

# Effective Strategies for Increasing Diversity in Leadership to Strengthen Organizational Success

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## Abstract

Ineffective diversity strategies for leadership roles that represent the customer base can negatively impact organizational success. Retail business leaders who struggle with achieving effective diversity in these roles risk impeding organizational performance, making it crucial for them to identify successful approaches. Grounded in the balanced scorecard theory and stakeholder theory, the purpose of this qualitative pragmatic inquiry project was to identify and explore the practical strategies employed by some retail business leaders to enhance diverse representation in leadership roles, thereby strengthening organizational success. The participants comprised seven retail business leaders with demonstrated success in implementing such strategies. Data were collected using semistructured interviews, public websites, and public archival documents. Using thematic analysis, six key themes were identified: (a) strategic recruitment and hiring, (b) leadership commitment and visibility, (c) overcoming resistance to diversity, (d) strategic use of data, (e) advocating for diversity, and (f) diversity as a driver. A key recommendation is for retail business leaders to establish structured development pipelines for underrepresented employees, including mentorship programs, leadership training, and sponsorship opportunities. The implications for positive social change include the potential for retail business leaders to advance equity in leadership, thereby increasing employee trust and retention while enabling organizations to better reflect and serve diverse communities.

## Keywords

Diversity Management, Diversity in the Workplace, Diversity Equity, and Inclusion (DEI), Intersectionality, Unconscious Bias, Promotability, Hiring Practices, Hiring Patterns, Diversity Initiatives, Diversity Strategies,

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Leadership Strategies, Underrepresentation, Career Planning, Balance Scorecard Theory (BSC), Retail Diversity Wage Disparity amongst Groups

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## 1. Introduction

Many of the 21st century's dynamic business environments rely on diversity in leadership as a strategic imperative linked to innovation, customer insight, and competitive advantage (Hunt et al., 2018). Despite the growing dialogue on the value of inclusive leadership, many retail organizations continue to struggle with translating diverse goals into measurable outcomes. Research indicates that diverse leadership teams are more likely to outperform less varied counterparts (Bourke & Dillon, 2018), yet underrepresentation of minority groups in leadership roles remains a persistent issue across the retail sector (Catalyst, 2020).

The retail industry, which serves a multicultural and multigenerational consumer base, is uniquely positioned to benefit from diverse leadership that reflects the demographics of its customers and workforce, both domestically and internationally. Nevertheless, studies reveal that retail business leaders often lack clearly defined, evidence-based strategies for identifying, developing, and retaining diverse leadership talent (Byrd, 2018). This leadership gap not only limits equitable advancement opportunities but may also undermine organizational performance, brand trust, and employee engagement (Thomas, 2020). As a result, some retail business leaders lack the knowledge to effectively increase diverse representation in leadership roles, resulting in a weakened organizational position and suboptimal performance outcomes.

This study offers three sets of contributions to the existing literature. First, it validates the applicability of the Balanced Scorecard (BSC) and Stakeholder Theory as complementary frameworks for examining leadership diversity in the retail sector, demonstrating their relevance for aligning diversity initiatives with organizational performance and stakeholder expectations. Second, the study identifies six strategies retail business leaders can adopt to increase diverse representation in leadership positions, thereby strengthening innovation, competitiveness, and long-term organizational success. Third, the study provides recommendations for future research to further enhance business practices by addressing gaps in leadership diversity and examining the broader social and economic impact of inclusive leadership.

I will proceed as follows. In the next section, I will briefly describe the participant selection criteria, data collection procedures, and the specific steps used to conduct thematic analysis. Following this, I will introduce the conceptual framework that guided the study and present the findings. Finally, I will discuss the implications of the results for business leaders, organizational scholars, and future research, with attention to both professional practice and positive social change.

## 2. Methods

The researchers conducted a qualitative pragmatic inquiry to identify effective strategies retail business leaders use to improve diverse representation in leadership and strengthen organizational performance. The research approach centered on developing practical, actionable insights for retail business leaders. Therefore, the focus of the research was on practical, problem-centered outcomes. The project employed purposive sampling to select seven retail business leaders in the contiguous United States who had who had developed effective strategies to mitigate the lack of diversity within their hiring practices and promotional structures, thereby improving performance. The researchers recruited participants through social media, personal connections, and professional networks. The project reached data saturation after six interviews, with one additional interview conducted for confirmation.

The primary data collection process for this project involved semistructured interviews, with the researchers serving as the primary instrument for data collection. This method facilitated the systematic collection of rich, in-depth data, allowing for flexibility to probe emergent themes that align with the project's objectives. A standardized interview protocol guided each session to ensure consistency across interviews while allowing for adaptive follow up questions to explore participant responses more deeply. All interviews were audio recorded with participant consent and transcribed verbatim to preserve the accuracy and integrity of the data. The researchers' maintained notes on each interview and created analytic memos to aid in gaining contextual insights from the participants' responses and for ongoing reflections throughout the interview process.

The researchers employed thematic analysis to identify patterns and meanings within the dataset. The process involved transcribing interviews, developing codes to categorize data, identifying recurring themes, and consolidating findings to reduce redundancy. Reflexivity was applied throughout the analysis to mitigate potential bias stemming from the researcher's professional experience. To ensure accuracy and systematic tracking, all data were stored in labeled, password-protected files and supported with research logs and interview transcripts. The analysis further correlated emergent themes with existing literature and the conceptual framework.

To enhance reliability and validity, the researchers employed member-checking by allowing participants to review both their transcripts and the researchers' interpretations of their responses. This process ensured accuracy, alignment with participants' professional experiences, and greater resonance of the findings. Consistency was maintained by adhering strictly to the interview protocol throughout the data collection process.

## 3. The BSC in Advancing Diversity in Leadership

The balanced scorecard (BSC), introduced by [Kaplan and Norton \(1996\)](#), represented a paradigm shift in performance measurement and strategic management.

Moving beyond traditional financial metrics, the BSC integrates financial and non-financial perspectives to provide a comprehensive view of organizational performance. Its core theoretical foundation lies in aligning business activities with the organization's vision and strategy by evaluating performance through four primary dimensions: financial, customer, internal business processes, and learning and growth.

The financial perspective of the BSC emphasized the extent to which strategic objectives influenced organizational profitability and stakeholder value. While financial performance remains a critical indicator of organizational sustainability, it alone is insufficient for assessing long-term success (Kaplan & Norton, 1996). The customer—or stakeholder—perspective evaluated how effectively an organization identified, understood, and responded to the needs of its key constituencies, thereby contributing to enhanced satisfaction and loyalty.

The internal business processes perspective focused on the efficiency, consistency, and quality of operations that underpin both customer outcomes and financial performance. The learning and growth perspective—sometimes referred to as the infrastructure or human capital dimension—serves as the foundation of the BSC framework. It supported the other perspectives by cultivating intangible assets such as employee competencies, organizational culture, and leadership capabilities, all of which are essential for sustained strategic execution and innovation.

The four dimensions, also known as perspectives, financial, customer, internal business processes, and learning and growth, are interconnected, forming a cause-and-effect relationship that helps organizations link strategic objectives with performance outcomes (Kaplan & Norton, 1996). BSC is based on the idea that financial measures alone are insufficient for evaluating an organization's overall performance. Traditional financial indicators, such as revenue growth and profitability, focused on past performance and do not provide insights into the drivers of future success (Kaplan & Norton, 1996).

Since its inception, the BSC has been widely adopted and expanded upon in scholarly literature, with research supporting its utility as both a performance measurement tool and a strategic management system. The multidimensionality of the tool allowed organizations to translate strategic objectives into measurable outcomes, making the BSC a dynamic and integrative framework. Scholars have since advanced this concept, highlighting the BSC's role in facilitating strategic alignment across all organizational levels (Niven, 2006).

A key theme is the BSC's capacity to function as a strategic implementation tool. Research by Malina and Selto (2001) found that the BSC enhances organizational communication, increases employee understanding of strategic goals, and clarifies accountability. Furthermore, the BSC helped bridge the gap between strategy formulation and execution, a challenge that has historically hindered organizational effectiveness (Kaplan & Norton, 2004; Niven, 2006). By cascading strategic objectives into departmental and individual goals, the BSC fostered align-

ment and coherence, leading to improved organizational performance (Kaplan & Norton, 2004). The BSC's ability to translate vision into operational terms not only strengthened performance monitoring but also supported cultural and strategic alignment across all levels of the organization (De Geuser et al., 2009; Kaplan & Norton, 1996).

BSC has evolved from a performance measurement innovation to a holistic strategic management framework. The BSC approach ensured that organizations not only track historical success but also anticipate future challenges and opportunities (Kaplan & Norton, 2004). By linking strategic alignment, performance measurement, and continuous improvement, the BSC remained a key framework for organizations seeking to enhance their strategic execution and long-term sustainability.

The BSC applied to my research project, to aid in identification and exploration of effective strategies that some retail business leaders used to improve diverse representation in leadership roles to strengthen organizational success. BSC provided a way for small retail business leaders to link strategic alignment, performance measurement, and continuous improvement to enhance their strategic execution and long-term sustainability.

### Stakeholder Theory in Advancing Diversity in Leadership

Freeman's (1984) stakeholder theory supported the BSC. Stakeholder theory, initially proposed by Freeman, redefined the purpose of a business by expanding its responsibility beyond shareholders to include a wide array of individuals and groups who are affected by or can affect the organization's operations. These stakeholders included employees, customers, suppliers, communities, regulators, and investors. The theory asserted that long-term business success is contingent upon managing relationships with all stakeholders rather than prioritizing shareholder value alone.

At its core, stakeholder theory challenged the traditional shareholder primacy model, which holds that a firm's main responsibility is to maximize shareholder value (Friedman, 1970). Instead, stakeholder theory promoted a more inclusive and ethical view of business that considers the interests and well-being of various stakeholder groups, including employees, customers, suppliers, communities, and regulators. Donaldson and Preston (1995) advanced the theory by articulating its threefold nature: descriptively, it reflects how organizations function by interacting with stakeholders; instrumentally, it proposes that firms that attend to stakeholder interests are more likely to succeed; and normatively, it argues that stakeholder consideration is a moral obligation. The stakeholder theory's multidimensionality has allowed it to be both practically relevant and ethically robust. These perspectives highlighted stakeholder theory's dual strength as both an ethical philosophy and a strategic management tool.

Critics, such as Jensen (2002), have questioned the theory's practicality, particularly when stakeholder interests' conflict. However, scholars have responded

with frameworks to assess stakeholder salience and prioritize competing claims (Mitchell et al., 1997). Furthermore, contemporary research emphasized stakeholder engagement as a dynamic process involving dialogue, transparency, and co-creation of value (Parmar et al., 2010). In this view, stakeholder theory is aligned closely with corporate social responsibility and sustainability initiatives, offering a foundation for ethically grounded and strategically effective decision-making. I anticipated that Freeman's (1984) stakeholder theory which promotes a holistic view of business that integrates ethical responsibility with strategic alignment combined with Kaplan and Norton's (1996) BSC theory with the four dimensions, financial, customer, internal business processes, and learning and growth, interconnected, forming a cause-and-effect relationship that helps organizations link strategic objectives with performance outcomes will aid me in answering the overarching research question of what effective strategies do retail business leaders use to improve diverse representation in leadership roles to strengthen organizational success. As global expectations of corporate accountability grow, BSC and stakeholder theory remain essential frameworks for guiding responsible and resilient organizational outcomes (Table 1).

**Table 1.** Theories used to examine leadership diversity in retail organizations.

Theory	Date	Theorist	Summary
BSC	1982	Kaplan & Norton	A strategic management framework that links financial and non-financial measures across four perspectives (financial, customer, internal processes, learning and growth). Applied to diversity, BSC helps leaders align representation initiatives with organizational strategy, measure their impact on performance, and ensure continuous improvement toward sustainable success.
Stakeholder Theory	1984	Freeman	Argues that organizational success depends on managing relationships with all stakeholders not only shareholders. In advancing diversity, the theory highlights the importance of considering employees, customers, suppliers, regulators, and communities, ensuring leadership practices are inclusive and responsive to diverse needs for long-term legitimacy and advantage.

### Theme 1: Strategic Recruitment and Hiring

Strategic recruitment and hiring strategies were increasingly recognized as essential to advancing diversity in retail leadership, identified by all the participants, making it the most frequently cited theme. Leading retailers were increasingly relying on structured outreach—such as diverse sourcing networks, standardized evaluation processes, and diverse interviewing panels—to reduce bias and elevate representation at leadership levels (Vogue Business, 2024). All participants in this project emphasized the deliberate use of outreach tools—such as partnerships with community-based organizations, targeted advertising through culturally rel-

evant media channels, and inclusive job descriptions—to engage underrepresented talent. For example, P001 shared, “We put together a recruitment strategy that focused on the diversity groups that we were specifically targeting and made sure that our advertisements and jobs reached those groups,” while P004 shared, “In order to diversify, you have to be intentional about where you recruit.” This reflected a strategic alignment with the internal process 47 perspective of the BSC, where operational effectiveness is linked to broader organizational goals. Strategic recruitment and hiring practices are key mechanisms for advancing diversity, equity, and inclusion goals (McKinsey & Company, 2023a).

These strategies were not peripheral but embedded into formal recruitment processes, signaling a shift from reactive hiring to proactive talent acquisition that reflects community demographics. This industry wide shift is consistent with recent findings from the Society for Human Resource Management (SHRM, 2022), which reported a sharp increase in the number of organizations embedding inclusive practices directly into recruitment and selection functions.

Additionally, the application of stakeholder theory was evident as leaders sought to meet the expectations of multiple stakeholder groups, including diverse job seekers, community leaders, and internal HR teams. Retail sector data reinforced these findings. Sephora credited its inclusive, structured recruitment overhaul with increasing leadership representation of people of color from 39% in 2020 to 52%, by leveraging partnerships with HBCUs and affinity fairs to deepen talent pipelines (Bersin, 2020; NWAFF, 2021; Talivity, 2024). Broader retail industry research showed that nearly half of retailers today have a formal DEI recruitment strategy, with inclusive outreach embedded in core hiring functions, improving both application diversity and retention outcomes (Gitnux, 2025), improving the organizational image and bottom line.

#### ***Subtheme: Organizational Development***

In addition to strategic recruitment and hiring, participants highlighted the importance of structured development programs such as leadership training, mentorship 48 pipelines, and individualized professional growth planning. These efforts ensured that diverse talent was not only recruited but also retained, developed, and positioned for upward mobility. Participants emphasized that without intentional internal development pathways, recruitment alone would not result in sustainable leadership diversity. Recent research supported this view, emphasizing that leadership development programs tailored to underrepresented groups significantly enhance inclusion outcomes and long-term retention in leadership roles (Roberson & Kulik, 2021).

These findings aligned with recent scholarship that underscores the role of inclusive talent development in advancing equity and representation in leadership roles (Bourke & Dillon, 2020; Deloitte, 2021; SHRM, 2022). Studies showed that mentorship and sponsorship are especially effective for underrepresented groups in navigating promotion pathways and overcoming systemic barriers (Catalyst, 2021; McKinsey & Company, 2023b). For example, P003 conveyed, “We provided

a mentorship program Future Leaders Program, that showed associates how they could improve to succeed and move up into the management ranks.” Additionally, organizations that embedded DEI goals into succession planning and leadership training programs are more likely to build a resilient pipeline of inclusive leaders (Bersin, 2020). From a BSC perspective, these initiatives reflected the learning and growth dimension, which focused on organizational capacity and employee development as precursors to performance (Kaplan & Norton, 1996). From a stakeholder theory perspective, investment in development affirmed the organization’s commitment to internal stakeholders by addressing equity of opportunity and long-term advancement potential (Freeman, 1984).

### **Theme 2: Leadership Commitment and Visibility**

Leadership and commitment and visibility were referenced by eighty-six percent of the participants, signifying their foundational role in sustaining long-term DEI transformation across retail organizations. Participants consistently described leadership not merely as a positional authority, but as a moral and strategic imperative wherein executives acted as visible champions of equity centered change. This theme reflected an understanding that organizational transformation is catalyzed and sustained through the deliberate actions, modeling, and accountability frameworks instituted by senior leadership. Participants emphasized that inclusive change required intentional communication, shared accountability, and authentic collaboration across multiple constituencies. Research has shown that stakeholder engagement is a critical driver of sustainable DEI progress, particularly when organizations co-create initiatives with employees, community partners, and other key groups (Ferdman & Deane, 2014).

Participants emphasized that an inclusive organizational culture must be cultivated from the top down, with executive leaders setting the tone through transparent communication, strategic alignment and resource prioritization. For example, P006 emphasized transparency and awareness-building: “The biggest step I took was making diversity initiatives public throughout the organization—I used educational videos and training sessions.” while P004 asserted, “In order to attract diverse talent, the organization has to reflect diverse talent intentionally.” These reflections highlighted a recognition that leadership credibility in DEI was inextricably linked to authenticity, consistency, and alignment between rhetoric and practice. This perspective is consistent with research which confirmed that organizations that foster stakeholder alignment through inclusive communications, participatory planning, and transparency are more likely to sustain DEI gains over time (Catalyst, 2023; Deloitte, 2023a). Engaging employees, customers, suppliers, and community partners in DEI efforts build legitimacy, accountability, and trust (Freeman et al., 2019; Harvard Business Review, 2021).

The strategic visibility of leadership in DEI initiatives reinforced existing literature, which identified executive sponsorship as one of the most consequential variables in achieving and sustaining equity outcomes (Roberson & Kulik, 2021; Thomas, 2020). Leaders who centered DEI as a strategic priority influenced not

only policy direction but also employee perceptions of organizational values, thereby enhancing psychological safety, trust, and engagement particularly amongst marginalized employees.

These findings mapped directly to the learning and growth perspective of the BSC, which focused on the strategic development of human capital, organizational culture, and leadership capacity as drivers of long-term success (Kaplan & Norton, 1996). Participants described how leaders operationalized inclusion through continuous learning opportunities, strategic storytelling and the implementation of DEI metrics effectively embedding equity into the organizational fabric. This theme also aligned closely with stakeholder theory (Freeman, 1984), which asserted that organizations must actively recognize and respond to the diverse interests of stakeholders—including employees, customers, community partners, and investors—to maintain legitimacy and foster ethical, sustainable outcomes.

Empirical evidence affirmed that the effectiveness of stakeholder-inclusive leadership approaches in promoting sustainable DEI outcomes. When leaders treated stakeholders as cocreators of strategy rather than passive recipients, organizations achieve deeper cultural buy-in, enhanced reputational capital, and stronger ethical grounding (Deloitte, 2021; SHRM, 2022). When stakeholders are treated as cocreators in shaping DEI strategy, rather than passive recipients, organizations gain both cultural buy in and strategic alignment. Thus, stakeholder engagement is not an ancillary communications function, but a foundational element in operationalizing inclusive leadership and advancing equity in the retail sector.

#### **Subtheme: Shared Vision**

Leaders emphasized the critical importance of aligning diversity initiatives with the organization's core mission and values, thereby building consensus across stakeholder groups and reinforcing a collective commitment to inclusivity. This position was not viewed as symbolic, but as essential to embedding equity into the organizational culture and ensuring strategic coherence across business units. By positioning diversity as a shared organizational priority—rather than a siloed HR function—leaders were able to foster broader engagement and accountability across departments. This alignment reduced vertical value misalignment—differences in core values between employees and managers—that have been shown to significantly erode performance and communication effectiveness (Delfino & Espinosa, 2025). Scholars have emphasized that strategic alignment between DEI efforts and organizational goals contributed to stronger stakeholder trust and sustainable performance outcomes (Deloitte, 2021; SHRM, 2022; 52 Thomas & Ely, 1996).

This practice aligned with the learning and growth and internal process perspectives of the BSC (Kaplan & Norton, 1996), ensuring that inclusive practices are institutionalized within performance and culture systems. It also reflected stakeholder theory (Freeman, 1984), which emphasized that authentic commitment to inclusivity requires understanding and responding to the diverse values

of employees, customers, shareholders, and community partners. Recent studies confirmed that organizations that embed DEI into their stated mission and operational values are more likely to sustain inclusive outcomes and improve stakeholder trust (Deloitte, 2021; McKinsey & Company, 2023b; SHRM, 2022).

### **Theme 3: Overcoming Resistance to Diversity**

Eighty-six percent of the participants identified overcoming resistance to diversity initiatives as a significant challenge. Resistance manifested through concerns of reverse discrimination, implicit biases in hiring committees, and limited executive comprehension of systemic inequities. This resistance took multiple forms, including concerns about reverse discrimination, implicit biases embedded in hiring and promotion decisions, and limited executive-level understanding of systemic inequities and their organizational impacts. Several participants indicated that these challenges were often rooted in discomfort with change or a lack of DEI literacy amongst senior leaders. For example, P001 stated, “The biggest challenge we had was uneducated leaders in the diversity space specifically.” while P006 noted, “The biggest challenge was leadership’s definition of diversity, and defining what it means to be diverse,” pointing to conceptual ambiguity that hindered strategic alignment and execution.

Participants described how inconsistent or superficial understandings of diversity undermined momentum and contributed to fragmented implementation efforts. Resistance was pronounced when DEI was perceived as a compliance exercise rather than a core strategic value. These findings aligned with prior research in which suggested that without a clear and shared definition of diversity grounded in both data and lived experience—leaders may inadvertently perpetuate inequities or disengage from accountability structures (see Dobbin & Kalev, 2016; Ferdman & Deane, 2014).

To counteract resistance, leaders deployed targeted interventions including unconscious bias training aimed at reducing implicit prejudices and fostering inclusive mindsets (Chang et al., 2022). For example, P003 stated, “I had to really look at what was needed, and that was information, accurate information needed to be shared to gain trust regarding diverse opportunities,” while P006 emphasized, “I spent a lot of time with the leaders in terms of the definition of diversity, recognition of diversity, and hosting annual leadership summits on culture change.” DEI is a strategic asset essential to innovation and organizational performance, supporting this reframing with empirical evidence demonstrating positive correlations between diversity and business outcomes (Nishii & Rich, 2020). These approaches aligned with contemporary models of resistance management, which stressed education, engagement, and data-driven advocacy as effective levers for cultural change (Roberson, 2020).

The BSC framework continued to provide valuable guidance in embedding DEI metrics within organizational strategy, particularly through cultural transformation objectives that incentivize inclusive behaviors and accountability (Kaplan & Norton, 2021). Moreover, stakeholder theory underscored the necessity of en-

gaging diverse internal stakeholders and negotiating power dynamics to shift perceptions and build coalition support for DEI initiatives (Harrison et al., 2021). By reshaping stakeholder interests and fostering shared ownership, leaders mitigated resistance and promoted sustainable diversity practices that enhanced organizational success.

#### **Subtheme: Attitudes towards Diversity Initiatives**

While several leaders embraced DEI as a strategic priority, others acknowledged that fear-based attitudes toward diversity initiatives remained a persistent barrier. Participants observed that some leaders and employees expressed anxiety over perceived threats to their professional status or advancement, reflecting concerns that DEI efforts might result in reverse discrimination or reduced opportunities for individuals from traditionally dominant groups. For instance, Participant 001 stated, “Some leaders have asked if diversity was reverse discrimination,” while others hesitated to engage in conversations about identity, fearing they might say the wrong thing. Similarly, P006 stated, “White males felt like there were going to be excluded, so they did not like the idea of diversity; they wanted to push it away.” These attitudes aligned with findings by Roberson (2020), who explained that resistance to diversity programs often stems from psychological threat, misunderstanding, or a lack of perceived personal benefit. When individuals felt excluded from the diversity narrative or fear being replaced, they disengaged or even actively resisted implementation efforts.

Rooted in zero sum thinking, these perceptions have been well documented in DEI literature, where scholars note that resistance often stemmed from a belief that gains for underrepresented groups come at the expense of others (Dover et al., 2016). Fear base responses have undermined organizational cohesion and obstructed meaningful progress, unless addressed through education, transparent communication, and inclusive leadership development. Leaders must foster psychologically safe environments where concerns can be expressed and reframed through data, dialogue, and shared organizational values. This approach is supported by Shore et al. (2020), who argued that inclusive climates are built when organizations explicitly address discomfort and empower all stakeholders to see themselves as part of the diversity journey.

From a BSC perspective, efforts to minimize fear and resistance fall within the learning and growth perspective, enhance organizational culture and internal capability. Likewise, stakeholder theory supported the ethical obligation to engage all internal stakeholders, including those with concerns, ensuring that DEI strategies are inclusive not only in outcome but also in process (Harrison et al., 2021). Leaders who acknowledged and strategically addressed fear-based attitudes are more likely to build trust, foster buy in, and embed DEI as a shared enterprise rather than a divisive initiative.

#### **Theme 4: Strategic Use of Data**

Eighty-six percent of the participants referenced the strategic use of data, emphasizing its critical role in diagnosing representation gaps, tracking diversity 56

progress, and informing evidence-based hiring decisions. Participants reported employing tools such as interactive dashboards, demographic analytics, and compliance tracking to promote transparency and accountability.

For example, P002 stated, I would partner with our EEO department, because they were the gatekeepers of demographics, it was easier for me to partner within our organization to see what shape we were in based on ethnicity and ensure we had a group of diverse individuals in certain departments and roles.

Participant 005 stated, “We would run labor reports and in-house demographic reports” to ensure diversity compliance. [Dobbin & Kalev \(2022\)](#) emphasized that organizations that institutionalized diversity metrics and held leaders accountable for progress are better positioned to achieve long-term equity goals.

The integration of diversity, equity, and inclusion into an organizational performance metric was deemed essential for driving meaningful change. These findings reflected the central tenets of the BSC framework, particularly its performance measurement component, which integrates non-financial metrics—including diversity indicators—into strategic oversight ([Kaplan & Norton, 2021](#)). By embedding DEI metrics into scorecards, organizations transitioned from aspirational statements to measurable outcomes, fostering a culture of evidence-based decision making and continuous improvement ([Ghosh, 2022](#)).

From a stakeholder theory perspective, data transparency played a vital role in addressing stakeholder expectations and ensuring ethical accountability. Publishing internal and external diversity metrics enables organizations to signal their commitment to equitable practices and respond to the evolving demands of employees, regulators, investors, and communities ([Harrison et al., 2021](#)). Moreover, leveraging demographic data allowed organizations to align strategic objectives with the interests of marginalized groups, reinforcing trust and legitimacy in the change process ([Shore et al., 2020](#)).

Overall, the strategic use of data helped shift DEI efforts from rhetoric to measurable results, which reinforced performance management systems while deepening stakeholder trust. By embedding analytics into decision making processes, organizations not only diagnosed representation gaps but also activated sustainable change, positioning data as both a diagnostic instrument and a catalyst for long term transformation in leadership diversity.

#### **Subtheme: Organizational Barriers**

Participants emphasized that strategic data use not only enabled performance tracking but also illuminated deeply embedded structural inequities within leadership pipelines. Several leaders described how demographic analytics and disaggregated workforce data uncovered patterns of underrepresentation and bottlenecks in promotion pathways—insights that had previously been overlooked or dismissed. As one participant explained, data served as “a mirror”, revealing disparities that were systemic rather than incidental. This finding aligned with research that suggested data disaggregation was essential to uncovering hidden inequities and driving evidence-based interventions to address institutional bias

(Dobbin & Kalev, 2016).

These data-driven revelations functioned as diagnostic tools that guided leadership in identifying root causes of exclusion, such as inequitable succession planning, homogeneous selection committees, and opaque advancement criteria. Participant 007 conveyed, “I measured the work programs through baseline assessments, to provide the data and make sure we capture hiring, training programs, and outcomes.” This approach aligned with recent scholarship highlighting how organizations can use workforce analytics to dismantle hidden biases and re-engineer more equitable systems (see Ghosh, 2022; Nishii & Rich, 2020).

From a BSC perspective, this diagnostic capability supported internal process improvement and learning metrics—key components in driving cultural transformation (Kaplan & Norton, 2021). By institutionalizing diversity indicators and linking them to leadership development metrics, organizations gained actionable insights that informed more inclusive succession and talent strategies (Roberson, 2020).

Through the lens of stakeholder theory, exposing and addressing organizational barriers was essential to maintaining legitimacy and trust with internal stakeholders, particularly those historically marginalized within organizational systems (Harrison et al., 2021). When systemic inequities surfaced and were remediated, organizations not only fulfilled ethical obligations but also reinforced their accountability to a diverse and evolving stakeholder environment (Shore et al., 2020). Ultimately, data-driven identification of structural barriers marked a pivotal shift from surface-level inclusion efforts to a deeper organizational reckoning, laying the foundation for sustainable change in leadership representation.

#### **Theme 5: Advocating for Diversity**

Eighty-six percent of the participants referenced advocacy efforts undertaken at the leadership level, illustrating that effective diversity, equity, and inclusion (DEI) strategies depend heavily on visible and sustained leadership engagement. Advocacy took multiple forms, including mentoring underrepresented employees, sponsoring employee resource groups (ERGs), and publicly committing to diversity goals. P001 remarked, “I had to be the visible face of DEI—internally and externally—so others knew we were serious,” emphasizing the symbolic power of executive sponsorship in signaling organizational commitment. Recent studies supported this view, suggesting that inclusive leadership behaviors—such as role modeling, mentoring, and psychological safety—positively influence organizational climates and employee engagement, particularly for marginalized groups (Javed et al., 2023; Shore et al., 2020).

Beyond individual support, advocacy extended to strategic decision-making, such as influencing board-level policy, embedding DEI targets in strategic planning, and allocating dedicated resources for DEI initiatives. Participants described how advocacy efforts resulted in tangible organizational shifts, including changes to succession planning criteria, diversity-focused recruitment processes, and performance evaluations linked to inclusive leadership behaviors. These practices

aligned with findings from Banks et al. (2016), who concluded that advocacy from top leaders directly contributes to increased innovation, retention, and trust across diverse teams. Similarly, research by Nishii and Rich (2020) and Sabharwal (2014) emphasized that top-down commitment to inclusion through goal setting, policy integration, and accountability metrics created the infrastructure necessary for lasting DEI outcomes. Without leadership-driven structural alignment, DEI efforts risk remaining performative rather than transformative.

Within the BSC framework, such advocacy reflected the leadership and human capital dimensions, which emphasized the importance of leadership behavior, talent development, and employee alignment with organizational goals (Kaplan & Norton, 2021). Participants highlighted that integrating advocacy metrics into leadership evaluations and scorecards elevated DEI from an HR initiative to a strategic imperative. This formalization of accountability reinforced a performance-driven culture that supports inclusive outcomes.

From the perspective of stakeholder theory, leadership advocacy fostered trust, legitimacy, and alignment with stakeholder expectations by actively addressing the needs and concerns of both internal (e.g., employees, ERGs) and external (e.g., investors, communities) groups (Harrison et al., 2021). Participants emphasized that advocating for diversity enhanced transparency, equity, and responsiveness—key principles in building stakeholder relationships. When leaders visibly championed DEI, they reshaped organizational values and power dynamics in ways that acknowledged the voices of historically marginalized stakeholders (Shore et al., 2020).

In sum, advocacy was not limited to symbolic gestures; it was deeply embedded in strategic action and organizational transformation. When leaders actively promoted DEI both in words and through policy influence, resource allocation, and role modeling, they cultivated inclusive climates that supported long-term organizational success. These efforts, supported by frameworks such as the BSC and stakeholder theory, demonstrated how advocacy can move diversity from aspiration to integrated strategy.

#### **Subtheme: Legislative Impact**

Several leaders expressed growing concern over how shifting political climates and regulatory uncertainties have impacted DEI efforts within their organizations. Participants cited legislative reversals and fluctuating compliance requirements—such as those related to affirmative action, ESG disclosures, or anti-DEI state legislation—as external pressures that complicated implementation and long-term planning. These concerns reflected broader trends noted in recent research, which finds that political polarization and legal challenges have created significant barriers to sustaining organizational diversity initiatives (Kwoh, 2023).

These changes, rather than diminishing commitment, often prompted stronger internal advocacy as leaders sought to safeguard and institutionalize inclusive practices. In response, some organizations embedded DEI goals more firmly within strategic frameworks and performance metrics, using tools such as score-

cards and accountability dashboards to reinforce internal alignment regardless of external volatility. This aligned with the BSC's emphasis on sustaining strategic objectives through internal performance drivers, such as cultural transformation and leadership behavior (Kaplan & Norton, 2021). Moreover, stakeholder theory highlighted that organizations must maintain trust and legitimacy with a broad array of stakeholders, especially when navigating contentious political environments (Harrison et al., 2021).

As leaders reaffirmed DEI priorities internally, they not only protected 62 organizational values but also reinforced their ethical responsibility to marginalized employees and communities. In this context, political uncertainty became a catalyst for deeper institutional commitment, rather than a deterrent, demonstrating the adaptive resilience of values-driven leadership.

#### **Theme 6: Diversity as a Driver**

The final theme, referenced by 85.7% of participants, emphasized the strategic role of diversity as a driver of business success rather than a compliance obligation. Participants described DEI initiatives as directly contributing to core business outcomes, including customer satisfaction, market growth, and team innovation. P001 explained, "It is really important for leaders to understand that you have to mirror your customer, when you target one population, you're missing sales from other populations," illustrating how representational leadership impacted organizational performance. This perspective aligned with prior research that demonstrated that diverse leadership teams are better positioned to understand varied consumer needs, enter new markets foster innovation (Hewlett et al., 2013; Hunt et al., 2018). Furthermore, studies have shown that companies with inclusive cultures and leadership are more likely to outperform peers on profitability, employee engagement and brand reputation (Bourke & Dillon, 2020; McKinsey & Company, 2020). These findings reinforced the view that DEI, when embedded strategically, serves as a competitive differentiator and a business imperative.

This perspective is supported by recent empirical evidence. For example, McKinsey & Company (2023a) found that organizations with greater ethnic and gender diversity on executive teams were significantly financially outperformed their peers. Participant 4 stated, "As we move forward, we have to find ways to make sure that everybody is being treated equally and at the table at the same time, because if not, you're going to go backwards in your organization before going forward, and it will affect your bottom line." Inclusive leadership fostered higher levels of innovation, employee engagement, and customer responsiveness.

These findings aligned with the BSC framework, particularly its financial and customer perspectives, which emphasized linking non-financial indicators such as leadership diversity to broader organizational success (Kaplan & Norton, 2021). Participants described using diversity-related metrics—such as diverse hiring targets, inclusive leadership evaluations, and employee sentiment scores—to monitor progress and tie DEI efforts to measurable business value.

From the lens of stakeholder theory, aligning leadership demographics with

those of key external stakeholders—particularly customers and communities—strengthened organizational legitimacy, trust, and ethical governance (Harrison et al., 2021). As stakeholder expectations increasingly reflected calls for transparency, equity, and accountability, organizations that embedded DEI into strategic priorities positioned themselves for sustainable, inclusive growth. Leaders in the project emphasized that DEI became most impactful when fully integrated into strategic planning, resource allocation, and market positioning. In this sense, diversity evolved from a compliance narrative into a repeatable driver of innovation, ethical practice, and competitive advantage. The BSC and stakeholder theory offered complementary perspectives to assess how organizations embedded diversity into strategy and practice. While the BSC focused on internal performance, stakeholder theory emphasized external expectations and ethical responsibility. Together, these frameworks, demonstrated how diverse strategies could simultaneously strengthen organizational performance.

#### 4. Implications for Social Change and Professional Practice

The findings of the research revealed significant implications extended beyond organizational performance to foster significant positive social change by promoting the worth, dignity, and development of individuals, communities, and institutions within the retail industry. By identifying effective strategies to improve diverse representation in retail leadership, the project may contribute to dismantling systemic barriers that have historically limited access for underrepresented groups to decision-making roles in this sector. Enhancing diversity in retail leadership empowers individuals through equitable opportunities for advancement while fostering inclusive workplace cultures that value multiple identities and perspectives, which in turn may improve employee engagement and retention in an industry characterized by diverse customer bases and high turnover rates. Shore et al. (2018) emphasized that inclusive workplace environments where employees feel both valued for their unique attributes and a sense of belonging are essential for sustaining engagement, reducing turnover, and maximizing the benefits of workforce diversity.

At the community and societal levels, retail organizations with inclusive leadership may be better equipped to understand and meet the needs of heterogeneous consumer populations, thus advancing social equity and economic empowerment within the markets they serve (Roberson & Kulik, 2021). Inclusive leadership in retail promotes policies and practices aligned with social justice, thereby increasing institutional legitimacy and contributing to stronger community ties (Kochan et al., 2018). Furthermore, by creating visible and accessible pathways to leadership for marginalized groups in retail, this research supports role modeling and mentorship that encourage social mobility and sustained workforce diversity, amplifying positive social outcomes beyond organizational boundaries. Thomas and Gabarro (2020) emphasized that intentional mentorship and sponsorship from senior leaders are critical for breaking systemic barriers and accelerating the advancement of underrepresented talent leadership roles.

Overall, promoting diverse leadership within the retail industry not only drove business innovation and competitive advantage but also aligned with broader societal goals of dignity, equity, and inclusion. This research supported a cultural transformation in retail organizations toward valuing diversity as a critical component of ethical and effective leadership, by advancing human development and positive social change across communities and society at large. Research by [Nishii \(2018\)](#) and [Shore et al. \(2018\)](#) supported this view, highlighting that inclusive organizational climates enhance individual well-being and collective performance by affirming employees' unique identities while fostering a sense of belonging.

The findings of the research project also offered valuable contributions to professional business practice by highlighting effective strategies retail leaders can use to improve diverse representation in leadership roles and thereby enhance organizational success. Contemporary research emphasized that diversity is a strategic asset that drives innovation, financial performance, and competitive advantage ([Nishii, 2018](#); [Shore et al., 2018](#)). The research project addressed existing gaps by providing actionable approaches. Addressing existing professional gaps—such as leadership commitment, inclusive recruitment practices, mentorship programs, and strategic integration of diversity goals enable organizations to cultivate sustainable pipelines of diverse leaders ([Roberson & Kulik, 2021](#)). For business leaders, it was essential to institutionalize diversity by establishing clear, measurable objectives and embedding accountability mechanisms such as diversity metrics in leadership performance evaluations ([Dobbin & Kalev, 2022](#)). Inclusive recruitment techniques, including structured interviews and diverse hiring panels, proved to mitigate bias and promote equitable opportunities ([Avery et al., 2019](#)). Additionally, formal mentorship and sponsorship initiatives that supported underrepresented employees contributed significantly to leadership development and retention ([Thomas & Gabarro, 2020](#)). Integrating diversity within the broader business strategy ensured alignment with 66 organizational goals, such as innovation and market responsiveness, thereby strengthening long-term success ([Kochan et al., 2018](#)). Key stakeholders who should attend the findings include senior executives, board members, HR professionals, middle managers, and diversity officers, as their collaborative efforts are critical for driving inclusive leadership practices. Dissemination of the results through academic journals, industry conferences, leadership training programs, and digital platforms may maximize reach and practical application ([Shore et al., 2018](#)). By moving beyond surface-level diversity initiatives to systemic, evidence based practices, business leaders enhanced diverse representation in leadership roles and ultimately improve organizational effectiveness in the dynamic retail sector.

## 5. Directions for Future Research

Future research aimed at improving business practice should prioritize expanding sample sizes and ensuring greater diversity among participants to enhance the representativeness and generalizability of findings across multiple industries and

geographic regions. Roberson and Kulik (2021) emphasized that inclusive research designs are essential for capturing the full complexity of diversity dynamics and for developing evidence-based strategies that are applicable across varied organizational contexts. The current project's limited sample size constrained the extent to which results could be confidently applied beyond the retail sector or specific demographic groups. Therefore, recruiting larger, stratified samples that reflect varied organizational sizes, sectors, and cultural contexts was essential for advancing the field. Employing mixed methods approaches, which integrate qualitative and quantitative data collection and analysis, would enrich the depth and breadth of understanding regarding diversity initiatives while reducing reliance on self-reported data prone to bias (Avery et al., 2019). Specifically, triangulating data from interviews, surveys, organizational records, and direct observations can strengthen validity and provide a more multifaceted picture of the effectiveness of diversity strategies.

Longitudinal research designs are particularly important for capturing how diversity initiatives influenced leadership representation, organizational culture, and 69 business outcomes over extended periods. This approach addressed a key limitation of cross-sectional studies, which provided only a temporal snapshot and are limited in establishing causal relationships. Dobbin & Kalev (2022) contended that longitudinal studies are essential for understanding the sustained impact of diversity programs and for identifying which practices lead to meaningful and lasting organizational change. Additionally, future studies should explore the complex intersectionality of identities, such as race, gender, age, and socioeconomic status, to understand how overlapping social categorizations create unique experiences and barriers in leadership. This will allow organizations to design more inclusive and tailored strategies that account for these multifaceted challenges.

Furthermore, examining how organizational culture and climate moderate the success of diversity efforts is critical, as certain cultural contexts may either facilitate or hinder the effectiveness of inclusion practices. Expanding research to include multiple industries and countries will also offer insights into how local legal frameworks, cultural norms, and market conditions shape diversity initiatives, thereby informing context sensitive best practices. Roberson and Kulik (2021) emphasized that understanding these contextual factors is crucial for developing adaptable strategies suited to diverse organizational environments and global markets.

Finally, future research should focus on designing, implementing, and rigorously evaluating targeted leadership development and mentorship programs aimed at underrepresented groups. Experimental and quasi-experimental studies in this area can identify best practices and scalable models for fostering diverse leadership pipelines and reducing turnover among diverse employees. Thomas and Gabarro (2020) highlighted that rigorous evaluation of mentorship and sponsorship programs is essential to ensure their effectiveness in advancing diverse

talent within organizations.

Addressing the limitations highlighted in Section 1, such as sample size, reliance on self-reported data, cross-sectional designs, and narrow geographic focus, is essential for strengthening the rigor, reliability, and applicability of future findings. By leveraging larger and more representative samples, employing multi-method data collection, adopting longitudinal designs, and incorporating broader contexts, researchers can produce actionable insights that better inform business leaders and practitioners committed to advancing diversity and inclusion in leadership.

## 6. Conclusion

In conclusion, this project highlighted the pivotal role that diverse leadership representation played in driving not only organizational success but also meaningful social transformation. The findings affirmed that diversity and inclusion are far more than compliance checkboxes; they are strategic imperatives that cultivated innovation, enhanced decision-making, and improved employee engagement in increasingly competitive and complex business landscapes such as the retail industry. [Nishii \(2018\)](#) emphasized that inclusive practices not only foster psychological safety but also build the trust necessary for diverse teams to thrive and deliver superior performance.

By addressing entrenched systemic barriers through comprehensive strategies to include but not limited to; committed leadership accountability, inclusive recruitment and hiring practices, robust mentorship and sponsorship programs, and the integration of diversity objectives with overarching business goal—organizations built sustainable leadership pipelines that reflected the rich diversity of the workforce and the customers they serve. Such efforts not only improved organizational agility and market responsiveness but also contributed to creating equitable workplaces where all employees feel valued and empowered ([Dobbin & Kalev, 2022](#); [Shore et al., 2018](#)).

Furthermore, the broader implications of advancing diverse leadership extended well beyond corporate walls, contributing to social equity, dignity, and inclusion at community and societal levels. By promoting fair access to leadership opportunities, organizations helped dismantle historic patterns of exclusion and marginalization, inspiring future generations and fostering social mobility for underrepresented populations ([Thomas & Gabarro, 2020](#)). This alignment of business success with social justice underscored the transformative potential of diverse initiatives, making them a moral and practical necessity in today's global economy. The findings of this project called on business leaders, human resource professionals, and policymakers to sustain and deepen their commitment to diversity as a catalyst for both organizational excellence and positive social change.

Ultimately, embracing evidence-based diversity strategies will position organizations not only to thrive economically but also to contribute meaningfully to a more inclusive and equitable society, fulfilling the promise of diversity as a driver

of human development and societal progress.

## Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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