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The Impact of Diversity & Inclusion Policies on Organizational Performance in For-Profit Organizations

DOI: 10.15611/2023.33.6.03

JEL Classification: M14

Abstract: The increasing globalization, migratory movements, talent shortages and changes in mentality have transformed the workplace in diverse settings as never before. Many organizations have started to devote efforts to appropriately attract and manage a more diverse workforce. However, there is still a lack of knowledge and research regarding the topic. This work aimed at determining whether there was any positive impact derived from the introduction of D&I policies in an organization and its organizational performance, chosen as an indicator since it provides a more global view of a firm's health and standing. By researching the existing literature in the field and conducting primary research via a questionnaire it was concluded that the introduction D&I policies has a positive impact on employee motivation and engagement. Employee motivation and engagement, at the same time, result in an increase of organizational performance through higher competitiveness, better strategy implementation, profitability, better employee satisfaction, better financial results, higher employee retention, higher productivity, among others.

Keywords: diversity, inclusion, organizational performance, D&I policies, diversity management.

1. Introduction

As the world is evolving, so is the workplace. Today, employees are located in different towns, nations, and continents. Staff come to daily contact with an increasingly diverse range of people, from different cultural backgrounds, ethnicities, religions, and sexual orientations. Due to globalization and technology, the world is now more connected than ever, which means that diversity needs to be faced every day (Fullerton, 2013).

The concept that people were just a company's asset and their only function was to sit and work for a period of time, finish and then go home, is totally obsolete in today's world. Employees desire to feel, express, connect, meet, explore, etc. Companies have shifted from being 'grey workplaces', to attempting to create 'garden-like workplaces' where employees do not only work, but can also relax and be themselves, while delivering results for the organization. Nowadays, companies must run the extra mile for their employees if they want to retain talent and build a strong employer image, which could then translate into a better overall standing

of the organization. Furthermore, changes in the workplace have also been affected by changes in society, with ideas progressing towards those of equity, freedom, rights, inclusion, etc. Moreover, those changes are also reflected in law to ensure the equal treatment and rights of people. On the one hand, organizations need to manage those needs of self-expression, equity, freedom, and recognition employees have, while on the other, the natural inflow of diverse talent that comes with today's globalization.

Many organizations have instituted policies and programmes to increase recruitment, inclusion, advancement, and retention of employees who belong to a diverse group in society, in response to the expanding diversity in the workforce worldwide. A diverse group is naturally defined as a different group, different in terms of language, traditions, customs, nationality, social and economic level (Calderón, 2012). Diversity characteristics can be visible to everyone, e.g. race, physical disabilities, and gender. This study considers only the visible sociodemographic diversity, specifically: sexual orientation diversity, age diversity, gender/gender identity diversity, ethnical/racial diversity, and religious diversity. By understanding parameters of diversity, individuals and organizations can design strategies encouraging diversity, and can result in enhanced productivity (Conrad et al., 2018). The area that focuses on D&I is diversity management (DM), which is a management practice concerned with valuing people as key human resources and whose objective is to ensure that everyone can succeed based on his or her individual characteristics (Barak, 2022). It is also defined as the ability to (i) increase or maintain variation in human capital on some given dimension(s), (ii) ensure that variation in human capital on some given dimension(s) does not obstruct organizational objectives, and/or (iii) ensure that variation in human capital on some given dimension(s) facilitates organizational objectives (Olsen and Martins, 2012). Likewise, GDM (global diversity management) is a management approach that aims at leveraging diversity in organizations with international, multinational, global, and transnational workforces, and operations (Barak, 2022). Diversity management goes hand-in-hand with HRM, both have the objective to transform people into key strategic resources of an organization to fulfill organizational goals. Indeed, the number of companies that are putting effort and resources into D&I is growing. Nevertheless, when providing a safe and inclusive environment for all employees seems like the ethical and right thing to do, the organization exists to be effective and efficient, and deliver profit for its shareholders. Therefore, the author aimed at connecting the introduction of D&I policies, and the possible benefits for a company, from the perspective of organizational performance. Organizational performance (OP) is described as a set of financial and non-financial metrics that may be used to analyse how well an organization's goals and objectives are met (Kaplan and Norton, 1992). From the perspective of for-profit organizations, successful organizational performance can be equated to successful value creation

for common stockholders (Carton, 2004). Those that provide the assets will only commit them to the organization if they are satisfied with the value they receive in exchange, meaning that the essence of performance is the creation of value (Carton, 2004). OP measures can be divided into four categories summarised by Carton (2004), namely: (1) accounting measures that are based on financial data from income statements, balance sheets, and cash flow statements; (2) operational measures, such as market share, changes in intangible assets like patents and human resources, customer satisfaction, and stakeholder performance being examples of these variables; (3) market-based measures which include ratios and change rates that consider the company's market worth, as well as returns to shareholders, market value added, holding term returns, etc.; (4) survival measures as indicators of performance which reveal whether a company remained in existence over the time period of interest.

The aim of this study was to frame any relation between the introduction of D&I policies and improved organizational performance in the organization. This correlation was established in two steps. First it was necessary to understand how employee engagement and motivation can impact on organizational performance, creating business outcomes. Hence, how D&I policies adopted by a company can improve employee engagement and motivation significantly. This way a bridge between these two aspects can be created.

2. Literature review and hypotheses

Motivation and engagement, the fuel for performance.

Employee motivation is a crucial concept in HRM. Motivation itself can be defined as the psychological process that gives behaviour purpose and direction (Lindner, 1998). A different concept could be that motivation serves as an internal drive to satisfy an unsatisfied need (Lindner, 1998). With these two concepts in mind, it is evident that motivation is an action word, which creates the desire for someone to change their current situation to achieve a better one. Employee motivation is very important for the prosperity of organizations and must be treated as a vital matter – “those individual behaviors that are crucial in determining the effectiveness of organizations are, almost without exception, voluntary motivated behaviors” (Ganta, 2014, p. 222). Unmotivated employees are more likely to put in little or no effort at work, avoid going to work as much as possible, leaving the company if given the chance, and creating low-quality work (Ganta, 2014). Likewise, employees that are enthusiastic about their jobs are more likely to be persistent, innovative, and productive, producing high-quality work that they are willing to do. Therefore, it can be said that high employee motivation is transformed into high employee performance (Ganta, 2014). Consequently, high employee performance collectively translates into the growth of resources for the organization.

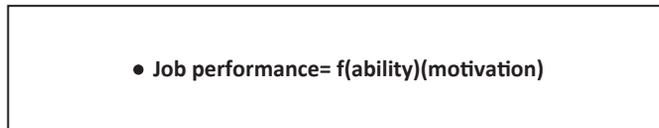

$$\bullet \text{ Job performance} = f(\text{ability})(\text{motivation})$$

Figure 1. Function of job performance

Source: (Ganta, 2014, pp. 221-230).

According to the study by Shaheen and Farooqi (2014), there is a significant positive impact of employee motivation on employee commitment, job involvement and employee engagement. The latter is defined as an employee's willingness to the complete investment of their real self in their work responsibilities that foster connections to work and people, personal presence, and active full role performances (Nienaber and Martins, 2020). The concept of employee engagement is broader than work engagement and therefore needs to be considered as an independent term (Nienaber and Martins, 2020). Talking about employee engagement provides a holistic way of accounting for managing the workforce in pursuit of organizational goals and ultimately, organizational effectiveness (Nienaber and Martins, 2020). Moreover, employees are emotionally and cognitively engaged when they are part of something significant with coworkers whom they trust (Harter, Hayes, and Schmidt, 2002). Employee engagement engenders employee support to pursue organizational goals, in a coordinated system of cooperation, and is produced by the structural dimensions of organization, the parameters within which psychological presence is activated. Leadership and management can use the levers of motivation, such as the need for competence, autonomy, and relatedness, to activate psychological presence, such as psychological meaningfulness, safety, and availability, which drives employee engagement and, as a result, engenders employee support for the implementation of a strategy to achieve organizational performance, and thus organizational effectiveness, via the structural dimensions of the organization (Nienaber and Martins, 2020).

Nienaber, Martins (2020) showed that the human component has a substantial impact on competitiveness, which leads to organizational effectiveness. The levers of motivation, particularly competence, autonomy, and relatedness, unlock the human element by influencing the psychological presence, which ignites employee engagement, and so facilitates strategy implementation (Nienaber and Martins, 2020). Further studies have also shown significant relations between HR strategies (e.g. high performance and high commitment work systems) and organizational performance (Koys, 2001). The latter also revealed that HR outcomes influence organizational performance, specifically, they imply that organizational citizenship behavior influences profitability and employee satisfaction influences customer satisfaction. Organizational citizenship behaviour (OCB) has five categories:

consciousness, altruism, civic virtue, sportsmanship, and courtesy (Koys, 2001). There are several reasons why this behaviour influences organizational performance – it improves work performance as it establishes better coordination among team members and groups, which helps to take appropriate steps to mitigate problems. Additionally, it is correlated with job satisfaction, financial results, and employee retention, among many other important aspects within an organization (Koys, 2001).

Harter, Hayes, Schmidt (2002) showed that employee satisfaction and engagement are related to meaningful business outcomes at a magnitude that is important to many organizations and that these correlations are generalised across companies. The study also revealed that an effective composite of items assessing concerns at the core of the workplace — issues that matter to employees and can be influenced by managers — has significant implications for a better understanding of the real nature of overall satisfaction at the business-unit level (Harter, Hayes, and Schmidt, 2002).

Katou (2017) concluded that the HRM system is linked to organizational outcomes (both directly and indirectly) and has a substantial impact on employee job satisfaction and motivation, as well as OCB and employee cooperation, and operational performance.

It can be summarized that there is solid evidence that HRM efforts aimed at improving employee motivation, engagement as well as OCB in the workplace, are significantly beneficial for an organization's overall standing and performance. This is achieved as a result of improvement of different business areas, and directly correlated with the human component. The most important outcomes that were proven to be impacted by employees' attitude in the workplace were: better financial results, adequate strategy implementation, competitiveness, higher customer satisfaction and lower employee turnover.

D&I and employee motivation, two sides of the same coin.

This part shows what could be the possible association between employee engagement, motivation and attitudes, and D&I policies, knowing already that there exists a link between organizational performance and human component as presented above. Additionally, some other advantages of D&I within the organization are discussed.

To begin, it is important to go back to the levers of motivation, namely autonomy, competence, and relatedness, focusing especially in the latter aspect, which is defined as the need to feel connected and belongingness with others (Nienaber and Martins, 2020). According to Maslow's pyramid (1943), a person has several needs and they are divided into basic and growth. The need for "love and belonging" is stated in the lower part of a pyramid as a basic need. In the same

line, inclusion was defined as the individual employees' sense of belongingness as it relates to their experiences, feelings and perceptions being recognized for their qualities and individuality in the organizational context (Ohunakin, Adeniji, Ogunnaike, Igbadume, and Akintayo, 2018). Belonging seems to be the common word for those concepts. When it comes to working in an organization, people have the desire to fit in and be accepted. The reason might be the need for security and protection from others, which is a survival behaviour. A person who is constantly feeling threatened cannot focus and perform adequately at their work. A concept previously discussed was the one of psychological safety proposed by Nienaber and Martins (2020). It is known that for a person to feel this safety, their authentic self has to be accepted without reprimand. Being their authentic selves may involve being able to communicate an innovative concept without fear of scorn or humiliation; being honest with colleagues about procedures that work and those that should be improved; and not being hesitant to tackle a problem from a new perspective – it simply entails having the confidence to take a risk and develop on it as a team, seeing it through to completion (Fullerton, 2013). Bringing the complete self to work begins with the seemingly insignificant, such as being able to enjoy one's weekend without anxiety or feeling like having something to conceal, according to Fullerton (2013). Additionally, individuals can be at their most productive in an atmosphere where they can be themselves at work, rather than striving to be someone they are not. Being able to be their whole self at work increases employee confidence cited as one of the benefits of inclusion. Moreover, increasing confidence has the potential to improve an individual's opinion of their own abilities, which can have a favourable influence on performance (O'Donovan, 2018). This confidence may improve the possibility that employees execute Organizational Citizenship Behaviour (OCB), which are supra-role behaviour (O'Donovan, 2018).

Another issue connected with the management of diversity is staff turnover. Staff turnover has an accompanying cost, and organizations must keep their experienced and bright personnel, especially in these uncertain economic times. Lower turnover is key for an organization's health, and it contributes to the standing and performance. High turnover, on the contrary, is costly for the organization, and definitely interferes with the accomplishment of goals and objectives, and as the previous example showed, it is more likely that some minority groups leave the organization when not safe and visible. This is also supported by O'Donovan (2018) who argued that mismanagement of the organization can be costly for itself. This particularly refers to the higher staff turnover costs. For many firms, employee turnover is an expensive and major issue, as are the additional recruitment, hiring, and training expenditure per worker. Furthermore, a constant flow of employees through an organization causes individuals to constantly climb the learning curve rather than working at their peak (O'Donovan, 2018). To provide an example, according to the Center for Work-Life Policy, it was determined that 48%

of LGBT employees are “closeted” (not open about their sexual orientation) and are 73% more likely than their “out” counterparts to leave their firm (Fullerton, 2013).

A study conducted among Shell Corporation employees investigated the effects of diversity management and inclusion on organizational outcomes (job satisfaction and job performance). The findings revealed that diversity management and inclusion had a favourable impact on employee job satisfaction and performance, and it suggests that diversity management and inclusion have the potential to aid organizations in establishing an environment where employees want to work more and are eager to stay with the company (Ohunakin et al., 2018). These authors affirm that diversity management and inclusion should be considered as two sides of the same coin and not separated. As a result, the management will be able to improve overall happiness and performance. It was also determined that the better the management of a varied workforce and the sufficient participation of workers in various organizational activities, the more positive their attitude and workplace behaviour would be (Ohunakin, Adeniji, Ogunnaike, Igbadume, and Akintayo, 2018).

Another important aspect is the OCB (organizational citizenship behaviour), mentioned before, related to positive outcomes in terms of organizational performance (Koys, 2001). The aspects of OCB are: (i) conscientiousness, which means that employees carry out tasks assigned to them well beyond the minimum required; (ii) altruism meaning that employees help each other; (iii) civic virtue implies that employees openly and responsively act in the political life of the organization; (iv) sportsmanship indicates that employees have positive attitudes and do not complain, and finally, (v) courtesy means that employees treat each other with respect (Koys, 2001). When it comes to altruism in an organization, this is greatly influenced by the organizational culture. A culture that is focused on individualism, competitiveness among employees, and exclusion, will lower the levels of altruism and therefore, the overall work environment. Organizations must not only focus on the creation of D&I policies, but they also need to ensure these practices are rooted into the employee’s mind. Hence, a switch in values and cultures is needed to reflect the new compromise with inclusion to provide a real inclusive and cooperating environment. A domino effect will happen if the top level of the organization starts putting in practice and showing themselves aligned with inclusive behaviour. Obviously, if the values come from above, employees will feel motivated to cooperate and treat each other respectfully, and this is what is intended by courtesy, namely that the workplace environment would be a safe and free space for employees to express and show themselves as they are without the fear of being judged or their integrity to be damaged. According to Bhuvanaiah and Raya (2015) and supported by empirical evidence, one of the drivers for employee engagement was fair treatment and involvement, where employees need a supportive and respectful work environment that promotes healthy relationships in the workplace. If this is internalized and put in practice, sportsmanship will be

enhanced as all employees will have more positive attitudes in the workplaces and thus, perform better at their posts.

As for the study made by Harter, Hayes and Schmidt (2002) discussed above, an assessment of concerns at the workplace that matter to employees, has implications in understanding the nature of overall satisfaction at business unit level. It can be inferred that by knowing and understanding what matters to employees and how much they feel concerned, satisfaction can be improved by the management. Minorities at the workplace might have different concerns and difficulties in their everyday working life, compared to their peers. Encouraging them to speak up and express their concerns, and evaluate a possible solution and improvement of such problems, ensures a better environment of equality, and the result are employees more motivated and engaged as their needs being met by the employer. It is also possible that receiving higher levels of support will boost employee loyalty and devotion to the company, increasing the possibility that they will perform better and above their position requirements, possibly as a way of repaying the company's support and increased morale (O'Donovan, 2018).

In terms of business growth and expansion, D&I allows firms to manage diversity in order to take advantage of a variety of possibilities (O'Donovan, 2018). To begin with, firms may apply labour diversity to obtain a better understanding of the market they operate in. Furthermore, as consumers and suppliers, as well as the marketplace in general, become more diverse, it seems reasonable that the knowledge required to sell to varied populations and respond to their demands would naturally exist in personnel with similar backgrounds. Individuals from a minority culture, for example, have previously been found to be more willing to approach a salesperson from their own culture (O'Donovan, 2018).

Finally, it is necessary to consider that the absence of an inclusive organizational culture, a lack of D&I policies and mismanagement of diversity can bring legal problems for the organization. It is necessary to consider possible lawsuits on, for example, sexual, age, and race discrimination (O'Donovan, 2018). Organizations that are more aware of their workforce's diversity are more likely to predict difficulties, potentially lowering the risk of lawsuit. This issue was analyzed in terms of corporate image, and it is suggested that companies might focus on building or enhancing their public image by employing diversity management to lessen the likelihood of discrimination litigation cases (O'Donovan, 2018).

As a summary of all this, Nair and Vohra (2015) affirmed that the outcomes of promoting an inclusive work environment are the following: employee willingness to go beyond their job-related tasks to engage in citizenship behaviour, employee outcomes of well-being, job satisfaction, and organizational commitment, as well as higher quality work relations, intention to stay, job performance, creativity, and enhanced career opportunities.

A visual summary of all the potential benefits of D&I for the organization is shown in Figure 2.

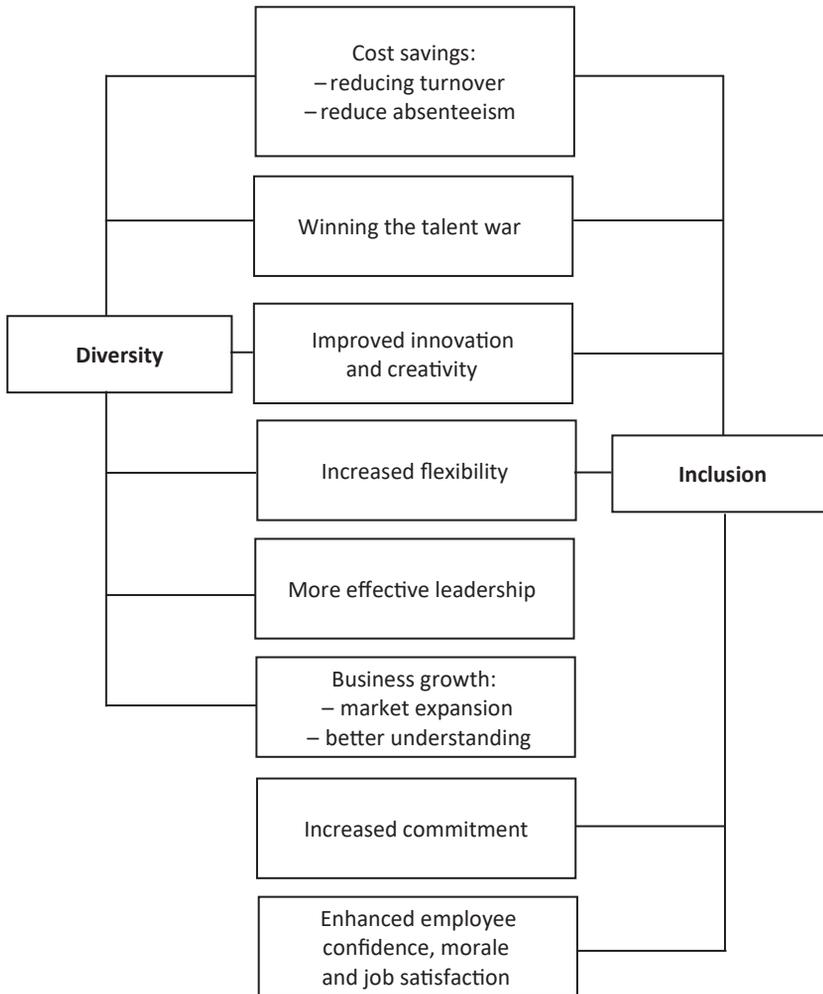


Figure 2. Advantages associated with diversity and inclusion

Source: (O’Donovan, 2018, pp. 73-108).

Based on the logic outlined above, the hypotheses to be tested are the following:

H₁: High levels of motivation and engagement of all employees contribute to the overall organizational performance of an organization.

H₂: High level of motivation and engagement of diverse employees are fueled by the feelings of inclusion and belonging, provided by the existence of D&I policies favouring them.

3. Research methods

The methodology adopted for this work was a combination of primary and secondary research. The secondary research consisted in the analysis of different sources such as scientific papers, books, reports, and other resources, mainly within the Human Resources management field. The primary research consisted in the construction of a questionnaire whose objective was to apply in real life the hypothesis and gather information from employees based on the reviewed literature. The chosen tool for this purpose was an online questionnaire as it ensures anonymity to the respondents who may not be eager to share personal information regarding their diversity type or their motivation at work, as some retaliation may be feared. Moreover, this tool allowed to collect information from different regions. The target group for the survey were professionals working in organizations, currently employed within any field, and without limits of age, working in Europe. The total sample size amounted to 51 people.

The aim of this survey was to test the hypothesis that employee engagement and motivation are enhanced by the feelings of inclusion, belonging and the ability of being authentic. The research tool consisted of three parts. It was introduced with the description and goal of the research as well as explaining to the respondents what are the types of diversity analysed and described in this research. The first part aimed at collecting demographic information from the respondent. The two aspects relevant to collect in this part were: (1) whether the respondent belonged to a diverse group, (2) the existence of D&I policies in the respondent's workplace and (3) the level of satisfaction with said policies. Finally, the respondents were asked to write the reasons why they might not be satisfied with those policies. This last part is crucial for the recommendation section as it gives insights of what employees do not appreciate or would like to change. The second and third parts of the tool were structured using a five-point Likert scale. On a metric scale, the respondents were asked to indicate their degree of agreement (from strongly disagree to strongly agree) with the provided statement. The goal of using the Likert scale was to learn about their ideas and perceptions concerning a single 'latent' variable (phenomenon of interest). The variable for the second part was defined as "level of belonging and inclusion" and consisted of fourteen items. The specific objective was to measure to what extent the employees are their authentic selves and feel safe and included in the organizational context. The third part of the questionnaire aimed to gather information regarding the "level of motivation and engagement" from employees in their workplace. The most important aspects for drafting the statements of this questionnaire were: the sense of being involved and valued, the sense of competence and personal growth, and the sense of purpose.

5. Results

The first section aimed to gather data regarding the diversity of employees and the possible relations they have with D&I policies. The first data showed whether the respondents belonged to any diverse group. The findings were that 62.7%, or 32 people, belonged to a minority group within the organization they work in. Next, the respondents were asked to write down the diverse category they belonged to as shown in the list: gender diversity, religious diversity, sexual orientation diversity, age diversity and race or ethnic diversity. The answers provided showed that 31.5% of the respondents were of diverse sexual orientation, other 25% were ethnically or racially diverse, 16.6% were gender-diverse, 15.6% were religiously-diverse, and the remaining 12.50% were age-diverse.

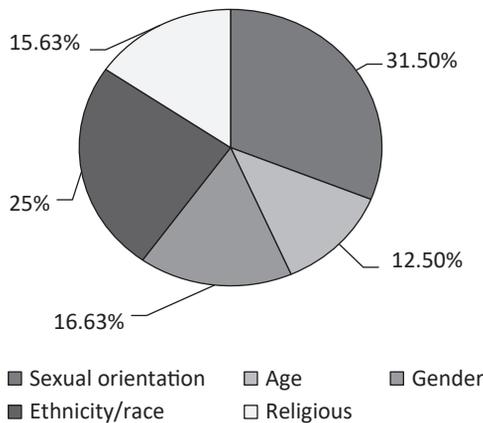


Figure 3. Classification of diverse groups

Source: own research.

It was found that 56.9% of the respondent’s workplaces had already included D&I policies, whilst the remaining 43.1% confirmed that efforts regarding D&I had not been yet made or they were not aware of them. Next, it was determined that for those who answered “yes” in the previous question, 69.4% affirmed they were satisfied with the existing policies, whilst 33.3% claimed not to be satisfied.

From those dissatisfied, it was expected to describe briefly the reason of their feelings. The answers were varied and could be summarized in three different categories: (1) companies create policies, but these policies did not permeate into the culture and are not put into practice; (2) companies include some diverse groups but not others; (3) companies create incorrect or insufficient policies.

The second part intended to measure the level of “belonging and inclusion” of employees. A five-point Likert scale was chosen, and the range of answers was as

follows: 1 – Strongly agree (SA); 2 – Agree (A); 3 – Neutral (N); 4 – Disagree (D); and 5 – Strongly disagree (SD).

The data collected for the second and third section are presented in the charts below for better appreciation and comparison (tab. 1 and 2).

Table 1. Level of belonging and inclusion

STATEMENT	SA	A	N	D	SD
I feel I belong to the bigger group	19.6%	35.3%	13.7%	23.5%	7.8%
I feel safe in my work environment	37.3%	35.3%	11.8%	5.9%	9.8%
I can talk about my private life with my colleagues without being judged	19.6%	35.3%	9.8%	27.5%	7.8%
I am my true and whole self in front of my peers and superiors	21.6%	39.2%	11.8%	9.8%	17.6%
I trust my colleagues	19.6%	45.1%	13.7%	15.7%	5.9%
I fear negative consequences if I express myself the way I would like to	7.8%	25.5%	15.7%	21.6%	29.4%
I do not feel connected with others in the workplace	3.9%	13.7%	7.8%	45.1%	29.4%
I cannot share my personal views or background with others at my work	11.8%	13.7%	5.9%	37.3%	31.4%
I hide my true self in front of others	7.8%	21.6%	7.8%	27.5%	35.3%
When decisions concerning me or my team are taken, I am allowed to participate in the decision-making process	43.1%	27.5%	5.9%	11.8%	11.8%
If I speak up and share new job-related ideas, I am frequently ignored	19.6%	7.8%	5.9%	33.3%	33.3%
I frequently hear jokes, connected to the way I look or think, from my colleagues which makes me feel bad	13.7%	9.8%	9.8%	11.8%	54.9%
I am forced to act, speak or dress differently to what is common in my culture or what I am used to, at work	7.8%	13.7%	2%	13.7%	62.7%
I feel my job-related, development and growth needs are satisfied by my employer	33.3%	25.5%	13.7%	17.6%	9.8%

Source: own research.

The third part, on the other hand, intended to measure the “level of motivation and engagement” and results are as follows:

In the final part, the respondents were asked how many years they had worked in the organization: 30.8% had worked for less than a year, 28.8% for one to three years, 28.8% for four to six years, and 11.50% for more than six years.

Table 2. Level of motivation and engagement

STATEMENT	SA	A	N	D	SD
I feel motivated working at my post.	21.6%	45.1%	11.8%	17.6%	3.9%
I feel valued and involved in the organization I work	27.5%	39.2%	9.8%	17.6%	5.9%
If offered another job opportunity, I would quit my current job	19.6%	11.8%	23.5%	33.3%	11.8%
According to myself, I perform well at my job	33.3%	49%	9.8%	5.9%	2%
I know how I contribute to the strategy of the organization	33.3%	35.3%	13.7%	11.8%	5.9%
I like my work	35.3%	33.3%	13.7%	7.8%	9.8%
I am satisfied with my productivity	23.5%	39.2%	13.7%	13.7%	9.8%
I feel proud of working in the company I work for	29.4%	21.6%	21.6%	11.8%	15.7%
According to my supervisors and/or team, I perform well at my job	37.3%	41.2%	11.8%	7.8%	2%
I would like to work in the organization for a longer period	27.5%	31.4%	15.7%	7.8%	17.6%
I am committed to the overall improvement of the organization	31.4%	35.3%	13.7%	11.8%	7.8%
I find it hard to work in teams	13.7%	13.7%	3.9%	31.4%	37.3%
I communicate honestly about problems to my supervisors or team	41.2%	25.5%	3.9%	19.6%	9.8%
I do the bare minimum at my post	7.8%	5.9%	3.9%	37.3%	45.1%
I rather leave others solve problems as they arise	9.8%	15.7%	2%	39.2%	33.3%
When a problem occurs in the organization I do not care if it does not affect me directly	17.6%	17.6%	5.9%	35.3%	25.5%

Source: own research.

To start interpreting the results it is important to remember that the majority of people belonged to a diverse group, specifically 62.7%, while 56.95% affirmed to have some sort of D&I policies in their companies, and out of those 69.40% claimed to be satisfied with the repercussions these policies had in their workplace. It is important to note that the respondents were more eager to mark extreme answers (strongly agree or strongly disagree) only when the statements were formulated in the negative, meaning they preferred the middle answers when there was expected to agree. This indicated that it is important to take into consideration the accumulated results and they will be interpreted as a sum in both parts of the scale: left (agreeing with statement) and right (disagreeing with statement).

The results from part two were diverse, yet the answers represented a positive level of “belonging and inclusion”. This can be appreciated when the majority of results are concentrated on the left or right side of the scale. For example, in

statement 1 the answers were spread along the scale, however the majority of the respondents seemed to agree with the statement, which therefore demonstrates a positive level of belonging, however it cannot be concluded on its own that this is caused by the D&I policies or any other causes. Statements 2 to 5 are focused to measure psychological safety, whole self-expression, and trust in the workplace. This is carried out in a direct way using statements expressed in the positive, and the results show that the majority of respondents showed again a positive level of the variable measured. Statements 6 to 9 are expressed in the negative and intended to confirm what was previously answered, therefore knowing that the respondents expressed a positive level of inclusion, here it was expected they would answer to the right side of the scale, which was the case, showing a disagreement by the majority in all cases. The next statement (no. 10) attempted to measure the level of inclusion in important decisions, having the majority accumulated in the left side of the scale, agreeing with the statement. Next, statements 11 to 14 were again formulated in negative sentences, and the results showed that the majority replied to the right side of the scale disagreeing with them. For the last statement (no. 14), and based on Maslow's pyramid, the employees were asked to mark whether their needs were satisfied; the results once more accumulated at the left side, showing a positive response. What can be concluded from this part, considering the accumulated results from the scale, is that the respondents seem to feel included, and appear to belong in their organizations.

The third part measuring engagement and motivation was also found to be positive. Statements 1 and 2 were oriented at motivation, empowerment and fair treatment. The majority of the respondents gave a positive answer showing their motivation. Statement 3 intended to measure the desire to leave the organization, and in this case the answers were very varied and there was no consensus. The answers showed more neutrality, and that might have been caused by the natural ambiguity of the question, since people prefer to know all the information and conditions before taking a decision to resign, however around 45% disagreed with the statement. Statements 4 to 11 were also formulated in the positive, and attempted to measure positive feelings related to one's job and the company, such as productivity, work satisfaction, and positive identification with the company. In all cases, the majority of answers were located on the left side of the scale, showing a positive level of the variables, except for statement 8 where the results were rather scattered, leaning more to the positive level but not very conclusive about people's feelings. However, in statement 10 the majority of the respondents claimed to be interested in working in the organization for a longer period, which can give more information about statement 3 and 8 as well, meaning that even when people seemed more neutral, here they revealed that they somehow positively identify with the company, and therefore would like to continue working there. Statement 12 was formulated in the negative, however showing the majority on the right side of disagreement. Statement 13 accumulated the majority on the left side, and

statements 14 to 16 formulated negatively, also accumulated most of the responses on the left side of disagreement.

Thus, it can be concluded that the level of motivation and engagement of employees was found to be positive.

6. Conclusion

This work aimed at answering the question of what was the impact of D&I policies on the organizational performance of an organization. By analysing all the elements using a qualitative and deductive approach, the initial statements used to analyse and interpret the results were the following:

1. The feelings of employees who belong to diverse groups are affected by their inclusion and appreciation in the organization.
2. Psychological aspects are influenced by feelings.
3. Employee motivation and engagement are influenced by psychological aspects.
4. Employee motivation and engagement are strictly linked.
5. Employee motivation equals better performance both at a personal, and as a joint effort, at organizational level.

It was found from the questionnaire that employees in diverse groups felt positive levels of inclusion and belonging in the organization. The reason might be attributed to the fact that D&I policies were already in place in their workplaces, and that there was a high level of satisfaction with the said policies implemented. Therefore, the interpretation given is that the feelings of belonging and inclusion were high in the diverse respondents of research because of satisfaction and correct management of diversity in their workplaces. Furthermore, the feelings of inclusion and belonging were found to be crucial to the perception of the employees of their surroundings and the work itself. It is known that a person has several needs according to Maslow (1943), one of which is defined as love and belonging. Furthermore, if an aspect of the Maslow's pyramid is missing, the person cannot reach a higher level and this causes frustration and negative outcomes for the person. It is also known that individual employees' sense of belongingness and inclusion relates to a person's experiences, feelings and perceptions being recognized for their qualities and individuality in the organizational context (Ohunakin et al., 2018). Moreover, psychological safety refers to an employee's capacity to be themselves without fear of negative consequences, particularly to their self-image, position, or career (Nienaber and Martins, 2020), which means that when there exist feelings of fear, guilt, remorse and distrust the psychological safety cannot be fulfilled. These psychological aspects are then said to be influenced by feelings. Psychological aspects refer to the concept of psychological presence which is composed of psychological meaningfulness, safety, and availability. Moreover, the levers of motivation, particularly competence, autonomy, and relatedness,

unlock the human element by influencing the psychological presence, which ignites employee engagement (Nienaber and Martins, 2020). Levers of motivation were taken into consideration for the realization of the questionnaire. The results gathered revealed that there was a directly proportional relation between the two variables evaluated, i.e. the level of inclusion and belonging was high, as was the level of motivation and engagement. With this empirical observation and supported by the literature, it is presumed as true that employee motivation and engagement are indeed influenced by psychological aspects.

Employee engagement defined as the willingness to the complete investment of their real self in their work responsibilities that foster connections to work and people, personal presence, and active full role performances (Nienaber and Martins, 2020), was found indeed to have a significant positive impact of employee motivation (Shaheen and Farooqi, 2014). From the second part of the questionnaire, it was found that the respondents showed a positive level of motivation as well as engagement.

Finally, it can be seen that employee motivation effectively influences performance both at employee and organizational levels. This influence is made through different factors that are enhanced when having a motivated workforce, such as competitiveness, better strategy implementation, profitability, better employee satisfaction, better financial results, higher employee retention and higher productivity (Harter, Hayes, and Schmidt, 2002; Katou, 2017; Koys, 2001; Nienaber and Martins, 2020).

Therefore, the overall conclusion and answer to the research question is that the introduction D&I policies in the organization have a positive impact on organizational performance through the aspects previously described. Hence, companies and managers must consider switching to a more diverse and inclusive workplace and invest in diversity management to bring about many positive outcomes for the organization.

7. Recommendations

Based on the opinion of those respondents who were not satisfied with the outcomes of the D&I policies in their workplaces, creates an idea of where companies might be failing. Thus recommendations will be addressed to managers and directors regarding the adopting of D&I policies, or the improvement of existing practices. As previously mentioned, there are three main clusters of problems pointed out by the respondents. The first was that companies created policies, but these policies did not permeate into the culture and were not put into practice. For this situation the proposed solution would be to make the company values align with those of inclusion, respect, tolerance, and empowerment. It is necessary to revise the company's values and formulate on paper those values and desired culture. This means is that these new objectives of the company should not only be limited to the activities aimed at minorities and remain merely 'window dressing',

but should be included as statements in the code of conduct and of the desired spirit of a worker in the organization. The values and the culture must be aligned, and higher levels of the organization must teach by example. Promoting these modes of behaviour among higher levels of the company will show minorities that they are protected, and at the same time will encourage other employees to follow suit. Moreover, this example given by managers and directors will show the employees that if they do not want to practice those values and rather engage in negative behaviour they are not going to be supported by the organization. The next problem was when companies include some diverse groups but not others. This situation was more specifically mentioned regarding SGMs (sexual and gender minorities). In some countries, for example, it can be more acceptable to have a diversity of religion but not a diversity of sexual orientations and gender identity. Naturally, this perception may vary from culture to culture, but this study is focused on developed countries where rights are guaranteed for all kinds of people. In this case the recommendation from above is also valid, to emphasize that inclusion means to everyone and it is not selective. Likewise, it might be valuable to educate employees on topics of which they might not have enough knowledge. For example, organizing fairs and talks from employees of different minorities where they can share their experiences and journeys to sensitize their peers and educate them about differences. One can highlight the example of the company Mondelez international, an American company operating in the snacks and beverages industry that has a clear inclusive culture. Sharing experiences and embracing diversity is something they strongly promote. From celebrating LGBTQIA+ pride month with talks from employees all over the world, to celebrating the Latino heritage month with activities that aim at the sensitization and education of all employees, giving visibility and support as well to their diverse employees.

Lastly, there is the problem of ineffective or insufficient policies. In this case companies can include employees in the process of creation of policies, as some policies might work for some collectives but not for others. Encouraging employees to share their own ideas and backgrounds along with the support of their HR departments might lead to a better understanding of the feelings, doubts, worries and general experience from all diverse groups in the organization, which will ultimately lead to delivering the most accurate solution for all of them.

As a final recommendation, the author believes that companies must include D&I in their core agendas of Human Resources Management, as there is now the knowledge of the benefits that this will carry to the organization.

If companies desire to start building their D&I policies or improve existing ones, they must set specific and objective goals to be measured and reviewed, these objectives will be achieved through different initiatives, and it is important to have everything written and available for managers and employees to gain a common understanding of what needs to be achieved. For this purpose, companies can rely on the useful tools such as HRSC (Human Resource Score Card) in combination

with the Balanced Score Card, a tool proposed by Kaplan and Norton (1992) that helps measure OP. The Human Resource Scorecard (HRSC) is a method of valuing human resources in order to show their contribution to corporate strategy alignment. It evaluates human resources from three interwoven and interdependent perspectives: human resource competency, human resource engagement, and human resource performance (Murad and Asaduzzaman, 2014). Both the BSC and the HR scorecard serve to align activities with the organization’s vision and strategy. However, the former corresponds with overall operations, whereas the latter matches human actions with the organization’s vision and strategy. HR as a leading indicator often produces greater competencies that result in long-term competitive advantage, and is usually linked to BSC’s learning and growth goals. (Murad and Asaduzzaman, 2014).

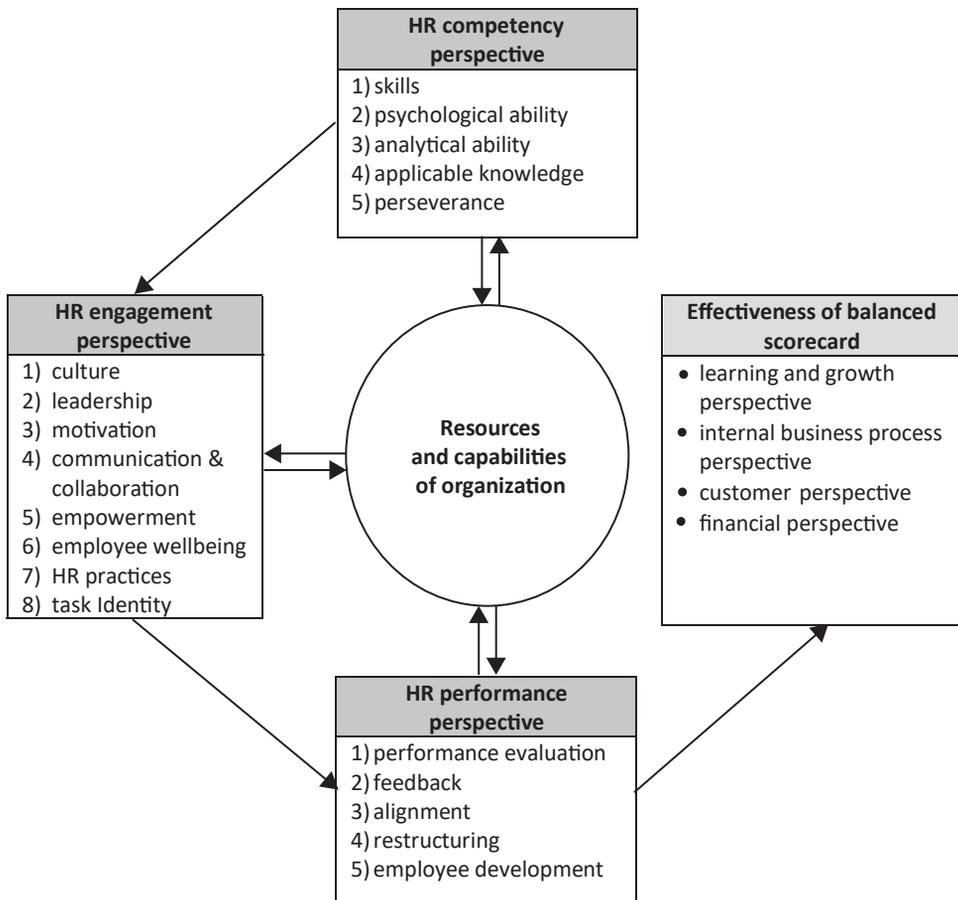


Figure 4. Relationship between Human Resources scorecard and balanced scorecard

Source: (Murad and Asaduzzaman, 2014, pp. 70-79).

The D&I related objectives would be located in the HR engagement perspective as it comprises elements such as motivation, culture, empowerment, and employee well-being, which influence positively the engagement in the organization. HR can be understood as the foundation of BSC, or organizational success. The HR scorecard confirms its viewpoint of focusing and cultivating strategic partners in this instance and focuses on long-term vision, strategy creation, and execution to keep the company competitive. A visual representation of the three perspectives of the HRSC is presented below (Fig. 4).

5. Limitations and recommendations for further research

This study has potential limitations. The target group of the research included professionals employed in Europe. According to the European Commission, the working population in Europe is around 189 million people, therefore the sample number chosen is not representative of the appropriate population concerned, being a sample bias. The research might have had limited ability to gain access to the appropriate type or geographic scope of participants. In this case the respondents to the questionnaire may have not been a truly random sample. Therefore, a recommendation for future research is to increase the sample size and control the specific geographical location of interest. Additionally, the study depended on the honesty of the respondents; therefore, the results could be affected by social desirability. Finally, a recommendation for further research could be to expand the questionnaire size to test each variable in more detail to obtain more polarised results that could lead to a clearer and more differentiated conclusion.

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Wpływ polityki różnorodności i integracji na wyniki organizacyjne w organizacjach nastawionych na zysk

Streszczenie: Postępująca globalizacja, ruchy migracyjne, niedobory utalentowanych osób i zmiany mentalności wpłynęły znacząco na miejsca pracy w różnorodnych perspektywach. Wydaje się, że wiele organizacji dokłada wszelkich starań, aby odpowiednio zarządzać zróżnicowanym kapitałem ludzkim i włączyć go w swoje działania. Jednak nadal brakuje wiedzy i badań dotyczących szerokiego wpływu i korzyści, jakie organizacje uzyskują podczas implementacji polityki różnorodności i integracji. Celem artykułu było rozpoznanie, czy wprowadzenie zasad D&I pozytywnie oddziaływało na wyniki organizacyjne. Jako wskaźnik wybrano wydajność organizacyjną, ponieważ zapewnia ona bardziej globalny obraz kondycji i sytuacji firmy. Poprzez analizę literatury i przeprowadzenie badań z wykorzystaniem kwestionariusza wykazano, że polityka D&I ma pozytywny wpływ na motywację i zaangażowanie pracowników, co jednocześnie zwiększa wydajność organizacji dzięki wyższej konkurencyjności, lepszej realizacji strategii, rentowności, większej satysfakcji pracowników, lepszym wynikom finansowym, wyższej retencji pracowników oraz większej produktywności.

Słowa kluczowe: różnorodność, integracja, wyniki organizacji, polityki D&I, zarządzanie różnorodnością.