

# **A PURPOSE-DRIVEN APPROACH TO DIVERSITY, EQUITY AND INCLUSION: AN INVESTIGATION ON ITALIAN COMPANIES<sup>1</sup>**

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## **Abstract**

Most companies are adopting programs to manage diversity, equity and inclusion (DEI) pushed by internal and external pressures. While DEI is a moral and ethical imperative as well as a business and strategic opportunity, there are both cases of success and failure when companies embrace DEI programs. This paper delves into the challenges that may undermine the implementation of DEI programs: organizational barriers, internal criticisms, and backlashes of DEI efforts, including the risk of reduced organizational cohesion. Moreover, it explores the potentiality of a purpose-driven approach to DEI to experience its benefits while minimizing its countereffects.

The paper leverages the findings of a pluriannual and multimethod study conducted in Italy and based, in its explorative stage, on case studies, focus groups and interviews, followed by a survey involving 103 Italian companies. In particular, it focuses on the outcomes of the survey to investigate if and how Italian companies perceive the possible challenges related to their DEI commitment and try to connect DEI efforts to their purpose as a strategy to boost effectiveness. Despite the non-generalizability of the results, this study makes it emerge that Italian companies seem to be quite aware of the organizational barriers and the internal criticisms of their DEI efforts, with a lower awareness of the countereffects and especially of the risk of loss of cohesion. Additionally, results suggests that Italian companies seem to act proactively in order to adopt a purpose-driven approach that can frame DEI in a more effective way.

## **Keywords**

Diversity; Equity; Inclusion; Diversity management; Purpose-driven companies; Internal criticism.

## **Introduction**

Most companies are adopting programs to manage diversity, equity and inclusion (DEI) for many reasons. On one side, organizations are pushed to address these issues by socio-demographic dynamics, best practices implemented by multinational companies, objectives related to the UN 2030 Agenda, and expectations of sustainability and work-

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life balance expressed by external and internal stakeholders (Ravazzani et al., 2023). On the other side, DEI represents a means for brands to reveal their identity and address consumers' expectations (Ferraro et al., 2023), and to sustain corporate reputation (Fisichella et al., 2023).

There are both cases of success of brands embracing DEI by means of inclusive marketing campaigns and of failure of brands disregarding it, as in the campaign of Abercrombie & Fitch which was accused of elitism (Ferraro et al., 2023). From a societal point of view, DEI is gaining growing support in the public agenda as shown by the international movement Mee-to, just to mention an example (Ferraro et al., 2023).

While attracting visibility and support, DEI programs struggle to be successful. The reasons are mostly related to internal resistance to change (Nwoga, 2023), backlashes and internal criticisms (Ravazzani et al., 2023; Wolfgruber et al., 2022). These reasons lead some major companies to reduce their effort on DEI cutting the dedicated teams and lowering the priority of such policies (Elias, 2023; Euronews, 2024; Meyersohn, 2024; Zilber, 2024). Specifically, in the US the decision of companies to downsize their DEI programs and teams could be associated with the lowering impact of the Black Lives Matter movement and with the ascent of wokeism, which increases the risk of divisions on DEI issues among the stakeholders (Elias, 2023; Euronews, 2024; Meyersohn, 2024).

As DEI is a moral and ethical imperative besides a business and strategic opportunity, this paper delves into the possible strategies to sustain the success of DEI programs in organizations. In particular, it explores the potentiality of a purpose-driven strategy for DEI, as it emerged from the initial findings of a pluriannual and multimethod research project on DEI conducted in Italy through an in-depth analysis of two case studies (Ravazzani et al., 2021) and four focus groups and 2 interviews involving 13 companies and 21 participants (Ravazzani et al., 2023). These two studies show that DEI is part of the purpose, sponsored by the top management and linked to social causes. Furthermore, that a purpose-driven approach to DEI represents a strategy to balance social and business instances.

To go more in depth into the comprehension of the purpose-driven strategy to DEI, this paper introduces first the conceptual background presenting DEI, its strategic components, the organizational barriers, internal criticisms and backlashes of DEI efforts, including the risk of reduced organizational cohesion. Second, it presents a series of findings taken from the above mentioned pluriannual and multimethod study conducted in Italy, continuing to build around a paper presented at the previous edition of the same conference (Fisichella et al., 2023). These findings allow to explore the *potentiality of a purpose-driven approach to DEI in order to catch its benefits while*

*minimizing its countereffects*. Finally, the paper suggests implications for management and research.

## **Conceptual background**

### *Definition of diversity, equity and inclusion and DEI strategy*

Diversity, equity and inclusion are three interdependent concepts that in most recent conceptualizations are grouped under the acronym DEI (Hays-Thomas 2023). *Diversity* indicates the differences between employees that are likely to influence their perceptions and experiences at work; *equity* refers to the outcomes for different employees, e.g. in terms of career advancement and salary, and the programs and policies that lie behind these outcomes and should prevent or counteract potential inequalities; *inclusion* refers to a psychological state in which employees feel a sense of belonging and appreciation of their uniqueness in the workplace, which is a result of effective DEI management (Ravazzani, 2018 and forthcoming).

The main goal of a *DEI strategy* is to boost the potential and talents of all people in the organization, recognizing and appreciating each person's unique identity with the aim of developing an inclusive environment while fulfilling the company's mission (Ravazzani, 2018). A DEI strategy usually encompasses the following key elements: DEI aims, which include legal compliance, ethical and competitive objectives (Mazzei & Ravazzani, 2012; Mor Barak, 2017; Ravazzani, 2016, 2018); the dimensions of employee diversity (e.g., gender, age, religion, ethnic and professional background); DEI practices, such as diversity-sensitive staffing, promotion and retention, training and performance evaluation (Curtis & Dreachslin, 2008), also including internal and external DEI communication initiatives to promote DEI programs (Maier & Ravazzani, 2021; Ravazzani, 2016; Ravazzani et al., 2023; Wolfgruber et al., 2021).

From the viewpoint of organizations, the need for diversity is related to several positive impacts on job satisfaction and engagement, talent attraction and retention, organizational flexibility, knowledge creation, better decision-making and teamwork performance (Mazzei & Ravazzani, 2012; Ravazzani, 2018). Nevertheless, the adoption and implementation of DEI programs can be hindered by some issues. Based on the available literature, is it possible to identify three main categories of issues: the existence of organizational barriers to cultural change, the raising of internal criticisms to DEI philosophy and programs, and a series of countereffects linked also to the risk of reduced organizational cohesion.

### *Organizational barriers*

As mentioned before, there is a relevant number of companies that face difficulties and failures in implementing their DEI programs. As DEI programs represent a change management process, they encounter a series of internal organizational barriers, such as the misalignment of DEI programs with organizational DEI needs; the lack of identification of obstacles before the program implementation; and the prevalence of an organizational culture at odds with DEI strategy (Nwoga, 2023). Based on this awareness, the present study investigated the *organizational barriers* to the DEI implementation.

### *Internal criticisms*

Criticisms to DEI programs expressed by employees are mainly related to the introduction of inclusive language measures or by the use of an insensitive language (Wolfgruber et al., 2022). Moreover, internal criticisms emerge when employees perceive DEI initiatives as limited, too few, or sporadic (Wolfgruber et al., 2022); and when there is an overemphasis and all communication initiatives are labeled with DEI (Wolfgruber et al., 2021). Typically, criticisms are not expressed directly to the managers responsible for DEI initiatives, but rather in the discussion spaces on the Intranet and on internal social media, and the subjects who criticize are mainly middle-aged white men with a rather low level of education, or in any case subjects who do not belong to organizational minorities (Wolfgruber et al., 2022).

Considering the relevance of *internal criticisms* for the success or the failure of DEI programs, the present study investigated how much they are perceived and spread.

### *Countereffects and the risk of reduced cohesion*

Companies can experience also other countereffects due to their efforts in favor of DEI. For instance, they could suffer of a lowering in hiring and promotion standards, because of the objective of hiring people with specific characteristics, and employees hired with this logic could have negative self-perceptions of competence if they feel that their employment is attributable to demographic status rather than qualifications (Ravazzani, 2016 and 2018). Moreover, reverse discrimination may occur because some opportunities are devoted only to certain groups and consequently some other employees could feel excluded (Ravazzani, 2016 and 2018). There could be also the risk that diverse employees are “ghettoized” to specific positions just to match the diversity of stakeholders, for instance in functions like product development, marketing and customer care (Ravazzani, 2016 and 2018).

Another risk implied by the adoption of DEI programs is the tension between the quest for increased heterogeneity and the quest for shared meaning and purpose in organizations. Homogeneity supports organizational coherence and unity of action (Cox & Blake, 1991), facilitates shared interpretation and creation of meaning (Wang & Rafiq, 2009), and sustains the creation of a shared vision that in turn enhances goal-oriented behavior, direction, collective action and a sense of purpose (Wang & Rafiq, 2009). At the opposite, heterogeneity may threaten coherence and unity of action (Cox & Blake, 1991) and cause dispersion in organizational perspectives, more conflicts, and less consensus (Wang & Rafiq, 2009). Individuals identify easily with an organization when they perceive a congruence and overlap between the attributes they have and those included in the organizational identity (Dutton et al., 1994; Scott & Lane, 2000). In an organization with a heterogeneous workforce, individual-organization fitting, to be pursued through ad hoc recruiting, training, and development practices, could be more difficult.

Therefore, organizations with a high degree of internal heterogeneity reached thanks to DEI programs, can experience higher difficulties in creating a shared understanding of the common purpose, even if they are more effective in terms of adaptiveness to

organizational change, competitiveness, and well-being. To investigate this issue, the study included the topic of *countereffects*, including the risk of reduced cohesion.

#### *Purpose-driven approach to DEI*

To face these risks, companies are experimenting several strategies. Among these strategies, one is to implement DEI efforts as part of the purpose. The purpose in organizations is gaining importance as it shows to be linked to flexibility and adaptability, attraction and retaining of talents, employee motivation, and better collaborative relations with different stakeholders for a more sustainable business (Lleo et al., 2021). Ultimately, it is linked to a growth in profitability (Sica, 2024).

As companies are more and more aware of their economic, social, governmental, ethical and environmental duties, DEI is becoming part of the organizational purpose (Dhanesh, 2020; George et al., 2021; Ravazzani et al., 2021) and the commitment around these issues can also take the form of corporate activism (Adi, 2019).

A qualitative study based on a case-study approach (Ravazzani et al., 2021) shows that in Italian companies diversity commitment is of quite recent introduction but is part of the purpose, sponsored by the top management and linked to social causes. Having a socially desirable purpose facilitates the coexistence of multiple perspectives, values, and cultures (Di Fabio, 2017). Developing at the organizational level a purpose that is oriented to societal pressures and that can be recognized as desirable by all organizational members allows organizations to create a zone of acceptance in the long run, while developing room for employees' personal awareness, individual growth, and harmonization within the organization (De Anca & Vásquez, 2007).

Another qualitative study (Ravazzani et al., 2023) showed that a purpose-driven approach to DEI represents a strategy to balance social and business instances. Indeed companies pursue objectives of equal treatment of employees that can be assimilated to ethical and justice themes (justice-case) and at the same time objectives of competitiveness and profitability that refer to business (business-case). To balance these objectives, companies tend to develop an approach that leverages the purpose to overcome the dichotomy between justice-case and business-case.

To support the effective implementation of a purpose-driven approach to DEI, it is recommended to develop a culture of diversity (Ravazzani et al., 2021). Organizations should develop an organizational setting where diversity is present at all organizational levels and conceived as a basic value of the corporate culture to be embraced and encouraged (Cox, 1991; Holzinger & Dhalla, 2007). The advantage is that "A culture of inclusion allows people with multiple backgrounds, mindsets and ways of thinking to work effectively together and to perform to their highest potential in order to achieve organizational objectives based on sound principles" (Pless & Maak, 2004: 130).

Interestingly, companies strive to build an inclusive culture by spreading a respectful language (Ravazzani et al., 2021). Indeed language can be intended as a means for leading cultural change in organizations leveraging sense-making processes (Weick, 1995). At the same time, language allows to build a common background that facilitates mutual understanding, thus sustaining relationships and interactions among people

bringing diverse perspectives (Pless & Maak, 2004). For these reasons, within the organization employees should improve their competencies of inclusion: empathy, respect, acknowledgment of differences as well as of the need for equality, openness to different voices, honest communication, participation, integrity, and consultative leadership (Pless & Maak, 2004). Anyhow, strategic ambiguity should be preserved while leveraging a language that respects differences, since this can help to create a unified diversity: this is necessary for differences to co-exist within a united organization, which is key to the process of organizing (Eisenberg, 1984).

To investigate the building of a purpose-driven approach to DEI, this paper includes empirical findings about the strategies followed in Italian companies to create a *diversity culture* and to *implement DEI as part of the purpose*.

### **Research questions and method**

All the above considered, this study seeks to delve into the possible strategies that companies can adopt to prevent and overcome organizational barriers, internal criticisms, and countereffects of their DEI programs. In particular, it seeks to investigate if and how Italian companies adopt a purpose-driven approach to DEI.

To this end, this paper presents findings taken from a pluriannual and multimethod study conducted in Italy and related to the following questions:

- RQ1: What are the perceived organizational barriers that companies face while implementing their DEI programs?
- RQ2: What are the internal criticisms that companies perceive as prevalent among employees in relation to DEI programs?
- RQ3: What are the countereffects that companies experience implementing their DEI programs? Among these, do companies perceive the risk of losing organizational cohesion?
- RQ4: Do companies implement a purpose-driven approach to DEI and how?

To address the fourth question, the present paper focuses on two sub-questions:

- RQ4a: Do companies work to create a diversity culture and how?
- RQ4b: Do companies relate their effort around DEI management to their purpose?

Findings presented to answer these research questions are taken specifically from the survey part of a pluriannual and multimethod study. The study started in 2021 with the in-depth analysis of two case studies (Ravazzani et al., 2021). Then it proceeded in 2022 with four focus groups and 2 interviews involving 13 companies and 21 participants (Ravazzani et al., 2023).

Finally, a survey on 103 companies was conducted between July and September 2023 through an online questionnaire. The survey involved professionals with formalized and non-formalized DEI tasks in Italian organizations, who participated as key informants and were recruited through a snowball sampling procedure based on the researchers' network of relationships. For the sample construction and the data collection, researchers also benefited from the support of Comitato Global Inclusion -

art.3, whose object is the concrete implementation and defense of the principles of equality and inclusion established by the art. 3 of the Italian Constitution.

Regarding measures, the survey included questions and items derived from Ravazzani (2016), except for those related to internal criticisms, which were adopted from Wolfgruber et al. (2022). The items were slightly adapted based on the findings from the previous qualitative phase of the study based on case studies, focus groups and interviews in order to adapt them to the current Italian context of data collection.

## **Results**

In the following, the characteristics of the survey sample are described and the results of the survey are reported in relation to the four research questions.

### *Characteristics of survey participants*

Regarding the characteristics of survey participants, the final sample comprised 103 respondents, who were predominantly female (75 percent), between 44 and 58 years old (58 percent), and held a position as heads of function (55 percent). Regarding the key characteristics of the organizations surveyed, the majority of organizations in the sample belong to services (52 percent), have more than 5,000 employees (31 percent), are between 21 and 50 years old (32 percent), are of Italian majority ownership (57 percent), and are Italian multinationals (41 percent). Finally, 73 percent of the organizations surveyed have implemented DEI management, 22 percent are planning to introduce it, and 5 percent have not introduced DEI management and are not planning to do so. The results presented below relate only to the organizations that have implemented DEI management (i.e., 75 organizations).

### *RQ1. Perceived organizational barriers to implementing DEI programs*

To answer the first research question, that investigates the perceived organizational barriers that companies faced while implementing their DEI programs, data allow to rank some obstacles perceived by the surveyed companies while implementing DEI. First of all, respondents underlined the scarce awareness of DEI benefits ( $M=3.25$  on a scale from 1 to 5,  $SD=0.14$ ), whose relevance is much higher compared to the other obstacles, followed by the cultural resistance around DEI topics and initiatives ( $M=2.87$ ,  $SD=0.16$ ). The most important obstacle is cultural-based, as it expresses the lack of awareness about the relevance of DEI. The second obstacle too is of cultural nature. Regarding other barriers, it is worth mentioning the lack of support by management ( $M=2.63$ ,  $SD=0.14$ ), the difficulty in balancing merit with quotas ( $M=2.52$ ,  $SD=0.15$ ), and the difficulty in balancing DEI topics which are considered a priority with the inclusion of all employees ( $M=2.38$ ,  $SD=0.13$ ).

### *RQ2. Perceived internal criticisms related to DEI programs*

The quantitative study allowed to go into depth the issue of internal criticisms perceived as prevalent among employees. From the survey, the main internal criticism explicitly expressed by employees is that more pressing issues require the organization's attention ( $M=3.08$  on a scale from 1 to 5;  $SD=0.15$ ). At the same time, one criticism observed by the survey respondents refers to the fact that, according to employees, there are no

problems with discrimination in the organization ( $M=3.01$ ;  $SD=0.14$ ). Other criticisms point to insufficient actions ( $M=2.82$ ;  $SD=0.14$ ); inauthentic actions ( $M=2.79$ ;  $SD=0.15$ ); the fact that DEI is just a fad ( $M=2.63$ ;  $SD=0.14$ ); and the fact that specific DEI issues are ignored ( $M=2.34$ ;  $SD=0.12$ ). These criticisms can be intended as a cynical response to what companies have undertaken, that should not be disregarded when it is detected. It is worth noting that criticisms are ranked with a higher level of relevance compared to countereffects.

#### *RQ3. Perceived countereffects implementing DEI programs and the risk of losing organizational cohesion*

Italian organizations seem to perceive some undesired effects following their DEI efforts that can represent barriers to the adoption of DEI philosophy and programs inside the organization. The first countereffect that respondents highlight is that some employees felt discriminated because they were excluded from DEI practices ( $M=2.13$  on a scale from 1 to 5;  $SD=0.14$ ). Respondents underline also that: particular categories of employees have been confined to a few areas, e.g. in marketing aimed at an ethnic group or in the front office ( $M=1.48$ ;  $SD=0.11$ ); some employees hired thanks to target quotas are poorly motivated ( $M=1.46$ ;  $SD=0.09$ ); selection, career and development standards have been lowered ( $M=1.43$ ;  $SD=0.10$ ). Finally, respondents state that greater diversity has undermined organizational cohesion and the sharing of corporate values ( $M=1.33$ ;  $SD=0.08$ ). The data collected show that respondents perceive these undesired effects but a low level of relevance. The risk of losing organizational cohesion is ranked very low, the last one in the list.

#### *RQ4. Purpose-driven approach to DEI*

In order to assess whether companies implement a purpose-driven approach to DEI, survey data have been used to verify whether companies work to create a diversity culture (RQ4a) and whether they relate their effort around DEI issues to their purpose (RQ4b).

##### *RQ4a. Creation of a diversity culture*

To investigate if and how companies put an effort to create a diversity culture internally, this paper took into consideration data related to: internal communication objectives and initiatives; the commitment of employees to DEI issues; the effort that companies put into following the DEI logic in core organizational processes and actions; the development of a diversity-sensitive language.

The relevance of the internal communication objectives related to sustaining the cultural change and sense-making ( $M=4.26$  on a scale from 1 to 5;  $SD=0.10$ ) and listening to employee expectations ( $M=4.06$ ;  $SD=0.10$ ) shows a consistent effort of companies to boost the cultural change.

Internal communication also sustains the DEI culture by means of several initiatives, in particular through interactive events such as town hall meetings and webinars ( $M=3.92$ ,  $SD=0.13$ ), campaigns on specific issues ( $M=3.44$ ,  $SD=0.15$ ) and dedicating



a day or month to DEI issues (3.21, SD=0.18). Training to increase sensitivity on DEI topics is relevant too (M=4.25, SD=0.13).

Companies implement also initiatives leveraging the active role of employees as communicators. In particular, they promote Employee Resource Groups (M=3.40, SD=0.15) and the creation of diverse teams dealing with specific projects (M=3.34=0.11). Moreover, they show to sustain the activation of employees as ambassadors (M=3.86, SD=0.13). These initiatives are really important, as employees become protagonists of the change process and put their competencies, energies, and values into the DEI implementation: in sum, they have the possibility to contribute to the DEI process and overall cultural shift.

Regarding the effort that companies put to embed the DEI logic in core organizational processes and actions, companies implement practices for career development that are devoted to sustaining diversity and inclusion (M=3.94, SD=0.14), as well as practices for the recruitment of people with under-represented characteristics (M=3.87, SD=0.13).

For the creation of a diversity culture, companies show to be attentive to develop a diversity-sensitive language. Language is crucial to manage relationships and interactions with other people. Therefore, the study investigated the kinds of words mostly used to refer to DEI issues. It emerges that the term “inclusion” is used by all the companies in the sample (100 percent), and “diversity” and “equity” by almost all of them (88 percent and 85 percent respectively). These findings show that the language for sense-making in organizations is widely homogeneous. Some specific evidence regarding the effort of companies towards DEI language adoption emerges from the qualitative phase of this study and can complement the data collected through the survey. Companies involved in the qualitative phase of the research confirm to work specifically on language manifestos aimed at increasing employee sensitivity regarding a respectful use of language, attentive to the diverse characteristics of each person. Specific training activities are also implemented around these topics (Ravazzani et al., 2023). As language is the milieu of the culture generation and the sense-making process, these initiatives are particularly relevant.

#### RQ4b. DEI efforts and purpose

To understand whether companies consider DEI as part of their purpose, survey data were used to investigate if the factors that led to DEI efforts are related to societal pressures; if DEI objectives declared by companies are related to addressing stakeholders' expectations; and if companies try to position themselves around their DEI commitment and communicate it through specific tools, i.e. official declarations or partnerships with third-party institutions, associations or entities which are activists and opinion leaders around DEI issues.

##### *Factors leading to the DEI effort*

Findings reveal that Italian companies engage with DEI topics mostly due to endogenous factors: the widespread awareness of DEI issues in the workplace (M=4.10 on a scale from 1 to 5; SD=0.13) and growing diversity in the internal population, e.g., high degree of generational diversity (M=3.94; SD=0.12). These findings highlight that

DEI is a real demand coming from inside. Also exogenous factors are relevant: external expectations of responsible corporate conduct ( $M=3.89$ ;  $SD=0.13$ ) and tension to comply with the UN 2030 Agenda and to arrange ESG initiatives ( $M=3.71$ ;  $SD=0.14$ ). This shows that expectations of external stakeholders of a desirable purpose to legitimize the company are also relevant to push companies' DEI effort.

#### *Objectives in addressing DEI*

The most relevant objective pursued by Italian organizations in addressing DEI is valuing employees' potential for competition and innovation ( $M=4.34$  on a scale from 1 to 5;  $SD=0.09$ ), followed by ensuring equal treatment of all employees ( $M=4.30$ ;  $SD=0.10$ ) and responding to societal expectations for responsible behavior ( $M=4.08$ ;  $SD=0.10$ ). It emerges how companies pursue both business and societal aims, and the balance between these different objectives could be reached through the implementation of DEI as part of the purpose.

#### *Positioning and external communication of DEI*

The position of companies around DEI is declared internally by means of official documents ( $M=3.94$  on a scale from 1 to 5,  $SD=0.12$ ), and their effort on DEI is documented externally through social and sustainability balance sheets ( $M=3.89$ ,  $SD=0.16$ ) and certifications given by external agents ( $M=3.53$ ,  $SD=0.16$ ). These initiatives are relevant for the institutionalization of DEI as part of the official positioning of the company. The strategy of allegiance with activist associations and institutions in the field of DEI by means of partnerships ( $M=4.13$ ,  $SD=0.11$ ) is also very relevant and is leveraged in terms of external communication too ( $M=3.92$ ,  $SD=0.12$ ).

Moreover, the relevance assigned to the external communication aims of participating in the cultural change of society ( $M=3.94$  on a scale from 1 to 5,  $SD=0.12$ ) and listening to the expectations of external stakeholders ( $M=3.43$ ,  $SD=0.12$ ) confirm the attention to the call for a societal commitment.

#### **Conclusions and implications for management and research**

The initial qualitative phases of a pluriannual and multimethod study about the current situation and evolution of DEI practices in Italian companies, based on case studies (Ravazzani et al., 2021) and focus groups and interviews (Ravazzani et al., 2023), show that the approach of Italian companies to DEI is evolving towards the implementation of DEI as part of the purpose. This is in line with other studies that highlight the recent emergence of a *purpose-driven approach to DEI* (Dhanesh, 2020; George et al., 2021). A purpose-driven approach to DEI seems to be an appropriate strategy to face the organizational barriers, the criticisms, and the countereffects that DEI programs could generate.

This paper presents some findings taken by the last and quantitative phase of the larger study mentioned above. It was conducted in 2023 and deepened in particular three categories of issues related to DEI programs: organizational barriers, internal criticisms, and countereffects, with specific attention to the risk of reduced

organizational cohesion due to the heterogeneity implied by DEI programs. Furthermore, the study investigated if and to what extent Italian companies are adopting a purpose-driven approach to DEI and the creation of a diversity culture as a step of adopting this approach.

Findings show that Italian companies perceive organizational barriers and internal criticisms. To a lesser extent, they also perceive the risk of countereffects and specifically the risk of reduction of organizational cohesion. Some specific questions arise on this point: is this a lack of awareness? Is it because the introduction of DEI programs is still too recent in Italian companies to generate undesirable effects and in particular the so worrying countereffect related to the reduction of cohesion? Or, more alarming, is this a sign of diversity washing (Ravazzani, forthcoming) where diversity rhetoric is not authentically anchored in actual corporate practice and cultural shift?

Moreover, the empirical findings presented in this paper reveal that Italian companies are implementing strategies to sustain the development of a diversity culture and to reinforce the DEI commitment including it as part of the company purpose. Specifically, they leverage DEI practices and internal communication initiatives to sustain the cultural change process that is necessary to make DEI an organizational value, looking also for the commitment of employees as active actors in this process to make it more effective. Findings also highlight that there are a series of elements that lead to believe that Italian companies link their DEI efforts to company purpose. In particular, it is worth mentioning the exogenous pressure to embrace DEI in response to stakeholder expectations, the communication objective of contributing to social change, and the use of both internal and external communication by companies to position themselves around the DEI theme.

#### *Practical implications*

Based on the extant literature and findings from this study, balancing the tension between the quest for heterogeneity and the quest for a collective meaning creation and a shared purpose emerges to be crucial yet not sufficiently prioritized in corporate agendas. This challenge can be faced by adopting several organizational practices: the spread of a truly inclusive organizational culture, where variety is one of the organizational values; the incorporation of diversity into organizational processes, for instance through recruitment and career and development practices devoted to creating teams made of people bringing different characteristics and backgrounds; the creation of a purpose oriented to societal pressures that can act as a center of gravity for the organizing process while leaving room for tolerating a certain degree of diversity. Companies should be focused on employing people who accept the purpose of the organization. The sharing of the organizational purpose represents the least level of similarity necessary to engage people in effective meaning-creation processes.

#### *Limitations and implications for future research*

The present study has several limitations, which offer fruitful directions for future research. First, the data collected are part of a broader research aimed at analyzing more broadly how Italian companies deal with DEI. In the future, a specific study could be conducted to focus more systematically on the effort that companies put in connecting

their DEI strategy to their purpose, developing specific indicators and scales to quantify this effort. Future studies could also explore more specifically how to balance the quest for heterogeneity with the need of a unifying organizational purpose.

Second, the survey sample is not statistically representative of Italian organizations, since it was built through sampling techniques that concentrated the analysis on companies which had an explicit interest in DEI issues. For future research, it could be useful to involve companies with a lower commitment in DEI. This could help to enlarge the knowledge comprising companies with different levels of commitment in DEI issues and therefore to investigate the reasons behind different approaches.

Third, the data were collected exclusively in Italy. It would be useful to study these same topics in different national contexts for comparison purposes, in particular to understand if and how organizations in different countries adopt a purpose-driven approach to DEI.

### *Conclusions*

DEI is an ethical imperative, besides its relevance for business. Therefore it is really important to explore strategies aimed to leverage its benefits while minimizing possible countereffects and internal criticisms related to DEI management. Based on the findings of a pluriannual and multimethod study, and on survey results in particular, this paper allowed to investigate if Italian companies perceive organizational barriers, internal criticisms, and possible countereffects of DEI efforts, and if and how they frame their DEI commitment within their company purpose, which can be considered an effective strategy to make this commitment long-lasting and more acceptable.

Overall the findings discussed allow to affirm that Italian companies seem to be aware of the organizational barriers and the internal criticisms of their DEI efforts. They have a more limited awareness of the countereffects of their DEI efforts, especially about the risk of loss of cohesion.

Moreover, this paper suggests that Italian companies seem to act proactively in order to adopt a purpose-driven approach that can frame DEI management in a more effective way. A tendency that could be worth studying more specifically in the future.

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