

Creating a Climate for Inclusion in Hospital Settings

by
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A THESIS

submitted to
Oregon State University
Honors College

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degree of

Honors Baccalaureate of Science in Business Management and Public Health
(Honors Scholar)

Presented May 4, 2021
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Lawrence Houston III

In this paper we investigate how hospitals can create a more inclusive climate in their organizations that can foster an environment where all employees and, in turn, patients feel welcome. We ask the question of whether it is leaders or employees that have the agency to create this climate that is so essential to the fabric of an organization's culture. To test this question, we looked at the impact both inclusive leadership and diversity self-efficacy among employees had on creating a climate for inclusion and to which degree both predictors were moderated by racial diversity. Results evidenced that inclusive leadership is imperative for developing this climate for inclusion regardless of group racial diversity. Employee diversity self-efficacy, however, was found to have a compensatory effect with group racial diversity in developing a climate for inclusion. These results necessitate the development of inclusive behaviors among leaders and intentional hiring practices to construct a strong climate for inclusion.

Key Words: Climate for inclusion, diversity, self-efficacy, leadership, organizational culture
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I understand that my project will become part of the permanent collection of Oregon State University, Honors College. My signature below authorizes release of my project to any reader upon request.

Rylie Grace Tiffin, Author

INTRODUCTION

As of 2019, racial minorities were proportionally represented in hospital employment in terms of their percentage of the overall U.S. population (US Bureau of Labor Statistics, 2019 & Census, 2019). But employment of minorities without commitment to inclusion is not sufficient (Shore et. al, 2018). Inclusion is of paramount importance in the growing healthcare industry as organizations seek to accommodate the needs of an increasingly diverse population in both employees and patients. To provide the best quality of care to patients, there needs to be an underlying cultural competence throughout the organization (Cohen et. al, 2002). Without including the diverse populations in the decision-making, it is likely that the racial representation among employees will not lead to culturally competent organizational practices (Offerman & Basford, 2014). Additionally, inclusion has been shown to have positive effects on helpful behaviors and task effectiveness, and negative effects on stress, all of which are clearly relevant to the healthcare environment (Shore et. al, 2018). In order to give patients the best level of care, it is clear that hospitals must first ensure that all of their employees feel that they are part of an inclusive climate.

In order to build an inclusive climate, it is important to first understand exactly what organizational inclusion means. Past research surrounding inclusion has had varying definitions. Many common definitions equate inclusion to assimilation by claiming that hiring diverse populations is in itself including them in business functions (Holvino et. al, 2004). This belief leads to the idea of assimilation by implying that once hired, in order to be key decision-makers within the organization, individuals must morph their actions and ideals to fit the values of the organization. Assimilation can be viewed as a form of organizational commitment due to the individual's willingness to adapt to the workplace environment and the cohesion that it seems to

create (Moore, 1997). While assimilation externally presents itself as a united front, its influence and implications can be problematic (Mundell, 2014). One example of this is that if everyone in the organization is expected to act from a set of values that they do not define themselves, then they exhibit facades of conformity, defined as “false representations created by employees to appear as if they embrace organizational values (Milliken, Morrison, & Hewlin, 2003).” These false pretenses often lead to emotional exhaustion and employees leaving the organization because they feel that their personal values have no place within the organization (Hewlin, 2009). To avoid facades of conformity and their negative impacts, individuals must be able to comfortably exhibit their creativity and unique perspectives (Hewlin, 2009). When individuals assimilate to an organization, they tend to feel as though they have been consumed by the organization, or that their identity is significantly intertwined with the organization’s decisions (Mundell, 2014). This self-identity implies that employees’ unique qualities or ideas, if not congruent with those of the organization, are not welcome, causing issues with job satisfaction (Mundell, 2014). Due to these reasons, this idea that assimilation is inclusion has been countered and instead defined as characteristic of an exclusive climate (Mor Barak and Daya, 2014). Employees need to feel as though their unique qualities bring improvement to the organization, and that those qualities are nurtured rather than overridden by the organization as a whole (Sessler et. al, 2013). While assimilation has served as a surface-level idea of inclusion, in order to truly tackle organizational diversity tensions, an improved definition needs to be widely accepted.

Shore (2011), using the Optimal Distinctiveness Theory, has redefined inclusion in the workgroup to reflect the literature themes of belongingness and uniqueness working in tandem with one another (Shore et. al, 2011). In order to feel included, individuals need to see that their

cultural perspectives are applied to the value frame of the organization while also receiving membership in decision-making groups. Inclusion manifested as the balance between belongingness and uniqueness means that the individual is recognized and valued for their unique perspectives yet also feels comfortable being themselves amid the larger group, rather than feeling as though they have to assimilate with the group in order to be successful. This blend of belongingness and uniqueness is the definition of inclusive climate that will be used in this paper.

Previous research has primarily focused on climate for inclusion as a moderator (Nishii, 2013). To better understand how to create a climate for inclusion that promotes satisfaction of belongingness and uniqueness needs, I examine the role of leader inclusiveness and diversity self-efficacy as two important antecedents of inclusive climates. The goal of this study is to provide empirical evidence that encourages managers to look beyond merely recruiting racial minorities and move toward inclusion of all employees, beginning at the top of the organization with leadership practices and the development of diversity self-efficacy in all employees. This study focuses specifically on hospital settings because the inclusive climate is of utmost importance in multiple dimensions. First, when employees feel included, they are more likely to exhibit the traits that are commonly associated with high-quality care: helpful behaviors and task effectiveness (Shore et. al., 2018). Employees must also be equipped with the cultural competence to provide high quality care to a diverse array of patients (Shore, et al., 2018). Patients also need to experience race-concordant relationships with physicians so that they feel their needs are personally recognized, thereby leading to a higher perceived quality of care (Blanchard et. al, 2007). These feats are not only accomplished by hiring diverse populations, but by integrating them into the community and decision-making processes (Nishii, 2012). While the

benefits of an inclusive climate in a hospital setting are clear, this model will go a step further to give administrators the tools to develop this climate.

THEORY AND HYPOTHESIS DEVELOPMENT

In their seminal work, Nishii and Mayer (2009) discovered three dimensions that constitute climate for inclusion—i.e., fair employment practices, inclusion in decision-making, and integration of differences. *Fair employment practices* reflect an embracing of diversity and a just system, one where everyone is treated fairly and is given opportunities to lead and contribute. *Inclusion in decision-making* brings in diverse perspectives when making decisions, ensuring that the organizational decisions reflect the whole team rather than a powerful few. Finally, *integration of differences* suggests that members are not just encouraged to participate, but that their involvement in group settings is also facilitated. In summary, in order to feel included, individuals need to see that their cultural perspectives are applied to the value frame of the organization while also receiving membership in decision-making groups. Inclusion manifested as the balance between belongingness and uniqueness (Shore, 2011) means that the individual is recognized and valued for their unique perspectives yet also feels comfortable being themselves amid the larger group, rather than feeling as though they have to assimilate with the group in order to be successful. The workplace climate, according to Litwin and Stringer's (1968) work on organizational culture, is the "filter through which day-to-day practices are experienced by employees." In applying values of diversity and inclusion, managers should ensure that this filter reflects an inclusive experience.

The Relationship Between Inclusive Leadership and a Climate for Inclusion

In accordance with Shore et. al.'s (2011) definition of a climate for inclusion, using the Optimal Distinctiveness Theory, it is imperative that inclusive leadership fosters an environment

in which employees can feel that their individuality is appreciated and that they belong as members of the group. With this in mind, leader inclusiveness, as defined by Nembhard and Edmondson (2006) is characterized as “words and deeds exhibited by a leader or leaders that indicate an invitation and appreciation for others’ contributions” (p. 947). The combination of the Optimal Distinctiveness Theory and this definition of leader inclusiveness induce the conclusion that inclusive leaders are consciously facilitating a feeling among group members that they belong within the group while also helping each member retain their sense of individuality when collaborating in group processes and outcomes ((Brewer, 1991; Shore, Randel, Chung, Dean, & Ehrhart., & Singh, G., 2011; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987).

As we investigate how to create such a climate, we find that organizations often turn to their leaders as climate engineers, as climate formation is an “implicit aspect of leadership processes” (Kozlowski and Doherty, 1989). Therefore, organizations expect leaders to organize and dedicate the workforce to standards of inclusivity through climate creation. While leaders clearly have the agency and the power to create a climate, there are specific behaviors that reflect these abilities and directly relate to Nishii’s (2009) dimensions for an inclusive climate and Shore’s (2011) Optimal Distinctiveness Theory. First, leaders are responsible for hiring employees. Such an activity comes with multiple responsibilities. Leaders must ensure that they are hiring fairly, without any racial biases. They also must consciously decide to bring candidates into the team that also value inclusivity. In line with Nishii’s dimensions of climate for inclusion, hiring must reflect fairly implemented employment practices. Furthermore, the standards and expectations that the leader sets within the workplace should contribute to the integration of differences by facilitating the participation of all employees. Integrating the differences amongst employees achieves Shore’s (2011) idea that employees need to be valued for their uniqueness. Another

critical behavior associated with leaders developing climate is their method for making decisions. Decision-making itself is crucial to the creation of a climate for inclusion; thereby, leaders must invite and appreciate various inputs, facilitating the participation of diverse individuals to show that they are valued for their contributions and are an integral part of the group. As members of the group are included in decision-making, they develop a larger sense of belonging within the group. Each of these behaviors are instrumental in developing a climate that aligns with both Nishii and Mayer's (2009) dimensions and Shore's (2011) Optimal Distinctiveness Theory that argues employees need to be both valued for their uniqueness and feel a sense of belonging within the organization.

Beyond the dimensions outlined in past literature, there are multiple other behaviors and practices that leaders can adopt. They must build an environment that is comfortable for all members, including themselves. To address the comfort of others, leaders can assist members in meeting their specific needs, provide them with support, and listen to their opinions. Leading in a supportive way rather than exerting influence in an exclusionary manner will facilitate a more comfortable environment for all members of the group. Another process that may assist in the creation of an inclusive climate via the work of a leader is establishing justice and equity in the workplace. Cottrill, Lopez, and Hoffman (2014) discuss the idea that inclusive leaders must alter rules for acceptable behaviors to safeguard the wide application of inclusive values. By acting with justice and equity, inclusive leaders manifest fair values through their treatment of group members, thereby instilling an inherently welcoming climate and developing the confidence among employees that fairness is valued in the organization. Further, inclusive leaders can create opportunities for conversation between different groups and about the distinguishing differences, allowing open dialogue and facilitating a greater level of comfort amongst group members.

During such dialogues, and with each interaction with employees, inclusive leaders must demonstrate an interest in learning from group members, then reciprocate authenticity regarding their own challenges and successes. To address their own comfort, Cottrill, Lopez, and Hoffman (2014) also found that leaders of diverse and inclusive organizations must model comfort with diversity to avoid being perceived as racially biased, but also to demonstrate to the group members that diversity is valued and accepted in the organization.

Inclusive leadership embeds inclusion into the contextual makeup of the group by creating fair employment practices, exhibiting inclusion in decision-making scenarios, and integrating the differences among the group members (Nishii, 2013). By establishing fair employment practices, inclusive leaders ensure that justice and equity are the foundation of the organization's employee makeup. After having a diverse, fairly-hired workforce, leaders have the agency to elicit inclusion in decision-making scenarios by encouraging the participation of group members and acknowledging everyone's ideas. Giving such responsibility in decision-making is core to the Optimal Distinctiveness Theory's idea that members of the group must feel their ideas are valued in crucial group settings, such as decision-making scenarios. Finally, to integrate differences among employees, leaders can both encourage diverse contributions and, to go a step further, help group members fully contribute. By facilitating contributions from all group members, the leader indicates through action that they value the inputs that they have requested. In turn, leaders' behaviors are directly linked to establishing a climate for inclusion.

In line with this reasoning, I argue that inclusive leadership is directly linked to the development and realization of an inclusive climate for a couple of reasons. First, organizational leaders are climate engineers, meaning that their behaviors set the precedent for organizational procedures. Aside from the aforementioned behaviors that display inclusive values, leaders are

also responsible for advocating for their employees, and can do so through disseminating justice and equity throughout the organization. Specifically, leaders can be procedurally just by creating systems that embed justice and equity into the organization. For example, these policies can provide fairness and protect from bias by involving checks and balances in the hiring process, ensuring equal consideration between group members. Building these just systems is a crucial part of inclusive leadership. These behaviors represent an organizational commitment to systems of inclusion and set the foundation for further generation of inclusive behaviors in the organization.

Second, leaders can model inclusive behavior and responses in certain situations as an example for the employees. Bandura's (1977) social learning theory discusses how leaders modeling behaviors disseminates values throughout the organization. The people with whom employees regularly associate are the ones that they regularly observe and thereby are those from whom they learn the most behaviors. Employees recognize the functional value of different leaders' behaviors and use this recognition to determine which models to observe and which to ignore. By consistently being available to employees, exhibiting inclusive behaviors, and clearly showing the value of their actions, leaders show their employees the merit that comes with inclusivity, and successfully become strong models. With the role of a model, leaders can demonstrate comfort with diversity, continually appreciate diverse perspectives and ideas, and keep a no-tolerance attitude towards mistreatment in informal and formal environments. Repeatedly demonstrating these desired behaviors, instructing others to reproduce them, physically prompting the behaviors when they fail to occur, and then administering powerful rewards will eventually elicit matching responses from employees. Leaders have the ability, power, and responsibility to use these actions to propagate inclusivity in the workplace.

(H1): Leader inclusiveness will be positively related to climate for inclusion.

The Relationship Between Diversity Self-Efficacy and a Climate for Inclusion

Employees also contribute to the climate for inclusion, especially through shared diversity self-efficacy when encountered by group members that are different than themselves. Diversity self-efficacy is defined as the perception and confidence in one's abilities to successfully accomplish desired diversity goals in the workplace. This is an extension of the concept of self-efficacy, which can be felt in many life realms as people form beliefs and confidences of their abilities and the likely consequences of their actions (Bandura, 1991). In this regard, diversity self-efficacy represents confidence in operating in environments where diversity is present. Diverse environments, in this case, are overarching, meaning that the individual is interacting with anyone who is different than his or herself, not just a specific group.

As Bandura (1991) points out, efficacy has a significant influence on how individuals interact with one another. A person who has high efficacy with a certain task may respond to adversity differently than someone who has lower self-efficacy. For example, if someone who has low self-efficacy with conflict management is faced with disagreements or divergent perspectives in the workplace, they may respond differently than someone who is confident with their ability to manage conflict. In this way, self-efficacy may change how a person endures through difficulties and withstands stressful circumstances (Bandura, 1988, 1991). For example, prior research has shown that fear of being viewed as prejudiced has been linked to avoidance of cross-cultural and racial interactions (Plant & Butz, 2006), meaning that those with lower diversity self-efficacy may be inclined to not interact with peers different than them. In the current study, I propose that diversity self-efficacy is positively related to climate for inclusion for two key reasons.

First, those who are more comfortable with divergent perspectives and unique insights contribute to a climate for inclusion because they are more likely to voice their own diverse insights and are more accepting of others' diverse and unique perspectives. Ely and Thomas (2001) discuss the idea that employees who recognize people's diverse backgrounds are more confident in interacting with their peers in a meaningful and constructive manner. Nishii (2013) further breaks this down to say that believing "people's diverse backgrounds are a source of insight that should be utilized to adapt and improve the organization's strategic tasks" is a critical point of the learning and integration perspective. As workers recognize the insight that diverse perspectives can bring, they learn about one another and integrate their differences, and understand that the value of each new perspective is crucial. These positive discussions foster an integration of differences that is necessary for the creation of an inclusive climate through comfort with diversity.

Furthermore, when an employee feels confident in their skills pertaining to diversity and inclusion, they feel more capable of bringing people from diverse backgrounds into the work circles in effective ways. These confident employees are more likely to get all of their peers involved in decision-making scenarios. Not only do they bring these peers to the table, but they also encourage authenticity, fully allowing both a feeling of belonging and uniqueness for racial minorities. These employees with high diversity self-efficacy act on the idea that group success stems from the inclusion of all people and ideas - not assimilation or acceptance, but appreciation. An inclusive climate is founded not only on acceptance but rather goes a step further to appreciate diversity, meaning employees must also demonstrate this commitment and recognition of various perceptions in order to truly foster an inclusive climate. By appreciating

the perspectives of their peers and including them in all workplace decisions, diversity self-efficacy directly leads to the development of a climate for inclusion.

Second, those with higher diversity self-efficacy are more comfortable expressing their authentic self and more likely to signal an acceptance of others' authenticity, thereby fostering norms that support and encourage the integration of differences. When employees have higher diversity self-efficacy, they are ready to experience newness, meaning that they embrace each other's differences and reflect on them productively rather than rejecting newness in fear of change. By presenting their authentic selves and encouraging others to do the same, those with high diversity self-efficacy increase the cohesion within the workplace and lead to a successful integration of differences. In this way, diversity self-efficacy breeds an inclusive climate by enabling employees to feel comfortable with diversity and confident in encouraging all of their peers to get involved in the workplace in authentic ways.

I propose that diversity self-efficacy is positively related to climate for inclusion for two key reasons. First, those who are more comfortable with divergent perspectives and unique insights contribute to a climate for inclusion because they are more likely to voice their own diverse insights and are more accepting of others' unique perspectives. Second, those with higher diversity self-efficacy are more comfortable expressing their authentic self and more likely to signal an acceptance of others' authenticity, thereby fostering norms that support and encourage the integration of differences. Thus, I hypothesize the following:

(H2): Diversity self-efficacy beliefs will be positively related to climate for inclusion.

Group Racial Diversity as a Moderator

These relationships will be even more prominent in the presence of high racial diversity within the group. When the group has a more diverse composition, the antecedents of a climate

for inclusion become more important. Leader inclusiveness and employee diversity self-efficacy are both tied to the presence of diversity within the workgroup. As more diversity is brought into the workplace, yielding a climate for inclusion through leader inclusiveness and diversity self-efficacy is more likely. Leaders and employees must intentionally contribute to the climate for inclusion to make their diverse peers feel welcome in the increasingly diverse workplace. Given the importance of diversity in empowering the workplace to become more inclusive, I hypothesize the following:

(H3a): Group racial diversity will moderate the relationship between leader inclusiveness and the climate for inclusion, such that the relationship will be stronger when there is high (vs. low) group racial diversity.

(H3b): Group racial diversity will moderate the relationship between diversity self-efficacy and climate for inclusion, such that the relationship will be stronger when there is high (vs. low) group racial diversity.

PROCEDURE

The participants were employees at a hospital in the Pacific Northwest. Data for this study was collected from multiple sources. Seventeen hundred and forty-four out of 4,915 hospital employees (35.48%) from 160 workgroups completed a survey administered by the researchers that measured group perceptions of leader inclusiveness. The average unit size was 10.85, with unit sizes ranging from 1 to 68. Out of 160 workgroups, approximately 62.5 percent of group leaders (N = 100) completed a survey administered by the researchers that measured diversity self-efficacy beliefs and behavioral authenticity. This resulted in a final sample size of 1,470 employees across the 100 workgroups. This employee sample was 75% female, 81% identified

as Caucasian, and 73% were college graduates. Employees in our sample worked in a variety of healthcare roles (e.g., physicians, nurses, surgeons, pharmacists, patient advocates, receptionists, data scientists, accountants, lab technician, HR specialists, therapists, security officers, food preparers, and cashiers), with an average tenure of 2-5 years. Approximately 68% of the leaders were women and 89% identified as Caucasian, and they had been with the hospital on average between 5 and 10 years. To ensure anonymity, the researchers were only allowed to employees within the following tenure range: less than one year, 2-5, 5-10, 10-20, 20-30, 30 years or more.

Measures

Diversity Self-Efficacy. Leaders rated their efficacy perceptions regarding diversity-related initiatives and behavior using five items developed by Combs and Luthans. (2005). Items included, “How confident do you feel in your ability to do each of the following”...“Communicate well with people who are different from me (e.g., race, cultural backgrounds, gender, sexual orientation, religious beliefs, etc.)”, “Manage my behaviors toward those who are different from me”, “Carefully think through uncommon situations and notice diversity issues”, “Notice when people are sometimes treated unfair because they are viewed as different”, “Help encourage others to behave in ways that create a supportive climate for diversity and inclusion” (1 = not at all confident, 5 = very confident; $\alpha = .84$).

Racial Diversity. Racial demographics were provided by the organization. Racial categories included African American (1.1%), Asian (5.0%), Caucasian (78.4%), Hispanic or Latino (13.9%), Native American (0.7%), and Native Hawaiian or Pacific Islander (0.8%). Racial diversity was measured using Blau’s (1977) index, which is the most widely used index of diversity in organizational research (e.g., Nishii, 2013). The index is calculated using the formula $1 - \sum_{i=1}^k p_i^2$, where p_i refers to the proportion of group members in the i th

category and k corresponds to the number of categories for an attribute of interest. Blau values range from 0 to 1 and capture the spread of group members over qualitatively different racial categories, with maximum values being reached when group members are spread equally over possible categories.

Leader Inclusiveness. We used a three-item scale to assess the extent to which leaders were perceived as inclusive by their group members: “My leader embraces diversity and ensures everyone is included in activities in the department”, “My leader makes it easy for everyone to lead and contribute”, and “My leader sees the big picture and understands the long-term priorities” (1 = disagree completely, 5 = agree completely; $\alpha = .92$; $\text{rwg}(j) = .83$).

Climate for Inclusion. I used a 7-item scale developed by Nishii (2013) to measure climate for inclusion. Items included: “My organization has a fair promotion process,” “The performance review process is fair at my organization,” “My organization provides safe ways for us to voice our concerns,” “At my organization, we are encouraged to offer suggestions concerning issues that affect us,” “At my organization, we are encouraged to share opinions about important issues, even if others disagree,” “My organization is characterized by a non-threatening environment in which people can reveal their “true” selves,” and “My organization has a culture in which employees appreciate the differences that people bring to the workplace” (1 = disagree completely, 5 = agree completely; $\alpha = .92$).

RESULTS

Descriptive statistics and correlations of study variables are in Table 1, and Table 2 reports the results of my ordinary least square (OLS) regression analysis. Hypothesis 1, which predicted that leader inclusiveness would be positively related to climate for inclusion, was supported ($b =$

0.46, $p < .05$). Hypothesis 2, which predicted that employees' diversity self-efficacy would be positively related to climate for inclusion, was not supported ($b = 0.13, p > .05$). Likewise, Hypothesis 3a was not supported ($b = 0.004, p > .05$). However, the hypothesized interactive effects of diversity self-efficacy and racial diversity on climate for inclusion (H3b) was statistically significant ($b = -.015, p < .10$). Analysis of simple slopes shows that the relation between diversity self-efficacy and climate for inclusion is not significant at high levels of racial diversity (+1 *SD*) ($b = -.20, p > .10$), but the relationship is positive and significant at low levels of racial diversity (-1 *SD*) ($b = .39, p < .05$). Figure 1 depicts this interaction.

Table 1: Correlation Table

The following table displays the correlations between each of the tested variables, as well as their mean and standard deviation. One asterisk (*) next to a number indicates that the correlation between the variables is significant at the 0.05 level in a 2-tailed test. Two asterisks (**) indicate that the correlation is significant at the 0.01 level in a 2-tailed test.

Correlation Table						
	Mean	Standard Deviation	Racial Diversity	Diversity Self-Efficacy	Inclusive Leadership	Inclusive Climate
Racial Diversity	29.229	19.443	1.00			
Diversity Self-Efficacy	4.511	0.259	0.199*	1.00		
Inclusive Leadership	4.241	0.456	-0.066	-0.111	1.00	
Climate for Inclusion	3.895	0.407	0.113	0.05	0.494**	1.00

Table Two: Regression Analysis

The following table shows the regression analysis for each of the models that were analyzed, listing each of their coefficients and the coefficient's standard error. Model 1 evaluated the effects of inclusive leadership and diversity self-efficacy on the climate for inclusion. Model 2 evaluated the moderating effects that group racial diversity had on the influence of diversity self-efficacy on a climate for inclusion. Model 3 analyzed the moderating effects that group racial diversity potentially had on inclusive leadership's effects on climate for inclusion. One asterisk (*) next to a number indicates that the relationship between the variables is significant at the 0.05 level in a 2-tailed test. Two asterisks (**) indicate that the relationship is significant at the 0.01 level in a 2-tailed test.

Regression Analysis						
Predictors	Model 1		Model 2		Model 3	
	Inclusive Climate		Inclusive Climate		Inclusive Climate	
	<i>B</i>	<i>SE_B</i>	<i>B</i>	<i>SE_B</i>	<i>B</i>	<i>SE_B</i>
Diversity Self-Efficacy	0.128	0.140	0.093	0.139	0.133	0.140
Leader Inclusiveness	0.457*	0.078	0.459**	0.076	0.465**	0.078
Racial Diversity	0.003	0.002	0.003	0.002	0.002	0.002
Diversity Self-Efficacy x Racial Diversity			-0.015*	0.007		
Inclusive Leadership x Racial Diversity					0.004	0.004
<i>R</i> ²	0.52*	0.35*	0.55**	0.34	0.53**	0.35

Figure 1:

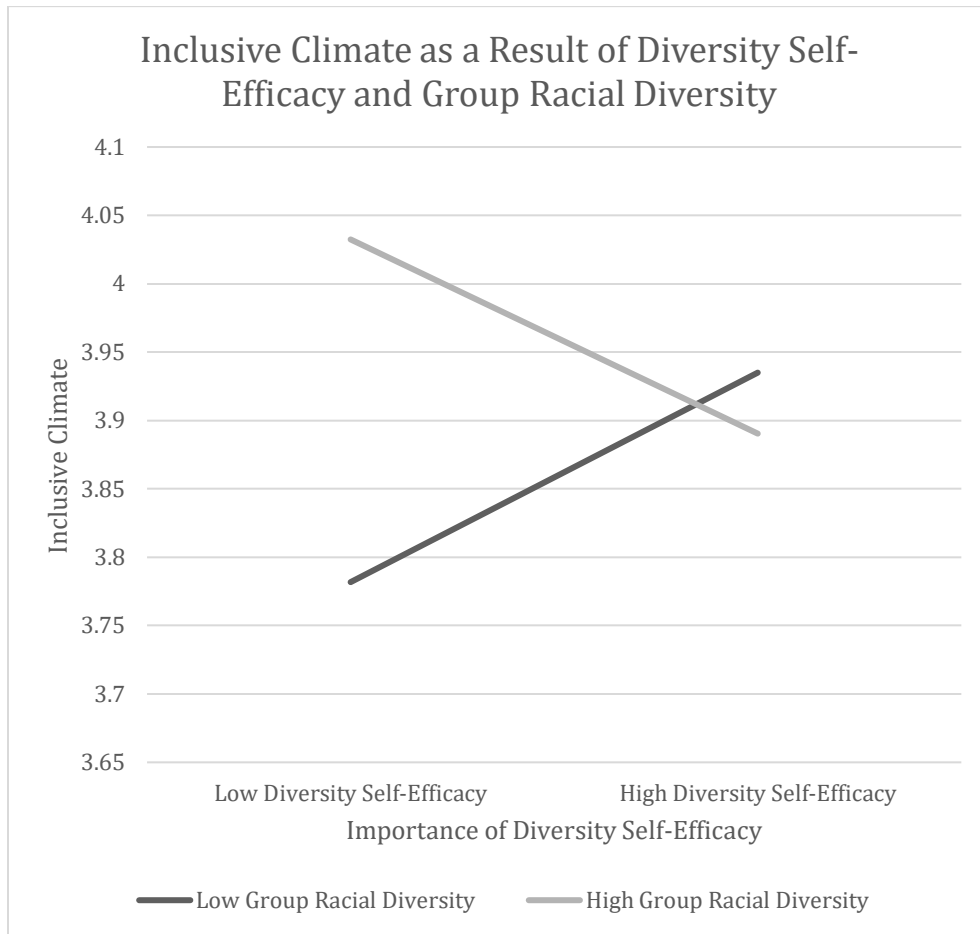


Figure 1: The relationship between diversity self-efficacy and inclusive climate was not moderated by group racial diversity, as was predicted. Rather, group racial diversity and diversity self-efficacy had compensatory effects on inclusive climate. When diversity self-efficacy was high, but group racial diversity was low, the inclusive climate was strong. When diversity self-efficacy was low, but group racial diversity was high, the climate for inclusion was also strong.

DISCUSSION

The results support that leader inclusiveness predicts a climate for inclusion. This follows my expectation that leader behaviors are inherently linked to workplace climate. If leaders intentionally demonstrate inclusion through their consistent actions, then the climate of the workplace will reflect this by welcoming and appreciating each of its members.

The results do not support the prediction that diversity self-efficacy among employees would be positively related to a climate for inclusion. However, group racial diversity and diversity self-efficacy were found to have a compensatory effect on a climate for inclusion, meaning that if group racial diversity was high, then diversity self-efficacy was not necessary for an inclusive climate. On the other hand, if group racial diversity was low, then diversity self-efficacy becomes more important in developing a climate for inclusion. Thus, diversity self-efficacy is important if the group has low group racial diversity, because diverse members of the group are a clear minority, so the majority needs to exhibit comfort with those members in order to foster an inclusive climate. On the other hand, if there is high group racial diversity, then diversity self-efficacy is less important for creating a climate for inclusion. This phenomenon makes sense when considering the foundational idea that diversity self-efficacy provides supplemental confidence in one's ability to interact with those that are different from them. According to the social cognitive theory, self-efficacy is most important in scenarios that are considered to be a challenge (Bandura, 1988, 1991). Many people that lack in diversity self-efficacy would consider interactions with those different from them to be challenging because they are afraid of being perceived as offensive (Plant & Butz, 2006). In situations with high group racial diversity, however, interactions between members of the group are less nerve wracking because stereotypes become less salient amongst the group. When these stereotypes diminish and

members of the group are more comfortable with one another, then communication becomes more natural. This comfort within the group makes diversity self-efficacy less important in contributing to a climate for inclusion.

We see that group racial diversity can compensate for a lack of high diversity self-efficacy in terms of its impact on developing a climate for inclusion, so there is a clear indication that recruiting has a high value. Recruiting well can be a cost-saving practice for organizations in terms of lowering costs on training and retention. This study adds an incremental value to recruiting by recognizing the necessity of minority employees in order to create a climate for inclusion. Recruiters have the agency to find and bring in diverse applicants to the interviewing pool, enabling the organization to find the most suitable candidates that will not only provide necessary skills for the job, but also contribute to the organization's goal of fostering an inclusive climate.

Group racial diversity also did not have a moderating effect on inclusive leadership's effects on climate for inclusion. Regardless of the racial makeup of the group, inclusive leadership was imperative for creating an inclusive climate. This finding adds clear value to training and developing managers so that they exhibit inclusive behaviors such as bringing diverse employees to decision-making circles and forging bonds amongst the workforce through recognizing the diverse strengths and views that each individual brings to the team. With inclusive leadership comes an inclusive climate, which benefits not only the minorities in the workplace but also the organization at large.

Limitations and Future Directions

Further research in this area has high potential. First, as we have indicated that inclusive leadership is necessary for a climate for inclusion, it would be beneficial to study the best

practices for developing inclusive leaders. This paper discusses specific behaviors that are beneficial in demonstrating inclusion in the workplace. Training leaders to habitually respond with inclusive behaviors in all situations would add great value to organizations that adopt such practices.

Additionally, as we understand that diversity self-efficacy is important in scenarios with low group racial diversity, studying how best to develop diversity self-efficacy would help us to grow the inclusive climate in areas where the racial diversity is low. For example, do equity, diversity, and inclusion training programs have a significant effect on developing diversity self-efficacy? Does utilizing these programs in turn create an inclusive climate? What other alternatives to developing diversity self-efficacy are there? If we understand the answers to these questions, we will be able to construct a comprehensive picture of how to effectively craft a climate for inclusion.

Finally, we believe that it would be intriguing to analyze the interaction between perspectives amongst the group based on demographic origin. Depending on their personal and familial backgrounds, people may have different definitions of what constitutes an inclusive climate. Since our survey questions assumed a consistent characterization of inclusivity, it is possible that our data's validity was limited by these differing perceptions. In the future, it would be beneficial to identify how people of various backgrounds interpret inclusion and what they feel their role is in developing it. The intersectionality of people's perspectives is crucial to understand in order to evaluate the climate because while one person may believe that the workplace climate is inclusive, another employee of a different background could perceive the climate as exclusionary. In these scenarios, the uncomfortable member may start to back away from the group, causing the group to also detract, thereby limiting the cohesion of the group and the

results it can yield. Those on the outside may perceive this phenomenon as exclusion based on racial bias (Plant & Butz, 2006). Understanding these differences in perspectives will help organizational leaders to adapt the workplace to meet each individual's needs, thereby developing a truly inclusive climate. Analyzing the interactions between these definitions and the perceptions that members of the group have on their workplace could be beneficial in ensuring that all members of the group form a cohesive unit, working towards a well-defined common goal of inclusion, with all of their voices and backgrounds being heard.

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