Building an Inclusive Diversity Culture: Principles, Processes and Practice

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ABSTRACT. In management theory and business practice, the dealing with diversity, especially a diverse workforce, has played a prominent role in recent years. In a globalizing economy companies recognized potential benefits of a multicultural workforce and tried to create more inclusive work environments. However, "many organizations have been disappointed with the results they have achieved in their efforts to meet the diversity challenge" [Cox: 2001, *Creating the Multicultural Organization* (Jossey-Bass, San Francisco)]. We see the reason for this in the fact that while much attention has been paid to the strategic dimension of diversity policies, systems, and processes, much less thought has been given to the normative dimension, the norms and values involved. Given the fact that diversity is essentially about cultural norms and values, appropriate reflection work becomes a fundamental task to create a truly inclusive work environment where people from diverse backgrounds feel respected and recognized.

Therefore, we focus in this article on the challenge of building an inclusive diversity culture showing that such a "culture of inclusion" has to be built on solid moral grounds. We present a conceptual framework of inclusion based on a moral theory of recognition and introduce the founding principles of reciprocal understanding, standpoint plurality and mutual enabling, trust and integrity. After revealing barriers that hinder a culture of inclusion from emerging we shed light on the process of developing such a culture which involves four essential transformational stages: The first phase focuses on raising awareness, building understanding and encouraging reflection. The second phase deals with the development of a vision of inclusion as an important step to define the change direction. In a third phase key management concepts and principles should be re-thought. This leads to the fourth, action-oriented phase, that focuses on an integrated Human Relations Management (HRM)[1] system that helps implement change by doing both, translating the founding principles via competencies into observable and measurable behavior and fostering the development, reinforcement and recognition of inclusive behavior.

KEY WORDS: business principles, change management, corporate culture, diversity management, discourse ethics, ethics of recognition, business ethics, integrated personnel management system, HRM

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Introduction

One of the major ethical challenges in today's increasingly diverse work environment is the search for sound principles to frame business activities and guide actors, corporations and individuals. While diversity has been a much debated topic in management theory and practice in recent years, it were initially legal aspects, notably the avoidance of lawsuits, as well as changes in the labor market demographics (e.g. increased participation of women and minorities) that made it a subject of paramount importance for corporations. There is growing awareness today, however, that diversity management should go much further than just complying

with existing rules or reacting to a shift in labor market resources. Indeed, in management literature it is argued that the challenges within competitive, dynamic, and increasingly global markets (demanding innovation, creativity as well as flexibility) are best met by a broadened pool of experience and knowledge found in an effectively managed diverse workforce (see Cox and Blake, 1991; Milliken and Martins, 1996; Nemeth, 1985; Nemeth and Wachtler, 1983; Shaw and Barrett-Power, 1998; Wright et al., 1995). Obviously, the innovative and creative potential inherent to a diverse workforce (in terms of ethnic origin, nationality, cultural back-ground, religion, gender, age, education, lifestyle, working style, way of thinking, etc.) can be used to bridge cultural boundaries and search for original problem solutions, innovative product ideas and targeted marketing initiatives. This diversity can become a competitive advantage.

However, while many organizations already have diversity policies and/or initiatives such as training programs in place,[2] they often do not show the desired results like, for example, the reduction of turn-over among talented people of color (Thomas and Gabarro 1999), the translation into changes in employee's quality of work life, or the creation of an atmosphere of inclusion (Gilbert and Invancevich, 2000). Hence, they cannot achieve the above-mentioned benefits of diversity, let alone build a culture that embraces diversity and fosters humanity. We see the reason for this in the selective approach to managing diversity: assimilation, that is, as opposed to integration and inclusion. The assimilation approach simply ignores differences, and thus, no integrational efforts are made. Instead, women, expatriates and minorities are more or less expected to assimilate into a pre-defined and dominant corporate culture (Thomas and Gabarro, 1999). This can create enormous tension for people within these groups. Apart from intrapersonal conflicts and experiences of not being heard, recognized or valued, their specific knowledge and experience is not leveraged, they cannot perform to their highest potential and they experience barriers in advancing within the organization. Such an environment neither fosters the realization of the above-mentioned potential for diversity nor the retention of talented people with diverse backgrounds. It is therefore important to realize that "doing" requires "being":

diversity management has to be built on solid normative grounds, on founding principles, understood as pillars of a *culture of inclusion*. Following an inclusionary approach, differences are recognized, valued and engaged. Different voices are understood as being legitimate and as opening up new vistas; they are heard and integrated in decision making and problem solving processes; they have an active role in shaping culture and fostering creativity and innovation; and eventually in adding value to the company's performance.

We argue, therefore, that in order to unleash the potential of workforce diversity, a culture of inclusion needs to be established; a culture that fosters enhanced workforce integration and brings to life latent diversity potentials; a culture that is build on clarified normative grounds and honors the differences as well as the similarities of the individual self and others. Every self is a human being but as a unique person she is always also different from others. Diversity is about balancing this natural tension in different organizational and cultural settings.

Diversity is, first and foremost, a cultural question and thus a question of norms, values, beliefs and expectations. As such, it is an ethical question and determined by some very essential founding principles of human coexistence. Not before this is taken into consideration, acknowledged and institutionalized, can "diversity management" be successful. However diversity may have started out in a corporation – as a response to legislative mandates, as a reaction to the shortage in qualified personnel or to become more attractive for young talents, e.g. – it is important to realize that diversity management will not unleash any potential benefits unless diversity is culturally valued.

A culture of inclusion and the principle of recognition

When we talk about a *culture of inclusion* we think about an organizational environment that allows people with multiple backgrounds, mindsets and ways of thinking to work effectively together and to perform to their highest potential in order to achieve organizational objectives based on sound principles. In such an environment different voices are

respected and heard, diverse viewpoints, perspectives and approaches are valued and everyone is encouraged to make a unique and meaningful contribution. In order to bring such a *vision of inclusion* to life certain preconditions need to be established.

In the following we introduce some founding principles which constitute the minimal requirements for the formation of a discourse that aims at integrating multiple voices and at creating a culture of inclusion. Figure 1 visualizes these principles and by that how a "house of inclusion" may be built.

Principle of recognition

The moral point of view, or the "meta-principle", upon which those founding principles are based is what we would like to call *the principle of recognition*. We, as human beings, know from experience that we depend upon mutual recognition: We want our loved ones to love us, our friends and colleagues to recognize us for what we are and what we do, our employer to honor our achievements and our governments and fellow citizens to respect us and our rights as free and equal citizens. What we, as independent selves and dependent others, owe each other in terms of mutual recognition is, in fact, the most important principle of coexistent being. It provides us, philosophically, with an excellent platform for a simultaneously universal but nevertheless sufficiently particular moral point of view. Therefore, balancing the needs for individual recognition as a unique person on the one hand and culturally transcendent

Figure 1. Building an inclusive diversity culture – the founding principles.

recognition as a human being with corresponding, very essential needs, on the other hand.

Coping with diversity on a normative level means exactly this: *recognizing difference while looking for the common bond*. The more conscious the treatment of the ethical underpinnings is, the better are the chances that the essential moral needs of those involved are met and, at the same time, inclusiveness is enhanced to a degree where the many advantages become visible and livable; in a culture of inclusion, that is. What are the elements that form the meta-principle of recognition?

Following Honneth (1994) and Maak (1999) we would like to distinguish mutual recognition in terms of *emotional recognition*, *solidarity* and *legal and political recognition*. These three basic forms of recognition create and enable our being. Their meaning differs insofar as it depends on the actual situation of a person, but also on the "battles for recognition" fought in a certain society at a certain time; e.g., the state of rights and democracy in that particular society. In addition, the full meaning is revealed only if a need for recognition is violated. Thus, what recognition positively means is derived from negative experiences, e.g. the violation of human rights and the physical and psychical abuse of a concrete person, the violation of employee or civic rights, or non-recognition of individual achievements and devaluation of a person through humiliation.

Emotional recognition as the most basic form of affirmation of a person is literally the most fundamental one. It takes place in close relationships such as mother/parents-child relations or those between partners, friends, but also between colleagues. Non-recognition here means emotional damage through verbal, psychological and/or physical assault, ranging from any kind of harassment to extreme cases such as rape or torture. The absence of emotional recognition can hinder a person to develop self-esteem and ultimately to create healthy and sustainable relationships with people. Thus, there is a fundamental need for emotional recognition in the relationships we grow up in, live in and work in. Positive emotional affirmation in this sense touches the core of our self-relationship, self-esteem as well as relationship building with other human beings. It is the grounding that we need to develop both ourselves towards mutually recognized, free and equal beings (legal/political recognition) and to build emotionally
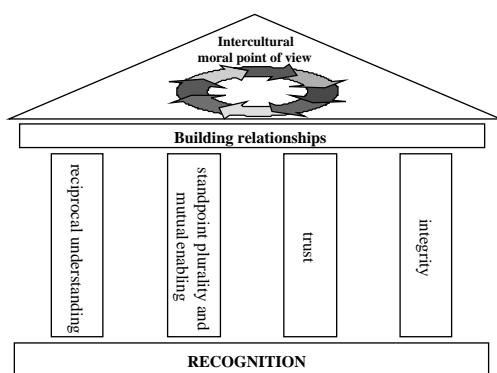
healthy (non-abusive) relationships with others. What does this mean for the organizational context? It means, first and foremost, that we need to recognize and pay attention to our mutually shared need for emotional recognition by fostering a cultural climate that allows for it to happen, through words, gestures and relational commitment. One of the core challenges in realizing this is the art of balancing emotional expressions – because i.e., one person's gesture can be perceived by another person as inappropriate or even harassing. This illustrates the necessity for taking nothing for granted, reflecting own assumptions and behavior, adapting behavior, talking about differences and ultimately creating a mutually agreed sphere of emotional expression. Again, a culture of inclusion is about recognizing difference, on various levels, while looking for the common bond.

It is often assumed that a competitive environment hinders or even does not allow for emotional recognition (or is equated with destructive emotional expression such as anger, shouting, stress, etc.). However, it is not the competitive environment as such that determines the quality of relations; it is people who create relations under certain assumptions, e.g.: in order to survive under fierce competition we need to be the winner, and as such aggressive, aim at taking it all (otherwise the competition does), compete heavily internally (because that enhances individual performance), assess employees against short-term results, motivate people predominantly by bonus payments, and we accept that relations are only a means to an end (because time is money). Yet, a competitive environment does not necessarily have to be a "dog-eat-dog"-competition (in order to ensure business results) and thus be a disrespectful and icy environment. One could argue that under competitive pressure basic mutual recognition becomes even more important because it fosters self-esteem as the basis for delivering high performance contributions under pressure, it helps people to build healthy and sustainable relationships, which is the heart of working effectively in diverse teams and to serve clients. How important emotions at the workplace are, both positive and negative, is also intensely discussed in the growing body of literature on emotions in the work environment (Goleman, 1995; Weisinger, 1998). Even if emotions are not acces-

sible in terms of general moral assessments, they are nevertheless fundamentally important for sound moral development and a healthy self-relationship. A fact, that is especially important with respect to building a culture that fosters inclusion and recognizes difference at the same time.

Now, what are the implications of solidarity and legal and political recognition for the organizational context? Putting things into moral perspective shows that "diversity management" has to begin, first and foremost, with reflection work. It has to make sure that the basic requirements for recognition are met. It means, in terms of *legal and political recognition*, thinking about the state of equality in an organization and creating equality where necessary. Being equal in terms of human, civil and labor rights means being recognized as an *equally free organization citizen*. Valuing diversity starts with guaranteeing the same rights for everyone and by encouraging people to be good organization citizens. Thus, to speak up and actively engage in creating a culture of inclusion. It is, in essence, about recognizing the individual self as a unique person *and* as a different other.

People who feel recognized as different but equal, who know that they can be their true selves, not only in private but also at the workplace, are at ease with their personality, can play a confident role and are motivated to give their best. Provided that they also experience solidarity in relation to other members of the organization. While legal and political recognition are moral essentials for the individual state of mind, it is *practiced solidarity*, the actual face-to-face recognition among equal but different people, that provides affirmation and motivation and ultimately unleashes any given potential. This is one reason why diversity programs which solely focus on legal aspects will not succeed. Solidarity grows in an environment where people feel confident; where they like to work together and trust each other; where they acknowledge each other's individual achievements as well as those in teams. As obvious as this may sound, business reality knows numerous cases of humiliation; and fierce competition or a winner-take-all culture leaves practically no room for practiced solidarity. It is important to stress that diversity, in this respect, is essentially about finding the right balance between individualism and community and thus about creating recognition space.

Culture is always a common achievement (Smircich, 1983; Schein, 1985); and a culture of inclusion depends on the level of mutual recognition. For an inclusive diversity culture this also means that respect is paid to the plurality of subcultures inside the corporation; that none is excluded from the ongoing moral discourse and that each subculture has the opportunity to take part in shaping the cultural reality in the organization, its values, norms, policies, etc. As indicated earlier, further founding principles can be derived from the normative perspective of recognition.

Reciprocal understanding

In order to create an inclusive organizational culture in which people from different backgrounds respect and understand each other and successfully work together to reach common goals, it becomes crucial to foster relationships and stimulate discursive processes between the diverse cultures in a way that hitherto marginalized voices are not only tolerated but actively invited, supported and empowered to state their viewpoints, ideas and opinions. This requires the openness to get involved with people with different perspectives, and the willingness to actively listen to other viewpoints, in order to learn more about them and understand their basic assumptions to a point where one is able to commonly assess them, based on reciprocal understanding. The point here is *to recognize each other as open and able to communicate* and thus as a communicative being and member of a speech community. It is in this sense that the ethics of recognition comes to live as communicative or discourse ethics.[3]

Standpoint plurality and mutual enabling

Inclusiveness requires openness to different standpoints; this seems easy to agree upon. However, in practice it can become difficult to ensure this openness if intellectual traditions induce people to find the one right way, the one and true answer. In fact, there might be no ''right'' solution at all. And yet, this can easily lead into a situation where a dominant voice is generalized and all the ''other'' voices are marginalized. Such situations of inequality

and domination often arise in the workplace, when there are conflicting standpoints coupled with an unequal distribution of power among parties, meaning that one or more parties possess the power (due to position, resources or other means) to push through their interests against the will of others.

While both, the extent to which power is exercised and the extent to which unequal power distribution is accepted (by the less powerful members of institutions) can vary with respect to the degree of power distance in an organization and/or country,[4] there is no doubt that whatever the context there are and will always be imbalances in the distribution of power. The objective is thus to raise awareness for the power aspect in relations and the necessity to create an inclusive discursive environment.[5]

In order to be able to deal with the above addressed situation which frequently arises in diverse and multicultural work environments, it becomes necessary to enable a dialogue and dismiss some hindering assumptions such as the belief that there is one objective and true knowledge claim that proves all the others wrong. What is considered right or wrong, in the end, should be a shared insight based on the common deliberations over the issues involved. Thus, it is essential to create an open and participative dialogue, integrate different voices into that dialogue, enable ''other'' voices to speak up, discuss and weigh different arguments and find a common approach to a topic or issue. As a consequence, what is considered *morally right and legitimate*, results from an ongoing moral discourse, a discursive process in which only one thing counts: the power of the better reasoned argument. Habermas, accordingly, emphasizes the following general discourse requirements: inclusiveness, equality, sincereness and absence of force (Habermas, 1996, p. 62). This means for the organizational context that diverse groups with different ''local realities'' need to be enabled to come together and create their organizational story and shared cultural identity in an ongoing process of common discursive action, built on mutual recognition. Throughout this process it becomes necessary to actively integrate the divergent and, in particular, heretofore marginalized voices (mutual enabling). This requires that their voices are heard, that they are encouraged to share their ideas, thoughts and perspectives and that they are enabled to participate in an ongoing

process of forming common cultural realities. Such a context allows standpoint plurality, free expression and the supporting of different opinions and standpoints as well as touching on topics with which others do not agree – without running the risk of being sanctioned and/or cut off. Again, what counts with respect to consensual validation of claims is the power of the better reason, not that of a function or position.

Trust

Getting people from different cultural backgrounds to work co-operatively together and to comfortably share their knowledge, experiences and viewpoints presupposes a basis of trust. Reciprocal recognition is an important foundation on which mutual trust can be developed through ongoing relationship work (Calton and Kurland, 1996). It is apparent that there are relational frameworks in which trust may develop more easily than in others. It is less likely that trust will develop in relations that are shaped by delimitation and distance, legalism and bargaining, "dog-eat-dog" or "winner-take-all" competition and short term "means-to-an-end" thinking: what counts in such settings are one dominant person or player, the "winner", and short-term results. If, by contrast, the relational framework is built on closeness, cooperation, and reciprocal recognition, mutual trust is more likely to develop. While building trust is a lengthy process, it can be quickly lost; therefore, trust requires continual nurturing if it is to be maintained. It is, after all, the relationships that create trust and upon which trust is based, where "authentic trust" can be found (Solomon and Flores, 2001).

Integrity

For a culture of inclusion to develop, moral reliability and coherence is as essential as mutual trust. By that we mean the integrity of people and processes in an organization. Integrity can be described as the quality of moral self-governance, i.e. that a person subscribes to a set of principles and commitments and upholds these, especially when facing a challenge, for what she takes to be the right reasons (Sharp Paine, 1997a; McFall, 1992). People who act with integrity, base

their actions on principles and act in a reliable and coherent manner. They show "wholeness" (this is what integrity stands for) and demonstrate, in a moral sense, character. This "wholeness" of a person is essentially determined by the quality of relationships a person has; to herself as well as to other people or to organizations. (Solomon, 1999, p. 38)

As a *culture* of inclusion implies "wholeness" and develops around these relationships in an organization the meaning of integrity strongly supports the notion that only a wholehearted commitment to recognizing each others sameness and difference will be successful. Because diversity is essentially about mutual recognition and the core values people share in an organization, no half-hearted approach to this subject will do. In fact, structures and processes, too, should be designed to support moral self-governance by creating a system of organizational integrity. (Sharp Paine, 1997b; Moorthy et al., 1998; Thorne Leclair et al., 1998)

An intercultural moral point of view

Our aim is to demonstrate the importance of a diverse culture of inclusion. Since diversity means diversity in terms of cultural background, religion, beliefs, gender and value systems, etc., the founding principles have to transcend any possible boundaries imposed on by any of those aspects. They have to be universal and so fundamental in their nature that they can override any particular obstacles to the development of a culture of inclusion. In pointing out the basic principles upon which this culture should be based, we believe to have outlined an "intercultural moral point of view"[6]: the principle of recognition reflects the basic human experience that we, as vulnerable human beings, are mutually dependent on each other's recognition – emotionally, legally/politically, and in terms of solidarity. The actual level of mutual recognition that a particular group, organisation, community or society has achieved at a certain time is historically inscribed. Nevertheless, *the principle of recognition as such is not bound to a certain cultural background*. Whatever our beliefs are, whatever our cultural background is, our religion, gender, lifestyle or profession; we all share the need for recognition. It is part of the human condition.

As for the founding principles we made explicit, following *the moral point of view of mutual recognition*, reciprocal understanding, standpoint plurality and mutual enabling, trust and integrity are not culturally bound either. They reflect, however, a certain level of democratic culture, empathy and moral awareness that will vary across cultures and thus the globe. This, of course, should be no excuse not to search for the highest possible level in and beyond diverse organizations.

There is much agreement today, that "a sound and lasting common ethical ground for international business is vital for humankind as we are moving towards an increasingly interconnected world" (Enderle, 1999, p. 4). Against this background, the quest for a culture of inclusion and its founding and supporting principles can be considered a "micro-experiment" in the search for a sound ethical ground in cross-cultural business. While further empirical evidence is needed, as to whether the before outlined principles are sufficient, they provide us with a thorough starting point. Interesting, on the organizational level, are the far-reaching experiences that Motorola gained by introducing its cross-cultural attempt to set up a culture of "uncompromising integrity" (Moorthy et al., 1998).

Thus, given the fact that few truly diverse organizations are already in place and that even fewer are build on solid ethical ground, sound diversity management requires a culture change. This is a finding that is strongly supported by recent research in the field (Allen and Montgomery, 2001; Gilbert et al., 1999). However, there are assumptions and mindsets that hinder a diverse culture from emerging and thus need to be addressed for a change to be successful.

Challenging assumptions and mindsets

One needs to be aware that the creation of an inclusive organizational environment is a real challenge that implies profound transformation and that might be far from easy to realize. Sure, in theory the above introduced principles seem easy to agree on. In practice, however, a culture change requires the willingness and desire to reassess existing value systems, mindsets and habits, to change ingrained ways of thinking, behaving and interacting, to probe and rethink seldom-questioned basic assumptions and to follow new paths. Therefore we will give an idea about what it can mean to question existing thinking styles, to uncover prevailing but counterproductive management conceptions and to dismantle underlying assumptions.

Question dominant thinking styles

Despite the talk about "post-modernity", the world of markets is still deeply rooted in modernity's scientific-technical thinking style: the Cartesian subject-object separation and the polarity of western thought (good/bad, true/false, win/loose). That means, if one knowledge claim is held to be true all the others have to be false (win/loose situation) and will be considered as irrelevant. The resulting tendency is to favor and generalize only one dominant approach, viewpoint, logic and way of thinking. Voices which differ from the "dominant logic" (Prahalad and Bettis, 1986) are measured against this standard. Through these lenses they are rarely heard, let alone understood, and as a result marginalized, silenced or ignored (Pless, 1998).

Market liberalism and economic individualism stand in this tradition and form such a dominant logic; maybe the most dominant of our time. It dominates the way we are supposed to think about business matters and it is the reason why it is so difficult to integrate social, moral or other "non-economic" factors in a sustainable manner. It is based on the underlying assumption of the unengaged and "unencumbered self" (Sandel, 1982); the nomadic, competitive individualist who enters into relationships only, and insofar, as they are useful; the autonomous agent who typically engages in short-term exchange-based relations.

Any quasi-dogmatic logic such as market individualism inevitably excludes other perspectives. The subjugation of other voices and viewpoints, however, obviously contradicts a fruitful diversity approach and communication process where various voices can collectively contribute to innovation and creativity potentials and, in the end, share common cultural grounds. It is therefore essential for an organization to break this logic up, to identify its shortcomings and create space for the "other" (standpoint plurality and mutual enabling).

Challenge hierarchical leadership conceptions

A second conception that hinders inclusiveness is a hierarchical, individualized leadership approach. Despite the efforts to flatten hierarchies, this kind of leadership conception is still in place in many organizations. The main problem here is that in a corporate culture that defines superiors as "thinking subjects" and employees as "executing objects" employee thought and action potential is consequently stunted. Employees are expected to adapt themselves to the way of thinking and behavior of their superiors (Dachler and Hosking, 1995). Indeed, very little room is granted employees to become independently creative and contribute innovative ideas. Besides the fact that they are usually not encouraged to speak up, open and frankly, such independent thought and behavior appears to be threatening (undermining the superior) and thus is unwanted. Open and motivating communication is hindered. Consequently, the creative and innovative potential inherent in a diverse workforce cannot be activated. More importantly, though, employees are not fully recognized as equal moral beings.

Reveal teamwork barriers

True and cooperative teamwork, which is, as we will see below, an important element in cultural change processes, is virtually impossible in corporate structures that are based on hierarchy and dominance. For one, the usual vertical career focus with its implicit "survival of the fittest"-imperative counteracts genuine teamwork. Another symptom is the impossibility to discuss and work on equal terms, because the voice and word of a privileged or domineering person (i.e. the team leader) prevails. Against this background it becomes more than unlikely to realize the problem-solving potential of a diverse workforce as, e.g., described by Cox and Blake (1991). Problem-solving and idea-generating efforts will be measured against given imperatives; they are trapped in a devaluation discourse. This certainly strays a long way from any constructive dialogue based on broadened background experience and generating new and innovative problem solutions.

For creating an inclusive working environment which fosters humanity and the realization of creativity and innovation potentials of a diverse workforce *reflection work* is crucial because it can shed light on existing diversity barriers and help remove those assumptions that prove problematic to an inclusive diversity approach.

Building a diverse culture of inclusion

The introduction of founding principles and the reflection on barriers to diversity leads us to the questions how organizations could accommodate and nurture a culture of inclusion and which steps can be taken to translate the founding principles into management practice. To answer this question we are going to address necessary transformation steps and show how exemplary management concepts and personnel processes can be adapted in order to accommodate an inclusive diversity culture. Inspired by the work of Cox and Beale (1997), who discuss the process of learning to effectively deal with diversity and Kotter's model of leading change (1996)[7] we like to focus on four essential transformation stages for building a culture of inclusion (see Figure 2).

Phase 1: Raising awareness, creating understanding and encouraging reflection

As Gilbert and Ivancevich point out, "to create inclusion, alternative ways of perceiving reality must
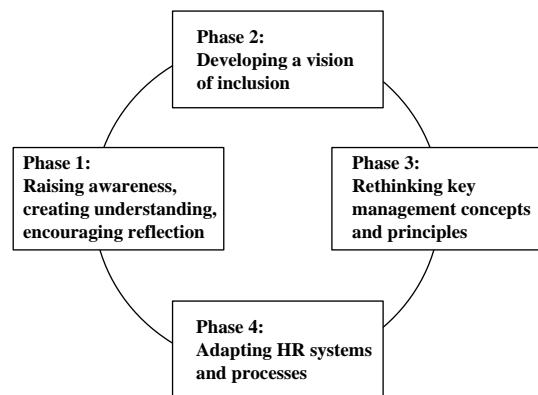

Figure 2. Transformation stages for building a culture of inclusion.

be available'' (2000, p. 101). This permits change in reality construction and allows the creation of other possible realities like an inclusive diversity culture. A necessary first step is to start an ongoing *discursive learning process*, which aims at raising awareness for the fact that different people perceive reality differently; building understanding and respect for these different realities through ongoing discourse and encouraging reflection; and last but not least, bringing the fundamental principles to life, which constitute the basis for a culture of inclusion.

Such a discursive process to form a common cultural understanding should consist of two major steps: *The first step* is about becoming aware of standpoint plurality and what it means to integrate diverse voices in a discourse; that people with different backgrounds have different perceptions of reality due to their disparate background of experiences rooted in social, ethnic, cultural, gender, etc. differences, and that there is no such thing as a given objective and true reality; that some of the voices are privileged and others marginalized and that it becomes necessary to integrate and enable the marginalized ones in order to create an inclusive environment. *The second step* is about creating a common basis of understanding by identifying the common moral grounds as well as reflecting the different underlying assumptions on which specific thought and behavior patterns are based. It is essentially about creating an organizational discourse, and thus bringing to life discourse ethics, as a relational process in which the basic assumptions about a diverse culture of inclusion are worked out through the conscious, reciprocal reference to the text and context of one's own and all other cultures integrated in the discourse. Based on awareness for and understanding of other positions, a cultural transformation process is triggered and alternative ways of creating organizational reality can be pursued.

Good corporate ethics is unthinkable without that kind of *reflection work*. In fact, as already mentioned, the critical scrutiny and the continuing development of corporate values and norms, the practical reasoning and discursive deliberation for the legitimation of moral claims, within a corporation as well as a part of a stakeholder dialogue, should be at the core of corporate ethics (Ulrich and Maak, 2000). It generates *orienting knowledge* of reasonable purposes, principles and preconditions for business and lays out the groundwork for legitimate corporate success. A crucial part of managing diversity is about valuing and validating diverse moral claims. This process, however, can only succeed if everyone is heard, *included in* rather than excluded from the moral realms of an organization.

Phase 2: Developing a vision of inclusion

A clearly defined vision is an important starting point in forming a culture of inclusion. It clarifies the general direction for change, provides a common mental frame, draws a picture of the future and makes clear where the company wants to be (Gouillart and Kelly, 1995; Kotter, 1996). Having a vision becomes particularly important in a situation of change where values, assumptions, belief systems and mental maps that used to be seen as effective and functional are no longer desirable and must be changed.

To create a multicultural and inclusive organizational culture the vision needs to address and incorporate the following aspects:

- Creating a work environment that is free from any kind of harassment and is based upon respect for all individuals (inside and outside the corporation) regardless of sex, gender, race, class, social or cultural origin, religion, disability, lifestyle, organizational level, circumstances, etc. (a basic requirement of mutual recognition);
- Building and nourishing a culture of communication where inclusion and trust are the norms – by integrating different perspectives to decision-making and problem-solving processes, by listening to and trying to understand different opinions, by valuing contrary opinions and arguing positions fairly, and by looking for the better argument among the validation claims;
- Providing equal rights and opportunity for each employee as a citizen of the organization to achieve her fullest potential and to speak up and open (and thus, legal and political recognition);
- Appreciating the contributions each employee can make by bringing their own perspectives, viewpoints and ideas, and demonstrating solidarity; and

- Showing sensitivity to workloads and fostering (and recognizing the need for) an appropriate balance between work and personal life.

These are only aspects of a diversity vision that need to be addressed; they do not absolve companies of the need to find and define their own tailor-made visions and articulating the desired outcomes in their own language. It is also important to note that such visions should be part of a larger corporate vision, where a corporation defines, among other visionary issues, its status as a corporate citizen.

Creating an effective vision that helps build a culture of inclusion is an important process that should include a multitude of stakeholder voices (employees, customers, stockholders, suppliers, communities) to develop a consensual vision that addresses all relevant concerns. Higher levels of trust, credibility and legitimacy inside and outside the corporation can be attained, resistance from within the organization can be reduced and commitment for the long and arduous way to create a diverse culture of inclusion can be mobilized. A similar line of argumentation is made by Kotter (1996). Once the vision is created, it needs to be spread throughout the organization and fed back to the people involved inside and outside the corporation in order to ensure their buy-in and commitment. It is essential that CEO and the leaders of the organization widely broadcast their sponsorship of both the vision and the ensuing course of action (Champy, 1997; Gouillart and Kelly, 1995; Leach et al., 1995).

Phase 3: Rethinking key management concepts and principles

An essential element of the change process is the reflection on and the rethinking of key management concepts in the organization, as well as the principles they are a based on.

Business principles
The diversity vision has to be translated into guiding business principles. In fact, a fundamental change process will ultimately lead to rethinking and redefining of business principles and codes of conduct in an organization. It is a necessary and important process of adjustment that has to reflect

the organizational discourse and thus, the shared assumptions, values and beliefs. As the essential reference point, a thoroughly considered set of principles based on mutual recognition offers guidance about what a corporation stands for, thus documenting the commitment to form and sustain a culture of inclusion.

Integrative leadership
Within an inclusive environment, leadership "becomes a question of coordinated social processes in which an appointed leader is one voice among many. [Leaders] share responsibility with others for the construction of a particular understanding of relationships and their enactment." (Dachler and Hosking, 1995, p. 15) Instead of defining a solitary role, leadership becomes a relational, interactive task aimed at involving all people within the company, all members of teams, departments and areas in the ongoing processes of initiating, defining and realizing projects and the company's objectives. In the relational role as mentor, coach, moderator, facilitator and cultivator, the leader is no longer the sole author of a particular reality but rather becomes a co-author, and to some extent a lead-author, in a community of equal employees (Dachler, 1992; Dachler and Dyllick, 1988). The role of mentor and coach involves supporting employees in their development, thus, giving them advice, opening up new developmental perspectives and opportunities as well as discussing and weighing alternatives. The leader as cultivator tries to secure a working climate in which diversity flourishes and creativity is harvested. In a teams, setting this role would imply that the leader acts as a moderator and facilitator, aiming at integrating the diverse voices, including them in order to open up new vistas, getting them involved in the dialogue and providing the possibility for partnership, creativity and innovation (Pless, 1998).

Participatory decision-making and stakeholder dialogue
This leads us to the question of decision-making and corporate dialogue. In traditional, hierarchically organized corporations, important and long-term decisions are usually made by a small group of top-management strategists. Routine decisions, in contrast, are for the most part delegated downwards. Yet, in an inclusive culture, this traditional, decision-making logic is quasi-reversed, "critical

decisions reserved for the many and routine decisions delegated horizontally to the few.'' (Iannello, 1992, p. 121) By means of including multiple voices, it becomes possible to considerably broaden the knowledge base for decision alternatives and to increase the number of possible paths leading to problem solutions (Nemeth, 1986; Nemeth and Wachtler, 1983; Shaw and Barrett-Power, 1998).

Furthermore, by coordinating with the external environment and stakeholders of the corporation and including representatives from different groups in a ''stakeholder dialogue'', it becomes possible to achieve higher levels of trust, credibility and legitimacy in the critical public. In fact, most of today's corporations are ''stakeholder corporations'' (Phillips, 2003; Post et al., 2002; Svendsen, 1998; Wheeler and Sillanpää, 1997; Zadek, 2001), i.e. they exist and operate in an environment where various demands have to be taken into consideration (shareholder, employees, clients, equity holders, government, nature, local and global society, etc.). In this respect, building a culture of inclusion consequently means to engage in an ongoing stakeholder dialogue aiming at respecting all legitimate claims. *Legitimate* are those stakeholder claims that are supported by good reasons. Thus, what counts in the end is not the power-based influence that a particular stakeholder (group) might exercise, but the mere strength of the better reasoned argument.[8]

In general, when deliberating critical business decisions that question the status quo (i.e. mergers and acquisitions, new vision or principles), the search for consensual decisions with a multitude of parties is important. Even if the decision-making process takes longer, the translation into action will be more efficient and successful since motivation and commitment of those participating are higher and resistance and micro-political barriers smaller. Iannello (1992) and Srivastva and Cooperrider (1986) have demonstrated with case studies of egalitarian organizations that participatory decision-making is also connected with long-term top performance and economic success.

Work-life balance
An important part of a principle-based culture of inclusion is to help people balance work and personal life so that they can be productive while having various lifestyles and personal responsibilities.

Essentially, this reflects the recognition of every person, employee or manager, as having both a work and a personal life, and thus, as a human being rather than a human ''resource''. Proven instruments to do this are providing flex-time, job-sharing, telecommuting, on-site child care, extended leave, and renewal breaks between major assignments, etc. In order to create a sustainable balance between work and personal life Friedman et al. (1998) suggest a collaborative approach between managers and employees to achieve work and personal objectives to everyone's benefit. It is likely that this approach flourishes in a culture of inclusion that is based on recognition, trust and understanding. On the other hand, this approach also reinforces a culture of inclusion by enabling people to respect, understand and trust each other by making employees feel respected as people with different work lifes and diverse personal lifes. It also fosters a stronger commitment to the organization, thus making it easier to retain people from diverse backgrounds. It is, after all, the individual notion of a ''good life'' that most people are working for.

Phase 4: Adapting systems and processes

In the following we like to present one possible way to translate the reflective work that has been done so far into management processes. Once awareness and understanding have been built (and thereby a motivation to change and a general knowledge base have been established), once a vision has been developed which clarifies the general direction for change, and key management concepts have been newly defined, individuals or organizations are positioned to take action to actually change behavior and culture.

Competencies of inclusion
In order to be able to change and create a culture of inclusion people need to have certain qualities and traits, which we call *competencies of inclusion*, that enable them to effectively respond to challenges and opportunities in a diverse and inclusionary work environment. These competencies play an important role in creating a diverse culture of inclusion due to their catalytic function between values and norms on
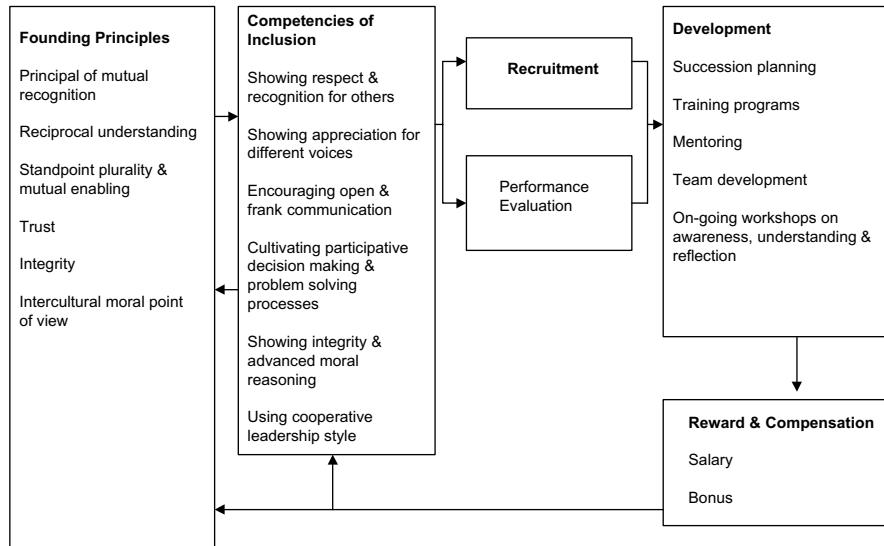
Figure 3. An integrated Human Relations Management system to foster a culture of inclusion.

the one hand and actual behavior on the other hand. Let's explain that in more detail: competencies can be derived from the founding principles (see Figure 3) which they translate into observable and measurable behaviors, such as:

- Showing respect and empathy;
- Recognizing the other as different but equal;
- Showing appreciation for different voices, e.g. by
  - listening actively to them;
  - trying to understand disparate viewpoints and opinions;
  - integrating different voices into the ongoing cultural discourse.
- Practising and encouraging open and frank communication in all interactions;
- Cultivating participative decision making and problem solving processes and team capabilities;
- Showing integrity and advanced moral reasoning, especially when dealing with ethical dilemmas;
- Using a cooperative/consultative leadership style.

These competencies play a crucial role in sensitizing employees, managers and leaders to behaviors that are critically important to a culture of inclusion.[9]

They indicate clearly which behavior is valued. However, as the following example shows these competencies won't have any longterm impact on the organization unless they are embedded in an integrated management system. Take for instance the manager who gets trained to use a participative decision making approach and a cooperative leadership style: She knows that this behavior is seen as desirable within the organization and understands that it is in line with the diversity vision and beneficial for the corporate culture. However, if her performance evaluation as well as pay and bonus still solely depend on quarterly results, not on actual inclusive behavior, there is simply no need for her to change her leadership style. Especially, if one takes into account that it will take her more time to integrate people into decision making processes and will take more personal effort to change familiar leadership behavior. Therefore, it is more than likely that she will continue to demonstrate an authoritarian style that, in the past, allowed her to meet her revenue goals and guaranteed her bonus.

This example underscores the importance of embedding competencies of inclusion into an integrated Human Relations Management system in order to unleash their behavioral potential and foster change (see also Gilbert and Ivancevich, 2000; Cox

and Beale, 1997). In the following we show how such an integrated approach can look like:

As discussed above, the founding principles have to be translated into observable and measurable competencies. These competencies form the basis for different personnel processes like recruitment, performance evaluation, training and development, reward and compensation. In the following, we like to take a closer look at these processes because they are fundamental in helping to build and cultivate a culture of inclusion by steering and supporting inclusive behavior.

Recruiting

Looking at processes, the selection and hiring of people with diverse backgrounds (women, minorities, different nationalities) is an important approach to enhance diversity within the corporation. However, in order to create a culture of inclusion it is not enough to simply recruit people from different backgrounds into the organization.[10] It becomes necessary to select those candidates who share the desired values in terms of diversity and show competencies and behavior favorable to an inclusive and diverse work culture. A culture of inclusion can only be brought to life with the help of people who buy into this idea, who feel comfortable working in a diverse work environment and are committed to bringing the vision to life. People are the most important "capital" for any value-based organization. Therefore, it is crucial to identify the right people and have a selection process and instruments in place that support this endeavor. Consequently, tools for personnel selection such as interviews and assessment centers (AC) have to be adapted to the idea of diversity and inclusiveness. The selection tools have to be revised in accordance with the ethical and strategic requirements of the diversity vision and re-designed based on the competencies of inclusion. In order to ensure a fair process all candidates are tested and observed by trained assessors and interviewers in different assessment exercises (i.e. role plays) and/or interviews and assessed against the same set of pre-defined competencies (competency-based selection).

Performance evaluation

For both purposes, creating and cultivating a culture of inclusion, performance evaluation can be a valu-able tool because (if applied responsibly) it can be a means to stimulate the dialogue between employees and their supervisors to foster lifelong learning, and to encourage and motivate people to show inclusive behavior. However, this presupposes that performance is not simply evaluated based on pure output (what people achieve), but in equal terms on the evaluation of their behavior (how people achieve results).

In such evaluations, which are a crucial element in diversity and performance management (Cox, 1991), behavior and outcome are monitored and measured. Employees and supervisors agree at the beginning of the performance management cycle (usually once a year) on a set of objectives which are linked to the competency model. The performance is then assessed with respect to the defined objectives. In a dialogue employee and supervisor discuss and agree upon the evaluation, identify areas of strengths and weaknesses, and define developmental areas and measures. We agree with Williams (1998) that it is important to review performance regularly and provide feedback to the employee on an ongoing basis during the performance cycle, so that behavioral adaptations can be made spontaneously, and coaching be given when needed.

Due to the following reasons, which are not exclusive, we see performance evaluations (PE) as a means to live and practice the founding principles:

- PE fosters integrity by motivating people to base their action on principles and acting in a reliable and coherent manner.
- PE stimulates an ongoing dialogue which is crucial to develop trusting relationships.
- PE encourages supervisors to observe employee's behavior on a regular basis and to give feedback. While positive feedback is a means to express appreciation and to provide affirmation, constructive negative feedback can help employees to develop and change behavior as well as unleash hidden potential. This can, on the other hand, motivate the supervisor to find out and understand the causes of i.e. poor performance as well as to find a common solution to improve performance together with the employee.

- PE provides a chance to subordinates to express needs and to articulate developmental aspirations.

Development

The development field is a vast area which provides instruments, methods and processes at different levels (the organizational, the team and the individual level) to support the creation of a culture of inclusion. For example, training programs (with follow-up modules) based on competencies of inclusion can be designed to train intercultural effectiveness and strengthen inclusive behavior while raising moral awareness on an individual level; succession planning programs can be introduced to ensure that each individual (independent from gender, race, national origin, age, etc.) can grow into positions at all management levels of an organization according to their talents and potential.[11] For the purpose of our paper we want to focus only on some selected developmental aspects to illustrate how they can be used to build a culture of inclusion.

Individual development − mentoring: Mentoring is seen as a useful development instrument and an important factor for career development (Thomas and Gabarro, 1999). Mentoring is a learning partnership between a senior person (a mentor) and a less experienced staff member (mentee). The benefits for the mentee are manyfold: mentoring aims at increasing the mentee's knowledge base as well as the understanding of institutional operations and culture, developing greater confidence and self-esteem, and enhancing communication and networking skills. On the other hand, mentors can benefit simultaneously by enhancing their ability to listen, expanding their coaching and counseling skills as well as developing their emotional intelligence. Mentoring seems to be helpful in the endeavor to build an inclusive work environment since it fosters relationship building beyond ranks and hierarchies, creates trust, and encourages mutual learning and enabling between mentors and mentees. In essence, for those involved, a mentoring relationship can be a crucial part of actual mutual recognition.

Team development − developing inclusive teams: As Rosabeth Moss Kanter points out, team building has to be emphasized to help "a diverse workforce appreciate and utilize fully each other's skills."

(1997, p. 149) In order to realize the potential attributed to a diverse workforce an enabling team environment has to be developed in which people understand one another's differences. The discursive learning process introduced above (see phase 1 of the transformation process) is essential to raise awareness for diversity, understand why people are different and to use this understanding to support the development of a team environment that fosters both personal growth as well as business success. The real challenge in a diverse team is to cope with these differences in everyday business life and find solutions for arising conflicts. Sheridan (1994) offers an example from an Exxon Chemical plant in Baytown, Texas, of how teams can cope with conflicts arising from differences in everyday business life by making the team environment more inclusive and enabling:

In this case a highly skilled and very intelligent engineer who happened to be an Asian women found herself trapped in a cumbersome culture clash arising from her cultural up-bringing: On the one hand, she had been taught by her family that respected women in her culture "wait until no one else is speaking before they speak, and that a [...] woman rolls her words seven times on her tongue before speaking − to be certain that what she says is not offensive. Her cultural belief about the way that a [respected] woman communicates leads to behavior that is very, very polite." On the other hand, the culture at the Baytown plant dictated an aggressive communication style at meetings. Consequently, "being a very polite woman who waited for silence before speaking, she seldom got the chance to contribute to team discussions". Recognizing her dilemma, the team members eventually developed a different communication style, accommodating her needs for pausing before arguing.

What this short example illustrates is that an inclusive approach requires "relational work" (Dachler, 1999), in the sense of a concerted effort to recognize a team members dilemma, to understand the team processes, and to be willing to change usual ways of communicating and interacting in order to bring mutual recognition in everyday discourse settings to life and eventually leverage the contribution each member can make in a diverse team. To benefit from the wealth of experiences in a diverse workforce, it is necessary to create and nurture a culture of cooperation, respect and trust. As mentioned

earlier, it is only in a context of trust – without fear of exclusion, hurt feelings and knowledge abuse – that people from diverse backgrounds are willing to share their authentic and culturally specific experience with their working teams; especially since all those with such experience leave behind a little of themselves. In contrast to the current management trend of constantly changing team compositions (Sennett, 1998), an inclusive team culture requires constancy in team composition so that a workable trusting relationship can be established.

Organizational development: An important developmental instrument for culture building was introduced in Phase 1 of the change process. Since change itself is an ongoing process that does not happen easily (Kotter, 1996) we like to stress again that organizational discourse is the backbone of cultural development, and, therefore, reflection and awareness workshops have to be scheduled regularly for all staff to raise awareness, build understanding and foster reflection (i.e., reflecting, challenging predominant assumptions, confronting them, and going through their implications) on an ongoing basis. This process is to be accompanied by discourse-trained professionals, whose task it is to propose a communication framework (including basic speech rules) that follows the above-mentioned principles of inclusion, to facilitate an inclusionary discourse among diverse voices within the organization, and to ensure the ongoing process of learning and education.

The translation of the founding principles into competencies of inclusion, the adaptation of systems and processes, which lead to behavioral changes, can reinforce the other phases of the change process, bringing new awareness, triggering further reflection and motivating a rethinking of dominant thinking styles, systems and processes. Thus, change becomes an ongoing organizational learning process.

Reward and compensation
In an integrated personnel system not only developmental measures are derived from performance evaluations but also reward systems such as salary, bonus, etc. Reward systems can be used as an additional method to implement the principle of recognition and to reinforce integrity and inclusive behavior. A possible approach is to make a certain percentage of each employee's compensation (salary and bonus) dependent on inclusive and diversity-supporting behavior. However, a prerequisite for reward systems is their structural integrity, ensuring equality and guaranteeing the same rights for everyone, e.g. "equal pay for equal jobs". This means that salary disparities among people who do the same job and deliver the same performance standard have to be abolished. Gilbert and Ivancevich, e.g., describe a multicultural company where "[p]ay of all employees is analysed yearly to ensure that no disparity exists among peers, or among those ranked at the same level in terms of hierarchy, years of service, and education." (2000, p. 96) If a disparity exists and there is no underlying performance issue, pay is adjusted upward for the underpaid party. Based on such a fair and equal process diversity-driven and inclusive behavior can be rewarded and individual and team contribution acknowledged. Fair and equal processes are an important prequisite for trust to be built within an organization and an expression of material recognition.

Summary and conclusion

In this article, we have shown that the realization of any potential benefit inherent in a diverse workforce requires an integrative approach to diversity starting with the definition of a framework of inclusion built upon principles of recognition, mutual understanding, standpoint plurality and mutual enabling, trust and integrity, that allows for the integration of different and multiple voices into the organizational discourse. An important part of the process is a re-examination of underlying and rarely questioned assumptions which interfere with inclusiveness. Against this backdrop, leadership, decision-making and teamwork need to be redefined in order to foster enhanced employee integration. Management and personnel within an organization play a crucial role in setting the stage for change by recognising the importance and value of a culture of inclusion, by facilitating the process of defining a vision of inclusion and putting it into action by building awareness, educating and developing people, reformulating existing and introducing new personnel processes and instruments, and, last but not least, ensuring an integrated human relations–approach to management that allows to foster and reward

inclusive behavior systematically at all organizational levels.

While this article has provided a conceptual framework for building a culture of inclusion, additional work needs to be done to examine the contingency between the different cultural pillars (founding principles) and the organizational culture; and to develop a method to survey cultural inclusiveness within an organization. Other key areas for research would be the further exploration of the proposed discourse processes based on discourse ethics, aiming at the identification of criteria regarding a "good" discourse under the conditions of diversity, and thus the challenges given by a multitude of beliefs, ideas and opinions of people from different backgrounds (cultural, etc.). Additional research is required to elaborate how power can be understood in the context of an inclusive diversity culture (see Gergen, 1995, Pless, 1998). Furthermore, it would be necessary to explore the possibilities, challenges and barriers in building inclusive stakeholder relations and in facilitating an inclusive stakeholder dialogue in the face of conflicts of interest and inequality of power relations.

Building an inclusive diversity culture is a difficult task that requires long-term commitment, as all "cultural work" in organizations does. It can be, however, a unique opportunity, as business globalises and the world gets more and more connected, to create a truly diverse organizational culture that incorporates basic human principles and fosters human diversity.

Notes

[1] We use the term Human Relations Management (HRM) as a substitute for the term Human Resource Management as well as for the more recent term Human Capital Management, because we do not agree with the underlying "Menschenbild" of both terms, which reduce the employee to an object – either to a material resource or a financial resource (= capital). In our understanding HRM or personnel management is about creating and sustaining a working context via rules, regulations and contracts as well as systems, processes and instruments (based on reflected values and norms) to first and foremost, support and enable the building of effective and healthy working conditions and relations (for example between the organization as an entity and the employee, between leader and followers, between members of a work team, etc.) as a basis to achieve organizational objectives. In this sense we prefer to use the term Human Relations Management.

[2] A study conducted by A.T. Kearney Executive Search indicated that in 1995 already 70% of the 50 largest U.S. companies had diversity programs in place (Fortune, 1999).

[3] For a good account of discourse ethics, focusing on the writings of Jürgen Habermas, see William Rehg (1994). See also Maak (1999), pp. 127–143.

[4] This definition of power distance goes back to Hofstede and Bond (1984). According to Hofstede's empirical work (1991), people in countries with a small power distance culture (like Austria, Denkmark or New Zealand) tend to value equal power distribution, equal relations and rights, while people in countries with large power distance cultures (such as Malaysia, Mexico, Arab countries) tend to accept more easily unequal distributions of power, asymmetrical role relations and hierarchical rights. With respect to the work context this means that in a work environment with small power distance (which one finds more likely in flat organizational structures and network organizations) there is a tendency for small relational distance and to emphasize informality, to assign authority based on contribution, and to base rewards and punishments on performance; in contrast, large power distance work environments (rather to be found in bureaucratic structures) tend to stress relational distance often through formality, to assign individual authority as well as rewards and punishments based on seniority (age, rank, title, etc.) (See also Ting-Toomey, 1999).

[5] It would far exceed the scope of this article to further discuss the challenges of power relations and conflicts in the context of building an inclusive diversity culture. However, it is an important question, where further research needs to be undertaken, which can for example draw on the work of Gergen (1995), Helgesen (1990), Kanter (1977), Pfeffer (1981) and Morgan (1997).

[6] We use the term "intercultural moral point of view" obviously in a moral sense to illustrate the need for shared basic moral principles across and beyond cultural boundaries (set by religion, gender, language, nation, race, etc.) when it comes to a diversity setting (Ulrich and Maak, 2000). While the same rationale could be used in searching for principles in a cross-cultural management context (as management across national borders and cultures), we want to focus here on the intra-organizational challenges of building a culture of inclusion. Thus, we ask what principles are common and sound enough to serve as moral grounding across diverse backgrounds in an organizational setting.

[7] Cox and Beale (1997) describe a three-phase learning process (awareness, understanding, action) for dealing effectively with social-cultural diversity. In his influential book "Leading Change" Kotter (1996) has introduced a model of creating major change consisting of eight stages: Establishing a sense of urgency, Creating the guiding coalition, Developing a vision and strategy, Communicating the change vision, Empowering broad-based action, Generating short-term wins, Consolidating gains and producing more change, Anchoring new approaches in the culture.

[8] In this article, we essentially deal with questions of organizational culture and respectively with principles, processes and practice within organizations and with respect to internal stakeholders (such as employees). However, it is important to stress in this context the relevance of an inclusive approach towards external stakeholders and an open stakeholder dialogue (see Pless, 1998) and encourage further research.

[9] Regarding the proposed set of competencies we like to stress firstly that they serve only as an example. Each organization has to define their own set of competencies, which has to be adjusted to the organization's vision, its context, the organization's culture as well as its character. Secondly, this list does not suggest that there cannot be further competencies be included that may also be critical for an organization and its current and future success, like for instance functional and technical competencies such as product and process knowledge, economic competencies such as leveraging resources and managing risk, or client focus. Those competencies can and should be also part of an organization's competency model (= catalogue of behavioral traits). For the purpose of this article, however, we focus only on competencies of inclusion.

[10] As decades of experience in Corporate America show, it would be an oversimplification to assume that the recruitment of employees with multiple backgrounds already leads to equality among employees and the creation of a diverse and inclusive workforce. There are a number of potential barriers within organizations (such as lack of cultural integration, discrimination based on race or gender, lack of career opportunities and planning, support and the glass ceiling phenomenon) that make it difficult for women and minorities to advance in their careers (let alone reach a senior executive position, from which to steer transformational culture change) and often cause retention problems (Catalyst, 1998) and higher turnover rates among members of these groups (Robinson and Dechant, 1997).

[11] At Motorola, for example, special attention was paid to the advancement of high-potential women and minorities who were still underrepresented in management positions. Motorola adapted its succession planning to realize its diversity mission and accelerate the advancement of these groups by setting a 10-year deadline (to bring the number of women and minorities at every management level into parity with the available talent pool in the general population) and adopting "Officer Parity Goals, a commitment that every year at least three women and minorities would be among the 20–40 people promoted to vice president." (Catalyst 1998, p. 19).

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