

Impact of diversity on organizational well-being: An exploratory study on the perception of the relationship between DEI and well-being in different business contexts

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Abstract: This study aims to conduct an exploratory analysis of the perception of the relationship between Diversity and Organizational Well-Being in companies at different levels of maturity in Diversity, Equity, and Inclusion (DEI). The literature suggests that companies with DEI practices may more easily achieve higher levels of Organizational Well-Being. It is also acknowledged in the literature that larger companies may more effectively implement inclusive practices within their teams, not only because they tend to have more diverse teams but also due to their greater potential for investment in this area. Given that the majority of the Portuguese business landscape is composed of small and medium-sized enterprises (SMEs), this study holds particular relevance within the national context. Therefore, this work seeks to embody an exploratory study, considering the limitations of time and sample size, which may provide insights into the subject matter to be further explored in a doctoral thesis, where generalizable results can be established.

Keywords: Belonging, Diversity, Equity, Inclusion, Organizational Well-Being, Perception.

1. Introduction

Diversity, as a phenomenon intrinsic to nature and the universe, manifests itself in extraordinary ways at different scales and contexts. The vastness of the cosmos reveals a multiplicity of galaxies, solar systems, and planets that coexist in a dynamic balance, where each element presents unique and, therefore, necessarily diverse characteristics. The solar system, of which we are a part, is an example of this richness, composed of planets, moons, asteroids, and other celestial formations, all distinct from each other, but interconnected by invisible forces that ensure the harmony of the whole. On our planet, Earth, diversity is equally evident, whether in natural landscapes or in ecosystems that shelter thousands of species of living beings, each playing an essential role in the cycle of life. Progressing in the microcosm of existence, diversity perpetuates itself in the constitution of living organisms. Human beings, as an integral part of Earth's biodiversity, exhibit remarkable complexity, not only in physical and biological terms, but also in cultural, social, and identity terms. The human body, composed of trillions of cells, illustrates how diversity is both a condition and a necessity for the survival and proper functioning of complex systems. Each cell, though distinct in form and function, cooperates harmoniously with the others to ensure the balance and well-being of the organism as a whole.

If diversity is a constant in nature, it is also so in human societies, where people are distinguished by factors such as gender, age, ethnic origin, sexual orientation, physical and cognitive abilities, life experiences, and cultural values. In organizations, which represent social microcosms, diversity

manifests itself not only as an inevitable reality but can also be seen as a strategic resource. We are witnessing a world of increasing globalization, leading to increasingly diverse multicultural work environments. The COVID-19 pandemic has led to an increase in various work formats, whether remote or hybrid, allowing professionals to no longer be limited by geographic location when choosing their workplaces. At the same time, recruitment and selection processes have become increasingly restrictive of geographic boundaries. Digital nomads are multiplying, providing a variety of services anywhere in the world with internet access and often without any physical interaction. All these variations have fostered more global and diverse work environments, leading to inclusion within organizations being viewed as an effective factor in competitiveness [1]. In turn, organizations are developing a greater focus on productivity than on the number of working hours, and other contributors to productivity are beginning, albeit tentatively, to be highlighted. Studies are being developed, and the concepts of Organizational Happiness and Organizational Well-Being are increasingly being emphasized, incorporating these concepts into organizational agendas as strategic pillars. The inclusion of Sustainable Development Goals in Agenda 2030 brings international focus to these topics, fostering incentives that contribute to this organizational paradigm shift.

In Portugal, issues of diversity, equity, and inclusion are taking centre stage daily, with the emergence of debates and positions taken that are understood as strategic and even political. Concepts such as ableism (associated with people with disabilities) are beginning to be explored, and Law 4/2019 was introduced, which allocates quotas for people with disabilities exceeding 60% in companies with more than 70 employees. In 2000, through organizational synergy, the GRACE – Empresas Responsáveis [2] project was created to promote corporate social responsibility in Portugal, encouraging companies to adopt sustainable and socially responsible practices. In 2018, APPDI (Portuguese Association for Diversity and Inclusion) was established to promote diversity and inclusion in organizations and society. It developed initiatives such as "Engineers for a Day" and "Divers@s e Ativ@s," in collaboration with government and business entities, to foster more inclusive and equitable environments in Portugal. Among its contributions, which had not yet been formally established as an association, was the creation and development of the Portuguese Charter for Diversity in 2016, making Portugal the 16th country to do so. This commitment, thus committed to an inclusive and sustainable management model, fostering diversity and organizational competitiveness. The Portuguese Charter for Diversity is part of the European Union's efforts to combat discrimination and promote equal opportunities in employment and society, in line with Directives 2000/43/EC, 2000/78/EC and 2006/54/EC, and the priorities of the Europe 2020 Strategy, and is also supported by the Diversity@Work project of the Aga Khan Foundation. Based on the increase in good diversity management practices in companies, the European Commission [3] encouraged the development of models that encompass diverse stakeholders. At the European level, a sharing platform was created in 2010 to support voluntary diversity initiatives, which currently includes 24 countries. In addition to the Portuguese Charter for Diversity, inclusive projects that include organizations are multiplying, such as the initiatives of the Aga Khan Foundation, Grace, and, of course, APPDI, which organized the first DEI Summit in Portugal in 2024, a meeting aimed at promoting good practices in organizational diversity.

Despite the growing spotlight on diversity, we still find profound inequalities, whether in terms of pay, access to opportunities, or the accessibility of different profiles in the workplace itself, which remains largely populated by a so-called normative population. Teams composed of diverse individuals offer broader perspectives, fostering innovation, creativity, and the ability to adapt to complex and dynamic scenarios. However, the presence of diversity alone does not guarantee positive results; organizations must adopt inclusive policies and practices that value differences and enhance the contribution of each individual's uniqueness.

In this context, the concept of Organizational Well-Being plays a central role. Well-Being, understood as a state of physical, mental, emotional, and social balance, goes far beyond the simple absence of discomfort or suffering. Within organizations, well-being is reflected in job satisfaction,

healthy interpersonal relationships, personal and professional development, and an inclusive environment that promotes dignity and individual and collective fulfillment. Investing in the well-being of people working within an organization not only improves their quality of life but can also contribute to increased productivity, engagement, and talent retention.

Connecting diversity and well-being in organizations is therefore crucial, as an essential premise of organizational well-being is based precisely on what is unique about each person, and this is a core characteristic of diversity.

We know that diversity directly influences innovation and reduces turnover, but does diversity directly influence well-being in organizations? And, if it does, will this influence find common ground across different organizational realities? We can foresee that an organization that recognizes and values diversity can more easily create the conditions for all people, regardless of their individual characteristics, to feel respected, included, and empowered to contribute to the best of their abilities and talents, thus naturally increasing their sense of well-being. On the other hand, promoting organizational well-being strengthens the sense of belonging and team cohesion, creating more equitable and fair environments, where diversity can be seen as an added value rather than a challenge. But is this reality effective within the realistic business fabric of typical companies that make up the Portuguese business community? Typically SMEs and micro-enterprises? How, then, could diversity be considered in these scenarios for the purposes of relating to well-being, and if so, will it be considered positively? Or could it be seen as a resistance to the advancement of the reality of most Portuguese companies, which are trying to survive economically?

Therefore, understanding the complexity of what we intend to analyze, this dissertation aims to serve as the basis for a future exploratory study on the relationship between Diversity and Well-Being. To this end, we will use data from a Portuguese company (which we will refer to as U), with approximately 300 employees, a signatory to the Diversity Charter, and part of a group recognized in the 2024 Wellbeing Awards. This allows us to deduce that it already adopts Diversity and Well-Being strategies and that concern for these issues is included in its organizational strategy. This data will be compared with that of other typical companies (which we will refer to as Z), typical of the Portuguese reality: micro and SMEs, with fewer employees (4 to 50), headquartered and operating in Portugal, in different areas of activity, and without a defined Well-Being and Diversity strategy, not signatories to the Diversity Charter, and not recognized for Wellbeing practices. The objective of this analysis will be to apply the same model to different typical companies, in order to study the data and the relationships between them. In the future, we can continue this study, as part of a doctoral thesis, with a larger sample and, therefore, obtain generalizable results. Thus, starting from an exploratory theoretical and empirical analysis, we intend to contribute to creating greater knowledge on this topic and to the reflection on organizational practices that, by integrating Diversity as a principle and Well-Being as a priority, enhance the sustainable development of organizations and the people who constitute them, particularly in the Portuguese organizational sphere.

2. Literature Review

This paper aims to initiate a line of study that explores the perception of the relationship between Diversity and Well-Being in an organizational context. To this end, it is important to understand the complexity of each concept, which complicates the ramifications of the relationship between them. Thus, the literature review that serves as the basis for this study is based on dissecting the concept of Diversity within the frameworks considered essential to this topic, addressing the concept of Well-Being, and finding theoretical support in research on both the impact of each of these concepts on the organizational habitat and the potential relationship between the concepts themselves. To this end, it will draw on legal frameworks, established best practices, and the already proven relationships that Organizational Diversity positively influences the functioning of organizations.

2.1. Definition of Diversity: Between Multiplicity and Unity of Concepts

Cox [4] defines diversity as "The representation of multiple categories of social and individual identity within a group or organization, including, but not limited to, racial, cultural, gender, age, sexual orientation, and ability differences." In turn, "Workforce diversity refers to the division of the workforce into distinct categories that (a) have a common perception in a given cultural or national context and that (b) have a potentially detrimental or beneficial impact on employment outcomes, such as employment opportunities, workplace treatment, and promotion prospects, regardless of job-related skills and qualifications" [5]. Mor Barak's definition, based on a global and professional perspective, tends to be considered quite comprehensive, as it is inclusive (including visible and invisible differences), applicable, interdisciplinary, and integrates the dimension of equity and inclusion. It recognizes and emphasizes the fact that diversity is not limited to the mere presence of differences, but also to how these differences are valued, managed, and perceived, making this concept broad, scalable, and adaptable to different realities, such as cultural ones [5].

By defining diversity as the presence of differences and similarities among members of an organization or society, including dimensions such as gender, age, ethnicity, culture, sexual orientation, and abilities, Mor Barak [5] presents a comprehensive definition. Regarding inclusion, the author reports that it refers to the degree to which people belonging to diverse groups feel valued, respected, and fully integrated into organizational structures. Diversity, when managed effectively, is believed to generate innovation, improve organizational performance, and strengthen social cohesion (Yang & Konrad, 2011, cited in Mor Barak [5]). In turn, it is argued that organizational exclusion has significant negative effects on the well-being of employees, professional performance, and talent retention [5].

More than simply defining a concept, it is important to consider the different multidisciplinary approaches that, over the years, have contributed to a greater understanding of the various spheres in which diversity operates.

Indeed, diversity encompasses a variety of intersecting dimensions, influencing personal and professional experiences, which are shaped by social, cultural, economic, and historical contexts. Intersectionality, a concept developed by Crenshaw [6], excellently describes how different forms of oppression (such as racism, sexism, and socioeconomic inequality) overlap and interact, creating specific experiences of discrimination for certain social groups. This approach challenges isolated analyses of inequalities, proposing an integrated understanding of the multiple dimensions that structure social relations.

Earlier, in "Race and History," Lévi-Strauss [7] began to offer insights into cultural diversity, criticizing Western ethnocentrism and social evolutionism, arguing that all cultures contribute to human history in unique ways and thus emphasizing the importance of recognizing and valuing cultural diversity as a fundamental element of the human condition.

Bourdieu [8], Bourdieu [9], and Bourdieu [10], in turn, contributed significantly to diversity studies by demonstrating how social inequalities, including those of gender, class, and ethnicity, are reproduced through structural and symbolic mechanisms. His theory of capital, economic, cultural, social, and symbolic, explains how certain groups accumulate privileges, perpetuating dynamics of exclusion in different social spheres [8]. The concept of habitus reveals that dispositions acquired since childhood shape individual perceptions and aspirations, making inequalities less visible and more difficult to challenge [11]. The notion of symbolic power is central to understanding how certain identities and cultures are systematically devalued, legitimizing forms of social domination [9]. In his 1998 work "Male Domination," he studied gender inequality in depth, demonstrating that female subordination is reinforced by a system of representations and practices that naturalize the hierarchy between the sexes [10]. Still on the subject of gender studies, Mead [12] and Mead [13] had already challenged essentialist conceptions of gender assumptions by demonstrating that the roles assigned to men and women are not universal but socially constructed. Through her ethnographic research in New Guinea (Sex and Temperament in Three Primitive Societies), she observed that different societies attributed different behaviors to each gender, contradicting the idea of a fixed nature of masculinity and

femininity: the Arapesh were characterized by tenderness and cooperation in both sexes, the Mundugumor by generalized aggression, and the Tchambuli by an inversion of Western gender roles, where women assumed the dominant position. These findings reinforced the thesis that gender is a cultural construct and widely influenced anthropology, feminist studies, and social psychology [14]. All these contributions helped bring greater understanding to the concept of diversity, identifying the main dimensions on which it is based. We consider the world to be diverse, but should all diversity be viewed equally? Bourdieu, Mead, Crenshaw, Mor Barak, among others, contributed to bringing greater knowledge about the compositions of diversity that, today, may seem more obvious to us. However, diversity is made up of different spheres that are important to know and take into account in all organizational environments.

2.2. Diversity in Construction: Strategies and Legal Movements

The application of DEI strategies is gaining momentum due to best practices that lead to positive results in organizations. However, over the years, a strategic and legal framework has been developing to foster the creation of DEI measures, supported by global, European, and national policies. We highlight the main movements and strategies:

The integration of ESG (Environmental, Social, and Governance) factors into business practices has been an indicator of organizations' commitment to sustainability and well-being. In the Portuguese context, IAPMEI highlights the importance of these factors, especially in the social pillar, which encompasses crucial areas such as diversity, inclusion, and employee well-being [15].

Diversity and Inclusion in the Scope of ESG Factors - The social pillar of ESG factors emphasizes the promotion of equal treatment and opportunities for all employees. This includes implementing policies that ensure gender equality, fair pay for equal work, continuing education, and skills development [15]. Furthermore, the importance of including people with disabilities and adopting preventive measures against violence and harassment in the workplace is highlighted. These initiatives not only promote a more harmonious work environment but also reinforce the company's commitment to human rights and fundamental freedoms [15].

Workers' well-being is a fundamental pillar, and working conditions are an essential component of the social pillar of ESG factors. Companies are encouraged to ensure safe employment, adequate working hours, and fair wages. The promotion of social dialogue, freedom of association, and the existence of works councils are also valued, as they facilitate communication between employers and employees [15]. Additionally, work-life balance, as well as occupational health and safety, are crucial aspects that directly contribute to the overall well-being of employees [15].

Social Responsibility and Community Commitment - Corporate social responsibility, as defined by the European Commission, encompasses employment practices that include human rights, training, diversity, gender equality, and employee well-being. This approach recognizes that community commitment and sustainable development are fundamental to the long-term success of organizations. Initiatives such as the "Portuguese Charter for Diversity" encourage employers to implement internal policies that promote diversity and equal opportunities, regardless of the cultural, ethnic, sexual orientation, gender, age, or religion of employees [15]. Additionally, according to the United Nations Development Programme [16], Sustainable Development Goals (SDGs) were established in 2015 by the United Nations (UN) as part of the 2030 Agenda, aiming to address global challenges such as poverty, inequality, climate change, environmental degradation, threats to peace, and the prevalence of injustice. These 17 interconnected goals serve as a universal call to action to end poverty, protect the planet, and ensure that all people can live in peace and prosperity by 2030 [17]. According to the European Commission [18], the European Union (EU) has demonstrated a firm commitment to implementing the Sustainable Development Goals (SDGs), integrating them into its internal and external policies. The EU's Global Health Strategy, for example, aligns with the SDGs by promoting good health and well-being throughout the life course, strengthening health systems, and preventing health threats, including pandemics, through a "One Health" approach. Portugal, aligned with the 2030

Agenda, has adopted measures to achieve the SDGs, focusing on areas such as promoting well-being, quality of life, and real equality, as established in the Constitution of the Portuguese Republic. The country is committed to guaranteeing economic, social, cultural, educational, and environmental rights, aiming for social justice and the protection of the most vulnerable.

Among the SDGs, according to UNESCO (undated), those directly related to the dimensions of diversity and well-being stand out:

- SDG 3: Good Health – Aims to ensure access to quality health care and promote well-being for all, at all ages. It includes targets such as reducing maternal and child mortality, combating epidemics, and promoting mental health.
- SDG 5: Gender Equality – Aims to achieve gender equality and empower all women and girls, eliminating discrimination and promoting equal opportunities at all levels.
- SDG 8: Decent Work and Economic Growth – Focuses on promoting inclusive and sustainable economic growth, full and productive employment, and decent work for all, emphasizing the importance of safe working conditions and the protection of labor rights.
- SDG 10: Reduction of Inequalities – Seeks to reduce inequalities within and between countries, promoting the social, economic, and political inclusion of all, regardless of age, gender, disability, race, ethnicity, origin, religion, or economic status.

Integrating these SDGs into national and organizational strategies is essential to promote inclusive and healthy environments, ensuring the well-being of all people and contributing to sustainable development. They serve as a strong driver for measures to advance well-being and justify the commitment to developing strategies that can safeguard diversity in organizational contexts. Prominent examples of their applicability in Portugal include initiatives led by GRACE – Empresas Responsáveis [2] (e.g., the Uni.Network project for corporate intervention in the fight against poverty, podcasts focusing on the SDGs, and several strategic partnerships based on SDG assumptions), the Aga Khan Foundation (organizing interactive online courses, such as "Diversity and Inclusion," to raise awareness among professionals about recognizing and reducing unconscious biases, and postgraduate programs focused on training leaders to implement inclusive practices), and APPDI (in addition to fostering knowledge and adherence to the Portuguese Charter for Diversity, APPDI organized the first DEI Summit and holds workshops, awareness-raising campaigns, and projects such as "Engineers for a Day," focused on deconstructing gender stereotypes, and "Divers@s e Ativ@s," which aims to develop innovative tools to promote diversity and tolerance, combating discrimination among HR professionals and workplace inclusion).

2.3. The Mathematics of Diversity: The Sum of Differences That Multiplies Results

Diversity, when understood and managed effectively, can be a determining factor for organizational, social, and educational development, serving as a central element for the structural transformation of organizations. In this organizational context, Thomas and Ely [19] introduced the Learning and Effectiveness Paradigm, arguing that diversity, far from being merely a matter of representation, can generate innovation and improve performance when incorporated into institutional practices.

Mor Barak [5] argues that managing diversity in a corporate context requires a strategic commitment supported by clear organizational policies, which include the implementation of specific training in diversity and cultural awareness, the creation of pay equity and equal opportunities policies, the promotion of inclusive leadership capable of fostering a welcoming and collaborative work environment, and the adoption of diversity and inclusion programs. According to the Booklet of Good Practices for Diversity [20], organizations that integrate diversity and inclusion policies benefit from increased competitiveness, innovation, and the ability to adapt to market changes. In turn, employees can directly benefit from a sense of inclusion, belonging, and representation: a 2021 Deloitte study highlights that valuing diversity improves talent retention and employee motivation. The community also reaps the benefits of diversity, as inclusive organizations contribute to a more just and equitable

society, reducing social exclusion and promoting sustainable development, strengthening social cohesion, and fostering a more competitive economic environment.

Implementing DEI strategies in organizations transcends ethical imperatives, becoming an essential driver of business performance. But to what extent can diversity practices effectively influence business dynamics, generate results, and become strategic management choices? Several studies have established the relationship between diversity and important indicators in organizations, notably and in greater detail:

2.3.1. Diversity And the Direct Relationship with Productivity:

Herring [21] investigated the relationship between racial and gender diversity in organizations and their impact on business performance. Through a quantitative analysis of data from North American companies, the author demonstrates that organizations with greater diversity have higher levels of revenue, market share, and productivity, supporting the idea that diversity is not only a matter of equity but also a strategic factor for business success. The study challenges the notion that diversity practices can be a cost, showing that, when well-implemented, they are associated with significant organizational gains.

Stojmenovska et al. [22] in turn, replicated Herring's [21] study in order to test it, finding some methodological weaknesses that question the robustness of the results obtained. Among the main problems are inadequate handling of missing data, errors in statistical modeling, and bias in the distribution of control variables. However, the greatest limitation identified was the overgeneralization of the results of the original study, which extrapolated the relationship between diversity and organizational success without considering specific contexts, such as sectoral differences and structural variables. With their revisions, Stojmenovska et al. [22] do not completely rule out the possibility of a positive effect of diversity on organizational performance, but suggest that the evidence is not as robust or consistent as Herring [21] initially claimed. There is, in turn, extensive evidence of diversity's direct influence on different corporate spheres, each of which has clear relevance and influence on productivity, notably in terms of talent retention, innovation, and risk management, among others.

2.3.2. Diversity And Its Relationship with Increased Revenue, Profitability, And Innovation:

Studies show that companies with executive teams in the top quartile for gender diversity are 25% more likely to achieve above-average profitability compared to those in other quartiles [23]. Additionally, organizations with ethnically diverse management teams are 36% more likely to outperform their peers in terms of profitability [23], and companies with greater ethnic diversity demonstrate better analytical and strategic decision-making capabilities [20].

Diversity not only drives innovation but also translates into increased revenue. Diverse management teams generate 19% more revenue from innovation, demonstrating that inclusion is a catalyst for creative and financial success [24]. This capacity for innovation is reflected in market performance, where companies with high levels of diversity outperform competitors by 45% in market share, due to their ability to meet diverse customer needs [25].

Diversity on boards is also correlated with superior financial returns. Companies with gender-diverse boards report a 33% higher return on equity (ROE) than those without gender diversity [26]. Furthermore, organizations in the top quintile of gender diversity see a 10.1% increase in ROE and a 9.7% increase in earnings per share [27]. Companies with at least one woman on the board outperform those with all-male boards by 26% in stock price performance over six years [28]. Additionally, according to a McKinsey study (2017, in APPDI – Carta Portuguesa para a Diversidade [20]), organizations with gender diversity on executive teams have a 33% higher EBIT margin than those that do not adopt inclusive leadership policies.

According to the Center for Talent Innovation (now Coqual), 76% of consumers from diverse backgrounds prefer to purchase products or services from companies that promote inclusion and diversity, which strengthens brand loyalty and expands market reach. Organizations also reap benefits

in terms of brand recognition; according to a 2020 PwC study, 76% of the organizations surveyed invest in internal diversity and inclusion policies, considering them a strategic priority. Additionally, internal diversity facilitates understanding of new cultures and entry into international markets, increasing competitiveness.

Employee productivity and engagement also benefit from inclusive practices. Diverse teams make better business decisions 87% of the time and can do so twice as fast, with fewer meetings [29]. In complex work environments, diversity contributes to a 6% increase in productivity [30]. Additionally, 83% of Millennials feel more engaged when they perceive their workplace as fostering an inclusive culture [31].

2.3.3. Diversity and Its Relationship with Talent Retention and Recruitment:

Adopting DEI practices also positively influences talent retention and reduces costs associated with high turnover levels. Inclusive workplaces are five times more likely to retain employees, fostering a robust organizational culture and reducing turnover [32]. Companies with diverse and engaged teams experience a 41% reduction in absenteeism and a 59% decrease in turnover, resulting in significant savings [33]. Consequently, organizations with well-designed DEI strategies see a 22% reduction in turnover, mitigating recruitment and training expenses, which can amount to 150% of an employee's salary [31]. According to the SHRM report, "The State of Global Workplace Culture in 2024," positive work environments increase the likelihood of employee retention by almost four times, resulting in lower turnover and a stronger organizational culture.

Talent attraction is also strengthened by DEI initiatives. Approximately 76% of job seekers consider workforce diversity an important factor when evaluating companies and job offers, with this percentage even higher among Millennials and Generation Z candidates, who currently make up a significant portion of the workforce [34]. Furthermore, 86% of millennial women evaluate diversity, equity, and inclusion policies when choosing employers [35].

According to the 2014 Glassdoor report, 67% of job seekers consider workplace diversity an important factor when choosing a career opportunity, directly influencing the talent pool available to the company. Furthermore, inclusive recruiting practices increase the likelihood of capturing a broader talent pool by 1.8 times, improving access to high-performing professionals from diverse backgrounds [31]. Companies with a strong focus on Diversity, Equity, and Inclusion (DEI) receive 30% more applications for their positions than those that do not emphasize diversity in their recruiting process [36].

2.3.4. Diversity and Risk Management and Compliance:

Implementing robust Diversity, Equity, and Inclusion (DEI) strategies in organizations is associated with several measurable benefits. The U.S. Equal Employment Opportunity Commission (EEOC) highlights that effective DEI practices can significantly reduce the costs of discrimination penalties. Furthermore, companies that prioritize diversity within the Environmental, Social, and Governance (ESG) area benefit from a 10% reduction in the cost of capital and face fewer regulatory risks [35]. In the technology sector, cultural issues related to diversity result in an estimated \$16 billion in annual losses, as reported by the Kapor Center [37]. Additionally, 78% of employees expect their employers to prioritize DEI initiatives; failure to meet this expectation can lead to high employee turnover and reputational damage [34].

These data reinforce the importance of prioritizing DEI strategies, demonstrating a direct link between diversity, employee engagement, and financial performance across several metrics, including profitability, productivity, customer satisfaction, and risk management. The importance of these numbers is crucial, as resistance to implementing organizational diversity policies stems from perceptions built on structural biases.

2.4. Diversity, DEI, and DEIP – Being Present or Belonging?

The concept of DEIP (Diversity, Equity, Inclusion, and Belonging) has gained relevance within organizational contexts as a comprehensive model for fostering fairer and more welcoming workplaces. As previously discussed, *diversity* refers, in simplified terms, to the presence of individual differences such as ethnicity, age, sexual orientation, religion, or disability, valuing the plurality of identities and experiences [38]. *Equity*, in turn, differs from equality by focusing on fairness and the adaptation of opportunities, ensuring that all individuals have access to the resources necessary for their development, taking their specific circumstances into account [39]. *Inclusion* goes beyond diversity by emphasizing the creation of environments where all individuals feel valued and able to contribute fully, promoting practices that eliminate barriers to participation [40]. Finally, *belonging* refers to a sense of acceptance and emotional connection, essential for individual well-being and engagement [41].

There is a broad consensus, following the conclusions of Shore et al. [42], regarding the need to embed inclusion within organizations, rather than merely considering diversity. The DEIP concept adds depth to this principle. Emerging as an evolution of the DEI (Diversity, Equity, and Inclusion) concept, it integrates the component of belonging, recognizing that the mere presence of diversity and inclusive policies is insufficient without a genuine sense of integration and connection [43]. This model has been widely adopted in human resource management due to its capacity to address not only structural issues but also emotional and social aspects, thereby contributing to more cohesive and productive organizations [44].

The maturity journey from Diversity, Equity, and Inclusion (DEI) towards DEIP is an evolutionary process that organizations undergo as they develop strategies and practices to foster more inclusive and equitable environments. According to studies by Harvard Business Review [45] and Traliant [46], five stages of DEI maturity can be identified:

Stage 1: Initial awareness, inaction. In the first stage, organizations begin to recognize the importance of DEI, but actions are sporadic and poorly structured, and formal DEI initiatives are nonexistent. Diversity may be acknowledged, but there are no concrete actions to promote or integrate it into organizational practices. Harvard Business Review [45] notes that this stage is characterized by a “superficial understanding” of diversity issues, often motivated by external pressures such as market demands or public scandals. Traliant [46] adds that companies at this stage may carry out isolated awareness initiatives, but without an integrated strategy or performance metrics. To advance, organizations need to develop a deeper understanding of the structural and cultural barriers that hinder inclusion. The absence of specific policies often results in homogeneous work environments, limiting innovation and creativity.

Stage 2: Strategy Development / Compliance. In the second stage, companies begin to structure DEI initiatives, defining clear objectives and allocating specific resources, mainly to meet legal and regulatory requirements. Actions are reactive and focused on avoiding penalties, lacking a comprehensive strategy or deep integration into organizational values. Harvard Business Review [45] notes that, at this stage, diversity task forces may be created, and data collection on the representation of underrepresented groups may be initiated. Traliant [46] emphasizes that creating formal policies and leadership training are essential steps to ensure DEI becomes a strategic priority. However, both studies warn of the risk of “performative” efforts, i.e., superficial measures implemented without genuine cultural change, known as “Diversity Washing” [47]. Indeed, a 2024 *Journal of Accounting Research* study shows that many companies exaggerate their commitment to diversity to improve their rankings on Environmental, Social, and Governance (ESG) metrics, thereby benefiting from investments focused on these criteria, despite significant gaps in actual practice [47]. While compliance with standards exists, the lack of genuine commitment can limit the positive impact on employee well-being.

Stage 3: Strategy integration and implementation. The third stage is characterized by the integration of DEI practices into organizational processes. According to Harvard Business Review [45] companies begin aligning DEI with business objectives, incorporating it into areas such as recruitment, career development, and performance evaluation, although often through actions perceived as isolated

rather than fully embedded. Trariant [46] highlights the importance of clear metrics and accountability, suggesting that organizations should monitor progress and adjust strategies as needed. This stage requires continuous leadership commitment and active participation at all hierarchical levels. The absence of alignment with organizational objectives may result in limited progress and perceptions of DEI as a collection of disconnected initiatives.

Stage 4: Maturity and Sustainability - Integration. In the fourth stage, DEI practices become a central and integrated part of organizational culture, with a clear alignment between DEI initiatives and strategic objectives. Harvard Business Review [45] describes this phase as a moment when diversity and inclusion are "institutionalized," with visible impacts on employee well-being and organizational outcomes. Trariant [46] highlights the importance of continuous innovation, suggesting that companies seek new ways to promote equity and inclusion, such as leveraging advanced technologies or forming partnerships with external communities. Leadership demonstrates active commitment, and inclusive policies are embedded at all levels. This stage is marked by a work environment that values diversity and promotes well-being, reflected in higher satisfaction and talent retention.

Stage 5: Leadership and External Influence / Transformational Phase. The final stage is reached when the organization not only internalizes DEI practices but also becomes a leader in the field, influencing other companies and sectors and becoming a reference point. Harvard Business Review [45] notes that, at this stage, organizations publicly share their progress and collaborate with other entities to promote social change. Trariant [46] adds that these companies are recognized for their ability to create truly inclusive environments, where organizational well-being is maximized through the appreciation of diversity. In this advanced stage, the DEI concept is intrinsic to organizational identity. Diversity and inclusion are seen as core drivers of innovation and success. Employee well-being is maximized through deeply embedded inclusive practices, resulting in high levels of engagement, performance, and belonging.

Relationship Between DEI Maturity Stages and Organizational Well-Being
DEI maturity is closely linked to organizational well-being because inclusive and equitable environments promote employee satisfaction, engagement, and productivity. As highlighted by Harvard Business Review [45], organizations in advanced DEI stages tend to exhibit higher levels of engagement and talent retention. Trariant [46] further reinforces that inclusion is not merely an ethical matter but also a critical factor for long-term organizational success.

To evaluate an organization's DEI maturity stage, it is necessary to analyze qualitative and quantitative data, including internal policies, recruitment practices, training programs, and employees' perceptions of inclusion and well-being. Tools such as organizational climate surveys, diversity audits, and performance indicator analysis can provide valuable insights to position the organization in the appropriate stage and guide future development strategies.

In Portugal, companies that have signed the Portuguese Diversity Charter commit to embedding DEI into their organizational DNA, serving as reference agents in Diversity, Equity, and Inclusion, and, according to Harvard Business Review [45] and Trariant [46], are often positioned in the higher maturity stages of DEI.

2.5. Defining Perception: A Perspective Exercise

According to Goldstein [48], perception is a fundamental psychological process that involves the interpretation and organization of sensory stimuli to form a meaningful understanding of the environment. Thus, perception can be defined as "experiences resulting from the stimulation of the senses" [48]. According to the author, it is a process influenced by cognitive and contextual factors, shaping how individuals interpret and respond to various situations in the organizational environment.

In the context of organizations, perception plays a crucial role in shaping attitudes and behaviors related to diversity and well-being. Unconscious biases, for example, are prejudices or stereotypes that automatically and unintentionally affect judgment and decision-making [49]. These biases can manifest themselves through the halo effect, where a positive characteristic of an individual leads to the

attribution of other equally positive qualities, influencing performance evaluations and promotion decisions [50]. Conversely, the horn effect occurs when a perceived negative characteristic leads to the attribution of other negative qualities, undermining the fair evaluation of employees [51].

Another important point to consider regarding perception, and given the growing cultural mix that prevails in increasingly remote work models, is ethnocentrism. This concept, defined as the tendency to judge other cultures based on the values and norms of one's own culture [52], can contribute to distorted perceptions of diversity in the organizational context. When managers or employees within an organization adopt an ethnocentric perspective, they tend to underestimate or devalue the contributions of colleagues from different cultural backgrounds, which can foster exclusion and intensify the horn effect. The presence of unconscious biases and effects such as the halo and horn effects can contribute to the perpetuation of discrimination and prejudice in the workplace, negatively affecting diversity and organizational well-being. Studies indicate that raising awareness and implementing strategies to mitigate these biases are essential to fostering an inclusive and equitable organizational culture [53]. Ultimately, understanding perceptual mechanisms and their impacts is crucial for human resource managers seeking to foster diverse work environments and, through these, achieve positive results in terms of employee well-being.

2.6. Organizational Well-Being: When Caring for Human Capital Goes from an Optional Courtesy to an Essential Strategy

Organizational well-being has been gaining increasing relevance in research in organizational psychology and human resource management, being recognized as an essential factor for the productivity and sustainability of organizations. The World Health Organization (WHO) defines health as a "state of complete physical, mental, and social well-being and not merely the absence of disease" [54], highlighting that well-being at work must be understood holistically. In the organizational context, well-being is often associated with a positive work environment, job satisfaction, and the promotion of psychological and physical health [55].

In Portugal, several European directives and national legislation reinforce the need to implement strategies that ensure the promotion of well-being at work. In 2017, the European Commission published the communication "Healthy Workers, Thriving Companies – A Practical Guide to Wellbeing at Work," which highlights the importance of preventing psychosocial risks and creating healthy work environments [3]. At the national level, public policies have been integrating these recommendations, with particular emphasis on Technical Guide No. 3 of the State Health Secretariat [56], which emphasizes the need to monitor the health of workers exposed to psychosocial risk factors. Studies show that the lack of effective strategies to promote well-being can result in high levels of absenteeism, job dissatisfaction, and burnout [57]. Although there is data supporting the validity of investments in Organizational Well-Being strategies, in addition to the concept of Diversity Washing (already discussed in the DEI maturity phases), the concept of Organizational "Happywashing" also emerges. This is the practice of externally projecting an image of a healthy corporate culture of engagement and concern, while internally, policies and practices for inclusion and promoting employee well-being are insufficient or nonexistent. Similar to Diversity Washing, in this case, and in simplified terms, it involves feigning concern for the mental health of employees without, in fact, a real commitment to these premises [58]. This scenario resembles the phenomenon analysed by Su et al. [59], who demonstrated how "happiness" campaigns can mask adverse realities, exemplified by the case of Tacloban, where a tourism campaign promotes an image of optimism that masks the devastating consequences of a disaster. In organizational contexts, Happywashing involves promoting an inclusive and positive culture that, in practice, is not reflected in concrete actions to value and develop people (HR Portugal, n.d.).

On the other hand, the effective implementation of good organizational practices has proven to be an effective strategy for promoting the well-being of employees. According to the Ordem dos Psicólogos Portugueses [55], healthy work environments should include measures such as ergonomic adaptation of

jobs, adequate management of workplace stress, and the promotion of a work-life balance. Additionally, and directly related to this study, creating a culture of inclusion and diversity contributes to the development of a more cohesive and productive organizational environment. Studies also indicate that the active involvement of leaders in promoting well-being has a direct impact on employee motivation and performance [60].

The relationship between organizational well-being and productivity is widely documented in the literature. De Neve et al. [61] demonstrate that companies that prioritize employee well-being experience greater engagement, lower turnover rates, and increased innovation. In the Portuguese context, the Ordem dos Psicólogos Portugueses [55] reinforces that promoting well-being is not only an ethical imperative but also a competitive advantage, being an essential factor in attracting and retaining talent. Organizations that adopt well-structured well-being policies achieve higher levels of employee satisfaction and loyalty, thus ensuring greater organizational stability and better financial results [62].

In short, organizational well-being should be a strategic priority for companies, especially in a context of growing appreciation for diversity and equity in the labour market. The implementation of inclusive policies, combined with effective measures to promote psychological and physical health, contributes to the creation of a more sustainable and productive work environment.

2.7. Diversity and Organizational Well-Being: A Relationship of Values and Value

Diversity in the organizational environment has been widely studied as a determining factor in workplace well-being. While there is evidence that the inclusion of different cultural, age, and gender profiles in teams can result in significant benefits, including increased innovation, creativity, and a more balanced organizational environment [63], on the other hand, diversity management presents structural challenges that can compromise the expected positive impact.

Inclusion has a direct impact on the mental well-being of employees: inclusive environments are associated with reduced anxiety, depression, and burnout, promoting greater job satisfaction and productivity [64]. The implementation of inclusive policies and ongoing diversity training is a recommended strategy to foster a healthy and equitable workplace.

Recent studies indicate that cultural diversity, when well-managed, is associated with higher levels of satisfaction and organizational cohesion. In terms of age diversity management, Sousa et al. [65] analyzed the influence of age diversity practices on employees' well-being and intention to leave, concluding that the implementation of intergenerational management policies reduces dissatisfaction levels and promotes greater organizational commitment. The study revealed that the adoption of relational psychological contracts contributes to a more stable and satisfying environment, emphasizing the importance of organizational policies that meet the needs of different age groups.

Organizational diversity can be perceived in different ways in the context of well-being at work. Studies indicate that knowledge diversity is generally associated with increased organizational well-being, as it fosters continuous learning and skills development [66]. However, demographic diversity, when not accompanied by inclusive policies, can lead to social categorization and the formation of subgroups, reducing employee cohesion and well-being [66]. Indeed, diversity does not always generate positive impacts. The study by Ali et al. [67] demonstrated that the perception of diversity can negatively impact organizational well-being when not accompanied by a strong culture of inclusion. The research highlighted that diversity alone does not guarantee a healthy work environment: on the contrary, when employees do not feel included or perceive inequality in opportunities, they may develop less engagement and a greater propensity for occupational stress. On the other hand, an inclusive environment mediated by equity and organizational justice policies has been shown to be a factor that neutralizes the negative effects of diversity on the perception of well-being. Furthermore, research by Xia et al. [68] demonstrates that the increase in cultural diversity in Brazilian organizations has led to a greater need for integration and inclusion strategies, highlighting that the absence of structured programs can result in team fragmentation and increased turnover. The study identified that the

perception of organizational justice directly influences well-being, and equity in internal processes plays a fundamental role in building an inclusive environment. Another factor that contributes to the variability of diversity's effects on organizational well-being is leadership's perception of a climate of inclusion. Krisanti et al. [69] found that developing inclusive leadership promotes organizational justice, positively impacting job satisfaction and happiness. The data showed that fostering an organizational environment that values inclusion and offers emotional support to employees results in greater commitment and lower intentions to leave.

The challenges in managing diversity and organizational well-being primarily center on the difficulty of balancing the different needs and expectations of employees. As pointed out by Jaiswal and Dyaram [66] diversity can be a factor of cohesion or division, depending on how it is managed. One of the main obstacles identified was the existence of unconscious biases that affect equity in the distribution of opportunities and the lack of effective strategies for integrating underrepresented groups. These aspects reinforce the need for ongoing training programs in diversity and inclusion, as well as the implementation of internal communication policies that ensure the dissemination of best practices.

Indeed, well-being in the workplace has been widely recognized as a critical factor for organizational performance.

1 and employee satisfaction. Recent studies demonstrate that organizational climate, defined as employees' collective perception of the work environment, plays a central role in promoting well-being [70]. An inclusive organizational climate that values diversity is associated with higher levels of psychological and emotional well-being among employees [71].

Diversity contributes to the creation of a richer and more innovative work environment; however, the mere presence of diversity is not enough: it is essential that organizations foster a climate of inclusion, where all voices are valued and respected [42]. Research indicates that organizations with inclusive practices tend to report higher levels of well-being among employees, reducing stress and increasing job satisfaction [72]. How diversity is perceived depends on the organizational context and the management practices implemented. Studies show that, in companies that actively promote inclusion through structured programs, employees tend to value diversity positively and feel more satisfied and integrated [69]. In contrast, organizations without strategic diversity management may experience higher levels of interpersonal tension and communication difficulties, negatively impacting employee well-being [67].

Company size also influences the perception of diversity and its impact on well-being. Recent research shows that large companies have structured inclusion practices, which result in a more positive perception of diversity among employees [66]. These organizations are more capable of investing in mentoring and awareness programs, reducing the perception of inequality and boosting employee engagement [69]. On the other hand, smaller companies face specific challenges in implementing diversity policies. Limited resources can result in less structured diversity management, leading to perceptions of organizational instability [67]. Furthermore, the presence of diversity without an inclusive organizational culture can have adverse effects, hinder the integration of employees, and compromise their well-being [66].

Ultimately, the relationship between well-being, organizational climate, and diversity is mediated by organizations' ability to create inclusive and welcoming environments. Promoting practices that value diversity and foster a positive organizational climate not only improve the well-being of employees but also contribute to the long-term sustainability and competitiveness of organizations.

In summary, the perception of diversity and its impact on organizational well-being are determined by multiple factors, including the type of diversity present, management practices, and company size. Building a company with diversity does not necessarily imply improved well-being – if the different dimensions of diversity are not well managed and accommodated, these can even negatively impact the well-being of employees. Organizations that adopt effective inclusion policies tend to create healthier and more productive environments, while a lack of structured strategies can result in significant challenges to organizational cohesion and employee well-being. Literature indicates that larger

companies tend to invest more in diversity strategies in terms of management and organizational culture, resulting in their employees perceiving diversity in their organizations more positively and, consequently, presenting a more positive organizational climate and achieving better levels of organizational well-being.

3. Methodology

A Portuguese company that signed the Portuguese Charter for Diversity (which implies that it already has practical applications of Diversity and Well-being strategies, thus assuming it is at a more mature stage of DEI) was identified, and a quantitative questionnaire was administered, with responses on a 5-point Likert scale. For comparison purposes, the same questionnaire was administered to five other companies with smaller employee numbers, representative of the Portuguese business community, and without institutionally recognized DEI practices, providing the basis for a comparative study that will serve as the basis for a subsequent exploratory study.

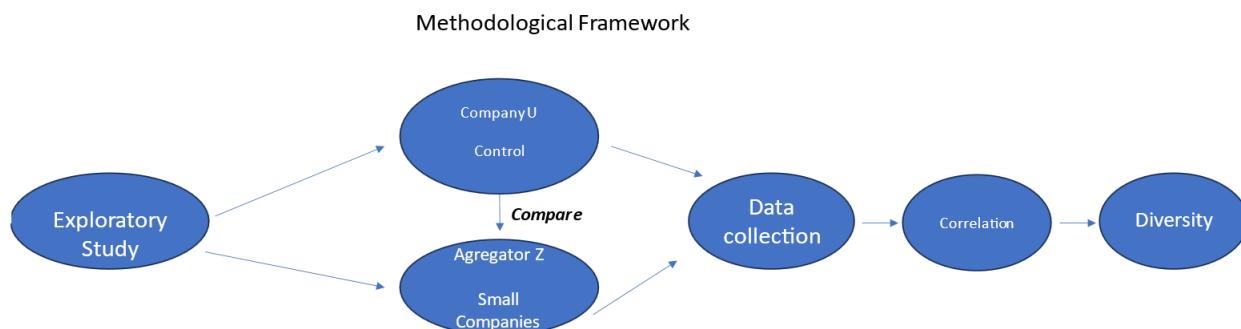


Figure 1.
Methodological Framework.

Company 1 (Identified as U, control company) – approximately 300 employees, a signatory to the Diversity Charter since 2016, with diversity and well-being practices already implemented and integrated into its organizational strategy, and an integral part of a national group recognized at the 2024 Wellbeing Awards. According to the criteria found in the literature for maturity stages, this company is considered to be in a more mature stage of DEI.

Company 2 (A) – Approximately 50 employees, not a signatory to the Diversity Charter, with no DEI practices applied. According to the criteria found in the literature for maturity stages, this company is considered to be in a more immature stage of DEI.

Company 3 (E) – Approximately 40 employees, not a signatory to the Diversity Charter, with no DEI practices applied. According to the criteria found in the literature for maturity stages, this company is considered to be in a more immature DEI stage.

Company 4 (B) - Approximately 30 employees, not a Diversity Charter signatory, and no DEI practices applied. According to the criteria found in the literature for maturity stages, this company is considered to be in a more immature DEI stage.

Company 5 (S) - Approximately 30 employees, not a Diversity Charter signatory, and no DEI practices applied. According to the criteria found in the literature for maturity stages, this company is considered to be in a more immature DEI stage.

Company 6 (C) - Approximately 4 employees, not a Diversity Charter signatory, and no DEI practices applied. According to the criteria found in the literature for maturity stages, this company is considered to be in a more immature DEI stage.

3.1. Data Collection and Analysis Procedures

For data collection, an online questionnaire was administered, available on Google Forms. The study description and the request for authorization to collect data were emailed to the identified contacts at each company, and they forwarded the link to access the questionnaire to the company itself. The questionnaire was available for response for seven business days. All respondents, upon deciding to respond, gave their informed consent, stating that they understood its objectives and that they did not object to the use of the data collected for statistical purposes and solely for the purpose stated in the survey.

The questionnaire was administered the same to all companies, and a separate link was created to identify the responses from each company, thus measuring the response percentage for each company, which is now shown.

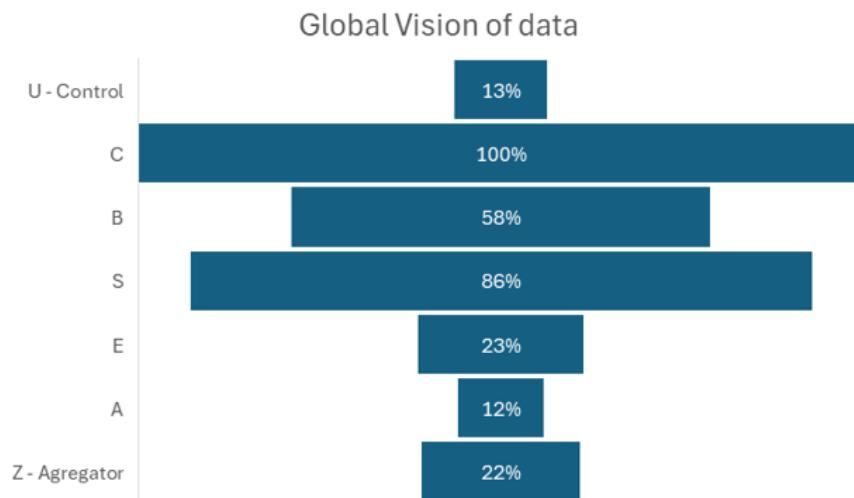


Figure 2.
Main data observations.

A total of 95 complete responses were collected, all of which were considered valid. No invalid responses were identified. Due to the anonymous nature of the questionnaire, it was not possible to determine whether responses were repeated. However, given the participation rate and informal feedback from the data collection personnel at each company, there is no basis for questioning the veracity of the data collected.

The vast majority of respondents perceived themselves as not belonging to a group with less general and social representation, despite 50% of the sample identifying as female, which falls within one of the groups with less social representation. Although some supporting information was provided on this specific question, there was a deliberate lack of concrete examples of representation (or lack thereof) in order to accurately assess people's perceptions on the topic. These results, somewhat contradictory (regarding gender), can be interpreted in light of some social theories, such as that developed by Du Bois (1903, in Almeida [73]) regarding double consciousness, initially racial and later also attributed to gender issues.

4. Presentation and Discussion of Results

This analysis aims to compare the relationship between diversity and well-being at Companies U (Control) and Z (Remaining), based on the mean values of the respective dimensions and the calculated correlation coefficients.

Table 1.
Correlation Matrix.

Variables/Scores		VAR (U)	VAR (Z)
Variable U - Control	R - Pearson	---	0.83
	N	---	95
	p - value	---	0.00013
Variable Z - Aggregator	R - Pearson	0.66	---
	N	95	---
	p - value	0.0001034	---

The results indicate that Company U has a stronger correlation (0.83) between diversity and well-being compared to Company Z (0.66). This value suggests that, at Company U, a higher level of diversity is more directly associated with greater organizational well-being. At Company Z, although the relationship is also positive, the lower coefficient may indicate that factors other than diversity significantly influence employee well-being.

Furthermore, the analysis of the mean values indicates that Company Z exhibits a slightly higher average level of positive perception regarding diversity (1.84) than Company U (1.72). This difference is also reflected in the average level of positive perception regarding well-being, which is likewise slightly higher in Company Z (1.72) compared to 1.68 in Company U. This result reinforces the idea that, although diversity can contribute to well-being, its influence can be mediated by other variables, such as inclusion practices, the organizational environment, or people management policies.

It is also interesting to note that, although the results indicate a different direction, the average results for questions 14 and 15, which analyze people's direct perception of the direct relationship between diversity and well-being, are quite similar, showing little deviation between the control company and the others. This factor is of some importance, as it addresses perception.

In short, Company U exhibits a stronger relationship between Diversity and Well-Being, aligning these results with and confirming those predicted in the literature. However, at Company Z, despite a higher average level of diversity, its relationship with Well-Being is less significant, highlighting the need for further analysis of the factors that may be mediating this relationship.

5. Conclusions

According to Pina e Cunha et al. [74], modern management faces significant challenges regarding diversity, as globalization and demographic changes intensify the heterogeneity of the workforce. Cultural, generational, and gender diversity require organizations to be more capable of integrating different perspectives and work styles, which can generate internal conflict and communication difficulties. Furthermore, resistance to change and unconscious biases can compromise the implementation of inclusive policies, hindering the creation of an equitable and cohesive environment. The lack of effective strategies to manage this complexity can not only limit innovation and organizational performance but also negatively impact the well-being of employees, creating a less harmonious and productive work environment [74].

The integration of diversity and inclusion practices in the workplace is intrinsically linked to the well-being of employees. According to the Society for Human Resource Management [75], fostering an inclusive environment not only values individual differences but also fosters a sense of belonging among employees. This sense of inclusion contributes to reducing stress and burnout, thus improving overall team well-being. Furthermore, SHRM highlights that organizations that adopt inclusive policies tend to see increased employee satisfaction and productivity, reinforcing the positive correlation between diversity, inclusion, and well-being at work.

Implementing DEI strategies within the context of Human Resource Management (HRM) proves essential for promoting a more equitable and productive work environment. According to Ganeshan and Vethirajan [76], workplace diversity encompasses multiple dimensions, including age, gender, ethnicity, sexual orientation, and socioeconomic status, and is essential for driving innovation and creativity

within organizations. Inclusion, in turn, is not limited to demographic representation but requires creating an environment in which all people feel valued and can fully contribute to organizational objectives.

Companies that integrate diversity into their organizational cultures are more attractive to highly qualified professionals and generate positive impacts on employee satisfaction and organizational performance. The study highlights that organizations with effective DEI practices report lower turnover rates, higher levels of employee engagement, and greater efficiency in problem-solving. Additionally, equity in the workplace involves ensuring fair access to opportunities and career advancement, combating structural barriers that have historically limited certain groups. Thus, adopting DEI strategies not only improves organizational well-being but also provides a competitive advantage by fostering a more collaborative and innovative work environment [76]. The results of this exploratory study align with trends in the literature, demonstrating that companies in more advanced stages of DEI maturity and with larger workforces tend to exhibit better Organizational Well-Being indices. Understanding Organizational Well-Being as a powerful catalyst for productivity, leveraging the diversity naturally present in an organizational context to directly and positively influence well-being can be a differentiating factor in an increasingly global and diverse corporate world. However, simply being a diverse organization is not enough to fully leverage its potential: it is therefore important to implement inclusion strategies and develop a sense of belonging among the organization's members to fully develop the potential of a diverse corporate environment. Thus, the more advanced an organization's DEI maturity stage, as indicated by the literature and supported by this study, the more easily and likely the company will be able to leverage the potential of a diverse organizational environment, not only in terms of decision-making but also in reducing turnover and increasing creativity and innovation. This also enhances the organization's perception in social and economic circles and encourages greater demand from both customers and talent. All of these variables can directly contribute to productivity, making investment in DEI maturity and its influence on corporate well-being a strategic decision.

Finally, diversity, as presented by APPDI – Carta Portuguesa para a Diversidade [20], is a multifaceted concept that encompasses an intersectional set of visible and invisible factors, influenced by social, cultural, economic, and historical elements. Effective diversity management requires a sensitive and informed approach that recognizes the intersections between different dimensions, such as gender, origin and belonging, sexual orientation, age diversity, and disability. Promoting inclusive and equitable environments in organizations involves not only implementing specific policies but also creating an organizational culture that values and respects each individual's self-determination. In this way, organizations can benefit from the plurality of experiences and perspectives, fostering innovation, well-being, and, consequently, productivity.

Despite the recent setback faced by Diversity, Equity, and Inclusion (DEI) initiatives, organizations continue to seek ways to build healthy and inclusive organizational cultures where everyone can contribute their best. Data from 2024 shows that, even in the face of opposition, many companies have made progress on their DEI initiatives, with significant increases in the adoption of strategies, budgets, and leadership dedicated to this area [77]. However, political and legal pressure has led to a reduction in demographic representation goals, highlighting the need for a more strategic and integrated approach. Looking forward, we suggest that organizations redefine the narrative around DEI, emphasizing the universal benefits of inclusive cultures, use data more effectively to define clear metrics aligned with business objectives, and integrate DEI practices into organizational systems and processes, advancing their DEI maturity phase, rather than maintaining them as isolated, one-off, and performative initiatives, which have been observed to have negative effects on the business itself. This evolution is crucial to ensuring that organizations not only mitigate risks but also promote organizational well-being and innovation (which is a central factor in an increasingly technological and consumer-demanding world), preparing for a future where diversity and inclusion will be unequivocally fundamental to sustainable success, aligned with the challenges that new social eras bring. In

conclusion, there is consensus in the literature that the adoption of practices that accommodate the different dimensions of diversity should be seen "not as an act of philanthropy, but as a strategic decision, since contributing to the common good generates benefits for organizations, not only in terms of reputation, but also in the economic sphere, given that, as a growing trend, investors choose organizations that demonstrate environmental, social, and good governance concerns" (Froes, 2021, in Costa and Lopes [1]).

Transparency:

The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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