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Organizational Resilience in Response to the COVID-19 Pandemic: The Critical Role of Inclusion Management

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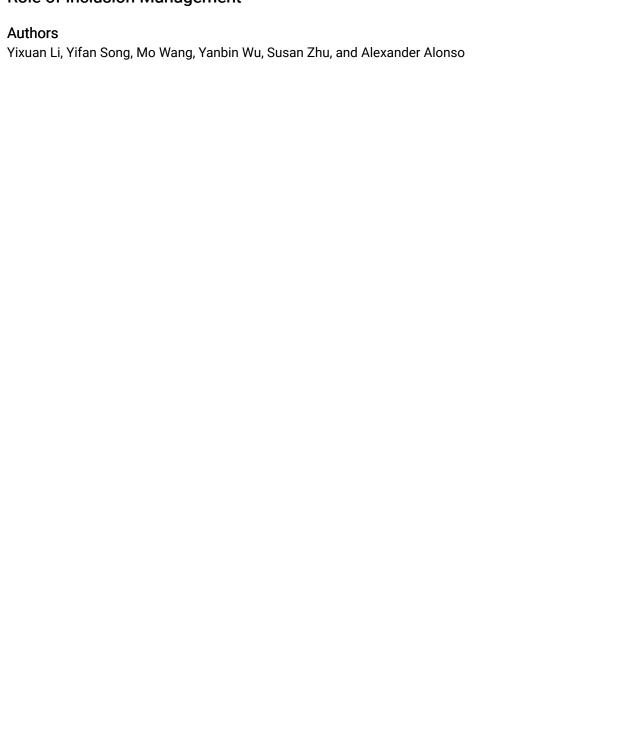
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The Critical Role of Inclusion Management

Abstract

The notion of inclusion (i.e., employees' psychological experience concerning being a valued part of the organization; Mor Barak, 2015; Mor-Barak and Cherin, 1998) has garnered growing research attention in recent years. Along with this theoretical advancement, organization-level studies have shifted from diversity and equality management (e.g., Ali and Konrad, 2017; McKay et al., 2011) to inclusion management (Li et al., 2021; Nishii, 2013) to investigate whether and how the creation of inclusive work environments contributes to organizational effectiveness (Roberson et al., 2017). Despite the research progress, existing studies have exclusively adopted a feature-oriented approach to study how diversity and inclusion management associates with feature-oriented organizational variables (e.g., unit satisfaction). As Morgeson, Mitchell, and Liu (2015: 516) point out, "Because feature-oriented research focuses on the amount of a construct and covariation among constructs, it often neglects change and development." In particular, previous research did not inform us whether and why workplaces that vary in inclusion management differ in terms of how they cope with exogenous disruptive events facing the organization (e.g., the COVID-19 pandemic). Such an investigation is pivotal, because we live in an era shaped by and defined through significant events (e.g., crises and shocks), which create changes, produce uncertainty, and require adaption (Bridoux et al., 2021; Morgeson et al., 2021; see also Wenzel, Stanske, and Lieberman, 2020 for a list of global crises in the last decades).

Taking an event-oriented approach (Morgeson et al., 2015), we investigate whether and when organizations that adopt more (vs. less) inclusion management are more resilient in response to COVID-19 by exhibiting greater robustness (i.e., preserving the current strategic position and business scope) and agility (i.e., acting fast for strategic renewal), which in turn renders higher organizational performance in the turbulent market surrounding COVID (Kantur & Iseri-Say, 2015; Stieglitz et al., 2016; Wenzel et al., 2020). Furthermore, we identify workplace demographic diversity and COVID crisis strength as two important contingencies that qualify the effects of inclusion management on organizational resilience (i.e., robustness and agility) in response to the COVID-19 pandemic.

Our event-oriented approach to studying inclusion management has important implications for organizations' long-term prosperity. Meanwhile, studying workplace inclusion in the context of crises is practically meaningful. Like many other crises that reinforce and exacerbate inequality and disparity, the COVID-19 pandemic is no exception (Kantamneni, 2020). Indeed, this pandemic appears to disproportionately affect individuals from marginalized background (Blustein et al., 2020). Thus, studying inclusion management along with workplace demographic diversity in the context of crises is essential, as it informs professional managers how to property manage diversity in those unprecedented times. In addition, we use COVID crisis strength to explicitly capture the extent to which the pandemic serves as a salient and impactful event to the organization (Lin et al., 2021; Liu et al., 2021) and investigate the interplay between inclusion management and COVID crisis strength. Such an investigation offers an effective integration of event system theory (Morgeson et al., 2015) and inclusion work (Nishii, 2013; Shore et al., 2011). Importantly, while most studies used a retrospective design to examine a specific event after it appears (Morgeson et al., 2015), we adopt a prospective design

to capture different event stages (i.e., before the COVID-19 pandemic, at the earlier stage of the COVID-19 pandemic, and at the later stage of the COVID-19 pandemic). Such a design not only improves our methodological rigor, but also allows us to uncover the underlying mechanisms (i.e., organizational robustness and organizational agility) that explain why certain organizations perform better in the turbulent market surrounding COVID. Taken together, by examining how and when inclusion management benefits organizational performance during the COVID-19 pandemic, our research sheds light on how organizations improve their crisis management capacity by strategically managing their human resources (Lengnick-Hall et al., 2011).

We tested our hypotheses using manager-report survey data from the Society for Human Resource Management with a pre-COVID and post-COVID prospective design (N = 884 workplaces). Results indicate that inclusive organizations were more robust and agile in response to the COVID-19 pandemic. In addition, the effects of inclusion management on robustness and agility were stronger for workplaces with higher demographic diversity and COVID crisis strength. However, only organizational agility (but not robustness) was positively related to organizational performance during the COVID-19 pandemic. Our study sheds light on how features of organizational entities interplay with exogenous events to jointly affect organizational responses to events, bridging between feature- and process-oriented research.

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