The Influence of Inclusion and Diversity on Performance of Public Sector Organizations

Submitted by

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Abstract

This study examined the relationship between inclusion, diversity, and performance in a public-sector organization. While diversity and inclusion are well researched for climate, psychological, and cultural understanding, the direct linkage to performance is not well researched. The theory supporting this study is social identity, which suggests that individuals with enhanced self-esteem within groups may perform at a higher level. The Organizational Inclusive Behavior survey instrument was applied to North Dakota state government employees \((N = 231)\). The instrument showed evidence of reliability, but improvements to dimensional reliability are proposed. Evidence of a moderate positive relationship between both inclusion and diversity, and performance was found.

*Keywords:* Social Identify Theory, inclusion, diversity, performance, organizational inclusive behavior, Sabharwal
Dedication

Thank you to my wife, Kristina, for helping to keep me focused on completion of this task. Without her support, I am not sure if I would have completed the journey.
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Chapter 1: Introduction to the Study

Human resources interact with customers to increase sales, provide customer support, and maintain a positive image of the company. Human resources also create new products, provide necessary services, build infrastructure, transport and deliver goods, along with a host of other activities. Due to the significant cost of the investment in human resources, effective use of human resources is a high-level organizational goal. In addition to this need, available human capital is shifting as demographics change, cultures intermix, and more varied minorities enter the workforce (Armstrong, 2017; Barrett & Bourke, 2013). Establishing a means to bring these changes together into a process where the best can be leveraged from human resources is a key driver in the process of diversity.

Diversity is a goal of numerous organizations and is a goal of Human Resource Management (HRM; Barrett & Bourke, 2013). The key focus of diversity is to develop a diverse organization, in which variation of gender, age, ethnicity, and other factors demonstrate that the organization contains employee’s representative of the demographics of the larger society of the environment surrounding the organization (Andrews & Ashworth, 2015). A diverse collection of people demonstrates that the organization is not discriminatory toward those people, cultures, or other variations (Donnelly, 2015). Diversity breaks down barriers to difference and enables varied groups to co-exist within the organization to support its goals (Harjoto, Laksmana, & Lee, 2015). However, diversity alone may not bring the capabilities of these diverse populations into the organization as full participants. Diversity is a step, but inclusion is the additional step that brings the skills, competencies, energetic support, and attitude of this diverse
population into the organization at a psychological level (Ellemers, Sleebood, Stam, & Gilder, 2013). Inclusion does not simply break down barriers, it builds relationships, partnerships, and synergy among the diverse population of the group (Andrews & Ashworth, 2015).

Inclusive employee practices and employee diversity inter-relate (Mor Barak, 2017). Diversity is the practice of employing individuals from diverse groups to enable the organization to reflect the demographics of the environment. Inclusion takes the diverse group and encourages relationship improvements, between individuals, the organization, and other groups, to establish a sense of esteem and worth to the individual in the diverse group (Andrews & Ashworth, 2015). Each has positive characteristics that bring strength to the task of improving organizational performance through adaptation of variations in the human members of the organization; however, each is different in effect (Mor Barak, 2017).

The determination of the effect of inclusion and diversity in an organization provides insight into potential improvement of management and HRM practices, and ultimately improvement in performance of organizations (Mor Barak, 2017; Sabharwal, 2014). This research extends knowledge of inclusion and organizational diversity by expanding the population of original research to gain further insight into the effect of inclusion and diversity on performance in a larger public-sector organization.

**Background to the Study**

Enhanced use of demographically changing human resources, civil rights emergence, and a desire for improved organizational performance supported the original drive for diversity in the workplace. These trends emerged in the 1980s as a dominant
and growing theme (Hays-Thomas & Bendick, 2013). These workforce diversity trends are directly linked to the theory of representative bureaucracy as the means to assure that representation of various groups exist within the organization (Andrews & Ashworth, 2015). Creating a diverse representative group set expectations to yield increased productivity. However, the benefits originally forecast through diversity did not materialize to the expected level, leaving diversity programs generally engaged in recruiting for a diverse workforce; yet failing to adequately improve performance or antidiscrimination efforts (Barrett & Bourke, 2013). Additionally, while diversity improved relations between various demographic groups, performance of these groups did not reflect expectations of improvement. In researching the lack of expected results, researchers discovered diversity only established the groundwork for other actions; however, diversity alone did not provide the necessary result of improved performance (Andrews & Ashworth, 2015). The ingredient missing from the groundwork of diversity was inclusion (Mor Barak, 2017).

Inclusive activities extend the initial groundwork of diversity into a framework upon which individuals participate in a process that yields a psychological linkage to the group. This linkage establishes a relational identity of both the importance of the group and engagement in the characteristics of the group as applicable to the self (Ellemers et al., 2013). Research is lacking in understanding the influence of inclusion in the workplace to better understand the effect of diversity and in establishing HRM practices (Barrett & Bourke, 2013; Ellemers et al, 2013; Hays-Thomas & Bendick, 2013; Sabharwal, 2014). The specific activities of inclusion, the balance of diverse demographic groups, and the means to measure results require further evaluation (Hays-
Thomas & Bendick, 2013; Sabharwal, 2014; Shore et al., 2011). The population and workforce are diversifying and breaking down obstacles to effective teamwork could yield significant benefits to organizational performance (Sabharwal, 2014).

**Problem Statement**

The problem is a lack of knowledge of the relationships that exist between inclusion, diversity, and performance in public sector organizations. Studies have shown that diversity management has a direct association with job satisfaction and performance in governmental organizations. Pitts (2009) identified a strong positive relationship between diversity management and job satisfaction. In a similar study, Choi and Rainey (2010) identified a strong positive relationship between diversity management and both organizational performance and organizational culture. However, both Pitts (2009) and Choi and Rainey (2010) focused on Federal employees. In a study of State of Texas employees, Sabharwal (2014) identified not only a strong positive relationship between diversity management and organizational performance but found similar strong positive relationships between diversity management and (a) results-oriented organizational culture, (b) ability to influence organization decisions, and (c) commitment from top leadership to foster inclusion. However, the gap in the academic research is in understanding if similar results would apply to public sector employees in other jurisdictions; in this study, North Dakota state government employees was the area of interest to the researcher.

Significant information on the positive and negative consequences of diversity are available; yet limited information is available on inclusion (Barrett & Bourke, 2013). The level and influence of diversity in public sector organizations is known and measurable.
However, the influence of inclusive actions in these organizations and the net effect on the performance of these organizations due to the implementation of inclusive actions is not (Andrews & Ashworth, 2015). This shift to inclusion to enhance diversity practices affects multiple groups, from those in large minorities, to unemployed youth, to those on the fringe, to the aging workforce, and others (Condratov, 2014; Cunningham, 2015).

Not all research supports the concept of inclusion as a process for greater performance. In their study of disabled individuals in Brazil, Ferreira and Rais (2016) found no empirical evidence of an impact to productivity, positive or negative, with a larger or smaller group of disabled employees. However, in the same paper the influence of corporate involvement in social commitment programs with disabled employees did reflect improved productivity (Ferreira & Rais, 2016).

Understanding the gains and limitations of diversity and inclusive actions on employee performance could have significant implications. One implication is the ability to benchmark effective management practices or organizational cultural changes to enhance or establish the most effective human resource performance characteristics. This is a moving goal, yet it is one that is necessary for competitiveness, sustaining excellence, and securing the future of an organization (Shore et al., 2011). The determination of the value of inclusion and diversity provides significant managerial information for recruitment, retention, and performance of employees (Mor Barak, 2017; Sabharwal, 2014).

**Purpose of the Study**

The purpose of this non-experimental correlational research was to examine the relationship between inclusion and diversity on performance of public sector employees.
in North Dakota. A major goal of this survey process was to gain a larger and more diverse audience than the previous application of the survey by Sabharwal (2014). This goal was to gain a level of generalizability with the research findings to garner potential management strategies in helping public sector organizations in North Dakota fine tune their activities to support not only diversity, but inclusion, in such a way as to gain improved productivity from staff.

The independent variable of diversity was identified as the key item driving the ability to integrate an organization as a representative group with the surrounding environment. The independent variable of inclusion was identified as the key item driving the ability to enhance the influence of diversity into improved performance. The dependent variable, performance of public sector organizations, was the measure of the variation of performance in organizations with only diversity in place, and organizations with both diversity and inclusion activities in place. These were measured by a survey of public sector employees in North Dakota. This research provided additional knowledge in the specific area of performance gains through inclusion activities as they exist above diversity action alone and provided further insight into how diversity and inclusion differ in their application and affect. The relationship between performance and the actions of diversity and inclusion remains unclear. This research helped provide additional clarity in this vital human resource management area.

**Research Questions and Hypotheses**

Expanded knowledge of inclusion and diversity specifically relating to public sector organizational performance guided the creation of the research questions. The researcher sought to determine if there was a positive relationship between inclusive
actions and diversity on performance. A key concern is the measurability or quantification of the relationship. This research was guided by the following research questions and hypotheses –

RQ1: What is the relationship between inclusion and organizational performance?

H1: Commitment from top leadership positively influences organizational performance.

H2: The ability to influence organizational decisions positively influences organizational performance.

H3: Fairness and equity positively influences organizational performance.

RQ2: What is the relationship between diversity management and organizational performance?

H4: Diversity management positively influences organizational performance.

Advancing Theoretical Knowledge

Research measuring the influence of diversity and inclusion practices in public sector organizations is limited (Mor Barak, 2017: Sabharwal, 2014; Shore et al., 2011). The employee base for public sector organizations should reflect the demographics of the larger population (Andrews & Ashworth, 2015). Human resource managers source from the larger population, which is a changing demographic group, to support the employee base of public sector organizations (Armstrong, 2017). Understanding how management practices for diversity and inclusion effect performance is critical to evaluate these demographic trends and understand how these changes enable or detract from sustained performance (Casper, Wayne, & Manegold, 2013).
Social Identity Theory, the foundation of this study, postulates that self-esteem is a cohesive for individuals within groups (Tajfel, 1978). This theory establishes the variation of the idea of “us” and “them” as a means to further identify the inner groups the individual is closest to, as well as influencing the relationship between and within groups, (Andrews & Ashworth, 2015). Inclusive organizations create cultures and environments where bringing people together, forming teams, assimilating into the culture while respecting the variations we share, is central to success (Andrews & Ashworth, 2015; Barrett & Bourke, 2013; Sabharwal, 2014).

This study addresses the gap in the literature by expanding the survey audience to a large public-sector organization, North Dakota state government employees. The study provides additional clarity on the benefit of inclusive practices in public sector agencies and provides additional information in developing practices in HRM for performance improvement activities. Inclusion, the expected result of inclusive practices, is a measure of the self-esteem of the individual in the organization, and as such, drives the level of self-esteem felt by the group (Shore et al., 2011; Taifel, 1978). Determining the measurement of inclusion in the organization, and establishing a measurable performance connection to inclusive practices, will further the knowledge of the theory of social identity.

**Application to Business Administration**

Employee performance is critical for any business activity, whether in the public or private sector. Without proper utilization of resources, cost effectiveness can become problematic for the organization. Reduced performance does not yield the return on the
investment necessary for the private business to maintain profitability, or the public-sector business to gain necessary funding to maintain a consistent level of service.

This study evaluates the specific return on investment inclusion and diversity have on performance in a public-sector organization. Does inclusion or diversity increase performance in a measurable manner? Is the investment necessary to create and maintain an inclusive environment worth it? These are key questions any business needs to be cognizant of to function. As such, this area of study has significant application to business administration.

**Significance of the Study**

There is little research of the practices of inclusion, diversity, and the influence these practices have on performance of employees in the public sector (Andrews & Ashworth, 2015; Olsen & Martins, 2012; Pant & Vijaya, 2015; Popescu & Rusko, 2012; Sabharwal, 2014; Shore et al., 2011). Sabharwal (2014) conducted research to investigate the relationship that may exist; however, the research was limited to a single public-sector organization with a small sample, with non-generalizable results. Research detailing this influence by adding minorities to an organization demonstrates some benefit of diversity in the workplace; however, a clear linkage of inclusive and diversity practices and performance has yet to be demonstrated. However, the theory behind the actions seem to indicate a linkage should exist (Andrews & Ashworth, 2015; Sabharwal, 2015; Shore et al., 2011). This research extended current knowledge by gaining a generalizable subject group from a larger population, thereby supporting the benefits of inclusion and diversity derived from previous research.
Detailing a linkage between inclusion, diversity, and performance of public sector employees provides specific information to support improved or enhanced managerial protocols for HRM (Andrews & Ashworth, 2015; Barrett & Bourke, 2013; Sabharwal, 2014). These changes provide an opportunity to reduce costs and enhance services provided by public sector staff. One area of cost reduction can be gained through reduced attrition of staff. An employee working in an environment where personal psychological needs are met, where a feeling of esteem among co-workers and the ability to contribute meaningfully exist, should remain with that organization (Ellemers et al., 2013).

Defined performance improvement gained through implementation of diversity and inclusive actions lends itself to reduced attrition, more engaged employees, enhanced service provision, and an overall improved relationship between government and the citizens within that government’s responsibility (Andrews & Ashworth, 2015). These are significant items to help reduce cost of government yet provide excellence in service.

**Methodology**

This study evaluated the effect on performance of inclusion and diversity in a public-sector organization. The survey instrument measured self-reported perceptions of HRM policy and procedure application to manage diversity, inclusive practices, and employee performance. Quantitative research is an effective means to determine influences on the organization made through HRM practices (Grohmann & Kauffeld, 2013). The quantitative method provides superior data versus a qualitative method, as objective data supports research into the specific variables identified in the problem and research hypotheses (Ellemers et al., 2013). The quantitative methodology supports data
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collection from large groups to meet the generalizability need for the research (Sabharwal, 2014).

A qualitative method requires significant time to hold conversations with a representative sampling of the target audience. This study sample is being conducted at geographically dispersed locations, making a qualitative method difficult and costly. In addition, this study requires acquiring a large amount of data in a short period of time for effective analysis in order to complete an accurate relational measurement.

Quantitative research is more useful in evaluation of theory, versus qualitative research that is more useful in developing theory (Punch, 2012). Based upon this analysis, a quantitative method was selected. This quantitative research method examined the relationship between inclusion and diversity on performance of public-sector organizations, specifically North Dakota state government employees.

Research Design

A non-experimental correlational design was selected for this study. The design was considered non-experimental because the respondents were not divided into separate groups for control measures (Field, 2013). A non-experimental design determines the proportion a variable tends to occur (Field, 2013). A correlational design was selected because the association between variables was the goal of the study (Field, 2013).

The sample was selected using the state employee demographics provided by the North Dakota Human Resource Management Service. The percentages of various demographic groups were sought in the sampling of government employees. The Central Dakota Human Resource Association (CDHRA) agreed to facilitate the distribution of surveys to selected individuals on the day of the survey. Surveys, once completed, were
mailed directly to the researcher, avoiding the concern of respondents providing the completed survey to their organization. The survey instrument used in this research was originally utilized by Sabharwal (2014). The survey consisted of 49 closed-ended items designed to measure individual perceptions. Sabharwal concluded the time required to complete the survey was 17 – 20 minutes.

Definition of Terms

**Inclusion.** The individual employee considers himself or herself to be an “esteemed” member of the organization through experience, which includes treatment that is viewed in such a way as to satisfy his or her needs for belonging and uniqueness (Shore et al. 2011).

**Employee Performance.** Employee performance is based on employee perceptions, as perceptions of inclusion predict job commitment and performance (Cho & Mor Barak, 2008).

**Diversity.** Diversity is defined as the way people differ, such as age, gender, race, ethnicity, personality, educational background, experience, religion, culture, organizational function, tenure, etc. (Pant & Vijaya, 2015).

**Human Resource Management (HRM).** A function within organizations focused on the practices, policies, and procedures for effective management of the human resources (Armstrong, 2017).

**Social identity theory.** Social identity theory is based on the work of Henri Tajfel (1978), who theorized that individuals belong to groups that are a source of self-esteem.
**New Public Management (NPM).** Concerns the process adopted in recent years seeking to more accurately measure performance and tie performance to auditable statistics (Gruening, 2001).

**Corporate Social Responsibility (CSR).** Concerns the responsibility a company has relating to the society around the organization in general, not specifically to its employees (Carroll, 2015).

**Assumptions, Limitations, and Delimitations**

This section identifies assumption, limitations, and delimitations associated with this research.

**Assumptions**

The following assumptions were foundational to this study:

- Respondents responded to each survey item truthfully.
- The survey instrument accurately measured the dimensions identified in the study.
- Respondents were North Dakota state government employees.
- Respondents completed the survey only once.

**Limitations**

The following limitations were in this study:

- The survey instrument was answered in a single moment of time.
- The sample population included state government employees only.

**Delimitations**

The following delimitations were in this study:

- The study did not include county, local, or federal government employees.
The study included inclusion, diversity, and performance perceptions only.

**Summary and Organization of the Remainder of the Study**

Social identity theory was the theoretical foundation for the study, with the influence of inclusive actions and diversity on performance of public sector employees the primary focus of this study. Enhanced social identity within organizations may lead to greater opportunities for feelings of esteem within these organizations, which may lead to enhanced retention and performance (Barrett & Bourke, 2013; Ellemers et al., 2013; Sabharwal, 2014). As demographics change and more individuals join public sector organizations from various demographic groups, the organizations reflect the environment of the area they operate, creating greater need for representativeness and diversity within these organizations (Andrews & Ashworth, 2015). This diversity explosion does not capitalize on enhanced performance; however, diversity may set the stage for inclusive actions to improve performance (Sabharwal, 2014; Shore et al., 2011).

Chapter 2 includes the review of current research on inclusion and diversity, and the influence on performance. Chapter 3 includes the description of the methodology, research design, and procedures for this study. Chapter 4 includes the detail of the data analysis, presented using written and graphic summary of the results. Chapter 5 includes the interpretation and discussion of the results, as it relates to the existing body of research related to inclusion, diversity, and performance of public sector organizations. The final chapter also includes recommendations for future research.
Chapter 2: Literature Review

Diversity research began as a review of the problems associated with diversity. These problems included discrimination, bias, and other areas where diversity of staff was problematic (Ferreira & Rais, 2016; Shore et al., 2011). Over time, research shifted to finding value in the diversity in the workplace, culminating in current research to the area of finding how diverse groups can be integrated into organizations, leading to inclusive organizations (Sabharwal, 2014: Shore et al., 2011).

Diversity and inclusion management are key strategic items for an organization’s business processes. These processes enable the organization to capture the skills and talents of a diverse work force while providing services and products to a diverse marketplace (Pant & Vijaya, 2015; Theodorakopoulos & Budhwar, 2015). Diversity is seen as an outcome to demographic modification of an organization, and inclusion is seen as an outcome of a process to bring these diverse populations into the core of the organization (Vohra et al., 2015). These two variables, diversity and inclusion, are the focus of this research in the examination of performance in public sector organizations. What influence they have is only marginally known through limited current research (Sabharwal, 2014). This study seeks to expand this knowledge.

**Theoretical Foundations**

Central to this research are theories of social identity (Tajfel, 1978), social comparison (Festinger, 1954; Mullen & Giethals, 1987), and optimal distinctiveness (Brewer, 1991). These theories are pre-dated by Title VII of the Civil Rights Act of 1964, affirmative action, which established the foundation for diversity programs in the United States (Civil Rights Act, 1964; Theodorakopoulos & Budhwar, 2015).
Social comparison theory is derived from the desire of individuals to understand their personal opinions and abilities. This desire causes comparison to other individuals to determine in a comparative manner whether the individual’s opinions or abilities are below average, average, or above average (Festinger, 1954). These determinations will directly affect the individual’s behavior and provide a level of satisfaction in the comparative nature of people (Festinger, 1954).

Optimal distinctiveness theory is concerned with the idea that people have an internal conflict; the conflict being one of desiring both a feeling of inclusion and of differentiation. The theory supports the idea that people can gain both through membership in moderately inclusive groups, which are optimally distinct (Leonardelli, Pickett, & Brewer, 2010). The need for both inclusion and differentiation provides a direct influence on the individual’s self-categorization process, which directly influences an individual’s level of group inclusiveness or identification (Leonardelli et al., 2010).

Both theories influence the individual in relation to inclusion. However, for this study, social identity theory is the primary theory supporting the research. Social identity theory postulates that individual membership in groups has a direct influence on their self-esteem (Tajfel, 1978). The process begins with social categorization. Categorization is the initial decision of which group to belong to. The second step is social identification, which furthers evaluation and participation in the norms and attitudes of the group. The third step is social comparison, where the individual identity becomes an inherent aspect of the group (Tajfel, 1978; Figure 1).
Figure 1. Social Identification Process

In addition, a central predictor for behavior appears to center on the level of respect the individual feels for the team and gets from the team (Ellemers et al., 2013). This process, while internal for the individual, involves management practices, bias among staff, and psychological indicators and support processes within the team and organization (Ellemers, et al., 2013). Ellemers et al. argued that a newcomer to a team may be highly valued and meet the requirements for inclusion but remain outside of the group. The research conclusions established the diverse group as non-inclusive until specific inclusive actions are taken, and the resulting performance is impacted (Sabharwal, 2014).
Inclusive practices include work group involvement, access, and influence—especially to decision-making (Mor Barak, 2017). Inclusive practices enable people to join a group and feel their contribution is valued (Pelled, Ledford & Mohrman, 1999). Inclusive practices bring people together and reduce barriers to communication, coordination, collaboration, and commitment to group goals (Sabharwal, 2014).

Derived from the research literature are three key themes. These key themes are further divided into sub-themes:

- Psychology of organizations impacting inclusion
  - Attitude
  - Demographics
  - Sense of Inclusion

- Management policies and practices of organizations impacting inclusion, and,
  - Leadership role in diversity
  - Leadership strategy
  - Leadership goals
  - Leadership and performance management
  - Leadership and the corporate board
  - Leadership and management of process
  - Management and the public sector
  - Managerial HRM policies

- Bias, prejudice, and discrimination within organizations impacting inclusion.
  - HRM Practices
  - Diversity environment
Diversity effects on public sector organizations continues to be researched (Sabharwal, 2014). Limited research on the variation between active inclusive practices leading to employee feelings of inclusion and diversity in the workplace continues to be researched to define the variation of inclusion on that sector (Kulik, 2014). Understanding the relationship between diversity and inclusion in public sector employees is critical for effective employee recruitment, motivation, retention, and delivery of services (Andrews & Ashworth, 2015).

**Review of the Literature**

The review of the literature will cover several topics. These include business processes, diversity, inclusion, psychology of organizations, management policies and practices in organizations, bias, prejudice, and discrimination within organizations, and management diversity and inclusion. These topics provide information to establish the foundation of the areas the study covers.

**Business Processes**

Business operational and financial success depends on successful human resource management (Tang et al., 2015). Employee influence on business process is circular, in that leadership drives performance and productivity through use of human resources, and human resources depend on leadership to create the productive environment (Arnaboldi, Lapsley & Steccolini, 2015). Understanding the influence of employee workforce diversity and inclusive practices have on business supports development and
implementation of successful human resource management practices (Andrews & Ashworth, 2015; Farndale, Biron, Briscoe, & Raghuram, 2015). Effective application of human resource practices influences success in business. This circle is mutually supportive when it works. However, change in either causes challenges in the other (Arnaboldi et al., 2015).

Business processes change due to many reasons. Changing technology, resource availability, labor cost, government regulatory, and political culture shifts; all of these and more require business process change (Surijah, 2016). In addition, human resource practices change as well, and a key change occurring today is three-fold: globalization, transient population, and shifting demographics.

- Globalization of business operations has direct impact on people from multiple cultures, ethnicities, and countries,
- The availability of travel creates the scenario where people move much more readily than ever before, bringing various cultures together in unexpected locations, and,
- Shifting demographics, especially the aging of the population, are directly affecting the population available for hiring in many locations (Kulik, Ryan, Harper, & George, 2014).

These three items are the foundation of the push for greater understanding of the influence of employee workforce diversity and inclusion in the workplace (Isac & Rusu, 2016; Plakhotnik, Rocco, Collins, & Landorf, 2015; Surijah, 2016).

The means to accomplish the goal of HRM must also change. Finding the right person for the position, enhancing and creating diverse inclusive teams, and ensuring
performance meets expectations are part of the goal of HRM (Isac & Rusu, 2016). Social networking from individuals though various social media presents challenges to hire, retain, and engage employees (Kumar & Babu, 2015). Many employees perceive their work as an extension of their life, and desire to use social media as a tool to enhance their work and improve their skills (Sung & Choi, 2014). This shifting dynamic of learning and behavior in the workplace presents specific challenges for public sector organizations where process and policy are weighted with public policy debate, difficult budgeting processes, and more legalistic practices (Kumar & Babu, 2015).

**Diversity**

Diversity practices exist in both public and private sector organizations. The public sector has more policies covering more areas of diversity than private sector organizations (Groeneveld & Verbeek, 2012). Part of the cause for the higher number of diversity policies in the public sector is that the HRM function is more standardized and formalized than in private sector organizations. The formality of public sector HRM causes public sector organizations to behave in a more legalistic manner when reporting diversity policy achievements (Groeneveld & Verbeek, 2012). One positive of public sector formalization is the reduction in higher level leadership stereotypes toward age, generating a reduction in age discrimination in these organizations (Kunze, Boehm & Bruch, 2013).

Of the two independent variables addressed in this study, diversity reflects the various demographics that exist between people, arising from age, race, gender, educational background, experience, ethnicity, culture, and other differences (Pant & Vijaya, 2015). Diversity influences large segments of business, as most business employs
people. This influence has fiscal, performance, and service ramifications in marketing, business, government, and consumer interactions (Henderson & Williams, 2013). According to Popescu and Rusko (2012), diversity also reflects the ethical considerations of the organization, through adherence to the three rules supporting diversity management success:

- The Golden Rule, which is that to expect others to treat you fairly, you must treat them fairly,
- The Disclosure Rule, which is that once you make a decision, you are comfortable that it could stand the light of day if released openly, and,
- The Rights Approach, which is that the assumption exists and is supported that people are free to make their own choices to live their life.

These three together contribute to establishing a trusting, honest, open, and fair approach to diversity management.

Bringing people together in unexpected ways to support diversity creates friction, as people are different with various expectations, and need support to develop functioning teams (Ferreira & Rais, 2016). Over the past century, as more women and minorities entered the workplace, friction in the workforce escalated. The need for establishing rules for diversity grew to diminish the friction and enable these newcomers to work in the workplace without harassment or discrimination. The civil rights act of 1964 set the stage for managing diversity, by granting legal protection for multiple groups’ employment protection (Hays-Thomas & Bendick, 2013). Originally, this understanding and application of diversity applied to visible demographic differences, such as gender, race, age, or disability. Over time, the concept of workplace diversity has
changed. Currently, workplace diversity is better described as a mixture of attributes that affect how people interact, think, feel, perform their work, feel satisfied in their work, or progress within the organization (Hays-Thomas & Bendick, 2013).

**Inclusion**

While diversity is directed at demographic management, an additional step was identified as necessary to enhance the process to yield an environment where these people could thrive (Shore et al. 2011). That step was inclusion. Inclusion begins with feelings that define the association of identity with the group, so when someone feels respected and valued as an individual in the group, they feel included in the group (Ellemers et al., 2013). Inclusion is defined by Shore et al. (2011) as the degree an individual feels he or she is an esteemed member of the group and perceives satisfaction through belongingness and uniqueness. Cunningham (2015) observed that inclusion refers to an individual level psychological construct that embraces shared properties of the larger group. This definition provides for inclusion to be a construct with shared properties. As such, inclusion is studied phenomenologically, to better understand the perceptions and interpretations people have within the workplace (Cunningham, 2015).

There are many examples of where inclusive practices and policies influence the employee base. An inclusive environment includes all demographics. The aging population requires specific practices to retain them past normal retirement or provide specific support services to maintain their productivity (Kulik et al., 2014). The generational variation in organizations requires practices to grasp the social forces that shape people from different generations and bring them into a cohesive team (Lyons & Kuron, 2013). Creating policies and practices to address issues across cultures in the
workplace require special attention to mitigate perceived negative practices and support an inclusive work environment (Peretz, Levi, & Fried., 2015).

Another positive aspect of inclusive activities is the generation of positive perception for the employee. Employees who perceive their access as equal to others and opportunities to be available, have a lower intent to leave employment, effectively reducing turnover (Chrobot-Mason & Aramovich, 2013). The opposite is also true, that reduced perception of equality and fairness leads to higher turnover (Chrobot-Mason & Aramovich, 2013).

**Psychology of Organizations**

People join organizations for many reasons, and these reasons vary from person to person. Individuals join organizations for a paycheck, insurance, advancement opportunities, security, and a host of other reasons; however, the expectation is for a positive experience (Ellemers et al., 2013). Organizations need people to provide services and support the business practices and goals of the organization. Combining these two is the foundation of a positive relationship for the organization and the individual. This is because the level of respect an organization demonstrates to a new arrival, matched with the respect the new arrival gains for the new organization, yields the strength of the feeling of inclusion the individual feels (Ellemers et al., 2013).

**Attitude.** Attitude plays a significant role in the eventual decision of the employee and the employer as to whether the two are an effective match. More significantly, the attitude of employers has a significant impact on the inclusion level felt by new employees because the employer holds the responsibility to establish the rules and parameters of the culture the employee joins (Hays-Thomas & Bendick, 2013.) The
attitude of the organization provides a significant glimpse of the organizations psychology by providing specific policy and practice guidance affecting employee performance and morale (Peretz et al., 2015). Equally important is the reality that personal attitudes and individual attributes significantly influence behavior of both individuals, groups, and organizations (Nielsen, 2015). To mitigate the negative consequences of attitude, establishment of accepted rules of behavior is critical to effectively apply inclusive actions. These rules enable the employee to overcome ambient cultural disharmony that reduces effectiveness in organizations to create and solve problems (Peretz et al., 2015).

**Demographics.** Andrews and Ashworth (2015) provided significant insight into the importance of understanding the demographics that influence the environment of the organization. Their conclusion is that employees of public service organizations perceive the work environment to be more inclusive when structured to resemble the demographics of the surrounding environment (Andrews & Ashworth, 2015). This is critical in understanding the role of demographics in establishment of a culture of inclusion through embracing the diversity of the environment. This is a significant step in shaping the psychology of the organization to accept and embrace inclusive actions that enhance organizational diversity and create the inclusive environment (Daya & April, 2014).

**Sense of inclusion.** The feeling an employee experiences as a result of positive inclusive action is the sense of inclusion felt with the group (Mor Barak, 2017). The cognitive connection of inclusion of the individual self in a group provides this connection with the group and provides an indication of the importance of the group to
the individual (Ellemers et al., 2013). However, individuals are not the only concern for organizations, or for the psychology of the team. Understanding how groups perceive inclusion or exclusion within the organization is critical to understand where issues such as poor group interaction or absent relational development exist (Daya & April, 2014).

Inclusion has a counter side, exclusion. Understanding how inclusion and exclusion are viewed by various cultural groups enables awareness of the feelings members of various cultures have towards practices and policies. This primary cultural phenomenon for the group helps clarify the issues and provides focus on the most effective interventions (Daya & April, 2014).

Inclusion extends beyond the organization itself, in that organizations must include activities that tie the demographics of the environment to the organizations demographics through activities designed to support inclusion (Fujimoto, Rentschler, Le, Edwards, & Hartel, 2014). These community inclusive activities create shared social identity through shared common interests into a process that enhances the feeling or sense of belonging to the larger group (Fujimoto et al., 2014). The responsibility of the organization is clear. The organization is responsible to take the steps and establish the processes that establish and support inclusive activities, practices, and culture (Fujimoto et al., 2014).

**Management Policies and Practices of Organizations**

The policies and practices implemented by management determine the success of diversity and inclusive activities (Mor Barak, 2017). This success is measured in the level of support and effectiveness of the diversity of the employee base in establishing a sense of inclusion (Mor Barak, 2017). The practices must positively support inclusion above
the initial diversity investment of an organization, for the organization to engage and enhance employee commitment (Mor Barak, 2017; Sabharwal, 2014).

**Leadership role in diversity.** Diversity and inclusive actions do not occur in a vacuum. Leadership is required to establish objective ground-rules that shape both the formal application of diversity and inclusive actions, as well as the informal processes and practices within the organization (Oberfield, 2014). Leader-member-exchange (LMX) theory helps gauge the relationship quality in daily exchanges between leaders and members (Graen & Cashman, 1975; Hassan & Hatmaker, 2015). One primary aspect of LMX is evaluation of the quality of relationships, which supports improved emotional commitment to the organization. These relationships form the foundation for diversity that leads to inclusion (Hassan & Hatmaker, 2015). These relationships are the glue that binds the organization together and creates the culture of inclusiveness the organization demonstrates (Hassan & Hatmaker, 2015).

**Leadership strategy.** Leadership requires strategic vision to see the obstacles that exist and derive plans to mitigate those obstacles. The leader’s role in mitigation is the ability to establish strategic direction reflecting the best choice of the organization to achieve its performance goals (Andrews, Boyne, Law & Walker, 2012). Performance is the measurement of productivity and service for the organization. Providing leadership that assures the human capital of the organization supports excellence in performance is a critical skill and need for an organization (Andrews et al., 2012). This begins with understanding the impact diversity and inclusive actions have on the human capital of the organization, and the performance impact those actions have. In this respect, diversity management links changes in work practice and acceptance of these changes to
organizational goal accomplishment, a key measurement of effective leadership application (Popescu & Rusko, 2012). Leadership establishes diversity management priorities, which provides the highest quality of employee capability by seeking highest staff quality (Walker & Andrews, 2015).

**Leadership goals.** To be effective in providing public services, leadership establishes goals that enable the organization to modify employment practices to reflect the demographic structure of the customers of the service (Popescu & Rusko, 2012). The analysis of the demographics of the population should also lead to modification of service or product delivery processes that further enhance performance for the organization relative to the population (Zhang, Jie, Di, & Zhu, 2016). Leadership has a significant role in shaping the employees and organizations attitudes, determining promotions, and selecting and enforcing rules (Oberfield, 2014). As leadership provides the vision, strategy, and goals for the organization, leadership also must unify the employees to support a common goal (Oberfield, 2014).

**Leadership and performance management.** Performance management is intertwined with the practices and policies that establish and support inclusive practices and diversity management (Sabharwal, 2014). Public sector performance management plays a significant role in this process. However, performance management in the public sector is not necessarily good, as a vulnerability of NPM is a reduction in the ability to provide necessary oversight in service delivery through focus on specific measurable data (Pfiffner, 2004).

Performance management in the public sector is a tool for leadership to manage or control the quality of services (Arnaboldi et al., 2015). A negative in this process is
that budgeting requirements often push managers to attempt to do more with less. This idea is not isolated to a few organizations, but is pervasive in the OECD, causing managers in many countries to adopt this performance management approach as a normal method (Arnaboldi et al., 2015). Arnaboldi et al. (2015) argue that negative side-effects of performance management in public sector organizations undermines morale, motivation, and behavior. This negative influence is compounded by the NPM approach to auditing what we do. Auditing performance means the day to day life of the public-sector organization is driven by audit controls, procedures, and practices, eliminating some aspects of the human approach necessary for positive influence (Arnaboldi et al., 2015; Pfiffner, 2004).

**Leadership and the corporate board.** A key location of corporate leadership responsibility lies with the corporate board. The corporate board has a primary responsibility to manage profitability for the shareholders of the company, or in the public sector, to manage the people’s tax money in an efficient and effective manner while providing the best service possible (Arnaboldi et al., 2015). Leadership management of diversity is reflected in the makeup of the corporate board. Corporate board diversity enhances CSR activity and supports stakeholder theory, as the CSR actions of a diverse board satisfies the needs of the broader stakeholder group (Harjoto et al., 2015). The influence of racial and gender diversity on board composition is a key ingredient in supporting diversity management. The greater the diversity of the board, the better the opportunity to mitigate negative impacts of racial diversity and governance practices (Buse, Bernstein & Bilimoria, 2014).
Diversity at the corporate governance level positively enhances CSR performance (Harjoto et al., 2015). CSR performance demonstrates the attitude of social responsibility, and while it does not yield a specific measurable relationship to diversity or inclusive activities, it is found that employees in a diverse, inclusive organization perform better when the organization itself participates in CSR activities (Harjoto et al., 2015).

Leadership and management of process. Management of the diversity/inclusion process begins with leadership establishing diversity goals in the organization that reflects the demographic makeup of the environment where the organization operates (Andrews & Ashworth, 2015). This is important as the relationship between the community and the organization is interwoven through the representation of employees of the organization from the community, and the community at large are consumers of services provided by the organization (Andrews & Ashworth, 2015). Research reveals that the highest performance achieved in public sector organizations is with high quality staff diverse in a way to reflect the demography of those it serves (Walker & Andrews, 2015).

Leadership follow-up on the processes, policies, and practices established to support diversity and inclusion is critical. This stems from research on management policy and practice that indicates a significant concern regarding flawed practices and undesirable results. These concerns include continued discrimination, limitation of programs to diversity recruitment, and failure to identify or change more than overt discrimination (Barrett & Bourke, 2013). It is for these reasons that organizational management practices establish not only diversity, which gains a demographic alignment with the environment, but inclusive actions, to reinforce the benefits of diversity
(Sabharwal, 2014). In this manner, diversity and inclusive practices provide companies with the ability to demonstrate their commitment to social responsibility, both internally and externally (Donnelly, 2015).

The decisions made by management on diversity implementation and support determine the value of diversity to the team. This value can be a terminal or instrumental value, or both (Olsen & Martins, 2012). Terminal values are those we experience as a desired end state individuals work had to achieve, while instrumental values guide individuals to the desired end state (Olsen & Martins, 2012). Olsen & Martins (2012) point out that the key difference in an organization’s approach to these values is that an organization seeking diversity for the sake of diversity itself is focused on a terminal value, while an organization seeking to use diversity to achieve greater goals is focused on an instrumental value.

Olsen and Martens (2012) visualized diversity management as an acculturation strategy, with links to workforce diversity (Figure 2).
Figure 2. Diversity Management Approach

The diversity strategy is complex, involving multiple possibilities for active use. One example is conflict management, because diversity does not always yield the best in relationships, therefore a strategy to manage conflict is necessary (Barrett & Bourke, 2013). Other items, such as recruitment reflect the need to manage hiring to establish the diverse group that aligns with the environment available for hiring (Andrews & Ashworth, 2015).

Management and public sector. Organizational management is challenging in the best of times, when budgets remain constant and policies shift but do not dramatically change. For public sector organizations, tough challenges await managers working to maintain diversity and inclusive practices during both budget shortfalls and political variation (Andrews & Ashworth, 2015). Marketing and hiring a diverse workforce, combined with implementation and sustainment of inclusive practices is costly, as
investments in social fabric support require people and time to manage (Chrobot-Mason & Aramovich, 2013). Budget shortages cause managers to modify practices, which leads to a direct influence on employee behavior and service delivery through reduced hours, reduced pay, or reduction of staff (Nielsen, 2015).

To mitigate the negative consequences caused by a reduction in service due to budget shortages, managers fall back to performance information in order to make decisions on staff, such as promotions, lay-offs, and assignments. Performance information is useful. In the context of management during fiscal adversity, using performance information is a critical necessity for effective evaluation of the organizations ability to deliver services (Andersen & Moynihan, 2016). However, using performance management information can be detrimental to both personnel and service delivery (Arnaboldi et al., 2015; Pfiffner, 2004).

**Managerial HRM policies.** Self-interest theory suggest marketing and advertising employment opportunities to women and minorities helps recruit them as they are typically the beneficiaries of diversity and inclusive activities (Casper et al., 2013). Organizations target demographic factors such as race or sex, but there are deeper attributes included in the larger conversation of diversity, to include such attributes as attitudes, values, education, experience, and many more (Casper et al., 2013). This marketing is primarily based on the goal of HRM to create environments where individuals from diverse groups can feel welcome. However, the appeal of HRM policies is more complex than simple self-interest based on the demographic group (Casper et al., 2013).
Policies are designed to gain and retain talent to meet the objectives of the organization. Talent management is a strategic necessity, not a mere tactical option designed to make people feel good. Talent management covers the entire spectrum of the employee life-cycle, from attracting, selecting, developing, and retaining people to support organizational needs (Festing, Kornau & Schafer, 2015). Talent management is necessary for an organization to achieve performance goals while implementing and supporting strong demographic diversity (Festing et al., 2015).

On a larger scale, human capital is not only the most significant resource for an organization but is the most important resource for a country’s entire economic survival (Condratov, 2014). Human capital provides opportunities for apprenticeships for growing younger employees, requalification to shift industries, professional improvement, and education, which supports diversity social inclusion (Condratov, 2014). For these reasons, organizations take active steps to modify attitudes, practices, and perceptions to create an environment where the inclusive workplace operates successfully (Hays-Thomas & Bendick, 2013).

**Bias, Prejudice, and Discrimination within Organizations**

A program of inclusion cannot survive in a culture of bias, prejudice, and discrimination (Popescu & Rusko, 2012). These three items join to create a negative synergy that can destroy the positive energy necessary to establish and sustain an inclusive organization. The organization, especially the leadership and HRM, are tasked with the role of assuring these three negative influences are mitigated. The means to achieve the goal are substantial but begins at the top with the corporate board. Absent a diverse board, the leadership is unable to grasp the true needs of the organization. For this
reason, the starting point is to assure the corporate board’s gender, tenure, and expertise are diverse. This significantly shapes the boards CSR activities, and demonstrates the commitment from the top to support diversity as a first step in creating an inclusive organization (Harjoto et al., 2015).

**HRM practices.** HRM policies and practices directly influence diversity and inclusion, through implementation of practices designed to enhance these activities. One practice is to make realistic approaches to groups of similar people to better understand their perception of policies as inclusive or exclusive. This practice helps HRM understand the true nature of the perspective from the groups within the organization and helps in understanding the impact of these practices not only at the group level, but also at the individual level (Daya & April, 2014). Through this clarification, a greater opportunity is created to support reduction of bias, prejudice, and discrimination toward individuals of dissimilar groups (Daya & April, 2014).

Working in this manner across the spectrum of groups within the organization provides an opportunity to better understand the varying perceptions of various groups. This practice helps create and implement practices that support inclusive actions for the entire diverse group (Daya & April, 2014). One area where different groups perceive treatment differently is gender bias. Gender bias can prevent effective application of both diversity and inclusion practices, as it prevents those who perceive bias from fully committing to the organization (Festig, Kornau & Schafer, 2015).

Inclusive practices implemented as HRM interventions have not been consistently effective or economically rewarding, which causes further confusion in discovery of which practices are most effective (Fujimoto et al., 2014). The dissonance created when
employee values do not align with the values of organizational leadership and originators of change programs do not enable the intended results (Peretz et al., 2015). For these reasons continued research into effective practices for diversity management and inclusion is necessary.

However, one key aspect of HRM leadership is its innate ability to reduce dysfunction and dissonance (Oberfield, 2014). Dysfunction deters performance improvement because it creates stress, friction, and inefficiencies in the process. One key means to reduce dysfunction is to encourage and demonstrate interpersonal citizenship behavior (ICB; Katz, 1964). ICB is a means to work well with others by sharing, listening, helping, and supporting others (Hassan & Hatmaker, 2015). LMX when combined with ICB yields measurable improvement in performance and helps reduce the dissonance and discord when diverse groups begin working to establish inclusion (Hassan & Hatmaker, 2015).

Diversity environment. Diversity is not only a demographic issue; it is a functional concern. Organizations need the best talent available for success, but they also need specific talent in specific locations for critical performance needs. The inability to acquire necessary talent can lead to business failure. This concern extends to the mix of skills, education, background, and experience of members of the group (Andersen & Moynihan, 2016). Organizations hire from the outside and bring in people who possess the skill sets necessary for improved operation. Organizations that fail to establish practices and policies to bring these outside employees into the organization in such a way as to help them feel a sense of belonging waste the skills these individuals possess (Hays-Thomas & Bendick, 2013). An organization’s practices and policies may cause
either conscious or unconscious workplace discrimination. In either case, these practices and policies fail to enable employee engagement to fully use the talent of individuals with diverse backgrounds (Hays-Thomas & Bendick, 2013)

**Inclusion environment.** Creating an environment where individuals from various groups can feel a sense of self-esteem is very complex (Shore et al., 2011). Determining the practices to implement that support creation of that environment through establishing process and culture within the organization to mitigate bias and embrace inclusion is a complex and multi-faceted process (Cunningham, 2015). There is no simplistic or standard formula within HRM practice that provides a one-size-fits-all solution for an organization to implement to suddenly be inclusive. Bias is a difficult human characteristic to overcome. Oftentimes this bias is unconscious, making it insidious and pervasive without obvious visibility (Cunningham, 2015). People can choose to change their behavior and overcome bias. This is an individual characteristic, discretion, which can generate change in individual behavior (Nielsen, 2015). The goal of HRM practices are to provide an environment where individuals can freely speak and perform without worry of retribution or discrimination (Shore et al., 2011). Through this practice bias can be defeated by active participation of all members of the team (Cunningham, 2015).

**Difference variation.** Shifting birth rates, immigration, more women in the job market, movement of people, and many other changes require a new means to find good employees (Andrews & Ashworth, 2015). However, it is incorrect to assume that diversity is limited to a few variations. In addition, individuals within diverse groups may require distinctly different support from others in the same diverse group. For example, people with disabilities are treated as if they have the same needs, which is not true, as
many different types of disabilities exist (de Mesquita Ferreira & Aversani Rais, 2016). These disabilities are physical or cognitive, with a wide breadth of variation within the group. Someone who is a paraplegic is able to function at a far superior level of productivity today than only a few years ago due to medical technology improvements, bringing this group into the employment marketplace to fill specific needs (de Mesquita Ferreira & Aversani Rais, 2016).

**Public service bias.** Public service employees are motivated to do good for others as part of their basic employment selection purpose, which supports performance achievement (Andersen et al., 2015). They also face the brunt of external bias as the public views public service performance negatively (Marvel, 2016). This is due to the general perception that government is wasteful and inefficient, which becomes the attitude public servants receive when providing service (Marvel, 2016). Overcoming this bias requires HRM practices that mitigate this negative input, as well as business practices that reduce cost and improve efficiency.

The focus of many public-sector management initiatives is shifting from avoiding discrimination to leveraging employee’s skills and competencies (Tang et al., 2015). This shift is necessary to engage inclusive activities to support the integration of a diverse workforce into a higher performing team, and through this process reduces bias and stress be reducing non-inclusiveness in the workforce (Tang et al., 2015). By reducing this bias and stress, public employees can more readily focus on providing superior service to mitigate negative public perception (Marvey, 2016).
Management Diversity and Inclusion

A research gap exists between the actual implementation of practices and the research of higher level knowledge in the areas of diversity and inclusion (Kulik, 2014). Two specific areas needing specific research are the selection process and the performance management process as they relate to diversity and inclusion (Kulik, 2014). The selection gap refers to management’s continued use of non-proven unstructured interviews to gain information versus using techniques that are more likely to yield a useable or statistically sound result (Kulik, 2014). The performance management process refers to management’s unfamiliarity with goal setting and expected results, relying instead on anecdotal guidance and lessons learned in the past (Kulik, 2014).

Another gap exists in policies influencing generational change, which is more prevalent today as several generations occupy the same workspace having differing perspectives on work itself (Lyons & Kuron, 2013). With the variation in age groups, management tends to categorize individuals into expected performance based on their generation. Categorization of individuals into a “generation” and designating specific policies to that group does not enable using the generational social force as a means to motivate or integrate various generations into an organization (Lyons & Kuron, 2013). Research demonstrates there are variations in generations, to include multiple facets of personality and work ethic. The biggest difference is the growing sense of individualism in the youngest entrants to the workforce, and their corresponding increase in neuroticism and narcissism (Lyons & Kuron, 2013). Understanding these changes allows increased knowledge on how to impact the means, practices, and abilities to improve the work
environment to embrace these variations and improve the feeling of inclusion in the workforce.

Another significant contributor to the difficulty in conducting accurate research in this subject is that internal perceptions of performance tend to be higher than external assessments (Andersen et al. 2016). This makes discovery through research more difficult, as individuals tend to overestimate their performance (Andersen et al., 2016; Meier & O’Toole, 2013). However, perception-based measurements have demonstrated significant value in research (Sabharwal, 2014). In addition, external assessments are not shown to be more accurate to internal assessments (Andersen et al., 2016). The concern in public sector external data collection is that public service performance is viewed negatively in nearly all circumstances in the United States, with a large perception that public sector organizations are inferior, inefficient and wasteful (Marvel, 2016). Lastly, continuous exposure to negativity regarding public service organizations influences the evaluation of the public sector (Marvel, 2016).

**Quantitative Research Design**

Research is necessary to expand knowledge and understand cause and effect. Academia functions through reliance on a rigorous scientific research process. Two research designs are primary – qualitative and quantitative research. Qualitative research is exploratory and seeks to develop concepts and theory to explain observed phenomenon (Cochran & Dolan, 1984). Complementing qualitative research, quantitative research focuses on validation of concepts through statistical data analysis. The key difference then is that quantitative research is not designed to develop concepts, but to validate them (Cochran & Dolan, 1984).
Quantitative research often relies on survey data. Conducting the research based on survey data provides the most cost-effective means to gather significant quantities of data for analysis (Grohmann & Kauffeld, 2013). This study followed this established process. The study sought to validate the effects of diversity and inclusion on public sector performance. Correlations also were used to detect multicollinearity. These follow the initial study conducted by Sabharwal (2014).

Summary

The literature on diversity, inclusion, and their influence on public sector performance is limited. However, as limited as it is, the growing list of studies provides significant insight into the complexity of the relationship between business process and human performance. These complexities have always existed. However, with the passage of Title VII of the Civil Rights Act of 1964 specific attention has been leveled at how diverse work places integrate employees. Since that time significant changes in human accessibility to the workplace have changed workplace demographics. These changes are due to travel, movement, immigration, technology, medical technology, and the aging of the population. These changes have generated significant pressure to develop policies and practices to better integrate the diverse workforce.

The managerial practice to diversify the workforce has not yielded the expected performance. Research demonstrates inclusive actions are needed to provide the psychological and emotional connection of the individual to the group to gain this performance improvement. This change seeks to reduce bias, improve management practice, and gain commitment of employees to their organization that diversity alone cannot provide.
In addition, the research studies available support the application of a quantitative research methodology. Research focus is employee perception of an organization's openness and acceptance, and the employee’s perception of performance. The welcoming attitude of openness, acceptance, and enhanced self-esteem is not specifically tailored to the issue of diversity, but is a characteristic of inclusion. Diversity is primarily concerned with the demographics of the organization through identification and involvement of various minority groups to form a representation of the demographics of the environment where the organization operates. Inclusion felt by the individuals brought into the group differs in scope and meaning from simple diversity.

Chapter 3 describes the methodology used in the study. Chapter 3 also defines specifics of the study, to include methodology, population sample size and selection, instruments used, reliability, survey procedure, data analysis procedure, and ethical considerations. The chapter will close with a review of assumptions, limitations, and delimitations.
Chapter 3: Methodology

The purpose of this non-experimental correlational research was to examine the relationship between the practice of inclusive action, inclusion, and organizational diversity on the performance of public sector employees. The independent variables of diversity and inclusion were identified in the literature as the key components driving the ability to enhance or influence performance. The dependent variable, performance of public sector organizations, was the measure of the variation of performance in the organization, with variance measurement between the perception of diversity and inclusion.

Significant information on the positive and negative consequences of diversity are available; yet limited information is available on inclusion (Barrett & Bourke, 2013). The level and influence of diversity in public sector organizations is known and measurable. However, the influence of inclusive actions in these organizations and the net effect on the performance of these organizations due to the implementation of inclusive actions is not (Andrews & Ashworth, 2015).

This chapter begins with a review of the problem, the research questions and hypotheses, the methodology and design of the research. In addition, the chapter includes discussion of the population sample, survey instrument, data collection, and data analysis procedures. A review of ethical considerations and limitations concludes the chapter.

Statement of the Problem

The problem is a lack of knowledge regarding the relationship between inclusion and diversity in performance of public sector employees (Sabharwal, 2014). This lack of knowledge includes understanding the relationship between diversity and job satisfaction,
organizational culture influence, and inclusive actions influence. Significant information on the positive and negative consequences of diversity is available; yet limited information is available on inclusion (Barrett & Bourke, 2013). The determination of the value of inclusive action provides significant managerial information for recruitment, retention, and performance of employees (Sabharwal, 2014).

Sabharwal (2014) conducted the original study on a small subject group. The results of the study were mixed, but the results supported the hypothesis that inclusive actions support improved performance of public sector employees. However, the study group was too small to determine generalizability, hence the potential for improved performance remains untested.

**Research Questions and Hypotheses**

The study expands knowledge of the influence inclusive actions have on a diverse public-sector organization, and the resulting performance change. To fully evaluate the connections between the variables and the resulting performance implications, the following research questions and hypotheses were developed –

RQ1: What is the relationship between inclusion and organizational performance?

H1: Commitment from top leadership positively influences organizational performance.

H2: The ability to influence organizational decisions positively influences organizational performance.

H3: Fairness and equity positively influences organizational performance.

RQ2: What is the relationship between diversity management and organizational performance?
H4: Diversity management positively influences organizational performance.

**Research Methodology**

A quantitative research method was selected for this study. The quantitative method provides superior data versus a qualitative method, as objective data supports research into the specific variables identified in the problem and research hypotheses (Ellemers et al., 2013). Quantitative research is more useful in evaluation of theory, versus qualitative research that is more useful in developing theory (Punch, 2012). Quantitative methodology supports data collection from large groups to meet the generalizability need for the research (Sabharwal, 2014). A qualitative method requires significant time to hold conversations with a representative sampling of the target audience. This study sample was being conducted at geographically dispersed locations, making a qualitative method difficult and costly. In addition, this study required acquiring a large amount of data in a short period of time for effective analysis in order to complete an accurate relational measurement. For these reasons a quantitative method was used.

The study involved using the OIB instrument developed by Sabharwal (2014), based on the Mor Barak Inclusion-Exclusion scale (MBIE). The instrument consisted of 49 seven-point Likert scale items that measured a range from strongly agree to strongly disagree. Past studies used the survey items to measure performance that included several specific evaluations (Choi & Rainey, 2010; Mor Barak, Findler, & Wind, 2003; Mor Barak & Levin, 2002; Pitts, 2009). Specific items relating to inclusion:

- Commitment from top leadership to foster inclusion
- Ability to influence organizational decisions
- Fairness/equitable treatment

**Research Design**

A correlational research design was selected to examine the relationships between variables. An experimental design would not allow examination of the relationships of the variables, nor does this study contain a separate control group. The study examined relationships between the variables of inclusion, diversity and performance. Additionally, this extends the original research of Sabharwal (2014), whose original study was also correlational.

**Population and Sample Selection**

Five hundred surveys were initially provided to the CDHRA organization, which represents over 50% of state public sector employees and who assisted in the delivery of a timed survey instrument. Respondents were selected based on the makeup of the state public sector group, provided by the North Dakota Human Resource Management Service, with a total employee base of 9,494 employees, with percentages of minorities (female 55.1%, black 1.3%, American Indian 1.3%, Asian 0.7% and Hispanic 1.2%), and managers 18.3%, pre-determined. The CDHRA representatives selected individuals to participate in the survey based on this formula, or as near as possible based on availability of employees. Completed surveys were sealed by the respondent in a pre-stamped envelope and mailed directly to the researcher. Confidentiality was maintained through no review of survey responses by anyone other than the researcher.

Sample size was determined through application of a power analysis (Cohen, 1988), and review of other pertinent information. In a power analysis, a researcher considers three items: Type I errors, Type II errors, and estimated effect size. A Type I
error (a) occurs when there is a belief of a genuine effect, when there is not (Neyman & Pearson, 1933). As a result, the researcher selected the alpha (α) as .05. A Type II error occurs (β) when there is belief of no genuine effect, but there is (Neyman & Pearson, 1933). To avoid this type error, the researcher set the beta (β) at .05. The final variable in the power analysis formula is effect size. Sabharwal (2014) found large effect sizes (r from .51 to .54; p. 13), between both diversity management and dimensions of inclusion and organizational performance (N = 198).

Using G*Power (Faul, Erfelder, Buchner, & Lang, 2009), an α = .05, a β of .95, and an estimated effect size of .50, which represents a large effect (Cohen, 1988), a sample size of 38 would be adequate (Figure 3).
Additional considerations included Tabachnick and Fidell’s (2012) suggestion that a survey size should be at least 300 cases. Comrey & Lee (1992) also suggest a survey size of 300. Based on the sample size used by Sabharwal (2014), a sample size of 200 was determined as appropriate. A sample size of 200 would allow the detection of a small-to-medium effect size of $r = .23$ (Figure 4).
Figure 4. Sensitivity Analysis using G*Power

Instrumentation

The OIB survey instrument (Sabharwal, 2014), was based upon the MBIE scale developed and originally published in 2005 by Mor Borak (2005). The MBIE instrument has proven valid and reliable across multiple diverse work groups (Pelled et al., 1999; Roberson, 2006; Shore et al., 2013). Sabharwal’s (2014) application of the OIB instrument resulted in a reliability coefficient of $\alpha = 81$. Additionally, Sabharwal (2014) demonstrated the independent variable of diversity using the same scale, as .80. Sabharwal (2014) also demonstrated the independent variable of inclusion, defined in all
three aspects, as .91 for commitment of top leadership, .95 for ability to influence organizational decisions, and .93 for fairness/equitable treatment. Appendix E contains a table providing specific mapping of items to each variable. In addition, controls used include organizational culture and availability of resources, and demographic information. Using the same survey instrument provides a direct linkage to the original study.

Validity

Validity is defined as the determination of whether an instrument measures what it is designed to measure (Field, 2013). Sabharwal (2014) used the MBIE inclusion scale as the foundation instrument for the OIB study, which demonstrated validity of the specific questions related to inclusion and diversity. However, Sabharwal also determined the sample size in her study was insufficient for generalizability.

The MBIE scale was previously used by Findler, Wind, and Mor Barak (2007), Mor Barak, Findler, and Wind (2001), Mor Barak, Findler, and Wind (2003), and Mor Barak and Levin (2002). Each study provided various validity measurements. For example, in Mor Barak and Levin (2002), internal consistency of .88 using Cronbach’s alpha was found in a sample of $N = 3400$. In a 1998 study using the MBIE scale, Mor Barak and Cherin reported convergent validity of $r = .63$. In each study, consistent results demonstrated the validity of the instrument. These results compare well with Sabharwal’s findings. Based upon previous use of the instrument, validity is consistent.

Validity of the study is consistent in relation to the foundation MBIE. The OIB instrument itself is unverified beyond the original study. Based on this assessment, the OIB instrument was evaluated for validity.
Reliability

Reliability is defined as the determination of whether an instrument can be interpreted consistently across different situations (Field, 2013). The selected survey instrument demonstrated reliability through three sub-evaluations. Sabharwal (2014) identified the following reliability coefficients for each variable and dimension -

- Performance - .81
- Diversity - .80
- Inclusion, consisting of three dimensions: leadership commitment (.91), influence decisions (.95), and organizational fairness (.93)

The MBIE scale is demonstrated to be reliable through multiple studies. Mor Barak and Levin (2002) reported a Cronbach’s alpha of .88. Mor Barak, Findler, and Wind (2003) reported an overall internal consistency of the MBIE scale of $\alpha = .81$. Based upon the results of Sabharwal and other studies mentioned, the instrument has proven to be reliable.

Data Collection Procedures

The surveys were provided to individuals at their workplace by the CDHRA. Surveys were delivered by the researcher to CDHRA for dispersal. Guidelines for dispersal to various organizations represented by CDHRA included specific guidance on selecting both geographically separated state offices, as well as large and small organizations. Small offices may not have the representative sample desired, nevertheless, they were surveyed. Large offices may have a representative sample larger than the goal. The over-sample that occurred met the minimum need for a representative sample that met, as closely as possible, the demographics of state government in North
Dakota. CDHRA provided feedback to the researcher regarding the organizations and locations in the state where surveys were distributed; however, no personal identifying information was collected or shared, only aggregate or location data.

The selected respondents received a sealed packet containing a cover letter explaining purpose, confidentiality, and expected use of survey results, and a self-addressed stamped return envelope. The cover letter served as the informed consent for the respondent to participate in the survey. Completed surveys were sealed by the respondent in a pre-stamped envelope mailed directly to the researcher without allowing any other person or organizational representative the opportunity to review the respondent’s response.

Data collected was available only to the researcher. Individual survey documents are stored in a secure environment and will be retained until the study is complete. After the study is complete, the documents will be shredded and re-cycled. Data from surveys are stored in a password protected computer system and were only shared confidentially with a data analyst.

Confidentiality was maintained throughout the process, as no review of survey responses were allowed by anyone other than the researcher, who had no knowledge of who the individuals were completing the surveys. Key to the process is that no personal information was collected in the survey. Data is retained pending completion of the dissertation process and digital data files will be deleted three years after completion of the survey.
Data Analysis Procedures

The researcher used four steps for data analysis: descriptive statistics, factor analysis, exploratory data analysis, and hypothesis testing.

Descriptive Statistics

Descriptive statistics included frequency counts, means, percentages, and standard deviations to categorize and analyze the demographic information and employee perceptions. The researcher used a Likert scale with 1 being Strongly Agree and 7 being Strongly Disagree. The scale was reversed for the analysis.

Factor Analysis

The OIB instrument is not proven beyond the original research conducted by Sabharwal (2014) to be reliable or valid as a stand-alone instrument. However, the OIB instrument is formed from the solid foundation of the MBIE instrument, which is proven valid and reliable. This is only the second time the OIB instrument has been used in research. Pedhazur and Schmelkin (1991) provided clear descriptions of the difference between a Confirmatory Factor Analysis (CFA) and an Exploratory Factor Analysis (EFA), such that the CFA is used for specific factor loadings of specific variables while an EFA contains all factor loadings. For this reason, a CFA was performed to evaluate specific loadings on each variable to validate their correlation.

As part of the CFA, specific statistics, such as the Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Root Mean Square Error of Approximation (RMSEA), and Standardized Root Mean Square Residual (SRMR), are used to evaluate model goodness-of-fit. These statistics were used to evaluate the relationship between the instrument, data results, and predictions of the results by the model to the data (Field, 2013).
Specifically, the CFI analyzed the average size of correlations, where a value of .95 is the expected result for high correlations (Hu & Butler, 1999). The TLI uses the average size of correlations to determine the relative fit, where a result below .95 is less than desirable (Tucker & Lewis, 1973). The RMSEA is another goodness-of-fit statistics, where a result of zero is the determinant of error and best fit, with a result below 0.08 desired (Hooper, Coughlan & Mullen, 2008). Finally, the SRMR is an overall fit indicator, where a result of .08 or smaller is deemed a good fit (Hu & Bentler, 1999).

**Exploratory Data Analysis**

Exploratory data analysis consisted of outlier detection and analysis, and tests of normality.

**Outlier detection and analysis.** The independent and dependent variables were formed by averaging the related item scores by *a priori* dimension. Once this process was concluded, the researcher evaluated outliers. Outliers can influence the location and dispersion of the mean (Field, 2013). The researcher used a boxplot to identify outliers. If outliers were detected, the researcher evaluated them to determine if there were errors in reporting. Based on this analysis, responses that could be interpreted as an error due to survey fatigue or disinterest would be flagged and removed.

**Tests of normality.** Once outliers are identified and resolved, the researcher tested the distribution of the variables. The Kolmogoroff-Smirnov (K-S) test of normality with Lillefors correction was used to compare the sample to a hypothetical normal distribution that contain the same mean and standard deviation. If the p-value for the test was <.05, the implied null hypothesis that the distribution of the sample variables is
normally distributed can be rejected (Field, 2013). Based on the results of this test, either a parametric or non-parametric hypothesis test was used.

**Hypothesis Testing**

Based on the distribution of the variables under examination, either the parametric Pearson’s Product-Moment Correlation Coefficient \((r)\) or the nonparametric (distribution free) Kendall’s Rank-Order Correlation Coefficient \((\tau)\) would be used as the test statistic. The Pearson coefficient uses a linear relationship to evaluate a best straight-line distribution after standardizing the variables to the same variability, limited to a \(-1.00\) to \(+1.00\) (Cohen, 1988). The Kendall coefficient analyzes concordance between two sets of ranked variables, measuring the degree of similarity, with the result being \(-1.00\) to \(+1.00\) (Abdi, 2007).

**Ethical Considerations**

Consideration of ethics is a key aspect of research. The National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research (1979) provided a key report to guide research in these areas, the Belmont Report. In this report the respect, justice, and beneficence necessary to conduct research while maintaining a strong ethical standing in research was discussed.

The study followed a survey process that minimized ethical concerns through the ability of respondents to remain anonymous. This was accomplished through eliminating linkage between respondents and surveys, respondents and results, and results and identities. No identity information was collected in this process, enabling a truly anonymous link between survey respondents and survey results. IRB approval was sought to evaluate this process and assure no unforeseen ethical issues were identified.
and was granted. Individuals selected for the survey were known to the human resource manager of the organization providing respondent input. However, the human resource managers did not have access to completed surveys, eliminating potential ethical concerns regarding confidentiality in the process, as multiple organizations provided respondents, eliminating identification of organizations employees as providing specific responses. Each respondent was directed to place their completed survey in the self-addressed envelope and personally deposit the survey in a U.S. Postal Service mailbox.

Informed consent was provided through the cover letter, which provided specific information on the purpose of the survey, how data was to be collected, how the data is used, the process to maintain confidentiality, and the respondent’s right to refuse to participate. Respondents were also provided the contact information of the researcher if they felt their privacy, rights, or confidentiality was at risk in any way. No respondent contacted the researcher.

**Limitations**

This research contained several assumptions -

- Survey participants responded to each question truthfully.
- The survey instrument accurately measures inclusion, diversity and performance of employees of public sector organizations.
- Survey participants were North Dakota state government employees.
- Each participant responded to the survey only once.

There were two primary limitations to the study. The first was the target population. The target population was designed to reflect the demographics of state government in North Dakota. However, as individual respondents were selected by
human resource managers in various organizations, it was possible the respondents would not accurately reflect the demographics of the larger state government employee base. This was evaluated after review of all surveys, and the decision made to accept all surveys, even though the specific percentages of each minority was not perfectly matched. The overall percentage of minorities to majorities were sufficiently close to be appropriate for the analysis. An additional limitation regarded the possibility of respondents to misunderstand questions, not provide true or realistic responses, or enter the wrong response to a question accidentally. Assuring the survey instrument has clear instructions helped alleviate this concern.

Summary

This chapter discussed the research methodology, data analysis process, and provided information on the survey process, population, and sample size. The methodology selected, a survey, provided the most efficient and effective means to gather information necessary to conduct data for analysis and to validate or disprove the research hypotheses. The survey instrument was the OIB used by Sabharwal (2014) in the original study. Data collection was through a paper survey mailed anonymously by respondents to the researcher. Chapter 4 will discuss the findings of the survey.
Chapter 4: Data Analysis and Results

This researcher analyzed the relationship between inclusion, diversity, and performance of public sector employees in North Dakota. In this study, a non-experimental correlational research study design was employed to extend the knowledge of the affect inclusion has on the performance of public sector employees in a large statewide organization. This study assessed both inclusion and diversity as they relate to performance to determine the relationship to performance that exists.

This research was conducted using an instrument first used by Sabharwal (2014). The instrument contained specific items related to diversity, performance, and inclusion. Two research questions and four directional hypotheses were the focus of this research -

RQ1: What is the relationship between inclusion and organizational performance?

H1: Commitment from top leadership positively influences organizational performance.

H2: The ability to influence organizational decisions positively influences organizational performance.

H3: Fairness and equity positively influences organizational performance.

RQ2: What is the relationship between diversity management and organizational performance?

H4: Diversity management positively influences organizational performance.

This chapter provides descriptive data, analysis procedures, and the results attained from the study. The initial section provides demographic information from the respondents to the survey. This is followed by a discussion of the data analysis procedures used to analyze the data collected. The concluding section presents the results
of the analysis and aligns with the research hypotheses. The chapter concludes with key points from the chapter.

**Descriptive Data**

Respondents included a cross-section of government employees in the North Dakota state government. Surveys were provided to employees from several state government departments, including the Department of Transportation, Department of Corrections and Rehabilitation, Department of Commerce, Department of Public Instruction, Department of Health, Attorney General, Job Service, Information Technology Department, Workforce Safety and Insurance. In addition, surveys were completed in various cities around the state, although the majority were from the state capitol area.

A total of 500 surveys were distributed. Of the survey’s distributed, 231 surveys were returned; representing a 46% response rate. Of the 231 surveys returned, all surveys contained completed core questions, while 68.83% contained completed demographic information, and 87.03% contained all except one demographic component. Since demographic information is not part of the study, it will is reported, but records not containing demographic information were not be removed from the study.

Approximately 60% of the respondents were female. The age of the respondents was nearly evenly divided, except for those under 35 (Table 1).
Table 1.

*Sample by Age*

<table>
<thead>
<tr>
<th>Age Group</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>12.6</td>
</tr>
<tr>
<td>35-44</td>
<td>30.0</td>
</tr>
<tr>
<td>45-54</td>
<td>28.3</td>
</tr>
<tr>
<td>Over 54</td>
<td>29.1</td>
</tr>
</tbody>
</table>

*N* = 230

Over 90% of the sample was white (Table 2).

Table 2.

*Sample by Ethnicity*

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>1.7</td>
</tr>
<tr>
<td>Black</td>
<td>0.4</td>
</tr>
<tr>
<td>Hispanic, non-White</td>
<td>0.4</td>
</tr>
<tr>
<td>American Indian/Alaska Native</td>
<td>3.1</td>
</tr>
<tr>
<td>Other</td>
<td>0.9</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>93.4</td>
</tr>
</tbody>
</table>

*N* = 229

Over 70% of the respondents had earned at least a bachelor’s degree (Table 3).
Table 3.

Sample by Education

<table>
<thead>
<tr>
<th>Education</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School/GED</td>
<td>10.6</td>
</tr>
<tr>
<td>Associates</td>
<td>16.8</td>
</tr>
<tr>
<td>Bachelor's</td>
<td>47.3</td>
</tr>
<tr>
<td>Master's</td>
<td>23.0</td>
</tr>
<tr>
<td>Doctoral</td>
<td>2.2</td>
</tr>
</tbody>
</table>

*N = 180*

Nearly 60% of the sample were non-management personnel, with about 42%

junior- or mid-level employees (Table 4).

Table 4.

Sample by Organizational Level

<table>
<thead>
<tr>
<th>Organizational Level</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Junior or mid-level employee</td>
<td>42.1</td>
</tr>
<tr>
<td>Senior employee</td>
<td>15.4</td>
</tr>
<tr>
<td>Supervisor</td>
<td>18.0</td>
</tr>
<tr>
<td>Lower or middle manager</td>
<td>15.8</td>
</tr>
<tr>
<td>Senior manager</td>
<td>7.0</td>
</tr>
<tr>
<td>Executive Director</td>
<td>1.8</td>
</tr>
</tbody>
</table>

*N = 205*

Over 90% of the respondents reported being familiar with their operation or

business unit. About 17% of respondents reported bias in the workplace. The most usual
form of bias was gender (6.1%), followed by age (3.3%). Sabharwal (2014) reported 17.5% of the sample having experienced some form of bias.

**Data Analysis Procedures**

As described in Chapter 3, data analysis followed a three-step process. First, a confirmatory factor analysis was performed to validate the a priori structure of components and dimensions was supportive of the analysis to come. Second, the reliability of the survey itself would be performed. To determine reliability, the Cronbach’s alpha was determined for each component. Third, exploratory data analysis, consisting of an analysis of outliers and the distribution of the variables used in the study, was performed. Based on this analysis, either parametric or nonparametric tests would be performed to confirm the hypotheses.

**Results**

Since the survey instrument used in this research used an inverted approach to scoring not normally found in behavioral research (e.g., 1 = Strongly Agree, 7 = Strongly Disagree), the first step taken was reversal of the survey responses so that Strongly Agree would be a higher value than Strongly Disagree. This scale reversal had no influence on the results of this study.

**Factor Analysis**

The Sabharwal (2014) instrument had not been used outside the original study. As a result, a CFA was performed. While the model was statistically significant using the Chi-square goodness-of-fit statistic ($X^2[454] = 1329.257, p < .001$), other goodness-of-fit statistics indicate the model to be less than consistent (Table 5).
Table 5.

**Confirmatory Factor Analysis Goodness of Fit Measures**

<table>
<thead>
<tr>
<th>Goodness of Fit Index</th>
<th>Test Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFI</td>
<td>0.863</td>
</tr>
<tr>
<td>TLI</td>
<td>0.850</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.091</td>
</tr>
<tr>
<td></td>
<td>95% CI (.086; .097)</td>
</tr>
<tr>
<td>SRMR</td>
<td>0.099*</td>
</tr>
</tbody>
</table>

* \( p < .001 \)

The CFI and TLI are below the recommended cut-off of 0.95 (Hu & Bentler, 1999; Tucker & Lewis, 1973), and the SRMR exceeds the determination by Hu & Bentler (1999) of acceptability (\(< .08\)). RMSEA exceeds the recommended value of .07 provided by Steiger (2007). These results indicate the model has internal inconsistencies that may not provide reliable results. However, since the purpose of this study is to expand upon the research of Sabharwal (2014), the study continued using a priori dimensions. The implications of these CFA results will be discussed in Chapter 5.

**Reliability Analysis**

A reliability analysis used performed to evaluate internal consistency of the instrument. Cronbach’s alpha (\( \alpha \)) was used as the test statistic for each a priori dimension. As depicted by Table 6, the \( \alpha \) found in this research was similar to the statistics found by Sabharwal (2014).
Table 6.

Reliability Statistics Comparison

<table>
<thead>
<tr>
<th>Dimension</th>
<th>α</th>
<th>(95% CI)</th>
<th>Sabharwal (2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>0.75</td>
<td>(0.71-0.80)</td>
<td>0.81</td>
</tr>
<tr>
<td>Diversity</td>
<td>0.80</td>
<td>(0.76-0.84)</td>
<td>0.80</td>
</tr>
<tr>
<td>Leadership</td>
<td>0.88</td>
<td>(0.85-0.90)</td>
<td>0.91</td>
</tr>
<tr>
<td>Influence</td>
<td>0.96</td>
<td>(0.95-0.97)</td>
<td>0.95</td>
</tr>
<tr>
<td>Fairness</td>
<td>0.94</td>
<td>(0.93-0.96)</td>
<td>0.93</td>
</tr>
</tbody>
</table>

*Note: N = 231*

The slightly lower reliability score for the dependent variable, organizational performance, could influence the results of this study. This issue will be discussed in Chapter 5.

Exploratory Data Analysis

An exploratory data analysis was performed focusing on two elements: outlier detection and the testing of normal distribution of the measurement variables. But prior to performing these analyses, dimensional scales were formed by averaging items following a priori guidelines (Appendix E; Table 7).
Table 7.

*Dimensional Scale Statistics*

<table>
<thead>
<tr>
<th>Dimension</th>
<th>$M$</th>
<th>$SD$</th>
<th>$SE$</th>
<th>Median</th>
<th>Kurtosis</th>
<th>Skewness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td>5.79</td>
<td>0.73</td>
<td>0.05</td>
<td>5.83</td>
<td>0.80</td>
<td>-0.77</td>
</tr>
<tr>
<td>Diversity</td>
<td>4.97</td>
<td>1.10</td>
<td>0.07</td>
<td>5.20</td>
<td>0.23</td>
<td>-0.52</td>
</tr>
<tr>
<td>Leadership</td>
<td>5.15</td>
<td>1.08</td>
<td>0.07</td>
<td>5.20</td>
<td>0.34</td>
<td>-0.50</td>
</tr>
<tr>
<td>Influence</td>
<td>5.29</td>
<td>1.36</td>
<td>0.09</td>
<td>5.71</td>
<td>0.28</td>
<td>-0.98</td>
</tr>
<tr>
<td>Fairness</td>
<td>5.21</td>
<td>1.29</td>
<td>0.08</td>
<td>5.56</td>
<td>0.25</td>
<td>-0.86</td>
</tr>
</tbody>
</table>

$N = 231$

**Outlier detection and analysis.** Each variable was analyzed for outliers. Over 20 potential outliers were identified across the five measured dimensions (Figure 5).

![Boxplot of Dimensions](image)

**Figure 5.** Boxplot of Dimensions

Upon further investigation, no pattern of survey disinterest or fatigue was identified. For this reason, no action was taken to remove any outliers and the data remained as entered.
Tests of Normality. The distribution of each variable was compared to a theoretical normal distribution by using the Kolmogorov-Smirnov test with Lilliefors correction (Table 8).

Table 8.

Test of Normality using K-S Test

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Kolmogorov-Smirnov&lt;sup&gt;a&lt;/sup&gt;</th>
<th>D</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td></td>
<td>.113</td>
<td>231</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>Diversity</td>
<td></td>
<td>.092</td>
<td>231</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>Fairness</td>
<td></td>
<td>.125</td>
<td>231</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>Influence</td>
<td></td>
<td>.160</td>
<td>231</td>
<td>&lt; .001</td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td>.087</td>
<td>231</td>
<td>&lt; .001</td>
</tr>
</tbody>
</table>

<sup>a</sup>Lilliefors correction

Since each variable did not follow an approximate normal distribution, an evaluation of Q-Q Plots for each variable was performed. As depicted in Appendix E, each variable deviated from a normal distribution in the left tail. This deviation was caused by low scores on each scale. Since a decision was made to include outliers in the study, data transformation techniques were employed to coerce an approximate normal distribution; however, those attempts failed. As a result, hypothesis testing would be performed using nonparametric tests.

Hypothesis Testing

Based on the exploratory data analysis, nonparametric statistical tests were employed for hypothesis testing. The Kendall Rank-Order Correlation Coefficient was selected as the test statistic for each hypothesis. In addition, since the dependent variable,
organizational performance, will be part of multiple, stand-alone hypotheses tests, the Bonferroni correction was employed. The Bonferroni correction, which involves dividing the p-value by the number of tests (.05/4 = 0.0125), was used to avoid Type I errors of incorrectly rejecting the null hypothesis (Field, 2013).

**Leadership and organizational performance.** The first hypothesis tested was whether that leadership positively influences organizational performance. The result of the Kendall Rank-Order Correlation test was significant, $\tau (231) = .330, p < .001$. The size of the effect is considered moderate (Cohen, 1988). As a result, the hypothesis that leadership positively influences organizational performance (H1) is confirmed.

**Employee involvement in organizational decision-making processes and organizational performance.** The second hypothesis tested was that employee involvement in organizational decision-making processes positively influences organizational performance. The result of the Kendall Rank-Order Correlation test was significant, $\tau (231) = .413, p < .001$. The size of the effect is considered moderate (Cohen, 1988). As a result, the hypothesis that employee involvement in organizational decision-making processes positively influences organizational performance (H2) is confirmed.

**Fairness and equity and organizational performance.** The third hypothesis tested was that fairness and equity positively influences organizational performance. The result of the Kendall Rank-Order Correlation test was significant, $\tau (231) = .437, p < .001$. The size of the effect was moderate (Cohen, 1988). As a result, the hypothesis that fairness and equity positively influence organizational performance (H3) is confirmed.
**Diversity management and organizational performance.** The final hypothesis tested was that diversity management positively influences organizational performance. The result of the Kendall Rank-Order Correlation test was significant, $\tau(231) = .329, p < .001$. Similar to prior three hypotheses, the effect size is considered moderate in size (Cohen, 1988). As a result, the hypothesis that diversity management positively influences organizational performance (H4) is confirmed.

**Summary**

A total of 231 State of North Dakota employees were surveyed about their perception of leadership, diversity, ability to influence decision-making, fairness, and the performance of their organizations. This research used a survey instrument completed by individuals in multiple organizations throughout the state of North Dakota over a period of two weeks. The selected survey instrument, utilized for the second time in this type of research, was found to be less than optimum when evaluated using confirmatory factor analysis; however, the research continued using the dimensions measured. The nonparametric Kendall Rank Correlation Coefficient was used as the test statistic for hypothesis testing. The hypotheses that leadership commitment, influence, fairness, and diversity positively influence organizational performance were confirmed through this research. The impact of these results, applications, and limitations of this research are discussed in Chapter 5.
Chapter 5: Summary, Conclusions, and Recommendations

The workforce of all organizations is supported by the demographics available for employment and is constantly shifting. Enhanced travel, immigration and movement of people, the mixture of various cultures, and increased minority engagement create diversity in the available workforce (Armstrong, 2017; Barrett & Bourke, 2013). Establishing a means to bring the changing diverse workforce together into a process where performance is enhanced is a key goal of inclusion (Mor Barak, 2017; Sabharwal, 2014).

The purpose of this quantitative study was to examine the relationship between diversity, inclusion, and organizational performance in a large public-sector organization. The results of this study add to the body of knowledge by quantifying the impact of inclusion as it relates to performance. Information from this study could be useful in the development of employee management policy, reducing turnover, marketing for employees, and organizational sustainment of these processes through enhanced performance. Chapter 5 includes the summary, discussion of findings derived from the data, implications for use in practical and theoretical application, recommendations for future research, and the conclusion.

Summary of the Study

The findings of the study provide support for the hypothesis that inclusive related actions implemented within public sector organizations improves performance. Much research has been conducted on diversity, inclusion, and the psychological or cultural impacts of these two actions (Choi & Rainey, 2010; Ellemers et al, 2013; Pitts, 2009). This study sought to expand the knowledge gained by Sabharwal (2014) regarding the
The influence of inclusion and diversity on performance. Sabharwals (2014) study revealed a positive relationship between inclusion and performance; however, the results were deemed non-generalizable due to the limited sample size ($N = 199$). The results of this study were similar to the results of Sabharwal (2014) with a slightly larger sample ($N = 231$).

The hypotheses for the study consisted of three statements that related to inclusion and one that related to diversity. Data from the survey provided moderate support for all four hypotheses. These are discussed in the next section.

**RQ1:** What is the relationship between inclusion and organizational performance?

**H1:** Commitment from top leadership positively influences organizational performance.

**H2:** The ability to influence organizational decisions positively influences organizational performance.

**H3:** Fairness and equity positively influences organizational performance.

**RQ2:** What is the relationship between diversity management and organizational performance?

**H4:** Diversity management positively influences organizational performance.

The quantitative research methodology was utilized, using the OIB instrument first used by Sabharwal (2014). This study expanded the sample beyond the original in a large public-sector organization, North Dakota state government employees. The study used paper surveys provided by 231 respondents from several large organizations throughout the North Dakota state government; not only employees in the capital area. The surveys were mailed by each respondent directly to the researcher, assuring
confidentiality as no one from their organizations had access to surveys completed from within their organization. Once surveys were returned, the data was entered into SPSS for analysis.

**Summary of Findings and Conclusion**

In the correlative measurements of inclusion and performance, the respondent’s perception of their ability to influence organizational decisions ranked as the highest component. Second was the respondent’s perception of fairness and equitable treatment. Third was the respondent’s perception of the commitment from top leadership to foster inclusion.

It is not surprising that the most personal impact of inclusion, the perception of fairness and equitable treatment, scores the highest in correlation to performance. The literature contains significant reference to the psychological implications of inclusion and the need for the individual to experience an ability to join in the team and feel recognition as a member of the team (Cunningham, 2015; Ellemers et al., 2013; Mor Barak, 2017; Shore et al., 2011). This result is reflected in the highest correlation scores being associated with how individuals feel about their treatment while at work.

The second highest scoring correlation was the ability to influence organizational decisions. The underlying support for this is built on the foundation of the feeling of fairness and inclusion (Cunningham, 2015; Ellemers et al., 2013; Mor Barak, 2017; Sabharwal, 2014; Shore et al., 2011). However, this adds to the feeling of fairness by enabling the individual to feel they can contribute and help make decisions that influence the organization itself. This is an elevated level of inclusion that helps establish relationships that bind the organizations culture together (Hassan & Hatmaker, 2015).
The third correlation, leadership’s commitment to foster inclusion, is viewed as an important aspect of inclusion by respondents. Leadership is viewed as a significant requirement for the inclusive environment to be created. The literature contains numerous discussions of the need for leadership to actively engage in establishing the culture where inclusion can thrive (Graen & Cashman, 1975; Hassan & Hatmaker, 2015; Oberfield, 2014).

Social Identity Theory (Tajfel, 1978), Tajfel postulates that self-esteem is a cohesive for individuals within groups. The results of this study of inclusion reflect that self-esteem is a key indicator by respondents of their feeling of inclusion, most clearly observed in the feeling of fairness and equitable treatment. This goes to the core of his theory and clearly supports it. The connection between this feeling of enhanced self-esteem and improved performance is significant for management decisions regarding inclusive action. The conclusion to the inclusion analysis is that inclusion appears to be a valid management choice that has direct performance implications. This is significant in HRM policy and practice.

Diversity, while moderately related to performance, was the weakest strength of the four components. This moderate correlation reflects the importance of diversity as a platform for inclusive activity, but also demonstrates that diversity is not as important as inclusion in the discussion of the impact on performance. Diversity is viewed as a means to bring people together to reflect a demographic group, but not as a means to achieve higher levels of performance (Henderson & Williams, 2013; Kunze, Bohem & Bruch, 2013; Pant & Vijaya, 2015). Diversity also creates friction, when implemented alone (Ferreira & Rais, 2016; Hays-Thomas & Bendick, 2013). The limited diversity of the
population of the study may reflect a lower awareness or level of importance for this group.

The employee base should reflect the broader population from where the organization operates (Andrews & Ashworth, 2015). The employee base can be diverse, and it must also be competent to perform the necessary tasks the organization conducts. Hence, diversity is not a singular item that can drive performance; nevertheless, it is a critical step necessary to enable inclusion (Armstrong, 2017; Casper, Wayne, & Manegold, 2013).

The conclusion is that diversity remains a viable tool, but that diversity alone does not yield a significant positive impact to performance. Diversity is necessary to bring the demographics of the organization and the surrounding population into sync, but not a tool to improve organizational performance. This has significant impact on HRM policies and practice.

**Implications**

This section is divided into two sections: theoretical implications and practical implications.

**Theoretical Implications**

There are two major theories central to this study. Social identity theory (Tajfel, 1978), and social comparison theory (Festinger, 1954). Both theories are supported in the research results. Social identity suggests that individual membership in groups has a direct influence on their self-esteem (Tajfel, 1978). The study found significant connection between this theory and the behavior implications highlighted through the study. Individuals who feel they are treated fairly respond by performing better.
Individuals who perceive they are accepted by the group participate in group decisions. These individual and social behaviors support the theory and provide a means to improve performance.

Social comparison suggests a desire for individuals to understand their personal opinions and abilities, causing comparison to others to understand the individuals place in the group (Festinger, 1954). The results of this study support the idea of group cohesion when viewed through the analysis of the ability to influence decisions. An individual must have a certain belief in their value to believe they can contribute to the group’s decision process.

**Practical Implications**

The findings of this study suggest performance can be enhanced through application of inclusive practices. Based upon this, public-sector organizations could evaluate the climate of inclusiveness in their organization and take direct action to improve the climate, thereby improving the performance of the organization. This can be further used to market the benefits of joining the organization for recruiting, sustaining performance through regular inclusion evaluations, and retaining individuals long-term to reduce turnover. These results could have significant fiscal impacts for the organization.

These are all problems many organizations struggle with, how to recruit the best and retain them. Inclusion is a tool in the box of ideas and methods to accomplish both goals. While this study does not raise the perception of inclusion as a strong element in organizational performance, it does yield limited support for this concept.
Recommendations

This section is divided into two parts: recommendations for future research and recommendations for practice.

Recommendations for Future Research

The research conducted in North Dakota contained limited minorities, and while the demographic makeup was valid for this study, additional research should be accomplished in a large more diverse public-sector organization. This combined with the results of Sabharwal’s (2014) study provides the support for larger studies with a variation of diversity within organizations.

The research should also expand into the private sector. Inclusion has been demonstrated twice to be valid for improved performance in the public-sector. Research in the private sector should also be conducted to validate the results are for all employee situations, not only public-sector employees. The research should focus on the attitudes and behaviors directly associated with select individual’s feelings of inclusion in the group, and a comparative tie to the performance of these individuals.

The research should be multi-dimensional. The survey process is particularly good; however, a deeper understanding of the results could be obtained in a mixed methods approach. Interviewing individuals could obtain their level of intensity or belief in the results they give and help determine specific inclusive actions that drive their choices. This would provide a much deeper understanding of inclusion and how it functions at the individual level to drive the results obtained in this survey.

The OIB survey instrument has now been used twice. However, the results are mixed and reveal the model has some level of noise that is preventing effective
correlation. During the data analysis, a concern arose regarding the un-used questions in the survey instrument. Sixteen items included in the instrument were not used for evaluation purposes. Sabharwal (personal communication, June 13, 2018) did not provide clarity on the exact use of these questions, so it remains unclear. Sabharwal did state that reviewing several other studies she mentioned would provide insight into the questions concerned. The researcher read each of the studies Sabharwal provided. Of the items at issue, only one was used in the studies provided; once in a control component and the other in the survey taken. The results of this review did not yield a conclusion as to the use of the questions in the original OIB instrument. Based upon this, the researcher has determined the questions were at least a distraction, if not a contributor to bias or conditioning for the respondents. For these reasons, the researcher believes the instrument to be less effective as it could be if the questions were not asked in the survey process.

Based upon the un-used items, the researcher completed an exploratory factor analysis using all survey items contained in the instrument. In that analysis, six components were identified (Table 9).
Table 9.

*Exploratory Factor Analysis with All Survey Items*

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Loading</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.674</td>
<td>34, 35, 36, 37, 38, 39, 40, 41, 44, 45, 46, 47, 48, 49</td>
</tr>
<tr>
<td></td>
<td>8.096</td>
<td>13, 18, 19, 20, 21, 22, 23, 24, 25, 26, 28</td>
</tr>
<tr>
<td></td>
<td>4.071</td>
<td>29, 30, 31, 32, 33</td>
</tr>
<tr>
<td></td>
<td>3.223</td>
<td>5, 6, 7, 8, 16</td>
</tr>
<tr>
<td></td>
<td>2.772</td>
<td>10, 11, 12</td>
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<tr>
<td></td>
<td>2.454</td>
<td>2, 3</td>
</tr>
</tbody>
</table>

A scree plot graphical displays the principal components and factors (Figure 6).
Subsequently, a CFA was performed using the six-dimensional model identified by the EFA. As depicted by Table 10, this six-dimension model is more reliable than the Sabharwal (2014) model, with more degrees of freedom ($\chi^2 [687] = 1559.778, p < .001$; Table 10).
Table 10.

Comparison of Jackson and Sabharwal models

<table>
<thead>
<tr>
<th>Test Statistics</th>
<th>Jackson (2018)(^a)</th>
<th>Sabharwal (2014)(^b)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(df = 687)</td>
<td>(df = 454)</td>
</tr>
<tr>
<td>(X^2)</td>
<td>1559.778*</td>
<td>1329.257*</td>
</tr>
<tr>
<td>CFI</td>
<td>0.886</td>
<td>0.863</td>
</tr>
<tr>
<td>TLI</td>
<td>0.877</td>
<td>0.850</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.074*</td>
<td>0.091*</td>
</tr>
<tr>
<td>95% CI</td>
<td>(.069; .079)</td>
<td>(.086; .097)</td>
</tr>
<tr>
<td>SRMR</td>
<td>.057</td>
<td>.099</td>
</tr>
</tbody>
</table>

\(^a\) 49 items; \(^b\) 33 items; * \(p < .001\)

Because of this subsequent EFA/CFA process, a new survey should be conducted either using all 49 items (thus establishing a new model), or the original OIB should be tested with the un-used items removed from the survey instrument. In any case, research needs to continue to refine the instrument.

**Recommendations for Practice**

Several organizational practices emerge from the study. Organizations should consider conducting inclusion evaluations to determine the cultural climate for inclusion in their organization. These can be conducted through a survey process and provide the organization insight into the attitudes and needs of their team.

Organizations should consider including inclusion training as a regular aspect of skill development. This should begin with an initial training and discussion during the new hire onboarding process and continue with annual training to ensure the team
maintains a positive focus on the benefits and values of inclusion to the organization and individuals. In addition, organizational policies should be evaluated for their support of inclusionary practices. A one-time evaluation of an organization’s policies would establish a foundation of current improvement or modification needs. However, as policies change over time, a regular review every few years should be standard to ensure changes maintain support of the inclusive environment.

Organizations should evaluate their leadership’s commitment to inclusion. While leadership support scored the lowest of the components, inclusion will not happen absent leadership engagement. It may be best to have an outside consultant evaluate the leadership to prevent bias from entering the analysis. Part of this leadership analysis should extend into attitudes of and from everyone in the leadership matrix, to include the Governor, Legislature, CEO’s, board members, etc. Leadership is all encompassing. Every level of leadership that has impact on an organization must be evaluated.

Funds should be dedicated to support implementation of identified inclusionary practices for public-sector organizations to enhance and improve the climate of inclusion. This may require negotiation with state executive leadership or the legislature. However, dedicating resources on a program that improves performance pays for itself through enhanced efficiencies and customer service.

A climate survey should be conducted to evaluate the climate of inclusion in the organization. The initial survey establishes the current culture and attitudes toward inclusion. Subsequent surveys should be accomplished every few years or more often, depending on the type, culture, and need of the organization, to keep abreast of changing attitudes and the developing culture.
These recommendations would cause a public-sector organization to conduct a self-evaluation on a regular basis and ensure performance enhancing policies are being utilized. Hiring the right individuals brings in the people who will willingly participate in the organization’s goals. People who feel they are valued provide better customer service and support the goals of the organization at a higher level of commitment. Improving employees’ attitude towards the organization and bringing them into a willing participation of the culture and climate reduces turnover, which reduces costs.

**Concluding Remarks**

This study added knowledge to the body of knowledge supporting inclusion and diversity in the workplace as influencers on performance. The conclusion, that when employees feel a sense of inclusion in their organization they perform better, provides the springboard for practical changes to improve organizations and their performance. As a result of this study, public-sector organizations can have confidence that when they act to enhance inclusion in their organization, they will gain a level of improved performance from their employees. This is an important finding, and one that is useful in public-sector organizations.
References


doi:10.1177/0146167291175001

doi:10.1007/s10551-014-1352-z


http://www.eeoc.gov/laws/statutes/titlevii.cfm


doi:10.1080/13668800220146346


Appendix A

Informed Consent Agreement

Glenn Jackson

August 11, 2017

Survey Request and Informed Consent

The purpose of this research is to determine if a relationship exists between inclusion, diversity, and performance in an organization. The research project is being completed by doctoral candidate Glenn Jackson at Columbia Southern University. You are invited to participate in this research project because you are an employee in an organization in North Dakota.

Your participation in this research study is voluntary. You may choose not to participate. If you decide to participate in this research survey, you may withdraw at any time. If you decide not to participate in this study or if you withdraw from participation, there is no penalty.

The procedure involves completing a survey that will take approximately 15 minutes. Your responses will be confidential and the research will not collect identifying information such as your name or supervisor. The survey questions will be about working conditions, quality of work, perceived discrimination or lack thereof, and other items that reflect the environment within your organization.

At the conclusion of the survey you will place your survey into a self-addressed stamped envelope and personally deposit the survey into a USPS mail box. The survey results will not be visible to or provided to your organization, to maintain your confidentiality.

We will do our best to keep your information confidential. All surveys will be destroyed after the data is entered into a password protected electronic format. To help protect your confidentiality, the surveys do not request information that could personally identify you. The results of this study are used for scholarly purposes only.

If you have any questions about the research study, please contact Glenn Jackson at surveyinclusion@gmail.com. This research has been reviewed according to Columbia Southern University IRB procedures for research involving human subjects. If you have concerns that you are being put at risk in any way, please contact the Columbia Southern University Institutional Review Board at dba@columbiasouthern.edu.

Thank you for your participation.

Sincerely,

Glenn Jackson

1515 Burnt Boat Drive #258, Suite C, Bismarck, ND 58503
surveyinclusion@gmail.com
Appendix B

Survey of Diversity, Inclusion, and Organizational Performance

We invite you to participate in a survey exploring administration and organizational performance among North Dakota public and private sector employees. It takes about 20 minutes to complete, and only aggregate results will be reported. Your comments are very important to the success of this endeavor. We are happy to make final copies of this study available to you upon request.

Introduction:
What is your organization? ____________________________
What is your grade or rank? ____________________________
How many years have you worked in this organization? __________
If you work in government, how many years have you worked in government? __________

<table>
<thead>
<tr>
<th>#</th>
<th>Part I: Please evaluate the following statements about your job experience, using the scale to the right.</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Don't Know</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My organization is able to recruit people with the right skills.................................................................</td>
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<td>2</td>
<td>I have sufficient resources to get my job done</td>
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<td>3</td>
<td>My workload is reasonable</td>
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<td>4</td>
<td>Physical conditions allow employees to perform their jobs well</td>
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<tr>
<td>5</td>
<td>The work I do in my job is meaningful to me</td>
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<td>6</td>
<td>Opportunities for growth and advancement are available</td>
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<tr>
<td>7</td>
<td>I am given a real opportunity to improve my skills in my organization</td>
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<tr>
<td>8</td>
<td>The skill level in my work unit has improved in the past year</td>
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<tr>
<td>9</td>
<td>A spirit of cooperation and teamwork exists in my work unit</td>
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<td>10</td>
<td>My work unit’s customer’s are satisfied with the quality of our work</td>
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<td>11</td>
<td>My work unit places emphasis on doing the job right the first time</td>
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<tr>
<td>12</td>
<td>The overall quality of work done by my work group is high</td>
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<tr>
<td>13</td>
<td>The overall quality of work done by my immediate supervisor/team leader is high</td>
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<tr>
<td>14</td>
<td>Generally speaking, I am satisfied with my job</td>
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<tr>
<td>15</td>
<td>Considering everything, I am satisfied with my organization</td>
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<tr>
<td>16</td>
<td>We frequently develop innovative programs</td>
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<tr>
<td>17</td>
<td>Workplace productivity is high</td>
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<tr>
<td>#</td>
<td>Statement</td>
<td>Strongly Agree</td>
<td>Agree</td>
<td>Somewhat Agree</td>
<td>Don't Know / Can't Say</td>
<td>Somewhat Disagree</td>
<td>Disagree</td>
<td>Strongly Disagree</td>
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<tr>
<td>18</td>
<td>Involves me in decisions about my job</td>
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<td>19</td>
<td>Encourages all employees to express their opinions</td>
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<tr>
<td>20</td>
<td>Creates a synergistic approach to problem solving and decision making</td>
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<tr>
<td>21</td>
<td>Seeks my input before making important organizational decisions</td>
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<td>22</td>
<td>Provides me with all information and resources that will help me make</td>
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<td></td>
<td>decisions about my job</td>
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<tr>
<td>23</td>
<td>Involve me in decision about ways to improve productivity</td>
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<td>24</td>
<td>Involve me in decision about ways to improve quality of the work</td>
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<td>environment</td>
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<td>25</td>
<td>Evaluates employees fairly</td>
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<td>26</td>
<td>Has a track record of promoting employees objectively</td>
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<tr>
<td>27</td>
<td>Takes action when employees show disrespect for each other</td>
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<td>28</td>
<td>Assigns tasks based on the knowledge, skills, and abilities possessed by</td>
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<td></td>
<td>individual employees</td>
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<tr>
<td>29</td>
<td>Has fairly rewarded me considering my responsibilities</td>
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<tr>
<td>30</td>
<td>Has fairly rewarded me considering the amount of experience I have</td>
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<td>31</td>
<td>Has fairly rewarded me when I consider the amount of effort that I have</td>
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<tr>
<td>32</td>
<td>Has fairly rewarded me for the work well done</td>
<td></td>
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<tr>
<td>33</td>
<td>Has fairly rewarded me considering the stresses and strains of the job</td>
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</tbody>
</table>
### Part III. The following questions concern your perceptions of senior management in your agency.

In my organization, Senior Management...

<table>
<thead>
<tr>
<th>#</th>
<th>Item</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Somewhat Agree</th>
<th>Don't Know/Can't Say</th>
<th>Somewhat Disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>34</td>
<td>Informs employees of the EEOC policies related to recruitment</td>
<td></td>
<td></td>
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<tr>
<td>35</td>
<td>Is committed to hiring a workforce that is representative of all segments of the society</td>
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<tr>
<td>36</td>
<td>Has policies and programs in place to promote diversity in the workplace</td>
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<tr>
<td>37</td>
<td>Works well with employees of different backgrounds</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>38</td>
<td>Incorporates diversity into the organization’s vision or mission statement</td>
<td></td>
<td></td>
<td></td>
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<td>39</td>
<td>Tries to create an awareness and appreciation of individual and cultural differences among employees</td>
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<td>40</td>
<td>Helps employees understand their own feelings and attitudes about people who are different</td>
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<td>41</td>
<td>Encourages employees to explore how individual differences might be tapped as assets in the workplace</td>
<td></td>
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<tr>
<td>42</td>
<td>Has policies that are aimed at improving work/life balance (e.g., family friendly policies like flexible hours, telecommuting, alternative work arrangements)</td>
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<tr>
<td>43</td>
<td>Provide opportunities for informal mentoring</td>
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<td>44</td>
<td>Link diversity initiatives to the organization’s strategic plan or performance plan</td>
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<tr>
<td>45</td>
<td>Tells supervisors how they should include minorities in decision-making</td>
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<td>46</td>
<td>Make efforts to integrate minorities in department activities a meaningful criterion in supervisory appraisals</td>
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<tr>
<td>47</td>
<td>Expect supervisors to take the career development of minorities seriously</td>
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<tr>
<td>48</td>
<td>Is held responsible for getting high performance from all their staff</td>
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<tr>
<td>49</td>
<td>Receive feedback from subordinates as part of their performance appraisal</td>
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<td>#</td>
<td>Part IV. Have you experienced discrimination, exclusion, or bias (either intentional or unintentional) within the last 12 months as a result of any of the following? (Check all that apply)</td>
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<tr>
<td>50</td>
<td>Race or ethnicity [ ] Gender [ ] Sexual Orientation [ ] Physical or mental disability or limitation [ ] Religious affiliation or belief system [ ] Social or political beliefs [ ] Age [ ] Other [ ] No - I have not experienced bias [ ]</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>#</th>
<th>Part V. Please provide some basic demographic information for the survey.</th>
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</thead>
<tbody>
<tr>
<td>51</td>
<td>Which of the following best describes your position? (please select one):</td>
</tr>
<tr>
<td>52</td>
<td>Lower or middle manager [ ] Senior manager [ ] Executive Director [ ]</td>
</tr>
<tr>
<td>53</td>
<td>How familiar are you with the operation and performance of your work unit?</td>
</tr>
<tr>
<td>54</td>
<td>Very Familiar [ ] Familiar [ ] Somewhat Familiar [ ] Not Familiar [ ]</td>
</tr>
<tr>
<td>55</td>
<td>What is your sex? ___M / ___F</td>
</tr>
<tr>
<td>56</td>
<td>What is your age? under 35 [ ] 35-44 [ ] 45-54 [ ] over 54 [ ]</td>
</tr>
<tr>
<td>57</td>
<td>What is your highest level of education? __ HS/GED __ AS __ BA __ MA __ PhD</td>
</tr>
<tr>
<td>58</td>
<td>What is your highest degree? _______ in which field? ________</td>
</tr>
<tr>
<td>59</td>
<td>Is your job mostly a line or staff function? __ Line/<strong>Staff/</strong> Both or Can’t Say</td>
</tr>
<tr>
<td></td>
<td>In which Department do you work?__________________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>#</th>
<th>Part VI. How do you describe your race or ethnic group? (If multi-racial, please check all that apply)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59</td>
<td>Asian [ ] American Indian or Alaskan Native [ ] Black, African American or of African descent [ ]</td>
</tr>
<tr>
<td></td>
<td>Hispanic, Latino or of Spanish origin [ ] Native Hawaiian or Pacific Islander [ ] White, non-Hispanic [ ]</td>
</tr>
<tr>
<td></td>
<td>Other [ ]</td>
</tr>
</tbody>
</table>

Please place survey in the envelope provided and drop into the nearest U.S. Postal Service mailbox.

THANK YOU!!
Appendix C

Letter of Support, Central Dakota Human Resource Association

February 4, 2016

Glenn Jackson
446 West Edmonton Drive
Bismarck, ND 58503

RE: Doctoral Research Support Request

Thank you for considering the members of the Central Dakota Human Resource Association (CDHRA) for your research. CDHRA is currently made up of approximately 200 members from central North Dakota which spans Bismarck, Mandan, Minot, Jamestown, and surrounding areas.

One of our Society for Human Resource Management (SHRM) affiliation initiatives is to promote Human Resources and associated research through various means including supporting the SHRM Foundation. Due to this initiative we will gladly assist you by informing our members of your research, providing them with the opportunity to respond at their will, and sending your request to the North Dakota SHRM chapters.

Thank you again for considering CDHRA for your research. Please let me know how I can be of assistance during your research.

Have a great day!

Jason Sutheimer, SPHR, SHRM-SCP
President

Central Dakota Human Resource Association
PO Box 743 | Bismarck, ND 58502
Website: http://cdhra.shrm.org | LinkedIn: www.linkedin.com/in/sutheimer/

North Dakota Department of Transportation
608 East Boulevard Avenue | Bismarck, ND 58505-0700
Phone: 701.328.4358 | Fax: 701.328.1415
Email: jsutheimer@nd.gov | Website: www.dot.nd.gov/
Appendix D

Permission to Use Survey Instrument

-----Original Message-----
From: Sabharwal, Meghna [mailto:meghna.sabharwal@utdallas.edu]
Sent: Monday, July 6, 2015 1:40 PM
To: Glenn Jackson <gejhome@live.com>
Subject: RE: Diversity Management and Inclusion

Hi Glenn,

Please find attached the survey questions that I used in my study (highlighted in yellow). As I mentioned, this is part of a much larger survey conducted in 14 different countries. You are welcome to use any other questions from that survey as long as you take my permission and cite in your work.

Also, attached is a document I put together when I was working on my inclusion piece. You should be able to find these studies by doing a Google Scholar search, if not let me know and I’d be happy to send it to you.

Please keep me updated on your progress. I am excited that you chose to work on this topic.

All best,
Meghna

Meghna Sabharwal Ph.D.
Assistant Professor
The University of Texas at Dallas
School of Economic, Political and Policy Sciences
800 W. Campbell Road GR 31
Richardson, Texas 75080-3021
Phone: 972- 883-6473
http://www.utdallas.edu/~mxs095000/

Books

Public Administration in South Asia: India, Bangladesh, and Pakistan
http://www.crcpress.com/product/isbn/9781439869116

Public Personnel Administration
http://www.birkdalepublishers.com/
Appendix E

**Mapping of Items to Dimensions**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity</td>
<td>32, 38, 42, 43, 44</td>
</tr>
<tr>
<td>Performance</td>
<td>8, 9, 10, 11, 12, 13</td>
</tr>
<tr>
<td>Leadership</td>
<td>35, 36, 37, 38, 40, 48</td>
</tr>
<tr>
<td>Influence</td>
<td>18, 19, 20, 21, 22, 23, 24</td>
</tr>
<tr>
<td>Fairness</td>
<td>25, 26, 27, 28, 29, 30, 31, 32, 33</td>
</tr>
<tr>
<td>Not Used</td>
<td>1, 2, 3, 4, 5, 6, 7, 14, 15, 16, 17, 41, 45, 46, 47, 49</td>
</tr>
</tbody>
</table>
Appendix F

Q-Q Plots of Variables

Q-Q Plot of Commitment

Q-Q Plot of Influence