



Recent research on Inclusion and Diversity

By Emma Jonsson, 2023

Background

Diversity in the workplace has for more than fifty years been discussed in the perspective of discrimination, e.g., employers discriminating employees because of race, gender, national origin etc. In business contexts discussions regarding diversity on leadership level generally had a specific focus on gender (see e.g., Baker et al., 2020; Papadopoulos et al., 2018 in Chidambaran et al., 2022). Despite discussions and progress in leader diversity, the situation is still that women are underrepresented in leader positions. A study of female representation in boards of Fortune 500 companies showed that despite that women account for almost

half of the employees they have a representation of less than a third (29.4 percent) of the board directors (Deloitte, 2023).

Data from The World Economic Forum (2022) reports an overall share of 31% women in leadership roles. Other studies (Korn Ferry, 2019, Edwards, 2020, and McKinsey, 2020, in Jonsson, 2023) report even lower female representations in pipelines for leader appointments. This report reviews the latest research (2020-2022) on diversity related to business contexts, especially leadership and recruitment.

Review of Literature

The literature review was concentrated on diversity in scientific, peer-reviewed,¹ journals published between 2020 and 2022, and related to the working context, business, management, leadership, and recruitment. Most articles relevant for the recruitment scope was concentrated to boards and organisational outcome/profit or to diversity in the working team and performance, satisfaction, or commitment.

Definitions, conceptualisations, and ideologies of diversity

As mentioned above diversity has generally been gender focused, in fact many articles use gender as the only type of diversity.

Surprisingly few researchers define diversity. There is no widely accepted and shared definition of diversity, and there is a plurality and inconsistency in the use of terms (also in related terms such as Equity and Inclusion), and a future need to clarify the terminology (Brancu & Hayes, 2020). However, many authors (e.g. Ciuk et al., 2021, Makkonen, 2022; Tiana et al., 2021) refer to Harrison and Klein (2007). They use diversity to describe “the distribution of difference among the members of a unit with respect to a common attribute” (Harrison & Klein, 2007, p. 1200). Harrison and Klein (2007) conceptualised diversity into separation, variety and disparity, where sep-

aration refers to differences in position or opinion (cf. horizontal distance on a continuum), variety to differences in kind or category (e.g., experience or functional background), and disparity to differences in concentration of assets or resources, such as pay or status (cf. vertical differences).

Diversity represents differences between individuals on any given characteristics (cf. Harrison & Klein, 2007). Based on whether the characteristics are observable or not they are divided into surface level (observable) and deep level.

- Surface-level diversity describes visible individual differences, such as the demographic characteristics age, gender and race.
- Deep-level diversity relates to individual differences that are not visible, such as personality, attitudes, values, beliefs, opinions, and socioeconomic background.

With time most researchers more and more come to differ between surface level diversity and deep level diversity when studying possible outcomes (e.g., Post et al., 2021; Stahl & Maznevski, 2021; Triana et al., 2021) (see below).

¹The manuscripts have been critically reviewed by editors and other experts (peers) in the research field. Normally performed in a double blind process where author(-s) and reviewer(-s) are anonymous to each other.

Another categorisation is into “identity blind” and “identity conscious” (multiculturalism) diversity ideologies, both ideologies can improve intergroup relations (Konrad et al., 2021; Leslie et al., 2020). In identity blind ideologies, differences can be minimized by a) ignoring them and instead focusing on individuals’ unique traits, b) treating demographic groups equitably (i.e., meritocracy), or c) having nondominant groups adopt the practices of the dominant group (i.e. assimilation) (Leslie et al., 2020). Leslie et al. (2020) meta-analysis show for example that meritocracy reduces discrimination and intergroup bias, and that focusing on individuals’ unique traits reduces stereotyping.

Post et al., (2021) stress that also the diversity context needs more attention and must be defined in research to better understand the effects of team diversity. That is, diversity among leaders has to be understood in terms of organisational context and situation.

Diversity as a “double-edged sword”

The results or outcomes of diversity in teams seems to be a “double-edged sword” or mixed blessing. Diversity can be positively or negatively associated with the same outcome, depending on other factors.

Recent studies seem to agree that findings of diversity’s impact on team performance are controversial or ambiguous. Different studies have found different results, both positive outcome (e.g., innovation and satisfaction, see Stahl & Maznevski, 2021; creativity, see Wang et al., 2019) and negative outcome (e.g., task conflicts see Stahl & Maznevski, 2021; team conflict see Triana et al., 2021), both positive and negative outcome (see Stahl & Maznevski, 2021) or no significant outcome (see Wang et al., 2019). Also studies on board diversity show inconsistent findings (Khatib et al., 2020).

One reason for the ambiguous results may be the lack of common definition. Meta-studies have started to divide the research and outcomes based on the level of diversity, surface (e.g., gender and ethnicity) or deep-level (e.g., internal characteristics such as attitudes, values and personality, skill level). With this distinction one can tend to see some more positive outcomes related to deep-level diversity in comparison to surface level (see Makkonen, 2022; Wang et al., 2019), while previous meta analyses could not find any difference depending on surface or deep level, both were unrelated to the team outcomes assessed (Stahl et al., 2010).

Stahl and Maznevski (2021) provide four possible explanations why there are several studies with no effect on outcome. Firstly, positive and negative effects partly or fully offset one another. Secondly, impact of other factors such as contextual and management-related factors. Here Brown et al. (2020) points out that an inclusive climate is a probable positive factor. Thirdly, effects of the study design and sample characteristics. And finally, a non-linear effect on outcome variables, i.e., the “too-much-of-a-good-thing” effect. For example, an inverse U-shaped relationship, meaning that until a certain threshold level synergy increases, but beyond that level diversity becomes overwhelming and hard to manage or cope with (Stahl & Maznevski, 2021).

The previous mentioned lack of common definition of diversity (or the diverse concept diversity) could be seen as part of the third explanation above or constitute a possible own explanation (authors note).

Meta-analysis of cultural diversity in teams (Stahl et al., 2010; Stahl & Maznevski, 2021) conclude the results as a “double-edged sword” or mixed blessing – cultural differences could be positively or negatively associated with the same outcome, depending on other factors. Stahl and Maznevski (2021) find it unsettling that these results (i.e., diversity is not always good) does not tend to be shared or accepted in practice. For example, McKinsey & Company (Dixon-Fyle et al., 2020 in Stahl & Maznevski, 2021), Boston Consulting Group (Lorenzo, et al., 2018 in Stahl & Maznevski, 2021), and World Economic Forum (Eswaran, 2019 in Stahl & Maznevski, 2021) all highlights the positive effects of diversity without nuance.

A common way to study diversity is by studying representation. However, focusing on representation can lead to a paradoxical tension between the values of diversity and meritocracy, and to stigmatisation and tokenism of marginalized groups (see e.g., Adamson et al., 2021; Ciuk et al., 2021; Makkonen, 2022). Konrad et al., (2021) illustrate this and mean that decision makers and decisions will always be judged based on both the outcome and the process. In leader recruitment this would mean to evaluate if the appointed leader ended up to be successful and if the recruitment process was fair and free from bias. Konrad et al., (2021) presents how both diversity and meritocracy can be achieved by ensuring integrity of process and ensuring competence in outcomes.

From diversity to inclusion – inclusion must come first

Historically research on diversity often have focused on diversity in relation to discrimination, whereas newer research focus more on inclusion (Stephan, 2020). Today diversity is often used together with the concepts Inclusion and Equity. Inclusion can be defined as: “The process of creating a culture where all members of an organization are free to make their fullest contributions to the success of the group, are where there are no unnecessary barriers to succeed” (Miller, 2021).² Miller (2021) state that diversity without inclusion fosters division, but inclusion with diversity is powerful. Miller continue “Diversity in and on itself does not necessarily lead to inclusion...” (p. 97). Moreover, Looney say that “diversity is important, but not sufficient, for enhanced team performance, it often comes down to good, inclusive leadership” (Looney, 2021, p. 66).³

In other words what Miller and Looney say is that inclusion must come first.

Meng and Neill (2021) hypothesized that inclusive leadership positively affects organization’s diversity climate. They found a very strong direct effect, as well as indirect impact.

Another reference supporting the idea that inclusion is superior is a meta-analysis of diversity climate research (Holmes et al., 2020). They conclude that diversity climate is more strongly related to outcomes when measured as inclusion climate.

Inclusive recruitment, some recommendations – awareness of bias

Leaders can become more committed to diversity management, by coming to better, more inclusive decision-making and leadership practices (Hayes et al., 2020). A recommendation on how to practice diversity management in recruitment is to: “Review and alter recruitment criteria so that the talent pipeline will not be based largely (and inappropriate) on demographic

characteristics” (Hayes et al., 2020, p. 256). Hayes et al., (2020) also discuss the importance to understand the impact of bias in decision-making (authors note cf. Kahneman et al., 2021, Noise), and the need to develop a strategy that will remove arbitrary barriers for diverse talent while ensuring the best possible candidates are given equal opportunity to succeed.

Some “take-home” messages from a training on how to improve diversity in hiring were: the need for qualified candidates in the acquisition pool; to avoid hiring if a diverse candidate is the only rational for hire; that diversity is not the same as underrepresentation; that talent and intelligence are equally distributed, but opportunity is not; and to be aware of bias (Cavanaugh & Green, 2020).

Implementing inclusion and diversity

Ciuk et al., (2021) have compiled practical tips to implement inclusion and diversity, e.g., to avoid thinking about differences in binary and static terms and awareness that it takes systematic, strategic and prolonged efforts from all. Based on the conceptualisation of diversity as separation, variety, and disparity (Harrison & Klein, 2007), and the two concepts fluidity and reciprocity they propose a two-step framework for implementing equality, diversity and inclusion. To achieve inclusion people and organisations must think differently about diversity, to view diversity in a positive light, in order to act differently, i.e., to promote reciprocal effort to leverage diversity (Ciuk et al., 2021). Ciuk et al., (2021) creates a framework where inclusion both is a process and an outcome.

This can be interpreted as awareness about diversity and the beneficial outcomes that diversity contribute to, lead to inclusive behaviours which in turn results in outcomes beneficial for diversity. Without inclusion, the crucial connections that attract diverse talent, and lead to business growth will not happen (Shebin & Rashid, 2017).

² Compare with Edmondson 1999 definition of psychological safety: “The belief that one will not be punished and humiliated for speaking up with ideas, questions, concerns, or mistakes, and the team is safe for interpersonal risk taking” (Edmondson, 1999).

³ For more on inclusive leadership see Ferdman et al. (2021) “Inclusive leadership: Transforming diverse lives, workplaces, and societies”.

Discussion and Conclusions

Implications for recruitment

Recruitment should never be based on diversity or representativeness solely. Inclusion or not in the leader acquisition pool should not be based on gender, age, ethnicity, from where the candidate have an exam or if they are part of any network. Rather on the candidates merits relevant to the success profile (cf. precisely tailored), independently whether it is the candidate's own judgement of fulfilling the requirements or if the candidate have been contacted.

The MU Diversity Analysis Report (Jonsson, 2023) shows that the gender distribution in the MU selection process in general remains at the same level throughout the process i.e., diversity was not adversely affected by the MU selection processes. A result that can be interpreted as follows:

- Diversity in the candidate pool is the key for diversity in appointments.
- If diversity is to be influenced, it ought to be influenced at the sourcing stage, i.e., in the diversity of the candidate pool (Jonsson, 2023).
- Through a strict focus on the inclusion criteria when defining the candidate search strategy and the candidate attraction message, diverse plausible candidates will be included.

This reasoning is supported by the idea of Konrad et al., (2021) that both diversity and meritocracy can be achieved by ensuring integrity in the process and ensuring competence in outcomes.

An inclusive approach free from bias and stereotyping from the beginning is key for a fair process that will lead to diversity. Inclusion of individuals through inclusive recruitment and inclusive leadership comes first, and leads to diverse teams/ organisations. A statement that, for example, is supported by a meta-analysis over 25 years diversity climate research (Holmes et al., 2020).

- In conducting recruitment MU Experts are inclusive: MU reduce subjectivity and do not shortcut or stereotype. (MU Key Values and Principles, Mercuri Urval, 2022).
- MU leaders foster a kind, inclusive and high performing team environment (MU I&D Commitment; MU Company Values, Mercuri Urval, 2023).

Conclusions

- **Inclusive behaviour is an important condition for diversity** and leads to diverse teams/ organisations. Diversity in and on itself does not necessarily lead to inclusion. Diversity without inclusion fosters division, but inclusion with diversity unifies.
- **It is essential to distinguish between surface level diversity (e.g., visible demographic such as gender and ethnicity) and deep level diversity (e.g., internal characteristics such as attitudes, values and personality, skill level)** when describing diversity. All forms of diversity are important, and 'deep diversity' should be the goal as it increases the probability of increased team performance.
- **Quotas sets a focus on representation, which stereotypes groups, and may also lead to stigmatisation and tokenism of marginalised groups.** When recruiting it is therefore important to make sure that the recruitment criteria are inclusive rather than based on demographic characteristics.
- **Diversity is important, but not sufficient, for enhanced team performance.** The effect of diversity also depends on context, situation and leadership.
- **Sustained success at work and organisational out-performance most often comes down both to effective inclusive leadership AND inclusive open and fair recruitment.**

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