



The Impact of Inclusive HR Practices on Organizational Performance in Canada

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ABSTRACT

This study investigates the impact of diversity and inclusion practices on sustainable organizational performance in Canada. As organizations increasingly recognize the importance of social sustainability, inclusive human resource management practices have become essential for fostering innovation, employee well-being, and long-term performance. This research examines how diversity management, equal opportunity policies, and inclusive workplace cultures influence organizational outcomes. Using a quantitative approach, data were collected from employees across various industries in Canada. The findings reveal that inclusive HR practices significantly enhance organizational performance by promoting employee engagement, creativity, and social responsibility. The study contributes to the literature by linking diversity and inclusion with sustainability and offers practical implications for organizations seeking to build inclusive and high-performing workplaces.

أثر ممارسات الموارد البشرية الشاملة على الأداء التنظيمي في كندا

الملخص

تبحث هذه الدراسة أثر ممارسات التنوع والشمول على الأداء التنظيمي المستدام في كندا. فمع تزايد إدراك المؤسسات لأهمية الاستدامة الاجتماعية، أصبحت ممارسات إدارة الموارد البشرية الشاملة ضرورية لتعزيز الابتكار ورفاهية الموظفين والأداء طويل الأجل. يدرس هذا البحث كيفية تأثير إدارة التنوع وسياسات تكافؤ الفرص وثقافات العمل الشاملة على نتائج المؤسسات. وباستخدام منهج كمي، جُمعت البيانات من موظفين في مختلف القطاعات في كندا. وتُظهر النتائج أن ممارسات إدارة الموارد البشرية الشاملة تُحسن بشكل ملحوظ الأداء التنظيمي من خلال تعزيز مشاركة الموظفين وإبداعهم ومسؤوليتهم الاجتماعية. تُسهم هذه الدراسة في الأدبيات من خلال ربط التنوع والشمول بالاستدامة، وتقديم تطبيقات عملية للمؤسسات التي تسعى إلى بناء بيئات عمل شاملة وعالية الأداء.

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1. Introduction

Diversity and inclusion (D&I) have emerged as critical components of sustainable organizational strategies. Organizations are increasingly recognizing that fostering diverse and inclusive workplaces not only promotes social equity but also enhances innovation, employee satisfaction, and long-term performance. In this context, inclusive human resource management (HRM) practices have gained significant attention as tools for achieving both organizational and societal sustainability. Diversity refers to the presence of differences among individuals in terms of gender, ethnicity, age, background, and perspectives, while inclusion focuses on creating an environment where all employees feel valued, respected, and empowered to contribute. Research suggests that organizations with inclusive cultures are more likely to benefit from diverse perspectives, leading to improved decision-making and problem-solving capabilities (Shory et al., 2021). In Canada, diversity and inclusion are particularly important due to the country's multicultural composition and strong emphasis on equality and human rights. Canadian organizations have increasingly adopted inclusive HR policies such as equal opportunity employment, anti-discrimination measures, and diversity training programs to foster inclusive workplace environments. From a sustainability perspective, inclusion is considered a key element of social sustainability, as it promotes fairness, equity, and employee well-being. Studies indicate that inclusive HR practices contribute to organizational performance by enhancing employee engagement, reducing turnover, and fostering innovation (Richerd et al., 2023). Despite the growing importance of D&I, there remains a need for empirical research that examines their direct impact on organizational performance within the Canadian context. Many existing studies focus on diversity alone, without adequately addressing the role of inclusion as a complementary factor. Therefore, the research problem lies in the limited understanding of how inclusive HR practices influence sustainable organizational performance. Motivated by this gap, this study aims to investigate the impact of diversity and inclusion on organizational performance in Canada, providing insights for both theory and practice.

2. Literature Review

The literature highlights that D&I have become critical drivers of organizational success and sustainability. Organizations increasingly recognize that workforce diversity (encompassing differences in gender, ethnicity, age, and background) enhances creativity, innovation, and problem-solving by bringing together a wide range of perspectives. However, contemporary research emphasizes that diversity alone is insufficient without inclusion, which ensures that employees feel valued, respected, and empowered to contribute effectively. Inclusive environments enable organizations to fully leverage the benefits of diversity, leading to improved decision-making and organizational outcomes. In this context, inclusive HRM practices play a central role in fostering diversity and inclusion within organizations. These practices include equitable recruitment and selection processes, diversity-focused training programs, and policies that promote equal opportunities and prevent discrimination. Recent studies indicate that such practices contribute to creating supportive work environments where employees experience a sense of belonging, which in turn enhances motivation, engagement, and job satisfaction. Moreover, organizations that implement inclusive HRM practices tend to demonstrate higher levels of organizational commitment and reduced employee turnover. Empirical evidence further suggests a strong positive relationship between diversity and inclusion practices and organizational performance. Studies conducted during this period show that inclusive organizations benefit from