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Abstract

Purpose – This paper investigates the business case for Diversity, Equity, and Inclusion (DEI) within the context of Operations and Supply Chain Management (OSCM), a topic that has been focus of intense debate in academic and practitioner circles, and has become strongly associated with conflicting ideological perspectives. It combines an extensive literature review on DEI and potential outcomes, including the other contributions in the special issue *"On Sustainable Operations and Supply Chain Management: What about Diversity, Equity, and Inclusion?"*, with empirical analyses, both quantitative and qualitative, to examine the potential outcomes of DEI initiatives.

Design/methodology/approach – In the empirical analysis, a mixed-methods of explanatory sequential design is used. First, the association between OSCM employees' perceptions of workplace DEI and firm-level performance is examined using matched data from Glassdoor employee-reviews of DEI in Fortune 500 companies and Refinitiv Workspace. Then, a qualitative follow-up analysis is undertaken based on 10 interviews with experienced DEI-leaders and OSCM practitioners.

Findings – DEI research in OSCM is still in its early stages and extant knowledge is predominantly based on case-studies. Evidence on the relationship between firm-level DEI and performance is mixed and may reflect the context as well as the available information. While there are arguments for a positive association, our quantitative analysis challenges this expectation. Our interviews highlight potential positive outcomes such as enhanced employee-engagement and job satisfaction that could translate into performance, but also suggest negative effects when DEI initiatives alienate core groups, are performative rather than substantive, or incur significant short-term costs. Overall, further academic research is needed to address the rhetorics and realities of DEI, understand unfulfilled expectations, identify moderating and mediating factors, and thus potentially resolve inconsistencies in findings.

Originality/value – This introductory article underscores that the DEI debate is far from settled and offers a future research agenda based on an assessment of the current state of DEI scholarship within OSCM, empirical analyses, and a review of the seven papers selected for this special issue.

Keywords: Diversity, Equity and Inclusion; Operations and Supply Chain Management; Mixed-Methods; Organisational Outcomes

Paper type: Research paper

1. Introduction

The importance of a productive and happy workforce in operations and supply chain management (OSCM) has long been recognised (MacDuffie, 1995), and research has increasingly highlighted how operations and supply chain related decisions contribute to broader societal outcomes (Porter and Kramer, 2011; Sila, 2018). Historically, organisations have primarily focused on occupational health and safety as a key pillar of social sustainability (Pagell et al., 2016). More recently, there have been efforts to integrate the UN Sustainable Development Goals (SDGs) into business excellence frameworks (EFQM, 2020). However, there are concerns about whether these frameworks can adequately address distinct and evolving demands from multiple and diverse stakeholders (de Menezes et al., 2022).

The aftermath of the COVID-19 pandemic, along with ongoing geopolitical instability and climate-related crises, have underscored the need for human-centred considerations in managing operations and supply chains (e.g., Sarkis, 2020). As a result, some organisations have attempted to go beyond the traditional triple bottom line approach to directly address the lived realities of individuals embedded in supply chains (Sordi et al., 2022; Sunar and Swaminathan, 2022). Large multinationals such as Henkel, L'Oréal, and Schneider Electric have responded to societal pressures through international initiatives such as Business for Inclusive Growth, which aimed to create more equitable and inclusive working environments by addressing equity and inclusion concerns (Gartner, 2022). In this context, a key challenge has been the lack of clear empirical evidence on the link between Diversity, Equity, and Inclusion (DEI) and organisational performance (Tang, 2024). To date, studies of DEI initiatives, such as inclusive recruitment and training programmes, have highlighted mixed outcomes (Svehla, 1994; Leslie et al., 2024).

Additionally, recent shifts in political discourse in the United States and Europe have contributed to pushbacks against DEI-focused organisational policies, which can result in revisions and changes of corporate priorities and regulation (Bohannon, 2023; Binkley, 2025). Hence, amid concerns that the momentum behind nascent DEI initiatives may stall and that OSCM researchers may be tempted to move on to the next hot topic, this article introduces the special issue *"Sustainable Operations and Supply Chain Management: What about Diversity, Equity, and Inclusion?"*. In doing so, this special issue aligns with the *International Journal of Operations & Production Management*'s renewed editorial emphasis on fostering an inclusive and diverse OSCM community (Roehrich et al., 2025; Essuman et al., 2026), at a time when the role and implications of DEI in organisations remain actively debated.

We begin this introductory article with a comprehensive review and an assessment of the current state of DEI research within OSCM. In Section 3, we summarise the contributions to this special issue and reflect on their implications for future research. Our assessment highlights that studies employing multiple data sources, mixed-methods, and large sample sizes remain rare. These observations motivate our own empirical investigation, which is reported in Section 4 and Supplementary Materials.

In Section 4, we present our empirical work. First, we examine the relationship between employees' perceptions of workplace DEI and firm level performance using matched employee and firm data from Glassdoor and Refinitiv Workspace for Fortune 500 companies between 2020 and 2024. Second, we complement this quantitative analysis with ten interviews with senior DEI practitioners and leaders, which provide context and depth to our findings and enable a more nuanced interpretation of the results. This empirical work aims to clarify the association between

DEI and organisational performance and to offer an analytically grounded starting point for future research.

Finally, in Section 5, we integrate insights from both our empirical work and the special issue contributions, draw conclusions, and outline a research agenda designed to move DEI scholarship forward within OSCM.

2. Diversity, Equity, and Inclusion in Operations and Supply Chain Management

Research on sustainable OSCM recognises the need for addressing DEI since doing so not only offer new insights into how supply chains and operations can be managed more sustainably but also helps tackle systematic inequalities, exclusion, and barriers faced by diverse groups in society (Tang, 2024). In this respect, research on DEI within OSCM can support the development of supply chain practices that align with the SDGs, particularly Goal 5 (Gender Equality) and Goal 10 (Reduced Inequalities) (United Nations, 2015). Unsurprisingly, DEI has been examined across a range of OSCM contexts, including the private sector (Taylor and Rosca, 2024), the public sector (Choi and Rainey, 2010), health (de Oliveira et al., 2025), and humanitarian operations (Hamilton et al., 2024). The origins of this research stream can be traced back to the late 1990s (e.g. Carter et al., 1999; Pullins et al., 2004).

Nevertheless, when compared with other topics in the field, DEI has been markedly neglected, with only a small number of related articles appearing in mainstream journals until recently. Moreover, the existing literature employs varying definitions of DEI, likely reflecting the fact that the term encompasses three distinct conceptual dimensions (Tang, 2024). For this special issue, it is therefore important to clarify what DEI entails, before assessing the current state of knowledge.

2.1. Beyond slogans: what counts as Diversity, Equity, and Inclusion in Operations and Supply Chain Management?

According to Johnson et al. (2024), organisations and groups are characterised by meaningful distinctions among their members, which include race, nationality, gender, sex, age, ethnicity, sexual orientation, disabilities, and other perceived limitations. In organisational contexts, diversity captures the variety of experiences and viewpoints that employees contribute to the workplace (Shore et al., 2011). Diversity is often associated with various organisational outcomes (Amore et al., 2014). It is commonly claimed that diverse teams can solve complex problems from multiple angles (e.g., Cummings, 2004). However, research also emphasises that diversity on its own may not produce the desired positive outcomes, because its full potential stems from inclusive environments that value and integrate diverse perspectives into decision-making (Roberson, 2006).

Unlike equality, which is about the provision of the same resources to everyone, equity is about focusing on tailored resources and actions to address systemic disparities and create equal opportunities (Joseph et al., 2016; Tang, 2024). Equity measures imply fair employment practices, equal access to opportunities, and the removal of discriminatory practices (Abbasi, 2017). For example, human rights initiatives address equity through corporate social responsibility policies that fight child or forced labour (Silva et al., 2024). As a whole, an equitable approach would create sustainable social systems and deliver long-term benefits for businesses and communities.

Inclusion is about fostering a sense of belonging and amplifying the voices of historically marginalised groups (Sabharwal, 2014). Organisations addressing inclusion create spaces to enable employees to feel respected, appreciated, and encouraged to participate fully. Inclusion surpasses diversity by integrating diverse voices into decision-making processes, culture development, and leadership structures (Nishii, 2013; Shore et al., 2018). Inclusion can be

achieved through partnering with marginalised communities, empowering small-scale suppliers, developing anti-discrimination and minority inclusion policies, and establishing participatory governance systems for sustainable initiatives (Mani et al., 2016; Taylor and Rosca, 2024). Inclusive practices can maximise the benefits of diversity while strengthening the social operations fabric (Johnson and Chichirau, 2020).

2.2. What do we know (and do not know) about Diversity, Equity, and Inclusion in Operations and Supply Chain Management?

Given expectations that integrating DEI in OSCM would enable inclusive and sustainable supply chains, support greater innovation, and improve performance, different aspects of DEI have been examined. One of the most widely discussed areas has been supplier diversity programmes, whereby organisations develop procurement plans to buy goods and services from suppliers representing under-represented groups in the population, have attracted significant research interest (e.g., Adobor and McMullen, 2007; Worthington et al., 2008; Esper et al., 2020; Arora, 2024; Ruel et al., 2024). Such programmes extend minimum legal requirements, empower local communities, create diverse workplaces and foster fair treatment for multiple groups (Mani et al., 2016; Abbasi, 2017) and they have also been associated with positive performance outcomes, including greater innovation and contributions to economic development (Adobor and McMullen, 2007; Carter et al., 1999; Sordi et al., 2022; Berenguer et al., 2024). However, assessing suppliers and supporting such programmes, along with the development of programme evaluation frameworks, remains challenging (Silva et al., 2024). There remains limited understanding of the needs of minorities and small suppliers. Attention to their perspectives is thus required, especially as power imbalances are inherent to buyer-supplier relationships (Adobor and McMullen, 2007;

Silva et al., 2024) and the dominant position of buyers over suppliers can limit collaboration (Tanskanen, 2015).

Another stream of DEI research in OSCM has centred on gender equity, particularly in workforce composition and leadership representation. Seminal studies from the 1990s, which examined the role of women in logistics (e.g., Andre, 1995), provide the starting point for this line of inquiry. Recently, the research has been driven by the recognition that gender inclusion is not only a moral imperative linked to social justice (Kroes et al., 2025) but is also a strategic advantage for organisations from an instrumental perspective. The pursuit of gender equity in OSCM aligns with SDG 5. Gender, however, is a multi-faceted construct that encompasses socially defined roles and behaviours that shape societal norms and expectations within OSCM and beyond (Chin and Tat, 2015). The principles of DEI underpin the advocacy for fair and inclusive treatment of individuals across all gender identities. Nevertheless, women still face systemic barriers in the OSCM field (Kafa et al., 2024) and are likely to be subject to wage gap and gender discrimination (Schollmeier and Scott, 2024). The situation tends to be worse in developing countries, where female workers often lack contracts and equal employment conditions (Maertens and Swinnen, 2012), thus highlighting barriers to inclusive supply chains, although recent research on such barriers has also shown that women can drive positive change (Ruel et al., 2024). However, this strong emphasis on women's participation and leadership (e.g., Akbari et al., 2024) contrasts with the relatively limited attention given to other marginalised groups in OSCM, including ethnic minorities (Esper et al., 2020), lesbian, gay, bisexual, transgender, and queer/questioning (LGBTQ+) individuals (Arora, 2024), people with disabilities (Ball et al., 2005).

Despite the growing interest in DEI in the field of OSCM, the evaluation of the consequences of DEI initiatives remains challenging, particularly with respect to defining and

applying appropriate metrics. Performance indicators of DEI initiatives typically focus on the representation of marginalised or protected groups within organisational levels and recruitment processes (Tang, 2024). Other approaches to measurement have been proposed but are yet to attract significant interest, including an index model to evaluate the impact of supplier diversity on firm performance (Richard et al., 2015), scales to assess equity and diversity (Carter and Jennings, 2002; Mani et al., 2018), and a scale that distinguishes inclusion from diversity (Silva et al., 2024). Overall, measurements of DEI-related concepts are evolving and may provide future insights into assessing and improving DEI initiatives (Woodbrook, 2020; Tang, 2024). Nonetheless, studies of a potential business case for DEI continue to highlight inconsistencies in outcomes. While some analyses have linked DEI initiatives to better performance and the development of new competencies (Shan et al., 2017; Vlas et al., 2022; Li et al., 2024), others have reported mixed outcomes (Richard, 2000; Choi and Rainey, 2010; Richard et al., 2015) and negative correlations (Chin and Tat, 2015).Indeed, some authors have argued that a performance-driven approach to fostering DEI would fail to reveal its full potential (e.g. Matthews et al., 2024).

As summarised in Table 1, studies of the association between DEI and organisational outcomes vary significantly in methodology as well as context and tend to rely on cross-sectional data from large or recognised organisations. Moreover, different theoretical lenses (e.g., dynamic capabilities, resource-based view, signalling theory, stakeholder theory) have been adopted. Given wide variations in definitions, research design, and contexts, it may not come as a surprise that empirical findings are mixed. For instance, one could argue that assessments based on objective financial data in some studies and the use of survey-based evaluations or qualitative assessments in others could have led to some of the inconsistencies observed. Notably, information about how long DEI initiatives have been in operation, their scope and other details are often unavailable,

and these may play a vital role in the DEI-performance nexus. Indeed, it is reasonable to expect that if DEI initiatives were relatively new and motivated by the events of 2020 that called for social justice, the expected gains might be in the longer term and thus might not have been captured in the literature. Furthermore, as with many management practices, the antecedents and outcomes of DEI in organisations may be contingent on different factors, including industry, firm size, governance, geographic location and political landscape.

----------Table 1 ----------

The use of various theoretical perspectives such as paradox theory (Matthews et al., 2024), stakeholder theory (Taylor and Rosca, 2024), and social justice theory (Kroes et al., 2025), has not led to a dominant theoretical framework for understanding determinants and consequences of DEI (Johnson et al., 2024). Hence, there seems to be plenty of room for theoretical innovation while investigating DEI in OSCM (Akbari et al., 2024; Ruel et al., 2024). The integration of DEI into globalised supply networks is challenging not only because of differences in legislative and regulatory contexts, but also because of the absence of practical frameworks and standards to tackle systemic inequities (Yawar and Seuring, 2017). The latter could enhance social sustainability by decreasing labour inequalities and preventing exploitative practices (Cunha et al., 2019; Soundararajan et al., 2025). Yet, the effectiveness of DEI frameworks can be limited given the lack of enforcement capabilities and the low participation of marginalised stakeholders in decision-making (Taylor and Rosca, 2024). Furthermore, as highlighted in the next section, even when equality or related legislation is present, cross-cultural and structural factors may hinder inclusion.

In a recent editorial article (Corbett et al., 2025) of a special issue on the interactions between OM and DEI across workforce practices, supply chains, health and social services,

technology platforms, and innovation, it was concluded that DEI is deeply interconnected with the core areas of OM. Hence, integrating DEI perspectives can enrich OM, in terms of both research and practice. Although the label DEI keeps evolving and is often contested, the underlying principles and objectives of DEI remain essential, thus Corbett et al. (2025) called for OM researchers and educators to engage more deeply with DEI. As they argued, there are meaningful opportunities across our field to advance both operational effectiveness and societal equity. In this context, we consider the contribution of the seven articles that follow in this special issue.

3. What can we learn from this special issue?

This special issue brings together diverse contributions that advance our understanding of DEI in the field of OSCM. In total, 62 papers were submitted, and 7 papers were accepted. The accepted papers cover a wide range of contexts, methodological approaches, and levels of analysis, but converge on the central challenge of how DEI objectives intersect with operational and strategic decision making in operations and supply chains. Several papers directly surface tensions between social aims and operational or financial imperatives, while others shed light on the institutional and structural conditions under which DEI becomes embedded without necessarily invoking a commercial trade-off. Taken together, the seven papers can be grouped into two main foci: those that are gender-specific and those that address broader marginalised groups.

The first five papers examine how female participation shapes decisions and outcomes in OSCM. Their findings suggest that gender is a consequential but contingent driver of outcomes. Positive effects on sustainability, supplier engagement, and risk management arise when women hold substantive decision authority, are recognised as experts, and there is internal legitimacy within supportive organisational and institutional contexts. In the absence, initiatives drift towards

symbolism, and the links to operational or risk benefits weaken or even reverse. The papers are summarised below.

Sustainable supply chain decisions – (when) does gender matter? (Kenny et al., 2026).

The research examines how gender influences socially sustainable procurement choices when decision-makers encounter unclear social sustainability risks. The research employs gender role theory to analyse how male and female purchasing managers handle two types of ambiguity, including risk probability and issue specificity. Using a scenario-based experiment, the authors find that, show that female managers favour certified (socially sustainable) product options but display unexpected risk-taking under ambiguous risk probability conditions, contradicting assumptions of female risk aversion. The research demonstrates that ambiguity creates two effects on social issue perception and decision-making through gender as a moderating factor. While females were more responsive to issue specificity, males responded more to risk ambiguity in terms of shifting toward sustainable choices.

From social good to operational good? How women influence sustainable operations. (Cole et al., 2026).

This study investigates how women's representation in managerial and board roles influences sustainable operations, focusing on the tension between equity in leadership and sustainable operational performance. Drawing on social role theory, it argues that women's communal and ethical orientations, when positioned in decision-making roles, can drive more responsible and sustainability-oriented firm behaviours. Using data from the Refinitiv Workspace, the study examines three performance dimensions: resource usage (inputs), product responsibility (internal processes), and emissions (outputs). Results show that women on boards exert broad influence

across all three dimensions, while women in managerial roles are significantly associated with emissions improvements only. The effect is amplified when firms underperform relative to industry peers, suggesting that women leaders increase the urgency of sustainability efforts in response to external performance gaps. The paper highlights the instrumental value of gender diversity in improving sustainability outcomes, while also acknowledging potential tensions between financial performance and emissions control in high-performing firms.

A determinant of sustainable supplier management by female executives: evidence from South Korean firms. (Kang et al., 2026).

The research investigates how gender diversity among top management executives affects sustainable supplier management practices in South Korean manufacturing companies through Workplace Panel Survey. The main conflict exists between female executives who want to gain organisational acceptance and their ability to direct sustainability programmes. Using an institutional lens, the paper shows that those with lower legitimacy mimic main buyers' practices, supporting suppliers when buyers are supportive but withdrawing when buyers are coercive. The mimetic tendency becomes weaker when female executive legitimacy receives support from increased female middle manager representation, labour union presence, and foreign market dependence. The research demonstrates that gender diversity alone does not guarantee sustainability results because organisations need to provide structural support for female leaders to create substantial change across multiple supply chain tiers.

The intriguing effect of gender diversity and women's power on global supply base risk. (Nakamura et al., 2026).

This paper investigates the complex relationship between gender diversity on corporate boards and global supply base risk among US-based firms. Drawing on social role and social identity theories, it proposes and empirically confirms a U-shaped relationship: initial increases in female board representation reduce risk due to women's risk-averse tendencies and greater deliberation, but beyond a threshold, increased gender diversity can lead to subgroup polarisation and coordination challenges, which heighten risk. Importantly, the study finds that this U-shaped pattern is moderated by women's power within firms. Specifically, women directors with board interlocks (a proxy for expert power) significantly flatten the U-shape, mitigating risk escalation at higher diversity levels. Conversely, women in C-suite roles (a proxy for structural power) do not show consistent moderating effects, suggesting that power alone, without perceived merit, may be insufficient to counteract identity-driven subgroup tensions. The study highlights the nuanced and contingent value of board gender diversity for supply chain risk management, indicating that diverse and empowered boards can reduce exposure to institutional risks, but only under certain conditions

Impact pathways: the hidden influence of informal institutions on formal gender diversity. (de Freitas et al., 2026).

This paper examines how informal institutions shape both the implementation and the outcomes of formal gender diversity, equity, and inclusion (G-DEI) initiatives within organisations and their supply chains in environments characterised by entrenched traditional gender roles. Grounded in institutional theory and based on in-depth interviews with DEI leaders, the study uncovers a persistent interplay between formal coercive pressures and informal normative and mimetic pressures that sustain gendered cultural norms. Findings indicate that while coercive pressures often trigger the initial adoption of G-DEI policies, deeply embedded normative beliefs resist

substantive transformation, and mimetic isomorphism fosters symbolic compliance that projects legitimacy without altering underlying hierarchies and power relations. Through three impact pathways, coercive adoption, normative resistance, and mimetic superficiality, the study demonstrates that formal initiatives frequently fail to disrupt exclusionary dynamics in core operational roles, leaving women concentrated in support functions and vulnerable to marginalisation.

The remaining two papers focus on broader marginalised groups, including disadvantaged workers (people with disabilities, those experiencing homelessness, ex-offenders, and the low-income communities) and diverse suppliers (minority owned, women owned, and veteran owned businesses). Their findings show that inclusion can be embedded and scaled without sacrificing efficiency when organisations align social aims with supply network architecture and procurement processes. Below are the summaries of each paper.

Networks with a social purpose: how social enterprises manage paradoxical tensions. (Meqdadi and Pagell, 2026).

This study investigates how social enterprises in the UK navigate the paradoxical tension between advancing DEI objectives and maintaining commercial viability through their supply networks. Based on case research involving five social enterprises and their network actors, the paper examines how supply network characteristics affect the management of competing social and commercial goals. The central challenge arises from the need to provide employment opportunities for disadvantaged groups while ensuring operational efficiency and scalability. The findings suggest three distinct supply network configurations that social enterprises adopt to manage this tension: separating social and commercial goals across different ties, integrating both goals within the same ties, or combining both approaches. These network structures enable social enterprises

to access complementary resources, mitigate conflict, and preserve their social missions without undermining financial performance. The study contributes to supply chain and organisational research by showing how network design can serve as a strategic mechanism for balancing inclusion with efficiency.

Digitalisation as a catalyst for supplier diversity, equity and inclusion. (Asokan et al., 2026).

This paper theorises that digitalisation enables supplier DEI in procurement systems and empirically investigates how this can be achieved via a qualitative case-study focused on a global energy company and two of its technology service providers. The central tension explored is between the organisations' DEI commitments and the persistent structural and process barriers, which the authors term “design incongruence.” Following socio-technical systems theory, the study shows how AI and big data analytics can align internal procurement processes with supplier DEI goals by reconfiguring technical workflows, expanding the supplier base, and redefining procurement roles. The authors show that digitalisation, through six procurement changes such as automated supplier identification and onboarding, can expand supplier DEI and increase value from sustained engagement. The findings suggest that rather than a standalone intervention, digital tools act as structural enablers, embedding DEI into supply chains in scalable, data-driven, and resilient ways.

Overall, this special issue presents a broad coverage of methods and contexts. The articles underscore a greater concern with diversity and in understanding enablers of diversity. There is an inherent assumption that greater levels of DEI would imply positive outcomes for employees and organisations. In other words, there are mutual gains from DEI. Yet, the conflicts and challenges facing equity initiatives are also highlighted in different case studies, and our review of the literature on the likely association between DEI and organisational performance confirms previous

observations of mixed outcomes (Tang, 2024; Corbett et al., 2025) and underlines differences in what has been assessed as DEI.

As OSCM scholars and practitioners, we have a long tradition of examining the relationship between management practices and organisational performance. Best practices are almost intuitively associated with improved performance, an expectation supported by decades of empirical research, initially based on large-scale surveys and secondary data, and more recently through multi-level and longitudinal studies. By contrast, when DEI is considered, particularly within OSCM, large-scale empirical and longitudinal studies are scarce, and focus tends to be on diversity or indicators of concern for DEI. As noted in Table 1, a small number of studies have associated gender diversity with better organisational performance. However, measures vary and data can be sparse, despite the existence of well-established diversity initiatives, such as the 30% Club, a global campaign led by Chairs and CEOs committed to increasing gender diversity at board and executive committee levels, which has been active for over a decade (BBC News, 2017). Given the recent backlash against DEI and policies aimed at fostering diversity in the United States, revisiting the DEI-performance link has become even more critical.

Our own empirical study, reported in the next section, combines a statistical analysis of matched longitudinal data from two distinct sources with qualitative insights from ten interviews with senior DEI and OSCM practitioners. We adopt a sequential explanatory mixed-methods design, in which the quantitative analysis precedes the qualitative phase and the latter explains and interprets the initial findings (Creswell et al., 2003; Creswell and Creswell, 2018). This approach aims to clarify the association between DEI and organisational performance and shed light on the mixed findings in the current literature. Rather than presenting a full empirical article on the DEI–

performance nexus, our purpose is to offer an analytically grounded starting point for future research.

4. Is there a business case for DEI? A mixed-methods approach

Using a mixed-methods approach, we investigate the link between DEI and organisational outcomes. We begin with a quantitative analysis of secondary data on employees' perceptions of DEI and firm level performance metrics. Given the results obtained, we then develop a qualitative phase in which semi-structured interviews with DEI leaders and practitioners (Creswell et al., 2003) are conducted, and common themes regarding the outcomes of DEI initiatives are examined in greater depth.

4.1. Are employees' perceptions of workplace DEI associated with firm performance?

As the primary component of our mixed-methods design, we examine how OSCM-employees' satisfaction with DEI relate to firm performance, drawing on secondary data for Fortune 500 firms extracted from Refinitiv Workspace and matched with Glassdoor employee reviews. By focusing on employees' perceptions of DEI within their organisation rather than using the broader DEI index available in Refinitiv Workspace, we draw information from different sources and are less reliant on publicly available ESG disclosures (Kim and Lyon, 2015; Lagasio, 2024), which might have been strategically managed. Indeed, the literature suggests that firms disproportionately invest in highly visible, low-cost activities while neglecting less observable actions that matter more for their stakeholders (Wu et al., 2020), and in particular to their workforce. Large companies tend to use ESG disclosure to create positive images, gain legitimacy, and influence stakeholders (Ioannou et al., 2023; Lee et al., 2018). Consequently, disclosure-based DEI measures may overstate the extent of genuine DEI implementation and may not capture the lived DEI experience.

In contrast, Glassdoor employee reviews capture the perceptions of current and former OSCM employees regarding the level of DEI as well as cultural and other aspects of the organisation, and are therefore relatively less affected by potential biases associated with performative DEI practices. Perceptions of working conditions and of the meanings that employees attach to policies, practices, and procedures, including those related to DEI, are embedded in the notion of organisational climate (Ehrhart and Raver, 2014).

Organisational climate has been shown to influence employee outcomes such as job satisfaction and engagement (Schnake, 1983; Son et al., 2024), which in turn have been linked to organisational performance (de Menezes and Escrig, 2019). On this basis, a more positive DEI climate, as inferred by higher levels of satisfaction with DEI among OSCM employees, can reasonably be expected to be associated with stronger firm performance.

4.1.1. Quantitative data

We considered online reviews posted on Glassdoor, a job search and career website that allows employees to anonymously rate various attributes of their current and former employers on a five-point scale, including work-life balance, culture and values, career opportunities, compensation and benefits, and senior leadership (Son et al., 2024). These reviews have been used in several management studies (e.g., Corritore et al., 2020; Hales et al., 2018) and recently in OSCM research (e.g., Son et al., 2024). Of the seven attributes in Glassdoor's questionnaire, the diversity and inclusion (D&I) measure is especially pertinent to our research context because it directly captures employees' perceptions of organisational DEI policies and practices.

Drawing on approximately one million Glassdoor data points from the earliest year in which D&I ratings were available to the most recent year (2020 to 2024), we focus on Fortune 500

firms to limit excessive heterogeneity in the sample. To ensure that firm DEI activities are analysed within the context of OSCM, we constrain our sample to reviews concerning jobs within OSCM (e.g., operations managers, procurement managers, warehouse operators), thus resulting in 2,058 firm-year observations. However, due to the unavailability of financial and ESG data in Refinitiv Workspace as well as patent data in the United States Patent and Trademark Office (USPTO) at the time of our data collection, the sample has been reduced to 880 firm-year observations.

----------Figure 1----------

4.1.2. Measures

Independent variable: To measure OSCM employees' satisfaction with workplace DEI, we compile Glassdoor D&I review scores from OSCM employees. Specifically, we created a list of job titles from all Glassdoor employee reviews for Fortune 500 companies between 2020 and 2024, which we reviewed to identify OSCM-related keywords and phrases, such as "operations", "supply chain", "procurement", and "warehouse." As a result, we selected 41,687 D&I review scores from users whose current or former job titles contained the identified OSCM-related keywords and phrases. Next, we create a year-by-year firm-level DEI satisfaction score by averaging the individual employees' satisfaction of the workplace DEI that was described above and is measured in a 5-point scale. This measure is therefore an aggregate indicator of OSCM employees' perceptions of DEI policies and practices within each firm in our sample.

Dependent variables: For firm performance, we focus on return on assets (ROA), Tobin's Q, and innovation output (Edmans et al., 2023; Almeida et al., 2024; Son et al., 2024). ROA is an accounting-based measure of how effectively a firm turns assets into profits. Tobin's Q is a forward-looking market valuation that captures investor expectations about a firm's growth and

intangible assets (Edmans et al., 2023; Almeida et al., 2024). Innovation, measured by patents, reflects the firm's ability to generate new ideas (Son et al., 2024). Therefore, by examining ROA, Tobin's Q, and innovation together allows us to assess whether employees' DEI satisfaction enhances operational performance (internal efficiency), future growth potential, and creative output. Following common practice, Tobin's Q is assessed by the total market value divided by total assets. Firm innovation performance is measured by the natural logarithm of one plus the average number of patent applications over the next three years. We use patent applications because they reflect the actual timing of firms' innovations.

Control variables: Since firms with certain characteristics could produce higher performance, we isolate the effects of employees' DEI satisfaction by including firm-level control variables. First, the employees' average length of employment, obtained from Glassdoor, is included because it has been found to be highly associated with job performance (Wright and Bonett, 2002). Firm-size (natural log of total assets) and industry competitiveness (HHI for sales at the three-digit NAICS level) were also included. We further included prior innovation (average number of patents granted over the previous three years) and prior social ESG score (Son et al., 2024). Other firm characteristics that can influence performance outcomes were capital structure (dept-to-equity ratio), growth prospect (market-to-book ratio), labour intensity (employee-to-sales), and capital intensity (property-to-employee ratio). Except for employment length and prior innovation, all control variables are lagged by one year (t-1).

4.1.3. Longitudinal regression models and analysis

To capture dynamics between the employees' satisfaction with DEI and firm performance, regression models are estimated using instrumental variables two-stage least squares (IV-2SLS):

$$\ln\left(Y_{i,t+1}\right) = \alpha_i + \alpha_t + \beta_1 DEI\_satisfaction_{i,\,t} + \gamma X_{i,\,t} + \varepsilon_{i,t}$$

where *Y* refers to the performance indicator of firm *i* in year *t+1*; firm- and year-fixed effects are denoted by α_i and α_t, respectively; *DEI_satisfaction* as defined above; *X* is the vector of control variables defined above; $\varepsilon_{i,t}$ is the heteroscedastic error term. We include firm-fixed effects to control for firm-level time-invariant characteristics (e.g., region), and year-fixed effects to account for aggregate shocks.

A concern in examining the link between DEI satisfaction and firm performance is potential endogeneity. The IV-2SLS approach addresses this issue by using instruments that are correlated with firms' DEI satisfaction but do not directly affect firm performance (Lu et al., 2018). These instruments provide the exogenous variation that is necessary for identifying the model. In addition, the fixed-effects specification removes time-invariant unobserved firm characteristics, thus ensuring that our estimates are identified from within-firm changes over time. As a robustness check, we estimate standard fixed-effects OLS models, and these yield similar patterns, therefore adding support to our findings.

4.1.4. Results

Descriptive statistics and correlation estimates of the variables are presented in Table 2, which shows that bivariate linear associations among the variables are weak and, for some pairs, insignificant. In addition, the maximum variance inflation factor (VIF) across all models is 1.85, with an average value of 1.29. Therefore, our results are not influenced by multicollinearity.

----------Table 2 ----------

Results are presented in Table 3. The two instrument variables (*Instruments*) used in the model are the employees' overall rating of the firm and the supplier's ESG training score. The

rationale for this choice is that Glassdoor also collects an overall rating of the firm, which is correlated to employees' DEI satisfaction (i.e., D&I) but external to the scope of our analysis. In addition, supplier ESG training that is available in Refinitiv Workspace is indirectly related to employees' DEI satisfaction, because such training can help suppliers align the firm's overall DEI activities within their operations.

----------Table 3----------

In the first-stage regression, we find that Glassdoor overall rating and supplier ESG training are significantly associated with employees' DEI satisfaction, with coefficients of 0.511 ($p = 0.000$) and -0.004 ($p = 0.021$), respectively. The negative relationship between supplier ESG training and employees' DEI satisfaction suggests the need for better integration between external ESG policies and internal DEI efforts. We further conduct diagnostic tests to confirm the relevance and assess exclusion conditions of our instruments. Both the Kleibergen-Paap LM and the Cragg-Donald F-test indicate that our instruments are not weak and are relevant. The Hansen J-test confirms that the instruments in the analysis are exogenous. The Wu-Hausman test indicates that employees' DEI satisfaction is exogenous for all models ($p > 0.05$).

As shown in Table 3, in the second-stage regression, employees' perceptions of firm DEI activities are significantly negatively associated with ROA ($b = -0.009$, $p = 0.035$). Yet, there is no association between employees' DEI satisfaction and either Tobin's Q ($b = -0.300$, $p = 0.325$) or firm-innovation ($b = -0.051$, $p = 0.242$). In non-tabulated tests, we observed similar results from fixed-effects OLS regression. In summary, employees' DEI satisfaction is negatively associated with ROA ($b = -0.004$, $p = 0.008$), but has no significant association with Tobin's Q ($b = -0.060$, $p = 0.295$) and firm-innovation ($b = 0.029$, $p = 0.165$).

To control for (time-varying) DEI leadership and strategies, we included (prior-year) social ESG score from Refinitiv Workspace. As an additional robustness check, we considered replacing this control with more specific DEI indicators available in Refinitiv Workspace. Unfortunately, several relevant indicators (e.g., workforce and leadership composition measures - percentage women or ethnic minorities, leadership rewards for performance or long-term objectives) are limited in coverage for our sample, and therefore, we used the broader Workforce ESG score, which is expected to capture some of these specific aspects. The results are consistent (i.e., significant correlation was only observed for ROA), and underscore that our findings are unlikely to be unduly influenced by internal DEI factors.

One may question whether the observed relationship between employees' DEI satisfaction and firm outcomes is persistent over time. In non-tabulated analyses, we estimated the models with the dependent variables measuring firm performance at two and three years ahead (t+2 and t+3). Across all specifications, the effects of DEI satisfaction were statistically insignificant. Hence, the negative relationship between employees' DEI satisfaction and ROA is short-lived. Furthermore, employees' DEI satisfaction does not predict longer-horizon changes in firm value or innovation activity.

Overall, employees' satisfaction with DEI may negatively affect short-term operational efficiency (as reflected in accounting performance, i.e., ROA) but does not translate into forward-looking performance indicators such as market valuation or innovation outcomes. This may suggest that no short-term performance effects from DEI initiatives in Fortune 500 companies. Consequently, we lack support for a positive association between employees' satisfaction with DEI and organisational performance. In this context, it is noteworthy that this sample is characterised by large successful firms that tend to concentrate in a few sectors within the economy,

and this selection was due to the availability of secondary data from two sources. However, as highlighted above, some of the desired controls were unavailable, and potential contingent factors such as the scope of DEI policies and initiatives, as well as employees' perceptions of wellbeing and control over their work that may affect performance (de Menezes and Escrig, 2019), could not be considered. Such contextual data are important and worthy of collection, especially as organisations with high visibility are more susceptible to institutional pressures and demands from internal and external stakeholders. Nonetheless, it is also possible that where DEI is stronger, employees' perceive DEI as an entitlement and therefore feel no need to reciprocate with greater effort.

4.2. What can we learn from the lived experience of leading DEI initiatives?

Given our initial results and mixed outcomes summarised in Table 1, we adopted an explanatory sequential strategy: the qualitative phase of this study was explicitly designed as a follow-up study to probe mechanisms, contingencies, and implementation logics that could account for the "surprising" quantitative pattern and to adjudicate among potentially rival explanations (e.g., timing effects, measurement/implementation gaps, or contextual moderators). Therefore, we recruited a diverse sample of OSCM professionals with substantial experience in leading DEI initiatives as well as DEI thought leaders (Table 4). Insights from this phase were used to interpret the results from the quantitative analysis, especially the potential short-term negative impact on profitability, as well as previous studies that questioned a business case for DEI. Overall, we aim to learn from the experiences of our interviewees and refine our understanding of the potential boundary conditions under which DEI may help or hinder organisational performance.

4.2.1. Qualitative data collection

An interview protocol was developed to explain the purpose and context of the follow-up study, including the unexpected negative association between employees' satisfaction with workplace DEI and firm performance (ROA) observed in the quantitative analysis. Questions were derived from the constructs and patterns identified in the quantitative stage, thus ensuring direct alignment between the two phases of our study. The interviews began with general questions on the scope, duration, and motivations behind DEI initiatives in OSCM (for the interview protocol, see Table S2: online supplement file). The discussion then shifted to participants' reflections on why a negative relationship with firm performance might exist, including potential impacts on broader organisational outcomes. It also addressed potential trade-offs and challenges, including resistance and the broader societal debate on DEI in Europe, Asia, and the US. Four researchers conducted ten interviews with OSCM professionals involved in DEI initiatives and DEI thought leaders, selected to ensure diversity in gender, geography, and role. Sampling was purposive to maximise variation relevant to the quantitative findings (industry, role, geography), and data collection proceeded until thematic redundancy was reached; this ensured that the qualitative material could meaningfully explain and qualify the prior statistical results.

4.2.2. Qualitative data analysis

The interview transcripts were analysed using NVivo 15. The first round of deductive coding was conducted using a coding tree derived from the interview guide and aimed at identifying potential explanations for the quantitative findings and mapping codes to the quantitative constructs and observed relationships (for the coding tree, see Table S1: online supplement file). At the end of this round, a sub-code that lacked supporting verbatim quotations was removed. To reduce the risk of circular reasoning (Dana and Dumez, 2015) and thus find only what we were looking for, a

second round of inductive coding was undertaken. This allowed new themes to emerge. Given the detailed interview protocol and the richness of the ensuing discussions, in the next section we focus on the findings relating to the negative link with firm performance identified in the qualitative analysis; additional findings are reported in the Online Supplement File. This integrative approach clarifies how the qualitative phase explains and contextualises the quantitative results while indicating where effects are likely contingent on implementation conditions.

4.2.3. Qualitative findings

Employees' satisfaction with workplace DEI and operational performance

Interviewees argued that greater DEI could lead to measurable improvements in operational performance across several dimensions, from agility to supply reliability and negotiation outcomes. Companies that engage with diverse suppliers can achieve greater responsiveness and operational efficiency when contracts are appropriately tailored, leadership genuinely embraces diversity, and efforts are made to understand the unique perspectives and constraints of smaller suppliers. One interviewee illustrated this through an example of a large entertainment company sourcing PPE during COVID-19: *"They found a minority business [...] who assured them of uninterrupted supply [...] They were able to finish that production in time."* (G) This highlights how diverse, often smaller suppliers may offer not only reliability but a heightened sense of commitment and adaptability.

Beyond procurement, diversity within internal teams can also contribute to operational gains. As noted by a logistics executive: *"We have better deals now [...] it's also because in our teams of negotiators, there's a better balance between men and women [...] more collaborative ways (of negotiating)."* (F) This points to the potential of cognitive and behavioural diversity in

improving outcomes, particularly in traditionally homogeneous sectors. Indeed, most interviewees highlighted the importance of considering the needs of targeted minorities and of developing partnerships that can facilitate this process. For example, Natura's R&D uses indigenous insights to develop natural-based pharmaceuticals, thus showing how overlooked knowledge catalyses novel products. A participant noted, "*on disability [...] we really struggled to do something impactful. Until we found an organisation [...] run by and fully staffed by individuals who have disabilities [...] because of their unique experiences, they were far better connected and tapped into the network of individuals who lived with disability. Immediately, we saw an increase in the representation of individuals with disability in our supply.*" (C)

An interviewee pointed out that diverse teams *"see solutions quicker because they bring different voices into that problem solving,"* (J) enabling organisations to adapt flexibly to shifting market demands. However, challenges remain in translating technical expertise into influence, as noted by another interviewee, who observed that some skilled employees struggle to communicate their insights effectively, highlighting the need for cultivating inclusive communication to fully leverage diversity's benefits. As reported by another interviewee, "*we have hired individuals with disability and from a variety of diverse and different socio-economic backgrounds. And we've treated all of those individuals the same, in terms of providing additional (tailored) support to make sure that they land well. And we have got very low attrition rates [...] Once we learn how to do it properly, the experiences have all been positive.*" (C)

Overall, outcomes are likely to be contingent, particularly with regards to how DEI initiatives are fit-for-purpose, led, implemented and communicated within organisations. As observed by a DEI consultant: "*the big challenge organisations have is that even when leaders are passionate about driving change, how that then translates to the next levels of leaders and the*

actual people doing the job. That's where things fall apart." In their view, "*DEI is not something that you put on the end of a To-Do list [...] DEI is not a task-based approach, it's a thinking and is a behaviour-based approach [...] three separate concepts, diversity, equity, inclusion [...] They're related, but they're different things"* (J), and organisations would have to define which aspect to prioritise given their missions and strategies, *"if they try and do 5 million things, they'll achieve nothing and it's better to refocus on one thing"* (J). Based on over 30 years of experience from this participant, however, it was noted that "*most companies just do the fluffy stuff, which doesn't actually lead to change"* (J) or, as reported by another participant, *"there is sometimes a challenge where leaders want to sing from the rooftop about what's they've done and who they've partnered with."* (C). Unsurprisingly, outcomes from DEI are mixed.

Employees' satisfaction with workplace DEI and financial performance

Our qualitative analysis suggests several possible explanations for the perceived negative correlation between workplace DEI and financial performance. Consistent with Section 4.1.4, which shows a negative association with ROA, one common theme is the sense of exclusion experienced by traditionally dominant groups. As one interviewee reflected, "*There was a period [...] where groups of individuals felt forgotten*" (C), it was a white male experienced cohort who felt like they were the persona non grata because of all the positive action work'. Such feelings may lead to internal resistance, lowered morale, or disengagement, potentially undermining overall organisational performance. These frictions plausibly depress short-term accounting performance even when workplace DEI perceptions are improving. This could happen even when the perception of workplace DEI is seen as improving, as some employees in key positions may feel left out or unfairly treated, which could affect how well the organisation functions as a whole.

Another explanation may lie in the disconnect between perceived workplace DEI and its actual organisational impact. Superficial or performative initiatives may improve how DEI is perceived within the workplace, creating a sense that progress is being made, without delivering the deeper structural changes needed to realise the full benefits of DEI. As one interviewee pointed out, *"They often do the things which are the easiest things to do [...] None of those things work, but it makes a company look good"* (J). In such cases, employees may feel temporarily reassured by visible DEI efforts, while underlying issues remain unaddressed. This can produce an inflated perception of DEI progress, masking a lack of real changes in areas like leadership diversity, inclusive decision-making, or structural equity. This mechanism aligns with our quantitative null effects on Tobin's Q and innovation (Section 3.1.4): perceptions improve without credible market signals or new inputs to innovative activity, as a result, employees may report positive DEI perceptions without tangible improvement in firms' financial performance, and the observed negative correlation in accounting returns can still emerge. This may be further explained by the fact that, compared to other ESG priorities such as environmental sustainability, DEI initiatives are still relatively new to many organisations, with strategies and capabilities often underdeveloped or inconsistent (Derry et al., 2024).

A third possible explanation relates to real and perceived trade-offs between DEI and financial performance. Interviewees expressed ongoing concerns that DEI initiatives may come at the expense of efficiency or short-term returns. One interviewee remarked, *"I have this question of this trade-off between ESG investments and the cost and performance of organisations, it may be the common sense that has arisen the most since the beginning of this process."* (A). Another noted that in procurement, *"Trade off of DEI has always been against cost savings."* (G). These views reflect a broader tension: when DEI is meaningfully embedded, beyond surface-level

gestures, it often may involve upfront investments in processes, training, inclusive recruitment, and supplier diversity. Such upfront costs and learning effects offer a qualitative explanation for the ROA decrease reported in Section 3.1.4. Given the nascent nature of DEI initiatives in many firms (Derry et al., 2024), these investments are still maturing, and the benefits, such as financial gains, may take time to materialise. In the interim, organisations that take DEI seriously may bear visible costs without immediate performance improvements.

5. Conclusion

This article concludes that DEI stands as a vital element for sustainable operations, yet its impact on organisational performance remains complex and contingent. Our quantitative analysis of Fortune 500 firms suggests that OSCM employees' perceptions of DEI are linked to short-term reductions in profitability as measured by ROA, but in the longer-term there is no association with performance. The interviews with DEI leaders and OSCM practitioners emphasise the complexity of DEI, the costs inherent to behavioural and organisational changes, the difficulties in implementation of policies as well as in designing processes and contracts for diverse suppliers, and crucially, how tokenistic approaches may fail. Yet, they also highlight the importance of leadership, role models, clear priorities, and alignment with the organisational strategy, since DEI objectives should not be stand-alone in operations but should be tailored to its context. In the experiences of our interviewees, under certain boundary conditions, successful DEI can be linked to positive employee attitudes, lower employee turnover, better organisational climate, and performance. Overall, our findings support the mixed outcomes observed in the extant literature, underscore controversies over the business case for DEI, and the inherent challenges in arguing for more equitable and sustainable OSCM.

This special issue demonstrates that although DEI in OSCM is multifaceted, research continues to be predominantly focused on gender equity initiatives, despite some interest in supplier diversity programmes, inclusion of under-represented groups, and on how diversity and inclusion may be achieved via digital technology support. The selected papers highlight persistent barriers for female leadership, despite long-established research on gender and ongoing initiatives to increase and support female participation in the workforce, as well as increasing empirical evidence that female leadership can foster positive organisational changes. Together, they describe how DEI initiatives face ongoing institutional and structural obstacles that prevent transformative organisational and behavioural changes. Nonetheless, the papers also show that DEI can foster innovation, support social sustainability, and organisational resilience when implementations of policies and practices are through strategic planning and supply network design. DEI is more likely to be successful when integrated to the organisational strategy, as in the words of one of our interviewees, "*... it (DEI) is nothing more than good people management ... it does not matter what you call it.*". From a research perspective, this is a reminder of the rhetoric and the realities of developing and implementing organisational strategies, and the challenges in integrating management practices. The importance of long-term planning for sustainable operations and supply chains cannot be understated. However, in organisations, often piecemeal mimetic adoption of practices and policies is common reaction to stakeholders and institutional pressures. Future research should continue attempting to address these challenges.

While supplier diversity has long been advocated, there remains limited knowledge on enablers and supporting mechanisms for the inclusion of minoritised groups. It could be that theoretical arguments and findings from studies of gender-equity initiatives are a starting point, but given the size of specific communities, hierarchical structures, and other factors, research

methods that encourage their participation in studies are likely to be required. There is room for detailed qualitative analysis of specific programmes over time and with evaluations at different levels. Overall, research on DEI can benefit from mixed-methods approaches, longitudinal studies at multiple levels, and longer-term performance indicators, which could be designed to reflect the business sector and other key theoretically sound contextual variables. Effort is needed towards the development of measures and databases that are fit for purpose as well as specific frameworks for assessing the progress of DEI initiatives in OSCM, which could enable replication and comparative studies. Indeed, although research within global supply chains is welcome, in some countries, legislation implies the disclosure by organisations of DEI, in others, such information is unavailable or susceptible to manipulation.

Future research on the connection between DEI, digital transformation, and global challenges is also welcome, because the combination of technological progress and systemic disruptions can generate new modes of operation and management practice, but can also intensify social inequalities. In this context, theories that address systemic inequalities, wellbeing and health may bring to light new questions and propositions for this evolving research agenda. There are opportunities for adopting multidimensional perspectives and moving beyond variants of institutional and stakeholder theories that so far have led to most research in this topic. To take on these opportunities, appropriate and reliable data are needed. Without reliable measures at the organisational and employee levels, the difficulties in assessing enablers and moderators, and thus establishing the costs and benefits of DEI will remain. Indeed, the availability of data is a serious concern when organisations withdraw or relabel DEI initiatives in the face of a divisive political climate.

In all, this special issue demonstrates the importance of DEI and its alignment to the organisational values and strategy. Its success and outcomes for operations and supply chain management, however, are unlikely to be short-term, and are contingent on organisational commitment and leadership's responses to economic pressures and geo-political uncertainties. The business case for DEI in operations and supply chain management is still to be settled, and this special issue calls on academics and practitioners to address this challenge. Collectively, the papers in this special issue, advocate for pragmatic, influence-driven, and ethically grounded integrated management strategies.

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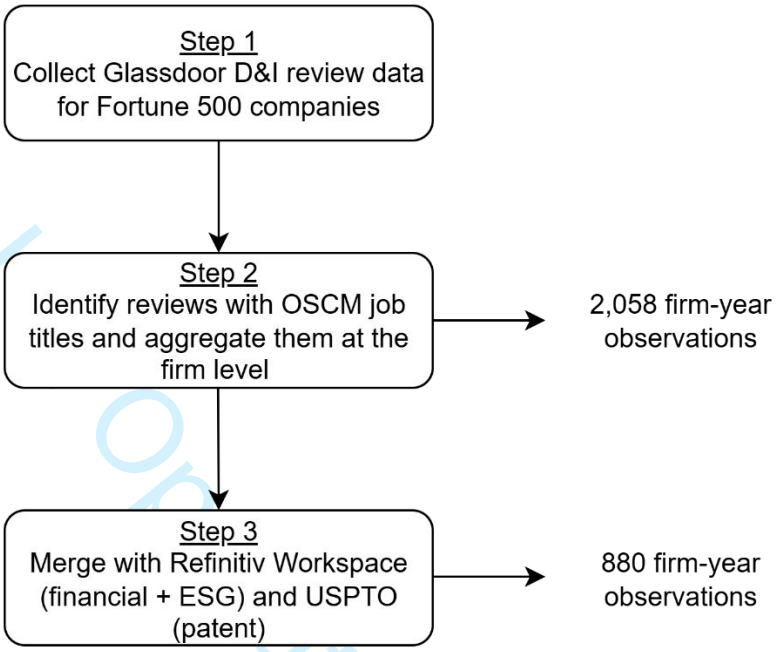

Figure 1. Data collection steps (source: authors' own work)

Table 1. Summary of published academic literature on the relationship between DEI and performance.

Paper	Study Objective	Impact	Context/ Dataset	Method	Key Findings
Li et al., 2024	Analyses the impact of DEI commitment on publicly traded manufacturing corporations.	Positive	233 DEI-commitment announcements issued by 161 firms over a 10-year period between 2013 and 2022	Structural topic modelling	DEI-commitment announcements can yield positive abnormal stock returns during the announcement period
Sunder et al., 2024	Discusses how gender diversity in teams could alter coordination and change behaviours of team members, potentially impacting performance.	Positive	Two laboratory experiments (in three rounds each)	Experiment	Balanced-gender teams (a) attain stability in routines faster, (b) exhibit varying levels of adaptability to internal and external changes, and (c) deliver better economic benefits via resource- and time-efficiencies under normal and change conditions.
Vlas et al., 2022	Tests a model for integrating, building, and reconfiguring racially diverse workforces through diversity-specific management routines.	Positive	Fortune magazine's diversity survey for the period 2001–2002	Logistic regression	Diversity management routines collectively enhance a firm's ability to compete with a wider range of competitive actions, which in turn increases financial performance.
Shan et al., 2017	Focuses on examining whether and how lesbian, gay, bisexual, and transgender employees, consumers, and investors relate to firm performance.	Positive	Longitudinal dataset public firms in the US during the period of 2002–2006	Ordinary Least Squares regressions with year and industry fixed effects	Firms with a higher degree of corporate sexual equality have higher stock returns and higher market valuation.
Chin and Tat, 2015	Examines the moderating effects of gender diversity on the relationship between SCM practices and supply chain performance in the electronic manufacturing services industry.	Negative	Malaysian electronic manufacturing services industry. Survey respondents from purchasing, planning, logistics and	Hierarchical regression	SCM practices, performance relationship was not moderated by employees' gender diversity.

			operation departments		
Richard et al., 2015	Examines how supplier diversity influences firm performance over time and under different environmental conditions.	Mixed	US firms participating in Fortune magazine's diversity survey used to select the "50 Best Companies for Minorities" for 2002	Hierarchical regression	Supplier diversity and demographic diversity show context-dependent performance effects, sometimes positive, sometimes negative, with outcomes varying by industry conditions, time horizon, and the presence of diversity management practices.
Choi and Rainey, 2010	Analyses how managerial efforts and other contextual variables moderate the relationship between diversity and organizational outcomes	Mixed	Central Personnel Data File and the 2004 Federal Human Capital Survey for US federal agencies	Hierarchical regression	Racial diversity can hinder performance unless supported by strong diversity policies and team processes, while gender and age diversity show mixed and complex effects.
Richard, 2000	Examines the relationships among cultural (racial) diversity, business strategy, and firm performance in the banking industry.	Mixed	Firm level in the banking industry (a sample of 574 US banks from California, Kentucky, and North Carolina)	Logistic regression	Cultural diversity can enhance competitive advantage in the right context, but without considering context it may appear to harm performance.

Table 2. Descriptive statistics and correlations

Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1. ROA	0.08	0.07												
2. Tobin's Q	2.58	4.17	0.33											
3. Innovation	3.52	2.52	0.11	0.08										
4. DEI	2.78	1.46	-0.03	-0.09	-0.06									
5. Length of employment	5.53	3.21	-0.11	-0.15	-0.005	-0.05								
6. Firm size	23.95	1.13	-0.21	-0.24	0.30	0.02	0.24							
7. Industry competitiveness	0.16	0.24	-0.04	-0.01	-0.01	-0.05	-0.003	-0.004						
8. Prior innovation	350.9	829.8	0.15	0.02	0.60	-0.02	0.04	0.39	-0.06					
9. Prior social score	69.65	17.57	-0.05	-0.09	0.37	0.14	0.06	0.34	-0.02	0.26				
10. Capital structure	192.2	797.8	-0.04	-0.03	-0.08	0.05	0.03	0.01	-0.03	-0.03	0.02			
11. Growth prospect	29.10	26.27	-0.40	-0.31	-0.04	-0.03	0.20	0.35	0.05	-0.01	-0.03	-0.13		
12. Labor intensity	2.95	4.31	-0.15	0.005	-0.10	0.001	0.01	-0.13	-0.02	-0.06	0.03	0.10	-0.11	
13. Capital intensity	11.98	1.57	-0.17	-0.08	-0.19	-0.02	0.25	0.40	0.04	-0.02	0.01	0.003	0.33	-0.27

Note: n = 886 (due to missing values across variables); All correlations with coefficient >= □ 0.07 □ are significant at $p < 0.05$.

Table 3. IV-2SLS estimates

	First stage	Second stage (2SLS)		
	DEI	ROA	Tobin Q	Innovation
Instruments				
Glassdoor overall rating	0.511***			
	(0.059)			
Supplier ESG training	-0.004**			
	(0.002)			
Predictor				
DEI		-0.009**	-0.300	-0.051
		(0.004)	(0.304)	(0.044)
Controls				
Length of employment	-0.019	0.001	-0.035	-0.007
	(0.017)	(0.001)	(0.054)	(0.006)
Firm size	0.281	-0.003	-3.722**	-0.191
	(0.190)	(0.020)	(1.700)	(0.119)
Industry competitiveness	0.125	-0.001	-0.522	0.018
	(0.160)	(0.008)	(0.480)	(0.067)
Prior innovation	-0.000	0.000**	-0.000	0.001***
	(0.000)	(0.000)	(0.000)	(0.000)
Prior social score	0.001	0.000	-0.062*	0.007**
	(0.007)	(0.000)	(0.032)	(0.003)
Capital structure	-0.000	0.000	-0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)
Growth prospect	0.008***	-0.001***	0.014	0.000
	(0.003)	(0.000)	(0.009)	(0.001)
Labor intensity	0.005	-0.002*	-0.018	-0.005
	(0.012)	(0.001)	(0.023)	(0.007)
Capital intensity	-0.187	-0.017	0.923	-0.009
	(0.235)	(0.017)	(1.242)	(0.151)
Constant	-0.019			
	(0.017)			
Firm fixed	Yes	Yes	Yes	Yes
Year fixed	Yes	Yes	Yes	Yes
First-stage F test	132.99***			
Kleibergen-Paap LM test		44.911***	44.911***	45.011***
Cragg-Donald F test		55.663***	55.663***	61.650***
Hansen J test		0.000	0.150	1.034
Wu-Hausman F test		1.875	1.817	2.951*
Within/centred R^2	0.776	0.098	0.173	0.691
n	912	853	853	880

Note: Robust standard errors in parentheses; the results shown in the table are similar to those from fixed-effects OLS regression; * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.
Source: Authors' own work.

Table 4. Interviewee profiles

Interviewee	Position	Expertise about DEI in OSCM	Gender	Place of work	Length
A	Supply chain manager	Responsible for the supplier relations and sustainability area, including human rights and DEI initiative	M	Brazil	37:54
B	Co-founder of an institute advancing Black and Indigenous women into senior leadership and board roles	Over 20 years of experience in leading organizations through their DEI projects	F	Brazil	39:24
C	Head of solutions and advisory	Member of the Diversity and Inclusion Steering Committee for over 10 years	M	UK	50:12
D	Director of logistics and fulfilment	Leader of an informal women leadership group	F	Korea	29:17
E	Health and safety manager	Member of an informal women leadership group	F	Korea	27:29
F	Supply chain manager	Led DEI projects in OSCM for over 10 years	F	French working in Belgium	37:54
G	Co-founder of a think-tank	PhD in Supplier Diversity	M	UK	52:12
H	CEO of a minority rights NGO and writer on digital accessibility	Former Operations Director and COO with nearly 10 years' experience in NGOs and DEI consultancy	F	UK	37:00
I	Advisory board member of various organizations	Over a decade of experience guiding organizations through DEI initiatives	F	Brazil	45:53
J	CEO of a consulting company	More than 20 years' experience supporting organizations in designing and implementing DEI strategies	F	UK	44:36