

# Diversity, Equity and Inclusion (DEI) Initiatives for Employee Engagement

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**Abstract:** Diversity, Equity and Inclusion has become a ubiquitous gimmick across the world especially in the field of human resources. It has become the most critical element in the modern day HR practice. With employees spanning from Baby Boomers, Gen X, Gen Y and Gen Z and the gender variants, organizations must ensure that their policies and practices should ensure the needs and expectations of the diverse groups. Each group brings their own unique perspectives and practices and their engagement and commitment to work depends on how the organization perceives them. As organizations aim to build a stronger workforce, Diversity, Equity and Inclusion (DEI) initiatives play a crucial role in fostering a cohesive work environment. This paper explores the role of DEI initiatives in employee engagement by promoting workplace inclusivity, equitable opportunities and inter-generational collaboration. It further examines how DEI programs impact employee engagement and job satisfaction among diverse groups. The study was conducted in various manufacturing companies in Tamil Nadu and the research yielded a positive correlation between DEI and Employee Engagement.

**Keywords:** Diversity, Equity, Inclusion, Employee Engagement

**I. Introduction:** Today's work environments are becoming increasingly heterogeneous. In recent years, the concept of diversity, equity and inclusion have attained significant attention. As the world becomes interconnected, it is natural that people migrate for various life prospects like education, employment etc. Modern day industrialists speak on the importance of workplace diversity, equity and inclusion. Management practitioners all over the world have expressed a strong interest in diversity, equity and inclusion. As organizations attempt to mirror societal diversity, "Diversity, Equity, and Inclusion" (DEI) initiatives arise as cultural transformation catalysts for the organizations. Diversity in the workplace is more than a trend; it reflects societal advancement and organizational development. In today's rapidly changing workplace, stakeholders are more and more concerned about practicing diversity, equity, and inclusion (DEI).

According to various studies, DEI initiatives at workplace contributes to a welcoming and productive environment. The absence of DEI in labour markets in different parts of the world has denied segments of the workforce basic rights, social justice, respect, and dignity as human beings (Forst, 2010; Divan et al., 2016; Hocking, 2017). Accommodation and integration of diverse people would create a sense of solidarity and camaraderie at work among workforce members (Hodson, 2001). According to the Harvard Business Review (2017), "diversity is being invited to the party, while inclusion is being asked to dance." Rozaini et.al (2022) in their study entitled, "Diversity, Equity, Inclusion and Employee Loyalty" discovered that diversity, equity, and inclusion have a significant impact on loyalty and engagement at work. Diversity refers to the presence of diverse groups within a given workplace, such as, age, gender, language (geographical location), marital status, physical abilities, religious beliefs, sexual orientation and socioeconomic background. Equity involves ensuring equal access, fair treatment, opportunity, and advancement for all individuals in the workplace, despite differences. Unlike equality, which treats everyone equally, equity acknowledges that different people may require different resources and opportunities to succeed. Inclusion is the art of making all people feel respected, accepted and valued in the workplace. It includes fostering a culture where everyone has the opportunity to contribute and participate fully, without facing discrimination or bias.

## History of DEI efforts in India

Diversity, Equity and Inclusion initiatives at workplace in India has been influenced by a number of factors varying from historical, social and legislative factors. The history of DEI in workplace can be divided into various time frames, viz.,

- During the colonial era (Late 19th Century), Indians were mainly forced to do menial tasks whereas the Whites (or the Englishmen) worked in high position jobs.
- Pre-independence (1900-1947):- Prior to independence, work was divided among people on the basis of caste. Those who belong to the upper caste, worked in higher and respective positions and people from lower caste was subjected to subordination by the upper caste. Untouchability was widespread and untouchability at the workplace is no exception.
- Post-Independence, initial efforts to labour rights and equality at work and workplace movements started as a result of the various constitutional provisions and prevailing labour laws in the country. (Examples include: Article 14 to 24 of the Indian constitution, Factories Act of 1948, which gives special protection for women workmen and children, Maternity benefit act of 1961 which gives additional protection to women during pregnancy etc.)
- 1990 to present:- As a result of the new economic policy ie, Liberalisation, Privatisation and Globalisation people started moving from one place to another, especially to other countries in search of work. Even foreign workers, came to India for work.

Previously, the workforce in a particular region was limited to people of the same region. As a result of access and opportunities, and the impact of media, has brought people from the North and South, East and West to work together under one roof. Slowly, the Government and various stakeholders has also included the LGBTQIA+ people in the workforce, making the workplace a thaali plate.

#### **Influence of DEI on Employee engagement**

Research has consistently shown that higher levels of employee engagement correlate with increased productivity, reduced turnover rates, and improved organizational performance. Diversity, Equity, and Inclusion (DEI) initiatives are transformative forces in organizations, having a significant impact on employee engagement. First and foremost, DEI develops a sense of belonging among employees from various backgrounds. When people feel accepted and valued for their differences, they are more likely to be engaged in their work and communicate effectively with their peers. This sense of belonging fosters a supportive environment in which employees are encouraged to offer their unique ideas and skills, resulting in increased team cohesion and productivity. CISCO Systems case study report shows the influence of DEI on employee engagement. Cisco has been recognized for its holistic commitment to diversity and inclusion, which has resulted in significant benefits for employee satisfaction and business outcomes. Several companies in India like the Accenture, Wipro, Godrej, HCL, Schindler electric and ZF has effectively implemented DEI practices at the workplace. This study aims to contribute to this body of knowledge by investigating the influence of DEI initiatives on employee engagement within manufacturing sector in a prominent plant in Chennai. This research seeks to provide actionable insights and recommendations for organizations aiming to enhance employee engagement through effective DEI strategies.

#### **Outcomes of DEI initiatives on Employee Engagement :-**

The various outcomes of DEI initiatives on employee engagement includes;

- Increased productivity
- Increased retention rates
- Reduced attrition rates
- Enhanced reputation for the organization
- Increased Job Satisfaction
- Enhanced Motivation
- Better Team Dynamics

## **II. Statement of the problem**

In the modern workplace, diversity, equity and inclusion programs have started receiving a lot of attention. Organizations are increasingly realising that creating an Atmosphere in which various perspectives are appreciated, equitable opportunities are provided, and inclusion is actively encouraged - can result in a variety of benefits. These includes increased the employee engagement and participation, higher team performance and a more positive organizational reputation. Despite the increased emphasis on DEI, many firms fail to effectively implement these programs and reap their potential benefits. Historically, men has outnumbered women in the manufacturing sector. Ostensibly, the manufacturing sector is male-dominated. The gender gap in this industry pose a significant challenge. It is vital to address this disparity and create a more inclusive and diverse workforce. The feminization of women in manufacturing sector is a road less taken. Also, there is a visible lack of diversity among the top level management of the manufacturing companies in India. Women, non-binary (LGBTQIA+), the aged population and the physically challenged are often considered as unfit for the jobs in manufacturing sector. They are often confined to other sectors. The manufacturing sector, with its diverse workforce and operational complexities, has problems in optimizing employee engagement as cultural norms and workplace dynamics change. While Diversity, Equity and Inclusion (DEI) initiatives have gained attraction globally, their specific impact on enhancing employee engagement within the manufacturing industry remains underexplored. This study aims to look into how DEI practices, such as policies, programs and organizational culture, affect employee engagement metrics including job satisfaction, retention rates and productivity in manufacturing plant in Chennai. This study seeks to provide insights into effective approaches for fostering a more engaged and inclusive workforce in the manufacturing industry by studying the implementation and consequences of DEI strategies.

## **III. Review of Literature**

Diversio DEI expert (2023), in its report entitled “How diversity, equity and inclusion can drive employee engagement”, spells out the importance of DEI in engaging the employees. Employees are more likely to be engaged when they believe that their employer honours and respects their individuality. This makes them even more productive. Also, employees from diverse backgrounds may be able to improve professionally and at the same time, learn from each other through the DEI initiatives. Exponents of this report are of the view that as a result of DEI practices, the employee engagement levels may rise and those engaged employees are likely to improve their personal and professional self and are more likely to be effective and driven. Jeronimo et.al (2022) in the article entitled “Being inclusive boosts impact of diversity practices on employee engagement”,

discusses about the correlation between diversity and employee engagement. The study yielded the result that a positive correlation exists between the diversity practices and engagement, which is mediated by the perception of inclusion. This study also found that employees are more likely to engage if they perceive an inclusiveness from the culture of organization. Mansi Tiwari (2022), in his research “Diversity and Inclusion initiatives: Driving organizational success”, found that diversity and inclusion initiatives have a profound impact on organizational culture and employee engagement. Yadav et.al (2017), in the study “workforce diversity and individual differences: implications for employee engagement”, highlights the importance of workplace diversity and its implications on employee engagement. Individual differences and workplace diversity mean that HR practitioners cannot rely on a "one-size-fits-all" approach. As the significance of human capital grows, there is a pressing need to tailor HR strategies and practices to meet the needs of a diverse workforce. This study reveals the importance of leveraging diversity on employee engagement. This study also brings forth the importance of each of the employee engagement dimension: physical, cognitive and emotional as each one of it has some role to play, in the overall organizational climate.

#### **IV. Methodology**

##### **General Objective**

To assess how Diversity, Equity and Inclusion (DEI) practices influence employee engagement levels within the organization.

##### **Specific Objectives**

- To understand the influence that DEI practices have on employee engagement
- To examine the perception of employees towards Diversity, Equity and Inclusion practices
- To examine the relationship between Diversity, Equity, Inclusion and Employee Engagement
- To suggest recommendations for improving employee engagement by increasing the level of Diversity, Equity and Inclusion practices followed by the organization

##### **Field of Study: -**

The research was conducted in various manufacturing companies in Tamil Nadu, India.

##### **Hypotheses**

- $H_0$  (Null Hypothesis): There is no statistically significant relationship between Diversity, Equity, and Inclusion (DEI) practices and employee engagement in the organization.
- $H_1$  (Alternative Hypothesis): The implementation of DEI practices is positively correlated with higher levels of employee engagement in the organization.

##### **Research Design: -**

This study adopted a descriptive research design to explore and analyze the relationship between DEI practices and employee engagement. The design facilitated the identification of trends, characteristics and potential effects of DEI practices on employee engagement within the industrial context.

##### **Research Method: -**

A quantitative research method was used. Data was collected through structured surveys and statistically analyzed to examine the hypothesized relationship between DEI practices and employee engagement.

##### **Sample size: -**

The final sample consisted of 75 employees.

##### **Sampling Technique: -**

Simple random sampling was employed to ensure that each employee had an equal chance of being selected, thus enhancing the representativeness and reliability of the findings.

##### **Tools of Data Collection: -**

Data was collected using a self-structured questionnaire consisting of Likert-scale items. The instrument was designed to gather comprehensive insights into DEI practices and employee engagement.

##### **Sources of Data: -**

- **Primary Data:** Collected directly from employees through the administered questionnaire.
- **Secondary Data:** Sourced from academic journals, company reports, newspapers, official websites and previous research studies relevant to DEI and employee engagement.

## V. Major Result and Discussions

Table 1.1:- Regression Analysis

| <b>ANOVA<sup>a</sup></b>                               |                |    |             |         |                   |
|--------------------------------------------------------|----------------|----|-------------|---------|-------------------|
|                                                        | Sum of Squares | df | Mean Square | F       | Sig.              |
| Regression                                             | 638.847        | 1  | 638.847     | 123.434 | .000 <sup>b</sup> |
| Residual                                               | 377.820        | 73 | 5.176       |         |                   |
| Total                                                  | 1016.667       | 74 |             |         |                   |
| a. Dependent Variable: EMPLOYEEENGAGEMENT              |                |    |             |         |                   |
| b. Predictors: (Constant), DIVERSITYEQUITYANDINCLUSION |                |    |             |         |                   |

The regression model explains Employee Engagement using DEI as a predictor. The high F-statistic (123.434) and very low p-value (0.000) suggest a strong and significant relationship between DEI and Employee Engagement in the manufacturing sector. This rejects the null hypothesis and accepts the alternate hypothesis.

Table 1.2 :-Correlation between DEI and Employee Engagement

| <b>Correlations</b>                    |                            |                                        |                            |
|----------------------------------------|----------------------------|----------------------------------------|----------------------------|
|                                        |                            | <b>Diversity, Equity and Inclusion</b> | <b>Employee Engagement</b> |
| <b>Diversity, Equity and Inclusion</b> | <b>Pearson Correlation</b> | <b>1</b>                               | <b>.793**</b>              |
|                                        | <b>Sig. (2-tailed)</b>     |                                        | <b>0.000</b>               |
|                                        | <b>N</b>                   | <b>75</b>                              | <b>75</b>                  |
| <b>Employee Engagement</b>             | <b>Pearson Correlation</b> | <b>.793**</b>                          | <b>1</b>                   |
|                                        | <b>Sig. (2-tailed)</b>     | <b>0.000</b>                           |                            |
|                                        | <b>N</b>                   | <b>75</b>                              | <b>75</b>                  |

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 4.2 summarizes the relationship between Diversity, Equity and Inclusion (DEI) and Employee Engagement using Pearson's correlation coefficient. The correlation between DEI and Employee Engagement is 0.793, indicating a strong positive relationship. This means that as DEI improves, Employee Engagement tends to increase significantly. The results highlight a strong and statistically significant positive correlation between Diversity, Equity and Inclusion (DEI) and Employee Engagement. This underscores the critical importance of fostering DEI initiatives to enhance engagement levels in the workplace. Organizations should leverage DEI strategies as a key driver for improving employee satisfaction and commitment.

Table 1.3:- Correlation between Diversity and Employee Engagement

| <b>c</b>                   |                            |                  |                            |
|----------------------------|----------------------------|------------------|----------------------------|
|                            |                            | <b>Diversity</b> | <b>Employee Engagement</b> |
| <b>Diversity</b>           | <b>Pearson Correlation</b> | <b>1</b>         | <b>.739**</b>              |
|                            | <b>Sig. (2-tailed)</b>     |                  | <b>0.000</b>               |
|                            | <b>N</b>                   | <b>75</b>        | <b>75</b>                  |
| <b>Employee Engagement</b> | <b>Pearson Correlation</b> | <b>.739**</b>    | <b>1</b>                   |
|                            | <b>Sig. (2-tailed)</b>     | <b>0.000</b>     |                            |
|                            | <b>N</b>                   | <b>75</b>        | <b>75</b>                  |

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 1.3 represents the correlation between Diversity and Employee engagement. The findings says that there is a strong positive correlation between Diversity and Employee Engagement. There is a strong, positive and statistically significant relationship between diversity and employee engagement in the organization. This suggests that efforts to enhance diversity could have a meaningful impact on improving employee engagement levels. A study conducted by Downey et.al (2015) also revealed that there is a positive relationship between diversity and engagement at work.

Table 1.4:- Correlation between Equity and Employee Engagement

| Correlations        |                     |        |                     |
|---------------------|---------------------|--------|---------------------|
|                     |                     | Equity | Employee Engagement |
| Equity              | Pearson Correlation | 1      | .606**              |
|                     | Sig. (2-tailed)     |        | 0.000               |
|                     | N                   | 75     | 75                  |
| Employee Engagement | Pearson Correlation | .606** | 1                   |
|                     | Sig. (2-tailed)     | 0.000  |                     |
|                     | N                   | 75     | 75                  |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 1.4 depicts the correlation between Equity and Employee engagement. The findings says that there is a moderately significant positive relationship between Equity and Employee engagement. This suggests that fostering a sense of equity in the workplace can significantly enhance employee engagement levels.

Table 1.5:- Correlation between Inclusion and Employee Engagement

| Correlations        |                     |           |                     |
|---------------------|---------------------|-----------|---------------------|
|                     |                     | Inclusion | Employee Engagement |
| Inclusion           | Pearson Correlation | 1         | .701**              |
|                     | Sig. (2-tailed)     |           | 0.000               |
|                     | N                   | 75        | 75                  |
| Employee Engagement | Pearson Correlation | .701**    | 1                   |
|                     | Sig. (2-tailed)     | 0.000     |                     |
|                     | N                   | 75        | 75                  |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The above table shows the correlation between Inclusion and Employee Engagement. This indicates that there is a strong positive relationship between inclusion and employee engagement. As perceptions of inclusion increase, employee engagement tends to increase significantly as well. This suggests that fostering a culture of inclusion in the workplace can have a substantial positive impact on employee engagement levels.

### Policy Implication

- Apart from the normal training programmes which indirectly focuses on DEI, additional DEI training programmes can be provided. It might increase the employee engagement. 85.3% of the respondents agreed to this.
- A DEI related mentorship programme can be offered, so that the migrant employees will be able to cope up and adapt to their new working environments, thereby reducing the cultural shock. 81.3% of the respondents strongly agreed to this.
- The organizations should conduct regular surveys to gather employees feedback on DEI practices. Regular surveys or feedbacks helps to understand the perception and thought process of the employees. 84% of the employees strongly agreed to this.
- The best practices in other sectors (IT), for effective DEI policy shows the operation of Employee Resource Groups. ERGs are crucial for imparting the DEI knowledge and practices. Therefore, establishing an ERG can be one of the most effective measures to leverage DEI. 81.3% of the respondents agreed to the formation of ERG's.

- Cultural sensitivity training can be provided to the employees. It will help to understand and appreciate the peers better. 80% of the respondents strongly agreed to this.
- The organizations can hire more persons with disabilities as it will make the workplace more inclusive.

## **VI. Conclusion**

In conclusion the relationship between DEI and employee engagement is both profound and multifaceted. Organisations that embrace diversity, champion equity and foster inclusion create a foundation for a positive and thriving workplace culture. Such a culture not only enhances employee engagement but also drives innovation and collaboration. The insights from this research highlight the transformative potential of DEI in shaping employee experience and achieving organisation excellence.

As organisations navigate to the challenges and opportunities of the 21st century the integration of DEI into their core strategy will remain a critical determinant of organizational success. By prioritizing DEI, organisations not only full fill their ethical and social responsibility but also unlock the full potential of their workforce. Ultimately the Synergy between DEI and employee engagement serves as a powerful catalyst for sustainable growth, competitive advantage and enduring organizational success in an increasingly diverse and interconnected world.

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