



Universiteit  
Leiden  
The Netherlands

## **Leadership and inclusiveness in public organizations**

Ashikali, T.S.

### **Citation**

Ashikali, T. S. (2018, November 20). *Leadership and inclusiveness in public organizations*. Retrieved from <https://hdl.handle.net/1887/67116>

Version: Not Applicable (or Unknown)

License: [Licence agreement concerning inclusion of doctoral thesis in the Institutional Repository of the University of Leiden](#)

Downloaded from: <https://hdl.handle.net/1887/67116>

**Note:** To cite this publication please use the final published version (if applicable).

Cover Page



Universiteit Leiden



The handle <http://hdl.handle.net/1887/67116> holds various files of this Leiden University dissertation.

**Author:** Ashikali, T.S.

**Title:** Leadership and inclusiveness in public organizations

**Issue Date:** 2018-11-20



# Chapter I

Introduction



## I.I A diverse and changing organizational context

This dissertation studies how diversity management and leadership relate to inclusiveness in public organizations and teams, and how this subsequently affects individual employee and team outcomes. Public organizations increasingly face new and complex challenges due to globalization, international migration and increasing participation of ethnic minority groups in the labour market. Demographic and societal changes require, for instance, public organizations to respond to the more diverse needs of different stakeholders. This stresses the need to be adaptive and responsive as an organization, and also to utilize the diverse competences of public employees in order to improve public organizations' effectiveness, thereby calling for effective diversity management (OECD, 2009, 2015a, 2015b).

Within the public management literature, diversity management is introduced as having a strong link with an organization's performance (Groeneveld & Verbeek, 2012; Pitts, 2005; Selden & Selden, 2001), thereby challenging public managers to manage a diverse workforce. In particular, to be more effective, public managers' leadership needs to adapt to a changing organizational context (Chen & Velsor, 1996; Van Wart, 2003, 2013).

In addition, diversity management nowadays seems increasingly linked to inclusiveness (Bleijenbergh, Peters, & Poutsma, 2010; Kirton & Greene, 2010; Syed & Ozbilgin, 2015). Inclusiveness refers to a work environment in which employees' differences are recognized, valued and utilized (Pless & Maak, 2004; Shore et al., 2011). It also suggests moving beyond management strategies based solely on improving organizational performance, and considering also the social aspects of the work environment in which different social identities can co-exist (Bleijenbergh et al., 2010; Kirton & Greene, 2010; Syed & Ozbilgin, 2015). This is particularly important in a public sector context since it contributes to an organization's fairness and equity. This will enhance an organization's responsiveness to public interests, in effect contributing to inclusiveness in society (Selden & Selden, 2001).

Diversity is a broad concept that involves both objective and subjective differences between individuals (Van Knippenberg, De Dreu, & Homan, 2004). Ethnic-cultural diversity is particularly of interest for public organizations seeking to cope with the challenges stemming from a diversifying society. In responding, diversity management in a public sector context often addresses specific underrepresented groups such as ethnic-cultural minorities (Pitts & Jarry, 2009; Selden & Selden, 2001).

Previous research suggests that ethnic-cultural characteristics are more easily used, than less apparent differences, to assign certain social classifications to individuals and groups (Harrison, Price, Gavin, & Florey, 2002; Mayo, Van Knippenberg, Guillén, & Firfiray, 2016). This results in teams that are ethnic-culturally diverse experiencing greater team conflict, and less commitment and cohesion, which reduces their

performance (Meeussen, Otten, & Phalet, 2014; Pelled, Eisenhardt, & Xin, 1999). These processes suggest that managing ethnic-cultural diversity is a complex task for public managers.

The above discussion points towards managing diversity and inclusiveness in public organizations being a multilevel issue. It includes developing diversity management on the organizational level, concerns public managers' leadership that influences the effectiveness of diversity management and, finally, it is team processes that enable inclusiveness. Despite this, there are few studies that integrate these multilevel aspects, resulting in an inadequate understanding of how diversity management and in particular leadership affects inclusiveness in public organizations. This implies that inclusiveness in public organizations is linked to several explanatory factors and multiple outcomes. This leads to the following overall question:

***“How do diversity management and leadership affect inclusiveness in public organizations and teams, and in turn affect outcomes on the individual and team level?”***

The management of diversity is a multilevel construct that both relates to policies being implemented and leadership behaviour that to date is underexposed in the literature. In the dissertation a distinction is made between diversity management and leadership. The first refers to the policies and programmes organizations implement in order to effectively manage workforce diversity. Secondly, leadership involves the behaviours of leaders (the formal supervisors), that influence, motivate, and enable followers (i.e. employees) to contribute to the effectiveness and success of a work group or organization (Denis, Langley, & Rouleau, 2005; Yukl, 1989, 2012). This research uses transformational and inclusive leadership to examine different (perceptions of) leadership behaviours that are relevant in the context of managing workforce diversity. It is argued that besides the role of the supervisor in implementing diversity management, their leadership is important as well for the management of workforce diversity and to foster inclusiveness.

The next section presents a literature review of the state-of-the-art in terms of diversity management, leadership, inclusiveness and team processes and discusses the limitations and research gaps that are relevant for this study. After that, the research aim and questions (1.3), and the research context and design will be elaborated upon.

## **I.2 Literature review and limitations of previous research**

Driven by the changing value of diversity, and to address the double-edged sword of diversity, within both generic management literature (Groeneveld, 2015; Guillaume et al., 2014; Thomas, 1990) and public management literature (Choi & Rainey, 2010;

Groeneveld & Van de Walle, 2010; Pitts & Wise, 2010), an emphasis is placed here on managing diversity and more specifically on the role of leadership in that process. This change of focus from policies to management fits the general changes in the Human Resource Management discourse in recent years. It posits that multiple phases explain organizational performance, and thus should be identified and studied. These include intended policies, actual implementation by managers and their leadership, and employees' interpretation of and reactions to the preceding phases. This again underlines the importance of a multilevel approach in understanding organizational performance (Paauwe & Boselie, 2005; Purcell & Hutchinson, 2007; Wright & Nishii, 2012).

In particular, employees' perceptions are a crucial factor since their perceptions of organizational investments and their work environment affect their attitudes and behaviour, and thus their performance. A social exchange perspective posits that an actor's voluntary actions are based on the expected return from others. The interaction between actors establishes an exchange relationship in which the need to reciprocate and return benefits is considered to be the mechanism that starts social interaction (Blau, 1964; Cropanzano & Mitchell, 2005). Social exchange theory emphasizes social outcomes, such as trust and commitment, rather than monetary outcomes that result from an economic exchange. This perspective thus explains the relationship between an organization's investments in HR and employees' positive work attitudes and behaviour by the costs and benefits for both employer and employee that stimulate them to develop a long-term relationship (Gould-Williams, 2007; Gould-Williams & Davies, 2005).

A social exchange perspective further promotes the idea that the relationship between an organization, or its representatives such as supervisors, and its employees is built on the exchange of effort and loyalty for benefits such as support and recognition (Blau, 1964; Cropanzano & Mitchell, 2005; Van Knippenberg, Van Dick, & Tavares, 2007). The quality of the exchange determines employees' organizational commitment, satisfaction and performance. Since diversity management aims to create a work environment that takes account of employees' differences, diversity management can be viewed as an investment by the organization in its employees. This should foster employee perceptions of organizational support, in turn eliciting positive work attitudes and behaviours that are beneficial for achieving organizational goals (Cropanzano & Mitchell, 2005; Gould-Williams & Davies, 2005). It emphasizes that, rather than an economic exchange based on business arguments, diversity management involves a social exchange and relates to creating a social environment that is inclusive of differences. It involves the development of a social context in which individuals feel they belong, while having the opportunity to maintain unique identities.

The extent to which employees actually experience openness towards, and the valuing of, differences can be understood using social identity and optimal distinctiveness theories. Social identity theory explains the relationship between social structures and individual identities through the meaning that individuals ascribe to their membership

of certain identity groups (Ashforth & Mael, 1989; Brewer, 2010; Mor Barak et al., 2016; Turner, 1975; Williams & O'Reilly III, 1998). More specifically, it involves individuals categorizing themselves, and others, into social categories and then estimating the extent to which they and others fit in a certain group. The theory posits that individuals have an intrinsic desire to belong to groups that elicit a positive and distinct identity (Hogg, Abrams, & Brewer, 2017; Mor Barak et al., 2016). This may in turn result in excluding those who are perceived to be different, by individuals that belong to a group with such positive features (e.g. social status).

While social identity theory emphasizes processes towards forming a collective identity as a group, the optimal distinctiveness theory posits that individuals simultaneously seek individuation (Brewer, 1991; Hogg et al., 2017). According to this framework, individuals simultaneously seek similarities with others while feeling the need for uniqueness. It includes people feeling the need to remain true to their authentic selves while also feeling treated as a valued member of the group (Jansen, Otten, Van der Zee, & Jans, 2014; Mor Barak et al., 2016; Shore et al., 2011). The extent to which inclusion is achieved thus depends on finding a balance between a collective identity and differentiation from the group (Brewer, 1991; Mor Barak et al., 2016; Shore et al., 2011).

Social identities result from a wide variety of factors, of which ethnicity or cultural heritage is an important one. Ethnic-cultural diversity refers to individuals that are from socially distinct groups in society. Their identity is associated with visible physical, biological and stylistic features, or with less visible norms and values (Cox, 1993; Ely & Thomas, 2001). Given this situation, ethnic-cultural diversity could be more salient than less visible differences (Mayo et al., 2016). The challenge of forming a social identity, while also being distinctive, could therefore be more important for employees from different ethnic-cultural backgrounds than for those with less visible differences.

The processes explained above are more likely to manifest themselves on the team level. For instance, team research shows that, based on the interactions within a team, a team develops shared meanings and values related to their work environment, leadership, team processes and team outcomes (Zaccaro & Klimoski, 2002). In order to understand how processes of social identity and optimal distinctiveness affect team members' attitudes and behaviours, it is thus necessary to study how leadership affects these processes and inclusiveness at the team level. To date, however, public management studies predominantly focus on individual employees' perceptions of inclusion. Combining the theoretical perspectives discussed above thus leads to the question of how diversity management, leadership and team processes impact on inclusiveness in public organizations. In the subsections below, these key concepts for this study are discussed in more detail.

### I.2.I Diversity management

The concept of diversity management was first introduced in the United States by Roosevelt Thomas (1990) who advocated moving beyond affirmative action and equal employment opportunity initiatives to a more economic rationale for diversity, in which diversity is seen as a resource that is beneficial for an organization's performance. In contrast to affirmative action and equal employment opportunities, which focused on specific groups based on visible differences such as gender, race or ethnic-cultural background and age, diversity management would embrace both visible and non-visible differences.

Diversity management can be seen as an umbrella concept referring to policies and interventions developed and implemented for the *effective* management of a diverse workforce (Groeneveld, 2015). Accordingly, diversity management is often placed within the remit of Human Resource Management and primarily seen as the responsibility of HR professionals (Kulik, 2014). Diversity management is motivated from a business case perspective, implying that diversity can contribute to organizational outcomes if managed effectively (Wise & Tschirhart, 2000; Kochan et al., 2003; Herring, 2009; Kirton & Greene, 2010). As a result, diversity management is often defined as an instrumental approach to diversity. It is intended to make use of diverse employee resources that are needed to cope with an organization's complex environments and improve its performance (Pitts, Hicklin, Hawes, & Melton, 2010; Pitts & Wise, 2010).

Implementing diversity management in public organizations fits with the new public management (NPM) reform trend of the 1990s, in which public organizations adopted business management approaches. Among other developments, NPM led to Human Resource Management overhauling traditional paternalistic personnel systems, resulting in public organizations that viewed employees as a resource that could, when effectively managed, contribute to the organization's performance and strategic advantage (Boyne, Jenkins, & Poole, 1999; Groeneveld & Van de Walle, 2010; Steijn, Groeneveld, & Van der Parre, 2010).

Even though the business case for diversity is presumed to be the main driver for diversity management, multiple values have a role in public organizations (Jørgensen & Bozeman, 2007; Van der Wal, De Graaf & Lasthuizen, 2008; Van der Wal, Nabatchi & De Graaf, 2015). For example, advancing the social equity of minorities through fair and equal opportunities is a fundamental value within public organizations (Ricucci, 2002, 2009). This includes combatting discrimination against minorities and tackling inequalities in procedures and systems that hinder the advancement of minorities' representation and participation in public organizations and society at large (Jørgensen & Bozeman, 2007; Ricucci, 2009). As such, public organizations are inclined to act as model employers, striving to be fair and equal for all individuals (Groeneveld & Verbeek, 2012; Pitts et al., 2010). This underlines that both business-based and social

justice arguments are relevant to diversity management in a public context (McDougall, 1996).

The above motives can be further understood through a typology of three diversity perspectives developed by Ely and Thomas (2001). The first is referred to as a *discrimination and fairness* perspective, which involves moral-legal arguments for creating equal and fair opportunities for every minority in society and eliminating discrimination of these groups. The second, an *access and legitimacy* perspective, involves diversity as an instrument to reach diverse markets, clients and citizens. Finally, there is the *integration and learning* perspective in which learning from differences and using this to change and renew work processes is central (Ely & Thomas, 2001). These perspectives influence how organizations develop, design and implement their diversity management policies and programmes, and how managers manage their employees on the work floor. Both the access and legitimacy (A&L) and integration and learning (I&L) perspectives reflect the business case arguments for diversity, while the discrimination and fairness (D&F) perspective consists of social justice case arguments. These perspectives are not mutually exclusive and can co-exist in the rationale for diversity management, in particular for public organizations (Groeneveld & Van de Walle, 2010).

Diversity management thus aims to affect multiple outcomes, such as by ensuring equality and fairness, as well as valuing diversity on business case arguments (Choi & Rainey, 2010, 2014; Kellough & Naff, 2004; Pitts et al., 2010). Diversity management is also presumed to support inclusiveness in organizations, which supports the view that diversity management is not only based on an economic rationale of improving performance, and support the necessary social conditions for recognizing and valuing diversity (Avery & McKay, 2010; Bleijenbergh et al., 2010; Kirton & Greene, 2010). It involves changing work processes to value and make use of different perspectives, creating an inclusive culture that commits diverse workers to the organization's aims of contributing to both economic and social values (Selden and Selden, 2001).

### 1.2.2 Inclusiveness

Diversity management is expected to positively affect the inclusiveness in public organizations. Inclusiveness refers to recognizing, valuing and utilizing differences while, at the same time, treating each individual as an appreciated organizational member (Dwertmann, Nishii, & Van Knippenberg, 2016; Mor Barak et al., 2016; Pless & Maak, 2004; Shore et al., 2011). Inclusion is distinct from diversity. Diversity involves all the objective and subjective characteristics on which people may perceive an individual or a group to be different to themselves (Van Knippenberg et al., 2004; Roberson, 2006). Inclusion, is about fulfilling needs for uniqueness while, at the same time, fulfilling needs for belongingness through seeking interpersonal similarities (Brewer, 1991; Shore et al., 2011; Hogg et al., 2017).

Various management strategies can be contemplated that could achieve both diversity and inclusion (Brimhall et al., 2017; Jansen, Otten, & Van der Zee, 2015; Sabharwal, 2014). In regard of the latter, this involves creating a social climate in which the negative effects of social categorization are reduced with all employees being treated as full organizational members (Dwertmann et al., 2016; Ferdman, 2017; Mor Barak et al., 2016; Nishii, 2013; Pless & Maak, 2004; Syed & Ozbilgin, 2015). As Ferdman (2017) puts it:

*“Inclusion is an active process in which individuals, groups, organizations, and societies – rather than seeking to foster homogeneity – view and approach diversity as a valued resource. In an inclusive [organization], we value ourselves and others because of and despite our differences (or similarities); everyone [...] should be empowered as a full participant and contributor who feels and is connected to the larger collective without having to give up individual uniqueness, cherished identities, or vital qualities.”* (Ferdman, 2017)

Inclusiveness thus involves enabling employees to feel part of the group while, at the same time, supporting them in retaining their unique identities. Feelings of inclusion can result in improved self-esteem and, consequently, in positive individual outcomes (Leslie, Mayer & Kravitz, 2014). Inclusiveness in public organizations may thus boost individual employees’ commitment and organizational citizenship behaviour. It can also have a positive effect on team outcomes since greater inclusiveness at the team level would mean that all the team members’ unique features are valued and considered in decision-making, in turn contributing to improved policy outcomes for society (Selden & Selden, 2001; Andrews & Ashworth, 2015). Further, it relates to public organizations’ social responsibility to be responsive to a diversifying society and to have a positive impact on the inclusiveness in society.

In order to achieve inclusiveness, the processes of belongingness and of distinctiveness both need to be managed. One can question to what extent diversity management developed on the organizational level is effective in terms of having an impact on processes that occur on the team level. In adopting a multilevel approach, the team leader is seen as more likely to influence employees’ attitudes and behaviour (Purcell & Hutchinson, 2007; Wright & Nishii, 2012), and thus their experienced inclusiveness. Since supporting inclusiveness is a process that is particularly salient within teams (Shore et al., 2011), it is argued that the effectiveness of diversity management is contingent on the team’s leadership. The role of leadership is further discussed in the next section.

### 1.2.3 Leadership

Supervisors are in direct contact with employees and are increasingly responsible for implementing policies (Bowen & Ostroff, 2004; Purcell & Hutchinson, 2007; Wright

& Nishii, 2012), and it is therefore crucial to take their leadership into account in studies on diversity and inclusion in organizations. Although the role of leadership is emphasized in public management literature (Ingraham, Joyce & Donahue, 2003; Meier & O'Toole, 2002; O'Toole & Meier, 2015; Rainey, 2014), there are few studies that examine leadership in relation to diversity management and inclusiveness in either the public management or the generic management literature. As such, there is limited understanding of how leadership is related to inclusiveness in public organizations. More specifically, the mechanisms through which leadership might foster inclusiveness in public organizations need to be examined more rigorously.

Of several leadership styles, transformational leadership is seen as an effective leadership style to boost diversity processes since it aims to elevate individuals needs and goals to collective goals by developing a shared group identity (Kearney & Gebert, 2009; Van Knippenberg & Van Ginkel, 2010; Chrobot-Mason et al., 2014; Guillaume et al., 2014, 2017; Chrobot-Mason et al., 2016). Other studies have considered leader-member exchange relationships as a way to explain a leader's inclusive behaviours (Nishii & Mayer, 2009; Dwertmann & Boehm, 2016). This in effect refers to a social exchange mechanism as the starting point for social interaction. Others refer to leadership behaviours aimed at including different employee voices in team processes (Nembhard & Edmondson, 2006; Mitchell et al., 2015).

While these studies provide meaningful insights into the impact of leadership on employees' commitment and extra-role behaviours, such as organizational citizenship behaviour, they have predominantly been carried out in private (for profit) organizations. To what extent these findings are applicable in a public context is open to question. There is a broad consensus of the differences between public and private sector organizations (for a review see Boyne, 2002; Rainey & Chun, 2007), and also related differences in leadership styles and their effects (Andersen, 2010; Hansen & Villadsen, 2010; Trottier, Van Wart, & Wang, 2008). For instance, when comparing public and private managers, Hansen and Villadsen (2010) show that participative leadership, rather than directive leadership, is more common in a public sector context. This entails public managers involving and engaging their employees in fulfilling their tasks. In similar reasoning, it could be argued that public managers are more inclined to support inclusiveness since this would enable diverse employees to participate. This in turn would contribute to achieving the previously mentioned public values such as equity and fairness. Since the meanings attached to diversity and inclusiveness are different in the public sector, the relationship between leadership and inclusiveness is also likely to differ.

Previous studies have argued that an inclusive leadership style is required to establish an inclusive work environment (Nembhard & Edmondson, 2006; Mitchell et al., 2015). These studies have, however, focussed on leaders' attitudes towards giving team members a voice in the specific context of medical teams. Further, the existing literature does not specify which inclusive leadership behaviours are promising in balancing the

needs for belongingness and for uniqueness of individuals in relation to their team. This dissertation therefore delves deeper into the conceptualization of inclusive leadership.

To date, leadership studies in public management have predominantly focused on dyads, and on leader-member exchanges (Knies, Jacobsen & Tummers, 2016; Ospina, 2017; Tummers & Knies, 2013), and do not provide a sufficient understanding of how leadership affects team processes and team outcomes. Since inclusiveness is both about individuals and the extent to which they feel they belong in the team, leadership should explicitly also consider team processes that enable inclusiveness. The relevance of studying individuals and teams is discussed in the next section.

### 1.2.4 Team processes

As already explained, this dissertation examines inclusiveness both on the organizational level, through individual employees' perceptions, and on the team level through team members' collective experiences of inclusiveness. Understanding team processes, and how leadership may affect these processes, is relevant for any contemporary organization, but in particular for public organizations (Rainey, 2014). Inclusiveness in organizations could result from an accumulation of individual and team level factors, indicating the need to adopt a multilevel perspective (Coleman, 1990), to fully grasp the relationship between leadership and inclusiveness in public organizations.

Within the general management literature, considerable attention is given to understanding the antecedents of self-managing work teams, such as the team's composition, processes and climate (Zaccaro and Klimoski, 2002; Procter and Currie, 2004) and, more specifically, diversity and inclusion (De Cooman et al., 2016; Dwertmann et al., 2016; Mayo et al., 2016). In the public management literature, the study of teamwork is less prevalent (Gould-Williams & Gatenby, 2010; Groeneveld & Kuipers, 2014; Van der Hoek, Groeneveld, & Kuipers, 2016), in particular in association with team diversity, team leadership and inclusiveness in public organizations.

Text box 1 below provides the views of a team leader of the current study regarding the complexities in managing team diversity. In his everyday task of managing his team, he experiences difficulties in actively emphasizing team diversity. If he underlines the value of having ethnic-cultural diversity in his team members, he experiences greater conflict and less cooperation among team members. This illustrates the potential issue of imbalance between uniqueness and belongingness. It also indicates that it is not only individual perceptions of the abovementioned themes that are important, but also team composition, how team processes are experienced and the extent to which leadership might affect these factors. These team leader experiences show that there is need for leadership that fosters belongingness while also supporting uniqueness at the team level. This dissertation therefore examines team level as well.

*“To be honest, I don’t want to actively address the diversity in my team since it would emphasize possible differences among team members. These differences may become salient and result in them categorizing each other, in less cooperation and maybe even in conflict among team members. At the same time, I do want to make sure everyone has the opportunity to contribute to the team process and outcomes. But how can I do this without discriminating between team members, and how can I treat every team member equally?”* (Team leader, Dutch municipality, personal communication, 8 December 2016).

**Text box 1: A public manager’s challenges in addressing team diversity**

### **I.3 Research aim and questions**

The brief review of the literature in the previous section identifies several underexplored objects in the study of inclusiveness that will be addressed in this dissertation. It contributes to the literature, by examining how diversity management results in inclusiveness, the role of leadership in that relation, and how this subsequently result in outcomes on the individual and team level. This dissertation, based on social exchange, social identity and optimal distinctiveness perspectives, aims to explain how diversity management and leadership affect inclusiveness within public organizations while considering both individual and team level outcomes. The overall research question of this dissertation is formulated as follows:

***“How do diversity management and leadership affect inclusiveness in public organizations and teams, and in turn affect outcomes on the individual and team level?”***

The empirical chapters (2 to 6) that follow will provide a comprehensive understanding of how inclusiveness is affected by diversity management and leadership. These insights are relevant additions to the public management literature, especially since the mechanisms that explain inclusiveness have so far been underexposed. Figure 1.1 presents the overall research model used in this dissertation and shows how a multilevel approach is applied in examining how inclusiveness can be achieved.

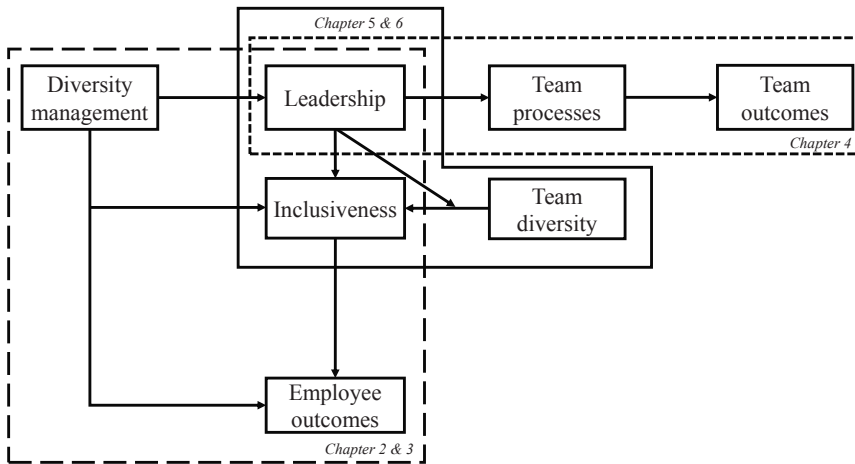


Figure 1.1: Research model

The sub-question addressed in Chapter 2 is: *“to what extent do diversity management outcomes differ across employees with different socio-demographic backgrounds?”* Chapter 2 examines if, and how, the relationships among diversity management, inclusive culture, and employees’ attitudes and behaviours vary across employees with different socio-demographic characteristics. This study contributes to the overall aim of this dissertation by addressing the link between diversity management and inclusiveness through a social exchange perspective. The hypothesis being tested is that diversity management, if perceived as supportive of all employees, will positively impact on the inclusiveness of the organizational culture.

Diversity management is expected to impact on inclusiveness, in turn affecting employees’ affective commitment and organizational citizenship behaviour (OCB). From a social exchange perspective, diversity management could be interpreted as an organization’s support of, or investment in, all its employees. By embracing the value of diversity, diversity management signals to employees that their uniqueness is an asset in achieving greater organizational performance (Choi & Rainey, 2014; Groeneveld & Van de Walle, 2010; Pitts, 2009; Thomas, 1990). As a result of perceiving this organizational support, it is argued that all employees, despite their different socio-demographic backgrounds, will experience inclusiveness. Subsequently, all employees will reciprocate by showing greater affective commitment towards the organization, as well as OCB.

However, diversity management can also be perceived as primarily supporting minority employees. This could be the result of the multiple conflicting values that can underpin diversity management in public sector organizations where diversity management is often associated with affirmative action plans and equal employment policies (Groeneveld & Verbeek, 2012; McDougall, 1996; Tatli, 2011). This could result in a backlash from those not benefiting, and feelings of being less competent by

those in the target groups. As a consequence of having different perceptions of diversity management, certain groups of employees may not experience a social exchange relation with their organization. As such, diversity management could have a negative impact on employees' affective commitment and OCB through its negative impact on inclusiveness.

After establishing the link between diversity management, inclusiveness and employees' commitment and involvement in chapter 2, chapter 3 addresses the question *“how is diversity management linked to employees' affective commitment through the mediating effects of transformational leadership and inclusiveness?”* Here, chapter 3 aims to examine the mediating role of transformational leadership and inclusiveness in the link between diversity management and employees' affective commitment. As in the previous chapter, hypotheses are derived from a social exchange perspective to explain the positive link between diversity management and its effect on inclusiveness and employees' commitment.

Previous research has suggested that transformational leadership fits fit well with managing diversity (Kearney & Gebert, 2009; Van Knippenberg & Van Ginkel, 2010; Chrobot-Mason et al., 2014; Chrobot-Mason et al., 2016). Chapter 3 therefore starts by examining whether transformational leadership can explain the link between diversity management and inclusiveness, and subsequently impact on public employees' affective commitment.

In the leadership literature, transformational leadership is defined as aiming for a relationship with followers that goes beyond mere transactions. It aims to develop social identification among followers, thereby boosting the involvement and commitment of employees, in order to achieve collective goals (Avolio, Bass, & Jung, 1999; Bass & Riggio, 2006; Bass, Avolio, Jung, & Berson, 2003). Since previous research has shown transformational leadership to be effective in changing organizational culture (Bass & Avolio, 1993; Sarros, Cooper, & Santora, 2008; Zohar & Tenne-Gazit, 2008), we expect transformational leadership to have a positive impact on the inclusiveness of the organizational culture.

Furthermore, transformational leadership is claimed to maximize diversity outcomes through individualized consideration and intellectual stimulation. At the same time, transformational leadership, by heightening collective team identification, reduces the likelihood of negative affective responses to diversity (Kearney & Gebert, 2009; Chrobot-Mason et al., 2016). As a result, transformational leadership will support the positive effects of diversity management on inclusive culture and on employees' affective commitment.

The fourth chapter builds further on the previous chapter and unpacks the effect of transformational leadership on team processes and outcomes. It examines the question: *“to what extent do team leaders' perceptions of team diversity moderate the effect*

*of transformational leadership on team processes and outcomes?”* There is currently little understanding of if, and how, a leader’s perceptions of team diversity moderate the link between transformational leadership and team processes. Transformational leadership, for instance, values team members’ uniqueness through seeking out different perspectives and offering individualized support (Bass et al., 2003). At the same time, one might expect transformational leadership to be successful in supporting team members’ feelings of belongingness through strengthening a collective team identity (Kearney & Gebert, 2009). By doing so, transformational leadership is expected to affect the team’s cognitive and affective team processes by stimulating information elaboration and supporting the team’s cohesion (Van Knippenberg & Van Ginkel, 2010). These processes are further identified as necessary for achieving engaged teams.

Based on studies reported in the management literature (Greer et al., 2012; Kunze, Boehm & Bruch, 2013), we expect leaders that apply a transformational leadership style to be successful in envisioning certain beliefs and transforming team members such that they adhere to a collective identity and shared goals. However, if these leaders have strong perceptions of team diversity (i.e. a strong categorization saliency), the might accentuate differences in the team, which might then negatively affect team members’ attitudes and behaviours.

Chapter 5 addresses the question: *“what does inclusive leadership entail and how can this be developed into a measurement instrument?”* Notwithstanding the expected positive effects of transformational leadership, there are some studies that indicate that transformational leadership is insufficient for balancing belongingness and uniqueness in order to achieving inclusiveness. The perceived risk is that transformational leaders emphasize achieving shared goals through developing a collective identity, and that this might result in individual needs for uniqueness being disregarded (Chrobot-Mason et al., 2016; Randel, Dean, Holcombe Ehrhart, Chung, & Shore, 2016; Randel et al., 2017). These findings call for the development of a measurement tool for inclusive leadership and its empirical validation.

To gain additional conceptual, as well as methodological, insights into inclusive leadership behaviours, chapter 5 conceptualizes and develops a measurement instrument for inclusive leadership. In defining inclusive leadership, a theoretically grounded approach is used that identifies both cognitive and affective dimensions of inclusive leadership. For this conceptualization, social identity and optimal distinctiveness theories are used to determine the form of leadership that is required to facilitate the satisfaction of needs for uniqueness and belongingness (Randel et al., 2017; Shore et al., 2011). Adopting information/decision-making and categorization perspectives (Van Knippenberg et al., 2004; Van Knippenberg & Van Ginkel, 2010), leadership behaviours are identified that can stimulate the elaboration of different perspectives among team members, as well as supporting the participation of all team members.

Chapter 6 builds further on the construct of inclusive leadership developed in the previous chapter. This chapter aims to identify the mechanism through which team diversity affects inclusiveness and how inclusive leadership would moderate this relationship through addressing the question: ***“to what extent does inclusive leadership moderate the relationship between team diversity and inclusive climate?”*** Inclusive leadership is expected to moderate team diversity processes that affect team members’ experienced inclusiveness. Through managing those cognitive processes that enable the utilization of team members’ diverse strengths, and through facilitating affective processes to include all team members in the team’s decision-making processes, inclusive leadership is argued to moderate the link between a team’s ethnic-cultural diversity and its inclusive climate.

Since team diversity can result in both negative and positive outcomes, we expect both a positive and a negative relationship between team ethnic-cultural diversity and inclusive climate. First, an information decision-making perspective sees a team’s diversity as a resource of different perspectives, ideas and experiences (Van Knippenberg et al., 2004; Van Knippenberg & Van Ginkel, 2010). In making use of these resources, integrating and learning from differences is vital (Ely & Thomas, 2001), resulting in a positive relationship between team ethnic-cultural diversity and inclusive climate.

Second, it is hypothesized that greater team ethnic-diversity could result in a deterioration of the inclusive climate. A social identity perspective posits processes in which team members assess similarities and differences relative to themselves and team members (Ashforth & Mael, 1989; Brewer, 2010; Mor Barak et al., 2016; Turner, 1975; Williams & O’Reilly III, 1998). This could result in the formation of sub-groups that exclude those who are perceived to be different (Hogg et al., 2017; Mor Barak et al., 2016). In highly diverse groups, such processes might dominate, leading to a less inclusive climate in such teams.

The above processes indicate that team diversity might result in either positive or negative outcomes. Inclusive leadership is argued to support the positive processes and mitigate possible negative processes. This is achieved through facilitating the participation of all team members, and stimulating the exchange and contribution of different perspectives that could contribute to meeting team members’ needs for uniqueness and belongingness.

## **I.4 Research context and design**

In this section, the research context of the dissertation is introduced. Followed by an explanation of the research design used in the empirical chapters.

### I.4.I Context

The Netherlands has a long history of being a ‘multicultural society’ as a consequence of migration from former colonies including Indonesia and Surinam, as well as labour migration and family reunifications, most notably from South-European countries, Turkey and Morocco (SER, 2014). This has resulted in demographic changes in society, and an increased participation by these groups in the Dutch labour market. This has resulted in increased diversity within Dutch public organizations, and led to increased attention on how to manage this workforce diversity effectively. More recently, 2015 saw a significant increase in the number of immigrants with different ethnic-cultural backgrounds registered in Dutch municipalities. An additional 20,000 immigrants were registered compared to the previous year, bringing the total to 203,000. The influx of migrants is partly explained by the recent refugee crisis, but also a greater flow of labour migrants from Eastern European and Asian countries (CBS, 2016).

The above developments are significant for public organizations. The Dutch public sector covers various sectors on multiple levels and with different functions. The public administration system consists of the central government, provincial and municipal administrative tiers, plus the judiciary and water authorities. Further, there is an education and science sector including primary education, secondary education, vocational education, higher education, research institutes and academic medical centres. Finally, there is a safety sector made up of the defence and police forces. In total, these sectors employ nearly one million people (Ministry of the Interior and Kingdom Relations, 2016; Van der Meer & Dijkstra, 2017).

Diversity management in Dutch public organizations predominantly focuses on visible diversity characteristics such as gender, ethnic-cultural origin and age. It is seen as important that public organizations are recognized by diverse groups in society. Particularly with regard to cultural diversity, it is also referred to as a resource that can be used to improve decision making and solutions (Rijksoverheid, 2016). Dutch public organizations have a long history of implementing strategies to integrate and improve ethnic-cultural minorities’ participation in the labour market and to increase their representation in organizations (Groeneveld & Verbeek, 2012) and continue to monitor their representation in government organizations (Ministry of the Interior and Kingdom Relations, 2017).

The Dutch definition of an ethnic minority is based on Dutch immigration policies, in which ethnic minorities are defined by their social position in society (Verbeek & Groeneveld, 2012). In doing so, ethnic minorities are distinguished based on being first-generation migrants or with at least one parent was born abroad. The latter is further refined into ‘western’ and ‘non-western’ countries. A native Dutch person is someone whose parents were both born in the Netherlands. Ethnic minorities thus comprise non-native Dutch individuals with at least one parent born outside the Netherlands. In this group of non-native Dutch people there are those originating from

a country in Africa, South America or Asia (excl. Indonesia and Japan) or Turkey (non-western) and those originating from a country in Europe (excl. Turkey), North America or Oceania or from Indonesia or Japan (western).

Table 1.1 includes some descriptive statistics the shows the representation of ethnic minorities in the public sector relative to their participation in the wider labour market. From this, it can be deduced that unemployment rates are relatively high for ethnic minorities compared to natives. Furthermore, their representation in the various public sectors is even lower than in the overall labour market.

**Table 1.1: Descriptive statistics on representation of ethnic minorities in 2016**

	Total	Native Dutch	Non-native Dutch (western)	Non-native Dutch (non-western)
Dutch population <sup>a</sup>	16,829,289	78,6%	9,5%	11,9%
Dutch labour market <sup>a</sup>	8,874,000	79,7%	9,6%	10,5%
Public administration <sup>b</sup>	289,336	87%	8%	5%
Education and Science <sup>b</sup>	509,130	81%	12%	7%
Safety <sup>b</sup>	123,426	88%	7%	5%

<sup>a</sup> Derived from data from the Dutch central bureau of statistics (CBS)

<sup>b</sup> Derived from 'the Dutch Databank of public administration'

## 1.4.2 Research design

In order to answer the previously discussed research questions, hypotheses are developed based on several theoretical frameworks concerning the relationships among diversity management, leadership, team processes and inclusiveness in public organizations. The first two empirical chapters are based on a large-*n* design study at the individual employee level. This enabled us to reach a representative sample of public sector employees for testing hypotheses derived from a social exchange perspective.

In chapter 2, data from an online survey administered by the Dutch Ministry of Interior and Kingdom Relations in 2013 were used. The chapter focuses on a sample of 664 public sector employees working in central government to explore and test employees' perceptions of diversity management and its link to inclusiveness, and to employees' affective commitment and organizational citizenship behaviour. This included investigating to what extent these associations differ across employees with various socio-demographic backgrounds. Structural equation modelling with multiple group analyses was used to test the proposed hypotheses.

To further explain the links among diversity management, inclusiveness and employees' commitment, chapter 3 drew on an even larger sample of 10,976 public employees derived from an online survey administered by the Dutch Ministry of Interior and Kingdom Relations in 2011. The survey data were used to examine employees'

perceptions of diversity management and the mediating roles of transformational leadership, inclusive culture and affective commitment. Structural equation modelling was again used to test the proposed hypotheses on the mediating effect of transformational leadership.

In order to test assumptions derived from the social identity and optimal distinctiveness perspectives, the succeeding chapters involved team-level analyses. Switching to this level of analysis enabled an examination of the relationship among leadership, team processes, team outcomes and inclusiveness. In chapter 4, a team study was conducted as part of a larger research project on work teams in the Dutch public sector in 2013 and 2014 (Groeneveld & Kuipers, 2014). This had a sample of 128 teams working in a range of Dutch public sector organizations. An advantage of such a design is that it uses multisource data and the possibility to link team leaders to their team members. Accordingly, team members' perceptions and experiences were used to assess transformational leadership, team processes and team engagement. Team leader data were used to evaluate the leaders' perceptions of team diversity. The proposed hypotheses were tested using structural equation modelling with multiple group analyses.

A further team study was conducted in 2016 among four Dutch public sector organizations that surveyed both team leaders and their team members. Chapter 5 uses data on the individual level (a sample of 304 team members) to test the developed inclusive leadership scale. In chapter 6, the same data are aggregated to the team level, resulting in a sample of 45 teams, to examine the moderating role of inclusive leadership in the effect of team diversity on inclusive climate. The proposed hypotheses were tested using structural equation modelling. A team diversity index and team members' perceptions and experiences of inclusive leadership and inclusive climate were used in the analyses.

This dissertation draws on employees' and leaders' perceptions of diversity management, inclusiveness, leadership and team processes. Previous research has shown that perceptions of management and leadership are crucial for understanding their effect on employee outcomes (Becker, Huselid, Pickus & Spratt, 1997; Jacobsen & Andersen, 2015; Paauwe & Boselie, 2005; Wright & Nishii, 2012). Surveys are therefore a favoured method when studying perceptions of employees and leaders (George & Pandey, 2017). Given that perceptions are fundamental to behaviour (James & James, 1989; Maitlis, 2005; Wright & Nishii, 2012), the designs used in the empirical chapters were appropriate data collection methods for examining employees' experiences and perceptions of organizational inclusiveness (George & Pandey, 2017).

Appendix A1 provides an overview of the data used in the empirical chapters. The empirical studies are presented in chapters 2 to 6. Finally, in chapter 7, the main conclusions are drawn, followed by a discussion and suggestions for future research, a methodological reflection and a summary of the practical contributions made.

