

Which should come first? Examining diversity, equity and inclusion

Diversity,
equity and
inclusion

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Abstract

Purpose – The purpose of this critical review is to address issues with the current school of thought that diversity must come before inclusion in the diversity, equity and inclusion (DEI) process and propose an alternate solution.

Design/methodology/approach – This review takes a critical constructionist lens such that changes in social norms have morphed over time, refining the meaning and implementation of DEI initiatives in research and the workplace. This review is framed within the context of hospitality organizations.

Findings – The conflicting results in DEI research (whether DEI practices are positive or negative) are explained by diversity being the core factor. It is proposed that inclusion is the starting place and determinant of success in creating a diverse workforce. If inclusion comes first and is followed by equitable treatment, then diversity (and diverse representation) naturally follows.

Research limitations/implications – This review offers a novel perspective on the relationship between diversity, equity and inclusion, which was previously ambiguous. Research rarely includes all three as variables in the past, and does not use diversity as an outcome, but rather as a starting point.

Originality/value – This research suggests that unless an organization begins with an inclusive climate, there will be no benefit to having diverse candidates, nor will there be long-term retention of a diverse staff. It is recommended to begin with inclusion, implement equitable practices and diversity will increase through the enacted and espoused values.

Keywords Inclusion, Equity, Diversity, Climate

Paper type Research paper

1. Evolution of diversity, equity and inclusion

Diversity, equity and inclusion (DEI) research is not a new phenomenon. Cultural movements toward acceptance of diversity and tolerance of different behaviors were introduced in the USA in the 1960s with diversity training to address the civil rights movements (Dong, 2021) but really began to move forward in the late 1980s, pushing researchers to help the industry understand how to manage diversity in the workplace (Russen *et al.*, 2021). To create opportunities for underrepresented individuals, affirmative action was introduced, and the industry was required to hire diverse candidates but was unsure how to include people with different backgrounds and needs in the workforce. Assimilation (welcoming diverse people but expecting them to conform to current norms) became the standard in the workplace. Meanwhile, researchers responded to this diverse workforce and produced diversity management (DM), a tool to enable diverse workers to



perform to their full potential (O'Donovan, 2017). Business *and* researchers reacted to a cultural movement initiated by American society.

Business, the hospitality industry specifically, and research soon realized there needed to be an additional effort to enable integration rather than assimilation, which is when equality, equity and inclusion were entered into research between the mid-1990s and early 2000s. These were viewed as enablers of diversity in the workforce that would be more readily accepted than long training sessions that did not work beyond a few days or DM policies that were not consistently followed (Dong, 2021; O'Donovan, 2017). Researchers then made efforts to provide organizations with policies and practices that demonstrated fair treatment to enable success, recognized individual differences (uniqueness) and ensured belonging in the workgroup at an individual level (Nishii and Leroy, 2022). However, employees did not publicly share their assessment of these efforts because of the climate within the organization and lack of representation within management.

In more recent years, the USA has seen an increase in social movements such as #MeToo, #BlackLivesMatter and #TogetherWeRise. As a result, employees have more actively and openly been discussing discriminative hiring practices, procedures, shared experiences and climate within the workplace. This has forced organizations to reexamine strategies that we have been relying on for decades to support a diverse workforce. The initial response was to increase and expand the diverse makeup of the workforce, especially in management. This focus was to change the surface-level diversity, or that which is readily seen (e.g. age, gender, ethnicity) but did not consider deep-level diversity, or traits that cannot be observed without interaction with a person (e.g. cognitive ability, education, socioeconomic status) (Mor Barak, 2015; Romansky *et al.*, 2021). So, diversity initiatives were established to reduce discrimination and barriers for underrepresented groups in terms of surface-level and, in some organizations, deep-level diversity to reap rewards on the bottom line through retention, positive consumer impressions and innovativeness (Yang *et al.*, 2022). Eventually, DEI was moved from a subcomponent of human resources and introduced as a core strategic business function of its own designed to reduce bias and discrimination and increase fairness in hiring and promotional practices (Dong, 2021). Yet, appropriate theories were underexamined in the workforce and literature to explain the effects of diversity on organizational outcomes (Im *et al.*, 2023).

The hospitality industry has seen a positive impact on the quality of work life for employees and organizational outcomes from the implementation of DM programs (Gajjar and Okumus, 2018; Madera *et al.*, 2017). Sodexo, Marriott and Hilton have adopted strategies that include corporate diversity councils, diversity training and support groups for women (Gajjar and Okumus, 2018). Many of these leading companies have recognized the importance diversity plays in their company functions and perceptions related to employees and guests. Hospitality organizations' diversity initiatives intend to treat all employees equally and enhance perceived inclusiveness for individuals (García-Rodríguez *et al.*, 2020).

Diversity and diversity initiatives have had a long history in the USA's corporate world compared to equity and inclusion because diversity is easy to see and interpret distortion while equity and inclusion must be recorded through first-hand experiences (Carlini and Grace, 2021; Romansky *et al.*, 2021; Tracy *et al.*, 2020). Equity and inclusion perceptions are more difficult to observe but are considered an important process of enabling diversity in the workplace (Carlini and Grace, 2021; Mor Barak *et al.*, 2021; Romansky *et al.*, 2021). Equity means treating everyone fairly, whether that be the same or different, as long as it is sensible and people in the organization perceive it to be fair (Livingston, 2020). Equity refers to the support people of all populations in the workplace receive to grow within the organization – whether it is equal across groups or tailored to individuals or certain groups – that is

perceived as fair to others within the organization (Carlini and Grace, 2021; Livingston, 2020). The key is the perceptions and to ensure that no group feels as though any other group is receiving favorable treatment, even if it is different.

Although research on equity in the hospitality industry has remained nonexistent, hospitality organizations, such as Hilton (2023) (jobs.Hilton.com), Darden (2023) (Darden.com/careers) and Southwest Airlines (2023) (careers.Southwestair.com) have incorporated practices that enable equitable treatment for their employees. Examples of equitable treatment include providing six weeks off to expectant parents to care for new babies, offering individual bonuses based on performance or the organization offering to pay for customized training and development seminars based on individual needs and experience. Equity has enabled hospitality organizations to move away from assimilation and create a culture that shows respect for individual employees.

Inclusion is the final piece that helps to create an environment where employees feel they can express their opinions without fear of retaliation and with the expectation of full consideration of a new or opposing viewpoint (Tracy *et al.*, 2020). Inclusion is experienced through interactions with others, one's attitude and behavior at work and the norms, practices, procedures and values in the organization (Ferdman, 2017). The intent may not be to exclude, but individuals' perceptions of whether or not they are included in the formal and informal processes are their own reality and experience of inclusion. This can be in formal (decision-making power) or informal processes (being invited to lunch) (Mor Barak *et al.*, 2021). An inclusive organization is one in which members of all types of diversity (both surface- and deep-level) are appreciated, fully involved in the organization, encouraged to contribute unique perspectives and engaged in the community to create a better environment for society (Ferdman, 2017; Kalargyrou *et al.*, 2020). To achieve a truly inclusive culture, diversity should be a key value and one that is readily apparent in every aspect of the artifacts, symbols, stories, rituals and language that make up the company culture (Tracy *et al.*, 2020).

Minimal research on inclusion has been conducted in the hospitality industry, specifically only research on disability inclusion (Kalargyrou and Volis, 2014; Kalargyrou *et al.*, 2020) and LGBTQ+ inclusion (Vongvisitsin and Wong, 2021) have been conducted at the time of this writing. However, many companies have adopted inclusive practices that go beyond the diversity subsets to the inclusion of all surface- and deep-level diversity. Companies like JetBlue (2023) (careers.Jetblue.com), McDonald's (corporate.McDonalds.com) and Kimpton Hotels (2023) (ihg.com/KimptonHotels) have integrated the importance of individual differences and unique identities into their culture. Hospitality companies that demonstrate a value for inclusion discuss the importance of individual differences and bringing their full self to work, no matter their background. They show photos of happy employees of different ages, races and visual representations (tattoos, piercings, heights, weights) coupled with expressions such as, "you belong here" (Kimpton) and "none of us is as good as all of us" (McDonald's, 2023) to demonstrate that everyone is welcome within their organization. They further list policies (e.g. flexible scheduling), procedures (e.g. equal pay for equal work) and practices (e.g. individualized training and mentorships) to demonstrate it is not just words but a way of life.

The purpose of this critical review is to address issues with the current school of thought that diversity must come before inclusion in the DEI process. It has been argued and believed that inclusion cannot happen without diversity, but the consensus is diversity alone is not enough to provide equity and reap the benefits of a diverse workforce without DM and inclusion (Im *et al.*, 2023; Mor Barak *et al.*, 2021; Nishii and Leroy, 2022; O'Donovan, 2017; Shore *et al.*, 2018). The question remains, is the school of thought that diversity must come

first because of the initial reaction to social change that was undergone back in the 1980s? Without valuing inclusion from the start, diversity is just a surface-level “box that can be checked” and the benefits will not be realized.

This critical review proposes an alternative to the current school of thought: organizations must first start with valuing and addressing inclusion at the micro-, meso- and macro-levels, then put into place policies that support equity which will bring a diverse workforce. This is a circular process whereby more diversity strengthens the values and encourages adapting to diverse workforce needs. Research up to this point has suggested beginning with diversity and DM strategies before focusing on inclusive practices and equitable policies. [Nishii and Leroy \(2022\)](#) stated research has moved beyond focusing on whether inclusion is needed as a precondition to enable diversity and onto what leadership can do to create an inclusive environment for diverse individuals. This may be true of research but it would be detrimental to organizations if there is no guidance on the first steps to creating a more diverse, equitable and inclusive environment.

2. Today's diversity, equity and inclusion research

2.1 Diversity and diversity management

Diversity has been given attention by hospitality scholars and practitioners alike in the quest for fairer treatment in organizations. To enable diversity, researchers recommend organizations implement DM. DM is the organizational procedures that enable a diverse workforce to perform to their full potential ([O'Donovan, 2017](#)). DM is an active approach to handling diversity in the workplace by coordinating and directing individuals toward enabling each member to perform to their full potential ([Manoharan et al., 2021](#)). While DM may also include a more passive value for diversity, it has frequently been described as the active facilitator to creating an environment where diverse individuals may contribute. In hospitality, the role of DM varies widely across organizations but has a similar ultimate purpose of recruiting and developing multicultural staff ([Madera et al., 2017](#)).

The key piece in much of the DM literature is it is viewed as the organizational practice that solves exclusionary issues, such as unequal opportunities; however, although important, organizational practices alone cannot solve all these issues ([Nishii and Leroy, 2022](#)). [Mistry et al. \(2021\)](#) discovered DM alone had a positive impact on employee engagement and service innovative behaviors but lowered employee job performance in hospitality organizations. They explained that simply introducing DM to the workplace without other plans for enabling productivity caused an inability to perform well due to taking on extra-role activities ([Mistry et al., 2021](#)). A similar study by [Yang et al. \(2022\)](#) found that both group extraversion and openness diversity encouraged employee service innovative behaviors. In this case, the diversity culture fostered creativity. DM is an important practice for organizations to implement but ignores the roles individuals play in creating a better work environment (culture) for themselves and others through internal motivation and personalized interactions.

2.2 Equity as a facilitator

[O'Donovan \(2017\)](#) stated any diversity initiative will be more successful if equity is also implemented by management. In the diversity literature, equity has received the least attention, likely because it is very difficult to measure. Equity is an ever-changing perception individuals have within the organization at any given point that may be simultaneously favorable and unfavorable ([Ferdman, 2017](#)). Employees may feel one item (i.e. training) provides equitable treatment, but another (i.e. development opportunities) do

not. Equity enables diversity to function as a benefit within the organization. Diversity without equity results in the separation or segregation of groups (Berry, 2016). In contrast, for those to fully belong to the organization, equity should be applied to inclusion and diversity such that barriers to contribution, opportunity and achievement are removed (Ferdman, 2017).

With the exception of passively mentioning equitable treatment, hospitality has largely ignored equity in research. For example, Liu-Lastres *et al.* (2023) point out hospitality has many working mothers as employees and their caregiving roles should be implemented into policy, but this has not been tested. The purpose general management literature has given to equity was as a facilitator to enhance the benefits diversity offers. However, the issue is what happens in an organization that is diverse but not equitable. Equity is an essential component of creating an environment where diverse individuals feel welcome and appreciated (making them want to stay) because without equity, even if there is diversity and inclusionary aspects, there will be separation by which the ideologies of the majority group will be used in making decisions, promotions and other opportunities (Berry, 2016), suggesting equity has a much larger role in enabling a successful diverse workforce than simply as a facilitator.

2.3 Inclusion as a facilitator

After gaining a diverse workforce, like equity, researchers suggest establishing an inclusive environment to enhance the beneficial effects of diversity on organizational and employee outcomes (Mor Barak *et al.*, 2021; Nishii and Leroy, 2022). Researchers agree inclusion is a key aspect of enabling a diverse workforce to thrive, but they believe that inclusion cannot exist without diversity (Nishii and Rich, 2013; O'Donovan, 2017). Inclusion without diversity may lead to an oversaturation of similarities and simplified viewpoints (Shore *et al.*, 2018), but inclusion encompasses more than just accepting others' points of view. Inclusion is about the value of unique perspectives and appreciation of differences, not simple tolerance of them (Mor Barak *et al.*, 2021). Without first analyzing and implementing inclusionary values at the cultural level, implementing diversity initiatives may be futile. Thus, the perspective that diversity is the starting point and introducing inclusion to get the most out of a heterogeneous workforce leads to several misconceptions about not only inclusion and diversity but also equity.

2.4 Common misconceptions about diversity, equity and inclusion

One claim that is made many times over in the DEI literature is that inclusion cannot happen without diversity (Mor Barak *et al.*, 2021). The notion behind such a claim is there cannot be unique contributions and belonging without unique backgrounds (Shore *et al.*, 2018). Ferdman (2017) indicated those who are similar to one another are very likely to feel included, but this is not the inclusion that is beneficial to diversity. Instead, newcomers to the group may feel like they must become like the rest (Ferdman, 2017), which does not satisfy the newcomer's need for uniqueness (Shore *et al.*, 2018).

This is a misconception because there are two assumptions associated with this statement. First, it is assumed because some are grouped together there are many similarities among them. Women and minorities are often lumped together in the same group, but there are vast differences within this group (O'Donovan, 2017). This can be said for any group, especially those who identify with two groups (i.e. black women; gay baby boomers), which creates differences within and across groups. Second, it is assumed individuals in what is viewed as a homogeneous group do not have a value for opinions or unique contributions/perspectives. Valuing diversity may be a passive practice, nonetheless,

it leaves the opportunity for diverse newcomers to enter the group and be included. A homogeneous group may actively want and be seeking alternative opinions and new members, but they have not yet had the opportunity to welcome people of other backgrounds.

To combat this, many hospitality (and other) organizations have created a new position in the top management team related to DEI (Gajjar and Okumus, 2018; Melaku and Winkler, 2022). These titles have several names, such as Chief Diversity Officer, Chief Equity Officer, or Vice President of Diversity and Inclusion (Owusu, 2020). For consistency, these positions will be referred to as Chief Diversity Officer (CDO) hereon. CDOs have been tasked with increasing the representation of diverse employees within the organization, responding to an existing DEI issue, or repairing a brand's image (El-Amin, 2022; Owusu, 2020). The misconception is that hiring a CDO will magically fix the systemic issues within the organization. Unless the CDO is given unilateral control to hold meetings and training sessions, openly address sensitive issues related to microaggressions or bias, and fix the organizational processes and procedures that created the issue in the first place, there will not be any change in the organization. Representation may increase numerically or statistically, but the issues that drive people out of the organization will remain (Beach and Segars, 2022).

It is further thought that hiring someone from an underrepresented group will have more credibility in the CDO role because they can understand the needs of other underrepresented groups better than white men (Ng *et al.*, 2021). The main issue with this line of thinking is when underrepresented groups are lumped together, there are assumptions that they have more similarities than differences (O'Donovan, 2017). However, many women of color are exasperated by white women discussing the challenges of all women because they do not face compounded bias as other underrepresented groups do (Owusu, 2020). The assumption one group or even a person within a group may speak for another is detrimental to research and practice. Backlash from the majority group may even happen due to perceived in-group favoritism by the CDO if this is a person of color (Ng *et al.*, 2021). Not to say that a CDO should not be a woman or person of color, but that research and industry should not assume that hiring someone into a CDO role will be the fix-all to systemic DEI issues and that they have the ability to empathize with all underrepresented groups if they belong to an underrepresented group. Whoever is hired into the CDO role needs to be given the tools, resources and power to make many changes for positive progress throughout the organization.

A third misconception is measuring inclusion through DM. In hospitality, DM is often used as a measure of inclusion because it was claimed that inclusion is part of DM (García-Rodríguez *et al.*, 2020). Even in newer works that measure DM and inclusive human resource management practices separately, they still identify DM as policies that enable inclusion rather than facilitate diversity (Mistry *et al.*, 2021). These papers that discuss DM in light of inclusion are only highlighting a small portion of inclusion and are missing the larger picture. As noted by García-Rodríguez *et al.* (2020), there is little theoretical foundation in the DM literature, and many of the concepts are borrowed from other notions and ideas. Although this is common practice, especially in hospitality-specific literature that is lacking in its own theories, it leads to ambiguity and misinterpretation. To clarify matters in practice, DM is used to bring underrepresented groups into the workplace while inclusion is about the way underrepresented groups are treated and provided opportunities (Shore *et al.*, 2018). Instead, to achieve the best outcomes possible, an organization should begin with organizational values – especially the value of diverse input, recognition, advancement and overall appreciation.

3. Increasing diversity starts with inclusion

3.1 Inclusive climate

According to [El-Amin \(2022\)](#), “the most challenging diversity issues occur when organizational culture is not established with diversity and inclusion ethos” (p. 209). While businesses push to increase the diverse makeup of their staff and management, the organization itself must have an internal climate that values a multicultural workforce to attract and retain employees ([Madera et al., 2017](#)). The climate extends to the shared perceptions of formal and informal policies, practices and procedures. The organization must focus on creating an inclusive climate whereby everyone feels that they are treated fairly despite individual differences ([García-Rodríguez et al., 2020](#)). An inclusive environment affirms that employees of all backgrounds are valued for their uniqueness whereby employees have a sense of belonging and receive equitable treatment. According to [Nishii and Rich \(2013\)](#), an inclusive climate should include three key elements:

- (1) perceived fairness including access to valued resources;
- (2) cultural integration of differences with an investment toward understanding one another; and
- (3) inclusive decision-making practices.

In an exclusionary work environment, employees are under the perception that all workers need to conform to prescribed organizational values and norms ([Tracy et al., 2020](#)). Conversely, an inclusive climate connects each employee; encourages collaboration, flexibility and fairness, whereby all employees can contribute to their full potential ([Shore et al., 2018](#)); and values and respects all perspectives, regardless of background ([Mor Barak et al., 2021](#)). Employees are able to be fully engaged, participate and contribute because they perceive it is safe to be their authentic selves ([Shore et al., 2018](#)), especially those who are otherwise socially marginalized. This setting encourages employees to share thoughts and experiences because it is a nonthreatening environment in which they can reveal their true selves. An inclusive climate can only be created when discrimination is confronted and addressed and eliminates the feelings of marginalization and exclusion ([Nishii and Rich, 2013](#)).

An inclusive environment must exist at all levels of the organization and address interactions among staff. [Nishii and Leroy \(2022\)](#) suggest a multilevel framework of leadership inclusion that addresses inclusion at the individual, workgroup and organizational levels, and within inter- and intrapersonal communication throughout. [Beach and Segars \(2022\)](#) similarly recommend a framework of four values that organizations must equally promote within to enhance DEI: representation, participation, application and appreciation. When equally implemented, these values for diversity create a culture that guides behavior and attitudes toward others ([Beach and Segars, 2022](#)). A highly inclusive environment creates enhanced information sharing, creativity, job satisfaction, psychological safety and affective commitment ([Combs et al., 2019](#); [Madera et al., 2017](#)). An inclusive culture and diverse climate are implemented with DM.

3.2 Diversity management policies and practices

DM consists of a formalized set of practices or processes that are developed and implemented to manage diversity effectively across an organization ([Manoharan et al., 2021](#)). Recruiting, selection, top leadership support, training, managerial accountability and mentorships are included in formal DM policies and practices ([Combs et al., 2019](#)) as opposed to inclusion’s focus on interactions. DM practices are deliberate, voluntary actions

that organizations incorporate to increase the greater inclusion of employees from different backgrounds. These practices should:

- increase perceptions of organizational justice and inclusion;
- reduce discrimination; and
- improve financial competitiveness. (Manoharan *et al.*, 2021)

The ultimate goal of DM is to create a heterogenous culture (O'Donovan, 2017).

Although the DM policies and practices may differ across organizations, most are focused on the attraction to the organization (recruitment ads, DEI statements, multicultural pictorial displays); training (bias awareness, communications, mutual understanding); committee structures (make-up, diversity councils, task forces); and support (mentorship, networks, advancement) (Beach and Segars, 2022; Kalargyrou and Costen, 2017). These efforts will enhance the perceptions of equality and inclusion, but they must also incorporate measures of accountability, authority and expertise (Kalargyrou and Costen, 2017). DM is more about changing the way people in the organization think and feel but can easily fail if not also incorporated into the culture of the organization (Beach and Segars, 2022). Aspects of DM, such as employee development and promotional opportunities, are created through inclusive climates (Shore *et al.*, 2018) and equitable practices (Berry, 2016), thus, attracting members of previously discriminated against socially marginalized groups.

3.3 Biases, stereotypes and inclusion

Stereotypes exist in many facets of society, including the workplace. Negative stereotyping is thoughts that often occur automatically and unintentionally in the background when interacting with or talking about someone from a particular group (Combs *et al.*, 2019). Examples of negative stereotypes are that women are not committed to work because of family responsibilities, African Americans are aggressive or Baby Boomers cannot use technology (Glass and Cook, 2020; Guillet *et al.*, 2019). In hospitality, there is often unintentional segregation by the organization and self-application based on color, age or sex (i.e. women are in housekeeping because they are expected to take care of others) (Carvalho *et al.*, 2019). Inclusion and inspiring everyone to come as they assist in overcoming stereotypes, biases and mental models (automatic thought patterns) set by society. Inclusion encourages collaboration, interaction and teamwork among organizational members, which reduces the necessity to rely on stereotypes to form opinions of others (Shore *et al.*, 2018). Without the need for stereotypes, biases and assumptions made about others are reduced, and diversity can become more appreciated.

4. The inclusion, equity, diversity relationship

4.1 Inclusion: the starting point

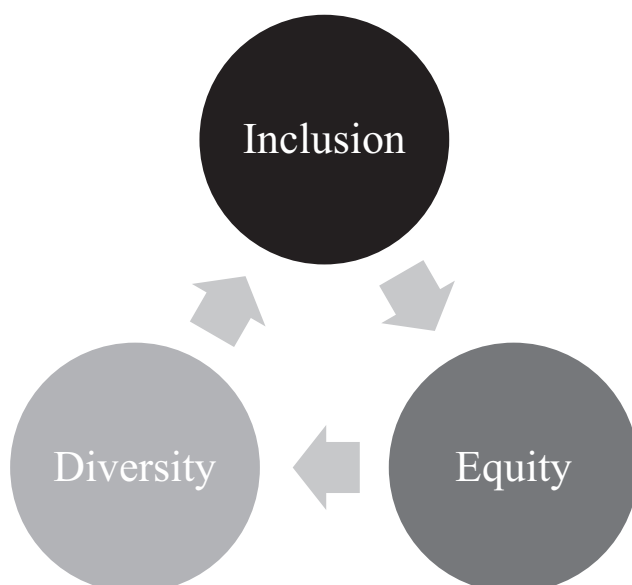
Counter to past research, it is proposed organizations take a proactive rather than reactive approach to diversity by beginning with inclusion, implementing equitable practices, then executing revised and improved DM policies, programs and initiatives. By beginning with a value for inclusion, organizations enable other processes to take place. Organizations should begin with evaluating and reshaping their values to one that rewards, encourages and welcomes differences in beliefs, knowledge, practices and other forms of contribution. This support provided by the organization was identified as an antecedent to higher levels of gender diversity in hospitality top management teams (Russen *et al.*, 2021); therefore, inclusive actions within the organization and an inclusive climate are the starting points for increasing gender-diverse top management teams.

It can then be inferred that an inclusive climate would increase other types of diversity within the organization. Starting with hiring diverse candidates is not enough because if they are not appreciated or feel as though they are to leave their unique abilities and contributions behind to assimilate to the norm, they will likely leave, creating less diversity in the workforce – counter to the initiative. Instead, organizations should start by creating an environment where unique contributions are valued and those with different backgrounds can fully participate. [Figure 1](#) contains a visual representation of inclusion, equity and diversity (IED) for organizations with the starting point of inclusion.

4.2 Inclusion to equity

Inclusion leads to other enactments of the culture, namely, equitable practices. Inclusion enables and promotes equitable treatment through the recognition that individuals should be treated differently because the wants and needs of employees are unique. The understanding that employees are different leads to an environment that encourages differential treatment that is fair for everyone to perform to their best. This does not mean that certain groups are favored, but that each member gets access to the resources they need to succeed.

Fully achieving equitable treatment within an organization requires establishing policies and practices perceived as fair but may be different based on individual needs ([Carlini and Grace, 2021](#)). However, creating and implementing these policies, procedures and practices is not enough to sustain change in the long run. Policies, practices and even laws put into place do not offer enough to change the way things are enacted inside the organization ([Warrick, 2017](#)). People of all backgrounds first need to be included in the decision-making process so that fair and equitable policies and practices for performance success, advancement and overall job satisfaction are put into place ([Livingston, 2020](#)). Inclusion in



Source: Created by authors

Figure 1.
IED relationship

the decision-making process stems from a culture that values individual differences and uses them as a source of competitive advantage. An inclusive culture enables equitable practices to be effective and sustainable over time.

Merit remuneration (compensation, benefits and recognition) and talent management (development opportunities, mentorships and support) that are desired and perceived as fair for employees are examples of what organizations implement to support equity. It is essential to remember not every employee wants to go to additional seminars to move up within the organization because they are happy in their current position and want to stay. It does not make them bad employees; in fact, they have every opportunity of being great employees if they get the recognition and compensation that is equitable to the position and length of tenure. However, all employees who desire to make lateral or vertical movements in the company should have the opportunity and means to do so. These policies are often appreciated and increase employee satisfaction with the job, thus creating more interest and desire to work in the company.

4.3 Equity to diversity

Equitable practices lead to a more diverse pool of candidates. Job candidates see and hear how inclusionary practices and equitable treatment create happier employees. When these job candidates hear that any negative behavior directed toward people of a certain group or any group is not tolerated, the organization receives a positive reputation and the brand gains a more positive image (Vongvisitsin and Wong, 2021). Diverse candidates likely feel positive about organizations that implement inclusionary and equitable practices because it causes them to believe they too will be included and treated fairly in the organization.

A systematic review of gender diversity in hospitality literature by Russen *et al.* (2021) indicated that organizational support in the form of training and educational opportunities for employees created more gender-diverse top management teams. Training and educational opportunities that are provided equitably to those who desire to continue on the career ladder are perceived as favorable and increase the likelihood of applying to the organization (Guillet *et al.*, 2019). The attractiveness of the workplace helps to create a more diverse team (both surface- and deep-level) through a more diverse pool of applicants. Someone on the team must be responsible for recruiting through a variety of methods (online job postings, referrals and career fairs) to increase the ability of diverse candidates to find the job postings; however, the culture of the organization communicated helps with recruiting direct applicants, as well. Therefore, diversity will be increased through inclusive practices and equitable policies.

4.4 The complete inclusion, equity and diversity relationship

Prior research has indicated diversity comes first (Mor Barak, 2015; Nishii and Leroy, 2022); however, it is proposed inclusion ought to come first but the relationship is circular, similar to Mor Barak's (2015) circular process of diversity and inclusion. Beach and Segars (2022) indicated DEI should not be treated as a checklist in a linear process but should be an integration of values and principles to change organizational culture. Inclusion is proposed as the values and principles that should be ingrained into the culture and the starting point for organizations. DEI should be customized according to need, and the prioritization of inclusion aspects will vary by organization. However, the values-principles model (Beach and Segars, 2022) should be applied at the individual (micro), organizational (meso) and societal (macro) levels for an organization to become truly inclusive and enable equity and diversity to grow.

Organizational practices significantly affect culture while culture significantly impacts practices (Warrick, 2017), creating a circular process that continues to be strengthened with every added step toward DEI. The circular process accounts for the significant findings in prior studies while also explaining the discrepancies, such as when diversity does not cause improvement in business outcomes. As inclusion increases equity, equity increases diversity, but as diversity increases, further opportunities for inclusive practices present themselves, and the cycle restarts. This presents an opportunity for divine discontent (the aversion to complacency), such that no matter how well an organization believes itself to be doing with DEI, there is always an opportunity for improvement and DEI can and should always be monitored.

5. Conclusions and implications

5.1 Conclusions

The purpose of this critical review was to address challenges to the current school of thought that organizations must start with hiring diverse candidates before implementing equity or inclusion in their organizations, and that inclusion and equity serve as facilitators of diversity, creating the DEI relationship. The current review flips the script whereby inclusion comes first, which is then followed by equitable treatment, which causes diversity to follow. If businesses hire diverse candidates but the environment does not value differences, then having people who look different will not provide the business or employees any benefit. Instead, employees will be expected to assimilate into the culture (rather than providing innovative ideas), and they will likely leave, realizing they do not fit but instead are a “checkmark” to say “we have diverse people.”

5.2 Theoretical implications

This review provides a strong foundation for researchers to continue building on the DEI literature. First, an alternative paradigm to further explain the role of DEI for hospitality researchers is proposed, called the IED framework. Prior research has suggested that diversity and DM are double-edged swords that produce improved processes in certain workgroups but hinder them in others (Kalargyrou and Costen, 2017). DM and DEI have been viewed as a checklist without foundational logic, creating misperceptions or misplacement in the process which are ultimately unsustainable (Im *et al.*, 2023). The proposed IED framework will allow hospitality researchers to understand contradictory findings of DM and DEI research that suggests diversity can create positive and negative outcomes for teams and organizations such that those that found negative outcomes could be lacking inclusion, equity or both in organizations that observe negative outcomes.

Second, the critical review reveals a glaring gap in equity research. There are several studies on equity theory in the business literature and on brand equity in hospitality; however, the current focus is on what an organization may provide to establish perceptions of equitable treatment and fair outcomes for employees. Hospitality research is also lacking in inclusion, as there are only scarce resources related to LGBTQ+ and disability inclusion in the literature today. There is little understanding of the importance and outcomes of inclusiveness in hospitality organizations. Researchers should use the framework to further explore the significance of adding equity and inclusion to diversity research and even use it as a foundation for exploring outcomes. Using equity and inclusion likely explains under which conditions DM policies and procedures work. This further provides support for the claims that DM adds financial value to organizations despite the lack of proof (Im *et al.*, 2023; Kalargyrou and Costen, 2017).

Third, the IED framework simultaneously supports, challenges and extends [Nishii and Leroy's \(2022\)](#) multilevel leadership inclusion framework. The models are supportive of one another such that organizational values and climate lead to perceptions of diversity and inclusion throughout the organization. Similarly, both take on the perspective that diversity and inclusion are competitive advantages for organizations when implemented appropriately. However, IED proposes organizations begin with inclusion rather than diversity and proposes equitable treatment as an essential aspect of diversity and inclusion success, which is not mentioned in the multilevel leadership inclusion framework.

Finally, the current perspective extends two frameworks: [Mor Barak's \(2015\)](#) circular process of diversity and inclusion and the values-principles model (VPM) by [Beach and Segars \(2022\)](#). The IED framework agrees that there is a circular process whereby increasing diversity increases inclusion ([Mor Barak, 2015](#)), but it adds equity and suggests inclusion as the starting point, rather than diversity. It similarly extends the VPM by including a circular process and giving organizations a starting point, instead of stating that everything should happen equally and simultaneously, which could cause paralysis by analysis within an organization that has a lot of progress yet to be made. By beginning with inclusion, the diverse individuals added to the organization will feel valued from the beginning, rather than thinking they are an afterthought. The framework extensions provide researchers with a place to ground future research for achieving broader applicability and more significant impact theoretically and practically.

5.3 Practical implications

It is crucial that organizations invest resources into embracing what has been termed IED. Businesses must display a visible commitment to an inclusive climate, equitable treatment and diversity to attract talented people, ensure a harmonious work environment and retain their employees. Inclusion as the starting point is emphasized which suggests this is primarily beneficial for new diversity programs; however, organizations that have current policies and procedures in place may also evaluate the effectiveness of their programs by using the IED lens. New or existing programs should start with assessing the perceptions of an inclusive climate that currently exists within the company.

A self-examination may include asking several difficult questions. Do historically marginalized social identity groups have a voice in decision-making at all levels? Assess the diverse makeup of employees within the organizational structure. Pay particular attention to the management team, especially near the top of the organization. Are different diversity ratios present within certain levels or departments of the organization? Conducting a department audit to investigate employee makeup will reveal any departmental differences. If there are differences, distributing an employee survey that asks whether employees would prefer to be cross-trained in another department could help disperse concentrations of certain groups.

Management teams must develop recruitment, hiring and promotion strategies that convey inclusive, equitable and diverse organizations ([Ozdemir and Erkmen, 2022](#)). Recruitment and hiring practices should also be reviewed to understand whether implicit bias is an issue during interviews and job placement. Ask whether employees feel as though they were appropriately placed based on their application and are appreciated for their unique contributions. If employees are forced to assimilate into the culture rather than being recognized for their individual differences, organizations risk losing the true benefits of having a diverse workforce.

Next, leaders should ask what their organization is doing to create equitable opportunities. Is there a clear path for career development that provides advancement for all

employees? Candidates need visible representation across the organization and access to developmental opportunities. To ensure employees are aware of all opportunities available to them, organizations may provide annual updates on opportunities (such as upcoming training seminars, open positions and mentorships) in a packet to new and existing employees. Leaders should analyze any barriers that may exist to offering these opportunities to all potential candidates, such as the current mentorship policy favoring a specific group or not being in existence at all.

Beyond advancement, organizations must also establish fair compensation practices. Analyzing the compensation at all levels can be easily audited through payroll. If gaps are found, managers may implement a compa ratio, which increases employee pay based on merit to close gaps. At the time of the (bi-)annual performance review, managers should compare the median salary of a specific position to that of each employee in said position and analyze whether there are gaps between any groups, which helps to identify if the organization is truly equitable in practice. Using performance reviews and comparing them to current pay disparity helps to ensure equitable compensation. By improving the transparency of these organizational processes and removing obstacles, employees will begin to feel valued.

Organizations should show their commitment to IED. Prior research has shown that employees do not fully embrace DEI efforts unless they believe that senior management values diversity and is willing to invest resources into making this happen (Madera *et al.*, 2017). This happens by intentionally creating awareness, reviewing the current policies and procedures and engaging in difficult conversations. Training is needed to examine unconscious biases that exist and to build cultural competence among employees. Stereotype training, specifically, helps employees and managers understand when their socialized ways of thinking may hinder their interactions with people of certain groups. However, this does not stop with training but must be an ongoing dialogue. Someone in upper management should be held accountable (Beach and Segars, 2022) and be given the power to make the necessary changes (Owusu, 2020).

Finally, a commitment to IED includes an assessment. Businesses must set clear, quantifiable goals to measure progress and set future intentions. Few companies examine their internal and external IED reputation. Organizations should assess employees' perspectives of IED and whether they have opportunities to safely provide anonymous feedback. This goes beyond just distributing surveys or taking a "diversity scorecard approach" with current and past employees (Melaku and Winkler, 2022). Companies should be emphasizing the qualitative experiences of their employees rather than focusing on a numeric value. Organizations may measure IED by asking, "what are others saying about the IED culture within our organization" or, "is there equitable access to information and opportunities in our organization."

Exit interviews of those who have left the business can also provide significant data. Companies often hear that the employee did not feel a part of the culture of the organization, which is a signal of exclusionary practices. Establishments can also review the number of employee referrals that have been cited by the most recent hires or applications. If current employees feel included, they will promote the organization to others. Embedding IED in all policies and procedures within the corporate environment as well as the operations themselves enables organizations to foster a sense of belonging.

5.4 Limitations and future research

Researchers still have a primitive understanding of the impact of DEI within the workplace which leaves multiple opportunities for this research as a whole and within our industry.

The fact that research within the specific areas of equity and inclusion is practically nonexistent in the hospitality field presents a major limitation to this review and general knowledge. The majority of the studies within hospitality thus far have focused on diversity training and the performance outcomes based on diversity practices within US organizations or contexts (Kalargyrou and Costen, 2017). An international perspective is needed to fully understand the implementation, training, management and assessment of DEI initiatives. Finally, the proposed IED relationship has yet to be tested empirically. This would help organizations to truly identify what it takes to create an inclusive environment that includes a diverse workforce in which employees feel they belong, and their ideas are being considered.

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