



Lisbon School  
of Economics  
& Management  
Universidade de Lisboa

# **MASTER**

## **HUMAN RESOURCES MANAGEMENT**

### **MASTER'S FINAL WORK**

#### **DISSERTATION**

**DIVERSITY, EQUITY AND INCLUSION INITIATIVES: THEIR INFLUENCE  
ON ORGANIZATIONAL CULTURE AND PERFORMANCE**

**FRANCISCA PEREIRA FIALHO**



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JUNE - 2025



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## ABBREVIATIONS

DE&I – Diversity, Equity, and Inclusion

ERG – Employee Resource Group

IT – Information Technology

LGBTQA+ - Lesbian, Gay, Bisexual, Transgender, Queer/Questioning, and Asexual

SET – Social Exchange Theory

USA – United States of America

#### ABSTRACT, KEYWORDS AND JEL CODES

Diversity, Equity, and Inclusion (DE&I) have become central themes in organizational development, particularly as companies strive to create more inclusive and representative workplaces. However, the true impact of these initiatives is often debated, especially considering growing political opposition in certain global contexts. This study explores how DE&I efforts are perceived by employees within a large American multinational company, focusing on variations across hierarchical levels, regions, and demographic backgrounds.

Adopting a qualitative methodology with an interpretivist lens, the research draws on 17 semi-structured interviews analyzed using Braun and Clarke's thematic analysis. Six key themes were identified, including perceptions of DE&I, leadership influence, regional disparities, and reactions to anti-DE&I sentiment. The study found that DE&I initiatives are generally viewed as positive when perceived as authentic and backed by visible leadership support. Middle and upper management often described these initiatives as meaningful drivers of psychological safety, trust, and retention. Contrarily, staff-level employees, especially those not directly involved in DE&I activities, tended to perceive such initiatives as symbolic or tied to annual performance goals.

Social Exchange Theory (SET) provided a valuable insight for interpreting the data. Where employees perceived DE&I efforts as reciprocal and fair, they reported stronger engagement, loyalty, and belonging. When viewed as top-down or inauthentic, responses included skepticism and disengagement. The study makes both theoretical and practical contributions; it enriches the DE&I literature by highlighting the role of employee engagement and leadership in shaping perceptions of inclusion and trust, and by incorporating voices from underrepresented groups. Practically, it offers actionable insights for organizations seeking to implement effective, culturally sensitive DE&I strategies that can withstand external pressures. In doing so, this research emphasizes the importance of authentic commitment, leadership modelling, and local adaptation in embedding DE&I into the organizational fabric.

**KEYWORDS:** Diversity, Equity, Inclusion; Organizational Culture; Organizational Performance; Social Exchange Theory.

**JEL CODES:** M14, J71, J78.

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## DIVERSITY, EQUITY, AND INCLUSION INITIATIVES: THEIR INFLUENCE ON THE ORGANIZATIONAL CULTURE AND PERFORMANCE

By Francisca P. Fialho

This study explores how Diversity, Equity, and Inclusion initiatives are perceived across hierarchical levels and regions within a multinational American company. Using qualitative interviews and thematic analysis, it reveals that authentic leadership and employee involvement are key to the perceived effectiveness of DE&I. Social Exchange Theory supports the finding that reciprocity fosters engagement, trust, and belonging. The study contributes to DE&I literature by including underrepresented voices and offers practical guidance for culturally responsive and sustainable DE&I strategies.

### 1. INTRODUCTION

The attention to the topic of diversity and inclusion has been exponentially increasing (Shore et al, 2018). Until 1987, few studies or articles existed that would mention diversity (Patrick & Kumar, 2012). However, the concept has captured the interest of scholars since the 90s, such as David Thomas & Ely Robin, and Michàlle Mor Barak, with it, the concept of inclusion came to light. In the 21st century, these concepts gained more relevance in the corporate world, with the increasing number of women in the workforce as well as the extension of globalization, which triggered a movement of people between countries and the expansion of companies across borders (Mor Barak, 2015). This led to multinational companies where people from different generations, cultures, and socio-economic backgrounds started to interact in a professional context (Daniels, 2001; Garg & Sangwan, 2021).

Following the evolution of the labor market, governments and other public entities developed legal regulations and internal policies supporting Diversity, Equity, and Inclusion (DE&I), creating a synergy between governments, regulatory entities, and organizations in the pursuit of establishing a supportive market (Mor Barak, 2015). According to Daniels (2001), more than 75% of companies that belong to the Fortune 1000 have adopted initiatives related to diversity, which led to the management of diversity being seen as more than a mere choice, but instead a crucial and imperative business strategy (Daniels, 2001; Garg & Sangwan, 2021). Nowadays, the workplace is generally described as diverse, with a blend of individuals of different cultures, ethnicities, genders, and socio-economic backgrounds, bringing richness of perspectives and experiences that can significantly reinforce innovation and organizational performance (Leuhery et al., 2024).

However, on January 20th, 2025, the recently elected president of the United States of America (USA), Donald Trump, coordinated to terminate all programs, directives, legislations, and activities, as well as public offices within the White House, connected to initiatives on DE&I, under the pretext that these are, in fact, illegal discriminatory programs (Trump, 2025). Many of these programs, directives, and legislations were implemented during the previous government, following the civil rights movements that emerged after the incident of George Floyd, a black man who was assassinated by a white police officer during a detention over suspicion of using a fake 20-dollar bill. The American corporate world quickly followed the example of former USA president Joe Biden and committed to dedicating part of their funds to programs related to DE&I (Baum, 2021). Based on the recent events, the following questions emerge: will companies abandon all efforts dedicated to DE&I initiatives following the example of the current USA president, triggering similar behavior throughout other global powers? Or did these initiatives create such a positive impact on people and the companies' organizational culture that they are persuaded to keep investing in them?

Research has been substantiating the importance of organizations implementing DE&I initiatives and embedding them as part of their organizational goals and values, reinforcing the concept that these are crucial to demonstrate to employees that the company's culture fosters inclusivity by accepting their employees independently of how different they might be; this creates a sense of trust and belonging (Shore et al., 2018). By building such a relationship exchange, studies show that employees exhibit more loyalty and higher commitment levels toward the organization (Cropanzano & Mitchell, 2005; Emerson, 1976).

Despite the current relevance of DE&I and the increasing efforts from companies to implement these initiatives and the existing abundance of literature regarding their impact on different factors and variables, authors still call out for gaps in the literature. Most of the research on DE&I in the corporate world and the workforce focuses essentially on the analysis of the perspective of white, heterosexual, cisgender men, leaving behind groups that are still considered marginalized, such as women, people of color, members of the LGBTQA+ community, and people with disabilities (Olusanya, 2023). It is necessary to consider that diversity is not limited to just one gender or race, or groups previously mentioned; diversity also includes essential features such as age and socio-economic

background (Mathur & Pandey, 2024). However, even though many studies have been targeting these topics, there are still gaps; most of these studies have been performed on very specific groups, not capturing the perceptions of underrepresented groups or other cultures aside from the Western ones (Garg & Sangwan, 2021).

The current study will focus on exploring the impact of DE&I initiatives on organizational culture and performance. Its purpose is to explore how employees and middle and upper management from an American multinational company perceive DE&I efforts. The focus lies on understanding how DE&I initiatives influence employee engagement, organizational loyalty, and workplace culture, as well as how individuals across different geographies and demographics experience and evaluate their outcomes (Mor Barak, 2015).

This research also addresses the growing pressure from certain governments and societal groups to reduce or eliminate DE&I strategies, examining how these external forces are perceived internally and what implications they may have for the company's culture and performance (Garg & Sangwan, 2021; Leuhery et al., 2024). By giving voice to employees at various hierarchical levels and regional contexts, the study seeks to provide an understanding of the value and impact of DE&I from within the organization (Saunders et al., 2019). The main objectives of this study are to assess the perceived value and impact of DE&I initiatives on employee engagement and loyalty, explore whether those perceptions differ across hierarchical levels, demographic groups, and geographical locations, and understand how employees perceive anti-DE&I measures and their possible impact on organizational culture and performance. By focusing on these objectives and further addressing the topic, the research will focus on answering the following questions:

1. How do employees from different hierarchical levels perceive the impact of DE&I initiatives on different outcomes, such as loyalty, commitment, and engagement?
2. How do employees from different countries, cultures, demographics, or underrepresented groups (e.g., gender, race, sexuality) perceive the outcomes of DE&I initiatives?
3. How do employees at various hierarchical levels assess the effectiveness of DE&I initiatives, and how does this perception impact their relationship with the organization?

4. How do all employees perceive the anti-DE&I policies and their impact on the organizational culture and performance?

This dissertation is structured in six chapters, starting with the current chapter, the introduction and purpose of the study, followed by chapter two, focused on the literature review on diversity, equity, inclusion, organizational culture, and performance concepts, and how these may be interconnected. Chapter three will be focused on the methodology used for this study, and from chapter four onwards, the dissertation will focus on the results, discussion from the collected data, and conclusions, limitations, and future research considerations.

## 2. LITERATURE REVIEW

Throughout this chapter, with the support of the literature review, different concepts will be defined, such as diversity, equity, inclusion, DE&I initiatives, organizational culture, and performance, in order to provide a conceptual framework for the current study.

This study applies Social Exchange Theory to understand how employees perceive Diversity, Equity, and Inclusion initiatives within a multinational corporate context. Originating from Blau (1964), SET suggests that social behavior is shaped by reciprocal exchanges, where perceived fairness, support, and trust from the organization are returned with employee loyalty, engagement, and commitment (Cropanzano & Mitchell, 2005). In the context of DE&I, this theory provides a valuable lens to interpret employee responses: when initiatives are viewed as authentic and respectful, they foster a stronger sense of belonging and organizational identification (Shore et al., 2018). However, when these initiatives are seen as performative or compliance-driven, particularly among staff-level employees or marginalized groups, they tend to trigger skepticism and disengagement, disrupting the perceived reciprocity of the employer-employee relationship (Dobbin & Kalev, 2016; Roberson, 2019). This framework is especially relevant given the political polarization of DE&I, offering a relational understanding of why inclusive initiatives succeed or fail in practice.

### *2.1. Introduction to Diversity, Equity and Inclusion*

For over 30 years, the concepts of diversity, equity and inclusion have been gradually evolving as a result of multiple studies regarding their relevance, importance and impact in different fields, such as society and the corporate world (Cox & Blake, 1991; Ely & Thomas, 2001; Mor Barak, 2015; Shore et al., 2018; Sabharwal, 2014). Currently, they are considered fundamental concepts, especially in organizations and in the Human Resource Management field (Olusanya, 2023; Offermann & Basford, 2006; Sabharwal, 2014).

Diversity was the first concept that caught the attention of scholars; according to the *Society for Human Resource Management*, diversity is defined as the differences between individuals, based on their attitudes, which creates the perception that the other person is different from oneself (Charles-Garza, 2020). However, the concept of diversity



goes beyond the mere perception of the differences between individuals. This concept includes the willingness to accept, respect, and comprehend that each individual is unique as well as the recognition of their own differences (Charles-Garza, 2020; Mor Barak, 2015; Page, 2007). These differences can be in multiple dimensions, from gender, sexual orientation, socioeconomic background, physical abilities, religious or political beliefs, or any other ideologies (Patrick & Kumar, 2012; Wadhwa & Aggarwal, 2023).

Equity, on the other hand, is the capacity of equal treatment to either individuals or groups, which also takes into consideration the needs and characteristics of the individuals, depending on the context and the circumstances (Charles-Garza, 2020).

Oswick & Noon (2014) mentioned that the interest in equity has remained stable, while the interest in diversity and, consequently, inclusivity has increased over the last 20 years (Oswick & Noon, 2014). Today, the terms “diversity” and “inclusivity” are even considered co-dependent, since diversity is considered the necessary element for inclusivity. Inclusivity is, on the other hand, the needed antecedent for diversity (Garg & Sangwan, 2021). Roberson (2019) goes beyond and suggests the emergence of the new rhetoric in the field of diversity, in which this concept is currently replaced by the term “inclusivity” (Roberson, 2019; Garg & Sangwan, 2021).

With the new social standards and requirements towards a more diverse society and the need for a more equal and inclusive world, the DE&I concept as a whole has emerged, and efforts that have been deployed in the development of cultures that embed these concepts have become critical for the long-term sustainability of any organization. While before DE&I efforts were implemented to obey laws and regulations, nowadays DE&I frameworks have become more complex, aiming to create real equitable opportunities and environments that can foster and embrace the diverse fabric of society and, ultimately, of the workforce (Rosa, 2025).

In order to address the complexity of the evolved DE&I frameworks within the organizations, companies had to expand the efforts from redesigning, for example recruitment processes, only to accommodate the laws against discrimination, to actually integrating these concepts on their day to day operations, objectives and even in the their culture, through the creation of strategic DE&I initiatives embedded into the key organizational objectives (Mathur & Pandey, 2024).

## *2.2. DE&I initiatives*

Initially, the concepts of diversity and inclusiveness would be used to conform with laws and regulations against discrimination. With the evolution of both concepts, their importance became unquestionable by the literature, as well as their impact on how they help to foster innovation and to reinforce employees' engagement and loyalty, which consequently improves the organization's performance (Leuhery et al., 2024). With the increased relevance of such concepts, as well as the concept of "equity", DE&I strategies and initiatives have become more complex and proactive. Organizations started to include them in their long-term goals to create an inclusive culture that would be capable of leveraging the strengths of a diverse workforce (Harrison et al., 2021; Shore et al., 2018). Studies have proven that inclusivity is a critical factor to ensure the harvesting of diversity benefits, such as the increase of creativity, improved decision-making processes, and a higher sense of fulfillment by the employees, which consequently, reduces turnover rates and improves employer brand (Leuhery et al., 2024; Okatta, 2024).

Diversity can help ameliorate the corporate image, leading to a better organization's performance. This concept becomes not only an advantage but also a necessity for global organizations to achieve their goals (Cox & Blake, 1991; Okatta, 2024; Newburry et al., 2022). Fundamentally, further complexities that organizations might face can be more easily resolved if the company's goals are to work towards ensuring that employees are completely engaged in a climate rich in diversity (Pillai & Arora, 2024).

Although the benefits of such initiatives are no longer questioned by scholars, they do face resistance within organizations and other challenges. According to Gündemir et al. (2024), misconceptions about DE&I and its initiatives may lead to prioritization of certain groups over others; fear of change, concern about meritocracy are some of the reasons for resistance (Gündemir et al., 2024). Additionally, external changes such as governmental anti-DE&I decisions and policies may pose a risk to the efforts applied so far in the creation of a more inclusive society. Understanding and addressing these topics and concerns has become even more crucial to successfully implement DE&I strategies (Rosa, 2025).

### *2.2.1. Leadership*

Studies have demonstrated that when leaders prioritize DE&I initiatives, there is a multiplier effect; in other words, they foster an environment of inclusivity at all levels, in addition of helping to define the tone for all of the organization, inspiring the employees to embrace and prioritize inclusivity (Groysberg & Connolly, 2020; Klein, 2021; Nishii & Mayer, 2009). Leaders have the capacity to influence the organizational culture by promoting inclusive behaviors and holding themselves and others accountable. The alignment between leadership and organizational values reinforces the importance of diversity and inclusiveness in order to achieve business success (Leuhery et al., 2024; Okatta, 2024). Research shows that leaders committed to DE&I can effectively foster a culture that values differences in perspectives, which leads to more innovative teams, solutions, and consequently improved performance (Klein, 2021).

Leaders who cultivate inclusion open a future where everyone can prosper and where organizations become innovative and have an efficient performance (Kith, 2024). Inclusive leadership is linked to employees having higher levels of trust towards their leaders and the company, higher levels of engagement and motivation, which translates into better organizational performance (Nishii, 2020). In fact, leaders who practice inclusive behaviors, such as active listening, encouraging diverse viewpoints, and being open-minded overall, help to foster an environment where employees feel safe to contribute and feel empowered to excel (Shore et al., 2018). Moreover, a leadership that is inclusive enhances employee well-being since it also fosters a sense of belonging, which in turn reduces negative feelings such as discrimination or exclusion (Zhang et al., 2021).

Furthermore, leaders are crucial in overcoming organizational barriers; they can become employees' role models on how to foster an environment that is inclusive and welcomes diversity at all levels of the organization (Nishii, 2020; Okatta, 2024). They are a relevant party in ensuring that policies and practices are aligned with DE&I goals and that underrepresented groups have equal opportunities to prosper (Harrison et al., 2021). When leaders act as promoters of inclusion, they create a cascading effect, expanding the overall commitment towards DE&I initiatives throughout the organization by influencing behaviors and attitudes at all levels (Kezar, 2020). Moreover, leadership should create a

sense of accountability by assessing on a regular basis the progress regarding DE&I strategic objectives and holding both themselves and others responsible for achieving them (Groysberg & Connolly, 2020). However, the impact of leadership is so remarkable that in the case of resistance from leaders, the progress can be delayed or even inhibited, as some can perceive these initiatives as unnecessary or counterproductive (Gündemir et al., 2024).

A leadership that is inclusive requires a predisposition to learn continuously and to be self-aware. Leaders need to be open to feedback, willing to acknowledge their own biases, and consequently adjust their behaviors and decisions accordingly (Kith, 2024; Groysberg & Connolly, 2020; Schein & Schein, 2016). This type of leadership is important in order to cultivate an organizational culture that is inclusive and able to adapt to the evolving needs of a diverse workforce (Nishii & Mayer, 2022). Such leaders are more likely to successfully create a workplace that is able to embrace diversity, foster innovation, and ultimately drive the company to long-term success (Klein, 2021; Ely & Thomas, 2001; Page, 2007).

#### 2.2.2. *Internal Policies*

The implementation of internal policies is essential to create a supportive workforce environment. Policies such as flexible work hours, equal remuneration, and impartial recruitment processes help to create a perception of equal conditions and to guarantee that employees have the same opportunities for success (Kossek et al., 2020; Offermann & Basford, 2006; Harrison et al., 2021). For example, flexible working hours allows to accommodate different needs and lifestyles, contributing to a more inclusive culture where employees feel respected for their unique contributions (Kossek et al., 2020; Nishii, 2020; Macey & Schneider, 2008). Organizations that prioritize policies of inclusiveness demonstrate a higher engagement towards diversity and equity (Leuhery et al., 2024; Okatta, 2024). Research indicates that organizations that promote flexibility in the workplace report have a greater employee satisfaction, which, in turn, translates to higher retention rates and overall increased productivity (Kossek et al., 2016).

Additionally, internal policies are created to help in the reduction of bias in processes such as recruitment and promotions, and therefore, they contribute to a more equitable workforce. These types of policies aim to actively resist discrimination and ensure

everyone is given equal opportunities regardless of their gender, race, age, or other characteristics (Offermann & Basford, 2006; Harrison et al., 2021; Nishii & Bruyère, 2020). By implementing DE&I values into their policy frameworks, organizations may benefit from increased employee trust and mitigate discriminatory practices (Gündemir et al., 2024; Sabharwal, 2014).

Organizations that manage to embed DE&I principles into their internal policies are usually in a better position to address systematic inequalities, since they are able to ensure that organization practices and its structure are fully aligned with DE&I values and principles; this way, companies can encourage a more inclusive environment that may lead to the attraction of a more diverse talent pool and retain top employees from any type of group (Harrison et al., 2021). Internal policy frameworks created to support diverse employee groups can help mitigate the fear of participation in the workplace and ensure that all employees are given the foundation needed to thrive (Shore et al., 2018).

Organizations should not discard the importance of building transparent and consistent policies and to regularly enforce them. When DE&I policies are not consistently employed and enforced, employees may construct a negative perception by considering these as empty gestures, which in turn may lead to the opposite desired effect: disengagement, mistrust, and skepticism towards the organization's true intentions and commitment to DE&I values (Kossek et al., 2020).

Ultimately, DE&I-focused internal policies are crucial not only to ensure that employees have an equal chance to succeed, independently of the group they belong to, or diverse characteristics they may have, but they also contribute to a healthy competitiveness and innovation within the organization. When nurturing a culture that supports diversity and values fairness, inclusion, and equity, organizations can more easily create an internal environment where employees feel valued, motivated to contribute to the company's success (Leuhery et al., 2024).

### *2.2.3. Training*

Training programs are one of the fundamental DE&I initiatives. When effective, DE&I trainings can help educate employees from all hierarchy levels regarding topics such as unconscious biases, inclusive behaviors, and consequently reinforce actions that will enhance cultural competence within the workplace (Kroon et al., 2020; Greenwald

& Banaji, 2017; Shore et al., 2018). Research suggests that DE&I-related trainings can cultivate a stronger collaboration and team dynamics as well as a better decision-making process (Okatta, 2024). Such training programs are considered crucial to ensure that employees understand diversity, equity, and inclusion as concepts and the importance of embracing them in their day-to-day actions and interactions (Kroon et al., 2020). According to Kroon et al. (2020), detailed and extensive DE&I training provides employees with crucial tools and develops the essential knowledge to be able to further pinpoint and challenge any discriminatory behaviors and, therefore, promote a respectful and inclusive environment, which ultimately may drive a positive change within the organization (Kroon et al., 2020).

In addition, organizations that offer and invest in continuous DE&I training witness changes within the workplace culture in the long term, while occasional workshops do not translate into any significant impact (Gündemir et al. 2024). Multiple studies have recognized the benefits of continuous education on DE&I topics, demonstrating that frequent training efforts help reinforce the organization's commitment to such topics and in creating an environment where diversity is not only accepted but highly encouraged (Kroon et al., 2020; Garg & Sangwan, 2021; Harrison et al., 2021). Tannenbaum et al. (2017) observed that organizations that have long-term DE&I training programs and initiatives managed to increase employees' satisfaction and fostered a greater sense of belonging, since employees felt supported and valued by their organization (Tannenbaum et al., 2017).

Furthermore, one of the critical aspects of these trainings is the ability to unlock unconscious biases, which is usually a major barrier in creating inclusive workplaces; unconscious biases are often reflected during hiring and promotions processes or decisions, in team dynamics, and they can lead to systemic inequities (Greenwald & Banaji, 2017). DE&I training programs that are effective and continuous would help mitigate unconscious bias; by recognizing and attenuating these biases and incorporating these within the company's strategies, employees may feel assured that they are being evaluated based on merit instead of preconceived notions (Kroon et al., 2020; Offermann & Basford, 2006).

The organization would need to ensure the designed training programs are effective since this will help reduce resistance from employees that may perceive them as unnecessary and can threaten the organizational norms and efforts toward DE&I (Gündemir et al., 2024). Additionally, effective training will also ensure employees' engagement towards meaningful discussions and practical applications to guarantee lasting changes (Kroon et al., 2020; Macey & Schneider, 2008; Shore et al., 2018).

Moreover, recent research has demonstrated the relevant role of leadership in reinforcing the effectiveness of DE&I trainings; if leaders are actively participating in these trainings and portray inclusive behaviors, they are able to set the tone for the entire organization (Okatta, 2024).

In conclusion, DE&I training helps to raise awareness and trigger behaviors that will drive change in creating an organizational culture where DE&I concepts become part of the organization's core values. However, for these to be effective that way, they need to be continuous, engaging, and well-designed DE&I training programs in order to address relevant topics such as unconscious bias, or to ensure leadership involvement and therefore significantly contribute to the organization's success by creating a diverse, equitable, and inclusive workplace (Dobbin & Kalev, 2016; Kroon et al., 2020).

#### *2.2.4. Employee Resource Groups*

Employee Resource Groups (ERGs) have a crucial role in fostering a sense of belonging and community within organizations. These groups provide a platform for employees that allows them to network and create connections through experience sharing and awareness of initiatives related to diversity and equity (Nishii & Bruyère, 2020; Shore et al., 2018; Ely & Thomas, 2001). These groups can focus on different dimensions such as gender, race, ethnicity, sexual orientations, and disabilities, and represent a valuable resource for the employees and the organization by offering a space for the underrepresented groups where they can join and support each other, creating an environment more inclusive and supportive (Leuhery et al., 2024; Okatta, 2024).

Studies have shown that organizations with solid and active ERGs may experience higher levels of employee engagement and lower levels of turnover; the phenomenon is justified by the support network that ERGs provide (Nishii & Bruyère, 2020; Nishii & Mayer, 2009; Macey & Schneider, 2008). These groups help to create a sense of

community and belonging within the company, which can be a critical factor for employee engagement and, therefore, retention (Gündemir et al., 2024). ERGs provide emotional and professional support networks, a safe space for employees to share their challenges, search for and offer advice, and to celebrate achievements. According to Gündemir et al. (2024), when employees are involved in ERGs, they usually report higher levels of job satisfaction and a stronger commitment to the organization since it enhances the employee's well-being and consequently leads to better performance and higher morale (Gündemir et al., 2024).

Employee Resource Groups may also serve as a valuable resource for leadership; they can offer insights into the challenges that diverse employee groups face (Nishii & Bruyère, 2020). The groups can be a tool for leaders to gather direct feedback on issues related to their employees, specifically, but also to broader issues related to inclusion and equity; ERGs help leadership to keep informed and to further improve DE&I strategies and policies (Okatta, 2024; Nishii & Bruyère, 2020).

#### *2.2.5. Challenges of DE&I Initiatives*

The implementation of DE&I initiatives had, of course, its challenges; starting with the misconception that DE&I is only exclusive to certain groups, such as women, or LGBTQA+ community, while, in fact, as previously mentioned, these initiatives include many other groups, for instances, race, gender, disability, age, religion and many more (Rosa, 2025). Most of these groups have in common the fact they are usually a minority within the corporate world and since there is the misconception DE&I initiatives are created to encompass them, Faucett et al. (2022) flagged another challenge where he defined the concept of “minority tax”, meaning, that the underrepresented groups are expected to be the ones to implement and advocate for the DE&I initiatives (Mathur & Pandey, 2024).

Another major challenge is the resistance from within the organization. As Gündemir et al. (2024) mention, DE&I initiatives are still perceived as disruptive or unnecessary, which may lead to either passive or even active opposition, reflected either through a lack of engagement with these initiatives or an active effort to undermine them (Gündemir et al., 2024). With the creation of awareness, training, and clear and open communication regarding the benefits of DE&I and its initiatives, as well as setting an example by



leadership in the commitment to these strategic initiatives, this challenge might be mitigated (Groysberg & Connolly, 2020; Kroon et al., 2020).

However, the most recent challenge is related to the changes that are being implemented on a governmental level. As of the beginning of 2025, the United States government has issued Executive Order 13950 that aims to terminate any DE&I efforts. As already mentioned, the DE&I efforts started with the need to comply with anti-discrimination laws and have evolved alongside the new societal standards demanding equity and inclusivity of the diverse population (Offermann & Basford, 2006; Sabharwal, 2014; Oswick & Noon, 2014). With the government of such a powerful economic force claiming that these initiatives do not foster equity or inclusion but rather enhance them, may in the end perpetuate systemic inequities, aggravate social divisions, and regress progress made towards not only a more inclusive and equitable society but also workforce and organizational environments and cultures (Rosa, 2025).

### *2.3. Social Exchange Theory in DE&I*

According to Blau (1964), the Social Exchange Theory proposes that social behavior is molded through a process of exchange or reciprocal relationships dynamics where rewards are maximized and costs are minimized. When applying this concept to organizational settings, Cropanzano & Mitchell (2005) add to Blau's framework suggesting that such a relationship can help foster a sense of inclusion, loyalty and belonging, since the employees, once they perceive fairness and support from their organization, they reciprocate by increasing their commitment, engagement and productivity towards the company (Cropanzano & Mitchell, 2005; Alshibly & Zidan, 2024).

In order to understand and analyze the impact of the DE&I initiatives, one can refer to the SET framework; while the organization invests in creating a diverse, equitable, and inclusive work environment, the employee can perceive it as an effort from the employer to contribute to their well-being and professional development, creating, consequently, a sense of belonging and trust. With the recognition of such efforts, according to SET, employees are likely to reciprocate with increased motivation, job satisfaction, commitment, and enhanced performance (Cropanzano & Mitchell, 2005). This dynamic

is translated to a reciprocal relationship where diversity and inclusion are valued and trigger organizational success (Shore et al., 2018).

The connection between SET and DE&I initiatives has been supported by empirical research; Wayne et al. (1997) demonstrated that perceived organizational support predicted other factors such as turnover intentions, and organizational commitment, while in 1996 Setton et al. had provided clear evidence that leader-member exchange, i.e., the exchange relationship between employee and supervisor, predicted increase performance (Cropanzano & Mitchell, 2005). In this last study, it becomes clear how leadership and management, by creating a relationship exchange with their teams, can influence a positive behavior that can lead to improvement within the organization (Cropanzano & Mitchell, 2005). Diversity programs and employee resource groups promote a sense of belonging, if the organization invests in the creation of these programs and groups and the manager encourages the employee to dedicate time to these initiatives, without demanding to employee to work overtime, the employee will not only feel more included but also valued and trustworthy, which may lead to higher job satisfaction, commitment, motivation and productivity (Nguyen et al., 2019; Eisenberger et al., 2020).

By integrating the SET framework when analyzing the impact of the DE&I initiatives, it becomes easy to understand that when companies strongly commit to implement these initiatives and part of their organizational goals and strategy, the organizational culture will set the example of fostering a diversity, equitable and inclusive workplace, making clear the positive exchange relationship between employees and employer (Cropanzano & Mitchell, 2005; Emerson, 1976; Eisenberger et al., 2020). When employees perceive fairness and support from the organization and their supervisor, they will respond with loyalty and engagement. Prioritizing such initiatives will create an environment and a workplace of motivated employees, which will lead to higher job satisfaction, commitment, and therefore lower turnover and a long-term, sustainable, and successful strategy (Eisenberger et al., 2020).

#### *2.4. Organizational Culture*

Edgar Schein, considered the father of the organizational culture, defines it as the pattern of shared tacit assumptions that were learned by a group when they were resolving problems of external adaptation and internal integration, which result was sufficiently

positive to be considered valid and be taught to the new members what is the correct way to perceive, think and feel regarding these problems (Schein, 2017). Schein also emphasized that organizational culture operates at three levels: (1) artifacts, visible structures and processes, (2) espoused values, such as strategies, goals, and philosophies, and (3) underlying assumptions, such as unconscious, taken-for-granted beliefs and perceptions (Schein & Schein, 2016).

In 1979, Andrew M. Pettigrew was one of the first investigators to reflect, following the definition of organizational culture by Elliot Jaques, that culture is a traditional form of thinking and doing things, and that both culture and symbolism have an important role in shaping what happens in the life of an organization (Ybema et al., 2011). Pettigrew (1979) also argued that culture is not something that is static; it evolves due to historical processes, external pressures, and leadership actions, leading to changes in organizational and strategic direction levels (Ybema et al., 2011).

Authors such as Terrence Deal and Allen Kennedy explored the motive for success of the ten most lucrative companies, concluding that the organizational culture was composed of symbols, rituals, ceremonies, and other elements, and that it was an important tool for the organizations that aspired to have a better performance (Ybema et al., 2011). Their findings were reinforced by Kotter and Heskett's (1992) findings reinforce their findings; they have noticed that organizations that have more adaptive cultures, which align with their business environment, outperformed those that have rigid and hierarchical cultures (Kotter & Heskett, 1992).

Research done by Hofstede (1980) further contributed to the understanding of organizational culture when the concept of national and organizational dimensions were introduced. In his study, it was demonstrated how the different cultural dimensions, such as individualism or collectivism, and masculinity or femininity, could somehow affect behaviors in the workplace environment, leadership styles, and decision-making processes. To this day, such are considered highly influential in corporate culture and diversity management discussions (Hofstede et al., 2010).

In more recent studies regarding organizational culture, its role in fostering inclusion and equity in organizations and the workplace is highly mentioned. According to Ely and Thomas (2020), an organizational culture that celebrates inclusion leads to higher levels

of innovation, better decision-making, and eager collaboration, which in turn, creates an environment where employees are perceived as valued and feel empowered (Ely & Thomas, 2020). This finding aligns with how currently DE&I initiatives are created to institute cultural competence into corporate strategies (Nishii, 2020).

Chatman and O'Reilly (2016) mention that there are positive and negative consequences to having strong organizational cultures; while these can reinforce cohesion and performance, they can also discourage opposing opinions and inhibit necessary organizational change. The two sides of the organizational culture coin suggest that encouraging flexibility and openness to different perspectives is crucial for a sustainable long-term strategy and, consequently, an organization's success (Denison et al., 2014).

In conclusion, the different perspectives denote that organizational culture is a dynamic and multi-layered concept which strongly influences the capacity of an organization to adapt, perform, and foster inclusivity. In the context of DE&I initiatives, to be able to cultivate a culture that promotes diversity, and equity is a strategic necessity in order for organizations to operate in the current global markets (Schein, 2017; Denison et al., 2014; Newburry et al., 2022; Kotter & Heskett, 1992).

### *2.5. Organizational Performance*

According to Kaplan and Norton (1996), organizational performance refers to the ability of an organization to achieve its goals, either financial or non-financial, efficiently (Kaplan & Norton, 1996). The Balanced Scorecard framework was introduced by them and is now considered a standard tool to evaluate organizational success by connecting strategic objectives to performance metrics. The framework measures performance in four different perspectives: (1) financial perspective, (2) customer perspective, (3) internal processes, and (4) learning and growth.

Recent studies revealed the importance of human capital and organizational culture to nurture resilience and success in the long term; these studies suggest that organizational performance is not merely a function of operational efficiency but also the reflection of the ability of a company to adapt and innovate (Hatum, 2021; Azizah & Hidayah, 2025). With the current exposure that organizations have to complex and rapidly changing environments, it is important that the organizational culture is strong and based on flexibility and creativity to be able to sustain its performance (Denison et al., 2014;

Schein, 2017; Kotter & Heskett, 1992). Moreover, human capital, which comprises of the employee's knowledge, skills, and abilities, is also considered crucial in terms of competitive advantage; in order to maintain or reach a high-performing level, companies need to invest in talent management and stimulate a learning culture (Cappelli, 2019).

DE&I initiatives play a crucial role when it comes to promoting a culture of respect and collaboration, which in turn stimulates both individual and collective performance. These strategies are empirically linked with higher levels of creativity, employee satisfaction, and overall well-being, which contribute to an increase in organizational performance (Azizah & Hidayah, 2025; Nishii, 2020). According to Roberson (2019), a more diverse team will more likely create innovative solutions, which is nowadays crucial to create a competitive advantage, especially in sectors where technological advances occur rapidly or the market fluctuates significantly (Roberson, 2019).

To ensure that employees are dedicated to achieving the company's goals and mission and are productive, it is critical that individual motivation is aligned with the organization's goals; both employee engagement and commitment are critical factors to ensure so (Harter et al., 2002). Employees who are engaged will demonstrate more effort, contributing to improved performance outcomes, such as innovation, customer satisfaction, and consequently, profitability (Macey & Schneider, 2008). Additionally, DE&I initiatives heighten employee engagement since they are instruments for the company to foster an environment where individuals can be authentic, without being afraid of judgment or retaliation, which solidifies the connection between the personal and the organizational values (O'Reilly et al., 2019).

Organizations that manage to embed DE&I concepts and practices into their strategies and consequently, their culture, may be able to attract and retain talent, which further contributes to higher organizational performance (Organizations that manage to embed DE&I concepts and practices into their strategies and consequently, their culture, may be able to attract and retain talent, which further contributes to higher organizational performance). A study by McKinsey (2020) mentions that companies with significant diversity in their teams would be more likely to report higher financial returns compared to companies with lower diversity, which underlines the positive correlation between

inclusive culture and leadership, diverse teams, and improved performance (McKinsey & Company, 2022).

Finally, the DE&I impact on organizational performance goes beyond individual levels. When companies are able to leverage diversity to a strategic level, it may lead to a better decision-making process since diverse teams have a greater extent of perspectives that help organizations face challenges in a more effective way (Page, 2007; Ely & Thomas, 2001; Cox & Blake, 1991). Thereupon, DE&I initiatives are not just a moral imperative but also a strategic asset that drives long-term and sustainable success for the organization (Okatta, 2024; Cox & Blake, 1991; Harrison et al., 2021; McKinsey & Company, 2022).

### 3. METHODOLOGY

In the following chapter, the method of research for the current study will be described. The chapter will start with introducing the research design, followed by the instruments used for data collection and analysis, as well as the sampling strategy, and finish with the investigation questions and the ethical considerations.

#### *3.1. Research Design*

For this study, a qualitative approach was chosen as the most suitable method to deeply explore the complex and contextual impact of DE&I initiatives on the organizational culture and perceived performance of an American multinational company. This methodology enables the collection of rich, detailed statements from participants, allowing the research to capture how individuals across hierarchical levels and cultural backgrounds experience and interpret DE&I efforts in their own words that would not be accessible through standardized quantitative instruments (Kvale & Brinkmann, 2009; Creswell & Poth, 2017; Tracy, 2010). It's a type of approach more suitable for the examination of how these initiatives can influence factors such as organizational culture and performance, which complexity and dependence of the context would not be easily identifiable through quantitative methods (Creswell & Poth, 2017).

Additionally, this study followed a cross-sectional design, meaning that data were collected at a single point in time. This approach was chosen due to the objective of capturing participants' current perceptions and lived experiences in the face of ongoing political changes, particularly those influencing DE&I efforts (Bryman, 2016). The cross-sectional nature of the study allowed for a timely snapshot of employee attitudes, without requiring longitudinal tracking. Data collection was conducted through semi-structured interviews, which provided flexibility to explore relevant themes while also ensuring consistency across interviews. This method is especially suited for uncovering nuanced insights into social phenomena such as DE&I, where openness and depth are necessary to understand varied individual perspectives (Kvale & Brinkmann, 2009; Saunders et al., 2019).

Aside from the lack of focus in marginalized groups, there is also a notorious focus in western countries and consequently generalization based on these, assuming that the result of different studies all apply to every geographical areas and associated cultures,

which, in reality, it might bring different factors and unique perspective (Mathur & Pandey, 2024; Azizah & Hidayah, 2025). One way to rectify the lack of transversal perspectives between different geographical locations and cultures would be to explore multinational organizations and the influence of the DE&I initiatives amongst different hierarchical levels, international contexts, and the intersection between multiple dimensions (Newburry et al., 2022).

### *3.2. Research Philosophy*

This study adopts an interpretivist research philosophy, which considers reality as socially constructed and best understood through the subjective experiences of individuals. Interpretivism aligns with the research aim of exploring how employees and managers perceive DE&I initiatives within a multinational company. Rather than seeking objective truths, this approach values context-specific meanings shaped by culture, hierarchy, and personal experience (Saunders et al., 2019).

Given its emphasis on meaning-making, interpretivism supports the use of qualitative methods, particularly semi-structured interviews. This allowed for a deeper exploration of participants' perspectives on the impact and value of DE&I. Braun and Clarke's (2006) thematic analysis was used to identify recurring patterns in participants' narratives, while also remaining sensitive to individual and contextual differences (Braun & Clarke, 2006).

By embracing this philosophical stance, the study aimed to uncover the rich, diverse interpretations of DE&I across different regions and organizational levels, acknowledging the researcher's interpretive role and ensuring reflexivity throughout the process.

### *3.3. Data Collection and Analysis*

To better understand the different perspectives of individuals with experience and knowledge regarding DE&I initiatives, semi-structured interviews were chosen as the primary method of data collection. This type of interview allows more flexibility for the interviewer to explore relevant topics as the interview unfolds, maintaining the interview's structure consistency and ensuring comparability between interviews (Kvale & Brinkmann, 2009). The interviews will be conducted with employees from different departments and hierarchy levels within the organization, including people leaders and employees from lower ranks. The following sample will ensure diversity of perspectives,



which allows an extensive vision of how the DE&I initiatives are perceived and experienced across the organization.

The data gathered throughout the semi-structured interviews will be integrally transcribed and analyzed using thematic analysis. This approach allows for to identify, analyze, and document theme patterns within the database (Braun & Clarke, 2006). The analysis of the interviews will follow a six-phase process: 1. Identification of data; 2. Creation of the initial codes; 3. Thematic analysis; 4. Revision of themes; 5. Definition and proposal of themes; and 6. Creation of the final report. This thematic analysis will allow the identification of explicit and implicit meanings regarding the database and will ensure a deeper understanding of how the DE&I initiatives impact the organizational culture and performance (Braun & Clarke, 2006; Creswell & Poth, 2017; Tracy, 2010).

### *3.4. Sampling Strategy*

The sample for this study will be non-probabilistic for convenience and will be composed of 17 participants with direct or indirect knowledge and involvement with DE&I initiatives, within an American multinational company. The proposed dimension of the sample ensures a viable database for further qualitative analysis that will provide detailed data without overwhelming the author (Patton, 2015). The sample was oriented to ensure that individuals from different demographic contexts were included in the research in order to obtain the perspective of participants with different backgrounds and part of either represented or underrepresented groups.

### *3.5. Thematic Analysis*

Aligned with an interpretivist paradigm, Braun and Clarke's (2006) six-phase thematic analysis method facilitated an in-depth examination of how Diversity, Equity, and Inclusion initiatives are perceived by employees across different geographies, hierarchical levels, and demographic profiles within an American multinational company. The aim was to identify patterns that reflect individual and collective understandings of DE&I's impact on engagement, organizational culture, and reactions to external pressures challenging such initiatives.

The process began with data familiarization, where all interviews were transcribed and standardized for clarity and coherence, removing filler expressions and repeated words, ensuring readability while preserving participants' original expressions. Each

transcript was read multiple times to gain a deep understanding of its content and to take notes throughout this phase to register emerging ideas and impressions that were relevant to the research questions.

Initial coding was performed using MAXQDA, combining both inductive and deductive approaches. While codes were influenced by the theoretical lens of Social Exchange Theory and guided by the research questions, many also emerged directly from the data. Coding allowed the segmentation of the data into meaningful analytical units that formed the basis for theme development and helped capture both surface meanings and deeper contextual interpretations (Braun & Clarke, 2006; Creswell & Poth, 2017; Cropanzano & Mitchell, 2005; Tracy, 2010).

Codes were then examined and grouped into preliminary themes. This step involved identifying patterns and connections across the dataset using MAXQDA's tools to visualize code co-occurrence and compare distributions across regional, hierarchical, and demographic categories. Candidate themes such as Perception of DE&I, DE&I-Driven Engagement and Loyalty, Anti-DE&I Sentiment and Impact, Leadership Gaps and Perceived Tokenism, and Regional Realities and Disparities were refined, and adjustments were made to ensure themes were internally consistent and distinct from one another, capturing the nuances of participants' perspectives.

Finally, each theme was clearly defined and aligned with both the research questions and Social Exchange Theory. This theoretical lens provided insight into how participants perceive fairness, reciprocity, and trust within their organizational contexts. Themes were integrated into the findings chapter with supporting quotations, ensuring that participants' voices were preserved. This thematic structure offered a coherent analytical narrative that addressed the complex interplay between DE&I practices, organizational dynamics, and external socio-political influences in a global corporate environment (Cropanzano & Mitchell, 2005; Emerson, 1976; Braun & Clarke, 2006; Tracy, 2010).

### *3.6. Research Questions*

With the social exchange theory as the lens for this study, its purpose is to understand the impact of DE&I initiatives on the organization's culture and performance by gathering answers to the following research questions:

1. How do employees from different hierarchical levels perceive the impact of DE&I initiatives on different outcomes, such as loyalty, commitment, and engagement?
2. How do employees from different countries, cultures, demographics, or underrepresented groups (e.g., gender, race, sexuality) perceive the outcomes of DE&I initiatives?
3. How do employees at various hierarchical levels assess the effectiveness of DE&I initiatives, and how does this perception impact their relationship with the organization?
4. How do all employees perceive the anti-DE&I policies and their impact on the organizational culture and performance?

### *3.7. Ethical Considerations*

All participants were informed about the nature of this study, and their consent was obtained before conducting the interviews. Confidentiality and anonymity were ensured throughout the process, and the participants had the right to withdraw at any point in time without consequences.

#### 4. RESULTS

The research was conducted through interviews with 17 employees from one American multinational company. Participants were selected from various hierarchical positions, including upper management (senior directors and above), middle management (managers to directors), and staff-level roles (associates to principals). The group also reflected diversity in terms of generation (from Generation Z to Generation X), gender, nationality, and individuals who identify as part of the LGBTQ+ community. Additionally, participants were either involved or not involved in the company's DE&I initiatives, with varying levels of engagement, whether passive or active. Figure 1 represents the identification of each participant within the different categories.

Focusing on the most relevant data, from the 17 participants, 53% are male participants and 47% are female participants, mostly from Asia (24%), North America (24%), and Europe (a total of 35%, equally split between Western European and Eastern European). When it comes to hierarchical position within the company, 41% of the participants are principals and below, 35% are part of the middle management, and the remaining 24% are part of the upper management.

As per the participants' involvement in the company's DE&I initiatives, it was established a three scale of degree of involvement: no involvement (18%), meaning the participants are aware but do not voluntarily engage in any activities, events or ERGs, passively involved (35%), where the participants do engage but in a passive way by implementing DE&I concepts in a daily basis, engaging occasionally in events and activities related to the company's initiatives, or are actively involved (47%) by leading or being part of DE&I task forces and ERGs.

The population can be considered diverse in terms of gender, age, ethnicity, and level of engagement within the DE&I initiatives, but also in terms of other personal experiences. From the participants interviewed, 41% are located outside of their country of birth, one participant is part of the LGBTQ+ community, and one participant is a woman working in Information Technology (IT), a workforce usually dominated by men (Alshibly & Zidan, 2024).

Interview ID/ Participant ID	Hierarchical position	Generation	Gender	Ethnicity	Country of Birth	Living Location	Degree of involvement in ID&E initiatives
INT001/P01	Middle Management	Millenials	Female	Asian	Singapore	Netherlands	Passively involved
INT002/P02	Staff	Millenials	Male	Western European	Netherlands	Netherlands	Passively involved
INT003/P03	Middle Management	Millenials	Female	South American	Brazil	Netherlands	Actively involved
INT004/P04	Staff	Generation Z	Male	Eastern European	Romenia	Netherlands	No involvement
INT005/P05	Upper Management	Millenials	Male	Western European	Spain	United Arab Emirates	Passively involved
INT006/P06	Upper Management	Generation X	Male	North American	United States of America	United States of America	Actively involved
INT007/P07	Staff	Millenials	Male	Eastern European	Czech Republic	Czech Republic	Actively involved
INT008/P08	Upper Management	Millenials	Female	Western European	Portugal	Netherlands	Actively involved
INT009/P09	Middle Management	Millenials	Female	Asian	Singapore	Singapore	Passively involved
INT010/P10	Staff	Generation Z	Male	South American	Colombia	Netherlands	No involvement
INT011/P11	Staff	Millenials	Male	Eastern European	Czech Republic	Czech Republic	No involvement
INT012/P12	Staff	Millenials	Female	Asian	India	Netherlands	Actively involved
INT013/P13	Middle Management	Millenials	Male	African	Zimbabwe	United States of America	Actively involved
INT014/P14	Middle Management	Millenials	Female	North American	United States of America	United States of America	Actively involved
INT015/P15	Middle Management	Millenials	Female	North American	United States of America	United States of America	Passively involved
INT016/P16	Upper Management	Millenials	Female	North American	United States of America	United States of America	Actively involved
INT017/P17	Staff	Millenials	Male	Asian	China	China	Passively involved

FIGURE 1 – Population Categorization

As detailed in the previous chapter, a thematic analysis was applied to interpret the interview data. Following a thorough review and refinement of the initial codes, six themes were created to organize the findings. The first theme, “Perception of DE&I and Initiatives”, encompasses all codes related to participants’ positive, negative, or nuanced views of DE&I and the initiatives associated with it. The second theme, “DE&I as a Driver of Trust and Belonging”, explores how DE&I initiatives contribute to fostering a sense of psychological safety, belonging and equity, and fairness within the workplace. The third theme, “DE&I as a Driver of Motivation and Loyalty”, captures participants' perceptions of how these efforts influence their engagement, commitment, and intent to remain with the organization. The fourth theme, “Regional Realities and Disparities”,

addresses participants' reflections on how regional and cultural contexts shape the implementation and effectiveness of DE&I initiatives. The fifth theme, “Leadership and Perceived Tokenism”, relates to the role of organizational leadership in promoting or undermining DE&I efforts, including perceptions of authenticity, visibility, and follow-through. Lastly, the sixth theme, “Perceptions of Anti-DE&I Measures”, reflects participants' views on the rising anti-DE&I movements, particularly in the USA, and the potential implications for the organization's culture and performance.

#### *4.1. Perception of DE&I and initiatives*

In general, different perceptions, either positive or negative, are the most spoken topic throughout the interviews, this being the theme with the highest level of data saturation. The figure below represents the percentage of data related to each code created; as is shown by this data, perceptions of DE&I initiatives were mentioned and coded 10% more than the second most used code, perceived value of DE&I.

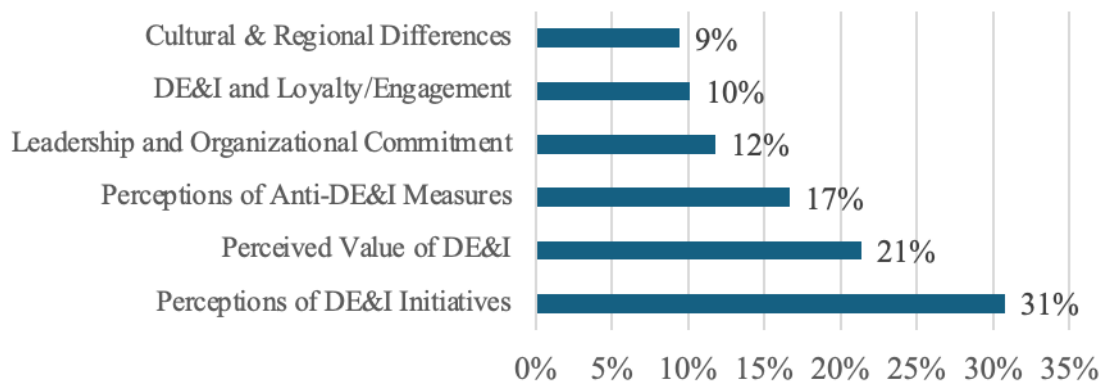


FIGURE 2 - List and frequency of codes

Answers related to the code “Perceptions of DE&I Initiatives”, which is associated with the present theme, include mostly positive, negative, and nuanced views and perceptions regarding the DE&I concept and the initiatives within the company.

Even though participants have different degrees of involvement in the company's DE&I initiatives, all participants have a perception regarding these. All participants (17) share positive perceptions and perspectives regarding DE&I and initiatives; while 53% of the 17 participants, 53% mention negative perceptions.

Positive perceptions are also the most common topic spoken in the interviews; when comparing both sides of the spectrum, optimistic perceptions are mentioned 59% times compared to 21% mentions of non-optimistic perceptions; figure three represents the number of times negative and positive perceptions were mentioned.

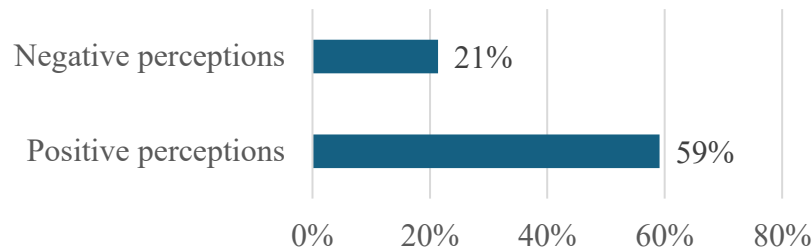


FIGURE 3 - Comparison between Negative and Positive Perceptions of DE&I and their initiatives

As previously observed, all participants mention quite often their perceptions of DE&I; however, the frequency varies between gender and hierarchical level. When assessing the overall data regarding this theme, it seems that males and female refer their perceptions almost the same number of times; 52% of female participants mention their perceptions of DE&I and initiatives, while 48% male participants mention their own perceptions.

However, when zooming into the separation between negative and positive perceptions, as shown in figure four, males address negative perceptions more often than females, while the opposite happens regarding positive perceptions.

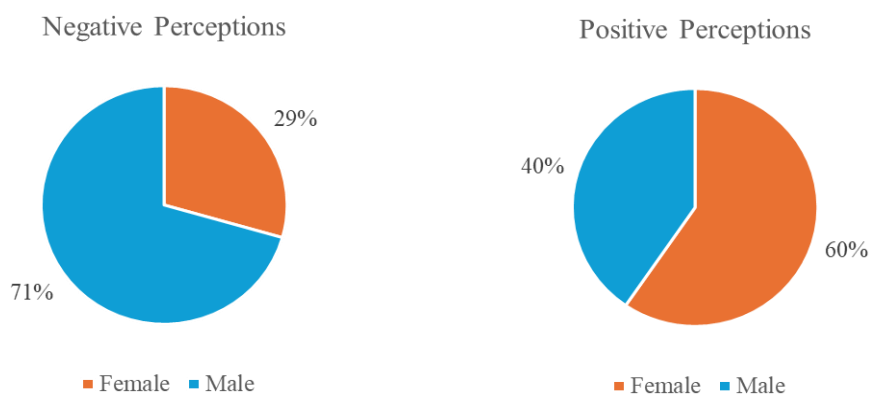


FIGURE 4 - Comparison between genders regarding positive and negative perceptions of DE&I and initiatives

Differences are also observed when comparing the hierarchical levels. Management, in general, mentions their perceptions on DE&I and the initiatives more often than staff, however, within management, a clear difference is noted. Figure five demonstrates the comparison between all three hierarchical levels.

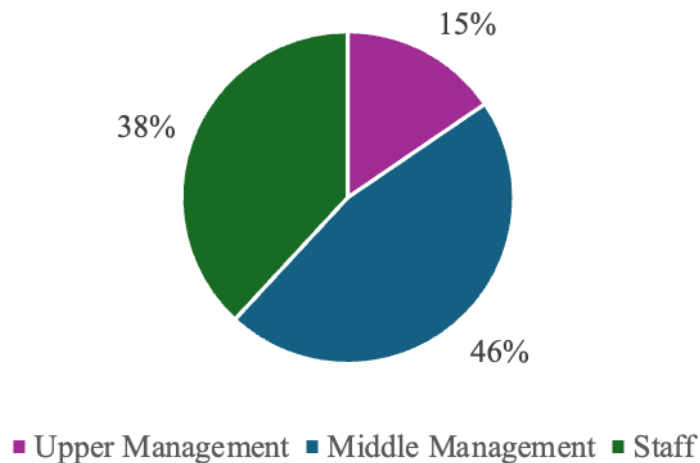


FIGURE 5 - Comparison between hierarchical levels regarding mentioned perceptions of DE&I and initiatives

As for positive and negative perceptions, the results also show big disparities; as represented in figure six, while management focuses substantially more on the positive perceptions, staff perceive these DE&I in a more negative light.

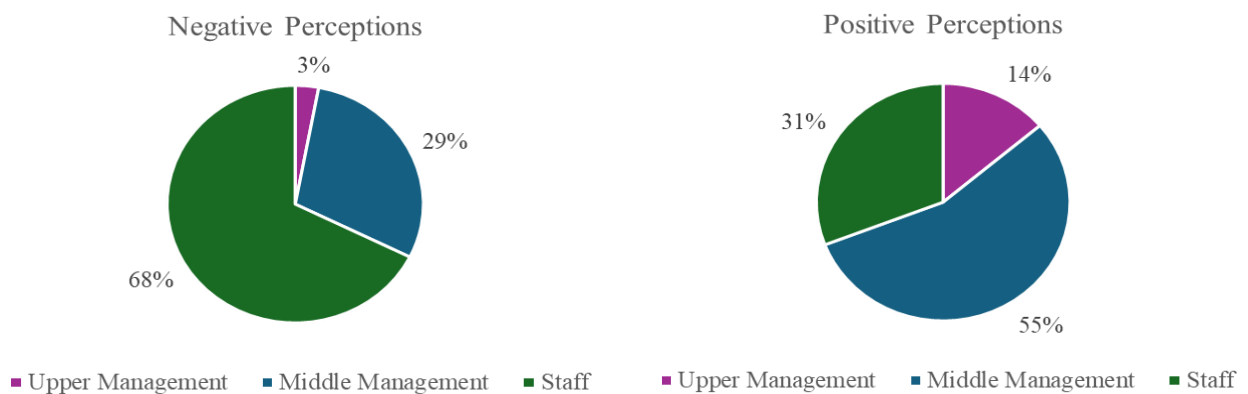


FIGURE 6 - Comparison between hierarchical levels regarding positive and negative perceptions of DE&I and initiatives



Aside from the differences between genders and hierarchical levels, it is also relevant to understand how involvement in the DE&I initiatives impacts perceptions regarding these. Although 100% of the participants have a degree of perception when it comes to the existence of DE&I, their involvement shapes these perceptions.

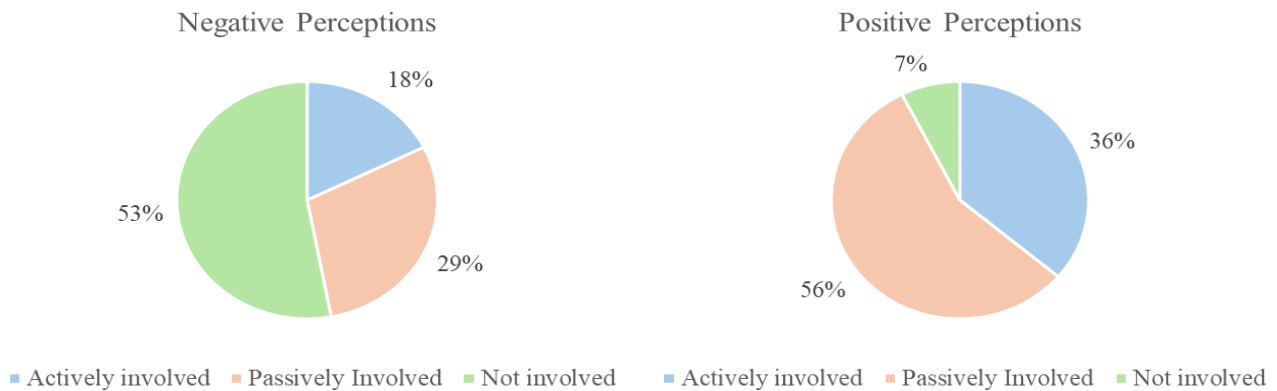


FIGURE 7 - Comparison between degree of involvement regarding positive and negative perceptions of DE&I and initiatives

The participants who are not involved in DE&I initiatives within the company mentioned more negative perceptions (53%) compared to participants who are either passively (29%) or actively (18%) involved. When observing the data showcased in Figure seven, regarding positive perceptions, the difference between the participants who are not involved and the ones who are involved to any degree is even more accentuated: only 7% of the positive perceptions mentioned are from participants who are not involved in DE&I initiatives. As for the participants who are involved, similar to the negative perceptions, the participants who are passively involved mention more positive perceptions (56%) than the actively involved ones (36%).

*“What the initiatives try to do is to tell people they can be themselves, and if you feel a certain thing, for example, if you have a strong belief around your gender or about something else, ideally, you should be able to look around and realize you are not alone and that you can be yourself. So, very often, those activities are there to bring awareness of, perhaps discrimination that still takes place, and if you are not in someone else's skin, you cannot possibly imagine, because you may have what we call privilege, like in my case, as a white person, and I have certain privileges that I cannot even imagine.” (P08, female, upper management, actively involved)*

*“I think it is just a way of marketing (...) what has impact is my good job performance and being in the right place at the right time, it has nothing to do with DE&I, for sure.” (P10, male, staff, not involved)*

#### 4.2. DE&I as a Driver of Trust and Belonging

Similar to the perceptions regarding DE&I and its initiatives, all participants attribute a value to DE&I and the impact of its initiatives. Either that value is translated in a sense of belonging, psychological safety, equity and fairness, or other dimensions, the perceptions diverge between participants; Figure eight demonstrates the distribution of quotes per code regarding the perceived value of DE&I.

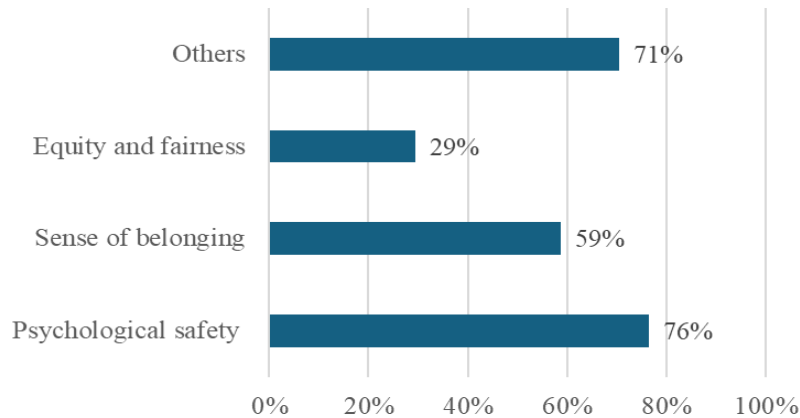


FIGURE 8 - Distribution of quotes regarding their perceived value of DE&I

The most mentioned impact from the DE&I is on psychological safety, with 76% of the participants mentioning that, to a certain extent, the initiatives and the implementation of DE&I lead to a safe space and the feeling of being able to be one's true self.

*“Thankfully, I did not have to be closeted in any workplace that I've worked before, so it was a little bit easier to be myself full-time; I didn't have to hide, I didn't have to be afraid of oversharing anything. But I know that this is not the case for everyone. So, creating this safe space, a safe bubble, where people can be themselves and they can just share what they want without being afraid that they will be judged or mocked, or anything, is just something that is really important for me and that makes a difference. So that's why it [DE&I] is important for the company. So, people can just be themselves, which will also help with their performance because they won't have to constantly think about what they can or cannot say, if they can be as they are,*

*with no filters, and without being afraid of saying something wrong.” (P07, male, staff, actively involved)*

Also related to the creation of a trust system, 29% of the participants mentioned that due to DE&I and the investment towards these initiatives, a feeling of equity and fairness is felt.

*“I think the company has been proving that a lot of important roles are no longer exclusively for US people, since now there are more people from outside of the US in those roles, and this is a big thing.” (P03, female, middle management, actively involved)*

Around 60% of the participants mention that such an environment fosters a sense of belonging, and 71% of the participants mention their perceived value regarding DE&I and the initiatives; however, they do not mention specifically the dimension in which they perceive that impact.

*“People want to feel like they are going to their second family when they leave home, each day, and come to work. They want to feel included, wanted, and needed. And so, I think it's [DE&I Initiative(s)] creating a different value for individuals that are at least participating in this program [a company DE&I program within an initiative]. (...) There is an individual who participated in the program two years ago, who is now part of the program's committee, and he mentioned: (...) I feel like I am part of the company and part of a family.” (P16, female, upper management, actively involved)*

*“(...) can also say it's educational, because sometimes you have a lock in your mind through their programs, it gets unlocked, and you learn something. There are some programs that approach disabilities where you learn about their challenges. If you are a manager of someone with those challenges, then you will probably understand that person better now than before, since you will know what challenges he or she may be facing. (...) I think it has a positive impact from an awareness and education standpoint, and also with networking; you know more about cross-functional roles in the organization and get to know the company as a whole and what people are doing, and I think that is always helpful and beneficial.” (P12, female, staff, actively involved)*

Most of the participants mention at least two categories of perceived value; however, only the participant who is part of the LGBTQ+ community mentions all four categories.

Focusing on the differences between gender and generations, the conclusions are quite similar. Gender wise, as represented in Figure nine, 40% participants who perceive that sense of belonging is fostered by DE&I and their initiatives are female, while 60% are male; similarly, 47% male participants and 53% female participants perceive equity, fairness, and psychological safety, which leads to a sense of trust.

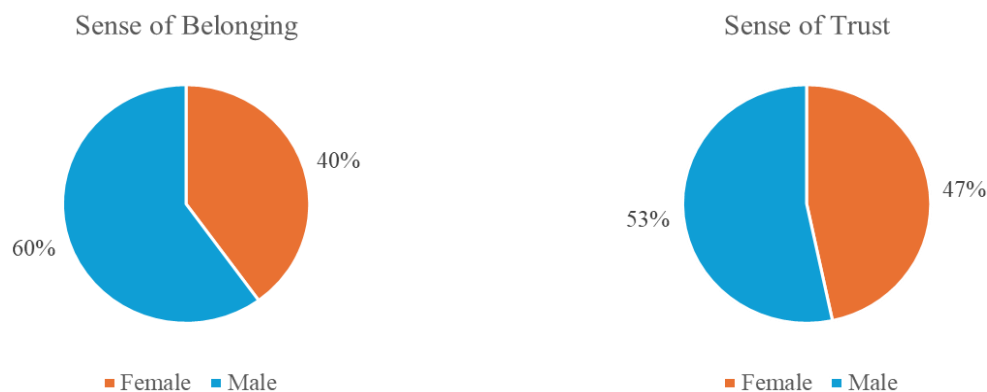


FIGURE 9 - Comparison between genders regarding perceived sense of belonging and trust

When it comes to differences between generations, based on the data, as showcased in Figure 10, it appears that millennials distinctively believe that DE&I and their initiatives foster both a sense of belonging and a sense of trust. However, it is also relevant to mention that these results are most likely related to the fact that other generations are poorly represented, since only one participant is part of Generation X and two participants are part of the Generation Z, while the remaining 14 participants are millennials.

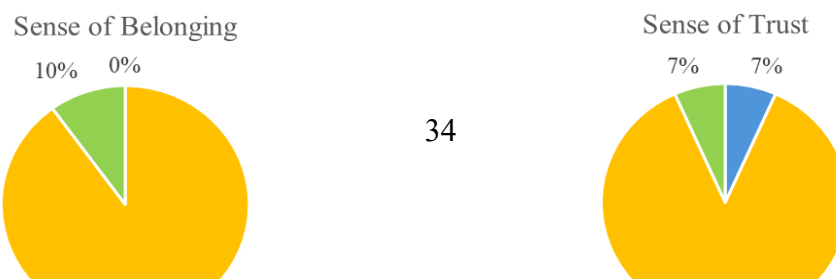


FIGURE 10 - Comparison between generations regarding perceived sense of belonging and trust

#### 4.3. DE&I as a Driver of Motivation and Loyalty

Initiatives and the concept of DE&I may not only foster a sense of belonging, safety, and trust but also drive motivation, engagement, and loyalty. When observing the data, 88% of the participants mention that DE&I can indeed have an impact in engagement, through either increasing motivation and morale, career growth or access, feeling of reciprocity, direct impact on retention, diminishing turnover rates, or through other dimensions; figure 11 demonstrates the distribution of quotes per code regarding the perceived impact of DE&I in engagement-related dimensions.

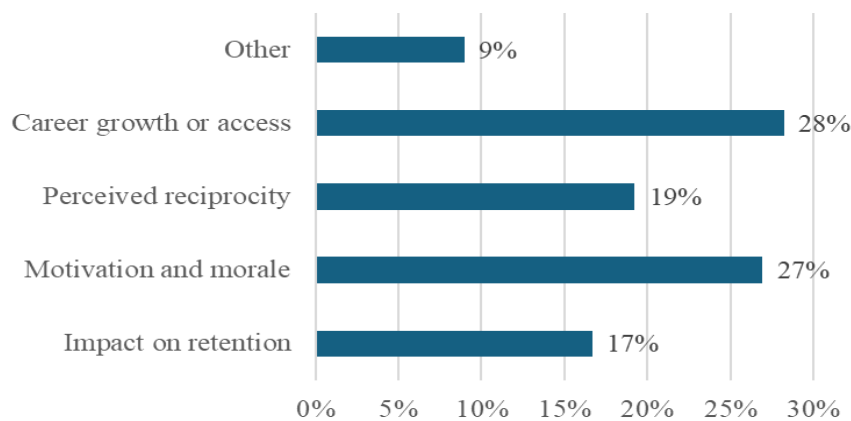


FIGURE 11 - Distribution of quotes regarding their perceived impact of DE&amp;I on engagement dimensions

When understanding the perspective on the impact of these initiatives on motivation, engagement, and loyalty per hierarchical levels, the middle management is the one that

seems slightly more aware of the impact that DE&I can translate to. In Figure 12, it is possible to understand the representation of number of participants and number of quotes per hierarchical levels regarding engagement and motivation.

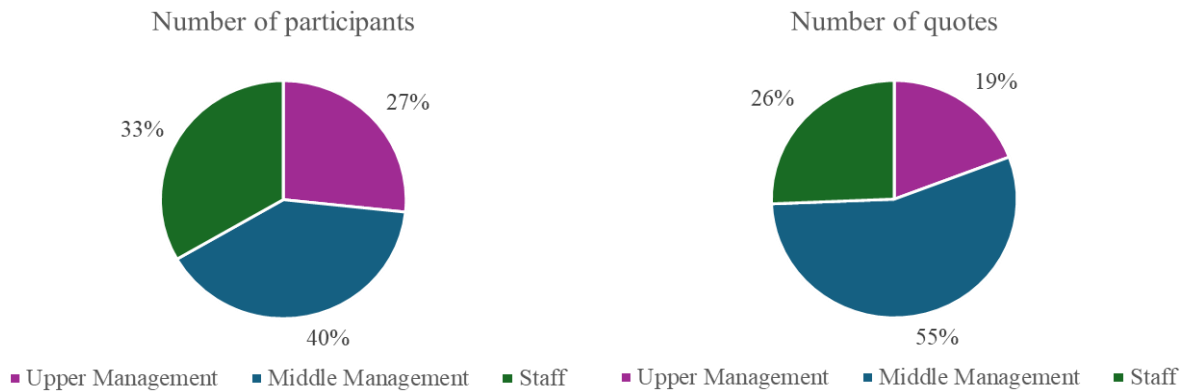


FIGURE 12 - Demonstration of number of participants and quotes regarding engagement and motivation per hierarchical level

When zooming in both “Motivation and Morale” and “Career growth and access” the two most mentioned dimensions regarding engagement and motivation, the perception between hierarchical levels: upper management mentions the impact of DE&I in motivation and morale 29% number of the times while they mention the impact on career growth or access 23%, middle management refers, respectively, 43% and 41% of the times, while staff mentions 29% and 27%.

*“Inclusion is for everyone, and the more inclusive we are, for our teams, for the company, the better high-functioning teams we're going to have; the more people will participate, the more they'll feel like their voices are being heard, and they will speak up, and that helps drive action. (...) when you start getting folks feel they're making decisions not just for their responsibility, but for a bigger cause, they will feel more included, and they will be willing to take those additional steps and work to help out a greater cause.” (P06, male, upper management, actively involved)*

*“If suddenly the VP's role becomes a role where anyone in this world, any employee, can take, and not just an American, everyone is going to be more engaged because all of a sudden, one sees there are more opportunities within the company, there's room to grow and one can continue staying in this company because there's going to be something for them and no one is going to judge one for their background,*

*and so it stops being a conversation of whether one is a person for the role because one has a particular nationality or not. It becomes a conversation of when one is good enough and when they get there, one knows that there's something for them, which that, in itself, encourages commitment, and that, for me, is really important because when you start seeing certain senior-level positions being filled consistently by a certain nationality, it affects engagement.” (P01, female, middle management, passively involved)*

Contrary to the hierarchical perspective, when observing through the degree of involvement, the numbers shift significantly. While participants who are not involved in these initiatives only mention 3% of the time their perceived impact of DE&I measures, participants who are actively or passively active mention their perceived impact 54% and 44%, respectively; Figure 13 showcases these differences between degrees of involvement.

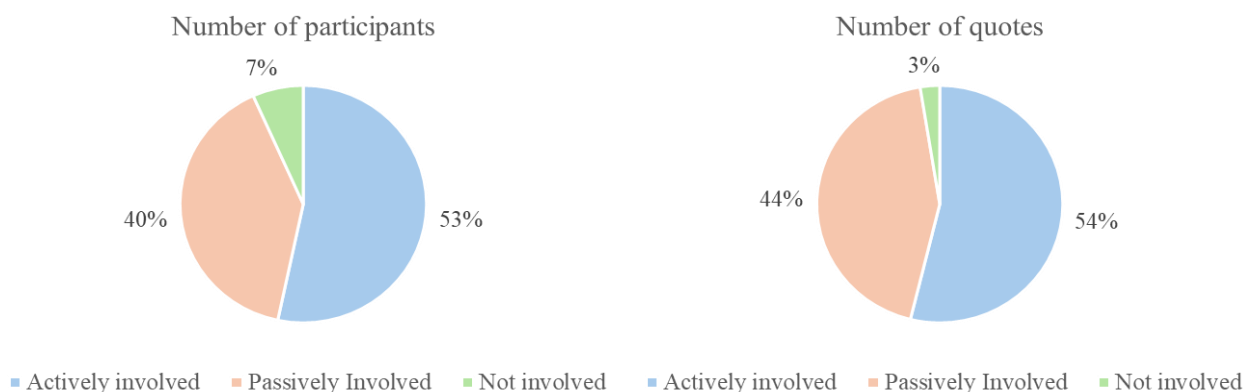


FIGURE 13 - Demonstration of number of participants and quotes regarding engagement and motivation per degree of involvement

#### 4.4. Regional Realities and Disparities

In a multinational company, the mission and values are universal; however, that may not mean that the company's culture is also considered or perceived the same across the different regions. When asking the participants regarding DE&I and how that affects cultural and regional differences, 82% mentioned to a certain degree either their regional realities or the disparities existing across regions, or even within their region. Out of the 82% participants, 50% were participants that are relocated in a different country and region than their country of birth, while the other 50% either experienced working in a

different country for a short period, closely experienced working with stakeholders from a different country, moved to a different department within the same region, or acknowledged a particular different reality in their country, for example, the fact that in a specific country same sex marriage is not officially considered a marriage, and due to that law distinction, same sex married couples or parents do not have the same legal rights as heterosexual couples.

When observing the different groups of participants that recognized regional differences and mentioned regional realities, genders do not depict any interesting trend, since seven participants were male and seven were female. As per their hierarchical level, three participants (21%) are part of the upper management, and although two are not located elsewhere or have little work experience outside of their country, they acknowledge that there are differences within the region and across regions.

*“... we always try to drive one culture at a company, but there are always different cultures based on the function you're in, based on the location you're at, and it's all tone from the top.”* (P06, male, upper management, actively involved)

Middle management and staff are quite representative, with 36% and 43% of participants being aware of and sharing their own experiences regarding the cultural disparities. It might be relevant to mention that within the middle management, four out of five participants are located elsewhere, while within the staff, only two out of six do not work in their country of birth.

*“(...) for example, we go to China for an audit and you have never travelled and you are not open-minded; you will not understand the cultural differences and you are going to struggle. The stakeholders might perceive you as rude and disrespectful, and that will impact your work. You need to show that you are willing to learn, and that will make it much easier for you to work with people (...) because in the end, we work with people, and there is that cultural aspect that has to be respected as well.”* (P13, male, middle management, actively involved)

*“(...) for example, companies were sharing on Twitter and social media regarding pride, but then you look at the accounts in the Middle East, for the same companies, and there are no pride references.”* (P04, male, staff, not involved)



As shown in Figure 14, the results regarding the level of involvement in the DE&I reveal that participants who are actively involved not only are more representative in the number of people who mentioned the cultural and regional differences and barriers, but they also mention these more often than the remaining interviewees.

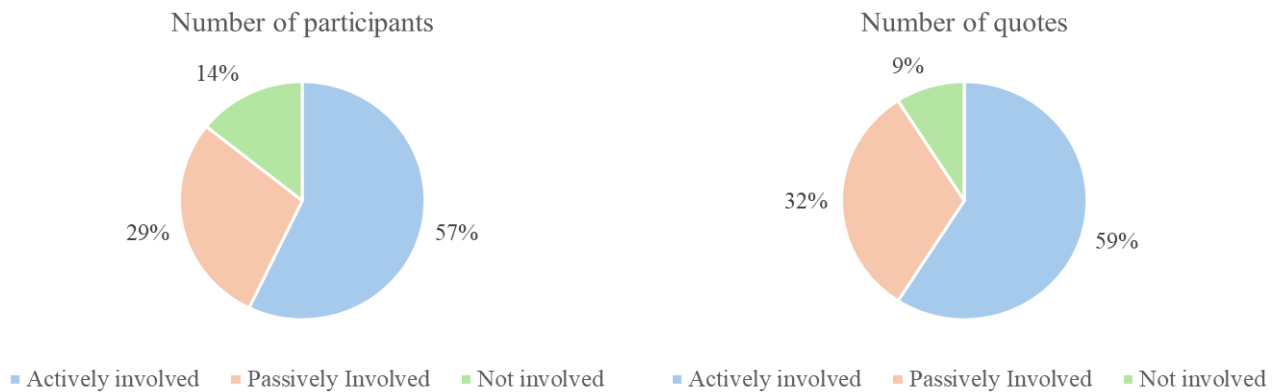


FIGURE 14 - Demonstration of number of participants and quotes regarding cultural differences per degree of involvement in DE&I

#### 4.5. Leadership and Perceived Tokenism

Similar to the previous theme, 82% of the participants also mentioned leadership either as being a key driver to the success of the DE&I measures and initiatives or as a failure to do so. Out of the 14 interviewees that mention leadership, 13 mention there is a clear support from leadership, may that leadership be their direct leaders or managers or leadership at high levels, such as vice-presidents of their department or at the executive committee level.

*“Every experience I have had in the company, I felt really supported by my leaders in those spaces.” (P15, female, middle management, passively involved)*

*“(…) I think that's the main thing, the fact that I feel the support [of leadership] (...) without the support, I think I wouldn't go [to different DE&I events in other countries] and it would also have a ripple effect on my dedication. I would probably not continue doing these DE&I things because if leadership wouldn't be supportive, as well as my manager. I would maybe just not continue or put that much effort and energy into all those DE&I initiatives.” (P07, male, staff, actively involved)*

However, six participants also mentioned that, to a certain extent, not all leadership is capable of following through with commitment and dedication to DE&I, and only two

participants are able to quantify or identify to what extent the executive committee is involved or shows involvement in driving forward DE&I within the company.

*“But then, when I look at the executive committee, it's not looking good personally. Not to say that just looking at that means they're not supportive of DE&I, but that is my sense; I've seen our executive committee get less representational, in terms of diversity, and therefore it's hard not to correlate and create this confusion and mixed message. Is this a priority after all, or is it not?”* (P14, female, middle management, actively involved)

When talking about the support of leadership, it is observed that the vast majority of participants who have an opinion regarding this topic are actively involved in the DE&I initiatives and task forces; this is clearly represented in Figure 15.

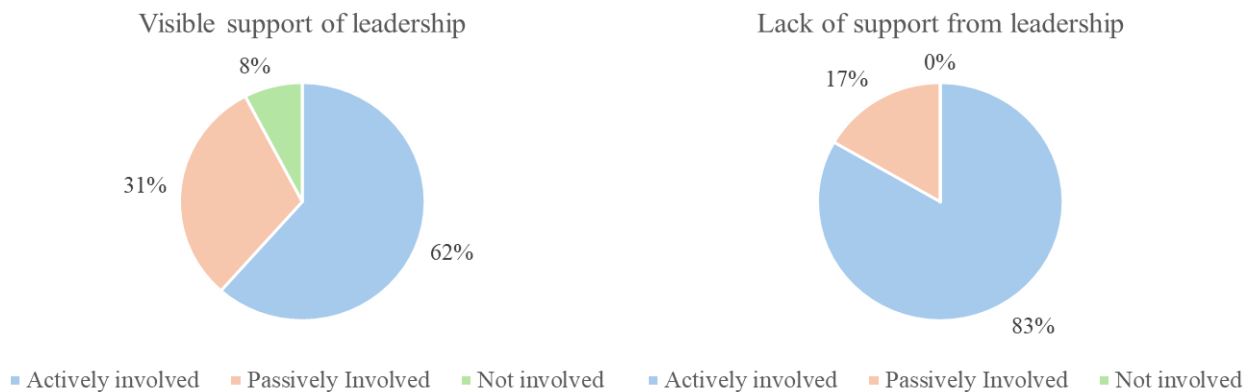


FIGURE 15 - Comparison between degrees of involvement regarding perception support or lack of from leadership

#### 4.6. Perception of Anti-DE&I Measures

As it was noticed regarding the perceptions of the DE&I initiatives, all participants also have an opinion regarding the anti-DE&I measures.

*“I do not agree with them at all; I believe that's a nonsense and that's going back 20 years in the past.”* (P10, male, staff, not involved)

*“I'm very against them; it makes me very angry. (...) I think we're stepping back decades by doing that.”* (P14, female, middle management, actively involved)

While some interviewees mention that these may specifically impact overall engagement, reduced trust, or a feeling of fear and disappointment, the vast majority of

the interviewees mention other dimensions without associating them to a specific type of effect; the different dimensions mentioned regarding anti-DE&I are represented in Figure 15.

*“I think it would really change our recruiting strategies quite honestly, especially here in the US. I think if we remove some of those measures, I think we would lose diversity in the workforce, both in ethnicity but also in gender. And I think that would be a true loss.”* (P16, female, upper management, actively involved)

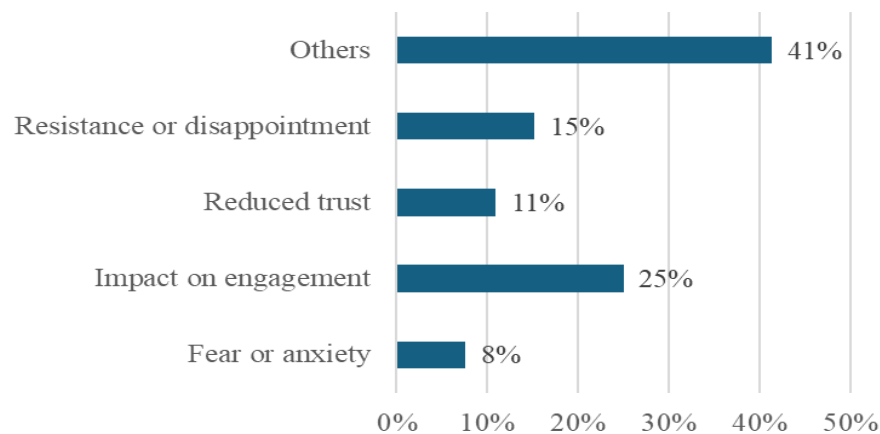


FIGURE 16 - Distribution of quotes regarding their perception of Anti-DE&I measures

When focusing on the number of times that perceptions regarding the anti-DE&I measures and their impact, it is clear that middle management is able to translate it in more ways (50%) than upper management (17%) and staff (33%). This trend is also observed when comparing the same variable (number of quotes) per gender; female participants are able to clarify the impact of such matters and mention these more often (61%) than male participants (39%). When observing the data per degree of involvement, interviewees who are actively part of DE&I initiatives and task forces demonstrate a higher level of disappointment and ease to mention concrete examples on how anti-DE&I can affect people and the company. While passively involved participants and employees who are not involved at all in DE&I initiatives also perceive an impact, they generally aren't able to be as concrete or expressive; in Figure 17, it is possible to visualize the difference in the number of quotes per degree of involvement.

*“That would harm a lot of productivity, I imagine. It would for me.”* (P15, female, middle management, passively involved)

*“... it will reduce productivity, and innovation will go down for sure. And how we even work in different markets since we are a globalized company. (...) I think if we implement those anti-DE&I policies, that will have a tremendous impact on the business itself and how people are working, and even our innovation, milestones, and other drivers would definitely fall off.” (P13, male, middle management, actively involved)*

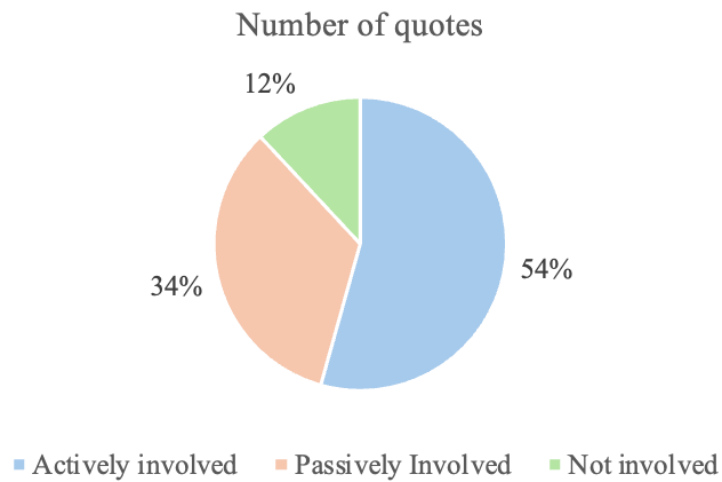


FIGURE 17 - Demonstration of number quotes regarding Anti-DE&I and their impact per degree of involvement in DE&I

## 5. DISCUSSION OF RESULTS

The results have shown that while Diversity, Equity, and Inclusion initiatives are generally perceived positively by employees across different hierarchical levels and regions, their impact is deeply influenced by perceived authenticity, leadership commitment, and cultural relevance. Many participants reported that DE&I efforts enhance psychological safety, belonging, and engagement within the organization. However, concerns also emerged around regional inconsistencies and the long-term implications of growing anti-DE&I movements. These findings suggest that for DE&I to be effective and sustainable, it must go beyond compliance and metrics, and instead, it needs to be rooted in a genuine commitment to fostering inclusive organizational cultures that adapt to local realities and amplify underrepresented voices (Harrison et al., 2021).

These insights align with the framework of Social Exchange Theory, which defends that workplace relationships are driven by reciprocal exchanges of support, trust, and perceived fairness (Blau, 1964; Cropanzano & Mitchell, 2005). When DE&I initiatives are seen as authentic efforts from the organization, employees are more inclined to reciprocate with engagement, loyalty, and trust. If these efforts appear performative or imposed, the reciprocal exchange weakens, diminishing their impact (Cropanzano & Mitchell, 2005; Eisenberger et al., 2020).

The first research question explores the perception of the impact of DE&I initiatives on outcomes such as loyalty, commitment, and engagement from employees across different hierarchical levels. While most participants expressed some awareness of these initiatives and their effects, the data reveal a clear distinction in how strongly and concretely this impact is perceived, depending on their position within the organizational hierarchy.

Staff-level employees showed more difficulty in recognizing the initiatives as entirely positive or in directly linking them to increased loyalty or engagement. This perception may result from their more limited access to strategic discussions and their tendency to view such initiatives as something disconnected from their daily work tasks (Nishii & Mayer, 2009). Additionally, this group expressed greater skepticism, often viewing DE&I as something to be checked out, tied to performance evaluations, rather than as a meaningful strategy, echoing concerns raised in the literature about performative

diversity practices (Dobbin & Kalev, 2016). As a result, staff-level employees were less likely to articulate a clear relationship between DE&I and their own engagement or organizational commitment. Through the lens of SET, this could be interpreted as a breakdown in perceived reciprocity, where these employees do not see a balanced exchange between their contribution and organizational support (Cropanzano & Mitchell, 2005).

In contrast, middle and upper management more frequently articulated positive and specific perceptions of DE&I initiatives. These participants provided concrete examples of how such efforts contributed to psychological safety, team cohesion, and overall engagement. This may reflect their greater involvement in the strategic decisions related to DE&I and their role in modeling inclusive behaviors. As Shore et al. (2018) suggest, inclusive leadership helps embed DE&I within the organization's culture, which can enhance both individual commitment and group-level trust (Shore et al., 2018). Managers may perceive a stronger social exchange, both giving and receiving support through DE&I structures, which reinforces their sense of ownership and alignment with these initiatives (Blau, 1964).

Importantly, data also revealed that individual involvement in DE&I initiatives was often a stronger influence on perception than hierarchical level alone. Employees who actively engaged with DE&I programs, regardless of their position, tended to speak about these initiatives with more insight and appreciation, while less involved individuals often described DE&I as a compliance and performance obligation with limited relevance, personally or professionally. This aligns with broader theoretical perspectives emphasizing the importance of employee inclusion and participation in diversity efforts as a means to foster meaningful engagement and cultural integration (Mor Barak, 2015). From a SET perspective, this underlines the importance of reciprocal engagement; employees who invest in DE&I are more likely to perceive returns in terms of inclusion, recognition, and growth opportunities (Cropanzano & Mitchell, 2005).

In conclusion, integrating Social Exchange Theory into the interpretation of findings reinforces the importance of mutual exchange and trust in shaping employee perceptions of DE&I (Cropanzano & Mitchell, 2005; Emerson, 1976). While management-level employees are generally more positive and specific in their assessments, staff-level

employees tend to be more skeptical or detached, particularly when they are not actively participating in DE&I efforts. These findings suggest that increasing authentic engagement and reciprocal value across all levels may be key to strengthening the perceived value and effectiveness of DE&I initiatives throughout the organization, aligning with SET, which emphasizes mutual trust and obligation in shaping organizational outcomes (Cropanzano & Mitchell, 2005; Eisenberger et al., 2020).

The second research question addresses how employees from different countries, cultures, demographics, and underrepresented groups perceive the outcomes of DE&I initiatives. A notable pattern emerged regarding gender: women were generally more inclined to express appreciation for the impact of these initiatives, particularly in terms of fairness and career access. Interestingly, male participants, especially those based in Europe, tended to be more skeptical, often questioning the direct impact of DE&I and sometimes suggesting that benefits were exclusive to specific groups, such as employees who are part of the LGBTQ+ community. These findings echo earlier research by Ely and Thomas (2001), which highlights the variance in perception depending on group association and diversity experience (Ely & Thomas, 2001).

Additionally, most expatriated or immigrant participants, working in countries different from their country of birth, consistently reported a stronger appreciation for DE&I initiatives, especially Employee Resource Groups. They gave credit to these initiatives for helping them navigate cultural differences and integrate into workplace culture, contributing to greater psychological safety and access to career development. These findings are consistent with studies on cultural intelligence and cross-border inclusion (Rockstuhl et al., 2011) and align with SET in that perceived organizational support leads to increased loyalty and motivation from employees who feel valued and understood across cultural boundaries (Cropanzano & Mitchell, 2005).

The third research question examines how employees at various hierarchical levels assess the effectiveness of DE&I initiatives and how these perceptions influence their relationship with the organization. The perceptions of DE&I initiatives vary significantly across hierarchical levels within the company. Middle and upper management tend to view these initiatives more favorably, often providing concrete examples of how DE&I contributes to improved team cohesion, employee motivation, and retention. These

participants frequently highlighted the role of DE&I in fostering a psychologically safe environment and a sense of belonging, which in turn enhances trust in leadership and commitment to the organization. Managers, particularly at the middle level, emphasized the initiatives' contribution to reducing turnover and increasing team engagement; a perspective aligned with previous literature that identifies leadership support as pivotal to the success of DE&I strategies (Shore et al., 2018). From the SET lens, these leaders are responding to a perceived fair exchange in which their inclusive efforts result in more cohesive and high-performing teams (Blau, 1964).

By contrast, staff-level employees demonstrated more skepticism or detachment. A few perceived DE&I as limited to an annual performance goal rather than an integrated part of the company's culture, leading to a weaker perceived connection between DE&I and organizational outcomes. This perception aligns with Dobbin and Kalev's (2016) critique of diversity programs that rely on mandatory approaches rather than fostering authentic engagement (Dobbin & Kalev, 2016). Through SET, such a perception suggests that these employees may not perceive a reciprocal relationship between their contributions and organizational support, resulting in a lessened feeling of trust (Cropanzano & Mitchell, 2005).

Interestingly, the level of involvement in DE&I initiatives strongly influenced perceptions regardless of hierarchical position. Staff-level employees who had not actively engaged in ERGs or DE&I-related events were more likely to hold negative or neutral views, reinforcing existing research that highlights participation and inclusion as critical mechanisms for embedding DE&I into daily organizational life (Roberson, 2019). SET explains this dynamic through the lens of perceived reciprocity; employees are more likely to feel committed and loyal when they perceive DE&I efforts as reciprocal, providing tangible and relational value. When DE&I is perceived as a genuine and bidirectional effort, it leads to greater engagement, organizational trust, and commitment. On the other hand, where initiatives are seen as arranged or disconnected from daily practice, employees are less likely to view them as impactful or meaningful (Cropanzano & Mitchell, 2005).

The fourth research question explores how employees perceive anti-DE&I policies and the implications these have for organizational culture and performance. The study



revealed strong concerns among participants regarding the growing political debate against DE&I, particularly in the USA. While most participants acknowledged that these external pressures had not yet led to significant internal policy changes, they expressed anxiety about the future. Employees across regions and roles interpreted anti-DE&I rhetoric as a threat to organizational values and expressed worry that reduced investment could gradually undermine progress in inclusion and employee well-being. Around 70% of participants believed that the removal or downgrading of DE&I programs could result in decreased morale and long-term damage to employee engagement, especially for those in underrepresented groups who viewed DE&I as essential to feeling seen, heard, and respected. This aligns with research suggesting that perceptions of fairness and psychological safety are essential to sustaining employee commitment and performance (Nishii, 2020). In light of SET, the erosion of DE&I initiatives represents a breakdown in the perceived social contract between employer and employee. If employees believe the organization is withdrawing support, they may withhold effort or disengage in return (Blau, 1964; Emerson, 1976).

However, the degree of concern varied based on the participants' engagement with DE&I initiatives and their demographic or regional context. Those more actively involved in DE&I efforts or belonging to minority groups expressed stronger emotional reactions and a clearer understanding of the potential consequences. Others, particularly employees who had limited to no interest in these programs, were less likely to anticipate direct impacts. Despite these differences, a shared belief emerged that a strong internal culture backed by authentic leadership could mitigate the effects of external anti-DE&I forces. These findings align with prior research emphasizing the importance of leadership consistency and cultural alignment in ensuring the long-term sustainability of DE&I programs (Offermann & Basford, 2006). From a SET standpoint, this conclusion is reinforced, indicating that where trust and perceived fairness are preserved, organizations are more likely to maintain employee loyalty and engagement, even under external pressures (Cropanzano & Mitchell, 2005).

## 6. CONCLUSIONS, LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

In a world where Diversity, Equity, and Inclusion initiatives are becoming increasingly politicized and contested, this study contributes to the ongoing academic and organizational conversations by providing a comprehensive qualitative exploration of how employees working in a multinational American company at different hierarchical levels and across diverse geographical and demographic backgrounds perceive the value and impact of DE&I initiatives. With an interpretivist philosophy and analysis based on Braun and Clarke's thematic approach, the study captures how DE&I is experienced within a multinational organization that is based in a rapidly changing political environment.

One of the central theoretical contributions of this research lies in its application of Social Exchange Theory to the DE&I domain. The findings support the notion that perceived fairness, trust, and reciprocity, considered the core constructs of SET (Blau, 1964; Cropanzano & Mitchell, 2005), are critical in shaping how employees engage towards DE&I efforts. When DE&I initiatives were perceived as authentic and reciprocal, fostering mutual respect and recognition, participants reported higher levels of organizational commitment, engagement, and a deeper sense of belonging. On the other hand, when such efforts were seen as performative or imposed primarily to meet compliance and performance metrics, employees expressed skepticism and disengagement. This reinforces and expands the existing literature that connects inclusive practices with increased employee motivation and loyalty (Shore et al., 2018; Roberson, 2019), while demonstrating how SET can serve as a powerful interpretive framework for understanding the relational dynamics that support DE&I engagement (Cropanzano & Mitchell, 2005).

This study also addresses gaps in the literature by centering voices that are often marginalized or underrepresented in DE&I research. As recent scholars, such as Olusanya (2023) and Mathur & Pandey (2024), have noted, much of the existing literature has tended to reflect the perspectives of dominant groups, namely white, heterosexual, cisgender men; as a result, the varied experiences of women, LGBTQ+ individuals, people of color, and employees from diverse socio-economic or cultural backgrounds have been overlooked (Olusanya, 2023; Mathur & Pandey, 2024). By including

participants from a wide range of identities and locations, this research provides a more holistic and contextual understanding of how DE&I initiatives are perceived, consequently enriching the academic discussion with greater insights.

From a practical standpoint, the study offers several implications for organizations seeking to implement or enhance their DE&I strategies or even considering eliminating these. First, it highlights the importance of visible and authentic leadership in advocating inclusion. Managers and executives play a critical role not only in modeling inclusive behavior but also in embedding DE&I values into the organizational culture (Shore et al., 2018). The data shows that leadership's active and sincere commitment significantly shapes employee perceptions of legitimacy and effectiveness. Second, the findings emphasize the need for locally adapted DE&I efforts. Rather than adopting a one-size-fits-all approach, companies should develop culturally sensitive strategies that reflect the unique social dynamics of their regional offices and consequently promote more inclusive and relevant experiences for employees across regions (Rockstuhl et al., 2011).

Lastly, the research responds to the emerging tension between internal DE&I strategies and external socio-political actions. While participants acknowledged the influence of anti-DE&I debate, particularly in the United States of America, they generally believed that a strong internal culture could protect the company against such pressures, as long as the organization remains consistent in its values and actions. This insight points to the importance of strategically embedding DE&I deeply within the cultural and operational identity of organizations, rather than treating it as a short-lived or politically motivated initiative.

However, this study was conducted with a sample restricted to employees from one American multinational company, which may limit the broader applicability of the findings (Tracy, 2010). Additionally, the sample skewed toward millennial participants and did not include representatives from upper executive leadership or Human Resources, both of whom could have provided complementary perspectives on the formulation and strategic direction of DE&I initiatives. Another limitation observed was the understanding of these initiatives themselves; while some participants demonstrated a clear grasp of DE&I concepts, others focused on a much narrower interpretation, suggesting potential variation in internal communication and training effectiveness

(Roberson, 2006). These gaps in the sample and conceptual awareness suggest the need for broader and more inclusive research designs moving forward.

To expand on the findings of this study, future research could consider several approaches, such as comparative studies across different industries or companies with varying levels of DE&I maturity, which would help assess how organizational culture and sector-specific challenges shape DE&I perceptions (Nishii, 2020). Longitudinal research could evaluate the evolving impact of DE&I initiatives over time, offering insight into their sustainability and the development of organizational trust (Shore et al., 2018). Quantitative studies would also be beneficial to complement the qualitative insights gathered here and to empirically measure specific DE&I outcomes such as retention, promotion rates, or psychological safety (Daniels, 2001). Finally, further cross-cultural analyses comparing Western and non-Western organizational approaches could provide a more global perspective on DE&I implementation and reception, particularly given the increasing globalization of the workforce (Rockstuhl et al., 2011).

In conclusion, this study contributes to both theory and practice by offering an empirically grounded understanding of how DE&I is experienced from within the organization. It reaffirms the potential of DE&I initiatives to foster engagement, trust, and inclusion when implemented authentically and with contextual sensitivity. It also calls attention to the risks of superficial engagement and the critical need for inclusive leadership and reciprocal organizational relationships. Therefore, this research provides a valuable foundation for future studies and organizational action aimed at sustaining DE&I in increasingly complex and challenging environments.

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## APPENDICES

## 1. INTERVIEW SCRIPT

**Introduction**

Hello. I would like to start by thanking you for agreeing to participate in this interview. I am currently conducting research for my thesis regarding Diversity, Equity and Inclusion (DE&I) initiatives and their impact on the organizational culture and performance. The purpose of this interview is to understand your perspective on your company's DE&I initiatives and how they have shaped the environment and work performance within your team and the organization's.

The interview will take 30-60 minutes and with your permission I will record the conversation to allow me to accurately transcribe your responses. I would like to assure you that everything that will be discussed today will be kept confidential and your responses will be anonymized in the research. Is that alright with you?

**Background Information**

1. Can you tell me about your role within the company and how long you have been with the organization?
2. To what extent are you involved with the company's DE&I programs or initiatives?

**Main Discussion**

1. What is your opinion regarding the company's DE&I initiatives? In what way are they effective when it comes to creating a more inclusive culture?
  - a. Are there any examples you could share of how you have personally benefited from these initiatives?
2. Are you able to pinpoint when the DE&I initiatives were first implemented in the company?
  - a. If so, what are the changes you have observed since then?
  - b. In your opinion, would you say that these initiatives are integrated to the point that employees are accustomed and no longer acknowledge them?

- c. Have you ever felt that the efforts towards the DE&I initiatives diminished throughout the time and, if so, in your perspective, how has that affected the employees and the teams?
3. What influence do you think DE&I initiatives have had on the company's organizational culture?
  - a. Have you observed any specific cultural shifts, both positive and negative?
  - b. What is your perspective of these cultural shifts, if applicable, across the different regions?
4. In your opinion, does DE&I have a tangible effect on the performance of your teammates, team or organization as a whole?
  - a. Are there any specific examples of performance improvements or challenges linked to DE&I initiatives?
5. How would you describe the changes regarding employees' communication, collaboration, loyalty and commitment since DE&I initiatives were introduced?
  - a. If so, in your opinion, are these changes having a positive or negative influence on the team's performance?
6. In your experience, how welcoming has the leadership been to DE&I initiatives? Have you witnessed any significant changes in leadership behaviors and priorities?
  - a. If so, how would you describe the results of such changed behaviors on the employees?
7. What is your perspective regarding the anti-DE&I measures and policies that have been rising in the USA?
  - a. In your opinion, in what way would implementing anti-DE&I policies affect the organizational culture and performance?

### **Closing**

1. Would you like to share anything else regarding your experience with DE&I initiatives in your company?

Thank you again for your time today, your insights have been invaluable for my research.