Asian people was two times higher compared to other ethnic groups (ONS, 2020).

The disruption of the global economy put a spotlight on and exacerbated already existing inequalities (Adams-Prassl, Boneva, Golin, & Rauh, 2020; Blundell, Costa Dias, Joyce, & Xu, 2020), the same inequalities that can also be found in organizations (Bapuji, Ertug, & Shaw, 2020; Bapuji, Patel, Ertug, & Allen, 2020).

Moreover, COVID-19 speeded up the pace of technological transformation.

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### COVID-19 disrupted the labor market unequally

The latest figures from the International Labour Organization as per end of October (ILO, 2021) show that the global recovery of the labor market has stalled in 2021:

- For the third quarter of 2021 working hours remain 4.7% lower compared to pre-pandemic levels (Q4/2019) – which still equals 137 million full-time jobs lost as of Q3/2021
- There is also a large international inequality: While high and upper-middle-income countries recovered comparatively well, in lower-middle and low-income countries job losses remain salient

#### Women, Black people, young, less-educated and precarious workers hit hardest:

- Younger people, especially younger women have most difficulties to regain work (ILO, 2021)
- Low-wage and less-educated people were hit worst (OECD, 2021)
  - Hours worked in low-paying occupations fell 18 percentage points
  - Less-educated people’s hours lost were three times those of higher educated people
- Younger (15-24 yo) and precarious workers hit harder (OECD, 2021)
  - Hours worked by young people fell by over 26%
  - Difficulties entering the labor market
- Sectors affected by lockdown (among them non-food retail, restaurants and hotels, passenger transport, personal services, and arts and leisure services) are populated by women and younger workers (Joyce & Xu, 2020)
- In the UK, the unemployment rate of young Black people surged from 24.5% in Q3/2019 to 41.6% in Q4/2020 (ONS, 2021)
- Data from the US shows that Black people recover slower (Lee, Park, & Shin, 2021)
- Long-term predictions estimate that by 2030 more women, young, less-educated workers as well as ethnic minorities and migrants will face higher pressure to change occupations due to COVID-19 (Lund et al, 2021).

In addition, labor market recoveries in high-income countries are happening against the backdrop of 41% of the global workforce thinking about leaving their employer (Microsoft, 2021) and higher than average numbers in the US are actually quitting their job. While some analysts suggest that this is just a recalibration of the labor market after a vacuum produced by COVID-19 (BBC, 2021), others see this as the Great Resignation (see, e.g., Cook, 2021).

A recent US survey by Mercer shows that three in ten employees are considering quitting their job, a figure similar to pre-pandemic rates. However, low-wage and entry-level Black and Asian Americans and those in the healthcare and food/retail/hospitality business show above-average rates (Mercer, 2021) – exactly those employees and sectors affected hardest by the pandemic. With above-average people leaving their jobs, more and more employers in the Global North are having problems finding suitable workers (Deloitte, 2021). With this post-pandemic labor shortage, it is likely that the power will shift from employers to employees, which puts pressure on organizations to attract and retain employees – at least for the short, foreseeable future.

Moreover, Millennials and Gen Zs plan to switch their jobs in above-average rates (Adobe, 2021). Similarly, in China late Millennials and Gen Z workers “flee” to freelance jobs (SCMP, 2021) and China is currently facing a shortage in skilled labor (Bloomberg, 2021). Hence, as reasons to quit are physical health, work-life balance, control over work schedule, mental health and personal fulfillment and purpose, together with better pay for low-paid employees (Adobe, 2021; Mercer, 2021), it is likely that we are witnessing a radical shift in the relationship to work induced by the disruptions caused by COVID-19.
Check internal workforce distribution post-COVID-19

To pursue inclusion consistently, organizations should review their internal workforce to analyze whether they lost more talent from underrepresented groups – and what role they could play in countering the negative effects of the pandemic for all demographic groups.

Develop a perspective on work-life balance and purpose

In light of the Great Resignation, organizations are advised to revisit work-life balance sustainably and how to realign their purpose – as this is prioritized by younger generations entering the labor market and management positions, as will be discussed on the following pages.

COVID-19 impacted underrepresented groups in the workplace

COVID-19 impacted those who lost their jobs during the economic turmoil as well as those who were able to remain in their roles. Factories closed down and office workers shifted to working from home. Women were most impacted by this as they still carry the majority of social responsibilities such as care work for children and the elderly (see, e.g., Chauhan, 2020; Xue & McMunn, 2021), are in charge of domestic work and the social agenda.

“Especially during COVID times, that was particularly challenging, when schools were shut and working moms were on Microsoft Teams the whole day with young children. I mean, it was really an impossible situation.”

Interview with PMI ERGs
In general, women felt more stressed, exhausted, excluded, “in the dark” and suffered from burnout compared to men. Here too, intersectional inequalities become visible: LGBTQ+ women and women with disabilities reported an even higher negative impact on their wellbeing. Black women reported feeling more exhausted and excluded (McKinsey & Lean In, 2020: 32).

Organizations can act on the higher impact of negative effects of COVID-19 on specific demographic groups by identifying tailored measures such as taking into account individual needs in an effort to foster work-life balance, mental health and wellbeing.

**How different groups of women are feeling during COVID-19**

**Comparison of LGBTQ+ women and women with disabilities to men and women overall**

<table>
<thead>
<tr>
<th>Comparison of LGBTQ+ women and women with disabilities to men and women overall</th>
<th>Stressed</th>
<th>Exhausted</th>
<th>Burned out</th>
<th>Excluded</th>
<th>In the dark</th>
<th>Can’t talk about impact of current events</th>
<th>Discomfort sharing challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>All men</td>
<td>46%</td>
<td>31%</td>
<td>20%</td>
<td>10%</td>
<td>20%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>All women</td>
<td>59%</td>
<td>37%</td>
<td>32%</td>
<td>11%</td>
<td>22%</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>LGBTQ+ women</td>
<td>58%</td>
<td>43%</td>
<td>37%</td>
<td>12%</td>
<td>25%</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>Women with disabilities</td>
<td>61%</td>
<td>46%</td>
<td>40%</td>
<td>22%</td>
<td>36%</td>
<td>15%</td>
<td>24%</td>
</tr>
<tr>
<td>Work-life balance and mental health for underrepresented groups</td>
<td>55%</td>
<td>37%</td>
<td>33%</td>
<td>11%</td>
<td>22%</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>All women</td>
<td>47%</td>
<td>37%</td>
<td>30%</td>
<td>10%</td>
<td>18%</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>Comparison of women by race and ethnicity</td>
<td>49%</td>
<td>34%</td>
<td>27%</td>
<td>10%</td>
<td>19%</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>White women</td>
<td>47%</td>
<td>37%</td>
<td>27%</td>
<td>10%</td>
<td>19%</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>Asian women</td>
<td>49%</td>
<td>34%</td>
<td>27%</td>
<td>10%</td>
<td>19%</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>Latinas</td>
<td>47%</td>
<td>37%</td>
<td>27%</td>
<td>10%</td>
<td>19%</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>Black women</td>
<td>40%</td>
<td>33%</td>
<td>23%</td>
<td>17%</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Intersectional effects of pandemic (McKinsey & Lean In, 2020: 32)
COVID-19 accelerated the pace of digitalization: Hybrid work as the new normal

Baldwin (2020) argues that the pandemic disrupted working life through four shocks that will have a lasting impact:

- Tremendous job losses will lead to further automatization
- People and organizations have learned to work remotely, and they will keep this knowledge
- Office space got more expensive which pushes for remote work
- Balance sheets were hit hard, recovery could mean further cuts

In light of losses made during the pandemic, firms may be under pressure to cut costs. With remote work established as the new normal, artificial intelligence and robotics will gain importance and lead to job cuts. Moreover, the prevalence of remote work means that “remote intelligence” (RI) will also gain a foothold and more and more office work will be sourced out to “telemigrants” working in lower-paid countries (Baldwin, 2020). COVID-19 also accelerated shifts in consumer behavior (e-commerce, restaurant delivery, online grocery, etc.) and advanced the use of online education and remote medicine (Lund et al, 2021) – all adding to the speed of digital transformation.

With companies reopening their office spaces in some localities and allowing remote work for some of their employees and/or parts of the week and the pandemic far from being over, hybrid forms of work will become the new normal – in around 90% of companies (McKinsey, 2021). In advanced economies, also in the long run, around 25% of employees could work remotely more than three days a week (Lund et al, 2021). 

In theory, hybrid forms of work could combine many positive aspects of a sustainable, productive, innovative and healthy working life - as the quote on the next page illustrates.

“When in the office, prioritize relationships and collaborative work like brainstorming around a whiteboard. When working from home, encourage people to design their days to include other priorities such as family, fitness, or hobbies. They should take a nap if they need one and step outside between meetings. Brain studies show that even five-minute breaks between remote meetings help people think more clearly and reduce stress.”

Jaime Teevan, Chief Scientist Microsoft Research
(Teevan, 2021)
An additional challenge arises in hybrid meetings if some participants are present on site and others are joining virtually. To ensure they are inclusive, Teevan (2021) advises assigning a separate moderator for the online chat, in particular when those joining online are more junior, to ensure their participation. Using individual devices for in-person attendees and broadcasting the pre-meeting in the room to allow online participants to join the informal part is also a possibility to increase inclusion.

This challenge was also addressed in the interviews with ERGs, pointing to not being able to join the informal conversations, jokes, etc. in hybrid meetings:

“It’s not always malicious, but it’s just not inclusive”

Interview with PMI ERGs

Despite increased accessibility of hybrid meetings (automatic subtitles, text recognition, etc.), managers need to proactively foster inclusion to deliver inclusive hybrid and online meetings.

Virtual and hybrid forms of work do, indeed, also pose a challenge for inclusive work environments. Meister and Sinclair (2021) suggest that “virtual meetings can reduce barriers for people to speak and to have their voice and presence heard and felt” as everyone is visible in similarly sized windows and virtually raising your hand and chats allow for various forms of participation. However, such settings also need inclusive leadership by everyone present so that these possibilities are realized and individuals who normally do not speak up are actively engaged. Moreover, managers showing openness and vulnerability helps to create a psychologically safe virtual environment.

“To avoid one person’s flexible working hours becoming another person’s after-hours messaging, managers can set norms around the times of day responses are expected.”

Jaime Teevan, Chief Scientist
Microsoft Research (Teevan, 2021)
Accelerators: Millennials, Generation Z and technological transformation
Accelerators: Millennials, Generation Z and technological transformation

Two accelerators further impact inclusion and inclusive leadership: Millennials and Generation Z in the workforce as well as the technological transformation.

Even though broad characterizations of generations are a gross oversimplification, a general look at generational differences makes it possible to project how the trends characterized so far will further shape the near future.

Baby boomers are described as "loyal and competitive workaholics" and at the same time as entitled and self-absorbed, dedicated to success and driven by promotions and positions.

The next generation – Generation X – is already characterized as prioritizing a work-life balance over a pure focus on career (Whitney Gibson, Greenwood, Murphy, 2009).

As Millennials grow into management positions (Gabriëlova & Buchko, 2021), new leadership styles will gain a broader foothold. Generally described as the first digital native generation, Millennials are characterized as striving to express themselves at work and are driven by entrepreneurial thinking (Leslie et al., 2021). As managers, they are driven by purpose and aiming to make a difference not only in their organizations, but also in society (Gabriëlova & Buchko, 2021). Both Millennials and their successors – Generation Z – have some characteristics in common, e.g., achievement-oriented, interested in constant development while maintaining a good work-life balance. Gen Zs demand not only frequent but constant feedback and have a high need for social connection (Gabriëlova & Buchko, 2021).

With Generation Z a generation enters organizations in which (as data for the US shows) 90% support the Black Lives Matter movement (Business Insider, 2020), 91% see equality as central and EEO& issues are more relevant than for previous generations (Schroth, 2019). Together with Millennials they push for climate change action (Pew Research Center, 2021).

In addition to the acceleration of digital change induced by COVID-19 as discussed above, technological transformation has an accelerating impact on the changes we witness in relation to inclusion and inclusive leadership. It allowed the emergence and global spread of hashtag activism (Jackson, Bailey, Foucault Welles, & Lauren, 2020), of which #MeToo and Black Lives Matter are prominent examples discussed in this report.

Internet activism allows marginalized groups to voice their concerns on a global arena, mobilize supporters and call for advocates to step up.

Within organizations, technological transformation allows employees that are not listened to internally to voice their concerns publicly – which gives rise to employee activism (Krishna, 2021). In the US, 39% of employees report that they criticized or supported their employer regarding an issue that affects society – with nearly half of Millennials acting as employee activists compared to 33% of Generation Xers and 27% of baby boomers (Weber Shandwick, 2019). Related to inclusion, prominent cases include #AppleToo, a campaign started by female Apple employees to gather cases of sexual harassment, verbal abuse and pay inequality (New York Times, 2021).

In addition, technological change also accelerates the way organizations are scrutinized and fact-checked as well as publicly held accountable for their actions – or for their inactivity.

Generation Z
- Born after 1996
- Age in 2022: 25 and younger

Millennial
- Born 1981 - 1996
- Age in 2022: 26 to 41

Generation X
- Born 1965 to 1980
- Age in 2022: 42 to 57

Baby Boomer
- Born 1946 to 1964
- Age in 2022: 58 to 76

Millennials stepping into management and Gen Zs entering the workforce accelerate inclusive cultures that value diversity and fairness, work-life balance and purpose.

Among the ubiquitous impact of technological change on societies, organizations and the workplace, related to inclusion and inclusive leadership, new technologies allow employees to voice their grievance publicly and make organizations prone to scrutiny. Certainly, the impact on inclusion and inclusive leadership is clear and warrants further exploring by organizations.

technological change facilitates employee activism and fact-checking organizations
Conclusion: New avenues for defining and measuring inclusion and to inclusive leadership
Conclusion: New avenues for defining and measuring inclusion and to inclusive leadership

Looking at the impact of the social movements (#MeToo and Black Lives Matter) as well as socioeconomic inequalities together with COVID-19 as an unforeseeable disruptor on the one hand, and newer generations and technological transformation as accelerators on the other, we are able to highlight the increased importance of inclusion and inclusive leadership for organizations to attract and retain talent and represent customers, stakeholders and partners alike. While the underlying social structures – like sexism and racism – have been pervasive in the past, the sense of urgency to address them and the widespread debate are new phenomena. Even though #MeToo and Black Lives Matter have their own specific characteristics, they both bring visibility to individual cases to focus on underlying systemic issues – as do socioeconomic inequalities. Hence, to enhance inclusion and inclusive leadership, to improve measuring taking the social movements and socioeconomic inequalities seriously means focusing on the uniqueness of intersectional experiences – while being aware that these experiences are structured by broader inequalities.

Hence, together with uniqueness, the impact analysis has shown that organizations do well to focus on fairness and equity in defining and measuring inclusion to account for the heightened calls for justice – issues also brought forward in the interviews with PMI ERGs:

“In every crisis there is a message. Crises are nature’s way of forcing change — breaking down old structures, shaking loose negative habits so that something new and better can take their place.”

Susan L. Taylor

“I think [in an inclusive organization] there would be clear transparency on who actually does the work and who should be rewarded for that. I’m not sure that’s always clear.”

Interview with PMI ERGs

“[The company] could identify people who are from, let’s say, intersectionally oppressed minorities [...] Like they could have a system where they highlight talent [...] like identify them as people to support.”

Interview with PMI ERGs

“Maybe most of the company don’t feel like they have a lot of growth in the organization anyways, regardless of [their background]. Maybe like, straight white men also don’t feel like they’re getting recognized for their work. So if we had like an encouraging place to be more recognized and champion and if we stopped hiring and firing like all the time, then maybe people would feel more recognized and positive.”

Interview with PMI ERGs

To allow for an inclusive culture to emerge, psychological safety is positioned once more as a linchpin to allow for open discussions.

“I think we’ve had some critical voices [at the ERG’s events], which is very good I think, because that’s where the dialogue can start.”

Interview with PMI ERGs

Indeed, both the #MeToo and the BLM movement gave visibility to structural inequalities that previously often remained silent in everyday discourses – those times are over.
For inclusive leadership this means at the individual level focusing on humble listening and urging individuals to educate themselves. As already pointed out in Part I, the lack of the ability to listen was a common theme reported in the interviews. Hence, also in light of the macro trends discussed in this report, additional effort should be taken to increase inclusive leadership skills – skills that some already have, as the quotes below show:

“And then on the other hand, the majority leaders should pause, um ... should be conscious to say, 'Maybe let’s ask this Thai colleague. I see some leaders at PMI, some, let’s call them majority leaders at PMI, being very fluent in doing that, very culturally sensitive. And I see how they pause and say, 'Oh, what do you think?' [...] And I see how the recipient blossoms, I see how the whole environment just generally gets more inclusive. So, I think, there’s a role both for the majority and the minority to play, it’s not just one way. The minority needs to take that bold step out, um, of their comfort zone. But one would only do that if one feels that, you know, I’m not gonna be humiliated.”

Interview with PMI ERGs

“As I see that the new leadership is listening. They’re encouraging maybe younger members of teams to present to them. They give constructive feedback as opposed to a three-hour monologue of, you know...”

Interview with PMI ERGs

At the organizational level, taking a stand and backing it up means that organizations become themselves visible advocates. In light of countermovements and discussions around privilege, organizations may need to delve into unknown and unpleasant discussions – and ask themselves if it is feasible to exclude those who are exclusionary in order to foster an inclusive culture and develop inclusive leadership where everyone feels safe.

“We should therefore claim, in the name of tolerance, the right not to tolerate the intolerant.”

(Popper, 2013 [1945]: 581)

“You can speak, but... it has to be a two-way equation of speaking up and then being heard.”

Interview with PMI ERGs
# MeToo
- Visibility to sexual harassment and sexism
- Power inequalities at the workplace
- Intersectionality
- Patriarchy
- Toxic masculinity

Black Lives Matter
- Visibility to police violence
- Demands for social justice
- Intersectionality
- Global phenomenon calling for local actions
- Systemic racism
- White privilege

Socioeconomic inequalities
- So far mostly absent from EI&D focus
- Organizations as drivers and those that can act on it
- Reproduction of socioeconomic inequalities

Social movements and socioeconomic influence

COVID-19 as unforeseeable disruptor
- Impacts demographic groups unequally - at work and on the labor market
- Accelerates digitalization (inclusive hybrid work)
- Great Resignation and new focus on work-life balance and purpose

Inclusion
- Uniqueness
  - Visibility
  - Intersectional experiences
  - Adding socioeconomic background to diversity
- Psychological safety
  - Creating an environment where it is safe to speak up
  - Discuss toxic masculinity, systemic racism, white privilege
- Fairness & equity
  - Addressing calls for justice
  - Addressing systemic power inequalities
  - Inclusion for all - not only those with talent or high potential

Inclusive leadership
- Humble, educated listeners
  - Listening with humility
  - Active advocates
  - Crediting input from underrepresented colleagues
  - Educate themselves
- Il as collective process
  - Create inclusive culture
  - Everyone can take leadership on inclusion
  - Everyone is safe to call out micro-inequities
  - Everyone contributes to an inclusive culture
- Take a stand and back it up
  - In potentially dichotomized debates
  - Reflecting that organizations are increasingly scrutinized, fact-checked and held accountable

Participation*

Authenticity*

Belongingness*

* These components will be discussed again in Part III.

Millennials and Gen Z as accelerators
- support social movements
- purpose and making a difference in society
- affinity to EI&D

Technological Transformation as accelerator
- global spread of activism
- employee activism
- digitalization of work

<table>
<thead>
<tr>
<th>Individual</th>
<th>Team</th>
<th>Organization</th>
<th>Inclusive Future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humble, educated listeners</td>
<td>Create inclusive culture</td>
<td>Everyone can take leadership on inclusion</td>
<td>Everyone is safe to call out micro-inequities</td>
</tr>
<tr>
<td>Listening with humility</td>
<td>Active advocates</td>
<td>Credit input from underrepresented colleagues</td>
<td>Educate themselves</td>
</tr>
<tr>
<td>Participation*</td>
<td>In potentially dichotomized debates</td>
<td>Reflecting that organizations are increasingly scrutinized, fact-checked and held accountable</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Inclusive Future</td>
<td>Part II Report</td>
</tr>
</tbody>
</table>
In addition to the vectors of influence discussed in detail in this report, several others are likely to have an impact on inclusion and inclusive leadership, and organizations ought to be vigilant. Among them is climate change (Pew Research Center, 2020), a global phenomenon affecting everyone around the world – while being highly related to global socioeconomic inequalities (IMF, 2021; Oxfam, 2020). The frequency of natural disasters has increased over the past 50 years fueled by climate change (WMO, 2021), which calls on organizations to prepare for this in their E&D efforts, e.g. when facilities are cut off or destroyed. The heightened awareness of the harmful impact of (business) travel on the climate might further limit the possibilities to bring employees physically together, which hampers traditional approaches to foster inclusion. Also, political instability is another vector of influence that has an impact on inclusion and inclusive leadership across the globe. So while this report identified the key debates that currently shape inclusion and inclusive leadership and impact how it is conceptualized and measured, organizations are called on to be humble listeners [and actors] themselves to prepare for future unforeseeable challenges.

In the long run, in particular the call of social movements for justice and the threat of rising socioeconomic inequalities accelerated by the impact of COVID-19 [Great Resignation] and newer generations gaining a foothold in workplaces, hint at the need for substantial changes. An inclusive future seeks to question socioeconomic inequalities and what the purpose of an organization in the 2020s will be (Business Roundtable, 2019; Henderson, 2021; Mayer, 2021). Inclusion as well as inclusive leadership can take a central role in contributing to a redefined purpose of an organization and to tackling socioeconomic inequalities.

Last but not least, taking in the lessons from the recent social movements leads to questioning whether inclusion and diversity should only focus on those with talent and high potential or whether inclusion may be conceptualized in broader terms from here – for example, giving way to new forms of participation and organizational structures. Moreover, also seeing inclusive leadership as a collective process is a way to show awareness for these calls for justice.

“I really think we are going to change a lot. You know, I really believe in this transformation, not just the business transformation but the cultural transformation that goes with it.”

Interview with PMI ERGs

“We must expand the way we think about productivity to focus on wellbeing, social connections, and collaboration and the innovation they bring to drive business success.”

Jaime Teevan, Chief Scientist Microsoft Research (Teevan, 2021)

“I do [think that PMI has changed over the last years] and I don’t think it’s only cosmetic. I think we’ve realized that we need to be much more inclusive in our approach to many different things.”

Interview with PMI ERGs
Appendix: Methodological background

Google Trends
Appendix: Methodological background Google Trends

Google Trends allows to acquire data on the relative search volume of a topic or search term for a specific region or globally. With Google being the most used search engine worldwide (Statista, 2021), analyzing this data allows to see what people search for in order to assess the global importance of a topic over time and in relation to other topics. However, Google Trends does not provide the actual amount of search volume but compiles an index in which 100 depicts the peak for the search items, which makes it possible to identify the peak of one or several search terms over time.

Google Trends as a data source has been used over the past 15 years in a vast number of research papers: Jun, Yoo, and Choi (2018), for instance, analyzed 657 studies in various fields, among them economics and business. A study by Vosen and Schmidt (2011) compared Google Trends data to the University of Michigan Consumer Sentiment Index and the Consumer Confidence Index and concluded that Google Trends data has a higher predictive power regarding consumer consumption.

In their meta-analysis, Jun et al. (2018) point, however, to some caveats when using Google Trends, among them that the data is only representative of a specific population that uses Google and that the number of searches is not available, only the relative importance rescaled from 0 to 100. This means that when comparing various topics’ respective search terms, all the search terms are put into relation to each other – and if search terms are analyzed independently, their respective peak is attributed 100.

Hence, Google Trends makes it possible to use the data of the most widely used search engine globally to assess search interests. However, with this global scope, the selection of search items to be analyzed is central to provide meaningful analyses. For this report, preference was given to analyzing “topics” instead of “search terms” [in line with the suggestion of Brodeur, Clark, Fleche, and Powdthavee (2021)]. Topics “are a group of terms that share the same concept in any language” [Google Trends, 2021], hence, Google Trends accumulates various searches globally into a topic.

Table 1: Top 10 Global searches 2020

<table>
<thead>
<tr>
<th>Rank</th>
<th>Search Term</th>
<th>Topic Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coronavirus</td>
<td>Coronavirus pandemic</td>
</tr>
<tr>
<td>2</td>
<td>Election results</td>
<td>Politics</td>
</tr>
<tr>
<td>3</td>
<td>Kobe Bryant</td>
<td>Sports [basketball player deceased in 2020]</td>
</tr>
<tr>
<td>4</td>
<td>Zoom online</td>
<td>Communication tool</td>
</tr>
<tr>
<td>5</td>
<td>IPL</td>
<td>Sports</td>
</tr>
<tr>
<td>6</td>
<td>India vs New Zealand</td>
<td>Sports</td>
</tr>
<tr>
<td>7</td>
<td>Coronavirus update</td>
<td>Coronavirus pandemic</td>
</tr>
<tr>
<td>8</td>
<td>Coronavirus symptoms</td>
<td>Coronavirus pandemic</td>
</tr>
<tr>
<td>9</td>
<td>Joe Biden</td>
<td>Politics</td>
</tr>
<tr>
<td>10</td>
<td>Google Classroom</td>
<td>Online communication tool</td>
</tr>
</tbody>
</table>

As all items show a very high correlation (> 0.9), Black Lives Matter (topic) was selected in line with the aim of the report, even though racism has generated a higher search volume.

Table 2: Methodological background Google Trends

<table>
<thead>
<tr>
<th>Search Term</th>
<th>Racism: (topic)</th>
<th>Racism: (search term)</th>
<th>Black Lives Matter: (topic)</th>
<th>Black Lives Matter: (search term)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Racism: (topic, 11)</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Racism: (search term, 3)</td>
<td>0.985507931</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black Lives Matter: (topic, 6)</td>
<td>0.957348486</td>
<td>0.96418976</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Black Lives Matter: (search term, 3)</td>
<td>0.958025522</td>
<td>0.97522327</td>
<td>0.993192682</td>
<td>1</td>
</tr>
</tbody>
</table>

To choose among the various items connected to the issues this report analyzes, correlations among similar items were calculated to see if the chosen item correlates to similar search terms and topics. In addition, the overall relative search interest calculated by Google (denoted in brackets in the tables below) for the items was used to choose the most relevant item.
For topics related to the #MeToo movement, the decision was more difficult as the correlations between the items considered are comparatively low, with the one between sexism (topic) and me too (search term) negative, implying that the two terms were searched for alternatively. As the Me Too movement (topic) had at least moderate correlations with the other terms and in line with the above suggestions to choose topics, this item was chosen.

Among the items considered, poverty (topic) would have had the highest comparative search volume, but as it conveys a slightly different meaning than inequality, economic inequality (topic) was chosen as it correlated not only highly with poverty and inequality (search term) but also moderately with social inequality.
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Inclusive Future

Measuring Inclusion and Inclusive Leadership for Accelerated Impact

Alexander Fleischmann
Josefine van Zanten
Executive Summary
Executive Summary

Based on the core components of inclusion and accounting for the influence of macro trends of the last two years, this final report of Inclusive Future presents the results of Part III focusing on measuring inclusion and inclusive leadership for accelerated impact.

Key to measuring inclusion and inclusive leadership is that, on the one hand, the results are analyzed with the necessary intersections and that, on the other, the tools and methods implemented facilitate a cultural change within organizations.

Accordingly, this report presents a mix of methods and tools to achieve this, from quantitative to qualitative, including standard questions, adaptable nudges, and appropriate ways to analyze the results. Implementing standardized measures allows the tracking of progress over time, while open and adaptable approaches allow for grasping new and emerging issues that might slip past standardized measures but are key to get a clear sense of employees’ experiences of inclusion – as well as barriers to it.

As a new tool, developed in this project, we introduce an Inclusion Net Promoter Score (iNPS). Even though Net Promoter Scores have their strengths and weaknesses, they are used in many corporations across the globe. The iNPS is a one-item barometer to assess whether employees would recommend an organization as an inclusive employer to members of underrepresented groups. In collaboration with IMD, as we write this paper, PMI is using it to run a test survey, the results of this will be discussed in a subsequent paper.

In summary, this final report provides a comprehensive approach to measuring inclusion consisting of:

- An – updated – annual inclusion index that should cover all six core components of inclusion analyzed through an intersectional lens to account for diversity. A core set of questions allows for measuring progress over time to give a comprehensive view of employees’ perception of inclusion.
- The newly developed iNPS can be used to take a pulse at shorter intervals; accompanied by an open question the iNPS allows, moreover, to gain insights into why employees would promote the organization as inclusive or why they refrain from it.
- Inclusion nudges can also be used at shorter intervals to spur behavioral change.
- Qualitative methods complete the menu. They allow to gain in-depth insights, which can also be used to improve the quantitative approaches.

In the conclusion this final report condenses the findings in a proposed timeline that positions the various tools into a coherent picture. Key to all these methods is that the information gathered is acted upon. The insights need to be translated to improve inclusive systems and processes in order to create inclusive pluralistic organizations in which individuals from all walks of life feel that they belong and where they can bring in their unique perspectives and authentic self, where they are safe to speak up without fear of retribution, where they can participate, and are treated fairly.
Introduction
Introduction

“What gets measured gets done”:1 measuring inclusion and inclusive leadership is not an end in itself, when collected and analyzed properly, the results offer unique insights into transforming an organization and fostering inclusion and inclusive leadership throughout. Hence, key to measuring inclusion and inclusive leadership is that, on the one hand, the results are analyzed with the necessary intersections and that, on the other, the tools and methods implemented facilitate a cultural change within organizations. This final report of the Inclusive Future research project provides fresh insights on such tools and methods.

These insights are based on the extensive research of Parts I and II. Part I set the stage by defining the core components of inclusion:

- belongingness, authenticity, and uniqueness as personal aspects
- participation and fairness as organizational components
- psychological safety, taking a middle ground position in providing an environment that allows individuals to speak up freely without fear of retribution
- as individuals from all walks of life should feel included, diversity is also key to definitions of inclusion

as can be seen in the figure below.

Part I established inclusive leadership as a key driver to create environments where employees from all walks of life can thrive. Inclusive leadership comprises both individual behavior that enacts and role-models inclusivity as well as strategic leadership to set an inclusive organizational framework. The basic definition developed in Inclusive Future sees inclusive leadership as a form of leadership that fosters participation with an explicit focus on diversity to include people from all walks of life. This implies that inclusive leadership means to balance belongingness and uniqueness.

To assess if and how the socioeconomic trends of the last two years influenced inclusion, Part II looked at the impact of recent global social movements, such as Black Lives Matter (BLM) and #MeToo as well as socioeconomic inequalities as highlighted and exacerbated through Covid-19, coupled with two trends: Millennials in management positions and Gen Z entering the labor market, as well as the acceleration of technological transformation. The call for visibility of underrepresented groups [BLM, #MeToo] indicate that organizations, going forward, need to focus on uniqueness to account for the unique intersectional experiences of employees, e.g. of Black women, an intersection of race and gender. At the same time, social justice calls demonstrate that fairness and equity need to be measured and addressed as well. The increased emphasis on the latter component is new and warrants noting. To foster a climate where everyone can speak up, psychological safety is needed to provide a fertile environment in which to address complicated and sensitive subjects, such as patriarchy and toxic masculinity raised by #MeToo and Black Lives Matter’s calls to overcome systemic racism and white privilege.

These macro trends and disruptions also have an impact on inclusive leadership. On the individual level, social movements and socioeconomic inequalities call for focusing on listening with humility and crediting input from underrepresented groups. Acting as their visible ally and vocal advocate, employees at all levels should educate themselves on the issues raised. At the team level, inclusive leadership should be understood as a collective process where everyone is able to speak up to establish an inclusive culture. As organizations are increasingly scrutinized, fact-checked, and held accountable, inclusive leadership at the organizational level means to take a stand – also in potentially heated debates – and back this up with broad and sustainable systems and processes to help organizations becoming themselves visible allies.

In conclusion, a comprehensive approach is needed that adapts a current view on inclusive leadership and addresses inclusion in terms of uniqueness, fairness/equity, and psychological safety, and also takes belongingness, participation, and authenticity into account, as the graph below demonstrates.

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1 This famous quote is often ascribed to Peter Drucker, but the origin is disputed.
#MeToo
- Visibility to sexual harassment and sexism
- Power inequalities at the workplace
- Intersectionality
- Patriarchy
- Toxic masculinity

Black Lives Matter
- Visibility to police violence
- Demands for racial justice
- Intersectionality
- Global phenomenon calling for local actions
- Systemic racism
- White privilege

Socioeconomic inequalities
- So far mostly absent from EI&D focus
- Organizations as drivers and those that can act on it
- Reproduction of socioeconomic inequalities

Social movements and socioeconomic influence

COVID-19 as unforeseeable disruptor
- Impacts demographic groups unequally - at work and on the labor market
- Accelerates digitalization (inclusive hybrid work)
- Great Resignation and new focus on work-life balance and purpose

Inclusion
- Uniqueness
  - Visibility
  - Intersectional experiences
  - Adding socioeconomic background to diversity
- Psychological safety
  - Creating an environment where it is safe to speak up
  - Discuss toxic masculinity, systemic racism, white privilege
- Fairness & equity
  - Addressing calls for justice
  - Addressing systemic power inequalities
  - Inclusion for all - not only those with talent or high potential

Inclusive leadership
- Humble, educated listeners
  - Listening with humility
  - Active advocates
  - Crediting input from underrepresented colleagues
  - Educate themselves
- Il as collective process
  - Create inclusive culture
  - Everyone can take leadership on inclusion
  - Everyone is safe to call out micro-inequities
  - Everyone contributes to an inclusive culture
- Take a stand and back it up
  - In potentially dichotomized debates
  - Reflecting that organizations are increasingly scrutinized, fact-checked and held accountable

Participation
- Authenticity
- Belongingness

Technological Transformation as accelerator
- Global spread of #activism
- Employee activism
- Digitalization of work

The changing framework for inclusion and inclusive leadership – comprehensive view
Against this backdrop, this final report addresses the question how to measure inclusion and inclusive leadership in order to achieve a cultural change by removing exclusionary practices, embracing the complexities of toxic masculinity and white privilege, ableism, and socioeconomic inequalities toward an open and pluralistic* organizational culture where everyone can thrive regardless of their background. Such an open and pluralistic organizational culture increases an organization’s resilience and prepares it to proactively navigate similarly disruptive periods as we have experienced since 2020 – and which we will most likely face again in the future.

Hence, the research in Inclusive Future has shown that organizations need to maintain a constant “pulse” on both society and the mindset of all their employees to create an inclusive environment, foster inclusive leadership as well as to protect their brand. To do so, reliability on data is key. Therefore, impactful and reliable ways to measure inclusion and its progress are needed to continue to build an inclusive environment for all constituents.

As Part I has shown, there is now “gold standard” for measuring inclusion. While many organizations have been relying on inclusion indices for decades, academic scales provide validated scores based on a multitude of questions. However, many corporations shy away from applying too many surveys to avoid survey fatigue.

Accordingly, this final report proposes a mix of methods and tools to obtain comprehensive insights on inclusion and inclusive leadership, from quantitative to qualitative, including standard questions, adaptable nudges, and appropriate ways to analyze the results.

* pluralistic organizational culture to illustrate diversity, a famous picture is to characterize it as inviting people to the party inclusion is then inviting everyone to dance and a pluralistic culture is one where everyone can participate in choosing the music that is played

Implementing standardized measures allows the tracking of progress over time, while open and adaptable approaches allow the grasping of new and emerging issues that might slip past standardized measures but are key to get a clear sense of employees’ experiences of inclusion and barriers to it. Indeed, with inclusion being a complex issue, it warrants granularity in its measuring to induce culture change.

Accordingly, the proposed “menu” contains:

- a core set of standardized questions to measure results over time
- qualitative and quantitative methods and tools to gain varied types of insights
- recommendations about inclusion nudges to spur behavioral change
- tools that focus on measuring inclusive leadership alone as well as those that are embedded in other metrics
- an exploration of the evolution of AI approach

The quantitative methods presented span one-item nudges, a one-item Inclusion Net Promoter Score (iNPS), an inclusion index with 6–10 questions as well as in-depth EI&D surveys with up to 50 items. The approaches with only one question can, accordingly, be part of short pulse surveys that do not necessarily have to relate to EI&D; for example the iNPS could be sent out together with surveys on health and safety or knowledge and innovation. While inclusion nudges can be prompted on employees’ screens on a regular basis, an inclusion index is generally part of an annual employee engagement survey.

To accelerate culture change, it is best advised that the results obtained through the above methods are shared openly and transparently within the organization – as research indicates transparency is one leverage for changing behaviors; it equally makes a clear connection between daily actions and their impact on EI&D goals (Chilazi & Bohnet, 2020). This means that sharing the results of inclusion metrics with a broad internal audience spurs behavioral changes as well as increases the credibility of EI&D efforts; it also allows employees from underrepresented groups to have a stake in this endeavor. The case insights presented in Part I have shown that companies like Microsoft, BP, and Nike publicly share their overall score of the inclusion index. BP, in addition, also shares the results for each one of the eight questions as well as scores for specific demographic splits that are below the average.

On the following pages this “menu” and its varied content is explored in detail. In addition, case insights from Barilla and ABB show additional good practice approaches to measuring inclusion. The cases for this part were selected to complete the picture provided by the cases in Part I. Accordingly, with Barilla they cover a company that uses a bi-annual diversity and inclusion survey with 70+ questions and ABB compiles an inclusion index out of a standardized employee engagement survey.

The appendix provides background information on the Inclusion Net Promoter Score that, as we write this report, is being tested by PMI in collaboration with IMD – the results of it will be discussed in a separate paper. Key goal would be to validate the benefits of an iNPS to understand how to position it within the context of measuring inclusion and inclusive leadership.

In addition, the appendix also covers a list of more than 130 questions collected and reviewed in the course of Inclusive Future.
Core set: standardized tools to measure inclusion over time
Core set: standardized tools to measure inclusion over time

The traditional inclusion index

Inclusion indices have been successfully tested and used by leading organizations for several decades, have evolved over time, and led to palpable culture change in some situations. The pros and cons of this method were addressed in detail in Part I. The inclusion index remains a solid method for measuring inclusion with questions covering the organizational, team, managerial (inclusive leadership), and individual levels. Providing that the data is collected in an anonymous manner, analyzed skillfully by using various intersections (e.g., nationality and seniority; race/ethnicity and gender etc.), new voices may percolate to the surface offering unique insights that can be acted upon. To allow measuring progress over time, it is advisable to compile an inclusion index comprising a total of 6–10 questions covering the key components of inclusion:

- psychological safety
- uniqueness
- fairness
- participation
- belonging
- authenticity

An inclusion index designed in the above format, when implemented properly, will reflect a core set of inclusion metrics. By maintaining the same questions over several years, progress can be measured over time. Given that many organizations have applied employee engagement surveys over several years and used it to drive change, a pragmatic approach to introducing an inclusion index is to first identify inclusion questions in an existing employee survey and complement them with others that are deemed helpful.

Using questions related to uniqueness can give insights whether the organizational culture is an open and pluralistic one. For instance, the question of the uniqueness metric of Chung, Ehrhart, Shore, Randel, Dean, and Kedharnath (2020) query whether unique inputs are valued by the work group:

- 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

Advantages: Recurring frequency offers insight over time; provides insights into different inclusion aspects; often embedded partially in employee surveys (requires little adjustment); shows correlation to employee engagement; results offer tangible and actionable data; when analyzed properly they can highlight voices of underrepresented groups that are usually not heard.

Disadvantages: Can be costly depending on provider and other elements; reliability and validity of data is questionable [see Part II]; cannot be compared to other organizations unless the same questions are applied; is subject to appropriate analysis, as a high overall score may also mean that majority group employees feel included whereas underrepresented groups may not.

Advantages: Quick to implement, offers a pulse insight, can be done several times a year; goes beyond individual perception and offers a new aspect (recommendation as inclusive employer), easy to adjust; information can be acted upon.

Disadvantages: In-group employees (with presumably less exclusion experience) are asked to judge an out-group’s experience; reliability to be tested, promoters for one cause might be detractors for others; offers only one insight at a time; at the moment results cannot be compared to industry or other organizations.

INPS Inclusion Net Promoter Score

An Inclusion Net Promoter Score (iNPS) is developed in this project. It is based on the existing know-how from the Consumer Net Promoter Score and the Employee Net Promoter Score, approaches that are widely used in organizations across the globe – with particular strengths and weaknesses (for detailed background see the appendix). In contrast to an inclusion index that consists of several dedicated questions, the iNPS is a one-item barometer score to assess whether employees would recommend an organization as an inclusive employer to members of underrepresented groups. The iNPS enables taking a pulse across large organizations using one single question. It can be embedded in any employee survey – given that it is only one item it could also be used in short pulse surveys that cover other employee insights. In collaboration with IMD, as we write this article, PMI is running a test survey using the following question:

“How likely are you to recommend our organization to a friend or colleague from an underrepresented group as an inclusive place to work?”

(By “underrepresented group” we mean women, people from ethnic or racial minorities, with different sexual orientations or different abilities)

In contrast to traditional inclusion indices that ask employees for their individual perception, using the established Net Promoter Score methodology switches the focus: Employees are asked to project their individual experience to answer whether they would recommend an organization as an inclusive employer. The score calculates the proportion of employees promoting the organization as inclusive (“promoters”), those who take a passive position (neither recommending nor discouraging from joining) and those who would not recommend the organization as an inclusive employer to members of underrepresented groups (“detractors”). Here too, intersectional analyses (e.g., nationality and seniority; race/ethnicity and gender etc.) are key to demonstrate which demographic groups within an organization promote their organization as inclusive and which not. Ideally, the majority of employees – especially those from underrepresented groups – would promote their organization as an inclusive one. As with the inclusion index, the data needs to be retrieved anonymously. To add to the complexity, it is worth noting that promoters for one cause can very well be detractors for another and that the predictability of the results might be inconsistent.

Adding an open follow-up question gives employees the opportunity to share insights on why they chose a specific rating. For example, PMI’s Employee Net Promoter Score uses the question “What is the one thing PMI could do to improve this?” as a follow-up. In the case of the above referred to test, the same question will be applied to the iNPS. Analyzing the results of an open sub-question gives organizations the opportunity to get a pulse of key issues that need to be improved – also those not covered in standardized surveys.

This new and promising approach to measure inclusion remains to be tested and more information on the test survey will be shared in a subsequent article. In the meantime, we are able to highlight the following:

Advantages: Can be used in short pulse surveys that cover other employee insights; easy to adjust; information can be acted upon.

Disadvantages: In-group employees (with presumably less exclusion experience) are asked to judge an out-group’s experience; reliability to be tested, promoters for one cause might be detractors for others; offers only one insight at a time; at the moment results cannot be compared to industry or other organizations.
In-depth and dedicated D&I quantitative surveys
In-depth and dedicated D&I quantitative surveys

Aside from running a yearly or bi-yearly inclusion index and regular iNPSs, another opportunity to obtain insights is available: The in-depth and dedicated D&I survey. This survey, usually composed of 20–50 questions, is fully dedicated to inclusion and its components. It uses the perspective of validated scales (see graph on the next page as well as Part I for more details) and also requires self-identification and intersectional analysis to provide insightful and actionable results.

Acknowledging that organizations wish to avoid “over-surveying” their employees, to obtain in-depth EI&D data, detailed quantitative surveys can be implemented with longer intervals, for instance every two or three years. Again, maintaining the same questions will allow for data comparison over time. In-depth EI&D surveys can also be used to get to know why specific regions and/or functions show lower scores on specific inclusion components so as to identify key challenges and develop tailored policies, and improve systems and processes. For instance, in regions/functions with below-average scores on the inclusion index, in-depth surveys could be used to delve into the reasons why employees feel less included.

**Advantages:** In-depth insight building on existing inclusion index questions; offers even more actionable data.

**Disadvantages:** Costly to run in addition to other surveys; needs positioning with other employees’ surveys; needs to be carefully selected and designed to reflect today’s inclusion components; results cannot be compared to industry or other organizations; is subject to appropriate analysis.
Focus on inclusive leadership
Focus on inclusive leadership

The basis for developing inclusive leaders is that inclusive leadership skills are a top-level component of an organization’s competency framework that defines what competencies are expected at various levels of the organization. As explored in detail in Part I, these frameworks depict key leadership skills and behaviors that are developed in leadership training and assessed and measured regularly. Investing to implement inclusion in these frameworks means investing in the inclusive skills and behavior of future leaders.

Inclusive leadership is, on the one hand, part of many inclusion indices as the case studies in this report and in Part I show. Questions typically start with “my manager” to ask employees on their perception of managers’ contribution to an inclusive culture. For instance, in the case of BP, one of the questions is: “My manager cultivates an inclusive environment and diverse workforce by valuing and leveraging employees’ differences and perspectives.”

On the other hand, many organizations have specific leadership questions in their engagement surveys that ask employees on their perception of leadership skills. These questions are often taken together to form a specific leadership index – and inclusive leadership is most often part and parcel of such a metric. As the case of Barilla below shows, some organizations compile specific leadership commitment indices to measure inclusive leadership directly. In addition, in the academic literature one finds a tested score based on Edmondson’s (2004) conceptualization of inclusive leadership in terms of openness, availability, and accessibility (Carmeli, Reiter-Palmon, & Ziv, 2010: 260), see appendix.

Against the backdrop of Part II that investigated the impact of recent global social movements, such as Black Lives Matter (BLM) and #MeToo as well as socioeconomic inequalities as highlighted and exacerbated through Covid-19, it is key that diversity is addressed in measuring inclusive leadership. Hence, questions to measure inclusive leadership should actively address, for instance whether input from underrepresented groups is actively sought, credited, and acted upon.

To measure inclusive leadership as a collective process – as prompted by the influence of social movement and socioeconomic inequalities as well as newer generations in the workforce – questions that address psychological safety can be used as everyone in the organization should feel safe to speak up without fear of retribution. Specific questions to address this could be, for instance: “It is safe for everyone to call out micro-inequities without fear of retribution.”

Best practice calls for building inclusive leadership behaviors into talent competency frameworks, including assessing leaders with this framework during talent assessments and promotions and, next, designing a leadership development strategy that encompasses the inclusive leadership behaviors in a recognizable and tangible manner. For example, 360s are a recurring means to obtain insights into a leader’s inclusive behaviors, providing the questions address this topic. Complementing the latter with stories depicting wins as well as losses may indeed “bring to life” the concept of inclusive leadership to the larger internal audience.
Self-identification and intersectional analyses
Self-identification and intersectional analyses

Needed insights: Self-identification

To analyze data, it is imperative to use several intersections as already discussed above. To allow for comprehensive intersectional analyses, upfront segmentation is required. Gender, nationality, age, seniority, region, business/function, etc. are the most commonly requested segmentations in surveys. At a global level, gender and nationality segmentation is standard and there are no restrictions in place, legal or otherwise, to obtain this information. In addition, there are equally important dimensions which current approaches often do not reveal at a global level. As a result, several organizations have started initiatives to encourage employees to self-identify whether they are members of underrepresented groups (see case insight Barilla in this article; BP and Microsoft in Part I). This means asking employees to – voluntarily and anonymously – disclose data about race/ethnicity identification, whether they identify as a member of the LGBTQ+ community, whether they are differently abled, etc.

The rising importance of socioeconomic background prompts, in addition, for self-disclosure also in this area. In academic studies, a common way to measure this is to refer to parents’ educational background, occupational prestige, and income level together with direct questions on the subjective self-identification providing four options: lower, working, middle, and upper class based on the US General Social Survey (Ingram & Oh, 2021). Another way is to ask for specific identifications, e.g. “first-generation student”, but such identifications may not be applicable for employees at the operational level. Given that this is a new approach, more work needs to be done to adequately and respectfully gather meaningful information about employees’ socioeconomic background.

By providing the option “rather not disclose” for each of these items, organizations foster psychological safety. At the same time, they are given two sets of information: the percentage of members of selected underrepresented groups (as self-disclosed), and the percentage of people who wish not to reveal this information. Both numbers potentially provide a window of information to act upon.

Advantages: Offers additional insight that cannot be obtained via HR data; gives opportunity to hear more underrepresented voices; provides ability to address different employee segments; little cost to add self-disclosure questions.

Disadvantages: Requires communication and positioning to help employees understand reasons for self-disclosure questions; requires transparency and strong communication of the why, where, and how data is stored; must address safety and anonymity of answers; self-disclosure is not 100% reliable information.

Key for interpreting data: Intersectional analysis

As mentioned, the inclusion index and the iNPS both survey members of the majority group as well as members of various underrepresented groups. Accordingly, key to presenting and using these results is to analyze them with variable intersections e.g. women and seniority; nationality and seniority; at times three variables can be applied as in race/ethnicity and women and seniority – as long as the results do not fall under a threshold that makes individual employees identifiable. The results obtained this way will often bring forward voices of underrepresented groups that are otherwise overrun by the majority voice, which in Fortune 500s realistically remains the voice of white Western men. Data and experience show that their perception of inclusion differs from that of underrepresented groups, hence an intersectional analysis is needed.

Companies like Volvo understood this and solved this reality by calculating a minority vote into the very index (see Part I).

In addition, it is worth noting that heightened awareness of inclusion and inclusive leadership may, at first, lead to a more critical assessment of the latter two.

Advantages: Additional intersections in an analysis offer insights into underrepresented groups’ experience of inclusion; this information can be acted upon; best practices will become visible; data can be followed up on with qualitative steps, e.g. focus groups, 360s, leadership development.

Disadvantages: may require additional costs to obtain further analysis; data must remain relevant; can still be open to misinterpretation.
Inclusion nudges
Inclusion nudges

It’s worth noting that research shows that surveys can influence the behavior of employees. The case of Facebook (see Part II) has shown that employees who were asked about their commitment to improve the organizational culture were more likely to ask for the respective toolkits. Accordingly, inclusion nudges can be implemented in all types of surveys to foster behavioral changes. Questions like:

"I am committed to improve the inclusive culture at [the company]." or

"I am committed to improve my leadership skills in terms of active, humble listening."

can be used as nudges to prompt employees to actively work on improving their working environment related to Equity, Inclusion and Diversity.

Also, specific questions related to hybrid work settings can be used to account for their specificities:

"I am committed to help creating an inclusive meeting culture, in which colleagues joining online and those on-site can participate equally regardless of their background."

Advantages: easy and simple manner to create awareness and influence behaviors, hence inclusive leadership.

Disadvantages: behavioral impact complicated to measure across the organization.
Qualitative approaches
Qualitative approaches

To complement quantitative methods (inclusion index and the INPSI), further insights can be gained using qualitative methods. These include, based on best practices:

- designing dedicated focus group discussions
- creating theme-specific lunch and learn sessions (also referred to as “brown bag” sessions)
- and attendance at and interactions with ERGs to gather additional insights.

In a psychologically safe environment coupled with inclusive leadership, the individual perception of inclusion can also be qualitatively assessed in appraisal and feedback conversations, offering an ongoing “pulse” between managers and all employees.

**Advantages:** Rich insights with pulse on topics not on the radar; only indicative information, but when collected properly extremely insightful (especially with quotes); touches the heart (emotion), can provide tangible examples to tackle and improve.

**Disadvantages:** May be interpreted with biases by a majority group; results may be subject to “explaining away” (dismissing) information; is only indicative; requires a systematic approach to be useful; data needs to be collected regularly to provide a meaningful larger picture.
Artificial intelligence solutions
Artificial intelligence solutions

Current research and early practice show how machine learning and algorithms may already perpetuate unfortunate bias toward underrepresented groups. “Artificial intelligence is only as biased or unbiased as the data that is used to train it,” as Öykü Isik, Professor of Digital Strategy & Cybersecurity at IMD, highlights. Indeed, currently AI design teams are often not representative of the communities they serve, and ample research and examples of AI discriminating against the faces of Black people, different accents, women’s voices, and people of disadvantaged socioeconomic backgrounds exist today (see, e.g., Daugherty, Wilson, & Chowdhury, 2019; Goodman, 2022). Nevertheless, despite these shortcomings, AI is here to stay and rapid improvements over time will make this another reliable source of data in more and more domains.

Currently, AI solutions are widely used in HR, with several tools available to analyze data along the whole employee lifecycle from recruitment to exit surveys. For recruitment, use cases range from screening applications and shortlisting candidates to assessing candidates based on recorded interview data. AI can also be used to analyze the internal and external communication of organizations: how the language is gendered or which age groups are attracted in job postings or the website texts, etc.

Using AI solutions to measure inclusion has the advantage that data is analyzed that is generated for other purposes than measuring inclusion (e.g. HR data, chat boards, etc.). So while surveys rely on asking employees on their individual perception at one point in time and qualitative methods collect various views in an open manner, AI can dig into data points that already exist. As showcased in Part I, sentiment analyses can be used to assess how employees depict their work-life based on existing texts. In addition, data on communication between employees can be analyzed to see inclusionary and exclusionary patterns – as presented in the Microsoft Case Insight in Part I. Further, comparatively simple actions, for instance measuring the speaking time of each participant in a meeting, can give immediate feedback and an indication on how inclusive a setting was.

Hence, while AI solutions focusing on decision-making, such as shortlisting candidates, often base their assessment on biased data, data mining solutions that analyze huge amounts of data could be used to identify biased patterns that easily slip past the attention of humans in normal circumstances.

Accordingly, it is key that the data is not analyzed by a biased system that reinforces the bias over time. “Thus, if correctly designed and applied through multidisciplinary teams, AI will detect situations of potential bias and prejudice in decision-making – particularly those that become more difficult to detect unintentionally – and alert operators and managers.” (Ribeiro, 2021)
Conclusion
Conclusion

The tremendous changes we witnessed since 2020 are prompting organizations to update their inclusion measures to reflect these new circumstances and create pluralistic organizational cultures, i.e., inclusive environments, that value difference. Based on the findings of Part I and Part II, this final report presented a comprehensive "menu" of tools to measure inclusion and inclusive leadership.

The menu assemblies established approaches like the inclusion index used as good practice in many leading organizations and discusses its components against the backdrop of current challenges. As discussed in detail in Part I, inclusion indices consist of single questions covering several components of inclusion and inclusive leadership, which makes a comparison or even benchmarking impossible. Similarly, data on reliability and validity is scarce, but internal evaluations can ensure that they correlate with other engagement metrics – or even with validated scores, as established in the academic literature. Part of the menu presented in this final report are in-depth inclusion surveys that can rely on these metrics. In addition, inclusion nudges are presented as a particular tool focusing on influencing behavior.

As a new tool, Inclusive Future introduces an Inclusion Net Promoter Score (iNPS) that shifts the focus from asking employees about their individual perception, as in inclusion indices, toward asking whether employees would recommend an employer as an inclusive organization for friends and colleagues from underrepresented groups. This new approach to measuring inclusion is:

- An - updated – annual inclusion index that should cover all six core components of inclusion analyzed through an intersectional lens to account for diversity. A core set of questions allows for measuring progress over time to give a comprehensive view of employees' perception of inclusion.
- The newly developed iNPS can be used to take a pulse at shorter intervals; accompanied by an open question the iNPS allows, moreover, to gain insights into why employees would promote the organization as inclusive or why they refrain from it.
- Inclusion nudges can also be used at shorter intervals to spur behavioral change.
- Qualitative methods complete the menu. They allow to gain in-depth insights, which can also be used to improve the quantitative approaches, as the illustrative arrow depicts.

Key to all these methods is that the information gathered is acted upon: The insights need to be translated in improving inclusive systems and processes in order to create inclusive pluralistic organizations in which individuals from all walks of life feel that they belong and where they can bring in their unique perspectives and authentic self, where they are safe to speak up without fear of retribution, where they can participate and are treated fairly and reach their full potential.

Overview of quantitative and qualitative inclusion measures

<table>
<thead>
<tr>
<th>Quantitative</th>
<th>Qualitative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inclusion index</td>
<td>Performance evaluations with manager</td>
</tr>
<tr>
<td>Dedicated D&amp;I survey</td>
<td>Year-round conversations with manager</td>
</tr>
<tr>
<td>InPS mining</td>
<td>360-degree feedback</td>
</tr>
<tr>
<td>Data mining</td>
<td>Year-round conversations, round tables with ERGs</td>
</tr>
<tr>
<td>Performance evaluations Year-round conversations</td>
<td>ERG attendance and leadership</td>
</tr>
<tr>
<td>Lunch and learn/brown bag</td>
<td>Dedicated focus groups</td>
</tr>
</tbody>
</table>

Inclusive systems and processes to foster an inclusive pluralistic organizational culture

*Illustrative arrows depict how the results of focus groups can be used to launch targeted inclusion nudges and adapt the inclusion index – results later discussed with ERGs.
Case Insights
Barilla launched its diversity and inclusion initiative in 2012 when CEO Claudio Colzani joined from Unilever, with a reputational crisis in 2013 catalyzing this process. Measuring D&I started in 2014 in cooperation with Korn Ferry. Barilla rolled out an employee survey with 70+ questions in selected markets and specific plants, and in 2017 it started to survey all employees in all locations in both office and plant jobs. After doing this twice, it decided for the 2021 survey to roll out a set of self-identification questions. They include:

- **Gender**: male/female and other options including non-binary
- **Race/ethnicity**: in the US based on the census categories, outside the US whether one belongs to an ethnic/racial minority
- **Disability**: based on the UN definition with a follow-up question whether the person is out about it at the workplace
- **LGBTQ+-asking whether the employee identifies as member of the LGBTQ+ community, which community, and where they are open about it (work, home, etc)
- **Care-giving**: with sub questions on whom one has to care for
- **Religion**: including all major religions and the options atheist/agnostic

In addition, the self-identification part has an option, ‘prefer not to say’, to track how many employees do not feel comfortable sharing the information on the various dimensions. The self-identification questions are rolled out in all regions, because Barilla does not operate in countries where, e.g. identifying as part of the LGBTQ+ community is illegal.

Currently Barilla has two surveys, the complete one with 70+ diversity and inclusion questions sent out to office workers and a selection of 16 questions sent out to plant workers. For the latter, those with an email address receive an online survey (e.g. in the US), in some plants they provide online kiosks and individual survey codes to participate, while in others they distribute paper questionnaires. The survey is available in 10 languages. Results are provided on a dashboard, confidentiality is assured by only revealing sets bigger than five, with open questions only available for sets bigger than 20.

In addition to local and regional KPIs, Barilla tracks the following four global KPIs:

<table>
<thead>
<tr>
<th>Leadership commitment</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership commitment</td>
<td>65</td>
</tr>
<tr>
<td>Gender balance</td>
<td>33/35</td>
</tr>
<tr>
<td>Flexible work</td>
<td>78</td>
</tr>
<tr>
<td>Inclusion index</td>
<td>69</td>
</tr>
</tbody>
</table>

Leadership commitment has “top priority”, as Talita Ramos Erickson, Chief Diversity & Inclusion Officer at Barilla maintains. Therefore, seven questions out of the I&D survey comprise the Leadership Commitment KPI – the questions can be seen below. Gender balance is tracked using a combined measure of the percentage of women in leadership positions as well as in the leadership pipeline. Flexible work was identified as an enabler of I&D and is measured using one item of the survey, with the results being split into office and plant workers. Last but not least, an inclusion index is compiled from six of the survey questions. These KPIs are monitored globally by the Diversity & Inclusion Board and Barilla also makes them transparent to external audiences: “We make the numbers public to ensure external accountability,” Talita Ramos Erickson says.

Leadership commitment:

- The Global Leadership Team’s [CEO and his direct reports] goals, plans, and actions reflect a real commitment to diversity.
- Our team leaders (those who manage teams or projects and accomplish results through the coordination of others) encourage diversity & inclusion.
- Our team leaders stimulate open communication of new ideas and points of view.
- Managers in Barilla are held accountable for their diversity goals and plans.
- Our company’s primary interest in diversity is not just to comply with legal requirements or to avoid legal problems.
- Barilla has an effective process in place to deal with complaints regarding diversity and inclusion concerns.
- Barilla will not tolerate behavior that discriminates against people of different gender, age, ethnicity, sexual orientation/gender expression, religion, physical abilities/disabilities, language, region/state/country of origin, social class, or thinking style.
Flexibility index

- I am allowed a reasonable level of flexibility in managing work, family, lifestyle demands and personal issues.

Inclusion index

- My manager makes me feel valued and appreciated for my contributions.
- Barilla leverages the diverse styles and approaches of individuals to achieve superior business results.
- In my opinion, Barilla’s management views diversity and inclusion as a competitive advantage in order to compete in a global market.
- Our team leaders (those who manage teams or projects and accomplish results through the coordination of others) encourage diversity & inclusion.
- Barilla will not tolerate behavior that discriminates against people of different gender, age, ethnicity, sexual orientation/gender expression, religion, physical abilities/disabilities, language, region/state/country of origin, social class, or thinking style.
- At Barilla, a focus on diversity and inclusion means that all employees are included in opportunities to learn, develop, and contribute to business success.

Previously, instead of using the inclusion index, inclusion was measured by counting the initiatives run in each market (e.g. participation in the Pride Parade, etc.) with the target set of at least four. As all markets moved above this goal at one point, the six questions that were already part of the survey were compiled to form the inclusion index.

Talita Ramos Erickson also reports success stories on how the metrics impacted inclusion: One market had the lowest results in 2019/20, but within two years it became one of the best by rolling out a very intentional program comprising inclusive language, training initiatives, and putting I&D on the performance review. In another market – where they had a particularly low score on discriminatory jokes and slurs – the local management focused on this specific issue. The program included movie screenings and discussions, and a feature on an employee identifying as trans. The figures rose from a 40% to an 89% positive score on this very item.

2 ABB

ABB’s diversity and inclusion strategy rests on three pillars:
- Governance – implementing policies and processes to create an environment of diversity, inclusion and equal opportunities
- Inclusive leadership & culture – mechanisms to create individual and collective ownership of diversity and inclusion outcomes
- Partnerships – fostering ties within and outside of ABB, and driving employer attractiveness

To measure the impact of its strategy, ABB uses the LI/Glint platform as a tool for the annual engagement survey. Each year ABB decides on a number of standard questions complemented by ABB-specific custom questions (in total about 40) that cover a broad spectrum of perspectives related to employee engagement and business priorities. In 2021 the response rate was 78% globally.

Out of this survey, two questions – one on inclusive culture and one on whether managers value different perspectives – form the basis of how D&I is perceived by employees.

Moreover, questions on fairness, rewards, care, and the role-modeling of inclusive behavior are used to gain a broader picture on inclusion, as Heidi Robertson, Group Head of Diversity and Inclusion at ABB, reports. For each question, in addition to the quantitative score an open field is provided to collect individual comments on the topic.

The results of the survey are available on a dashboard, where managers gain insights into their business unit and are provided with both internal and external benchmarks that allow them to see where they stand. However, given that the survey is rolled out globally, the key focus for ABB is on improvement, as Heidi Robertson maintains. Hence, each unit and market is encouraged to work toward increasing its inclusion scores. Heat maps show areas where a unit performs well and areas that need improvement. For quantitative results the minimum of five respondents is required; for qualitative (comments) the required number of respondents is 15. The Glint platform’s artificial intelligence ensures that no respondent can be identified through filtering by suppressing data to protect privacy.

Regarding data on the socio-demographic background, gender, generation, and age brackets among other data are provided as employee attributes prior to the survey for Glint.

While the ESG target of women in leadership positions is linked to senior management compensation, the inclusion metrics are not tied to the reward system of any group. The latter is seen skeptical by Heidi Robertson: “What do we measure and evaluate when linking inclusion to compensation and who do we make accountable?” Rather than using the results of the engagement survey, my preference is to evaluate the hard facts, for example the proportion of women in a specific unit. Inclusion should be part of the development plans of our employees – and actions are taken to contribute to a diverse and inclusive ABB.”

One of the positive outcomes of ABB’s diversity and inclusion strategy is a steep increase in the engagement reported by women in senior management positions. “We are making progress which I find very rewarding,” Heidi Robertson concludes.
Appendix 1: Net Promoter Scores and Trust Index
Appendix 1: Net Promoter Scores and Trust Index

Probably the most prominent one-item score used in business is the Net Promoter Score® (NPS) [Reichheld & Markey, 2011], designed using one question to assess customer loyalty by asking whether one is likely to endorse a company or brand: “How likely are you to recommend X [company/brand] to Y [family/friends/colleagues]?”

Based on the NPS, the Employee Net Promoter Score (eNPS) was developed to have a similar one-item barometer to assess whether employees would recommend their employer to others: “How likely are you to recommend [employer] to Y [family/friends/colleagues]?” Sometimes the NPS and eNPS are introduced with, “Considering your complete experience, how likely are you…”, or “On a scale from 0–10, how likely are you…” The answers are calculated to distinguish employees who are favorable (“promoters”) from “passives” and “detractors”.

Initially promoted by Reichheld (2003) as “the one number you need to grow”, academic studies question this claim and are critical of its ability to predict customer loyalty (Kristensen & Eskildsen, 2014) and maintain that the NPS is one way of calculating one customer loyalty score [Fisher & Kordupleski, 2019: 139]. Accordingly, we position the proposed iNPS as one possible measure to get additional insights on inclusion.

A concept similar to the Net Promotor Score is used by the Trust Index® barometer statement: “Taking everything into account, I would say that this is a great workplace.” [Smith, Kwek, & Thorpe, 2019]

Recently, the NPS was further developed to have a one-item barometer for diversity and inclusion. Andreski, Cole, Watcharotone, Brumar, and Brown (2020) developed a Diversity, Equity and Inclusion Net Promoter Score (DEI-NPS) to measure whether E&D programs are having a positive impact on cultural change. The single question they started with was:

“On a scale of zero to ten, based on your experience implementing your unit’s DEI plan, how confident are you that your plan is making a positive impact on culture in your area?” followed by “Why did you choose that number?” [Andreski et al., 2020: 3], an open question that was later on content-coded. After the pilot the question was changed to:

“How confident are you that your work unit/department’s diversity, equity and inclusion efforts are making a positive impact on culture in your work unit/department?” [Andreski et al., 2020: 3]

This DEI-NPS was tested for its correlation with assessments of the organizational culture (teamwork, respect, diversity) as well as with employee engagement. The DEI-NPS showed that promoters scored significantly higher on the teamwork, respect, and diversity items. The relationship with engagement was also significantly related, as 47% of engaged employees were DEI promoters but only 16% of unengaged employees. Moreover, a statistically significant ranking between the DEI-NPS group and employee engagement index was found. [Andreski et al., 2020: 4] Hence, even though a single score can never deliver a full picture, the authors conclude that their measure is an “inexpensive, highly visual, and simple to understand metric for measuring perceived impact of DEI efforts.” [Andreski et al., 2020: 6]
Appendix 2: List of Inclusion Questions by Key Components
## Appendix 2: List of Inclusion Questions by Key Components

### Belonging

**Consultants and corporations**

<table>
<thead>
<tr>
<th>Question</th>
<th>Component specification</th>
<th>Level</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>People in my organization care about me</td>
<td>Organization</td>
<td>Gartner(^2)</td>
<td></td>
</tr>
<tr>
<td>I feel like I belong on my team</td>
<td>Team</td>
<td>Microsoft</td>
<td></td>
</tr>
<tr>
<td>I feel valued as an employee of NIKE</td>
<td>Organization</td>
<td>Nike</td>
<td></td>
</tr>
<tr>
<td>I feel respected and valued by members of my workgroup/team</td>
<td>Team</td>
<td>Volvo/Gartner</td>
<td></td>
</tr>
<tr>
<td>How would you rate the extent to which you are treated with respect and dignity?</td>
<td>Respect and dignity</td>
<td>Unspecified</td>
<td>BP</td>
</tr>
<tr>
<td>Where I work we are treated with respect</td>
<td>Unspecified</td>
<td>Royal Dutch Shell</td>
<td></td>
</tr>
</tbody>
</table>

\(^2\)Romansky, Garrod, Brown, and Deo (2021).

### Uniqueness

**Consultants and corporations**

<table>
<thead>
<tr>
<th>Question</th>
<th>Component specification</th>
<th>Level</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees at my organization respect and value each other’s opinions</td>
<td>Integrating differences</td>
<td>Organization</td>
<td>Gartner</td>
</tr>
<tr>
<td>My organization has a working environment in which different views and perspectives are valued</td>
<td>Organization</td>
<td>Royal Dutch Shell</td>
<td></td>
</tr>
<tr>
<td>My team has a climate in which all perspectives are valued</td>
<td>Team</td>
<td>Nike</td>
<td></td>
</tr>
<tr>
<td>Barilla leverages the diverse styles and approaches of individuals to achieve superior business results</td>
<td>Organization</td>
<td>Barilla</td>
<td></td>
</tr>
<tr>
<td>My business entity has a climate in which diverse perspectives are valued</td>
<td>Business entity</td>
<td>Volvo / Gartner</td>
<td></td>
</tr>
</tbody>
</table>
## Academic

<table>
<thead>
<tr>
<th>Question</th>
<th>Component specification</th>
<th>Level</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>I can bring aspects of myself to this work group that others in the group don't have in common with me</td>
<td>Team</td>
<td>Chung et al. 2020</td>
<td></td>
</tr>
<tr>
<td>People in my work group listen to me even when my views are dissimilar</td>
<td>Team</td>
<td>Chung et al. 2020</td>
<td></td>
</tr>
<tr>
<td>While at work, I am comfortable expressing opinions that diverge from my group</td>
<td>Team</td>
<td>Chung et al. 2020</td>
<td></td>
</tr>
<tr>
<td>I can share a perspective on work issues that is different from my group members</td>
<td>Team</td>
<td>Chung et al. 2020</td>
<td></td>
</tr>
<tr>
<td>When my group’s perspective becomes too narrow, I am able to bring up a new point of view</td>
<td>Team</td>
<td>Chung et al. 2020</td>
<td></td>
</tr>
<tr>
<td>This [unit] is characterized by a non-threatening environment in which people can reveal their &quot;true&quot; selves</td>
<td>Integration of differences</td>
<td>Specifiable</td>
<td>Nishii 2013 (climate for inclusion)</td>
</tr>
<tr>
<td>This [unit] values work-life balance</td>
<td>Integration of differences</td>
<td>Specifiable</td>
<td>Nishii 2013 (climate for inclusion)</td>
</tr>
<tr>
<td>This [unit] commits resources to ensuring that employees are able to resolve conflicts effectively</td>
<td>Integration of differences</td>
<td>Specifiable</td>
<td>Nishii 2013 (climate for inclusion)</td>
</tr>
<tr>
<td>Employees of this [unit] are valued for who they are as people, not just for the jobs that they fill</td>
<td>Integration of differences</td>
<td>Specifiable</td>
<td>Nishii 2013 (climate for inclusion)</td>
</tr>
<tr>
<td>In this [unit], people often share and learn about one another as people</td>
<td>Integration of differences</td>
<td>Specifiable</td>
<td>Nishii 2013 (climate for inclusion)</td>
</tr>
<tr>
<td>This [unit] has a culture in which employees appreciate the differences that people bring to the workplace</td>
<td>Integration of differences</td>
<td>Specifiable</td>
<td>Nishii 2013 (climate for inclusion)</td>
</tr>
</tbody>
</table>

## Authenticity

### Consultants and corporations

<table>
<thead>
<tr>
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<th>Component specification</th>
<th>Level</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>You can bring your full self to work and express aspects of yourself that may be different from peers</td>
<td>Unspecified</td>
<td>Catalyst 2019</td>
<td></td>
</tr>
<tr>
<td>I can succeed in my work group while maintaining my own personality and style</td>
<td>Team</td>
<td>Microsoft</td>
<td></td>
</tr>
<tr>
<td>I can be myself at work</td>
<td>Unspecified</td>
<td>Nike</td>
<td></td>
</tr>
</tbody>
</table>

### Academic

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<th>Question</th>
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<th>Level</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>This group allows me to be authentic</td>
<td>Room for authenticity</td>
<td>Team</td>
<td>Jansen et al. 2014</td>
</tr>
<tr>
<td>This group allows me to be who I am</td>
<td>Room for authenticity</td>
<td>Team</td>
<td>Jansen et al. 2014</td>
</tr>
<tr>
<td>This group allows me to express my authentic self</td>
<td>Room for authenticity</td>
<td>Team</td>
<td>Jansen et al. 2014</td>
</tr>
<tr>
<td>This group allows me to present myself the way I am</td>
<td>Room for authenticity</td>
<td>Team</td>
<td>Jansen et al. 2014</td>
</tr>
<tr>
<td>This group encourages me to be authentic</td>
<td>Room for authenticity</td>
<td>Team</td>
<td>Jansen et al. 2014</td>
</tr>
<tr>
<td>This group encourages me to be who I am</td>
<td>Room for authenticity</td>
<td>Team</td>
<td>Jansen et al. 2014</td>
</tr>
<tr>
<td>This group encourages me to express my authentic self</td>
<td>Room for authenticity</td>
<td>Team</td>
<td>Jansen et al. 2014</td>
</tr>
<tr>
<td>This group encourages me to present myself the way I am</td>
<td>Room for authenticity</td>
<td>Team</td>
<td>Jansen et al. 2014</td>
</tr>
</tbody>
</table>
## Participation

### Consultants and corporations

<table>
<thead>
<tr>
<th>Question</th>
<th>Component specification</th>
<th>Level</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>You make meaningful contributions and are influential in decision-making</td>
<td>Trusted</td>
<td>Unspecified</td>
<td>Catalyst 2019</td>
</tr>
<tr>
<td>Members of my team give fair consideration to ideas and suggestions offered by other team members</td>
<td>Collaborative decision-making</td>
<td>Team</td>
<td>Gartner</td>
</tr>
<tr>
<td>People in my work group openly share work-related information with me</td>
<td>Team</td>
<td>Microsoft</td>
<td></td>
</tr>
<tr>
<td>My manager involves me in decisions that affect me</td>
<td>[also inclusive leadership]</td>
<td>Manager</td>
<td>BP</td>
</tr>
<tr>
<td>I have regular opportunities to ask questions, give my point of view and get my voice heard</td>
<td>Voice</td>
<td>Unspecified</td>
<td>BP</td>
</tr>
<tr>
<td>Employees are encouraged to provide their ideas for improving the business</td>
<td>Influence</td>
<td>Unspecified</td>
<td>BP</td>
</tr>
<tr>
<td>At Barilla, a focus on diversity and inclusion means that all employees are included in opportunities to learn, develop, and contribute to business success</td>
<td>Organization</td>
<td>Barilla</td>
<td></td>
</tr>
<tr>
<td>My ideas and suggestions count</td>
<td>Unspecified</td>
<td>Volvo/ Gartner</td>
<td></td>
</tr>
</tbody>
</table>

### Academic

<table>
<thead>
<tr>
<th>Question</th>
<th>Component specification</th>
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</tr>
</thead>
<tbody>
<tr>
<td>I am often asked to contribute in planning social activities not directly related to my job function</td>
<td>Decision-making</td>
<td>Social/ informal</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>My coworkers openly share work-related information with me</td>
<td>Information networks</td>
<td>Work group</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>I am usually among the last to know about important changes in the organization (R)</td>
<td>Information networks</td>
<td>Organization</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>My supervisor does not share information with me (R)</td>
<td>Information networks</td>
<td>Supervisor</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>I frequently receive communication from management higher than my immediate supervisor (i.e. memos, e-mails)</td>
<td>Information networks</td>
<td>Higher management</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>I am always informed about informal social activities and company social events</td>
<td>Information networks</td>
<td>Social/ informal</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>I am typically involved and invited to actively participate in work-related activities of my work group</td>
<td>Participation/involvement</td>
<td>Work group</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>I am usually invited to important meetings in my organization</td>
<td>Participation/involvement</td>
<td>Organization</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>I am invited to actively participate in review and evaluation meetings with my supervisor</td>
<td>Participation/involvement</td>
<td>Supervisor</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>I am often invited to participate in meetings with management higher than my immediate supervisor</td>
<td>Participation/involvement</td>
<td>Higher management</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>I am rarely invited to join my coworkers when they go for lunch or drinks after my work (R)</td>
<td>Participation/involvement</td>
<td>Social/ informal</td>
<td>Mor Barak 2017</td>
</tr>
<tr>
<td>In this [unit], employee input is actively sought</td>
<td>Inclusion in decision-making</td>
<td>Specifiable</td>
<td>Nishii 2013 (climate for inclusion)</td>
</tr>
</tbody>
</table>
Inclusive Future  Part III Report

In this [unit], everyone’s ideas for how to do things better are given serious consideration
Inclusion in decision-making Specifiable Nishii 2013 (climate for inclusion)

In this [unit], employees’ insights are used to rethink or redefine work practices
Inclusion in decision-making Specifiable Nishii 2013 (climate for inclusion)

Top management exercises the belief that problem-solving is improved when input from different roles, ranks, and functions is considered
Inclusion in decision-making Specifiable Nishii 2013 (climate for inclusion)

Psychological safety
Consultants and corporations

<table>
<thead>
<tr>
<th>Question</th>
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</tr>
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<tbody>
<tr>
<td>You feel free to hold differing views and make mistakes without being penalized</td>
<td>Latitude</td>
<td>Unspecified</td>
<td>Catalyst 2019</td>
</tr>
<tr>
<td>You feel secure enough to address tough issues or take risks</td>
<td>Risk-taking</td>
<td>Unspecified</td>
<td>Catalyst 2019</td>
</tr>
<tr>
<td>I feel welcome to express my true feelings at work</td>
<td></td>
<td>Unspecified</td>
<td>Gartner</td>
</tr>
<tr>
<td>I feel free to express my thoughts and feelings with my work group</td>
<td>Team</td>
<td>Microsoft</td>
<td></td>
</tr>
<tr>
<td>I am free to speak my mind without fear of negative consequences</td>
<td>Unspecified</td>
<td>Royal Dutch Shell</td>
<td></td>
</tr>
</tbody>
</table>

Academic

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<thead>
<tr>
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<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you make a mistake on this team, it is often held against you [R]</td>
<td>Team</td>
<td>Edmondson 2019</td>
<td></td>
</tr>
<tr>
<td>Members of this team are able to bring up problems and tough issues</td>
<td>Team</td>
<td>Edmondson 2019</td>
<td></td>
</tr>
<tr>
<td>People on this team sometimes reject others for being different [R]</td>
<td>Team</td>
<td>Edmondson 2019</td>
<td></td>
</tr>
</tbody>
</table>

Fairness
Consultants and corporations

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Employees at my organization who help the organization achieve its strategic objectives are fairly rewarded and recognized</td>
<td>Fair Treatment</td>
<td>Organization</td>
<td>Gartner</td>
</tr>
<tr>
<td>The decisions leaders in my organization make concerning employees are fair</td>
<td>Fairness</td>
<td>Manager</td>
<td>Royal Dutch Shell</td>
</tr>
<tr>
<td>All employees, regardless of their differences are treated fairly</td>
<td></td>
<td>Unspecified</td>
<td>Nike</td>
</tr>
</tbody>
</table>

Academic

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<thead>
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<th>Source</th>
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</thead>
<tbody>
<tr>
<td>I feel that I have been treated differently here because of my race, gender, sexual orientation, religion, or age [R]</td>
<td>Unspecified</td>
<td>Mor Barak 2017</td>
<td></td>
</tr>
<tr>
<td>Managers here have a track record of hiring and promoting employees objectively, regardless of their race, gender, sexual orientation, religion, or age</td>
<td>Manager</td>
<td>Mor Barak 2017</td>
<td></td>
</tr>
</tbody>
</table>
Managers here give feedback and evaluate employees fairly, regardless of their race, gender, sexual orientation, religion, age, or social background  

Manager Mor Barak 2017

Managers here make layoff decisions fairly, regardless of factors such as employee’s race, gender, age, or social background  

Manager Mor Barak 2017

Managers interpret human resource policies (such as sick leave) fairly for all employees  

Manager Mor Barak 2017

Managers give assignments based on the skills and abilities of employees  

Manager Mor Barak 2017

This [unit] has a fair promotion process  

Foundation of equitable employment practices Specifiable Nishii 2013 (climate for inclusion)

The performance review process is fair in this [unit]  

Foundation of equitable employment practices Specifiable Nishii 2013 (climate for inclusion)

This [unit] invests in the development of all of its employees  

Foundation of equitable employment practices Specifiable Nishii 2013 (climate for inclusion)

Employees in this [unit] receive “equal pay for equal work”  

Foundation of equitable employment practices Specifiable Nishii 2013 (climate for inclusion)

This [unit] provides safe ways for employees to voice their grievances  

Foundation of equitable employment practices Specifiable Nishii 2013 (climate for inclusion)

### Additional components (consultants and corporations)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Communications we receive from the organization are honest and open</td>
<td>Trust</td>
<td>Organization</td>
<td>Gartner</td>
</tr>
<tr>
<td>There is an environment of openness and trust in my workgroup/team</td>
<td>Openness &amp; trust</td>
<td>Team</td>
<td>Volvo/Gartner</td>
</tr>
<tr>
<td>Managers at my organization are as diverse as the broader workforce</td>
<td>Diversity</td>
<td>Manager</td>
<td>Gartner</td>
</tr>
<tr>
<td>My organization has a working environment that is free from harassment and discrimination</td>
<td>Safety &amp; anti-discrimination</td>
<td>Organization</td>
<td>Royal Dutch Shell</td>
</tr>
<tr>
<td>Barilla will not tolerate behavior that discriminates against people of different gender, age, ethnicity, sexual orientation/gender expression, religion, physical abilities/disabilities, language, region/state/country of origin, social class, or thinking style</td>
<td>Safety &amp; anti-discrimination</td>
<td>Organization</td>
<td>Barilla</td>
</tr>
</tbody>
</table>

### Inclusive leadership

#### Consultants and corporations

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<tbody>
<tr>
<td>My manager cultivates an inclusive environment and diverse workforce by valuing and leveraging employees’ differences and perspectives</td>
<td>Diversity</td>
<td>Manager</td>
<td>Microsoft</td>
</tr>
<tr>
<td>BP has created an environment where people from diverse backgrounds can and do succeed</td>
<td>Diversity</td>
<td>Organization</td>
<td>BP</td>
</tr>
<tr>
<td>Leaders in my part of the business listen carefully to all perspectives</td>
<td>Listening</td>
<td>Manager</td>
<td>BP</td>
</tr>
<tr>
<td>My manager is comfortable with being challenged by members of the team</td>
<td>Humbleness</td>
<td>Manager</td>
<td>BP</td>
</tr>
<tr>
<td>My manager involves me in decisions that affect me</td>
<td>[also participation]</td>
<td>Manager</td>
<td>BP</td>
</tr>
<tr>
<td>When it comes to inclusion, leaders’ actions support their words</td>
<td>Action</td>
<td>Manager</td>
<td>BP</td>
</tr>
</tbody>
</table>
My manager supports inclusion and diversity in the workplace.

Nike is committed to diversity and inclusion in the workplace.

My immediate supervisor treats me with respect and dignity.

My manager makes me feel valued and appreciated for my contributions.

In my opinion, Barilla’s management views diversity and inclusion as a competitive advantage in order to compete in a global market.

Our team leaders (those who manage teams or projects and accomplish results through the coordination of others) encourage diversity & inclusion.

The Global Leadership Team’s CEO and his direct reports’ goals, plans, and actions reflect a real commitment to diversity.

Our team leaders (those who manage teams or projects and accomplish results through the coordination of others) encourage diversity & inclusion.

Our team leaders stimulate open communication of new ideas and points of view.

Managers in Barilla are held accountable for their diversity goals and plans.

Our company’s primary interest in diversity is not just to comply with legal requirements or to avoid legal problems.

Barilla has an effective process in place to deal with complaints regarding diversity and inclusion concerns.

Barilla will not tolerate behavior that discriminates against people of different gender, age, ethnicity, sexual orientation/gender expression, religion, physical abilities/disabilities, language, region/state/country of origin, social class, or thinking style.

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</tr>
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<tbody>
<tr>
<td>The manager is open to hearing new ideas</td>
<td>Openness</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
<tr>
<td>The manager is attentive to new opportunities to improve work processes</td>
<td>Openness</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
<tr>
<td>The manager is open to discuss the desired goals and new ways to achieve them</td>
<td>Openness</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
<tr>
<td>The manager is available for consultation on problems</td>
<td>Accessibility</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
<tr>
<td>The manager is an ongoing “presence” in this team – someone who is readily available</td>
<td>Accessibility</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
<tr>
<td>The manager is available for professional questions I would like to consult with them</td>
<td>Accessibility</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
<tr>
<td>The manager is ready to listen to my requests</td>
<td>Accessibility</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
<tr>
<td>The manager encourages me to access them on emerging issues</td>
<td>Accessibility</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
<tr>
<td>The manager is accessible for discussing emerging problems</td>
<td>Accessibility</td>
<td>Manager</td>
<td>Carmeli et al. 2010</td>
</tr>
</tbody>
</table>
References


Goodman, L. 2022. Bias in AI is spreading and it’s time to fix the problem. Venture Beat, forthcoming.


Shell. n.d. Diversity and Inclusion at Shell.
