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**The influence of diversity and inclusion initiatives on
organizational performance and employee satisfaction**

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Patras, Greece, May 2026

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Abstract

Diversity and Inclusion (D&I) is an essential part for the operational qualification of an organization, with benefits being reflected in several of its divisions. The aim of this study is to examine the impact of D&I initiatives on employee satisfaction and engagement within contemporary organizational environments. According to existing literature, the research highlights the importance of inclusive practices, such as fair treatment and diversity training, and their contribution to positive employee attitudes and organizational outcomes. Particular attention is given to the evolving working environment, especially to the flexible working arrangements, which have emerged following the Covid-19 pandemic. A quantitative research approach was adopted, through the distribution of a structured questionnaire to employees across different sectors, work models and demographic backgrounds. The collected data were analyzed using statistical techniques to identify significant relationships between D&I policies and employee perceptions. The findings revealed that particular diversity and inclusion initiatives are strongly associated with enhanced employee satisfaction and engagement. More specifically, perceptions of fairness, inclusive collaboration and organizational support positively affected employees' sense of belonging, self-expression and overall work experience. In addition, the work model differences, such as hybrid model versus full presence, shape how employees perceive inclusion-related practices, underscoring the importance of adaptive D&I strategies based on organization's structure and culture. The study contributes to the existing knowledge base by improving empirical evidence on the role of D&I initiatives in fostering positive employee outcomes in evolving work frameworks. Finally, the research provides practical implications for organizations that aim to accelerate engagement and satisfaction through inclusive policies, while identifying areas for further investigation, specifically regarding the long-term impact of hybrid work on inclusion and employee well-being.

Περίληψη

Η Διαφορετικότητα και η Συμπερίληψη (Δ&Σ) αποτελούν αναπόσπαστο κομμάτι για την εύρυθμη λειτουργία ενός οργανισμού, με τα οφέλη να αντανακλούν σε πολλά από τα τμήματα του. Στόχος της παρούσας μελέτης είναι να διερευνήσει την επιρροή των πρωτοβουλιών Δ&Σ στην ικανοποίηση και τη συμμετοχή των εργαζομένων στο σύγχρονο εργασιακό περιβάλλον. Σύμφωνα με τις υπάρχουσες βιβλιογραφικές αναφορές, η έρευνα επισημαίνει τη σημασία των συμπεριληπτικών πρακτικών, όπως η δίκαιη μεταχείριση και η εκπαίδευση για τη διαφορετικότητα, καθώς και τη συμβολή τους στις θετικές συμπεριφορές των εργαζομένων και τα οργανωτικά αποτελέσματα. Ιδιαίτερη προσοχή δίνεται στο εξελισσόμενο εργασιακό περιβάλλον, ιδίως με την εφαρμογή ευέλικτων εργασιακών ρυθμίσεων, οι οποίες άνθισαν μετά την περίοδο του Covid-19. Για τη διεξαγωγή της έρευνας εφαρμόστηκε ποσοτική ερευνητική προσέγγιση μέσω της διανομής δομημένου ερωτηματολογίου σε εργαζομένους από διαφορετικούς τομείς, μοντέλα εργασίας και δημογραφικό υπόβαθρο. Τα δεδομένα που συλλέχθηκαν αναλύθηκαν μέσα από στατιστικά μοντέλα με στόχο τον εντοπισμό στατιστικά σημαντικών σχέσεων μεταξύ των Δ&Σ πρωτοβουλιών και της αντίληψης των εργαζομένων. Τα αποτελέσματα της έρευνας αποκάλυψαν ότι συγκεκριμένες πρακτικές που εστιάζουν στη διαφορετικότητα και συμπερίληψη συνδέονται στενά με την ικανοποίηση και την ενεργή συμμετοχή των εργαζομένων. Πιο συγκεκριμένα, αντιλήψεις που σχετίζονται με την δικαιοσύνη, την συμπεριληπτική συνεργασία και την οργανωτική υποστήριξη, επηρεάζουν σημαντικά την αίσθηση ένταξης, την αυτό-έκφραση και τη συνολική εργασιακή εμπειρία των εργαζομένων. Επιπρόσθετα, οι διαφορές που παρατηρούνται στα μοντέλα εργασίας, όπως το υβριδικό έναντι της πλήρους παρουσίας, διαμορφώνουν τις αντιλήψεις των εργαζομένων ως προς την ένταξη τους, δίνοντας έμφαση στη σημασία της υιοθέτησης προσαρμοσμένων στρατηγικών Δ&Σ με βάση τη δομή και την κουλτούρα του κάθε οργανισμού. Η μελέτη συμβάλλει στην υπάρχουσα βιβλιογραφία με τον εμπλουτισμό των εμπειρικών δεδομένων αναφορικά με το πώς οι πρωτοβουλίες Δ&Σ προωθούν τα θετικά αποτελέσματα για τους εργαζομένους σε εξελισσόμενα πλαίσια εργασίας. Τέλος, η έρευνα παρέχει εφαρμόσιμες πρακτικές για οργανισμούς που έχουν ως στόχο την προώθηση και ανάπτυξη της ικανοποίησης και της

ενεργής συμμετοχής των εργαζομένων μέσα από πολιτικές συμπερίληψης, ενώ παράλληλα εντοπίζει σημεία προς περαιτέρω διερεύνηση, κυρίως όσον αφορά την μακροπρόθεσμη επίδραση της υβριδικής εργασίας στην ένταξη και ευημερία των εργαζομένων.

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1 Introduction

Nowadays, the dynamic profile of global economy in combination with the demographic shifts and the rapid technological evolution have changed the composition of the modern workspace. These changes have increased the complexity, competitiveness and diversity requiring from organizations to evolve and put focus behind strategic priorities in order to improve organizational effectiveness and deliver results. Diversity and Inclusion (D&I) initiatives have therefore become a critical focus area for many organizations aiming to enhance employee experience, foster innovation and shift performance. Diversity refers to the presence of different demographic characteristics among group members such as gender, age, ethnicity and educational background. Inclusion on the other hand, focuses on the active involvement and full participation of all members providing equal opportunities and neglecting discriminations (Ely R. J & Thomas D. A. 2001). Both Diversity & Inclusion initiatives are essential within the workplace to achieve organizational efficiency and ensure that all employees are fully engaged, valued and respected.

Despite the uprising interest of the businesses in this matter and its implementation the latest years, there is still limited evidence demonstrating the impact of D&I policies to employee engagement and performance. Existing research focuses mainly on the theoretical benefits of Diversity & Inclusion initiatives, leaving in the dark how those strategies actually impact employees' behavior, satisfaction, innovation and overall organizational effectiveness. This case evolves even further if we consider the workplace reality in the Greek private or public organizations, where the studies and practices are limited or nonexistent. This gap creates confusion and impedes organizations or managers to quantify and understand the impact of D&I initiatives in order to be capable of making the most business effective and people-oriented decisions.

The aim of this research is to evaluate the influence of Diversity and Inclusion initiatives on organizational performance and employee satisfaction. Through this study, it is essential to examine employees' perception of D&I practices within their organization, as well as to assess the impact that they have to their levels of engagement, effectiveness

and job fulfilment. Additionally, it is important to focus on which extent those initiatives contribute to organizational efficacy and which practices are most strongly associated with positive outcomes.

The research is implemented with a quantitative survey-based methodology collecting data from employees across different organizations and industries in private and public sectors. The sample follows a heterogeneous and diverse approach on demographic and socioeconomic characteristics of participants to achieve statistically significant results. Additionally, the research incorporates data from bibliographic sources and scientific articles, enhancing results' reliability and objectivity. The findings provide data-driven insights and inclusion initiatives, supporting organizations and managers understand which strategies lead to meaningful results. By identifying the most impactful practices, this study contributes to the design of a more inclusive, engaging and high-performing workplace, adding value also to the academic field of organizational behavior and human resources management.

As mentioned, the main objective of the study is to investigate the influence of diversity and inclusion on employees' behavior and how those practices can lead to positive reactions within the workplace. To better understand these relationships and guide the analysis, research questions concentrate on the key areas under examination:

- How do employees perceive the diversity and inclusion initiatives implemented within their organization?
- Are they aware of existing policies and how much do they think those practices are applied in daily operations?
- How D&I practices impact employee satisfaction?
- How much D&I practices influence employee engagement?
- Do D&I initiatives lead to higher motivation and involvement of employees?
- To what extent do employees believe that D&I practices affect organizational performance?
- Do those practices impact innovation, collaboration or decision-making?

- Which D&I practices have the most significant impact on positive outcomes in the organization?
- Are employees more motivated to stay within an organization that promotes D&I?
- Do demographic characteristics affect how employees evaluate D&I initiatives?
- What are the challenges or limitations that employees identify with current D&I practices?

The structure of this dissertation is organized into six chapters. The first chapter presents the overall context of the study, focusing on the objectives, scope of the research, the research questions and structure. It also highlights the significance and contribution of the dissertation to the academic field for future actions.

The second chapter focuses on an excessive review of the existing academic literature related to diversity and inclusion, aiming to the understanding of the theoretical background. Additionally, it introduces key practices of D&I within organizations and how those can contribute to employees' behavior, satisfaction and engagement. The purpose of this chapter is to deep dive further in D&I field and identify gaps in existing knowledge, that could lead to potential topics for investigation, as well as the conformation of the framework that will be tested in the study.

The third chapter includes the presentation of the research methodology and approach outlining the rational behind the choice of a quantitative survey-based method, as well as the sampling strategy to collect data across different organizations. Furthermore, this chapter reviews the ethical considerations and methodology limitations, ensuring compliance with study ethics and guidelines, along with acknowledgment of research constraints.

The fourth chapter interprets the results that derive from the analysis including descriptive statistics and correlation analysis, examining the relationship between D&I practices and employees' perception. The key findings are depicted clearly through illustrations and charts.

The fifth chapter presents and evaluates the findings in relation to the research questions and the literature review from chapter two, comparing the results with existing studies. This chapter focuses on how the key findings can contribute to the evolution of the current workplace to a more inclusive and engaging environment in which all employees feel valued and respected leading also to organizational effectiveness.

Last but not least, the final chapter summarizes the key findings of the research regarding the influence of D&I initiatives on employees and organizations, interpreting also recommendations for future practice and research.

2 Literature review

Diversity and Inclusion have been established as fundamental concepts in modern organizations, highlighting the growing recognition that workplaces are shaped by people with different backgrounds and experiences. Diversity and Inclusion are two terms that are closely related, however, they focus on different dimensions, yet complementary, of corporate aspects. Diversity refers primarily to the heterogeneity of demographic characteristics of individuals within a workplace, such as gender, age, ethnicity, educational background etc. Inclusion, in contrary, describes how individuals experience the workplace and focuses on employee involvement and the integration of diversity by creating an organizational culture where all employees feel valued and respected (Wikipedia, Farndale E, Biron M., Briscoe D. R. & Raghuram S., 2015). An inclusive environment fosters open communication, equal access to opportunities and fair treatment, allowing the full participation and contribution of employees into daily operations. It is important to mention that diversity can exist within an organization, but not necessarily inclusion, since internal initiatives and cultural support are required in order to convert diversity into positive outcome.

Over the years, many organizations have recognized the importance of Diversity and Inclusion initiatives putting strategic focus behind and setting D&I as a priority to improve organizational effectiveness and employees' satisfaction. Existing research indicates that diverse teams lead to broader knowledge and quicker problem-solving capabilities facing organizational challenges more efficiently. Additionally, the engagement levels are increased resulting to higher satisfaction for employees and thus lower turnover, since all the team members feel more connected and supported. The growing attention to D&I initiatives is also influenced by the broader changes in the social and economic reality, including globalization, demographic shifts in workforce and raising awareness of corporate responsibility. As a result, organizations invest more in structured D&I initiatives by launching leadership development programs, hiring diversity consultants and offering an array of diversity trainings (Stevens F. G., Plaut V. C. & Sanchez-Burks, J., 2008) in order to enhance awareness and leverage diversity.

Although D&I practices gain increasingly attention within organizations, their application may vary significantly in design, implementation and effectiveness. Some organizations adopt a more long-term approach focusing on the internal transformation targeting to a more inclusive mindset, while others follow a more to the surface approach through short-term actions without aiming to cultural transition. Hence, the different application in administration creates the necessity to examine and evaluate how the various Diversity and Inclusion initiatives impact the effectiveness and satisfaction of employees and which of those practices are linked most to organizational efficiency. By this way, gaps or weaknesses will be also identified resulting to the design of a complete guide and recommendations for future business practice and research.

2.1 Theoretical background

The study of Diversity and Inclusion as terms has already been initiated since 1970 focusing mainly on diversity, although its concept emerged and was associated with inclusion within organizations in 1990 (Kratz J., 2024). The initial consideration was focusing mainly on gender and ethnicity, however quite soon it was expanded to more individual characteristics such as race, religion, employment and education. The correlation between diversity and inclusion gained ground among researchers and organizations over time, particularly as the business advantages of a diverse workforce became evident.

One of the most referred frameworks is the Social Identity Theory (Tajfel & Turner, 1986), which suggests that individuals categorize themselves and others into social groups based on characteristics such as gender, age or ethnicity. This distinction can impact behavior in the workplace shaping communication patterns and leading to in-group favoritism or out-group discrimination (Platania S., Maggio C. & Boccadamo M. 2025). However, on the other hand, the sense of belonging and connection between group members is increased, enhancing team cohesion, motivation and collective action. In combination with organizational initiatives promoting inclusion, these factors mitigate the negative effects of group distinction, fostering a more supportive and collaborative environment and improving workplace dynamics, thus leading to enhanced communication and higher productivity.

Another important perspective is the Organizational Justice Theory (Greenberg, 1987), which focuses on employees' perception of fairness in treatment in the workplace influencing their attitude and behavior (Bouncken R. B., Pesch R., & Perret R., 2021). Based on this framework, when employees perceive higher degrees of justice, it leads to higher job satisfaction, increased organizational commitment, trust and enhanced performance. However, the lack of fair management has the opposite results leading to decreased productivity, lower trust and higher employee turnover. In the context of D&I, Organizational Justice Theory lays groundwork to understand how diversity and inclusion initiatives can influence employees' behavior and strengthen organizational performance by measuring the fairness of a company's procedures and outcomes.

Last but not least, the framework of Social Exchange Theory (Homans 1958) highlights the importance of D&I practices within an organization, proposing that workplace relationships are built on mutual exchanges of support and recognition between employees and organization, where individuals seek to maximize personal benefits while minimizing costs (EBSCO Publishing, 2024). When businesses invest in initiatives that promote respect and care, such as inclusive policies or diversity training, employees are motivated to contribute more actively to organizational goals. This approach can lead to beneficial outcomes for both individuals and businesses, enhancing job satisfaction, engagement and outcomes.

The reference on those theories is essential, as all of them emphasize on the potential benefits of Diversity and Inclusion initiatives, while also acknowledge the existing challenges related to the workforce diversity and complexity within workplaces. Additionally, the identification of the methods that improve employee perception and enhance satisfaction, thus performance, provides a clear guideline to the construction of a structured and comprehensive approach in order to provide knowledge into organizations regarding D&I practices.

2.2 D&I initiatives in organizations

The integration of Diversity and Inclusion within modern organizations has become an inevitable component of effective human resources management and strategic development. Globalization and demographic shifts have contributed to the formation of a diverse workforce with different characteristics, knowledge and experience. Organizations should be in a position to accommodate heterogeneity and foster an environment that promotes inclusion, respect and support. Diversity and Inclusion initiatives encompass a range of formal programs, informal practices, and strategic approaches designed to increase representation, ensure fair treatment and that all employees feel respected and integrated into core work processes. The effectiveness of these initiatives relies on the specific diversity perspective adopted by the organization and whether the strategy focuses on true inclusion rather than just compliance or superficial change (Ely R. J. & Thomas D. A., 2001).

The most common diversity and inclusion initiative is the D&I training, which consists of programs focused on unconscious bias and inclusive communication to raise awareness and build skills among employees. The programs can be workshops or seminars with group sessions, either remotely or on-site based on the needs and culture of the organization. The training aims to increase attention related to diversity and help employees understand the importance of the existence of different backgrounds and experiences among team members within the organization. In addition, it promotes a culture of inclusivity, where all individuals feel valued and respected. By this way they feel empowered to contribute with their own uniqueness and perspective in the team's welfare and goals. Through this process, participants are guided to recognize and limit possible behaviors referred to favoritism, especially in cases that their decisions can impact hiring or promotions. Also, practical know-how is developed in order to accelerate communication skills, adopt multicultural mindset and promote effective collaboration among employees with diverse backgrounds.

To foster an inclusive environment is essential this guidance to be provided and promoted by management as well. Companies should invest in key stakeholders and directors continuous training in order to evolve the capabilities of their leading workforce.

Management is responsible for delivering business's performance and corporate goals, while at the same time leads and is the point of reference for diverse teams with different needs. Team leaders should inspire their subordinates, recognize achievements and set the basis for teams' culture by promoting open communication among employees where trust and care conquer. Managers provide vision and direction for their teams, translating the organizational goals and decoding business complexity into actions, while shaping a safe space for all group members with enhanced interaction and cooperation. Strong leaders who invest in individual's growth and promote transparency, accountability and autonomy, raise team's performance and reduce employees' turnover, establishing a culture of honesty and positivity. Empowering managers first while also streamlining their responsibilities gives leaders the opportunity to improve team interaction and motivation, while in parallel contribute to the organization's inclusive goals (ParadigmiQ, 2024). Therefore, organizations must provide financial and human resources for the education and evolution of the leading managers, as eventually business benefits from the investment through satisfied personnel and advanced performance results. Inclusive leadership training creates an environment where diverse perspectives are valued and encouraged, enhancing innovation and problem-solving. By enabling leaders to embrace and champion diversity, organizations adopt a culture of belonging, which significantly improves team collaboration, employee engagement and equity goals (ParadigmiQ, 2024). The training focuses mainly on the development of soft skills that could be exploited by managers to address diversity and enhance teams' inclusion. More specifically, cultural competence is crucial since it refers to the ability to understand, interact and effectively work with individuals from diverse cultural backgrounds by acknowledging and respecting the culture of the person. Additionally, emotional intelligence and communication skills are essential to build trust and foster an environment with open dialogue and active listening. Finally, bias mitigation and equitable practices help with recognizing and addressing personal preconceptions, while establishing a fair and transparent space with equal opportunities for growth for all employees.

These skills acquisitions set the ground for the evolution of managers into more capable and inclusive leaders who can guide their teams through business complexity and intense

work environment. As a result, employees feel more motivated to contribute actively among teams' tasks and responsibilities, leading to increased performance and stronger engagement. Open dialogue and communication are encouraged, helping teams collaborate more efficiently, while diverse opinions are shared providing different perspectives and ideas, which lead to more creative solutions and thus better problem-solving. The sense of acceptance and belonging among individuals are enhanced, fostering an environment of support and transparency with higher creativity and innovation. On the other hand, organizations profit from employees' improved performance and innovative mindset, since it directly impacts the business results related to production, outputs and efficiency. Incorporating varied viewpoints delivers more informed and comprehensive decisions with financial and corporate benefits for the organization. In addition, an inclusive environment in which individuals feel valued and respected constitutes a determinant factor for company's reputation and enhances its image as an ethical and socially responsible employer in the market. Employees who are satisfied act as company's ambassadors by sharing their working experience with relatives and their social network. On the contrary, unhappy and disappointed employees, significantly harm business's credit by creating negative word-of-mouth and staining brand image of the company. Sustaining a good reputation is crucial for organizations, as it also impacts their talent attraction and retention in the market. Inclusive companies are considered more attractive to top talents and applicants, thus the quality of hiring process is enhanced, while recruitment costs are minimized, since candidates are more likely to apply proactively for a role in the organization, saving recruitment budget and time.

To further strengthen these inclusive outcomes, organizations must also invest in harassment prevention within the workplace. This approach is significantly important in order to enhance workforce inclusivity, prevent incidents of harassment, reduce workplace discrimination and educate employees in recognizing alarming behaviors among teams. This initiative incorporates integrated training for employees and managers combining anti-harassment practices with D&I coaching on unconscious-bias, compliance and inclusivity to educate them in applicable actions for demolishing persecution. To achieve proactive prevention, organizations must also set as a priority feedback session among managers and team members. Feedback is a strategic tool that

uncovers blind spots, strengthen trust among team members –regardless their career ladder – and promotes growth professionally and mentally (Webber J, 2025). In particular, through feedback sessions and open dialogue hidden biases or barriers can be revealed, bridging the gap between managers’ perception and employees’ reality. Concrete insights and transparent behavior can lead to measurable actions allowing impactful development plans for employees and data-driven decisions for businesses. As a result, employees’ trust and sense of belonging are enhanced, since honest participation and communication are encouraged, fostering a safe space in which they feel valued and respected for their opinions without judgement.

Confidentiality is a non-negotiable component to build trust and ensure honesty in feedback. The sense of security consists of the triggering point for healthier and genuine discussions, as well as fundamental actions for both employees and businesses.

Promoting discretion during the feedback process enables employees to share their truthful insights or opinions, especially on sensitive topics, without the fear of negative consequences. Anonymity allows concrete and unfiltered points of views to be spread, reflecting to a more accurate depiction of workplace realities and management styles. Consequently, accuracy on data leads to enhanced problem-solving, since management is capable to identify inefficiencies and conflicts during day-to-day operations, providing a more comprehensive action plan for development. Additionally, employee engagement is sustained, as it is more likely for them to stay active and share their perspectives when they believe that their opinions matter. Secrecy reinforces this belief, which contributes to the consolidation of a workplace culture of inclusion and involvement, accelerating job satisfaction, productivity and loyalty (Instapulse).

Anonymous surveys are considered as a key feedback method in order to collect honest insights on organization’s culture and workplace dynamics, as employees feel safe to share their genuine opinion abolishing negative career impacts or judgment. It is essential for organizational leadership to distinguish the difference between anonymity and confidentiality, as in the first case no identifying personal data are collected, whereas in a confidential framework, data are declared but strictly protected. Both approaches can be equally efficient for organizations, encouraging employees to share impactful insights, as

long as confidentiality is actually implemented, otherwise opposite results might be provoked. On the other hand, performance reviews focus on equitable feedback aligning individual's and company's goals, while setting up an action plan for both personal development and organizational improvement. This approach ensures clarity and alignment, allowing team members to understand their role's expectations and deliverables clearly. Also, by acknowledging individuals' contribution and identifying areas for improvement, organizations foster professional development, which acts as an impactful driver of job satisfaction and performance. Last but not least, exit interviews highlight the importance of understanding employees' reasons for quitting, providing valuable insights that can help prevent future turnover and contribute to the development of advanced retention strategies and workplace enhancements. This method offers organizations a unique opportunity to collect unfiltered feedback from employees who are leaving, meaning that they are more likely to share their genuine opinion and the barriers they face during their working routine. As a result, exit interviews often reveal critical issues related to management practices, organizational culture or ways of working and communication styles. A well-structured implementation of an exit interview enables companies to identify behavioral and organizational patterns that negatively affect employees' performance, engagement and day-to-day operations. By analyzing this feedback, organizations are capable to focus on the root causes of employees' dissatisfaction and address the issues, rather than just scratching the surface. Furthermore, this method can reveal discrepancies between job expectations presented during recruitment and working life reality, since employees might express some inconsistencies based on their working experiences within the organization, that can help refining job descriptions and hiring or onboarding processes. Finally, the efficient exploitation of the exit interview's feedback, supports continuous organizational learning and growth, strengthens employees' retention and fosters an inclusive and transparent workplace culture.

To maximize feedback's impact on D&I culture and initiatives, it is essential for organizations to run anonymous surveys and focus groups to record and deep dive further into different employees' experiences within workplace reality. By using diverse channels, businesses are able to have a holistic view and gather both quantitative and

qualitative insights on individuals’ perception regarding team’s culture, work environment and assignments. Based on the data provided, management can identify gaps and opportunities in order to strategically review and improve existing policies, ensuring that diversity and inclusion initiatives are aligned with employees’ needs and organizational culture. To achieve targeted results and deliver actionable insights, questions and discussions should be focused on concrete areas that are considered burning topics for employees, such as promotions, leadership trainings or non-monetary perks. Feedback should be regularly analyzed and progress should be transparently communicated among organizations to build trust and encourage participation of employees. Management must proceed with relevant actions and establish fundamental changes with visible results to show employees that their inputs lead to real outcomes. Otherwise, engagement might drop and individuals might feel unmotivated, as they perceive their feedback as ignored or undervalued, reducing their willingness to contribute and undermining trust in the organization.

Apart from employee engagement and internal feedback mechanisms, organizational decision-making is also influenced by unconscious factors that shape behaviors and judgments. Bias is considered one of the most significant factors, as it can affect how policies are implemented, opportunities are distributed and feedback is interpreted within an organization. Companies must put focus behind its prevention, since if they are unable to mitigate bias among teams and organization’s culture, it can lead to negative outcomes impacting their operations. More specifically, as a result, trust and fairness are undermined, while poor decision-making is enhanced leading to strategic inefficiencies and demotivation of employees. Bias impacts many aspects of decision-making, however, its implications can be destructive when it becomes part of the hiring process⁹. Inclusive hiring is a recruitment strategy that aims to create a more diverse and equitable workforce by decreasing bias in the hiring procedure and ensuring equal opportunities for all candidates, regardless of their background (Greenhouse). Inclusive hiring practices foster a diverse and innovative workplace by focusing on skills and experience, increasing performance and problem-solving skills through a broader range of capabilities and opinions. Additionally, talent pool is accelerated by appealing to a wider audience of applicants with different qualifications and expertise, while concurrently

company’s reputation among stakeholders or potential future employees is enhanced. More specifically, 86% of candidates of all ages take into consideration company’s investment in diversity, equity and inclusion during the hiring process. The main focus on evaluation are the employee benefits such as remote-flexible working and gender affirmation leave (49%), progress opportunities and diverse leadership (81%) and promotion of affinity or employee resource groups (34%) (Greenhouse, 2022). Last but not least, inclusive hiring process contributes to enhanced engagement and retention of employees, minimizing the turnover, since care and respect among team members are promoted.

Common inclusive hiring practices are the blind screening, which allows the hiring managers to focus only on the skills and experience of candidates, overlooking their personal characteristics. Inclusive job descriptions reflect on the qualifications needed for the role, using neutral language and avoiding references assuming personal distinction. Furthermore, diverse interview panels and standardized interview questions aim at fair evaluation of candidates removing unconscious bias, a0073 through different perspectives a more objective selection decision can be accomplished. Finally, the provision of inclusive compensation and benefits reflecting on the needs of the diverse workforce is a key factor for attraction of potential applicants, which shapes not only candidates’ perception about the company, but also current employees’ satisfaction and thus turnover. Competitive benefits may incorporate additional leaves for specific circumstances such as parental or child-support leave, counseling services or even mental-health support focusing on stress management and promoting a work-life mindset (Peak Performers, 2024).

Disability inclusion represents an important extension of inclusive hiring practices, specifically nowadays that companies recognize the importance of addressing both visible and invisible disabilities. Disability inclusion refers to the provision of equal opportunities to people with disabilities in order to participate equivalently in education, work and community, removing any barriers that limit this possibility. Promoting disability awareness and inclusion within recruitment process and workplace initiatives, especially for invisible disabilities, creates an environment characterized by empathy,

understanding and respect. Inclusive hiring practices that focus on the capabilities of each applicant ensure that candidates are evaluated based on their skills and potentials, rather than their physical or mental limitations (ParadigmiQ, 2024)). By raising awareness and minimizing stigma, organizations are capable to enhance operational workflow through the implementation of coherent adjustments and flexible ways of working, enabling employees with disabilities to maximize their performance. Such initiatives not only enhance equity and participation, but also foster a culture of belonging in which all individuals feel valued and respected for their contributions, despite the personal challenges they might face. On the other hand, organizations benefit from the shared diversified perspectives boosting innovation and employee engagement, since they have access to a broader talent pool with different experiences and ideas. Finally, company's reputation is accelerated, strengthening corporate image and social responsibility, while enhancing attraction of customers with disabilities or sensitivity to this matter.

Beyond the importance of inclusive candidates' selection during the hiring process and the staffing of a complete and qualified team, organizations must also invest in the continuous evolution of their employees through mentoring and talent development programs. Mentoring programs are structured initiatives that pair senior employees (mentors) with less experienced ones (mentees) providing guidance and support among different topics in the workplace. Mentors and mentees are matched based on professional goals, skills and development needs and they often engage in regular one-to-one meetings focused on skills coaching, knowledge sharing and career guidance. The primary purpose of mentoring programs is to support professional growth, accelerate skills development and improve employees' understanding of organizational culture, values and expectations. Within an inclusive framework, mentoring also aims to minimize structural barriers and promote equal opportunities for development and knowledge. Additionally, these practices support employees from diverse backgrounds, including individuals with disabilities, by providing equitable access to training and career development.

The effectiveness of mentoring programs extends beyond individual evolution, generating value for both employees and organizations. More specifically, from an

employee perspective, these initiatives contribute to increased job satisfaction, confidence and engagement, since individuals feel more valued, connected and supported, leading to enhanced performance and dedication to the company. Networking opportunities and access to wider professional community, including senior managers, provides an additional advantage for career advancement by increasing exposure to new openings and facilitating internal mobility. Another important benefit is the development of skills, as through personal interaction, debate and experiences' sharing, junior employees learn new competences, improve problem-solving and get personalized feedback, while understanding the broader perspective and business goals. On the other hand, mentors enhance their leadership capabilities by strengthening their coaching, communication and people-management skills. By sharing their knowledge, guiding and supporting the development of others, they also experience a greater sense of fulfillment leading to increased job satisfaction and engagement. In addition, interaction with junior employees allows mentors to gain new insights and ideas, as there is a mutual exchange of knowledge. This learning process exposes senior employees to fresh perspectives and alternative ways of thinking, enhancing creativity, continuous learning and problem-solving, especially when combined with their experience. From organizational perspective, mentoring programs generate significant value by reinforcing workforce capabilities and teams' culture. More specifically, through continuous skill development and structured knowledge sharing, organizations enhance employees' engagement and productivity. Diverse ideas and cross-functional connections encourage equal participation of all individuals in the productive process leading to increased innovation and enhanced decision-making. Furthermore, by promoting equal access to learning and career advancement opportunities, organizations reinforce inclusive practices, fostering a culture of belonging, enhancing retention and reducing turnover. As a result, company's reputation and attractiveness are enhanced, attracting more candidates and talents. Last but not least, mentoring initiatives contribute also to the development of future leaders, ensuring that critical knowledge is transferred into junior employees and a strong internal pipeline is maintained.

Talent development programs refer to the strategic and ongoing process of developing employees' skills, knowledge and competencies in order to meet current job demands and

future organizational goals. These initiatives include activities such as training, coaching and leadership programs to foster growth, engagement and potential for both the individual and the company. In particular, personalized learning is a key component of talent development programs, tailored to the unique needs and aspirations of each individual, aiming to address existing knowledge and skill gaps, while strengthening critical capabilities aligned with business objectives. Talent development is therefore a continuous learning process, that focuses on the long-term acquisition of capabilities and adopts a holistic approach to the development of both hard and soft skills. In practice, talent development programs incorporate structured activities including training sessions such as workshops, certifications or on-the-job-learning to gain experience through new roles or projects, coaching for guided support from experienced colleagues and succession planning to prepare employees for future leadership roles. The impact of these initiatives is evident to both employees and organization, creating value by strengthening individuals' capabilities, while supporting organizational effectiveness and competitiveness. As a result, individuals feel valued and empowered working in a workplace that cares and invests resources for their development, leading to increased engagement and productivity. Furthermore, retention is enhanced, since employees invest time and energy in their development with the foresight that their efforts will be rewarded through future opportunities for internal promotion. Therefore, organizations develop a more skilled and engaged workforce with higher levels of performance and motivation, thereby building a stronger talent pipeline and reducing the need for costly external recruiting. Finally, continuous and personalized learning equips individuals with up-to-date knowledge and addresses the gaps, fostering an agile workforce ready to respond to the latest industry or technological changes.

In conclusion, diversity and inclusion initiatives that were mentioned in this chapter highlight the remarkable effort that organizations implement in order to create equitable, supportive and engaging work environment for all employees. Initiatives such as inclusive recruitment, disability inclusion or mentoring and talent development programs demonstrate how D&I extends beyond representation to actively reinforce individuals' growth and development. Through efficient implementation and barriers minimization, these practices build a culture of belonging and fairness, enabling organizations to

leverage the potential of a diverse workforce, while aligning with their business objectives and strategic goals. Based on these assumptions, the following chapter focuses on studying the relationship between diversity and inclusion initiatives, organizational performance and employee satisfaction. By exploring how employees perceive and experience D&I practices in their everyday work environment and how these perceptions influence their levels of engagement, motivation and overall satisfaction, the chapter aims to provide a deeper understanding and examine the extent to which D&I initiatives translate into positive employee attitudes and increased organizational effectiveness.

2.3 Relationship between D&I initiatives and employees’ performance and satisfaction

Diversity and Inclusion initiatives are key components in fostering supportive and equitable work environments, thus is crucial to examine how employees’ perception is shaped around those practices, as well as their impact on individuals’ performance and satisfaction. While the previous chapter highlighted the structures and initiatives that organizations adopt to promote inclusion, in this chapter the focus shifts to the understanding of how effectively these practices are perceived and experienced by employees. More specifically, this chapter explores the extent to which D&I practices have the strongest correlation between perception and positive results, influencing employees’ behavior, including their levels of satisfaction, engagement, motivation and sense of belonging in the workplace. By linking organizational diversity and inclusion efforts with employees’ outcomes, the aim is to provide deeper insights into how inclusive practices shape employees’ satisfaction and engagement resulting to tangible benefits for both individuals and organizations. Research shows that 78% of workers say it’s important to work for a company that prioritizes diversity and inclusion, with 58% percent saying it is “very important” (Tenney M., 2024).

In contemporary organizational environments, diversity and inclusion are considered the core of effective people management and sustainable business performance. The implementation of inclusive policies is essential for management in order to foster a respectful workplace which embraces diversity and promotes equality among employees. However, the execution of those practices is not enough to secure the desirable results, as

attention should be also paid to the evaluation of their impact on employees’ attitudes and experiences in the workplace. Employee satisfaction is reflected as a key indicator of individual well-being and organizational health and provides valuable insights through which the effectiveness of diversity and inclusion efforts can be evaluated.

Employee satisfaction measures how pleased the individuals are with their roles, working conditions and company’s culture. Employee satisfaction is a multidimensional construct influenced mainly by a combination of psychological, social and organizational factors including perceptions of fairness, respect, recognition and access to opportunities, impacting directly retention, productivity and engagement. When employees perceive that diversity and inclusion are genuinely embedded in organizational processes and daily interactions, they are more likely to experience a sense of belonging and psychological safety. Such perceptions contribute to higher levels of satisfaction, engagement and commitment, while also strengthening trust in the organization and its leadership. Based on “People Thriver” survey (Tenney M., 2024), when employees are satisfied that their employer is truly committed to fostering a diverse and inclusive workplace, they are twice as engaged as those who are dissatisfied. Not only that, but they also work 12% harder, are 57% more effective at collaborating with co-workers and 19% more likely to stay with the organization.

The key components of employee satisfaction include fairness, respect and equity in all organizational aspects, a healthy work-life balance, career growth opportunities, recognition and inclusive culture. More specifically, fairness and equity are fundamental in shaping employee’s perception as evaluating processes of recruitment, compensation and promotion. To support fairness, bias should be mitigated and equal conditions should be applied regardless of employee’s background, identity or personal characteristics. Transparent criteria, standardized procedures and objective performance indicators contribute to enhance perception of equity across the organization. Furthermore, fair compensation policies are crucial in reinforcing employees’ satisfaction. Organizations must offer competitive salaries, along with equitable access to non-monetary benefits to employees, such as health insurance, flexible working, special leave policies and performance-based bonuses. The equivalent and fair distribution of rewards and

opportunities among individuals, results to higher levels of satisfaction for employees accelerating in consequence motivation, organizational commitment and long-term engagement. Finally, by promoting fairness and equity, organizations foster a stable and inclusive work environment, minimizing dissatisfaction and promoting a sense of belonging among employees.

In this context, fairness is essential also in career development and growth opportunities to achieve employees' satisfaction, since opportunities for learning, skill advancement and career progression are closely associated with individual's indulgence. Equity in development ensures that opportunities are allocated based on employees' potential, performance and aspirations, rather than personal characteristics or informal networks. Employees feel more satisfied and motivated when they believe that the organization supports their long-term professional development through inclusive practices. Providing equitable access to trainings, mentoring programs and clear promotion opportunities, reduces perceptions of favoritism and strengthens trust in organizational systems. Additionally, a clear and structured process for career advancement or evaluation process provides transparency and reduces potential bias towards employees' personal characteristics. Such equitable development practices not only enhance individual satisfaction and engagement, but also contribute to a more diverse leadership pipeline and sustained organizational performance over time.

Recognition and respect act as key mechanisms that validate employees' career progression and signal future development opportunities. On top, employees' satisfaction is significantly influenced by the level of individuals' perception of recognition and respect for their contributions. Recognition can be depicted with various forms, including formal rewards, verbal acknowledgement, monetary benefits or opportunities for development. When employees perceive that their efforts are valued, they experience higher levels of motivation, job satisfaction and engagement, increasing their willingness to do the extra mile beyond their role requirements. According to research (Stone K., 2022), 69% of employees would work more diligently if their work was valued and recognized, highlighting the need for just a “thank you” from the leadership team for excellent work. Respectful treatment also reinforces individuals' sense of dignity,

fairness and equality accelerating trust in the organization and its leadership. In inclusive work environments, recognition and respect are fundamental drivers of employee engagement, retention and productivity, creating a positive culture and fostering a sense of belonging across different employee groups.

A strong sense of belonging is a critical component of employee satisfaction, as it reflects the extent to which individuals feel accepted and valued within the organization.

Inclusive work environments that promote a positive, respectful and safe workplace encourage employees to express their identities, perspectives and ideas without fear of exclusion or discrimination. By sharing their unique points of view, exchange of knowledge is enhanced, leading to increased problem-solving, creativity and collaboration among teams. Furthermore, feelings of anxiety and isolation are mitigated, improving individual's well-being and levels of resilience. As a result, motivation and commitment to organizational goals are enhanced, reducing turnover in workplaces' settings. Therefore, a supportive and inclusive culture serves as a fundamental element for sustaining employees' satisfaction, since trust and freedom of expression are promoted, which enables individuals to feel psychological safety by demonstrating higher levels of engagement and loyalty.

The quality of the work environment and interpersonal relationships with colleagues or supervisors are intimately related to employees' satisfaction. Supportive leadership combined with effective communication and positive team dynamics contribute to shaping a workplace environment which is characterized by trust and collaboration. Moreover, good relationships with coworkers and strong bonds among peers act as a “support system” facilitating intensive workload and creative problem-solving, while reducing stress and helping employees manage burnout. Additionally, transparent communication and supportive mindset among team members or managers foster a sense of belonging, creating a respectful atmosphere that drives increased performance and higher quality work combined with joyful interactions. A positive and inclusive work environment, characterized by strong, trusted and collaborative interpersonal relationships, enables employees to feel comfortable and supported, leading to increased satisfaction and organizational commitment.

In addition to positive and engaging working culture, job autonomy and empowerment influence employees' satisfaction by allowing individuals to have control over their work and decision-making processes. Management's trust and freedom of choice over employees' work decisions and results is crucial in order to achieve stronger sense of ownership and responsibility. Empowerment also enhances intrinsic motivation and satisfaction, as employees feel encouraged to share their perspectives and lead on key decisions or projects. Shifting from micromanagement to trusting employees to manage their own tasks and make decisions without constant supervision, provides autonomy and leads to motivated employees and proactive problem-solving. Empowered employees exhibit higher resilience, lower turnover rates and greater engagement, especially when they feel that their contribution supports organizational goals. Additionally, empowerment distributes tasks and thus the responsibility, helping mitigate burnout particularly in demanding roles, thus increasing the possibilities of retention. Finally, empowerment reduces complexity of decision-making, since less people have to be involved in the process, while at the same time it provides opportunities for career advancement with employees managing advanced responsibilities independently.

Last but not least, work-life balance and employees' well-being have become increasingly important determinants of satisfaction in modern organizations. Well-being involves all aspects of physical, emotional and mental health and satisfaction is mainly related to specific job factors, such as role, competence, company culture and working conditions. Organizations that foster policies that support flexibility, mental health and personal well-being prioritizing individuals' welfare, contribute to reduced stress levels and improved job satisfaction for employees. Inclusive approaches to work-life balance that recognize diverse personal needs and life circumstances, enable employees to maintain or even increase productivity, while sustaining their overall well-being. Additionally, the provision of flexible schedules and hybrid or remote work options to address personal and professional responsibilities contribute to an inclusive and positive workplace culture. Empathy and understanding by leadership, equip employees with the psychological security and resilience needed to navigate both professional and personal obligations. Enhanced sense of well-being drives increased motivation, focus and performance, while it is linked with reduced burnout and better physical health elevating

job satisfaction. Finally, by prioritizing equity in well-being means recognizing that different individuals require different types of support to achieve the same level of flourishing. Organizations that tailor welfare initiatives to everyone's needs, build a sustainable competitive advantage increasing trust, engagement and retention of employees.

Employee engagement represents a deeper psychological state that reflects the extent to which individuals are emotionally, cognitively and behaviorally connected to their work and organization. It encompasses the levels of commitment, passion and dedication employees have towards company, influencing their perception of their roles and contribution to organizational objectives. Engagement is strongly associated with enthusiasm, commitment and a strong sense of purpose, which drive individuals to take initiatives beyond formal job requirements. Engaged employees tend to be more motivated, proactive and willing to act discretionally often aligning their personal goals with professional objectives, contributing to continuous improvement and innovation. Moreover, higher levels of engagement are linked to more efficient collaboration, accelerated performance and increased retention, as employees are more likely to remain in an organization that they feel involved and valued. These outcomes highlight the importance of engagement and its impact on employees' perceptions and performance based on a combination of organizational conditions and practices that influences how individuals experience their work. Therefore, it is essential to examine the key organizational and individual factors that foster and sustain increased levels of employee engagement.

The key drivers of engagement are factors that influence employees' emotional commitment, motivation and willingness to contribute to organizational success. Core drivers include meaningful work and positive, supportive environment, strong leadership, recognition and opportunities for growth and development. These factors foster a sense of purpose and belonging, leading to increased productivity and retention. More specifically, the assignment of substantial work and the role clarity provide knowledge and transparency to employees on what is expected and how they can contribute to broader organizational objectives. Clear role description and expectations reduce

ambiguity, anxiety and frustration, enabling employees to focus on the desirable deliverables and their development. Meaningful work, defined as personal significance, also provides a sense of purpose, which based on studies (Bromley T., Lauricella T. & Schaninger B., 2021), directly accelerates performance by 33% and increases commitment of employees by 75%. When individuals are empowered with autonomy, trust and opportunities to utilize their skills, they develop a stronger sense of ownership and accountability towards their work. Meaningful work is also strongly linked to reduced burnout and turnover intentions, as employees are 49% less likely to leave according to findings (Bromley T., Lauricella T. & Schaninger B., 2021). Last but not least, substantial work tasks act as a catalyst for employee engagement driving performance, since daily job duties are transformed into purposeful contributions for which, results are based on employees' execution.

Apart from the assignment of meaningful work, recognition and appreciation are essential, influencing significantly employee engagement by reinforcing positive behaviors and validating individuals' contribution. Both formal and informal mechanisms, such as promotions, performance-based awards or verbal acknowledgement, contribute to employees' sense of value strengthening the bond with organization and management. Fair and consistent recognition accelerates motivation and encourages sustained effort, since employees feel appreciated and valued for their efforts. According to Office Vibe's 2022 report (HR Vision), 69% of employees say they would work harder if they felt more appreciated at work. In inclusive environments, recognition practices should be transparent and equitable, ensuring that all employees regardless of their background are equally acknowledged for their contributions. Perceptions of fairness and equity are dominant especially in diverse inclusive work environments, strongly shaping employee engagement. This includes not only recognition, but also recruitment, compensation, performance evaluation and promotion, as equitable processes reduce bias and foster trust in organizational systems. Inclusive initiatives promote equal access to opportunities to all employees reinforcing the sense of belonging, thus engagement, since individuals feel secure, valued and motivated to contribute with their ideas.

A key prerequisite for the accomplishment of the above is a supportive work environment that prioritizes employee well-being and mental health. Employee well-being refers to an individual's holistic state of health, happiness and satisfaction within the context of his workplace. It encompasses physical, mental, emotional, social and financial dimensions, reflecting the overall quality of an employee's life as influenced by their work environment, job role and organizational support (HR Vision). Physical safety, psychological well-being and work-life balance directly affect employees' energy levels and their ability to perform effectively. Flexible working policies, remote work options and wellness initiatives reduce anxiety and burnout. According to Gallup survey (Gallup), organizations reflect to a \$322 billion of turnover and lost productivity cost globally due to employee burnout. A supportive, inclusive culture and values that offer psychological safety and promote respect, collaboration and diversity allow employees to feel comfortable and engaged, accelerating emotional attachment to the organization. Organizations that demonstrate care for employees' well-being and foster a strong, inclusive culture cultivate resilience, sustained engagement and higher overall performance across all employees.

Open and transparent communication enhances also employee engagement by promoting trust and inclusion. Open communication is a style of communication in which people share ideas and information honestly and transparently (Blink, 2023). Organizations that promote a safe, open space encouraging employees to speak freely and providing platforms for sharing ideas, feedback and concerns foster an environment of trust where individuals feel heard and respected. Additionally, multi-directional communication ensures employees' alignment with company goals and culture, while participatory decision-making increases individuals' sense of ownership and responsibility. Based on research (Axios HQ, 2023), 77% of managers think the communications they share provide employees with the necessary context to exceed in their job, but only 46% of employees agree. As a result, employees' uncertainty regarding their tasks and their impact leads to less confidence related to their roles and lower productivity. Furthermore, open interaction makes employees aware of one another's preferences, communication styles, challenges and vulnerabilities, resulting in increased trust and stronger team relationships, which support better collaboration, productivity and employee engagement

(Blink, 2023). On the other hand, poor communication creates silos within the organization, preventing different departments from sharing their knowledge and insights, thus restricting innovative ideas to come to the surface. Last but not least, effective communication strengthens alignment between individuals' efforts and organization priorities, contributing to stronger engagement outcomes. According to study (Blink, 2023), teams with an open work style are 60% more likely to achieve more, faster, while 80% are more likely to report high emotional well-being.

Leadership and management quality is a fundamental driver of employees' engagement, since leaders are the ones that shape daily experiences, organizational culture and individuals' perceptions of fairness and support. Inclusive and ethical leadership, which provides consistent feedback, coaching and support, fosters trust and promotes psychological safety by ensuring transparency in decision-making, equitable treatment and open communication. The sense of trust strengthens employees' emotional commitment and increases willingness to contribute further than the formal job requirements. According to Gallup study (Gallup), managers drive 70% of the variance in team engagement and they are a breaking, or not, point of the employee experience. Managers should be approachable, demonstrating empathy and active listening and provide clear guidance, especially in intense periods with demanding workload. Considering that employee engagement relates to organizational success, employees' engagement should be managers' primary target and responsibility, ensuring that employees feel supported and empowered to achieve their goals. Companies should also invest in managers' development and provide the essential tools or training in order to support their team members' needs. More specifically, based on Forbes study (CHOYS Community, 2024), leaders who receive training in critical skills, such as communication, empathy or trust-building, report higher engagement levels in their roles. In fact, 88% of leaders who were involved in leadership training, felt more engaged, while 85% of their team members were feeling more involved after the training. The benefits extend to productivity too, as 82% of employees working under trained managers reported increased productivity.

Last but not least, opportunities for career growth and development are a primary driver to maintain long-term employee engagement. Access to training, mentoring, skill development programs and clear promotion pathways are key prerequisites that define organization's investment in employees' professional evolution, especially when those initiatives are aligned with personal career goals. By investing in career growth, employees feel more valued accelerating motivation and commitment to organization. As a result, retention is enhanced ensuring that institutional knowledge and experience are preserved within organization, while in parallel turnover costs are minimized. According to research (Nelson, B, 2024), 94% of employees express their willingness to stay in a company longer when they invest in their learning and growth capabilities evolution, while 74% state that their current employer lacks development opportunities. In addition, development initiatives evolve employees' capabilities and soft skills, while empowering them to take ownership of their responsibilities, leading to increased productivity and innovation. Finally, continuous learning supports modern workspace to keep up with the latest evolutionary changes due to technological advancements, globalization and shifting market demands. Organizations that invest in training help employees to remain pertinent and competitive, while development programs build resilience and agility, enabling employees to be alert for new roles or challenges. The importance and strategic value of development initiatives are highlighted also through numerous studies (Nelson, B, 2024), taking into consideration that organizations strong learning culture are 92% more likely to achieve innovative solutions, while on the other hand, the lack of career development is among the top 3 reasons why employees quit their job.

Employee satisfaction and engagement are closely related as terms, with satisfaction serving as the foundation for engagement, and their relationship is often described as complementary and mutually reinforcing. Employees' satisfaction regarding core job aspects, such as fair treatment, recognition or growth opportunities, increase trust in the organization, that creates the base for the engagement to be emerged. Based on this, satisfaction can be considered as a necessary, but not sufficient precursor to engagement. At the same time, engagement can enhance satisfaction in a long-term view, since engaged employees tend to experience higher levels of accomplishment and positive work-related emotions, reinforcing further their overall job satisfaction. Thus, the

relationship between satisfaction and engagement is bidirectional, as satisfaction supports engagement and engagement deepens satisfaction. From organizational perspective it is critical to establish this distinction, since satisfaction reduces turnover rates and engagement drives performance, innovation and long-term commitment. Organizations that focus only on satisfaction might create pleased, but passive workforce, whereas those that also cultivate engagement foster motivated, high-performing and resilient employee ambassadors.

Diversity and Inclusion initiatives are closely linked to both employee satisfaction and engagement, since they impact directly individuals' perceptions of fairness, sense of belonging and opportunities within workplace. Inclusive practices, such as equitable recruitment and development opportunities, participative management, transparent promotion systems and respectful policies to diverse identities, foster a culture of respect and support mitigating bias. As a result, job satisfaction and engagement are enhanced, since employees' expectations regarding respect, recognition and equal treatment are met. Additionally, inclusive initiatives promote stronger emotional connection and commitment to organization, accelerating retention and motivation, while minimizing turnover risk. Comprehensive D&I programs are linked to 12% higher retention rates (Ugbaja O. C., 2025) and increased productivity, while 80% of employees seek companies that are committed to these values, highlighting the significance of inclusivity in attracting top talents (Smith W., 2025). Last but not least, diverse and inclusive environments foster better collaboration among team members, leading to increased performance, which contributes proactively to organizational goals and based on study (Dave, 2017 & Mattina R., 2025), 19%-35% greater likelihood of financial outperformance compared to competitors. Therefore, well-designed and consistently applied D&I initiatives not only improve individuals' attitudes and perceptions, but also strengthen overall organizational performance through increased levels of satisfaction and sustained engagement.

Benefits of D&I initiatives influence both employees and organizations. More specifically, from employee perspective, diversity and inclusion initiatives enhance perceptions of fairness, respect and equal opportunity fostering a sense of belonging and

increasing psychological safety. Employees who work in an inclusive environment that respects diverse identities, feel accepted and valued for their uniqueness, showcasing themselves genuinely, rather than being pressured to conform. As a result, a climate of trust and positive working relationships are promoted allowing individuals to express ideas freely and participate in discussions confidently without fear of discrimination or marginalization. Additionally, transparency in hiring processes, evaluation and promotion systems reduces concerns about bias or favoritism, reinforcing employees’ trust in leadership’s procedures. A respectful, inclusive and supportive workplace that minimizes exposure to aggressive biased behaviors, affects positively employees’ well-being and mental health, while leads to lower levels of burnout. Flexible policies that accommodate diverse needs and respect individual privacy, such as parental responsibilities, disabilities or cultural practices, further contribute to improved work-life balance and overall satisfaction of employees. Consequently, employees’ engagement and active involvement are enhanced, as individuals feel included and their personal needs are harmonized with work responsibilities.

Furthermore, inclusive practices accelerate career development and professional growth providing more transparent and equitable opportunities for advancement. Access to mentoring programs, leadership development initiatives, training occasions and fair promotion pathways ensure that all individuals are capable to develop their skills and elevating professionally. This leads to advanced job satisfaction and engagement, as well as improved employability and long-term commitment, minimizing turnover. Additionally, diversity reinforcement and diverse teams promote learning, creativity and personal development. Exposure to different ideas, perspectives, experiences and cultural viewpoints broadens employees’ understanding and strengthens interpersonal and communication skills. Such interactions promote empathy, adaptability and collaborative problem-solving, which constitute valuable competencies especially in modern organizations. Overall, diversity and inclusion initiatives empower employees by creating equitable opportunities, fostering respect and sense of belonging and supporting continuous development. These factors collectively contribute to higher levels of satisfaction, engagement, commitment and long-term professional fulfillment. According to Gallup findings (Gallup), highly engaged and satisfied employees achieve more of

70% higher well-being, 14% higher productivity in production and evaluations and 10% higher customer loyalty and engagement. On the hand, they showcase less of 78% absenteeism and less turnover of 51% for low-turnover organizations or 21% for high-turnover organizations.

From an organizational perspective, diversity and inclusion initiatives drive significant benefits for the business, contributing to improved performance, stronger competitiveness and more sustainable long-term growth. One of the most widely recognized assets is the acceleration of innovation and creativity. Diverse teams bring together individuals with different backgrounds, perspectives and experiences. The existence of viewpoints' variety enriches discussions and promotes alternatives solutions and more comprehensive problem-solving approaches, allowing organizations to generate innovative ideas and respond effectively to complex challenges. As a result, companies are better positioned to develop new products, services and processes that meet the needs of an increasingly diverse global market. According to recent studies (DNV), companies that foster a diverse and inclusive environment are 70% more likely to capture new markets and 75% more likely to bring to life their ideas as products. Additionally, organizational performance and decision-making quality are elevated, as they are closely associated with diversity and inclusion. More specifically, when diverse perspectives are incorporated into decision-making processes, organizations avoid relying on restricted or biased alternatives for crucial benchmarks. Instead, management and teams are able to evaluate diverse options and consider possible implications leading to more comprehensive, balanced and informed decisions. Consequently, strategic planning is improved and enforced with effective management practices, driving organizational performance and outcomes. Based on Gallup findings (Gallup), an engaging organizational environment leads to 23% higher profitability and 18% increased productivity. Finally, according to Josh Bersin study (Bersin J., 2015), highly inclusive organizations generate 2.3x more cash flow per employee and 1.4x more revenue and are 120% more capable of meeting their financial targets.

Diversity and inclusion initiatives are also crucial for organizations strengthening their reputation and employer branding. Companies that demonstrate a strong commitment to

diversity and inclusion policies are usually perceived as socially responsible and progressive employers. Positive reputation benefits organizations building stronger relationships with stakeholders, including customers, investors or partners, while enhancing loyalty and brand image. This sets the ground not only for the attraction of new stakeholders, but also for potential candidates and top talents, as well as the retention of current employees. In the modern global market, most of the employees and especially new generations, who constitute the future workforce, set the selection of an organization that promotes fairness, respect and equal opportunities, as a non-negotiable requirement when it comes to job searching. Therefore, companies that actively adopt inclusive values are more appealing to a wider pool of candidates, having more chances to recruit highly qualified individuals with diverse backgrounds and capabilities. According to Catalyst survey (Harvard Business School, 2025), 76% of employees are more likely to stay in a company that supports D&I, while among Gen Z employees the percentage rises to 86%, with 61% claiming that they would never apply to a company that doesn't apply diversity and inclusion practices. At the same time, inclusive workplaces contribute to increased levels of employees' satisfaction and engagement, achieving to maintain retention and reduce turnover rates. As a result, costs of recruitment, onboarding and training, which are associated with increased turnover rates are minimized. The latest research from “Great Place to Work” (Nexio Projects, 2024) indicates that diverse and inclusive companies show 5,4 times higher employee retention rates comparing to organizations that follow non-inclusive policies. In addition to this statement, SHRM survey (Society for Human Resource Management, 2022) highlights that only 9% of employees that work in positive and inclusive cultures considered leaving their job, compared to 42% in work cultures perceived as negative.

Last but not least, organizations that foster an inclusive and open-minded environment set the ground for the development of a more collaborative and productive workplace. Inclusive cultures encourage open communication, mutual respect and trust among employees. Thus, individuals feel valued and respected, increasing their willingness to cooperate, share knowledge, express ideas and support collective goals. This leads to stronger teamwork and increased productivity, as well as higher levels of organizational commitment. When D&I is integrated into strategic priorities, the organization reinforces

its ability to operate not only nationally, but also in global and multicultural environments. This competence is crucial for company's welfare, especially nowadays that businesses increasingly operate across borders and interact with diverse stakeholders. By cultivating diverse talent and inclusive practices, organizations strengthen their adaptability and resilience in dynamic and competitive markets. Overall, diversity and inclusion initiatives equip organizations with strategic advantages that extend beyond ethical considerations. The adoption of inclusive practices that foster innovation, improve decision-making, enhance reputation, attract qualified employees and strengthen collaboration contribute to the maintenance of a more resilient and sustainable organization environment, leading to increased performance and long-term competitiveness and success.

2.4 Summary of key studies and research gaps

The literature review that was presented and analyzed in this chapter highlights the growing recognition of diversity and inclusion initiatives as important drivers of positive employee and organizational outcomes. The existing studies indicate that inclusive practices contribute to improved employee satisfaction, higher engagement levels, stronger organizational commitment and enhanced performance. In addition, research set as key contributors that strengthen employees' perceptions of belonging and equity, the fair treatment and inclusive leadership processes, as well as the equal career development opportunities and supportive work environment. Thus, organizations that actively implement diversity and inclusion policies usually experience accelerated employee retention, collaboration, productivity and innovation. Despite the increasing attention of D&I practices in organizational research, several gaps remain. The existing literature focuses mainly on conceptual discussions or case studies within specific industries or geographical contexts, while empirical evidence that examines the direct relationship between diversity and inclusion performance, employee satisfaction and engagement, remains relatively limited. Furthermore, additional quantitative research that systematically measures employees' perceptions of D&I policies and their impact on workplace attitudes, is required to acquire a comprehensive assessment regarding the construction of structured anthropocentric approaches to improve organizational

strategies. For the purpose of addressing these gaps and providing empirical insights related to the relationship between D&I initiatives and their impact to employee satisfaction-engagement and organizational performance, the following chapter presents the research methodology adopted in this study. More specifically, the research design, data collection procedures, sampling strategy and analytical methods that were used to investigate the research questions, are outlined in order to ensure reliability and validity of the study's findings.

3 Research methodology

3.1 Research design and approach

This study adopts a quantitative research design to examine the relationship between diversity and inclusion performance and employee satisfaction and engagement. This approach is considered as the most appropriate method as it allows the systematic collection and statistical analysis of data in order to identify patterns, relationships and potential correlations between variables. In addition, this method enhances the representativeness of the sample, while minimizing the possibility of bias existence. Through the usage of structured data collection methods, the study aims to the provision of measurable evidence related to employees' perceptions of D&I practices and their impact on workplace behaviors. In addition, the research follows a deductive approach, as it examines existing theoretical frameworks and empirical studies that describe specific assumptions related to diversity and inclusion policies. As a result, testing and correlations between variables and existing literature is permitted, further expanding the academic knowledge.

3.2 Data collection methods

The primary data for this study were collected through a structured questionnaire survey. The research sample consists of 124 individuals working both in the private and public sector, from all hierarchy levels with different years of experience. The number of respondents is sufficient to provide an objective and unbiased reflection of the Greek workplace reality. The questionnaire was prepared in Microsoft Forms application and

consisted of several sections designed to measure the key constructs of the study. More specifically, the first section collected demographic information, including participants' characteristics such as gender, age group, education level, industry sector and years of work experience. The second section focused on employees' perceptions of diversity and inclusion practices implemented in their organizations, assessing aspects such as equal opportunities, fairness, inclusiveness and respect within the workplace. The final section examined employees' engagement by evaluating respondents' levels of inclusion, motivation, commitment and psychological safety. Most of the questions were designed using Likert-scale statements, allowing participants to indicate their levels of agreement with each statement and enabling the quantitative analysis of attitudes and perceptions. In addition, the questionnaire was distributed electronically through email to secure the anonymity of the prospective respondents. Online surveys also increase accessibility and reach of a broader sample of employees from different organizations and backgrounds.

3.3 Sampling process and participants

The study employed a non-probability sampling method, specifically convenience sampling, due to the accessibility of participants and time constraints associated with the research process. Participants were selected based on their availability and willingness to participate in the study, following though an inclusive and heterogenous approach on demographic and socioeconomic characteristics in order to achieve statistically significant results. The target population consisted of employees working in different organizations and industries in both public and private sectors, as the study aims to capture diverse perspectives regarding diversity and inclusion practices in the workplace. Participants were required to be currently employed in order to provide informed responses regarding their organizational environment and experiences. The selected sample included employees from various professional backgrounds, positions and levels of experience, as well as from different working models, since it is significantly important to understand the impact of D&I initiatives across all diverse working conditions. Therefore, the diversity within the sample allows research to capture a wider range of perceptions and experiences related to diversity and inclusion initiatives, enhancing the credibility and robustness of the findings, as it reflects to a broader

spectrum of employee perspectives within contemporary, yet contradictory, organizational environments.

3.4 Ethical considerations and limitations of the methodology

Ethical considerations were carefully taken into account throughout the research process. Participation was voluntary and respondents were informed about the purpose of the research before completing the questionnaire, including that the collected data were used exclusively for academic purposes related to this dissertation. In addition, to ensure confidentiality and anonymity, no personal data was collected and responses were analyzed only in aggregated form, ensuring that individual participants could not be identified.

Despite the strengths of the selected methodology, certain limitations should be acknowledged. First, the use of convenience sample and its size is considered sufficient for the purpose of diplomatic research, however, it may cause limitations of a safe generalization of the findings to all Greek territory, as the sample does not fully represent the broader population of employees across different organizations and regions. For more comprehensive and inclusive results, larger-scale research is required. Furthermore, the study relies on personal beliefs, perceptions and experiences regarding diversity and inclusion practices within the workplace, including potentially biased responses based on personal incidents. Thus, data reflects a subjective perception of individuals, taking into account that participants may interpret questions differently or provide socially desirable responses when addressing sensitive topics such as D&I. Also, this study focuses on statistically significant findings, which may limit the discussion of potentially relevant but non-significant relationships. Finally, the cross-sectional nature of the study captures perceptions and opinions at a single specific point of time, thus it does not allow the examination of changes in attitudes over time. Future research could address these limitations by employing mixed method approaches in a more long-term approach to provide deeper insights into diversity and inclusion initiatives' impact on both employees and organizations.

4 Data analysis and findings

4.1 Presentation of the results

This chapter showcases the findings derived from the empirical research implemented for this study. The aim of the analysis is to examine employees’ perceptions of diversity and inclusion initiatives and identify their impact on employees’ satisfaction and engagement. The sample that participated in the survey represents employees with diverse demographic backgrounds and professional experience. The differentiation among participants provides a broad range of perspectives related to D&I practices within the workplace and their impact on employees’ behaviors and experiences. The interpretation of the research results focuses firstly on descriptive statistics related to demographic characteristics, succeeded by the correlation between D&I initiatives within organization and employees’ attitudes. Finally, results regarding individuals’ satisfaction and engagement are demonstrated, focusing on employees’ levels of motivation, commitment and psychological connection to their work and organization.

4.1.1 PART A: Sample Demographics

As presented in the Diagram 1, there is an equal representation of both genders with men represent 56% and women 44% of the total participants in the survey. In Diagram 2, we observe that the majority of the respondents are between 26 to 45 years old, since age group 26-35 dominates with 53% and age group 36-45 comes next with 41%.

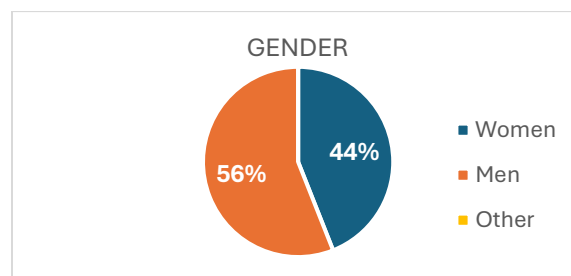


Diagram 1: Gender of respondents

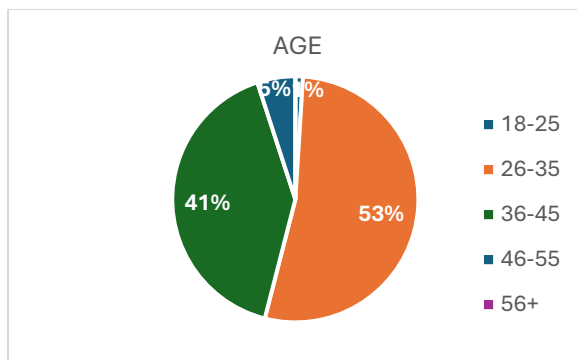


Diagram 2: Age of respondents

Regarding participants' level of studies, most of them acquire at least higher education level with 56% of the respondents to be postgraduate degree holders, while 41% of them are university or TEI graduates (Diagram 3).

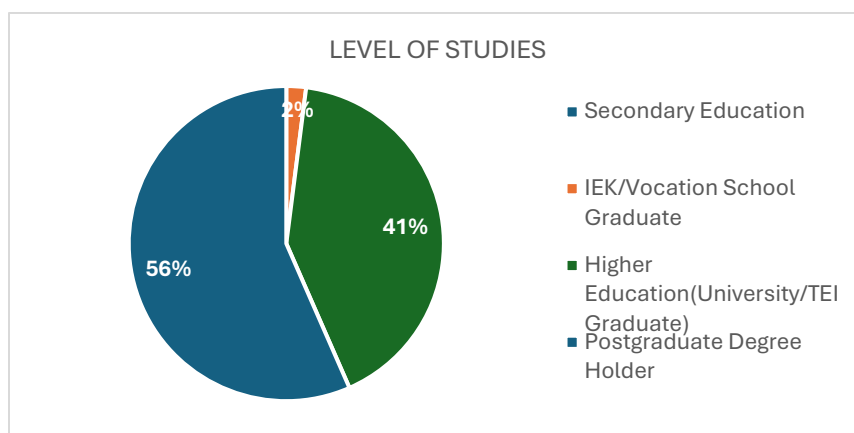


Diagram 3: Education level of respondents

In Diagram 4, the split between working sectors is presented with private having stronger representation (76%) compared to public sector (24%). In addition, the majority of participants work with full presence in the workplace (56%), while the rest adopt mainly a hybrid working model (40%) rather than remote (3%), which consists the minority of the sample, as presented in Diagram 5. Finally, it is important to highlight the share of the years of working experience in the current organization, as it consists a determinant factor in order to extract key conclusions and recommendations for the implemented research. As exhibited in Diagram 6, there is almost an equal demonstration between different years of experience, with the advantage given mainly to employees with more than 6 years of work experience (41%), followed equally by both 1-3 years (25%) and 4-

6 years (25%), while lastly individuals with less than 1 year experience consist the minority with 9% representation. The data also indicate that half of the respondents work mainly 41-50 hours per week, whereas for the rest half, 21-40 hours outweigh with 33% (Diagram 7).

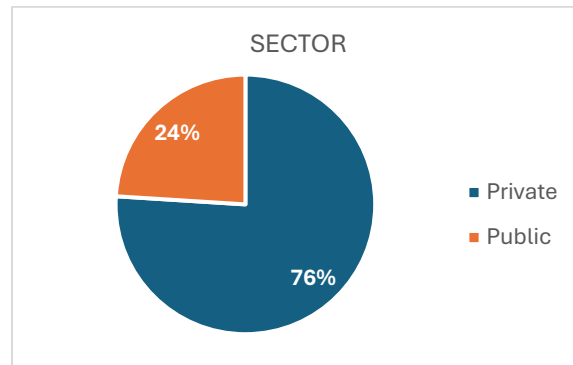


Diagram 4: Working sector of respondents

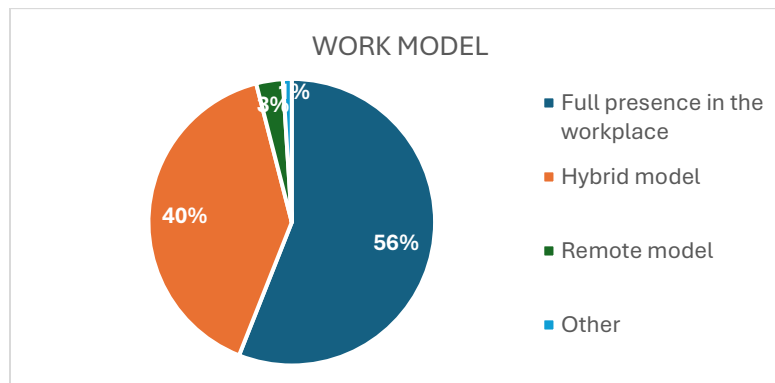


Diagram 5: Work model of respondents

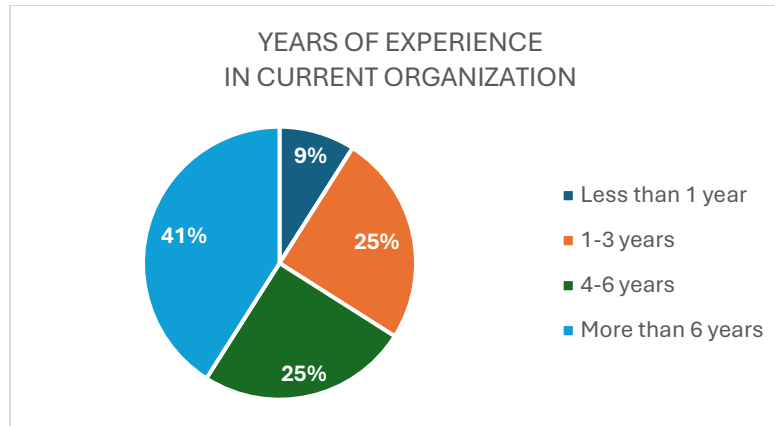


Diagram 6: Years of experience of respondents

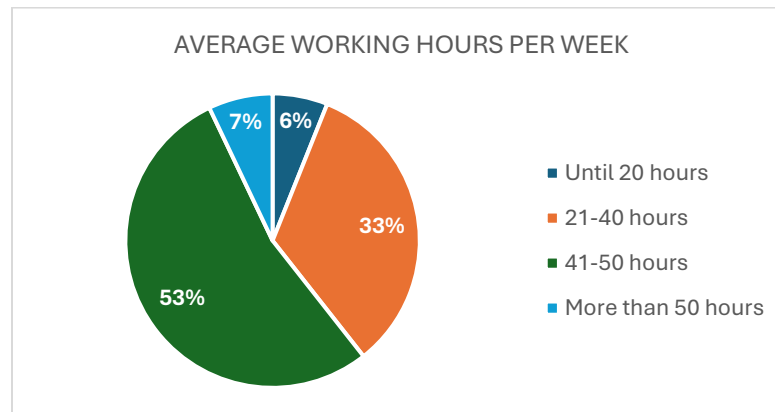


Diagram 7: Average working hours per week of respondents

4.1.2 PART B: Employees’ perceptions of Diversity and Inclusion practices

For the purposes of our research is crucial to examine employees’ perceptions related to Diversity and Inclusion practices. It is important to clarify that the analysis focuses only on statistically significant relationships identified in the data ($p \text{ value} < 0,05$), in order to highlight the most meaningful associations between diversity and inclusion initiatives, employee satisfaction and employee engagement.

To begin with, the analysis of the responses regarding D&I policies revealed statistically significant relationships between individuals’ perceptions and their sector of employment. More specifically, a statistically significant association was identified

between sector and perceptions of anti-discrimination policies (Diagram 8, $p=0,009$ and $\chi^2=13,648$). Employees working in private sector reported higher level of agreement regarding the presence and effectiveness of anti-discrimination policies compared to those in the public sector. On the other hand, a significant proportion of public sector employees responded more neutral or negative, indicating either restricted exposure or weaker implementation of these initiatives. This gap can reflect deviations regarding to implemented flexibility, communication practices or D&I policies prioritization within organizations among sectors. As a result, we can conclude that organizational context is a defining factor in shaping how the policies or practices related to diversity are perceived by employees.

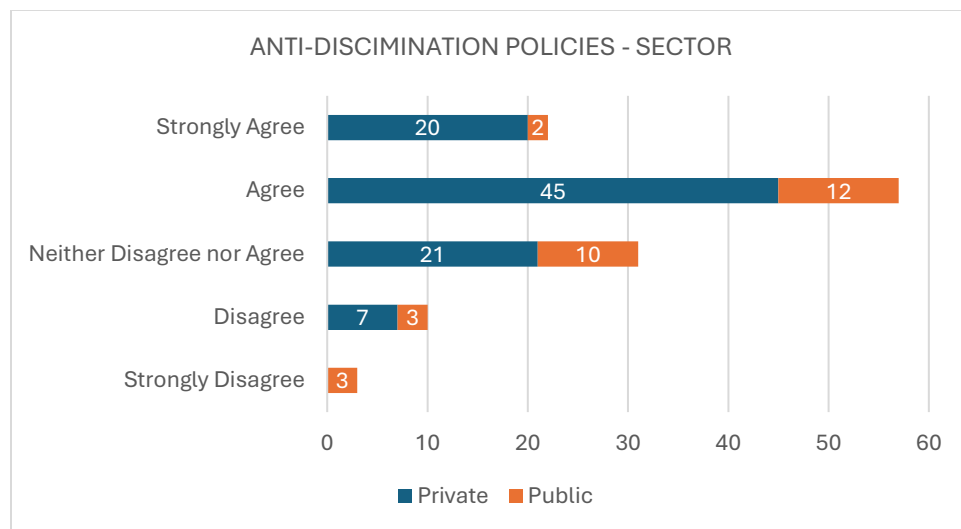


Diagram 8: Relationship between anti-discrimination policies

Beyond anti-discrimination policies, a statistically significant relationship was detected between sector and overall perceptions of diversity and inclusion with organization (Diagram 9, $p=0,001$ & $\chi^2=18,633$). Based on the results, employees in the private sector tend to evaluate D&I practices more positively, while in public sector, employees are more likely to express moderate or less favorable perceptions. This indication enhances the belief that sectors segmentation influence the implementation and incorporation of inclusion within organizational culture and daily practices.

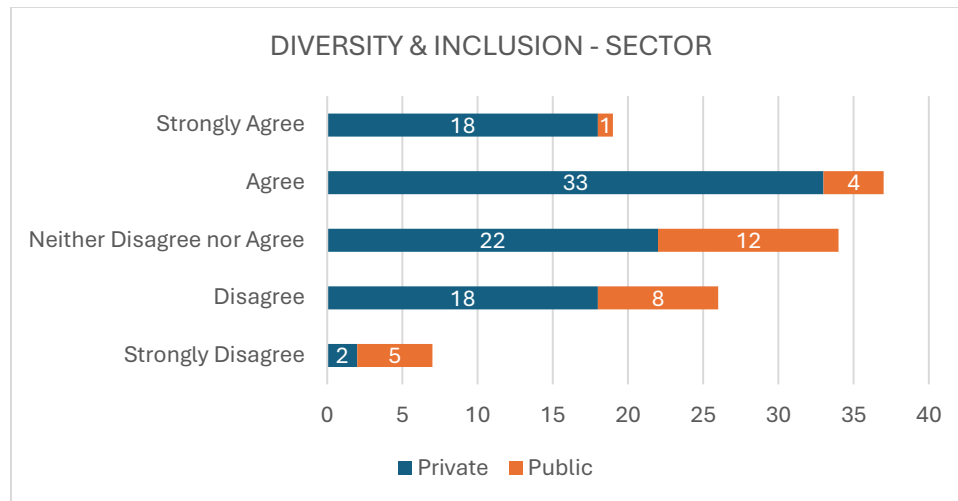


Diagram 9: Relationship between D&I and sector

Overall, the findings highlight the distinction and difference among employees' perceptions related to the effectiveness of diversity and inclusion policies across sectors, despite that such initiatives formally exist across organizations. Therefore, beyond policy adoption, organizations must set the ground for an effective and consistent implementation, focusing on communication and reinforcement of inclusive practices to ensure that individuals experience and benefit from them.

4.1.3 PART C: Impact on employees' engagement and satisfaction

According to findings' analysis, work experience and performance of employees are also strongly correlated with demographic characteristics, particularly work experience and education level, which showcases important insights regarding diverse perceptions across different groups of employees.

To begin with, significant statistical association was identified between work experience and the perception that cultivating a climate of acceptance improves team effectiveness (Diagram 10, $p=0,006$ & $\chi^2=23,028$). Employees with more years of experience, specifically those with more than six years, tended to agree or strongly agree with this statement. In contrast, individuals with less experience provided more varied responses, including neutral positions. Therefore, it can be implied that experienced employees have

a greater ability to recognize the practical benefits of inclusive environments, possibly due to broader exposure to diverse teams and organizational settings.

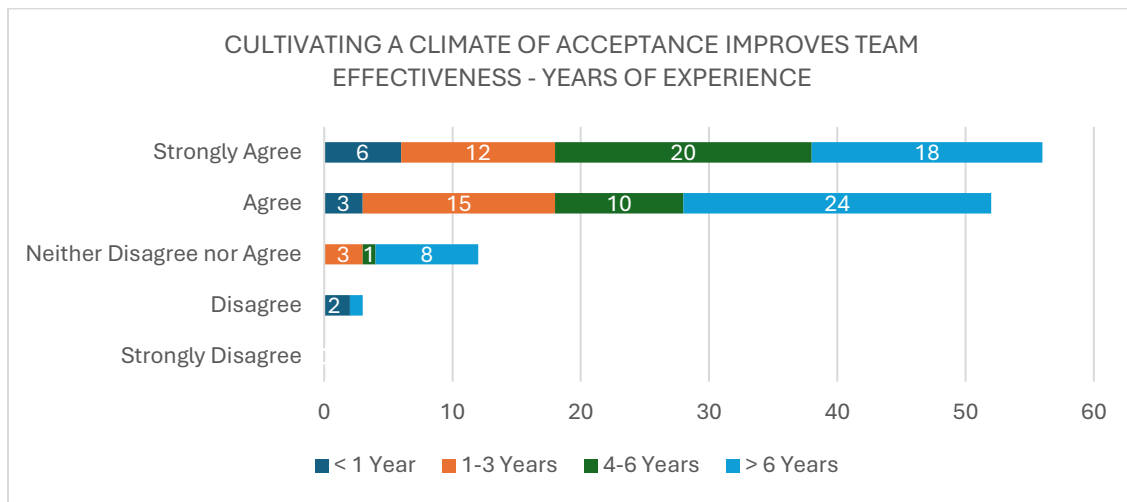


Diagram 10: Relationship between cultivation of a climate of acceptance that improves team effectiveness and years of experience

Furthermore, a strong correlation was found between education level and the perception that collaboration between individuals with different views leads to better solutions (Diagram 11, $p=0,007$ & $\chi^2=21,190$). Respondents with higher educational qualifications, particularly those holding university or postgraduate degrees, expressed stronger agreement to this assertion rather than individuals with lower educational levels. Therefore, accurate conclusions can be implied related to the contribution of educational level in shaping individuals' openness to diversity, critical-thinking abilities and appreciation of multiple perspectives in problem-solving processes.

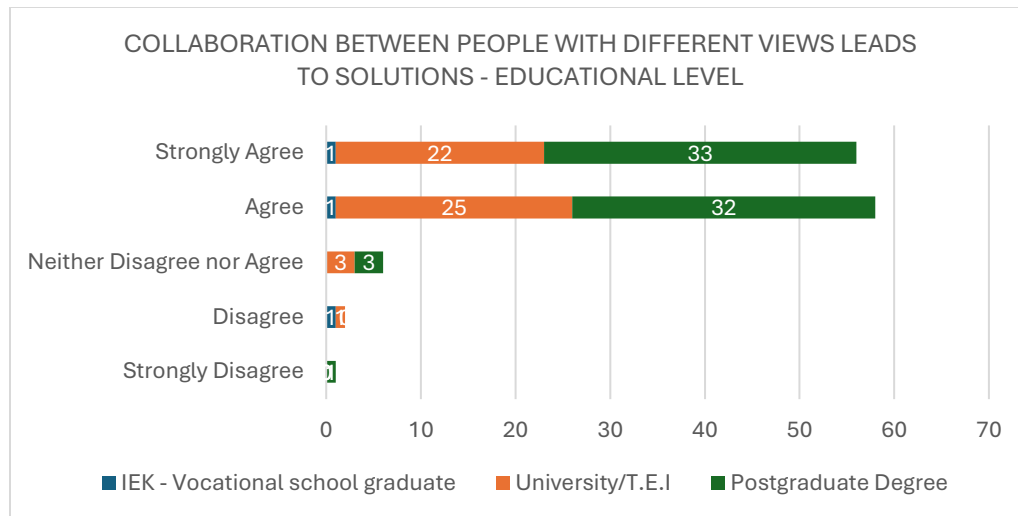


Diagram 11: Relationship between collaboration of people with different views leading to solutions and educational level

Last but not least, the findings revealed a strong correlation between work models and perceptions of whether their organization implements D&I training seminars to address unconscious bias and promote diversity (Diagram 12, $p=0,003$ & $\chi^2=29,737$). Employees working in hybrid model reported higher levels of agreement that such seminars are implemented, whereas individuals working with full presence in the workplace were more likely to express disagreement or neutral perceptions. According to these results, it can be assumed that organizational communication and exposure to diversity initiatives can differ across work models, with hybrid environments potentially prioritizing or providing greater visibility to such activities.

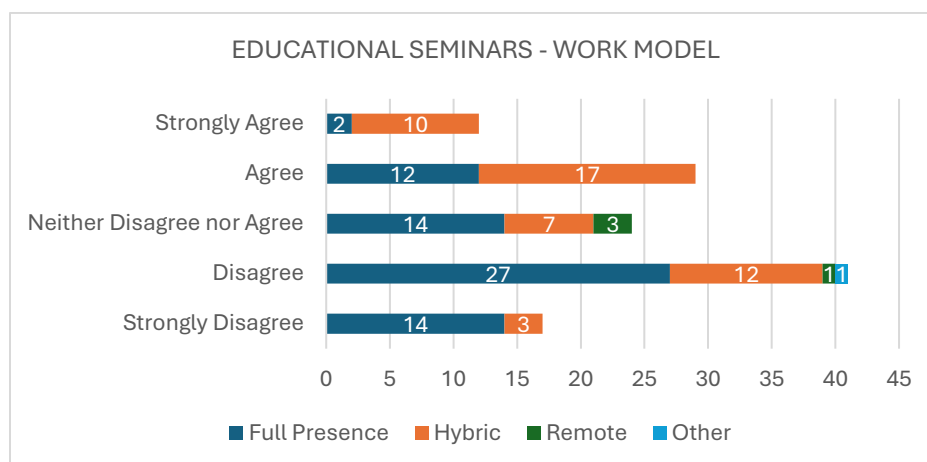


Diagram 12: Relationship between educational seminars and work model

Overall, the presented findings showcase that employees’ perceptions of diversity and inclusion are influenced by both individual characteristics and organizational factors, such as experience, education or work model, with important implications for employee satisfaction and engagement. Employees who show greater awareness of inclusion, such as individuals with more experience or higher education level, tend to recognize even bolder the positive effects of acceptance, collaboration and diverse perspectives in the workplace. Likewise, the diverse perspectives observed across different sectors and work models indicate that employees who are more exposed to diversity initiatives, such as training programs and inclusive mentoring, are prone to perceive their work environment as more supportive and inclusive. This impression creates a stronger sense of belonging and psychological safety within workplace, which consists of key drivers of both employees’ satisfaction and engagement. According to these findings, further analysis is required in order to understand their alignment with existing literature, emphasizing on the results’ implications with the intention of identifying diversity’s and inclusion’s influence on employees’ satisfaction and engagement.

5 Discussion

5.1 Interpretation of findings

The findings of this study provide meaningful insights into the importance of diversity and inclusion initiatives and how they influence employees’ perceptions, behaviors, satisfaction and engagement within organizations. The emphasis lies on statistically significant results, which showcase that D&I practices, such as inclusive work environments, fair-treatment policies and training sessions, are strongly associated with positive employee attitudes and workplace experiences.

To begin with, main conclusion relates to the positive association between inclusive workplace environment and team’s effectiveness maximization, particularly among employees with more years of work experience. This finding suggests that experienced employees are more capable of recognizing and appreciating the value of inclusion within

the organization, mainly thanks to their prolonged exposure to different cultures or workplace dynamics over time. Furthermore, it is important to highlight the inclusion's contribution on the creation of a sense of belonging, collective efficacy and shared purpose, which all of them are key contributors for employee engagement. Therefore, employees who acknowledge the impact of diversity, which enhances team performance, are more likely to feel motivated and willing to contribute and cooperate actively.

In addition, the results reveal a statistically strong correlation between private and public sector employees regarding their perceptions of anti-discrimination policies and broader diversity and inclusion initiatives. More specifically, employees who work in private sector tend to evaluate these practices more positively, possibly due to more well-structured implementation, stronger leadership commitment or greater emphasis on organizational performance outcomes. Consequently, employees' satisfaction is enhanced, since perceptions of fairness, equal treatment and equity are established, which are considered fundamental elements for individuals in order to evaluate their work environment's culture positively. On the other hand, public sector employees tend to present more neutral or negative opinions regarding D&I practices, likely creating confusion, uncertainty and lower satisfaction.

Another crucial factor that impacts employees' behaviors and perceptions of diversity is the educational background. According to findings, individuals with higher levels of education perceive collaboration among employees with diverse perspectives as a key driver in defining better solutions. Furthermore, diversity acts as a driver for innovation and creative thinking, reinforcing individuals' intrinsic motivation and empowerment, thus engagement, since both constitute key elements of sustained participation. A significant positive association is linked also between inclusion-related practices and employees' sense of being valued and accepted within the organization. More specifically, individuals who feel that they can express themselves openly within their workplace tend to bring more positive outcomes. Sense of comfort and self-expression espouse the concept of psychological safety, which is a crucial element for both satisfaction and engagement of individuals. Therefore, employees who feel safe and

valued tend to participate actively, share and exchange ideas, take initiatives and contribute beyond formal frameworks, accelerating engagement.

Last but not least, research results showcase that work models influence employees' perceptions of D&I, since individuals who work in hybrid models tend to evaluate more positively inclusive initiatives, such as training seminars. This indication suggests that flexibility in work arrangements enhances employees' sense of autonomy and inclusion, thus strengthens engagement. In any case, hybrid work models require further intentional communication, flexibility and collaborative practices in order to create connection, raise team's spirit, promote inclusion, awareness and sense of belonging. In general, the significant relationship between inclusion and employees' perception of organizational success highlights the strategic importance of D&I initiatives. Companies that prioritize such practices are more likely to develop positive work environments enhancing both satisfaction and engagement of employees, as well as organizational performance. Therefore, it can be argued that inclusion operates not only at interpersonal, but also at organizational level, influencing how employees perceive the effectiveness and strategic orientation of their organization.

5.2 Comparison with existing studies

The findings of the study come to agreement with existing literature, while also providing additional contextual insights. Consistent with prior research, the results confirm that inclusive workplaces are positively associated with employee satisfaction, engagement and overall organizational performance. More specifically, the strong connection between inclusion and team effectiveness is emphasized according to earlier studies, while highlighting the importance of psychological safety in fostering collaboration and innovation within workplace. Research results indicate that employees' perceptions of respect and inclusion provoke their willingness to contribute with their ideas, engage beyond their formal responsibilities and innovate. This argument is confirmed and reinforced also by the present study, which demonstrates that employees explicitly recognize the link between inclusion and team performance.

Likewise, the importance of fair treatment and anti-discrimination policies align with established theories of organizational justice. According to these frameworks, employees' perceptions of fairness significantly influence their behaviors on interpersonal and organizational levels. The current findings broaden this perspective by emphasizing the sectoral differences impact, indicating that their effectiveness vary depending on organizational context and application. In addition, diversity's contribution in the acceleration of creativity and problem-solving is underlined in both existing literature and study's results. In particular, employees with higher educational backgrounds appear to embrace this belief more strongly, suggesting that awareness and understanding of the impact of diversity can influence engagement results.

However, a significant implication that rises from current study results and provides added value to existing literature is the importance and influence of work models on employees' perceptions, satisfaction and engagement levels. While previous research has examined remote work and flexibility, fewer studies have directly linked these factors to diversity and inclusion outcomes. This gap is particularly important in contemporary work environment, as in the post-Covid pandemic era the widespread adoption of hybrid and remote work models has been accelerated. These new work models have fundamentally reshaped how employees interact, cooperate and experience inclusion within organizations. In fact, in hybrid settings, there might come various opportunities and challenges for inclusion, since employees are not placed physically in the same workplace. From one perspective, flexible work arrangements enhance inclusion by accommodating diverse employees' needs, such as parental responsibilities, disabilities or different working styles. As a result, employees' sense of autonomy, well-being and work-life balance are accelerated, increasing overall job satisfaction and engagement. On the other hand, hybrid settings may raise exclusion inconsistencies, especially when communication, visibility and participation are unevenly distributed among employees with diverse work models. Study results indicate that employees' perceptions of fairness, belonging and organizational support can be accelerated in hybrid model environments, when diversity and inclusion practices are implemented, such as equal access to opportunities and inclusive leadership. Thus, inclusion within hybrid frameworks

emerges as a critical factor in sustaining both employees’ engagement and satisfaction, especially nowadays.

Considering these findings, the following section focuses on the broader implications for theory and practice in order to understand how organizations can effectively leverage diversity and inclusion practices to accelerate both employee outcomes and overall organizational performance.

5.3 Implications for theory and practice

To begin with theoretical implications, the study enhances the conceptualization of inclusion as a key driver that links diversity to employee satisfaction and engagement. The findings showcase that diversity alone is insufficient to generate positive outcomes, since inclusion determines how diversity is experienced within the organization. In addition, the study underscores the importance of contextual variables such as sector, work experience, education and work model, which constitute determinant drivers on how employees perceive and respond to D&I initiatives. Based on the findings, a more nuanced and multi-dimensional approach should be adopted following a personalized proposition according to the needs and characteristics of each organization and its culture. Finally, the results contribute to the expanding literature base that integrates psychological and organizational perspectives, claiming that engagement is shaped by both employees’ perceptions and structural policies, thus providing a more comprehensive understanding of employee behavior in diverse workplaces.

From a practical viewpoint, the findings provide clear guidance for organizations that aim to foster a more diverse and inclusive approach in order to accelerate employee satisfaction and engagement. Initially, organizations should ensure that effectively communicating anti-discrimination policies to employees, since the existence of inclusive practices themselves is not sufficient. It is important to be examined whether employees perceive these policies as genuine and impactful, because if not, trust and satisfaction can be minimized. According to study results, investment in diversity training should be also prioritized, especially regarding initiatives that address unconscious bias. Continuous

learning and awareness-building activities influence employees’ perceptions of inclusion, affecting their engagement and freedom of expression. Fostering an environment that supports open communication and values individuals’ contributions is crucial in order to accelerate employees’ levels of engagement and satisfaction. Also, psychological safety should be actively cultivated through leadership behaviors, communication practices and organizational culture. Leaders are key contributors in shaping inclusive environments and behaviors, reinforcing the importance of diversity. Specifically, diversity should be acknowledged and leveraged as a strategic asset by organizations, focusing on and promoting collaboration across different groups. The encouragement of diverse teams to work together, share ideas and brainstorm leads to increased creativity, problem-solving and decision-making, strengthening engagement. Last but not least, the findings highlight the importance and the impact among different working models, especially flexible work arrangements, on employees’ perceptions of inclusion and engagement. Therefore, organizations should take into consideration how their strategic planning and work frameworks can facilitate participation, communication and access to equal opportunities for all employees.

6 Conclusion and recommendations

6.1 Summary of the study

The present study aimed to examine the influence of diversity and inclusion initiatives on organizational performance and employee satisfaction and engagement. Based on existing literature and empirical data collected through questionnaire, the research explored employees’ perceptions of D&I practices and their impact on key outcomes related to workplace’s environment. The findings of the study confirm that diversity and inclusion are strategic factors that significantly shape employees’ experiences within organizations. More specifically, the results demonstrated statistically significant relationships between D&I practices, such as inclusive organizational culture, collaboration across diverse groups and training seminars, and employees’ perceptions of

fairness, sense of belonging and organizational effectiveness. Furthermore, the study highlighted a strong correlation among these factors and employee satisfaction and engagement, since individuals tend to feel more valued, express themselves freely, cooperate effectively and remain committed to their organization, when they perceive their workplace as inclusive. According to findings, the importance of the implementation of inclusive initiatives is accelerated particularly in modern work frameworks, in which flexible work arrangements are implemented and maintaining fairness and equal participation becomes more complex, yet more critical.

6.2 Main conclusions and recommendations for practice and future research

The study demonstrates that both diversity and inclusion initiatives play a fundamental role in enhancing employee satisfaction, engagement and overall organizational performance. The adoption and promotion of fair treatment, equal opportunities and respect for individuals' uniqueness within organization, develops a positive work attitude, leading to increased motivation, commitment and productivity for employees. Practices that foster a safe space for diverse exchange of ideas and invest to address unconscious bias, contribute to stronger teamwork and more positive perceptions of organizational effectiveness, highlighting the interconnection between D&I practices and positive outcomes for both individuals and organizations. In the context of flexible work arrangements, such as hybrid model, the importance of inclusion is accelerated, as differences in work models may affect communication, visibility and participation.

Based on these conclusions, organizations are encouraged to adopt a structured and consistent approach to diversity and inclusion, including clearly defined and actively implemented anti-discrimination policies and targeted training initiatives in order to raise awareness, support inclusivity and mitigate bias among employees. In addition, organizations should monitor with consistence the perceptions of employees related to inclusion, satisfaction and engagement, allowing them to identify gaps and improve their practices. Emphasis should also be placed on embedding inclusion within hybrid work environments, ensuring that flexibility does not lead to inequality. Finally, future research could expand on these findings by focusing on different organizational frameworks,

incorporating additional variables and exploring the long-term impact of D&I initiatives in evolving workplace settings.

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Appendix

Questionnaire: The Impact of Diversity & Inclusion on Employee Performance and Satisfaction

The purpose of this study is to investigate how policies that promote diversity (e.g., gender, age, ethnicity) and inclusion affect both organizational performance and the level of employee satisfaction.

This research is conducted as part of a Master in Business Administration (MBA) thesis at the Hellenic Open University and is addressed to employees in both the private and public sectors. Please take a few minutes to complete this questionnaire, which is designed to take no more than 5 minutes.

Your participation is voluntary and completely anonymous. The data collected will be used exclusively for academic purposes and will only be presented as aggregate statistical results. By completing and submitting the questionnaire, you consent to the use of your responses in this research.

Thank you in advance for your time and contribution!

Section A: Demographics & Profile

All your information is strictly confidential.

1. **Gender:**

- Female
- Male

1. **Age:**

- 18-25
- 26-35
- 36-45

- 46-55
- 56 and above

2. Educational Level:

- Secondary Education (High School)
- Tertiary Education (University / Technical Institute)
- Vocational Training Institute (IEK) / Technical School
- Postgraduate / Doctoral Studies

3. Sector of Business Activity:

- Private
- Public

4. What is your current work model?

- On-site
- Hybrid
- Fully Remote
- Other

5. How many years of work experience do you have at your current organization?

- Less than 1 year
- 1-3 years
- 3-5 years
- More than 5 years

6. How many hours do you work on average per week?

- Up to 20 hours
- 21-40 hours
- 41-50 hours

- Over 50 hours
-

Section B: Diversity & Inclusion Initiatives

Instructions: Please rate the following statements using the scale: **1: Strongly Disagree, 2: Disagree, 3: Neither Disagree nor Agree, 4: Agree, 5: Strongly Agree.**

7. Evaluate the statements based on your experience.
 - The organization has clear anti-discrimination policies.
 - Management actively and practically communicates the importance of diversity and inclusion.
 - The organization conducts training seminars on addressing unconscious bias and accepting diversity.
 - Recruitment and promotion processes are fair, objective, and based solely on skills.
 - The organization provides the necessary infrastructure and facilities for employees with disabilities or other special needs.
 - The organization ensures equal pay and equal opportunities for professional development (mentoring, promotions) for all, regardless of gender or background.
 - The organization promotes a culture of collaboration between individuals with different characteristics and practically recognizes the value of diversity.
-

Section C: Impact on Work Experience and Performance

Instructions: Please rate the following statements using the scale: **1: Strongly Disagree** to **5: Strongly Agree**.

8. Evaluate the statements based on your experience.

- I feel that my contribution is valued in the organization, regardless of my personal characteristics or background.
- I feel comfortable expressing my personality in the workplace without fear of criticism or exclusion.
- I am satisfied with my current work environment and would recommend it to others as a good employer.
- I believe that collaboration between people with different views and experiences leads to more creative solutions for the organization.
- Cultivating a climate of acceptance reduces conflict and improves my team's effectiveness.
- I believe that the organization operates better and is more successful when it actively invests in inclusion.
- Diversity initiatives strengthen my desire to remain and grow within this specific organization.

9. How necessary do you consider a seminar on diversity in order to mitigate discrimination? (*Scale: Not at all - Very much*)

10. What specific action could the company take to make you feel more included in your daily work? (*Open-ended question*)

Author’s Statement:

I hereby expressly declare that, according to the article 8 of Law 1559/1986, this dissertation is solely the product of my personal work, does not infringe any intellectual property, personality and personal data rights of third parties, does not contain works/contributions from third parties for which the permission of the authors/beneficiaries is required, is not the product of partial or total plagiarism, and that the sources used are limited to the literature references alone and meet the rules of scientific citations.