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Leadership and inclusiveness in public organizations

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Chapter 7

Conclusion and
discussion

7.1 Introduction

The extent to which diversity management and leadership affect inclusiveness in public organizations is dependent on multiple factors that operate on various levels. This dissertation built on the mainstream literature on diversity management in public organizations and subsequently delved deeper into the mechanisms required to support inclusiveness and positive employee outcomes in public organizations. It further examined the role of leadership, as a necessary condition, in the realization of inclusiveness and positive employee outcomes. Moreover, by taking a team perspective, this dissertation also addressed team processes that are fundamental to achieving inclusiveness in organizations.

In studying the above aspects in detail, this dissertation has integrated several insights on multiple levels to answer the 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?”***

This concluding chapter first, in section 7.2, presents the conclusions from the various empirical studies. Then, in section 7.3 the overall conclusion is drawn and the main research question answered. Section 7.4 discusses the theoretical and empirical contributions to the literature, provides methodological reflections and recommendations for future research. The chapter and the thesis then close with the practical implications of the research in section 7.5.

7.2 Summary of the empirical studies

In this section, the sub-questions established at the start of the research will be answered that lead to answering the main research question in section 7.3.

Chapter 2 focused on the question ***“to what extent do diversity management outcomes differ across employees with different socio-demographic backgrounds?”*** The study, based on a sample of 4,331 central government employees, revealed that diversity management has a positive impact on employees’ experiences of inclusiveness and subsequently results in higher affective commitment and organizational citizenship behaviour of employees. Contrary to what was hypothesized based on a social exchange perspective, this positive effect holds for all employees whatever their socio-demographic backgrounds, and not only for minority employees. This means that diversity management can help in valuing the uniqueness of employees as an asset for achieving greater organizational performance (Choi & Rainey, 2014; Groeneveld & Van de Walle, 2010; Pitts, 2009; Thomas, 1990). At the same time, by supporting the necessary social conditions for recognizing and valuing diversity (Avery & McKay, 2010; Bleijenbergh

et al., 2010), the value of diversity management goes beyond the economic rationale of improving performance by also fostering inclusiveness.

Chapter 3 answered the question: ***“how is diversity management linked to employees’ affective commitment through the mediating effects of transformational leadership and inclusiveness?”*** Having established in chapter 2 that diversity management delivers a sense of inclusiveness for all employees, in turn triggering their commitment and involvement, chapter 3 extends this to a broader range of public organizations to further explain the above outcomes by incorporating the role of leadership. This study, based on a sample of 10,976 Dutch public sector employees, supported the previously identified positive impact of diversity management on inclusiveness and subsequently on employees’ commitment.

Moreover, we found that transformational leadership has an explanatory role in that relationship. In other words, through its ability to transform individuals into a collective identity, transformational leadership supports the positive effects of diversity management (Chrobot-Mason et al., 2016; Kearney & Gebert, 2009). The extent to which diversity management achieves its intended outcomes is thus dependent on several explanatory variables. This fits the discourse in contemporary HR literature which underlines the role of leadership and employees’ perceptions (Purcell & Hutchinson, 2007; Wright & Nishii, 2012). It underlines the key role that supervisors play as representatives of the organization and thus in determining employees’ perceptions of organizational support. This is essential for employees to experience inclusiveness and their reactions thereupon.

Chapter 4 focused on the question: ***“to what extent do team leaders’ perceptions of team diversity moderate the effect of transformational leadership on team processes and outcomes?”*** It builds on the previous chapter’s finding that transformational leadership boosts the positive effects of diversity management. To further explain the role of leadership, this chapter shows that leaders’ perceptions of team diversity influence the impact of transformational leadership on team processes and team engagement. The study undertaken, based on 128 teams, revealed that a leader’s perception indeed affects the positive impact of transformational leadership on their team’s cognitive and affective processes that result in team engagement. The findings show that transformational leadership only affects information elaboration (a cognitive process) through supporting team cohesion (an affective process) when the leader perceives their team to be demographically diverse. This indicates that leaders who perceive their team as demographically diverse use transformational leadership to emphasize the team’s cohesion in order to stimulate cognitive processes. This finding fits with the proposed mechanisms identified in the Categorization-Elaboration Model (Van Knippenberg et al., 2004; Van Knippenberg & Van Ginkel, 2010).

However, contrary to our expectations, a leader's perceptions of their team's functional diversity did not affect the impact of transformational leadership. This implies that the impact of a leader's perceptions is related only to *visible* diversity dimensions. Based on these findings, the conclusion was drawn that affective team processes are particularly important when leaders perceive their team to be demographically diverse. In such situations, stimulating the group's cohesiveness through their transformational leadership is seen as a necessary condition for effective within-team collaboration.

Chapter 5 examined the question: "*what does inclusive leadership entail and how can this be developed into a measurement instrument?*" From chapters 3 and 4 it was concluded that transformational leadership is effective in supporting cohesiveness through its emphasis on collective goals and identity. However, fostering inclusiveness not only concerns cohesion that could support belongingness, but also involves supporting individual needs for uniqueness. This means that leaders need to find a balance using processes that could enable both uniqueness and belongingness. Based on this, chapter 5 conceptualized inclusive leadership and developed a measurement scale that also responds to a recent call in the literature (Randel et al., 2017).

Analyses using a sample of 304 employees confirm that inclusive leadership includes both cognitive and affective dimensions. The cognitive and affective inclusive leadership behaviours identified improve our understanding of the leadership that is needed to support inclusiveness. This can be distinguished from other forms of contemporary leadership in that it includes leadership aimed at managing not only individuals but also team processes.

Inclusive leadership stimulates team members to share, integrate and learn from their ethnic-cultural differences, as well as facilitating the participation of each team member. This definition is based on a theoretical framework that identified cognitive and affective processes that need to be managed (Van Knippenberg et al., 2004; Van Knippenberg & Van Ginkel, 2010). By managing these processes, inclusive leadership contributes to a work environment in which the needs for both uniqueness and belongingness can be satisfied (Randel et al., 2017; Shore et al., 2011).

To further explicate the role of inclusive leadership, chapter 6 focused on the question: "*to what extent does inclusive leadership moderate the relation between team diversity and inclusive climate?*" This study concentrated on a dataset of 45 teams that resulted from aggregating the individual responses used in the previous chapter. The results showed that the inclusivity of the climate is in general negatively related to team ethnic-cultural diversity. This was in line with our hypothesis, derived using social identity perspective, that the extent to which a team experiences inclusiveness is dependent on its composition. In diverse teams, intergroup biases seem to be more

prevalent (Ashforth & Mael, 1989; Hogg et al., 2017; Van Knippenberg et al., 2004; Williams & O'Reilly III, 1998), causing members to experience a less-inclusive climate.

The study further showed that this relationship is contingent on inclusive leadership. As hypothesized, in diverse teams, inclusive leadership positively moderates the relationship between team diversity and inclusive climate. The study indicates that inclusive leadership can mitigate the negative effect of team ethnic-cultural diversity on a team's inclusive climate. This is achieved through stimulating integration of team members' ethnic-cultural differences in the team and facilitating the participation of all team members.

7.3 Conclusions

Based on the findings from the individual empirical studies, the central research 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?”*, can be answered. First, this dissertation has shown the value of inclusiveness for public organizations. The research shows that inclusiveness is related to various positive outcomes, for both employees and organizations, such as employees' commitment and involvement. This finding is particularly significant since inclusiveness in a public sector context enables organizations to respond more effectively to complex problems that may result from a diversified society.

Second, diversity management is associated with greater inclusiveness when employees perceive it to be supportive of all employees, and not only for specific minorities. This means that diversity management should embrace all employees' uniqueness as well as foster their belongingness in the organization. In experiencing this, employees reciprocate with commitment to and involvement in the organization.

Third, inclusiveness develops in teams. This involves cognitive processes linked to an information decision-making perspective in which diverse resources such as perspectives, ideas and skills are exchanged, discussed and utilized. Affective processes are also important in making team members feel safe and that they belong. Since these are processes that occur in daily organizational life, the team is the key organizational unit, and their formal leaders in the prime position to support those processes that enable inclusiveness.

This research has shown that diversity management is even more effective if direct supervisors adopt appropriate leadership behaviours. This involves leadership that stimulates employees to exchange, discuss and learn from the different perspectives and ideas that result from different ethnic-cultural backgrounds. In order to achieve this, supervisors need to develop a safe environment in which all employees are able to participate and contribute their diverse ideas and perspectives. Further, the perspective

that formal leaders have on diversity is also important as leaders who perceive their team to be demographically diverse act in ways that have different impact on team behaviour.

7.4 Discussion and future research

In this section, we reflect on the theoretical approach adopted in this dissertation, some methodological considerations, as well as offer recommendations for future research.

7.4.1 Moving towards inclusiveness management

Within public management, the attention given to diversity management grew as a result of an increase in the diversity of both the workforce of public organizations and the population being served. Influenced by developments in the generic management field and the growing emphasis on performance generated by neo-liberal changes in the field of public management, the focal point of diversity management was linked to the outcomes that diversity could have for public organizations (Groeneveld & Van de Walle, 2010; Pitts & Wise, 2010; Selden & Selden, 2001). In the broader management literature, diversity management is increasingly linked to inclusiveness (Avery & McKay, 2010; Bleijenbergh et al., 2010; Kirton & Greene, 2010; Mor Barak et al., 2016), whereas the public management literature has only addressed inclusiveness to a limited extent (Andrews & Ashworth, 2015; Bae et al., 2017; Sabharwal, 2014). As such, this dissertation could be considered as a first step towards a theoretical and empirical understanding of the relevance of inclusiveness for public sector performance.

Public management studies that focus on diversity predominantly use diversity management as an umbrella concept and refer to policies, programmes and implementation (Choi, 2009; Pitts, 2009), thereby blurring the concept and more specifically its theoretical basis. For instance, diversity management may be based on a discrimination and fairness perspective and/or on an access and legitimacy perspective, meaning that team processes and culture are not necessarily changed to develop inclusiveness. However, diversity management driven by these motives may implicitly induce the acculturation of minority identities into the mainstream dominant identities (Ely & Thomas, 2001). Different motives could, as a result, underpin diversity management within public organizations, possibly resulting in different outcomes. The changing focus of diversity management, towards inclusiveness, therefore needs additional theoretical and empirical groundwork in order to distinguish those diversity perspectives that lead to inclusiveness.

This dissertation therefore investigated earlier research and theories that are available in the management literature to study how inclusiveness can be influenced in public organizations. The theoretical approach of this dissertation can best be interpreted through an integration and learning perspective. From this perspective, diversity is

a resource to learn from and to incorporate into work practices, and as a source for innovation and creativity (Ely & Thomas, 2001). This leads to incorporating both uniqueness and belongingness (Shore et al., 2011).

Inclusiveness goes beyond the previously reported instrumental approach and focuses on social exchange as a basis for establishing sustainable employee – organization relationships. To elicit the necessary social exchange mechanisms, it is vital that diversity management efforts are grounded in an integration and learning perspective that enables *all* employees to feel included. Our study further shows that, to foster inclusiveness in public organizations, the emphasis should move beyond formal policies and programmes that are only aimed at increasing workforce diversity. Rather than a focus on diversity as an outcome, organizations should consider management strategies that achieve inclusiveness (Roberson, 2006; Shore et al., 2011; Shore, Cleveland, & Sanchez, 2017).

More specifically, this dissertation contributes by combining social exchange and social identity perspectives to understand inclusiveness in public organizations. These perspectives are often used separately to understand the relationship between the organization (and supervisors as representatives) and employees. A notable exception is the study by Van Knippenberg, Van Dick and Tavares (2007) that showed that social exchange mechanisms and social identity processes interact. Social exchange relationships are less important if employees identify with the organization or with their team since this positively impacts on their commitment and involvement. Accordingly, facilitating such social identity processes in the organization is proposed, rather than only emphasizing an exchange relationship. Through fostering social identification, employees become committed to contributing to their public organization's goals. Future research could usefully look into these processes and mechanisms in more detail.

7.4.2 Inclusive leadership is team leadership

In recent years, within the HRM and management literature, transformational leadership has been identified as effective in changing employees' perceptions and reactions towards organizational policies and the work environment (Guillaume et al., 2017; Judge & Piccolo, 2004; Kearney & Gebert, 2009; Zaccaro & Klimoski, 2002). A focus on leadership is also growing in the public management literature (Andersen & Moynihan, 2016; Jacobsen & Andersen, 2015; Wright, Moynihan, & Pandey, 2012). However, theories that clarify how inclusiveness can be achieved in organizations through leadership are relatively underdeveloped in the management literature (Randel et al., 2017).

The extent to which inclusiveness is achieved in public organizations is shown to be partially dependent on leadership. This dissertation highlights the important role of leadership in supporting inclusiveness and influencing employees' attitudes and behaviours. As such, it contributes to the diversity management literature by identifying

the role of leadership in developing inclusiveness. By examining leadership from both social exchange and social identity perspectives, we have addressed both the individual and the team levels. Whereas much contemporary research focuses on leader-member relations from an exchange perspective (Knies et al., 2016; Ospina, 2017; Tummers & Knies, 2013), this dissertation goes further by providing the necessary understanding of how leadership affects team processes and team outcomes. Since inclusiveness is about both individuals' distinctiveness and the extent to which they feel they belong in their team, leadership research should examine these team processes in more detail.

Two leadership styles have been identified that instigate social exchange and social identity processes through which employees perceive greater inclusiveness, thereby increasing their affective responses to the organization. Transformational leadership is shown to be effective through elevating individual goals to a shared collective goal or mission. By so doing, transformational leadership achieves a group identity that supports team cohesion and the collaboration that is desirable for diverse teams to succeed (Chrobot-Mason et al., 2016). However, since transformational leadership emphasizes the unified collective, team members could infer that their unique identities were being disregarded, and this stresses the need for inclusive leadership (Randel et al., 2017).

This dissertation showed that inclusive leadership that focuses on both cognitive and affective team processes can support an inclusive climate. These processes, identified in the workgroup diversity literature (Guillaume et al., 2017; Van Knippenberg et al., 2004), need to be effectively managed if they are to harness the positive and mitigate the negative outcomes of diversity. Since these processes interact, it is crucial they are addressed simultaneously when managing a diverse team. How this fits with the dimensions of uniqueness and belongingness is an important avenue for future research. More specifically, how the two processes contribute to balancing both aspects should be examined further. This research furthermore underlines that managing these processes is complex, and requires leadership that goes beyond the dyad of leader-member relationships. In particular, this might be particularly crucial in larger groups where a leader has many diverse team members.

Another point for reflection is including leaders' perceptions in diversity management research. Most studies currently examine employees' perceptions and reactions towards diversity and inclusion. As previously shown, perceptions are fundamental in forming one's attitudes and behaviours, including leaders' perceptions in diversity management research seems inherently logical. This research showed that a leader's perceptions of the team composition influence the extent to which their leadership affects team processes. The research showed that to understand how leadership relates to those processes that enable inclusiveness in public organizations, the perceptions of diversity of not only employees but also of leaders need to be considered. In addition to their perceptions, leaders' diversity beliefs can also impact how they perceive and

value their team diversity. Examining how both aspects interact and, in turn, impact on inclusiveness is relevant for future research.

7.4.3 From representation to inclusiveness

Public management has a long history of addressing diversity from a social justice and representative bureaucracy perspective (Groeneveld & Van de Walle, 2010; McDougall, 1996; Riccucci, 2009), but has only recently devoted more attention to inclusiveness (Andrews & Ashworth, 2015; Bae et al., 2017; Ritz & Alfes, 2017). To date, the diversity management and representative bureaucracy research streams have developed rather separately, and we would argue for their extensive integration.

For instance, the discrimination and fairness and the access and legitimacy perspectives on diversity discussed in the introductory chapter relate to similar motives of social justice and representativeness (Ely & Thomas, 2001). According to the access and legitimacy perspective, it is crucial to reflect the demographics of the clients the organization serves to achieve organizational legitimacy. The assertion is that incorporating diversity will improve the interaction with the diverse stakeholders and thereby enhance organizational effectiveness. Within the representative bureaucracy literature this is seen as possibly involving passive and active representation of civil servants (Andrews et al., 2005).

The extent to which active representation occurs, and how, depends on integration and learning processes that could result in inclusiveness within the organization. It is through these processes that relevant perspectives, ideas and expertise that result from different ethnic-cultural backgrounds could inform work practices. We found that greater diversity does not automatically result in enhanced inclusiveness: focusing solely on increasing workforce diversity to represent society's socio-demographic characteristics is thus not sufficient. The ability to retain unique identities is crucial for active representation. This requires leadership that balances the needs for belongingness and for uniqueness through facilitating the participation of all employees and stimulating the exchange, discussion and utilization of differences. Incorporating these explanatory mechanisms in representative bureaucracy research is thus essential to understand how representation works in organizations.

Within the diversity management literature, diversity is valued as a resource for improving the performance of internal processes, as well as a resource for improving an organization's interaction with a diverse society (Ely & Thomas, 2001). However, diversity management studies, including this thesis research, predominantly focus on the effects of diversity management within the organization, such as in terms of employee outcomes and organizational culture or climate (Pitts & Wise, 2010). An underlying assumption is that developing inclusiveness within public organizations will have a positive impact on its inclusiveness towards external stakeholders (i.e. citizens). Unravelling this relationship in future research would be relevant to the fields

of both diversity management and representative bureaucracy, and establish whether inclusiveness does indeed positively impact on public service delivery. To substantiate this with empirical evidence, future research needs to examine the relationship between the inclusive behaviours of public employees and their interaction with diverse citizens. Examining how, and to what extent, inclusiveness relates to public organizations' legitimacy and the inclusiveness of society would add to the literature on inclusiveness in the field of public management, as well as to the study of representative bureaucracy.

7.4.4 Methodological reflection

The methodological limitations of each study were discussed in detail in the respective chapters and, in this section, only some overarching methodological issues are addressed.

This dissertation is based on a cross-sectional design, meaning that data on both independent and dependent variables were collected using self-report measures at one point in time. As a result, causal inferences are difficult to establish with probable endogeneity problems. Furthermore, since this research is mostly based on cross-sectional data, any changes in perceptions of and reactions to leadership and inclusiveness cannot be assessed. Previous research provides relevant insights that can be used to develop research on leadership and inclusiveness further. Oberfield (2014), for instance, shows that applying a longitudinal design is necessary to establish a causal link between public managers' actions, and employees' later perceptions and reactions. This is a specifically relevant aspect when studying inclusiveness in public organizations. Developing inclusiveness involves a process of changing the shared norms and values regarding diversity, and this will take time. In other words, the results of public managers' actions to develop inclusiveness will not be immediately apparent. A longitudinal design is therefore recommended to study the process of how managers affect inclusiveness in public organizations over time. Indeed, such a design was initially intended in this study, but it was unfortunately not possible to find organizations willing to cooperate over a sufficient time span. Conducting longitudinal research requires a significant investment by organizations, and potential respondents, over a lengthy period. The subject of diversity, and diversity management, was receiving little attention in the Netherlands when this study started. As a result, diversity was often not addressed explicitly and, in fact, many diversity projects were being ended in public organizations, further complicating finding organizations willing to collaborate.

Related to this, we would also suggest adopting a qualitative design to examine the abovementioned processes in more detail. Although this dissertation offers valuable insights into leadership behaviours that affect inclusiveness in public organizations, the quantitative studies do not provide in-depth knowledge on how an inclusive culture emerges. For instance, the interplay between cognitive and affective processes, and how these relate to the two dimensions of inclusion, could usefully be studied in more detail. Furthermore, understanding how public managers in their daily work balance

these different needs of their team members requires a more in-depth examination. A qualitative design would generate a deeper understanding of the attitudes and behaviours of leaders and employees that bring about the development of inclusiveness in public organizations.

A final remark concerns the different conceptualizations and measurement scales used in the empirical chapters. Various measurement scales have been used to measure transformational leadership. In chapter 3, a twelve-item scale was used to measure the different dimensions proposed by Bass et al. (2003). In chapter 5, a modified version of this scale was used with improved measurement items. Unfortunately, due to practical considerations, a shortened scale had to be used in chapter 4. This potentially limits the possibility of cross-chapter comparisons. Furthermore, we have addressed the inclusiveness within organizations through various concepts such as inclusive organizational culture and climate. This was necessary as we required an organizational level concept in chapters 2 and 3, but one we could apply on the team level in chapters 5 and 6. We also recognized the need to improve the measurement of inclusive culture and climate given that the concept of inclusiveness, and how to measure this, was still evolving. Part of this dissertation research therefore sought to improve the measurements that were available. We would encourage other researchers using survey designs to continue this process of refining scales for future research.

7.5 Practical implications

While inclusiveness and inclusive leadership is a widespread theme in many public organizations in response to the increasing diversity within society (OECD, 2015a, 2015b), how inclusiveness can be achieved constitutes a practical dilemma for many public managers. Studies into the factors that foster inclusiveness in public organizations provide little guidance for public managers. Here, this dissertation provides evidence-based strategies that public managers could employ to manage a diverse workforce effectively and to successfully foster inclusiveness.

First, inclusiveness is about feeling part of the team while also have the possibility to feel distinct. Therefore, besides focusing on individual employees' experiences of inclusiveness, managing team processes that enable inclusiveness is crucial. This requires a greater emphasis on the role of supervisors in enacting formal diversity management policies. It is not enough to have diversity management as part of the formal HR policy; its success requires inclusive leadership. For HR departments, this means ensuring that diversity management is complemented with inclusive leadership. This requires internal alignment between intended policies and leaders' attitudes and behaviours in the management of employees.

Furthermore, for diversity management to be effective in fostering inclusiveness, it has to be supportive of all employees, and not only specific groups. There is extensive

research showing that diversity management that targets specific minority groups creates a backlash from those not benefitting, and also feelings of incompetence within the targeted groups. Rather than implementing such policies, this dissertation argues for cultivating inclusive leadership.

This study maps out the necessary leadership behaviours that could be incorporated in leadership development programmes to provide an understanding of how leaders can balance the necessary team processes. Supervisors need to actively communicate the value of diversity and stimulate exchanging, integrating and learning behaviours by their team members in regard to team ethnic-cultural diversity. At the same time, supervisors need to invite all team members to participate and contribute in order to avoid the forming of sub-groups that could possibly exclude some team members.

Finally, this dissertation shows that leaders' perceptions of their teams' composition influences their leadership, and that it is therefore important to incorporate their perceptions when trying to understand leadership effects. While many public organizations concentrate on understanding their employees' perceptions and experiences of their work environment and leadership (e.g. employee satisfaction surveys), leaders' perceptions are more often than not overlooked. This dissertation has shown that leaders' perceptions of their team's diversity influences how teams experience their supervisor's leadership in addressing their cohesiveness. In particular, where socio-demographic team diversity is perceived, transformational leaders tend to emphasize cohesiveness in seeking to achieve greater cooperation. This means that leaders' perceptions play a role in the impact that leadership can have on employees' attitudes and behaviour, and addressing the likely outcomes could be part of leadership development. This should be a long-term process in which supervisors first assess whether they actually *see* the team's diversity. The next step would be to determine if this affects how they value the team's diversity and subsequently the team. Gaining a better understanding of their own attitudes and behaviour would enable supervisors to better align their leadership style with one to which employees will positively react to.

