Being inclusive boosts impact of diversity practices on employee engagement

Ser inclusivo estimula o impacto das práticas de diversidade no engagement dos trabalhadores

Ser inclusivo estimula el impacto de las prácticas de diversidad en el engagement de los trabajadores

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Abstract
Purpose – This study aims to analyse the relationship between diversity practices and employee engagement in the specific context of a telecommunications company.

Design/methodology/approach – Using simple and multiple linear regressions, the authors test the mediating effect of the perception of inclusion and the moderating role of inclusive leadership, as well as whether this style of leadership promotes the perception of inclusion among employees.

Findings – The results are based on a sample of 238 responses and show that a positive correlation exists between the perception of diversity practices and engagement which is mediated by the perception of inclusion. However, inclusive leadership fails to moderate this relationship, although it does positively influence employees’ perception of inclusion.

Practical implications – The study emphasises: the importance of employees’ perceptions of diversity and inclusion as a strategic priority of their organisations and the importance of its embeddedness in the

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organisational culture and daily practices and the role of inclusive leaders in shaping employees’ perceptions, as this leadership may have significant implications for their engagement and performance.

**Originality/value** – This research offers a better understanding of what contributes to an inclusive workplace and the role of inclusive leaders in building up employees’ perception of inclusion that, thus, enhances their engagement.

**Keywords**  Diversity, Inclusion, Perception of inclusion, Engagement, Inclusive leadership

**Paper type**  Research paper

1. **Introduction**

The focus on diversity in the current global economy is one of the top concerns for managers and organisations. Diversity influences all business dynamics, and therefore
firms need to implement policies and practices that support and include all individual differences (Bourke et al., 2017). These policies and practices respond to the growing demand for equal rights and opportunities of a more and more diverse workforce that includes not only a greater number of women but also the coexistence of several generations and the integration of minorities with regard to ethnicity, sexual orientation, religion and disabilities.

The effective management of diversity goes beyond simply enhancing the representation of minority groups of employees but instead comprises providing a basis for an inclusive organisation where people of distinct backgrounds and with different values, perspectives and worldviews feel valued, motivated, engaged and encouraged to remain their authentic selves (Shore et al., 2018; Ashikali et al., 2021). A diversity programme is only successful if the company can communicate it, if it corresponds to strategic guidelines, and if all its employees have a sense of inclusion (Madera et al., 2017; Mor Barak et al., 2016). Inclusion, thus, means the embeddedness of diversity in organisational systems and policies, but especially employees’ perception that they belong to the group or organisation and are able to express their unique identity (Shore et al., 2011). As such, they perceive themselves as having insider access to organisational decision-making that, thus, leads to the potential positive effects of diversity practices, such as employee engagement and individual performance which enables an organisational competitive advantage (Downey et al., 2015).

Leaders are crucial to the experience of inclusion in the organisation by creating a sense of belongingness and uniqueness within the team (Shore and Chung, 2021). The literature shows that leaders can inspire organisations to become more inclusive by bridging cross-background differences in individuals and by establishing a close connection with all employees that considers their interests and that integrates them into the company’s dynamics (Mor Barak, 2014; Shuck et al., 2016; Ashikali et al., 2021). An inclusive leadership style – a recent and growing research stream – is key to supporting a climate that is truly inclusive and that bridges the potential discrepancy between corporate statements and real practices. This leadership style ensures the integration of diversity practices and policies in the organisational culture that, thus, leads to the building of a perception of inclusion among employees (Muir and Hoyland, 2015). When they perceive inclusion, employees feel accepted and integrated which reinforces their positive relationship with the organisation that leads to an increase in performance, commitment and engagement (Blomme et al., 2015; Chen and Tang, 2018).

So far, little research exists on the effects of managing diversity and the perception of inclusion on employees’ engagement (Sharma and Sharma, 2015; Downey et al., 2015). Nor is there much on the impact of inclusive leadership on engagement (Choi et al., 2015). Based on the specific context of a large Portuguese telecommunications company, the aim of this study is to analyse the relationship between diversity practices and employee engagement, as well as the effect of the perception of inclusion and inclusive leaders on that relationship. Despite focussing on a single case, this study provides academia and practitioners with a greater awareness of what contributes to an inclusive workplace and how leaders with an inclusive style are crucial to building employees’ perception of inclusion to maximise their levels of engagement.

2. Theoretical framework and hypotheses
2.1 Diversity and inclusion
Diversity can be defined as being the result of the interaction between individuals with different identities who coexist in the same social system (Mateescu, 2017). Differences can
occur in the dimensions of race, ethnicity, gender, sexual orientation, social class, age, marital status, education, skills, political or religious beliefs and other ideologies. This understanding is corroborated by Madera (2018) and Gotsis and Kortezi (2015), who refers to diversity as being the degree to which a working group or organisation is uneven in relation to personal and functional attributes.

The literature shows that organisational diversity has positive effects such as an improvement in innovation and creativity, effective problem-solving, and increases in the productivity, quality and engagement of members (Chung et al., 2016). However, diversity also has negative consequences with detrimental effects on organisational outcomes – particularly in the form of increasing conflict, declining social integration, inhibiting decision-making, limiting the talent pool and incurring penalties and lawsuits that jeopardise profits and the public image (Shore et al., 2011; Mor Barak, 2014). Sometimes, there is a discrepancy between the corporate messages and policies on diversity and inclusion and the real daily practices experienced by employees (Bourke et al., 2017). There are several explanatory reasons for this decoupling (Meyer and Rowan, 1977 cit. in Mor Barak, 2014), for example, the ingrained prejudicial processes from the employees themselves and a certain permissiveness at the managerial level for discriminatory behaviours (Saraiva and Irigaray, 2009), the adoption of diversity practices simply to comply with mandatory anti-discrimination laws (Shore et al., 2018) or a lack of prototypical leadership qualities (ability to react to the unexpected, to predict behaviours and reactions and to build possible solutions). Gotsis and Grimani (2016) find that this disparity may create hostile and discriminatory working environments in which firms practice social exclusion. For this reason, several authors (e.g. Ferdman, 2017; Mor Barak, 2014) argue that there must be an awareness throughout the organisation of the importance of creating an inclusive workplace, as it is positively correlated with both the performance and engagement of employees.

Thus, managing workforce diversity is the first step towards the creation of inclusive environments (Sabharwal, 2014). Even though diversity and inclusion are often treated as interchangeable or as a joint term (expressed in its abbreviation: D&I), they are not equivalent. While managing diversity focusses on organisational demographics, either observable (e.g. gender and race) or non-observable (e.g. education and culture) characteristics, inclusion focusses on levelling the playing field and removing barriers to enable high performance among all employees (Roberson, 2006). In a more explicit way, diversity is “the mixture of attributes within a workforce that in significant ways affect how people think, feel, and behave at work”, while inclusion “focuses new attention on the policies, practices, and climate of the workplace – the workplace culture – that shapes the experiences of employees with those characteristics” (Hays-Thomas and Bendick, 2013, p. 195). Therefore, while diversity management practices “can be mandated and legislated”, inclusion “stems from voluntary actions” (Winters, 2014, p. 206). Diversity is not merely about recruitment of minority groups and equal opportunity employment practices; it goes beyond that, as it is about incorporating all employees’ perspectives into organisational goals, processes and dynamics (Downey et al., 2015). Managers need specific plans for managing diversity to make it a source of competitive advantage (Howarth and Andreouli, 2016). Diversity practices can mitigate the occurrence of discriminatory behaviours and act as a signal of organisational commitment to supporting all employees, regardless of whether they belong to a minority group or not (Downey et al., 2015).

2.2 The importance of the perception of inclusion
A diversity programme is effective if it communicates its objectives and is strategically framed and internalised by all members of the organisation (Madera et al., 2017). The
combination of these factors influences the perception of inclusion experienced by employees in relation to a diversity programme (Mor Barak et al., 2016). A sense of inclusion occurs when employees feel part of a group or an organisation and have access to information, resources, networks and security that gives them the capacity to influence decision-making.

When individuals have a positive perception of general D&I practices, there is an increase in the likelihood of these being more effective and of generating a climate of confidence (Roberson, 2006). In addition, this positive perception has a direct effect on engagement (Simons, 2017), performance (Bae et al., 2017), organisational commitment (Shore et al., 2018; Chen and Tang, 2018), job satisfaction and well-being Bakker et al. (2012), as well as reducing stress and turnover (Hwang and Hopkins, 2015).

Employees’ perception of inclusion allows them to feel that they are accepted in the workplace and appreciated (Chen and Tang, 2018). Besides organisational policies and rules to promote D&I matters, having a positive perception and feelings of being included, valued and treated equitably is critical to employees. Among the antecedents to perceived organisational inclusion and its resulting outcomes, one should consider the existence of an inclusiveness climate, consistent practices and inclusive leaders (Shore et al., 2018). An inclusive organisation is, therefore, one that seeks to include all employees and, if necessary, to change whole business processes in its quest to incorporate their perspectives in the organisation’s main objectives (Ferdman, 2017).

2.3 Diversity and inclusion and work engagement

For Schaufeli et al. (2002), engagement is formed by three dimensions:

1. **Vigour** that is characterised as the manifestation of high energy levels and mental resilience at work, which, in turn, is reflected in the persistence to achieve the intended objectives;

2. **Dedication** that is measured as the level of involvement, which, in turn, is translated into enthusiasm, inspiration, pride and the permanent challenge of the professionalism of their work; and

3. **Absorption** that equates to the state of immersion and total involvement in the tasks performed which requires high levels of concentration and satisfaction.

Several authors have tried to identify the antecedents of engagement. In this respect, the perception of the social support from colleagues and managers is reflected in the feedback from performance (Santhosh and Baral, 2015), autonomy and turnover (Bakker et al., 2014), investment in coaching and training opportunities (Alhejji et al., 2016), available work resources (Garg, 2014), perception of justice, the awarding of rewards and recognition, workload and organisational values (Downey et al., 2015), internal communications flow (Mishra et al., 2014) and leadership styles (Hansen Byrne and Kiersch, 2014).

Employees with high levels of engagement experience positive outcomes such as happiness and enthusiasm (Pleasant, 2017), better physical and psychological health, job satisfaction (Kahn, 1990), organisational commitment (Whiston and Robison, 2014), proactive behaviour (Bakker et al., 2012) and the transfer of this engagement to other workers through the adoption of organisational citizenship behaviours (Blomme et al., 2015).

The literature has not really explored the link between diversity management and inclusion perception, nor with engagement (Sharma and Sharma, 2015). Indeed, studies have always seen these two constructs as separate dimensions for organisations. While D&I means broadening the reach of the organisation, engagement focuses on the maximum
potential of employees, often without contemplating how the differences could affect the engagement (Clarke, 2015). However, recent research contradicts this initial approach by confirming that an organisation’s diversity practices have a direct relation with employee engagement that indicates one cannot be successful without the other (Downey et al., 2015), and therefore organisational concerns are undeniably synchronous (Clarke, 2015). In this context, diversity is one of the antecedents of engagement and should be used as a tool to achieve competitive advantage by motivating and involving all employees to achieve maximum performance (Pleasant, 2017).

In general, employees present high levels of engagement when they identify with a work environment, which promotes:

- **safety** that is manifested by the comfort of the person that is derived from interpersonal relationships, dynamics between groups and intergroup, leadership styles and the organisations’ norms;
- **meaningfulness** in which employees feel valued for their work, and
- **availability** that is characterised by the accessibility of physical and psychological resources that are associated with work (Kahn, 1990).

Therefore, truly diverse and inclusive workplaces lead to more successful organisations that drive employee engagement (Shuck et al., 2014; Goswami and Goswami, 2018).

The creation of a diverse and inclusive work environment, thus, provides the space where, regardless of any differences, everyone can perform their tasks in an effective and efficient way by building trustful relationships and strengthening communication (Simons, 2017). If we use the Social Exchange Theory (Blau, 1964; Gouldner, 1960) to understand the exchanges and reciprocities between employees and their organisation, then diversity practices clearly are a sign that the organisation cares about interpersonal justice, equality of opportunities and employees’ well-being and individual differences to which employees reciprocate, in turn, with greater engagement (Eisenberger, 1986; Sharma and Sharma, 2015; Strom et al., 2014). The effect at the engagement level occurs when employees perceive the efforts made by the organisation to support all forms of diversity and when these policies are consistent with the employees’ own values (Muir and Hoyland, 2015). According to Kahn (1990), when individuals find that their expectations regarding the organisation are not in line with their own values and objectives, they feel less willing to engage. Therefore, diversity practices within an organisation act as a sign of its commitment to support employees from all backgrounds, as the perception of an inclusive environment directly affects the performance of all employees (Shore et al., 2018), as well as their engagement and turnover (Ariani, 2014). Thus, we put forth the following hypotheses:

**H1.** The positive perception of employees regarding diversity practices positively influences their engagement.

**H2.** The perception of inclusion mediates the relation between diversity practices and work engagement.

### 2.4 Diversity and inclusion, inclusive leadership and work engagement

Despite the growing interest and importance of D&I in the determination of organisational strategies, a gap exists between the adoption of diversity management policies and their results, which limits the scope of competitive advantage (Shore et al., 2018). In the attempt to eliminate this gap, the literature has started to consider leadership as a key element in the
integration of diversity practices and in shaping inclusive workplaces (Roberson, 2006; Blomme et al., 2015; Mor Barak, 2014; Wasserman et al., 2008) as employees are strongly influenced by their leaders with regard to their values, perceptions and behaviours.

There is no leadership style or combination that encourages the incorporation of diversity practices into organisations while making use of the differences to guarantee maximum performance at the same time (Gallegos, 2014). However, Muir and Hoyland (2015) argue that a combination of the demystification of biases, the integration of diversity practices into organisational culture and the promotion of a perceived inclusion in employees can be achieved by exercising a specific leadership style – inclusive leadership. This leadership style consists of “leaders who exhibit openness, availability and accessibility in their interactions with followers” (Carmeli et al., 2010, p. 250). In other words, someone who is receptive to discussing new ideas, new opportunities to enhance work processes and new ways to achieve the desired goals; someone who is willing to face problems and is always “present” for the team; and someone who is easily reached to discuss emerging issues.

A more comprehensive way to approach inclusive leadership is to conceive it as a style that responds to group members’ needs for belongingness and uniqueness. Leaders engage in different behaviours to facilitate and fulfil each of these needs (Randel et al., 2018). For belongingness, leaders can support group members, help and stand up for them and their opinions and create a sense of community in which all members replicate this care and support within the group; ensure justice, equity and fair treatment of group members; and provide opportunities for shared decision-making on major issues that broaden participation and integrate different perspectives that later become a group’s norms. For uniqueness, leaders should encourage an environment that welcomes different points of view, approaches and experiences, which can defy the norm but can contribute to the group performance; and help members to offer their unique talents and perspectives to enhance the group.

Inclusive leaders are also fundamental in avoiding or minimising decoupling. They must prove that inclusion is not just a corporate slogan or a question of numerical presence. Employees are sensitive to the discrepancy between what is said and what the actual reality is and leadership must create a fit between the two (Mor Barak, 2014). Some practices such as sharing information, participating in decision-making and having a voice enhance the perception of inclusion for employees (Shore et al., 2011). Along the same lines, Cottrill et al. (2014) state that leaders of diverse and inclusive organisations enhance the positive effects of diversity in the workplace that contribute to social integration, well-being and performance. Also, very ethnically diverse teams experience a more inclusive climate when leaders act inclusively and value them for their difference and for what they bring to the organisation (Ashikali et al., 2021). Leaders are, thus, responsible for creating a culture of inclusion and in influencing employees’ perception of being included within the group and the organisation. For that, they must consider others as unique and different, promote genuine dialogue, model appropriate behaviours and actively address resistance to diversity efforts (Wasserman et al., 2008). Consequently, we propose the following hypothesis:

**H3.** Inclusive leaders positively influence employees’ perception of inclusion.

In broad terms, a leader who is focussed on meeting the needs of employees is crucial for creating an engaged workforce (Shuck and Herd, 2012). Leadership is, thus, one of the antecedents of employee engagement (Shuck et al., 2016), as leaders’ behaviour acts not only as a source of motivation but also as the promotion of a healthy environment that encourages engagement. However, few studies have examined the effect of specific leadership styles on engagement and, in particular, the influence of inclusive leadership
An exception is the research of Choi et al. (2015), who show that inclusive leadership is positively associated with employee engagement in the workplace. Engagement and motivation are also promoted because inclusive leaders challenge and encourage employees to go beyond their professional requirements (Hansen et al., 2014). Inclusive leaders are relational; they care about their followers’ interests, expectations and feelings and are available and willing to help them (Hollander, 2009; Carmeli et al., 2010). By adopting a position of openness, availability and accessibility, inclusive leaders can increase employee satisfaction and motivation in the workplace that positively influences engagement (Kleine and Weißenberger, 2014). Consequently, we propose the following hypothesis:

\[ H4. \] Inclusive leadership moderates the relation between diversity practices and work engagement.

3. Methods
3.1 Sample and procedure
This study was carried out on a large Portuguese telecommunications company. This company had recently created a Diversity and Inclusion Plan with the objective of enhancing diversity and ensuring that all employees felt included and committed to an organisation that respects the principles of justice and equal opportunity. The plan contemplated five action targets: sexual orientation, age (generations), gender, background (cultural or social) and disability. Despite D&I being in an early stage, the company considered it a strategic priority and therefore had invested effort into building a comprehensive programme. This company was an interesting empirical experiment because it had been proactive in trying to create an inclusive environment that valued diversity. Considering that D&I are fundamental to an organisation’s ability to innovate, adapt and grow and that different identity groups should equally participate in formal and informal organisational networks, this company was an opportunity to test what contributes to an inclusive workplace.

The method adopted was a quantitative investigation with data collected from a survey of employees who currently worked at the headquarters (Lisbon). They all had an individual contract of employment. The sample was collected during June and July of 2018 and had 238 respondents that corresponded to 24% of the total staff at the headquarters. The sample was composed of 48% male and 52% female employees with a concentration in age between 18 and 30 years old; permanent contracts were very close to 100%. This company was recognised as an organisation with highly qualified employees. Thus, to be hired by the company, an applicant must have had a master’s degree. Table 1 provides detailed information on the sociodemographic characterisation of the respondents.

SPSS, version 25, was used for the data analysis. The hypotheses were tested using simple and multiple linear regressions. Of note was the recurrent use of the stepwise method to identify the variables which had significant explanatory power over the dependent variables.

3.2 Measures
Based on the literature, we used the measures summarised in Table 2. Diversity practices were tested using the Diversity Practices Scale that comprised 15 items which were developed by Downey et al. when they were researchers at the Centre for Research and Engagement in Diversity. The scale had a Cronbach’s alpha of 0.87. The perceived inclusion of employees regarding diversity practices and policies was evaluated using the Inclusion Scale, which was developed and validated by Downey et al. (2015) and consisted of 10 items adapted from the...
scale originally proposed by Roberson (2006). The Cronbach’s alpha was 0.86 that demonstrated adequate internal consistency. The levels of engagement were tested with the Utrecht Work Engagement Scale developed by Schaufeli et al. (2006) and comprised 17 items that measured three dimensions: vigour, absorption and dedication (with alphas ranging from 0.80 to 0.90). Inclusive leadership was assessed by using the Inclusive Leadership Scale developed by Carmeli et al. (2010) and comprised nine items, which measured three dimensions: openness, availability and accessibility. The Cronbach’s alpha was 0.94.

Given the differences in the responding formats of the different scales used in this research, following Carifio and Perla (2007), we opted to amalgamate them in a five-point Likert scale to compare and make inferences and correlations between the different constructs. Additionally, as the results of the Cronbach’s tests were meaningful and in line with the original ones, we concluded that reliability was not damaged. For each item, the responses were displayed on a Likert scale ranging from 1 = totally disagree, to 5 = totally agree. In addition, the questionnaire also included questions for a socio-demographic characterisation of the sample: gender, age, marital status, academic qualifications, seniority in the job, time with direct management and hierarchal position.

4. Results and discussion
In the first results for the internal consistency analysis, the Diversity and Inclusion scales presented Cronbach’s alphas of 0.813 and 0.641, respectively. However, those items that had correlations of less than 0.20 were removed from the final calculation, thus, resulting in an alpha of 0.820 for the diversity scale and one of 0.678 for the inclusion scale which was already close to the acceptable minimum of 0.70. In regard to the Engagement scale, Cronbach’s alpha was 0.898 and all items were valid on the scale. In terms of the subscales,
the alphas were vigour – 0.752; dedication – 0.809; and absorption – 0.730. Regarding the Leadership scale, the alpha value was 0.882 and for the subscales, the alphas were openness – 0.684; availability – 0.778; and accessibility – 0.766 that verified that all items had high correlations with both the scale and respective subscales, and thus they were validated with all the respective integrated items.

Regarding the common method variance, we adopted the following procedures, suggested by Podsakoff et al. (2003):

- the order of the questions was counterbalanced when preparing the questionnaire;
- total anonymity was assured by removing all information that could serve to backtrack the respondent; and
- the single Hartman’s factor score was used and the results showed that no single or general factor emerged that accounted for most of the covariance among the variables that led us to conclude that there were no problems with common method variance. The factor that had the highest percentage of variance equalled 26.552%.

Overall, the results indicated that our hypothetical model provided an acceptable fit for the data that confirmed the conceptual distinction of the chosen scales. The values of each scale

<table>
<thead>
<tr>
<th>Measure</th>
<th>Scale</th>
<th>Source</th>
<th>Samples of the items</th>
</tr>
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</table>
| Diversity | Diversity practices | Downey et al. (2015) | • Diverse job candidates are actively recruited when an opening exists at [the organisation]  
• Diversity is a priority for leadership  
• There is organisational support for diversity-related events |
| Perceived inclusion of employees | Inclusion | Downey et al. (2015) | • I believe that I play an important role in helping to shape the policies, procedures and practices of [the organisation]  
• All viewpoints, including those that differ from the majority opinion, are considered before decisions are made by [the organisation] |
| Levels of engagement | Utrecht work engagement | Schaufeli et al. (2006) | • When I get up in the morning, I feel like going to work (vigour)  
• When I am working, I forget everything else around me (absorption)  
• I am proud of the work that I do (dedication) |
| Inclusive leadership | Inclusive leadership | Carmeli et al. (2010) | • The manager is an ongoing “presence” in this team – someone who is readily available (availability)  
• The manager is open to hearing new ideas (openness)  
• The manager is accessible for discussing emerging problems (accessibility) |
and for each of the dimensions were determined by calculating the average of the items that constituted each dimension – with the theoretical mean point for all scales and subscales being three (Table 3). Moreover, the averages of all scales and subscales were well above their theoretical midpoint.

To analyse the correlation between the variables, we calculated the Pearson correlation coefficient and the relations among all scales and subscales had positive and significant correlations ($p < 0.001$) (Table 4). Therefore, we verified higher values for the relation between the engagement scale and its subscales and for the leadership scale and its subscales.

To test $H1$ we performed a linear regression (Table 5) in which the coefficient of determination ($R^2 = 0.280$) indicated that the existence of a positive perception of diversity practices explained $28.0\%$ of the variation in engagement and that diversity practices constituted a statistically significant variable for the explanation of engagement ($\beta = 0.529$, $p < 0.001$). $H1$ was, therefore, confirmed. This is consistent with the findings of Downey et al. (2015), who argue that diversity practices are a significant predictor of engagement and those of Simons (2017) and Clarke (2015), who postulate that a positive perception of diversity practices leads to multiple benefits, such as increased performance and engagement. As diversity is one of the antecedents of engagement, it should be used as a tool to achieve competitive advantage through the involvement of all employees to achieve maximum performance (Shuck et al., 2016).

We tested $H2$ for mediation by following the proposal of Baron and Kenny (1986). Both paths were significant, and therefore partial mediation existed that somewhat confirmed $H2$ (Table 6). A Sobel test was performed (using the most used online calculator, available at http://quantpsy.org/sobel/sobel.htm) and the results confirmed the mediation effect ($3.049; SE = 0.045; p$-value $= 0.002$). Although diversity practices and engagement were positively correlated, the existence of a set of actions aimed at managing diversity might not transform into actual results. On this matter, Ferdman (2017) and Mor Barak et al. (2016) report that a diversity programme only has advantages if employees perceive inclusion which is a fact that is corroborated by our study.

The results for $H3$ came from a linear regression (Table 7) and showed that inclusive leadership had an effect on an employee’s perceived inclusion ($\beta = 0.632, p = 0.000$). $H3$ was, thus, confirmed. This confirmation converges with those of Choi et al. (2015), who emphasise the role of top management in increasing the level of understanding of diversity policies and in creating experiences of inclusion for employees. It also corroborates Muir and Hoyland’s study (2015) in the sense that the employees’ perceived inclusion is influenced by exercising an inclusive leadership where the demonstrations of openness, accessibility and

<table>
<thead>
<tr>
<th>Variables</th>
<th>n</th>
<th>M</th>
<th>SD</th>
<th>CV (%)</th>
<th>Min</th>
<th>Max</th>
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<td>12</td>
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Table 3. Descriptive statistics for scales and subscales in the total sample
<table>
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<tr>
<th>Variables</th>
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<th>Inclusion</th>
<th>Engagement</th>
<th>Vigour</th>
<th>Dedication</th>
<th>Absorption</th>
<th>Leadership</th>
<th>Openness</th>
<th>Availability</th>
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<td></td>
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<td></td>
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<tr>
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<td>0.754***</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absorption</td>
<td>r 0.485***</td>
<td>0.488***</td>
<td>0.901***</td>
<td>0.758***</td>
<td>0.641***</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>r 0.569***</td>
<td>0.632***</td>
<td>0.667***</td>
<td>0.667***</td>
<td>0.591***</td>
<td>0.550***</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Openness</td>
<td>r 0.456***</td>
<td>0.590***</td>
<td>0.561***</td>
<td>0.544***</td>
<td>0.514***</td>
<td>0.466***</td>
<td>0.851***</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Availability</td>
<td>r 0.533***</td>
<td>0.560***</td>
<td>0.622***</td>
<td>0.628***</td>
<td>0.534***</td>
<td>0.523***</td>
<td>0.943***</td>
<td>0.682***</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Accessibility</td>
<td>r 0.529***</td>
<td>0.527***</td>
<td>0.590***</td>
<td>0.603***</td>
<td>0.538***</td>
<td>0.464***</td>
<td>0.856***</td>
<td>0.609***</td>
<td>0.747***</td>
<td>1</td>
</tr>
</tbody>
</table>

**Note:** ***p < 0.001**
availability by leaders enhance the positive effects of diversity in the workplace. This leadership style contributes to social integration, wellness and performance that results in employees being more engaged.

The results obtained in the test of H4 suffered from multicollinearity, and therefore we could not draw any conclusions (Table 8). The literature shows that a gap sometimes exists between the adoption of diversity management policies and the respective results that constrain the building of an inclusive working environment. In this sense, our results differ from those achieved by Blomme et al. (2015), who consider leadership to be a key element in the integration of diversity practices in organisational culture. The results of our research could well be explained by the fact that managers did not view diversity and the sense of inclusion experienced by the company’s employees as leadership priorities. The divergence from Blomme et al. (2015) could also be because the creation of the company’s Diversity and Inclusion Plan had been recent that could have limited the manifestation of the potentially expected effects of diversity as a competitive advantage, as well as eliminating bias and building an inclusive workplace.

5. Conclusion
According to our results, we can draw two main conclusions. Firstly, employees’ perception regarding diversity practices positively influences their level of engagement and the relation between the two is mediated by the perception of inclusion. Indeed, by embracing and implementing D&I policies, organisations can signal their commitment to support an inclusive workplace. This commitment is reflected in the communication network, decision-making and daily practices. Employees are more prone to engage if they perceive this organisational culture of inclusion (Shore et al., 2011; Ariani, 2014). For this to happen, organisations must ensure that D&I policies are part of the organisational culture and are incorporated in day-to-day practices that develop an inclusive climate that counters decoupling. Secondly, inclusive leaders are key to inspiring and promoting a truly diverse workplace and to shaping the perceived inclusion of the employees. For organisations to become truly inclusive, it is necessary that, in addition to D&I policies, guidelines and practices, leaders must be able to convey the value of diversity internally (Mor Barak, 2014). This specific leadership style positively influences employees’ perceived inclusion through the demonstrations of openness, accessibility and availability that enhance the positive effects of diversity – such as performance, engagement, job satisfaction and perceived organisational support (Blomme et al., 2015; Gotsis and Grimani, 2016). These effects, in turn, result in employees being more engaged. We were unable to confirm that inclusive leadership moderated the relation between diversity practices and employee engagement at work, but our results might be understood according to the idiosyncrasies of the organisational context in which D&I is in an early phase.

This research allows a better understanding of what contributes to an inclusive workplace and the role of inclusive leaders in building up employees’ perception of inclusion that, thus, enhances their engagement. From a theoretical point of view, this study humbly

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>SD</th>
<th>β (stan)</th>
<th>T</th>
<th>ρ</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.033</td>
<td>0.192</td>
<td></td>
<td>10.578</td>
<td>0.000</td>
<td>0.280</td>
</tr>
<tr>
<td>Diversity</td>
<td>0.512</td>
<td>0.053</td>
<td>0.529</td>
<td>9.572</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Dependent variable: Engagement
contributes to the still underexplored facet of inclusive leadership in the D&I literature (Randel et al., 2018). It points out the importance of perceived inclusion and how it influences employee outcomes (Chen and Tang, 2018) because when employees perceive inclusion, there is a reinforcement of their relationship with the organisation and this boosts the impact of the diversity practices on engagement. From a practical point of view, the study encourages current and future managers to adopt a broader view of D&I programmes as their design, implementation and perception of employees have significant implications on employees’ engagement and performance. Because perceptions shape the way employees think and feel about diversity and inclusion in their organisation, it is vital that their organisation has a consistent, coupled and integrated corporate message and action. In practice, this message can be translated into two key ideas:

1. the importance of employees’ perception of D&I as a strategic priority for their organisation and its embeddedness in the organisational culture and daily practices; and

### Table 6.
Testing mediation for H2

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>SD</th>
<th>β (stan)</th>
<th>T</th>
<th>p</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1 (Constant)</td>
<td>2.033</td>
<td>0.192</td>
<td>10.578</td>
<td>0.000</td>
<td>0.280</td>
<td></td>
</tr>
<tr>
<td>Diversity</td>
<td>0.512</td>
<td>0.053</td>
<td>0.529</td>
<td>9.572</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Step 2 (Constant)</td>
<td>1.682</td>
<td>0.152</td>
<td>11.093</td>
<td>0.000</td>
<td>0.492</td>
<td></td>
</tr>
<tr>
<td>Diversity</td>
<td>0.637</td>
<td>0.042</td>
<td>0.701</td>
<td>15.112</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Step 3 (Constant)</td>
<td>1.377</td>
<td>0.223</td>
<td>6.185</td>
<td>0.000</td>
<td>0.347</td>
<td></td>
</tr>
<tr>
<td>Inclusion</td>
<td>0.627</td>
<td>0.056</td>
<td>0.589</td>
<td>11.202</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Step 4 (Constant)</td>
<td>1.377</td>
<td>0.223</td>
<td>6.185</td>
<td>0.000</td>
<td>0.346 (0.002)</td>
<td></td>
</tr>
<tr>
<td>Inclusion</td>
<td>0.627</td>
<td>0.056</td>
<td>0.589</td>
<td>11.202</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Diversity</td>
<td>1.264</td>
<td>0.222</td>
<td>5.703</td>
<td>0.000</td>
<td>0.340 (0.002)</td>
<td></td>
</tr>
<tr>
<td>Inclusion</td>
<td>0.457</td>
<td>0.077</td>
<td>0.430</td>
<td>5.932</td>
<td>0.000</td>
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</tr>
<tr>
<td>Diversity</td>
<td>0.220</td>
<td>0.070</td>
<td>0.228</td>
<td>3.141</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

Note: Dependent variable: Engagement

### Table 7.
Results for testing H3

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>SD</th>
<th>β (Stan)</th>
<th>T</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.887</td>
<td>0.166</td>
<td></td>
<td>11.348</td>
<td>0.000</td>
</tr>
<tr>
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<td>0.528</td>
<td>0.042</td>
<td>0.632</td>
<td>12.538</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Note: Dependent variable: Inclusion

### Table 8.
Results for testing H4

<table>
<thead>
<tr>
<th>Model</th>
<th>B</th>
<th>Std. error</th>
<th>β (Stan)</th>
<th>T</th>
<th>Sig.</th>
<th>Collinearity statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>2.578</td>
<td>0.093</td>
<td>27.842</td>
<td>0.000</td>
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<td></td>
</tr>
<tr>
<td>Diversity*leadership</td>
<td>0.091</td>
<td>0.006</td>
<td>0.678</td>
<td>14.180</td>
<td>0.000</td>
<td>1.000</td>
</tr>
<tr>
<td>2 (Constant)</td>
<td>3.181</td>
<td>0.202</td>
<td>15.779</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversity*leadership</td>
<td>0.131</td>
<td>0.014</td>
<td>0.979</td>
<td>9.668</td>
<td>0.000</td>
<td>0.214</td>
</tr>
<tr>
<td>Diversity</td>
<td>−0.328</td>
<td>0.098</td>
<td>−0.339</td>
<td>−3.347</td>
<td>0.001</td>
<td>0.214</td>
</tr>
</tbody>
</table>

Note: Dependent variable: Engagement
(2) the role of inclusive leaders in shaping employees’ perceptions, as this leadership may have significant implications for their engagement and performance.

The former can be achieved by, e.g. integrating all employees’ views through a participated decision-making process; applying transparent and fair procedures concerning promotions, rewards, etc.; developing communication campaigns on D&I initiatives and goals; promoting a strategic alignment between employees’ perceptions and the values portrayed by the organisation. The latter can be carried out by offering inclusive leadership training programmes for managers, focussed on openness, availability and accessibility behaviours, as well as on an inclusive mindset and sensitivity to treat and value employees as unique and different.

Even though this research is limited to a single country and to a single company, we are well aware that the efforts of organisations to promote inclusion are either closely constrained or are facilitated by national cultural values. This conclusion originates from Stoermer et al. (2016), who, through the lens of Hofstede’s cultural dimensions, show that the most permeable contexts for the effective implementation of practices of diversity and inclusion are those characterised by low power distance, high collectivism, low uncertainty avoidance, low masculinity, high long-term orientation and high indulgence (Stoermer et al., 2016). Some, but not all, of these characteristics are present across most of the Ibero-American countries, which could explain the extent of the need to focus more on diversity and inclusion, both in practice and in research. For example, Portugal only demonstrates high collectivism and low masculinity (https://www.hofstede-insights.com/country-comparison/portugal/) and is a country that combines increasing social heterogeneity and diversity rhetoric with scarce resources, few job opportunities and a lack of progressive diversity policies and practices (Barbosa, 2017). This research could well stimulate to continue to explore this area of research, given the lack of literature available on the Ibero-American reality and the need for these countries to actively embark on a journey to improve diversity and inclusion.

Two limitations stand out in this study. Firstly, the study does not allow a generalisation of its conclusions, as it only refers to a single organisational context. Secondly, the study could suffer from a social desirability bias, as it is based on perceptions. The respondents might have felt uncomfortable or fearful of being exposed after revealing their true feelings regarding their organisation. However, some authors (e.g. Chan and Liano, 2009) argue that self-reporting measures represent the most appropriate and valid method for evaluating a variable that cannot be observed or judged by others. In regard to suggestions for future studies, there is an urgent need to understand in detail the interaction of each of the cited constructs with the most diverse organisational variables, such as performance, motivation and well-being. Finally, it would be potentially interesting to research which types of trust are the most significant for mediating the relationship between diversity practices and employee engagement in the workplace (e.g. trust in the leader, the team and/or the organisation), which is a topic that would make it possible to measure the importance of investing time and organisational resources in diversity initiatives.

References


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