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Fostering inclusive organizations through virtuous leadership Aikaterini Grimani¹ and George Gotsis²

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Abstract

The purpose of this chapter is to provide an integrative framework of virtuous behaviors and inclusion in a variety of organizations. In so doing, we draw on earlier virtuous leadership models in view of delineating the virtuous leadership construct and advancing extant theoretical developments in the field. We elaborate on research streams focusing on virtue theory in business and management, and suggest fruitful ways to expand on these issues. The chapter is intended to explore precisely how virtuous leadership can claim conceptual distinctiveness with respect to related values-based leadership theories. The chapter specifies dispositional and situational predictors of virtuous leadership that in turn address employee needs for both self-actualization through, and belongingness to, a business community. Virtuous leadership is by nature inclusive insofar as it generates multi-level beneficial outcomes by placing an emphasis on how leaders enact virtuous behaviors from which a diversity of organizational stakeholders can significantly benefit. Furthermore, virtuous leadership is socially beneficial by fostering equitable, inclusive and more humane workplaces, as well as by being more sensitive to a bundle of societal and communal expectations.

Keywords: virtuous leadership, virtue ethics, organizational virtue, virtuous organizations, employee well-being, inclusive leadership.

Introduction

In recent years, there has been an increasing interest in the field of virtue theory and organizational behavior. The concept of virtue is a term denoting universal standards of correctness, rectitude and goodness (Antunes & Franco, 2016). Virtues are "contextual, learned habits that reflect and involve discriminating moral judgment and deliberation" (p.75) (McLaughlin & Cox, 2015). For Aristotle, virtues developed or were cultivated over time through habituation, which led to stable characteristics or traits (Aguirre-Y-Luker, Hyman, & Shanahan, 2017). Aristotelian virtue theory asserts that the purpose of life is to maximize flourishing and overall well-being by living in balance or harmony (eudaimonia, happiness) (Neubert, 2011). At the core of his system of moral virtues and emotions lie three of the four fundamental virtues as known from Plato: courage, self-control and justness. The fourth Platonic cardinal virtue, wisdom, is an intellectual virtue with significant implications for diversity management (Bachmann, 2019). Virtuousness encompasses the best of the human condition, assuming that it is inherent (McLaughlin & Cox, 2015). Several aspects of virtues descripted in the existing literature include the distinction between right and wrong in the leadership function, taking measures to ensure justice and honesty, influencing and allowing others to morally follow fair objectives for themselves and their organizations, and helping others to interconnect with a higher purpose (Cameron, 2011; Pearce, Waldman, & Csikszentmihaly, 2006; Rego, Cunha, & Clegg, 2012).

Whereas the general definition of virtues can be established with reference to its origins in Aristotle, virtues as they apply to organizations and the disciplines of management, organizational behavior, psychology, organization theory, and strategy need further discussion of their relation to core constructs (Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009). On an individual level, virtue ethics can provide insight into how managers and business leaders behave and make decisions. Individuals not only produce goods and services, transforming their environment through their job, but also develop a series of abilities and competences that shape their personality. Virtue ethics also give them a chance to consider the business environments and cultures they should build, as well as how business goals, policies and procedures foster positive or negative learning in their employees (Fontrodona, Sison, & de Bruin, 2013). Identified virtues pertaining to positive business practices include caring, compassion, conscientiousness, empathy, forgiveness, gratitude, inspiration, integrity, making work meaningful, optimism, respect, trust, warmth, and zeal (Aguirre-Y-Luker et al., 2017).

However, organizations continue to be challenged and enriched by the diversity of the workforces. Researchers are increasingly focusing on inclusion to enhance work environments by supporting diverse workforce (Shore, Cleveland, & Sanchez, 2018). A broad definition of inclusion, according to Ferdman (2017, p. 235) indicates: "In inclusive organizations and societies, people of all identities and many styles can be fully themselves while also contributing to the larger collective, as valued and full members." In addition, the existing literature commonly defines inclusion as "minority members' insider status, belongingness, full contribution, engagement, voice, and participation in the organizational decision-making process, as well as the means to draw out minority members' unique perspectives and to integrate differences within a workplace" (Fujimoto, Azmat, & Subramaniam, 2019). According to Shore et al. (2018), inclusion involves "equal opportunity for members of socially marginalized groups to participate and contribute while concurrently providing opportunities for members of non-marginalized groups, and to support employees in their efforts to be fully engaged at all levels of the organization and to be authentically themselves" (p.177). In the workplace, inclusion is based on a pluralistic value frame that respects all cultural perspectives among workers (Shore et al., 2018).

Virtuous leadership and inclusion in the workplace have become important themes for both academic theory and business practice. Although we know a great deal about virtuous leadership, scholarship focused on inclusion is still in the initial stages, while there has also been precious little research exploring the relationship between them. The aim of this chapter is to provide an integrative framework of virtuous behaviors and inclusion in organizations. It is also intended to explore precisely how virtuous leadership can claim conceptual distinctiveness with respect to related values-based leadership theories and to emphasize on how leaders enact virtuous behaviors from which a diversity of organizational stakeholders can significantly benefit. The structure is as follows: first section will present a theoretical framework concerning virtuous leadership and values-laden leadership types. The following section will concentrate on the inclusive leadership and workplace diversity. A discussion and conclusion section will close the chapter.

Virtuous Leadership: The quest for conceptual distinctiveness

Virtuousness is a term denoting universal patterns of correctness, rectitude and goodness. The aggregate of virtues includes the following aspects: the distinction

between right and wrong in the leadership function, taking measures to ensure justice and honesty, influencing and allowing others to morally follow fair objectives for themselves and their organizations, and helping others to interconnect with a higher purpose (Antunes & Franco, 2016). Virtuous leadership has been considered conceptually synonymous with or highly similar to moral, ethical, servant and spiritual, inclusive, transformative, transformational, and paternalistic leadership, while others have treated virtuous leadership as a component of ethical, servant, charismatic, transformational/ authentic, and responsible leadership (Wang & Hackett, 2016).

The concept of leaders' virtue derives from Aristotelian logic and Confucian perspectives which indicate that virtue is a character trait. According to Pearce, Waldman, and Csikszentmihaly (2006), virtuous leadership can be displayed and formally designated as covering vertical leaders who operate through shared leadership. Hence, virtuous leadership can be perceived as an important facilitator of learning in organizations, allowing formation of the necessary trust and openness which are fundamental for the creation and transformation of knowledge in organizations. For instance, sharing ideas and concerns strengthens leadership around a common goal.

According to Cameron, Donaldson, Csikszentmihalyi, and Nakamura (2011), managers should be guided by organizational virtues, such as purpose, safety, fairness, humanity and decency, that are interlinked with subjective experiences (such as happiness, pleasure, fulfilment, well-being) and with the positive strength of individual traits (such as character, interests, talents and values). One of the great advantages of practice founded on virtue is that it evokes an alternative vision to the dominant practice, and that option is extremely necessary in organizations nowadays. This vision incorporates a characteristic of carrying out business with virtue. In addition, virtues create a determining point in decision making and increase performance. In this aspect, organizations scoring highest in virtue demonstrated significantly higher productivity, higher quality and employee retention than other organizations (Cameron, 2011). Existing literature, especially in the last decade, has significantly contributed to virtuous leadership theory. In the following table (Table 1), the main varieties of virtuous leadership styles are presented.

Table 1: Main varieties of virtuous leadership types

Source	Publication	Construct under examination	Contribution to Virtuous
(Bauman, 2018)	Business Ethics Quarterly	Virtuous Leadership	Plato's model of virtuous leadership centered on cardinal virtues and ideal virtuous leaders is applied to inform leader development and selection in the contemporary corporate world, explaining how this model is expected to guide leaders, board members and investors.
(Bohl, 2019)	Philosophy of Management	Global Leadership	The authors argue in favour of an underlying philosophy supportive of leadership as an emergent social phenomenon and suggest that recent work in virtue epistemology, along with the theory of communicative praxis and transversal rationality, can facilitate a better understanding of leadership Viewing leadership as an emergent and complex social phenomenon changes our attitude regarding the roles that leaders play in the creation of leadership.
(Bragues, 2006)	Journal of Business Ethics	Virtues-based Leadership	The intellectual virtues of prudence and wisdom, manifest in the leadership of organizations, and in the philosophic quest for truth, are viewed as an ethical imperative for business. Affording individuals the opportunity to apply their leadership competences and engage in philosophic reflection, constitutes the most important mission of Aristotelian business ethics.
(Bragues, 2010)	Journal of Business Ethics	Virtues-based Leadership	The paper demonstrates the mechanisms through which worldly success in leadership is complemented by the practice of virtue, by elaborating a procedural framework to properly analyze ostensible conflicts between the beneficial and the honorable, manifest in Cicero's philosophical reasoning.
(Caldwell, Hasan, & Smith, 2015)	Journal of Management Development	Virtuous Leadership	Virtuous leadership integrates the abilities required for leader excellence as integral to leaders displaying a commitment to the pursuit of the social welfare and success of others. Such positive outcomes appear as by-product of the cultivation of leader personal virtues, namely character

			(honesty and integrity), competence, commitment, courage, clarity and compassion.
(Cameron, 2011)	Journal of Business Ethics	Responsible Leadership	Virtuous leadership entails desirable ends. Among them, flourishing is defined as having people experience positive emotions, engagement, meaningfulness in their activities, and achievement Responsibility implies the pursuit of the ultimate best, eudaemonism—and, secondarily, advantages creation for constituencies: organizations nurturing virtuousness exhibit beneficial outcomes.
(Cameron, Donaldson, Csikszentmihalyi, & Nakamura, 2011)	Applied positive psychology: Improving everyday life, schools, work, health and society.	Virtuous Leadership	Virtuous leadership is in a position to mitigate various manifestations of negative organizational phenomena (worsening morale, degradation of trust, emergence of negative organizational politics, scapegoating effect with respect to leaders, increasing conflict and lack of communication).
(Campbell, 2015)	Journal of Business Ethics	Virtues-based Leadership	Leader virtue and moral discipline in considering the interests of others and acting in service to those interests above self-interest, can significantly affect risk management effectiveness.
(M. M. Crossan et al., 2017)	Journal of Management Studies	Virtues-based Leadership	Leader character is essential for effective leadership. The authors extend the virtues-based approach to ethical decision making to the broader domain of judgement and decision making in view of pursuing individual and organization effectiveness. The pursuit of sustained organizational excellence requires an emphasis on character dimensions (such as transcendence, courage and drive), as well as on justice, humility and humanity. Leader character is inserted into the judgement process to ensure the harmonic behavioral display of these resources in ever-shifting business contexts.
(M. Crossan, Mazutis, Seijts, & Gandz, 2013)	Academy of Management Learning and Education	Virtues-based Leadership	Focusing on leadership character at the individual, group, and organizational levels, the paper theorizes on character development in leadership training programs and elaborates on character strengths as

(Del Baldo, 2016) (Flynn, 2008)	Corporate governance: Principles, practices and challenges Journal of Business	Virtues-based Leadership	intertwined with virtues, values and ethical decision making. Virtues-based leadership is in a position to foster a cultural reorientation by valorizing humanity and personal relationships between all organizational stakeholders. Focusing on the factors affecting moral and virtues-based leadership and governance, the author addresses the need for a balance between the particular conditions under which different strategies are carried out.
(Frynn, 2000)	Ethics	Leadership	Aristotle's views on virtue and moral character, and argues for their relevance to modern management and corporate leadership practices.
(Gini & Green, 2014)	Business and Society Review	Ethical Leadership	All forms of ethical leadership are based on three elemental ingredients: character, stewardship, and experience. More importantly, ethical character, stewardship and experience through trial and error are characteristics of good leadership.
(Hackett & Wang, 2012)	Management Decision	Virtuous Leadership	Drawing on Aristotelian and Confucian literatures on virtue ethics, and considering seven leadership styles (moral, ethical, spiritual, servant, transformational, charismatic, and visionary leadership), the authors identify a comprehensive list of virtues commonly associated with leadership effectiveness in view of providing a model relating leader virtues to particular outcomes (ethics, happiness, life satisfaction, leader effectiveness). Four Aristotelian cardinal (courage, temperance, justice and prudence), and two Confucian principal virtues (humanity and truthfulness), were found to underlie all seven leadership styles examined.
(Hannah & Avolio, 2011b)	Leadership Quarterly	Character-based Leadership	Character is viewed as an indispensable component of leadership, as well as an antecedent to exemplary leadership styles.
(Hannah & Avolio, 2011a)	Leadership Quarterly	Character-based Leadership	Character is considered to be an integral part of the leader's self-system, with ethos viewed as

(Karakas & Sarigollu, 2013)	Journal of Business Ethics	Benevolent Leadership	integral to leader character, and as related to extra ethical virtuous behaviors. Benevolent leadership is deemed an important factor in creating virtuous and compassionate organizations and promoting common good through spiritual depth, ethical sensitivity, positive engagement, and community responsiveness.
(Ko & Rea, 2016)	Advances in Global Leadership	Virtuous Leadership	The authors assert that developing virtuous global leaders who are in a position to help others demonstrate the seven virtues of wisdom, temperance, courage, hope, trust, justice, and compassion, are expected to help create a more aligned and clear workforce, guide ethical behaviors, and manage cultural differences in the case of cross-border mergers and acquisitions.
(Lemoine, Hartnell, & Leroy, 2019)	Academy of Management Annals	Authentic Leadership	An integrative literature review that unravels the interrelationships between management ethics and moral philosophy, and provides a valuable framework which can help to better differentiate the specific underlying moral foundation (deontology, virtue ethics, consequentialism) of ethical, authentic, and servant leadership, respectively.
(Manz & Manz, 2014)	Journal of Management, Spirituality and Religion	Virtuous Leadership	Intro to a special issue of JMSR
(Manz, Manz, Adams, & Shipper, 2011)	Canadian Journal of Administrative Sciences	Virtues-based shared Leadership	Shared leadership contributes to sustainable performance in organizations displaying virtuous behaviors through an ongoing creative process, as well as through recognition of every organization member as a valuable resource.
(Martínez, 2018)	Routledge handbook of organizational change in Africa	Virtuous Leadership	The author elaborates a model of ethical leadership based on virtues and character development. Virtuous leadership has to properly consider both task-oriented and person-oriented skills, in view of leveraging excellent outcomes centered on higher follower commitment and loyalty. More importantly, virtuous leadership fosters personal excellence through a deep transformation of attitudes,

(Meara, 2001)	Journal of Vocational Behavior	Virtuous Leadership	which serves as condition for sustainable organizational and societal transformation. Justice is viewed as integral to virtuous leaders, and primarily as a virtue entwined with the respective virtues of veracity, prudence, humility, compassion,
(Meyer, Sison, & Ferrero, 2019)	Canadian Journal of Administrative Sciences	Virtuous Leadership	and respect. Positive and neo-Aristotelian leadership are motivated from goals and benefits shared by both leaders and followers. These commonalities serve as the pillars of virtuous leadership and should be considered when defining ethical leadership. Flourishing (eudaimonia) remains the ultimate neo-Aristotelian leadership goal and as such, it is path-dependent upon virtue. Practical wisdom, virtue or excellence, and good will are elevated to essential personal qualities in neo-Aristotelian leadership. The authors suggest the adoption of practical managerial procedures from Positive Leadership, making them dependent upon the virtues, to achieve organizational, as well as societal flourishing.
(Morales- Sánchez & Cabello-Medina, 2015)	Business Ethics: A European Review	Competence Management	A set of moral competencies should be implemented in competency-based human resource management: amiability, empathy, affability, gentleness, meekness, cordiality; commitment, responsibility; courage, fortitude, bravery, magnanimity, ambition, audacity, initiative; environmental responsibility, sustainability, stewardship; generosity, liberality; gratitude; honesty, integrity, truthfulness, transparency; humility, self-assessment, modesty; justice, equity, fairness; optimism, positive outlook, self-confidence; perseverance, constancy, resistance, resilience, patience; prudence, practical wisdom, decision making, good sense; self-control, moderation, temperance; service to others, developing others, willingness to serve, service orientation; solidarity, teamwork, citizenship, loyalty; transcendence,

			spirituality, religiousness, religiosity, meaning of life.
(Morales- Sánchez & Cabello-Medina, 2013)	Journal of Business Ethics	Competence Management	Moral character affects ethical decision making process through four main moral competences understood as moral virtues: prudence, justice, fortitude and temperance.
(Neubert, Carlson, Kacmar, Roberts, & Chonko, 2009)	Journal of Business Ethics	Ethical Leadership	Ethical leadership involves shaping perceptions of ethical climate, in particular when interactional justice is experienced to be high; managers can thus virtuously influence such perceptions, which in turn will positively impact employees' flourishing and thriving.
(Palanski & Vogelgesang, 2011)	Journal of Business Ethics	Ethical Leadership	Drawing on a virtue ethics framework, the authors found that subordinates' perceptions of their leader's behavioral integrity positively predicted their sense of psychological safety that in turn influenced followers' intention to think creatively and to take risks.
(Palanski, Cullen, Gentry, & Nichols, 2015)	Journal of Business Ethics	Virtuous Leadership	Managing behavioral courage may originate in managing behavioral integrity. As a leader places an emphasis on her/his values enactment and overt promise keeping and more specifically in the face of adversity, she/he is more likely to be perceived as courageous and concomitantly, effective.
(Pearce, Waldman, & Csikszentmihalyi, 2008)	The virtuous organization: Insights from some of the world's leading management thinkers	Virtuous Leadership	Organizational virtue plays a critical role in creating holistic, healthy, and humane work environments. Virtuous organizations fill a need for humanistic management that functions as a paradigm-shifting in management theory and practice. In advancing this paradigmatic shift, concepts such as efficiency, return on investment and competitive advantage should not be given priority to the detriment of the virtuous concerns for caring, compassion, integrity and wisdom.
(Pearce & Csikszentmihalyi, 2014)	Journal of Management, Spirituality and Religion	Virtuous Leadership	Drawing on positive organizational behavior and positive psychology, the authors seek to examine the mechanisms through which virtuous leadership is expected to manifest and perpetuate itself in modern organizations, in particular with

			relation to organizational learning.
(Pearce, Waldman, & Csikszentmihaly, 2006)	Journal of Management, Spirituality and Religion	Virtuous Leadership	The authors identify two potential antecedents of virtuous vertical leadership and more specifically, the personal characteristic of responsibility disposition as well as environmental cues (eg code of ethics), as potential predictors of subsequent virtuous leadership. Moreover. The authors articulate the mechanisms through which virtuous vertical leadership might result in virtuous shared leadership, and demonstrate how both vertical and shared virtuous leadership can act as pivotal factors in the creation of organizational learning.
(Rego, Clegg, & Cunha, 2012)	The Oxford Handbook of Positive Organizational Scholarship	Global Leadership	The authors explore the mechanisms through which the character strengths and virtues of global leaders can make them more effective in developing flourishing organizations that help stakeholders' thriving in the contexts in which they operate. Global leaders invested with such positive qualities are more motivated to seek for global leadership development opportunities, as well as more able to capitalize on these learning opportunities.
(Rego, Cunha, & Clegg, 2012)	The virtues of leadership: Contemporary challenges for global managers	Virtuous Leadership	Taken for granted that virtues represent the golden mean between two extremes, those of excess and deficiency, the authors explore the ways through which virtues and character strengths induce positive organizational performance. Business leaders, aspiring to self-enlightenment in seeking to follow a values-based capitalism paradigm, will have to adopt meaningful practices that are in a position to help them fulfil three primary conditions: obey laws and regulations, act in conformity to enlightened self-interest, and be motivated by values that stimulate them to make a positive difference.
(Rego, Júnior, & Cunha, 2015)	Journal of Business Ethics	Authentic Leadership	The authors demonstrated that authentic leadership and organizational virtuousness were potential facilitators of group success. Authentic leadership was

(Riggio, Zhu, Reina, & Maroosis, 2010)	Consulting Psychology Journal	Ethical Leadership	found to predict sales achievement via the mediating role of positive constructs such as store virtuousness and store potency. An ethical leader is defined as one who adheres to the four cardinal virtues of prudence, fortitude, temperance, and justice, in conformity to the Aristotelian and Thomistic traditions. The authors introduced an instrument for assessing leader virtues that was found to be highly positively correlated with transformational, authentic and ethical leadership: such an instrument, combined with the virtues approach to ethical leadership, provides us with a valuable tool in view of
			assessing leader virtues and
(Sinnicks, 2018)	Journal of Business Ethics	Servant Leadership	ethics. The author challenges earlier views of management as neutral and value free, even amoral and manipulative, as incorrect. The paper highlights the affinities between MacIntyre's political philosophy and Greenleaf's concept of servant leadership.
(Sison, 2006)	Responsible Leadership	Virtues-based Leadership	The author proposes Aristotelian rhetoric as a model pertinent to the art of leadership, fact that necessitates professional competence and moral integrity. Leadership delineates a sphere of relationships that results not only in the achievement of noble goals, but also in the moral growth and flourishing of both leaders and followers. Authentic leadership requires trustworthiness, a main virtue or combination of virtues.
(Sosik & Cameron, 2010)	Consulting Psychology Journal	Authentic Transformational Leadership	The authors present a framework for examining how character, conceived in terms of inherent moral beliefs, intentions and predispositions plays an integral role in the display of authentic transformational leadership under individual and situational constraints. Leaders shape an ascetic self-construal that derives from character strengths and virtues, and then manifest this self-image through transformational leadership's main components: idealized influence, inspirational

			motivation, intellectual stimulation and individualized consideration. The authors identify 23 specific character strengths reflecting 6 universal virtues (wisdom, courage, humanity, justice, temperance, and transcendence), as well as suggest paths for assessing and developing leader behavior consistent with virtue and
(Sosik, Chun, Ete, Arenas, & Scherer, 2018)	Journal of Business Ethics	Ethical Leadership	courage, but also high self-control which appears to enhance the effectiveness of these character strengths. Organizations that can select and/or train leaders to possess these character strengths are more likely to yield performance excellence and psychological wellbeing through and virtues.
(Sosik, Gentry, & Chun, 2012)	Leadership Quarterly	Character-based leadership	The authors explore behavioral manifestations of the character strengths of integrity, bravery, perspective, and social intelligence as exerting influences on executive performance in the context of top-level executive leadership of both for-profit and not-for profit organizations, with integrity found to have the most significant contribution in explaining variance in executive performance.
(Sturm, Vera, & Crossan, 2017)	Leadership Quarterly	Character-based leadership	The authors introduce the concept of character-competence entanglement, which reflects the entwinement between character and competence: high character-competence entanglement will lead to extraordinary performance over time. Relying on naturally-occurring learning opportunities and the process of learning-by-living is expected to positively affect the development of character-competence entanglement.
(Thun & Kelloway, 2011)	Canadian Journal of Administrative Sciences	Virtuous leadership	In three empirical studies, character based leadership was supportive of relationships

			between leader wisdom and employee affective commitment, leader humanity and employee wellbeing, organizational citizenship behaviors, and cognitive and affective trust, as well as between leader temperance and employee trust.
(van Dierendonck & Patterson, 2015)	Journal of Business Ethics	Servant leadership	The authors employ a virtues perspective in demonstrating how servant leadership will encourage a more meaningful human functioning with a strong sense of community in today organizations. In essence, leaders' propensity for compassionate love is expected to encourage virtuous attitudes driven by humility, gratitude, forgiveness and altruism: such virtuous attitudes will in turn foster servant leadership behaviors epitomized in empowerment, authenticity, stewardship and providing direction.
(Wang & Hackett, 2016)	Journal of Business Ethics	Virtuous leadership	Drawing on both Confucian and Aristotelian traditions, virtuous leadership is distinguished conceptually from related perspectives, such as virtues-based leadership in the Positive organizational behavior literature, as well as from ethical and value-laden (spiritual, servant, charismatic, transformational, and authentic) leadership styles. The paper identifies specific virtues exemplified by virtuous leaders, the contexts in which virtuous leadership is embedded and the perceptual and attributional underpinnings to virtuous leadership. Virtuous leadership predicted a wide range of desirable leader and follower outcomes, including ethical conduct, general happiness, life satisfaction, and job performance.
(Whetstone, 2005)	Business Ethics: A European Review	Virtuous leadership	Virtuous leadership is integral to efforts intended to implement a principled virtue-based organizational ethic. The interrelated aspects of mission, organizational culture and leadership shape the intermediary components of a virtue-based framework for an ethical organization.

(Yuan, 2013)	Wise management in organizational complexity	Wise and virtuous leadership	The author enumerates a list of Confucian virtues relevant to leadership that are interwoven with the ideals of Confucian excellence and meritocracy: benevolence, trustworthiness, the doctrine of the mean, as well as communal harmony, are deemed as normative criteria of
			evaluating effective leadership.

Virtuous behaviors are associated with both ethos and praxis of individuals acting in specific contexts. Virtuousness, however, may be located at three interrelated, yet distinct levels: the individual, the organizational or the societal level. Virtue can be located at the micro-individual level, the sphere of more innate experience, motives and proclivities. Virtuousness may also arise from the interactive effect of various agents operating within teams, groups and organizations in conformity to the precepts of virtue. Organizational-level virtue may be the distinctive feature of a virtuous organization that supports and encourages the enactment of virtues through vision, culture and leadership. Beyond the meso-organizational level, virtuousness can be situated at the intersection of an organizational entity with its surrounding societal environment. Virtuousness is then viewed in relational terms in that it informs the design and implementation of policies aiming at fostering the common good and enhancing social welfare through interventions originating in and justifying organizational and individual level virtue (Gotsis & Grimani, 2015).

The role of virtues in the framing of decisions is very important as the fundamental virtues can be seen as authentic moral competence, namely, fortitude, prudence, the habit of self-control and justice. Leaders can exhibit virtuousness through the particular way they embody the practice of virtues in their leadership style. Managers can espouse virtuous-ness through attitudes and behaviors by which they cultivate specific virtues and embrace and value certain character strengths. Virtue theories reflect an attempt at reconciling and unifying strategic and normative excellence, rational self-interest and business virtues. Virtues may further entail excellence in meeting investment advising functional goals, by both increasing the professional skills of the advisor and by fostering quality of relationships and practical engagements.

Virtuous leadership and values-laden leadership styles

Virtues underpinned a wide range of leadership styles (ethical, transformational, authentic, servant, benevolent and responsible leadership). Certain emerging leadership theories have a potential in promoting virtue. Neubert et al. (2009) showed that ethical leadership exemplified through virtuous behaviors was in a position to influence perceptions of ethical climate that were in turn expected to generate positive experiences in terms of enhanced follower job satisfaction and affective commitment. Some virtues are more basic and important in the workplace, such as good judgment, justice and self-control. Moreover, Riggio et al. (2010) defined an ethical leader as one who adheres to the four cardinal virtues (prudence, fortitude, temperance and justice) founded in Aristotelian and Thomistic frameworks. The authors developed a leadership virtues questionnaire that was found to be positively correlated with transformational and authentic, as well as with ethical leadership styles.

Sosik and Cameron (2010) highlighted the important role of self-construal in the display of a transformational leadership behavior. They identified 23 specific characters strengths reflecting six universal virtues (wisdom, courage, humanity, justice, temperance and transcendence) as potential antecedents of an ascetic leader self-image enacted through idealized influence, inspirational motivation, intellectual stimulation and individualized consideration, supportive of transformational leadership styles. In addition, Sosik et al. (2012) demonstrated the role that behavioral manifestations of three character strengths, such as integrity, bravery and social intelligence, play in improving executive performance in the upper echelons of organizations.

Authentic leadership styles may also exert a strong positive effect on virtuous behaviors. Rego et al. (2015) suggested that acting authentically and fostering team virtuousness, leaders are more able to promote pragmatic outcomes such as team affective commitment and team potency, thus increasing team performance. In addition, Palanski and Vogelgesang (2011) revealed positive relationships between team virtues and team performance. In addition, the authors indicated that leader behavioral integrity facilitates a sense of psychological safety on the part of followers that appears to positively predict their willingness to take risks and to think creatively.

Servant leadership may urge a more meaningful and optimal human functioning with a strong sense of community in organizations. In particular, a leader's propensity for compassionate love encourages a virtuous attitude in terms of humility, gratitude,

forgiveness and altruism. This attitude gives rise to servant leadership behavior, such as empowerment, authenticity, stewardship and providing direction (van Dierendonck & Patterson, 2015). Leaders of organizations and political institutions are able to create healthy and productive workplaces for workers, placing more emphasis on positive psychology and developing philosophies, such as servant leadership, and methods, such as foundational principles based on education and communication. Servant leadership displays a virtuous cycle which maintains a culture of trust, service, quality and learning that is linked with positive micro (through hope) and macro (through organizational virtuousness and happiness) behaviors (Rego, Clegg, et al., 2012).

Regarding the benevolent leadership, Karakas and Sarigollu (2013) explored its role in creating virtuous and compassionate organizations, contributing to their long-term health and sustainability through spiritual depth, ethical sensitivity, positive engagement and community responsiveness.

Cameron (2011) developed responsible leadership on the grounds of virtuousness as a meaningful activity in pursuit of the ultimate good (eudaimonic well-being) that generates benefits for all stakeholders. Responsible leadership involves three core assumptions: the eudaimonic assumption, the inherent value assumption and the amplification assumption. According to the eudaimonic assumption, all human beings are afforded an inherent inclination toward moral goodness while the inherent value assumption posits that virtuousness is an end in itself. Finally, the amplification assumption denotes the efficacy of virtuousness in fostering an elevating and self-perpetuating effect. Manz, Manz, Adams, and Shipper (2011) contend that a virtuous organization is grounded in shared leadership construed as a dynamic process that secures sustained performance while adhering to virtuous organizational practices.

Workplace diversity and inclusion

There has been an explosion of ideas as to what specific practices and behaviors contribute to inclusive workplaces. However, many of these ideas has not been clearly defined in a set of constructs with associated empirical analysis. In the current literature, several different inclusion constructs have been presented, such as work group inclusion, leader inclusion, perceived organizational inclusion, organizational inclusion practices and inclusive climate. Nevertheless, more advanced inclusionary organizational goals and enhanced experiences of inclusion among workers is needed (Shore, Cleveland, & Sanchez, 2018).

A key issue in the diversity and inclusion literature is to increase understanding of the role of human resources practices in creating experiences of inclusion for workers. Organizations that seek to enhance inclusion should have a strong and visible commitment among top managers. It is vital to know how to develop and promote the many types of individuals within the organization who are capable to hold leadership positions (Theodorakopoulos & Budhwar, 2015).

Defining diversity is not straightforward, as it can be understood as an evolving concept. Diversity recognizes that everyone is unique and that each individual may have different personal needs, values and beliefs. It focuses on significant differences that distinguishes one individual from another, such as personality (e.g., traits, skills, and abilities), internal characteristics (e.g., gender, race, ethnicity, intelligence, sexual orientation), external characteristics (e.g., culture, nationality, religion, marital or parental status), and organizational characteristics (e.g., position, department, union/non-union) (Kreitz, 2008).

In addition, inclusion goes beyond just recruiting and retaining a diverse workforce. It is about the creating of an environment, where difference is seen as a benefit and perspectives and differences are shared, leading to better decisions. An inclusive environment is one in which everyone feels valued, that their contribution matters and that they are able to reach their full potential no matter where they come from, who they may be or what their circumstances are.

Considering the definitions of inclusion in the exciting literature, two general themes are apparent – belongingness and uniqueness. To fulfil a fundamental need for belongingness, individuals choose social identities with particular groups and seek acceptance into those groups. Belongingness has been defined as the need to form and maintain strong, stable interpersonal relation-ships. There are many advantages associated with being an accepted member of a group, as individuals attribute positive characteristics to other members of their in-groups. The loyalty, cooperation, and trustworthiness among group members enhance individuals' security. Nevertheless, if members of groups are perceived as too similar, then individuals become interchangeable and a need for uniqueness is being. Consequently, individuals define themselves in terms of category memberships that distinguish themselves from others by making comparisons within their group (e.g. I am different than others) or to others outside their group (e.g. our group is different than others). Optimal distinctiveness theory suggests that both needs (belongingness or uniqueness) are important and can

vary depending on the context in which an individual is situated (Randel et al., 2018; Shore et al., 2011).

Being inclusive takes time, discipline and commitment. Yet, there are significant benefits regarding employees. Minority members, who are unique, with developed networks, and thus a sense of belongingness, report a high level of career optimism. At the group level, inclusive work groups incorporate both uniqueness (through viewing diversity as a resource) and belongingness, since members feels valued and respected (Shore et al., 2011). Employees have become more confident to challenge inappropriate behaviors, excited to be inclusive and less willing to accept dated leadership styles.

Diversity vs Inclusion

The terms diversity and inclusion are often treated as interchangeable. However, both academics and practitioners have attempted to disentangle the meanings of those two terms, suggesting that there are mainly practical differences (Roberson, 2006). Diversity management practices have focused on bringing women and individuals of marginalized groups into the workplace, while inclusion practices have sought to create equal access to decision-making, resources and advancement opportunities at work for these individuals (Shore, Cleveland, & Sanchez, 2018).

Research on diversity and inclusion also suggests a distinction between the concepts of these terms. Definitions of diversity focused primarily on heterogeneity and the demographic composition of groups or organizations, whereas definitions of inclusion focused on employee involvement and the integration of diversity into organizational systems and processes (Roberson, 2006; Theodorakopoulos & Budhwar, 2015). The Office of Personnel Management (2011) defined diversity as "characteristics such as national origin, language, race, color, disability, ethnicity, gender, age, religion, sexual orientation, gender identity, socioeconomic status, veteran status, and family structures. The concept also encompasses differences among people concerning where they are from and where they have lived and their differences of thought and life experiences" (p.5). This same strategic plan defines inclusion "as a culture that connects each employee to the organization; encourages collaboration, flexibility, and fairness; and leverages diversity throughout the organization so that all individuals are able to participate and con-tribute to their full potential" (p.5). Likewise, Hays-Thomas & Bendick (2013) define diversity as "the mixture of attributes

within a workforce that in significant ways affect how people think, feel, and behave at work, and their acceptance, work performance, satisfaction, or progress in the organization". In contrast they indicate that inclusion "focuses new attention on the policies, practices, and climate of the work-place (the workplace culture) that shapes the experiences of employees with those characteristics" (p.195). In addition, Shore et al. (2011) defined inclusion as "the degree to which an employee perceives that he or she is an esteemed member of the work group through experiencing treatment that satisfies his or her needs for belongingness and uniqueness" (p.1265).

Although Winters (2014) pointed out that diversity is much more easily achieved than inclusion, it does not always bring beneficial outcomes to organizations, as it can increase conflict and turnover and decrease cohesion and job performance. Thus, focusing on inclusion practices can foster the potential advantages and opportunities of having a diverse workforce (e.g. greater innovation) (Shore et al., 2018).

Inclusive leadership

Researchers and practitioners have increasingly looked to inclusion in order to achieve more complete involvement of diverse individuals in the workplace and to provide the opportunity for all organizational members to reach their full potential. However, experiencing inclusion in workplace is dependent in part on effective leadership. Inclusive leadership is beneficial for diverse teams through its focus on accepting women and minorities while simultaneously valuing all members for their unique attributes, perspectives, and contributions, ultimately leading to higher performance (Shore et al., 2011).

Inclusive leadership is described as leaders who exhibit openness, accessibility, and availability in their interactions with employees and is a leadership that emphasizes participative and open leader behaviors. These participative and openness behaviors send clear signal that innovation is welcome and appreciated (Carmeli, Reiter-Palmon, & Ziv, 2010; Ye, Wang, & Guo, 2019). Initial research on inclusive leadership shows generally positive results. Inclusive leadership, characterized by openness, accessibility, and availability, increases psychological safety, which, in turn, increases employee creativity and innovative work behavior (Carmeli et al., 2010; Javed, Naqvi, Khan, Arjoon, & Tayyeb, 2017). In particular, Javed et al. (2017) indicate that inclusiveness is key in providing leadership support for innovative work behavior,

because it cultivates high-quality relationships that further augment a sense of psychological safety. Psychological safety is a vital social psychological mechanism which creates conditions where individuals feel safe to bring up ideas, voice opinions, and to question. Environmental complexity with new changes has made creativity and innovation important sources to compete in the market. Thus it is practically important for leaders to socialize and initiate training pro-grams to cultivate a close relationship with employees (Javed et al., 2017). Similarly, Ye et al. (2019) inclusive leadership elicited and contributed to team innovation indirectly through team voice.

In addition, Carmeli et al. (2010) indicated that inclusive leaders recognize and respect individual differences between group members, encourage them to express their opinions and concerns, listen their ideas and suggestions, and support them to try different approaches without worrying that they might be criticized and punished. Moreover Hirak, Peng, Carmeli, and Schaubroeck (2012) found that leaders who display a high level of inclusiveness play a major role in cultivating psychological safety and facilitating learning from failures, thereby enhancing subsequent unit performance. Furthermore, Choi et al., (2015) found a positive relationship between inclusive leadership and employee work engagement, mediated by affective organizational commitment and employee creativity. Inclusive leaders are always supportive of followers and maintain open communication to invite input, at the same time exhibiting availability, willingness, and concern about their interest, expectations, and feelings.

Several specific leader behaviors are likely to facilitate belongingness such as supporting group members, ensuring that justice and equity are part of each member's experience, and providing opportunities for shared decision making on relevant is-sues. Supporting group members involves leaders making members feel comfortable and communicating that they have the members' best interests in mind. Ensuring jus-tice and equity allows inclusive leaders to demonstrate fair treatment of group members and thus to indicate to members that they are a respected part of the group. Finally, shared decision-making with an emphasis on sharing power, broadening consultation on decisions, and helping decide how work is conducted is also important to creating a sense of belongingness. Although the existing literature on inclusion has tended to emphasize belongingness more than uniqueness, leader behaviors regarding uniqueness, such as encouraging diverse contributions to the work group and helping group members fully offer their unique talents and perspectives to enhance the work of

the group, are equally important. An inclusive leader can encourage diverse contributions by creating a working environment that acknowledges, welcomes, and accepts different approaches, styles, perspectives, and experiences. In addition, a leader might ask group members to share their ideas, ensuring that all voices are heard, understand and take into account their strengths and preferences and recognize the different ways in which group members can contribute due to disabilities (Randel et al., 2018).

Inclusive leadership and other styles of leadership

Several existing leadership styles have the potential to incorporate an inclusive component to facilitate commitment to a common goal, however, they are not necessarily inclusive in nature (Randel et al., 2018). For instance, transformational leadership as a vision based leadership may enhance members' commitment to common organizational goals. However, it is focused on motivating and developing members based on the organization's needs while inclusive leadership is focused on accepting members for who they are and allowing them to contribute their unique abilities and perspectives. In addition, empowering leadership relies on the sharing of power, teaching and coaching, while inclusive leadership fosters belongingness and uniqueness. Similarly, leader-member exchange (LMX) is based on the quality of relations between leaders and members. Although a manager who has a LMX relationship with all the members of the group might be thought to be inclusive, this relationship does not necessarily imply inclusive leadership. Moreover, servant leadership focuses on developing and creating success for the members, but not necessarily on tending to member needs for work group belonging or uniqueness. Finally, authentic leadership may have some overlap with inclusive leadership, as well as having many aspects that are distinct. As a self-based approach, the leaders are authentic to who they are in their interactions with others, rather than focus on encouraging authenticity in others (Gotsis & Grimani, 2016; Randel et al., 2018).

Although key tenets of inclusive leadership are not fully capture by leadership styles presented above, virtuous leadership is in a position to fulfill individuals' need for uniqueness, an important dimension of inclusive leadership. Virtuous leadership, as has been previously presented, encapsulates behaviors and attitudes that empower group members to experience feelings of thriving and flourishing, cultivate their innate potential and display their inner capabilities. This approach integrates virtues, such as

integrity, humility and benevolence, with follower-oriented processes involving intrinsic motivation, follower mindfulness, moral emotions and encouragement underlying work-related well-being. Virtuous leaders are expected to display inclusive behaviors by treating others with dignity and respect, engaging in fair decision-making process, refraining from discriminating against disadvantaged groups, concerning for the welfare of society in its entirety and shaping trustful relationships (Gotsis & Grimani, 2015, 2016).

Discussion and Conclusions

An inclusive organization is one in which a set of inclusion practices and processes (psychological safety, involvement in the work group, feeling respected and valued, influence on decision-making, authenticity, recognizing, honoring, and advancing of diversity) are consistently shown at all organizational levels and manifested in all aspects of inclusion: inclusive climate, inclusion practices, perceived organizational inclusion, leader inclusion, and work group inclusion (Shore, Cleveland, & Sanchez, 2018). More specifically, inclusive leadership embodies a unique potential in both facilitating belongingness (mainly through supporting individuals as group members, ensuring justice and equity within a workgroup, and sharing decision-making) and indicating value for uniqueness (by encouraging diverse contributions, as well as helping group members fully provide their unique perspectives and abilities to the workgroup).

Inclusive leadership encompasses behaviors that collectively facilitate all group members' perceptions of belongingness to the work group and that encourage group members contributing their uniqueness to achieving positive group outcomes (Randel et al., 2018). In a nutshell, inclusive leadership focuses on facilitating a group environment in which members experience the fulfillment of belongingness and uniqueness needs within the work group. Worthy to notice that humility, a core virtue in both the positive organizational and the virtue ethics literature, appears as a significant predictor of inclusive leadership (Randel et al., 2018).

Inclusive leadership is enacted through specific behaviors that facilitate belongingness and indicate value for uniqueness. Virtuous leadership, as demonstrated earlier, encapsulates behaviors and attitudes that empower group members to experience feelings of thriving and flourishing, cultivate their innate potential and display their inner capabilities: in this respect, virtuous leadership is in a position to

fulfill individuals' need for uniqueness, an important dimension of inclusive leadership. Furthermore, virtuous leaders enable their subordinates to cultivate their potential as valued members of a community of friendship, a moral community founded in interpersonal justice and fairness. In such a framework, individual identities are shaped through their embeddedness in this community, and individuals feel as constituents of relations of interconnectedness, in a way that their needs for belongingness are appreciated and fulfilled.

Leader virtues in particular, such as humility, forgiveness, compassion and affability may be thought of as antecedents of inclusive workplaces. Virtuous leadership is more holistic, contextual and relational: dependent upon the specific context, virtuous leadership is viewing people as ends in and by themselves, and primarily not as means to satisfy organizational ends. Virtuous leadership develops leader moral reasoning and encourages employees' positive affect, intrinsic motivation, and meaningful and prosocial behaviors, thus nurturing strong psychological safety climates indicated by trust and forgiveness, conducive to human flourishing and wellbeing. In a community of friendship, group members are more prone to exhibit purposeful and helping behaviors that mitigate the negative effects of stereotypes and prejudice for outgroup members. Through their participative practices, virtuous leaders recognize that all subordinates are worthy of equal dignity and respect, deserving respectful treatment, thus honoring and affirming their distinctive needs for uniqueness and belongingness, respectively.

This chapter provided an integrative framework of virtuous leadership and inclusion in organizations giving emphasis on how leaders enact virtuous behaviors from which a diversity of organizational stakeholders can significantly benefit. Virtuous leadership generates multi-level beneficial outcomes, indicating that it is inherently inclusive.

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