EXECUTIVE SUMMARY

Research Question

What indicators exist that lead to employees feeling included? What best practices or models have been efficiently used within organizations to align these leading indicators with organizational outcomes?

Inclusion

The concept of inclusion is something that most people are familiar with. However, the term often lacks the specificity needed to address it analytically. So, before discussing how to build and measure an inclusive workplace, we will lay out a brief foundation around the *what* and *why* of inclusion. To define *what*, we have chosen to base our study around the following dimensions of inclusion[1]:

- Satisfaction of individual needs within a group
- Feelings of belongingness and uniqueness

As for *why*, studies show that inclusion improves creativity[2] and attracts talent[3]. These factors can be tied back to business success through lowered human capital costs and increased competitive advantage due to innovation and workforce excellence.

Indicators that Lead to Feelings of Inclusion

Satisfaction of Individual Needs within a Group:

- Authenticity: When a workplace culture values authenticity this permits group members to be different from one another. This also implies that group members are equally allowed to be similar.[4] This is an important distinction in a world where we are increasingly pushed toward disposable novelty.
- Authentic Leadership: Feelings of inclusion increase when employees perceive their leader as authentic.[5] This is separate and distinct from the previous indicator of authenticity, which is whether the employee feels as though they can be themselves at work.
- Trust: A climate of trust has a mediating effect on employee perception of diversity initiatives, and strongly correlates with feelings of inclusion.[6] While diversity initiatives alone only have a weak correlation with a trusting climate, when employees also feel included this correlation strengthens significantly. In addition, a climate of trust and inclusion positively impacts employee engagement.

Belongingness and Uniqueness:

- Belonging: The key distinction for this indicator is that in addition to employees feeling their authentic self is accepted, they also feel they are wanted and valued. This measure also impacts the strength of other inclusion indicators.[7]
- Equality & Inclusion Norms: A diverse and inclusive workforce culture is a valuable predictor of future feelings of inclusion.[8] While this may seem reductionist, it is worth mentioning that workplace culture norms of inclusivity strongly correlate with individual feelings of inclusion. As such, this should be kept in mind when making a hiring decisions, and when setting performance management metrics.

Aligning Leading Indicators with Organizational Outcomes

For leading indicators to maximize organizational impact, they must align with the Logic, Analytics, and Measures, and be reinforced by existing Processes (LAMP).[9] The following are some best practices that utilize advanced leading indicators within an effective framework:

LinkedIn: Incorporates the leading indicator, "belonging," within its D&I index, DIBS.[10]
- Logic: A company goal is to create an environment where everyone feels as though they belong in the company.
- Analytics: Measures are reinforced through analytics, ensuring a correlation between measures and business outcomes. For instance, LinkedIn found that belonging enhances cognitive performance.
- Measures: LinkedIn has measures in place to determine whether employees feel like they belong in their immediate and larger workgroup, via their Employee Voice Survey.
- Process: Leaders make D&I a priority and ensure action is taken on survey findings. Furthermore, measures are integrated into every aspect of the employee lifecycle, eliminating gaps.

Google: Analyzes the effect on "belonging" through measuring unconscious bias within organization.[11]
- Logic: Google desires to create an environment where every employee can thrive. One means of accomplishing this is combatting unconscious bias.
- Analytics: Used statistical analysis to determine that unconscious bias has a negative impact on an individual's sense of belonging, which can hinder their ability to seek out information.
- Measures: The employee opinion survey, Googlegeist, benchmarks whether employees feel like they are equally valued, included and whether they can be their authentic selves.
- Process: Google engages in interventions when unconscious bias is detected and measures the success of these interventions.

BAE Systems: Best in class processes to complement leading indicators.
- Process: Leverages Employee Resource Groups (ERGs) as a business partner and to serve as the employees' voice within the organization.[12]

Applying Analysis

We recommend companies leverage the leading indicators that lead to feelings of inclusion and align their use per the LAMP model. Furthermore, this should be rolled out in phases to create quick wins, building into longer-term goals, maximizing organizational impact.

Short-Term Steps:
- Leverage ERGs as the employee voice regarding company inclusion initiatives, garnering employee buy-in and insight.
- Incorporate the leading indicators of belonging and authenticity into culture surveys.

Long-Term Steps:
- Initiate YOY analysis of the inclusion data surrounding belonging and authenticity within company survey to benchmark measures across employee demographics.
- Incentivize inclusion goals at a workgroup level via performance management.

Cited References

1. Jansen W. S., Otten S. van der Zee K. I. and Jans L. (2014), Inclusion: Conceptualization and measurement, European Journal of Social Psychology. 44, 370–385 DOI: 10.1002/ejsp.2011

2. Li, C., Lin, C., Tien, Y., & Chen, C. (2017). A multilevel model of team cultural diversity and creativity: The role of climate for inclusion. The Journal Of Creative Behavior, 51(2), 163-179. doi:10.1002/jocb.93

3. Rezvani, S., (2015, Feb. 3). ""Five Trends Driving Workplace Diversity in 2015," Forbes. Retrieved October 30, 2017, from www.forbes.com/sites/work-in-progress/2015/02/03/20768/#7b393alb34c9

4. Jansen W. S., Otten S. van der Zee K. I. and Jans L. (2014), Inclusion: Conceptualization and measurement, European Journal of Social Psychology. 44, 370–385 DOI: 10.1002/ejsp.2011

5. Kenna Cottrill, Patricia Denise Lopez, Calvin C. Hoffman, (2014) "How authentic leadership and inclusion benefit organizations", Equality, Diversity and Inclusion: An International Journal, Vol. 33 Issue: 3, pp.275-292, https://doi.org/10.1108/EDI-05-2012-0041

6. Downey, S. N., van der Werff, L., Thomas, K. M. and Plaut, V. C. (2015), The role of diversity practices and inclusion in promoting trust and employee engagement. J Appl Soc Psychol, 45: 35–44. doi:10.1111/jasp.12273

7. Diversity Efforts Fall Short Unless Employees Feel That They Belong, HBR, https://hbr.org/2016/08/diversity-efforts-fall-short-unless-employees-feel-that-they-belong

8. Schwarzenthal, M., Schachner, M. K., van de Vijver, F. R., & Juang, L. P. (2017). Equal but Different: Effects of Equality/Inclusion and Cultural Pluralism on Intergroup Outcomes in Multiethnic Classrooms. Cultural Diversity And Ethnic Minority Psychology, doi:10.1037/cdp0000173

9. Cascio, W. (2015). Investing in People: Financial Impact of Human Resource Initiatives. Pearson Education.

10. McQueen, N. (2016, August 8). Diversity, Inclusion and Belonging: Measuring How Employees Experience Our Culture at LinkedIn – Part 9. Retrieved October 21, 2017, from https://www.linkedin.com/pulse/diversity-inclusion-belonging-measuring-how-employees-nina-mcqueen/.

11. Google. (n.d.). Guide: Evaluate subtle messages. Retrieved October 21, 2017, from https://rework.withgoogle.com/guides/unbiasing-evaluate-subtle-messages/steps/introduction/

12. Derven, M. (2014). Diversity and inclusion by design: best practices from six global companies. Industrial and Commercial Training, 46(2), 84-91. doi:10.1108/ict-09-2013-0063