

BUILDING INCLUSIVE WORKPLACES: DEI ENHANCING EMPLOYEE ENGAGEMENT AND ORGANISATIONAL LOYALTY IN THE INDIAN IT SECTOR

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ABSTRACT

An inclusive workplace is a work environment where employees feel recognized, actively included, and respected for the diverse ideas, perspectives, and experiences they contribute. Diversity and inclusion are not only ethical responsibilities but also key drivers of employee engagement and retention. When employees perceive that their organization genuinely values and embraces diversity and inclusion, they tend to be more engaged, satisfied, and dedicated to their roles. This, in turn, contributes to increased retention and reduced turnover costs. India's workforce is richly diverse, comprising individuals from a wide range of religions, castes, languages, genders, and socio-economic backgrounds. While this diversity is a significant strength, it also brings challenges in establishing a truly equitable and inclusive workplace. A robust Diversity, Equity, and Inclusion (DEI) culture not only enhances the overall work environment but also drives improved business performance.

DEI initiatives are essential in fostering a cohesive and collaborative workplace by encouraging inclusivity, ensuring fair opportunities, and promoting inter-generational collaboration. This paper examines the role of DEI initiatives in enhancing employee engagement by building inclusive and equitable workplace practices. It also investigates the influence of DEI programs on employee engagement and job satisfaction across diverse employee groups. The study, conducted in among IT Professionals in Tamilnadu, found a positive correlation between DEI practices and employee engagement.

Keywords: *Diversity, Equity, Inclusion, Employee Engagement, Organisational Loyalty.*

Introduction

As our world becomes more connected and technology continues to evolve at breakneck speed, companies are discovering something important: diversity, equity, and inclusion aren't just nice-to-have initiatives they're actually key to long-term business success. Organizations are seeing real results when they prioritize DEI, from sparking innovation to boosting employee engagement and making a positive impact on society. The modern workplace is changing fast, and smart companies are realizing that taking care of their employees' well-being isn't just the right thing to do, it's good business. In India particularly, many organizations are putting DEI programs at the heart of their employee wellness efforts. The shift to remote work has been a game-changer too, opening doors for talented people from all walks of life who might not have had these opportunities before.

What we're seeing is that when companies embrace diversity and create inclusive environments, everyone wins the employees feel valued and engaged, the business benefits from fresh perspectives and ideas, and society as a whole move forward. Diversity is really about celebrating all the different ways people can be unique. We're talking about everything from the obvious differences like gender, age, and cultural background, to the less visible ones like how someone communicates, their life experiences, or even their personality type. When

we bring together people with different perspectives and life stories, we get a richer pool of ideas and more creative solutions to problems.

Equity is about fairness, but not the kind where everyone gets exactly the same thing. It's recognizing that we don't all start from the same starting line in life. Some people face more obstacles or have fewer advantages than others. Equity means identifying these barriers and providing whatever support each person needs to have a fair shot at success. Inclusion is about making sure people don't just have a seat at the table they feel genuinely welcome there. It's one thing to hire diverse talent, but inclusion means creating an environment where people feel comfortable being themselves, speaking up with their ideas, and knowing that their unique contributions are valued. It requires intentional effort to make sure everyone feels like they truly belong, not just that they're tolerated. DEI influences Employee Engagement by psychologically motivating them through participation opportunity, equity in treatment and respect. It also influences the loyalty of the employees. This research is conducted to understand the relationship among these three constructs in IT sector in India.

DEI in India

India isn't doing great when it comes to gender equality on the global stage. According to the World Economic Forum's 2025 Global Gender Gap Report, India landed at 131st place out of 148 countries that's pretty far down the list. What's even more concerning is that India scored just 64.1% on gender parity, meaning there's still a huge 36% gap to close. This puts India among the worst performers not just globally, but even within South Asia, which is saying something since the region as a whole struggles with gender equality issues.

India is home to an amazing mix of languages we're talking about hundreds of different tongues spoken across the country. For companies to truly create welcoming workplaces, they need to appreciate and work with this incredible linguistic diversity rather than against it. It doesn't take huge changes to make a real difference. Simple steps like offering communication in multiple languages, translating important company materials, or just letting people express themselves in the language they're most comfortable with can go a long way. When employees can communicate naturally, they feel more at home and are likely to contribute more openly. Religion is deeply woven into India's cultural fabric, and smart employers recognize this reality. Creating a religiously inclusive workplace might mean being flexible with work schedules during important religious festivals, or making sure we don't plan major meetings during times when team members are observing religious holidays.

Even better is when companies actively encourage people from different faiths to share their traditions and learn from each other. When we create space for interfaith dialogue and celebrate various religious festivals together, we are not just being inclusive, we are helping build genuine understanding and respect among team members. It's about creating an environment where everyone's beliefs are valued, not just tolerated.

Addressing Caste Issues

Let's be honest caste is still a reality in Indian society, and pretending it doesn't exist won't make workplace discrimination go away. Companies need to actively work against caste-based bias, not just hope it won't show up at work. This means creating clear policies that ensure hiring, promotions, and recognition are based purely on merit and performance, not someone's family background. More importantly, employees need to feel safe speaking up if they experience or witness caste discrimination, and management needs to take swift, serious action when issues arise. It's not enough to have policies on paper there needs to be real accountability.

Celebrating Regional Diversity

India isn't just diverse in terms of religion and language every state, every region has its own unique flavor. From the way people celebrate festivals in Kerala versus Punjab, to different food traditions, social customs, and even business practices, regional culture runs deep. Smart employers tap into this richness rather than trying to create a one-size-fits-all

culture. When we celebrate Onam alongside Durga Puja, or encourage team members from different states to share their local traditions, something beautiful happens. People feel proud of where they come from instead of feeling like they need to hide it.

It's about creating space for these regional identities to flourish at work. Maybe it's as simple as acknowledging different harvest festivals, or having team members teach each other phrases in their local dialects. When people can bring their whole selves including their regional pride work, everyone benefits from that authentic connection. A 2022-23 survey of 210 Indian companies by WTW found that most organizations are implementing DEI initiatives such as 71% offer diversity and inclusion training, 71% have accessible office spaces, 71% use gender-neutral workplace communication and 62% provide inclusive benefits options. While it's good that about 7 out of 10 companies are acting, there's still room for improvement and having programs doesn't guarantee they're effective.

DEI Practices in IT Industry

DEI is becoming crucial for Indian IT companies as they compete in an increasingly diverse and global market. It's no longer just a "nice to have", it's actually becoming a key factor in whether companies succeed or fail. India's IT industry is a powerhouse that's helped put the country on the global map economically. These companies work with clients and teams from all over the world, so being able to collaborate across different cultures and backgrounds isn't optional it's part of the job. In today's connected world, where we are constantly working with people from different countries, cultures, and walks of life, having inclusive practices isn't just about being progressive. It's a business necessity. Companies that can't navigate this diversity effectively will struggle to compete.

The Indian IT sector is getting serious about DEI moving beyond just having policies on paper to implementing real, measurable changes. But making this work requires three key things: leaders who are genuinely committed and willing to examine their own biases, employees who feel engaged and empowered to contribute, and systems that are actually fair and transparent. Basically, the companies that figure out how to truly embrace diversity and inclusion will have a significant competitive advantage in the global marketplace.

India actually has a pretty solid legal foundation for diversity and inclusion it's built right into our Constitution. Articles 14, 15, and 16 are the heavy hitters here, guaranteeing that everyone gets equal treatment under the law and making it illegal to discriminate based on things like religion, caste, gender, or where someone was born. The Constitution also promises equal job opportunities for everyone. But the legal framework doesn't stop there. We've got specific laws that dig deeper into workplace inclusion like the Equal Remuneration Act (ensuring equal pay), the Maternity Benefit Act (supporting working mothers), and the Rights of Persons with Disabilities Act. These laws add more layers of protection and support to the basic constitutional promises. The laws are in paper and There are still plenty of blind spots and gaps that need attention. The real challenge isn't writing more policies or creating new rules. It's about changing how people actually think and behave. It's about making sure that inclusivity isn't just something companies talk about in their mission statements, but something employees actually experience every single day at work. That's the hard part turning good intentions into real, lived experiences for everyone.

Challenges Indian IT Companies Face

Indian IT companies are dealing with some deep-rooted issues when it comes to making DEI actually work. The traditional top-down, hierarchical way of doing business doesn't always mesh well with inclusive practices. Then there are the uncomfortable truths caste prejudices still show up at work, regional biases affect how people are treated, very few women make it to senior leadership roles, and most companies are still figuring out how to support their LGBTQ+ employees. Many workplaces still aren't set up for employees with disabilities think about basic things like accessible bathrooms or software that works with screen readers. Certain communities

remain largely invisible in tech roles, and despite all the talk about women in tech, the numbers tell a different story.

India has one of the lowest female workforce participation rates globally. They're getting paid less than their male colleagues for the same work, rarely making it to the corner offices, and often hitting invisible barriers when trying to climb the career ladder. What makes it worse is that society still expects women to be the primary caregivers at home, which creates this impossible juggling act between career ambitions and family responsibilities. Caste discrimination is still alive and well in many Indian workplaces. Sometimes it's obvious, like being passed over for promotions or being excluded from informal networks. Other times it's subtle the way people react to someone's last name, or assumptions made about their background. Either way, it creates real barriers for people from lower castes trying to advance their careers. Rather than concentrating on policies, Companies need focus on leadership teams that actually look like the diverse workforce they want to create, eliminating unconscious bias in hiring and promotions, making offices truly accessible, offering real support for working parents (especially mothers), and educating everyone about gender sensitivity.

Significance of the study

The global tech industry is on fire right now IDC Corporate in Massachusetts projects that worldwide tech spending will hit over \$5.2 trillion. This massive growth is creating more opportunities, and we're starting to see more women entering the IT workforce as a result. When there are more jobs available, companies can't afford to ignore half the talent pool. Companies that embrace diversity aren't just doing the right thing morally they're also doing better business. Teams with people from different backgrounds come up with more creative solutions, employees are happier at work, productivity goes up, and the bottom line improves. When we have diverse perspectives around the table, we make smarter decisions and people collaborate more effectively.

Gender diversity specifically opens up a much bigger talent pool when we are hiring, and studies consistently show it boosts profitability. It's not just about being fair it's about being smart. Several things have come together to make DEI a hot topic in India right now. Our courts have been making some really progressive rulings that push for equality. Technology and social media have made it harder to ignore discrimination people can share their experiences and call out unfair treatment more easily than ever before. At the same time, global companies operating in India are bringing their diversity standards with them, and Indian companies are realizing they need to step up to compete. It's created this perfect storm where legal, social, and business pressures are all pointing in the same direction: toward more inclusive workplaces.

This study holds significant relevance in the context of India's rapidly growing Information Technology (IT) sector, which employs a diverse workforce across regions, cultures, and socio-economic backgrounds. As global businesses increasingly prioritize Diversity, Equity, and Inclusion (DEI), Indian IT organizations are also recognizing the need to move beyond tokenistic diversity to build truly inclusive workplaces. By exploring how DEI practices influence employee engagement and organizational loyalty, this research provides empirical insights that can help companies enhance retention, performance, and workplace culture. Understanding these dynamics is crucial for leaders, HR professionals, and policymakers aiming to foster inclusive environments where employees feel valued, respected, and motivated. Furthermore, the study bridges a gap in Indian-centric DEI research, contributing to both academic literature and practical strategies for embedding inclusion into core organizational frameworks. It also supports the broader agenda of social equity and economic growth by promoting inclusive work practices in one of India's most influential sectors.

Reviews of Literature

Jaya Ganesan, et.al. (2023) pinpoints that critical elements of D&I programs that enhance employee retention, including mentoring initiatives, flexible work policies, committed leadership, and fostering an inclusive workplace culture. Their study provides enhanced insights into how D&I strategies function as retention mechanisms, advancing both theoretical understanding and practical applications in organizational management. Shreya Pal, Dr. Harminder Kaur Gujral. (2024), found that diverse workplaces promote inclusivity, stimulate innovation, enhance job satisfaction, and strengthen the sense of belonging among employees, key elements that significantly support talent retention and the development of a robust organizational culture. The diversity goes beyond being a demographic characteristic; it serves as a driving force for cultivating inclusive work environments and ensuring workforce stability. Dr. Rana Zehra Masood (2023) reveals that effective diversity and inclusion (D&I) practices particularly grievance redressal mechanisms, inclusive recruitment strategies, and diversity training programs have a positive impact on employee retention and satisfaction. Among these, grievance mechanisms were identified as the most influential factor in retaining employees, while diversity training had a notable effect on enhancing employee satisfaction. Additionally, the findings indicate that the effectiveness of D&I policies varies based on organizational size and industry sector. The research underscores that D&I initiatives are not merely compliance measures but serve as strategic tools that help shape organizational culture and foster employee engagement.

Bambang Purwoko (2024) highlights that diversity and inclusion (D&I) initiatives such as fair recruitment processes, inclusive leadership, and cultural sensitivity training go beyond ethical responsibilities and serve as strategic tools that improve productivity and enhance decision-making. It further explains that inclusive workplaces foster stronger team collaboration, lower employee turnover, and greater flexibility in navigating competitive environments. The research underscores the need to integrate diversity and inclusion (D&I) practices into the core strategic framework of organizations, presenting inclusion as a vital catalyst for sustainable growth and long-term success, rather than treating it as a supplementary initiative.

Kanupriya Shekhar and Dr. Sanjay Srivastava (2025) found that when companies take DEI seriously with supportive leaders, fair policies, and a safe work culture employees are more engaged, stay longer, and perform better. It also highlights that companies must understand how different aspects like caste, gender, and region affect people's work experiences. One-size-fits-all solutions don't work in India's diverse society. To make DEI work, companies need strong leadership, thoughtful planning, and a commitment to real, lasting change. Achugo Eusebius, & Olele Afam Chukwudi (2023) found that gender and ethnic diversity significantly enhance employee retention, whereas age diversity does not have a notable impact. It emphasizes that workplaces embracing inclusivity, particularly in terms of gender and ethnicity, are more likely to retain employees by creating a supportive and engaging environment. The SME managers should actively promote gender and ethnic diversity, build inclusive workplace cultures, and provide opportunities for employee growth and a positive work atmosphere.

Nachayapat Rodprayoon and Stanislaw Paul Maj (2021) reveals that supervisory relationships, perceived working climate, peer group interaction, and organizational support significantly contribute to diversity and inclusion in workplace engagement. In turn, diversity and inclusion, engagement, and perceived organizational support were found to have a strong positive effect on employee retention during COVID-19. Turi JA, Khastoori S. et al. (2022) found that age diversity, leadership expertise, and diversity beliefs significantly enhance organizational performance. Leadership expertise plays a strong mediating role between diversity and performance, especially in age, ethnic, and educational diversity. However, diversity beliefs did not significantly moderate the relationship between leadership and performance, challenging previous assumptions in the literature. The study emphasizes that effective

leadership is key to leveraging the benefits of diversity, and that tailored diversity strategies are needed in culturally specific contexts like Pakistan. It contributes to the theoretical understanding of diversity management and offers practical insights for leaders aiming to improve performance through inclusive practices.

Rita Mulyanti, et.al. (2024) found that there is a positive relationship between DEI initiatives and employee performance, showing that diversity promotes new ideas, equity ensures fairness and motivation, and inclusion fosters engagement and collaboration. The authors also discuss implementation challenges such as unconscious bias, lack of leadership representation, and the difficulty of embedding DEI into organizational culture. Durai. K. et al (2019) revealed that organisations shall increase the commitment loyalty among employees by providing supportive organisational culture.

Dr. Giriraj Kiradoo (2022) The paper outlines several challenges that organizations encounter in implementing DEI initiatives, including unconscious bias, tokenism, resistance to change, and insufficient accountability. It concludes that a sincere and sustained commitment to DEI not only drives innovation and improves employee satisfaction but also strengthens overall organizational performance in today's competitive global landscape. Surabhi Lingaswamy and Geetha. (2023) The research underscores the role of HR in reshaping organizational practices through inclusive policies, DEI training, leadership development, and employee engagement strategies. It concludes with actionable recommendations for creating an inclusive and sustainable work environment to reduce turnover and enhance organizational performance.

D. Dhanalakshmi and M. Vanitha (2024) The study reveals that socio-behavioural diversity has emerged as the most influential factor, followed by age and gender diversity. The study also found significant differences in perception based on gender and age groups, suggesting that diversity is experienced differently across demographics. Grounded in social identity and social categorization theories, the research emphasizes that effective management of diversity can lead to improved faculty engagement, reduced attrition, and enhanced institutional outcomes. Krithi & Ramesh Pai. (2021) says that when diversity and inclusion are managed well, it can improve employee performance, creativity, job satisfaction, and teamwork. This helps organizations grow and succeed. However, if not handled properly, diversity can cause problems like misunderstandings or conflicts among employees. The study also points out that while many researchers have studied surface-level diversity (like gender and age), there is still a need to explore deeper issues like personal values, beliefs, and experiences.

Monica L. Wang, et.al. (2024) reveals that increasing awareness of how DEI impacts health, creating shared goals across departments, measuring well-being among different employee groups, understanding individual employee needs, and using organization-wide policies to support both health and inclusion. The authors stress that improving workplace culture through inclusive practices and wellness support leads to better employee satisfaction, lower turnover, and improved organizational performance. Dr. K Kaavya, et.al. (2024) highlights essential HRM strategies, including mentorship programs, inclusive hiring practices, continuous diversity training, and consistent employee feedback systems. These approaches are designed to ensure that all employees, especially those from marginalized groups, feel respected, included, and recognized. It stresses that meaningful diversity and inclusion efforts should move beyond basic compliance and be deeply integrated into the overall HR and organizational framework.

SM. Swathi Sikappi, et.al. (2023) reveals that a diverse and inclusive environment is essential for enhancing employee motivation, engagement, and long-term retention. Organizations must adopt proactive strategies to overcome structural and behavioral barriers to create a culture where all employees feel valued and included. Anirban Nandi & Dr Indrani Ghatak (2025) highlights effective strategies that strengthen recruitment, training, employee motivation, and retention. It emphasizes the role of AI and virtual training in minimizing bias and enhancing

cultural understanding. Ultimately, the research concludes that embedding ethnic diversity into core HR practices leads to greater employee satisfaction, innovation, and competitive advantage.

Dr. Amarjot Verma (2024) conducted a research on DEI and found that organizations that prioritize DEI not only foster ethical and respectful workplaces but also gain a strategic advantage through increased innovation and stronger employee engagement. It calls for sustained efforts and structural changes to build and maintain a genuinely inclusive organizational culture. Jolanta Maj (2023) pointed out that perceived diversity and an inclusive work environment positively influence job satisfaction. Employees feel more satisfied when they perceive their workplace as inclusive and diverse. Thus, organizations should focus on fostering inclusivity and valuing diversity to improve employee well-being and overall performance. Shivani Wardhwa and Parth Aggarwal (2023) represents that diversity and inclusion significantly enhance workplace effectiveness by boosting employee engagement, innovation, and decision-making. However, challenges like bias and prejudice must be addressed through strong leadership, inclusive policies, and ongoing education.

Gatti. Subhadra Sahithi, et.al. (2025) concluded that Diversity, Equity, and Inclusion (DEI) play a vital role in boosting employee satisfaction, productivity, and customer trust in Indian private banks. Effective DEI policies lead to stronger organizational performance, while challenges like bias and lack of awareness must be addressed through leadership support and inclusive practices. For long-term success, banks must make DEI a core part of their strategy.

Anand Kataria and Dr. Manish Kumar Verma (2023) interpreted that perceived tokenism negatively affects employee morale, job satisfaction, and organizational trust. When employees feel included only to meet diversity quotas, it leads to disengagement, reduced motivation, and a lack of belonging. The study emphasizes that for diversity initiatives to be truly effective, organizations must ensure genuine inclusion, where every employee feels valued, respected, and empowered beyond symbolic representation.

Alemayehu Shiferaw Woldeyesus (2025) study found that Leadership commitment is crucial for the effective implementation of DEI initiatives. Inclusive leadership, which values diverse viewpoints and fosters a sense of belonging, is fundamental to building a productive and engaged workforce. To achieve lasting impact, organizations must implement holistic strategies that go beyond superficial efforts. This includes aligning recruitment, training, policy development, and cultural transformation to embed DEI principles into the core of everyday organizational practices.

Joep Hofhuis, et.al. (2016) clarifies that a supportive diversity climate leads to better workplace outcomes by fostering trust and open communication within teams. Trust helps improve job satisfaction, inclusion, and team connection, while openness encourages sharing of knowledge. To fully benefit from diversity, organizations should create a culture that respects differences and promotes open dialogue. Tosha Shah and Dr. Unnati Soni (2025) revealed that Real success means not just talking about DEI, but creating a workplace where everyone feels included, valued, and able to do their best. The study shows that when DEI is done well, it helps both employees and the organization by increasing job satisfaction, improving performance, and supporting long-term success.

Thomaskutty Mathew and Vasantha Jayaseelan A (2025) stated that the connection between DEI and employee engagement is deep and complex. Organizations that value diversity, promote equity, and encourage inclusion build a strong base for a positive and dynamic workplace culture. This kind of environment boosts employee engagement while also supporting innovation and teamwork.

Iram-Sultana Shahbaaz Ansari and Dr. Anuradha Phadnis (2024) stated that genuinely applying Diversity, Equity, and Inclusion (DEI) practices greatly improves an organization's employer brand. By fostering an inclusive and supportive work environment, companies can attract

skilled talent, enhance their reputation, and achieve lasting success. Shafiqul Islam, et.al. (2024) revealed that promoting gender diversity enhances the positive influence of diversity beliefs on employee well-being. To create a more satisfied and engaged workforce, organizations should focus on inclusive practices and implement gender-equal policies that support a healthy and productive workplace culture.

Sudhan.SK, et.al. (2024) concluded that using AI and HR analytics in a fair and inclusive way can greatly improve employee satisfaction and workplace diversity. To get the best results, companies should deal with ethical issues, strengthen grievance systems, and make sure all employees, especially those from rural areas, feel included and involved. Rubel Saha, et.al. (2024) concludes that diversity and inclusion play a vital role in driving firm success, especially when backed by significant institutional ownership. It emphasizes the strategic value of building an inclusive and diverse workforce to improve performance and maintain a competitive edge in the global market.

Khadijat Yusuf, et.al. (2024) stated that promoting job-related diversity enhances employee satisfaction by fostering an inclusive environment that values varied skills and experiences. It suggests that public sector organizations should create collaborative workplaces and adopt diversity-oriented practices like cross-functional teams and job rotation to boost employee engagement and overall satisfaction. Rendi Mark Sowaha Duha, et.al. (2024) The study reveals that having strong diversity and inclusion policies, along with anti-discrimination training, helps employees feel more committed and work better. It recommends that multinational companies keep making inclusivity a key part of their workplace culture to achieve long-term success.

Swathi Anumula, et.al. (2024) found that Diversity, Equity, and Inclusion (DEI) is not only an ethical obligation but also a strategic benefit. Organizations that integrate DEI into their core operations are better positioned to thrive in today's diverse and competitive global environment. Achieving long-term success with DEI requires ongoing learning, flexibility, and sincere commitment from all levels of the organization.

Methodology

Descriptive study was conducted to find out the perception on current DEI practices and their influence on Employee Engagement and Organisational Loyalty. A survey was administered among IT professionals. IT professionals at different positions were approached and collected data using structured questionnaire. The data collected were analysed using SPSS and AMOS software packages. Anova, Correlation, Regression and Structural Equation modelling were used for analysis. DEI scales used in many researches were meant for assessing organisations for their DEI practices directly based on 12 parameters. Hence the scales were identified individually for Each dimensions of DEI separately. Diversity scale having unidimension and 9 items was adopted from Otaeye - Ebede, Lilian. (2018). Equity scale has two dimensions namely access to benefits, supportive measures having 3 and 5 items respectively. Inclusion scale was adopted from Lennox.R et al. (2022) which has 8 dimensions and 24 items. Employee Engagement was measured using Kahn's (1990) Employee Engagement Scale having 3 dimensions and 18 items. Employee Loyalty was observed using 3 dimensions and 13 items scale adopted from Tanusree Dutta and Swati Dhir (2021).

Research Analysis

The study was conducted among IT professionals in Tamilnadu. Table 2 represents the demographic profile of the respondents.

Table 2. Demographic Profile of the respondents

| | Category | Frequency | Percent |
|-----|-------------------|-----------|---------|
| Age | 25 years and less | 156 | 48.8 |
| | 26- 35 years | 102 | 31.9 |
| | 36 -45 years | 44 | 13.8 |

| | | | |
|--------------------------------|------------------------|------------|--------------|
| | Above 45 years | 18 | 5.6 |
| Gender | Male | 210 | 65.6 |
| | Female | 110 | 34.4 |
| Experience | Less than 5 years | 91 | 28.4 |
| | 5-10 years | 173 | 54.1 |
| | 10-15 years | 56 | 17.5 |
| Education qualification | Diploma | 60 | 18.8 |
| | Arts Degree | 107 | 33.4 |
| | Engineering Degree | 153 | 47.8 |
| Community category | FC | 79 | 24.7 |
| | BC | 123 | 38.4 |
| | OBC | 65 | 20.3 |
| | MBC | 53 | 16.6 |
| Religion | Hindu | 145 | 45.3 |
| | Christian | 119 | 37.2 |
| | Muslim | 56 | 17.5 |
| State belong to | Southern States | 86 | 26.9 |
| | Eastern States | 78 | 24.4 |
| | Northen States | 77 | 24.1 |
| | Western States | 79 | 24.7 |
| Position | Entry Level Executive | 74 | 23.1 |
| | Middle Level Executive | 123 | 38.4 |
| | Senior Level | 81 | 25.3 |
| | Leadership | 30 | 9.4 |
| | Specialised Consultant | 12 | 3.8 |
| | Total | 320 | 100.0 |

It is found that most IT professionals are in the age groups between 20-25 and 25-35 years. The professionals in the experience category are 5-10 years is more than 50% and less than 5 years is 28%. Most of them are qualified with an Engineering Degree. The employees are from different states of India and from different linguistic backgrounds.

Table 3 reveals the acceptance of rejection of different hypotheses based on ANOVA and Independent Sample t Test on difference on different factors studies based on demographic profile of the respondents.

Table 3. Hypothesis Testing

| | | Ownership | Willingness | Trust | |
|--------------|------------------------------------------------------------|-----------|-------------|-----------|---------------------------|
| Hypothesis 1 | Difference on Organisational Loyalty based on Job Position | .253 | .062 | .020 | Accepted except Trust |
| Hypothesis 2 | Difference on Organisational Loyalty based on Experience | .000 | .000 | .000 | Rejected |
| | | Physical | Emotional | Cognitive | |
| Hypothesis 3 | Difference on Employee Engagement based on Experience | .000 | .000 | .000 | Rejected |
| Hypothesis 4 | Difference on Employee Engagement based on Education | .866 | .394 | .025 | Accepted except Cognitive |

| | | Diversity | Equity | Inclusiveness | |
|---------------|-----------------------------------------------------|-----------|--------|---------------|-------------------------------|
| Hypothesis 5 | Difference on DEI based on Gender | .001 | .000 | .000 | Rejected |
| Hypothesis 6 | Difference on DEI based on Age | .000 | .000 | .162 | Rejected except Inclusiveness |
| Hypothesis 7 | Difference on DEI based on Job Position | .111 | .205 | .096 | Accepted |
| Hypothesis 8 | Difference on DEI based on Experience | .000 | .000 | .000 | Rejected |
| Hypothesis 9 | Difference on DEI based on Qualification | .090 | .087 | .004 | Accepted except Inclusiveness |
| Hypothesis 10 | Difference on DEI based on Community Category | .248 | .071 | .002 | Accepted except Inclusiveness |
| Hypothesis 11 | Difference on DEI based on Religion | .000 | .000 | .000 | Rejected |
| Hypothesis 12 | Difference on DEI based on the state they belong to | .172 | .539 | .322 | Accepted |

There is a significant difference on all dimensions of Organisational Loyalty based on job position and Experience, except Trust based on Job position. It is also found that there is a significant difference in Employee Engagement based on Experience, but not based on Education. There is a significant difference on DEI based on Gender, Experience and Religion. It was found that there is no significant difference on DEI base on the state they belong to, job position, Qualification and community category.

Relationship among different factors

Table 4. Relationship among DEI, Employee Engagement and Organisational Loyalty

| | Physical Engagement | Emotional Engagement | Cognitive Engagement | Ownership | Willingness | Trust |
|---------------|---------------------|----------------------|----------------------|-----------|-------------|--------|
| Diversity | .782** | .777** | .842** | .887** | .790** | .818** |
| Equity | .733** | .722** | .771** | .802** | .668** | .777** |
| Inclusiveness | .701** | .696** | .756** | .825** | .666** | .763** |

Table 4 represents the Pearson Correlation analysis performed among different dimensions of the three factors undertaken for this study. The correlation values are found to be positive and they are more than .6 in all cases. Hence it is concluded that there is a high degree of positive relationship between dimensions of DEI, Employee Engagement and Organisational Loyalty.

Confirmatory Factor Analysis

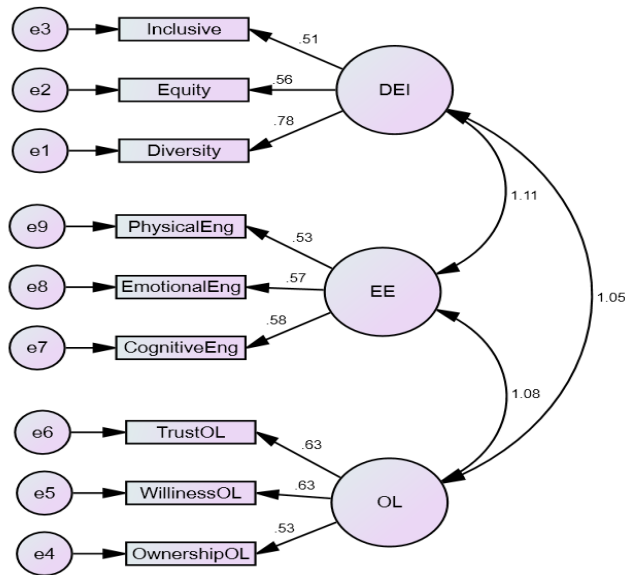


Figure 1: Confirmatory Factor Analysis

Figure 1 reveals the factor structure of three constructs and their dimensions. Based on the Model Fit Indices in Table 5 It is clear that the fit indices are higher than the threshold limit and hence the factor structure is confirmed.

Table 5 Model Fit Indices for CFA

| CMIN/DF | RMR | GFI | AGFI | CFI | RMSEA |
|---------|------|------|------|------|-------|
| 2.509 | .051 | .959 | .923 | .955 | .069 |

Structural Equation Model

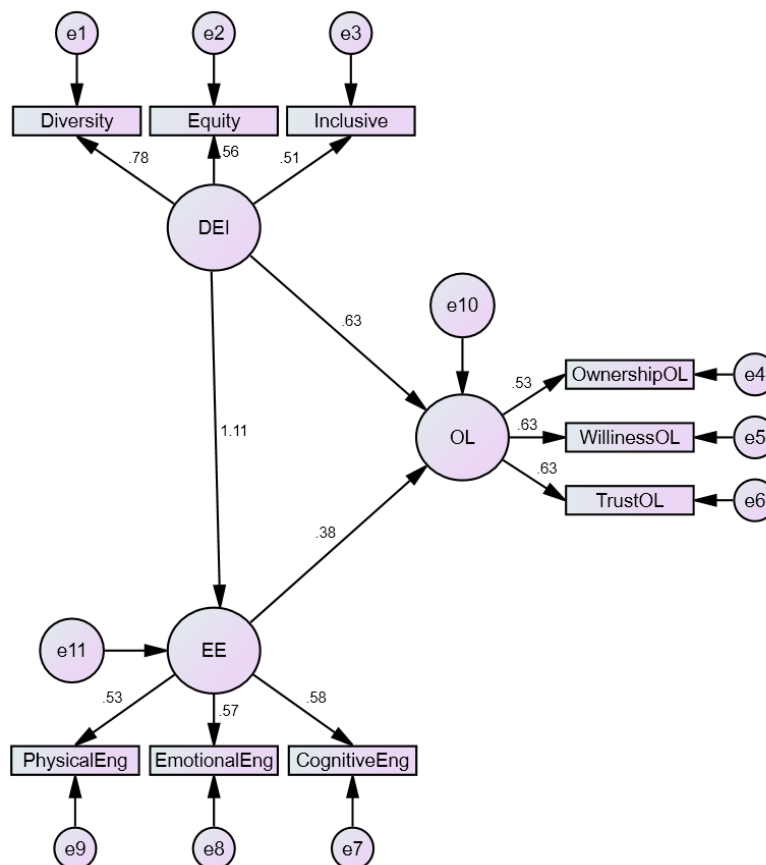


Figure 2: Structural Equation Model
Table 5. Model Fit Indices for SEM

| CMIN/DF | RMR | GFI | AGFI | CFI | RMSEA |
|---------|------|------|------|------|-------|
| 2.509 | .051 | .959 | .923 | .955 | .069 |

A Structural Equation model was performed using AMOS to find out the interrelationship among different constructs used in this study. Figure 2 represents the model the relationship and table 5 represents the model fit indices. The indices are more than the threshold limit and hence it is proved that the model has a good fit.

Table 6. Relationship among constructs

| | | | | | |
|---------|-----|------|------|-------|------|
| EE <--- | DEI | .982 | .102 | 9.584 | *** |
| OL <--- | EE | .365 | .251 | 1.455 | .146 |
| OL <--- | DEI | .530 | .228 | 2.328 | .020 |

Table 6 represents the relationship among constructs. It reveals that the relationship between Employee Engagement and DEI is significant. It is also proved that the relationship between Organisational Loyalty and DEI is significant. Hence it is clear that DEI strongly influences Employee Engagement and Organisational Loyalty. But the Employee Engagement has insignificant impact on Organisational Loyalty.

Findings and Discussions

The study provides empirical evidence highlighting the strong influence of Diversity, Equity, and Inclusion (DEI) practices on both employee engagement and organizational loyalty in the Indian IT sector. The demographic profile of respondents shows a highly diverse workforce in terms of age, gender, experience, education, and regional background, reaffirming the relevance and need for DEI in contemporary workplaces. Demographic analysis revealed significant differences in perceptions and experiences of DEI based on gender, religion, and experience, but not significantly on state, qualification, job position, or community category highlighting nuanced patterns in inclusivity perceptions. Younger professionals and those with less experience were more perceptive of DEI gaps, suggesting generational differences in DEI expectations and experiences.

There is high positive correlation between all DEI dimensions (diversity, equity, inclusion) and all dimensions of employee engagement (physical, emotional, cognitive) as well as organizational loyalty (ownership, willingness, trust). DEI significantly influences both employee engagement and organizational loyalty, as evidenced by structural equation modeling (SEM), affirming the central hypothesis. But employee engagement does not significantly mediate the relationship between DEI and organizational loyalty, indicating that DEI directly influences loyalty without needing engagement as a bridge. These findings resonate with existing literature that positions DEI not just as a compliance measure but as a strategic enabler of retention, engagement, innovation, and cultural transformation. In a country like India, where social identities such as caste, religion, and language play a significant role in shaping experiences, DEI must move beyond surface-level interventions to tackle deeper cultural and systemic barriers.

Conclusion

This study establishes that effective DEI practices are key drivers of employee engagement and organizational loyalty in the Indian IT sector. Organizations that prioritize genuine inclusion experience higher levels of employee trust, ownership, and commitment. While DEI enhances engagement, its direct influence on organizational loyalty suggests that inclusive practices inherently build trust and connection, independent of day-to-day job involvement. The inclusive workplaces foster Organizations to design customized DEI strategies that acknowledge and address the complexities of India's socio-cultural fabric. Leadership commitment is crucial in translating DEI policies into lived workplace experiences. There must be a move from performative to transformative DEI embedding inclusion in recruitment, training, promotion, and workplace culture. Future research can delve deeper into sectoral comparisons, longitudinal DEI impact, and intersectionality (e.g., how caste, gender, and

region interact to shape workplace experiences). The Indian IT sector, being a global leader in tech talent, has the opportunity to set benchmarks in embedding DEI as a core value thus not only enriching its workforce culture but also driving sustained business performance.

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