

# **Is Increasing Diversity Inclusion Effective in Improving Companies' Performance in the Financial Services Industry?**

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## **Abstract**

This paper examines the relationship between the diversity inclusion level and companies' overall performance in the U.S. financial services industry. To evaluate companies' overall performances, we will calculate an index averaging the company's percentage of change in stock price and Glassdoor ratings. With the 2014-2021 data from each company's diversity inclusion reflected by the percentage of employees within the diversity group, companies' stock price, and Glassdoor ratings, we have explored that there is a correlation between the diversity inclusion level and companies' overall performance in the financial services industry. We further include the company which has not significantly increased its employee diversity as a control group. The results show an essential implication for companies in the financial services industry and infer potential public policies that can be implemented to improve their overall performances.

# 1 Introduction

Over decades, the companies in the finance industry have been implementing policies to diversify their employees, including their race, gender, and other demographic features. Especially the financial services vertical, an industry known for being dominated by certain races and gender, has been significantly promoting diversity in recent years. However, some companies are hesitant to invest substantially in supporting diversity in the workspace. They doubt if this policy can effectively benefit the company with better performance and return. Notably, after the new president was elected in 2018, some controversial race and labor force policies were released. Many companies have been drastically increasing diversity in the workspace as they believe bringing fairness could increase total productivity to improve companies' overall performance. In this paper, we will consider the two most important factors in company performance evaluation: stock price and Glassdoor ratings.

The main idea of this paper is to examine whether an increasing effort of including more employees from diverse groups can effectively improve companies' overall performance in the financial services industry. In 2018, most companies in the financial institution industry had significantly increased their effort in diversity inclusion, while some companies, such as Raymond James, have maintained their diversity inclusion rate instead of following the primary trend. Raymond James mainly operates regionally with a focus on the East Coast. Its main business comprises asset management and private client banking, which require a specific employee pool to establish strong connections with local clients. Over the years, we can see that Raymond James has a significantly high percentage of White employees, which is reasonable given these employees share common backgrounds with the clients and can turn connections into top-line revenue for the company effectively. Thus, for Raymond James, a significant effort in

increasing employee diversity does not necessarily lead to a higher performance due to its niche business line and footprint; instead, the expensive cost of diversity recruiting can bring its revenue down. Regarding this discrepancy in companies' efforts in diversity recruiting, many news reports suggested that President Trump's series of policies have raised controversial discussions that exerted social pressures on the companies to initiate this large-scale "labor diversity revolution." However, there is barely any scientific research discussing the potential relationship between the increased diversity inclusion and the company's overall performance in the financial services industry. To evaluate the companies' diversity inclusion effort, this paper will use four significant factors: the percentage of female employees, the percentage of non-American employees, the percentage of employees from underrepresented minority races, and the percentage of LGBTQ+ employees. In this paper, we will examine 20 top financial services companies in the industry and use Raymond James as a control group since Raymond James has not significantly increased its diversity recruiting after 2018.

To further explore the effectiveness of diversity inclusion, we will use an index calculated by taking the average of companies' stock prices and Glassdoor rating changes to indicate companies' overall performance.

The study is based on each company's self-reported percentage of employees from diversity groups, Yahoo Finance, and Glassdoor ratings from 2014 to 2021. With Raymond James as the control group, we seek to estimate the effect of increased diversity inclusion rate on 20 leading companies in the financial services industry with panel data analyzed by the Diff-in-Diff model.

## 2 Literature Review

Researchers have conducted a considerable amount of studies on the benefit and costs of increasing diversity support and its effectiveness in improving a company's performance in general across all industries. However, most of the previous studies did not specifically explore increased diversity inclusion's impacts on companies in the financial services industry. Although few papers examine the relationship between diversity inclusion and companies' overall performance (Roberson, 2006; Kilduff, 2000; Jayne, 2004), they either focus on all industries in the U.S. or are even conducted in the other country setting. Meanwhile, most of them examine only a few specific diversity groups, such as gender and race. Therefore, there is a gap in the literature that we would love to bridge.

Quinetta Roberson's research (2006) examined the relationship between increased diversity inclusion and companies' performance and provided the fundamental rationale for companies to increase diversity inclusion. The study shows the overarching benefits brought to companies when increasing diversity recruiting. Firstly, the increased employee diversity helps build an inclusive culture so that employees could feel a stronger sense of belonging to reduce the turnover rate. According to Stephenson's research (2014), the increase in diversity inclusion efforts significantly impacts senior-level employees' turnover rate. The research shows that senior-level employees tend to put more weight on company culture when comparing job opportunities. The Job Needs Pyramid also explains that people focus more on self-fulfillment after getting substantial salaries. The results supported that increased effort in diversity inclusion has primarily improved the company's overall reputation, as indicated by the employees' satisfaction level. Especially at the senior level, a diverse employee pool helps reduce the employee turnover rate and brings value to the company's overall performance.

Within the literature on increased diversity inclusion's impact on companies' stock prices in the technology industry, Martin Kilduff's paper (2000) explored if increases in gender diversity at the management level could improve firm performance. The paper used data from 35 simulated firms run by 159 managers attending executive education programs to test the relationship between demographic and cognitive team diversity and the reciprocal effects of diversity and firm performance. The study demonstrated that members of strong diversity inclusion in high-performing teams tended to significantly increase firms' overall stock performances in the technology industry.

Michele Jayne's research (2014) has provided evidence that increasing attention to diversity management can involve problems such as dissatisfaction and conflict. The impact of diversity inclusion on companies can vary significantly across industries and geographical locations. Notably, for the companies based in regions with thriving diversified populations and talent bases, diversity inclusion influenced the companies' overall financial and reputational performance more.

For the past decades, organizations, particularly firms with international footprints, have devoted resources to various other diversity-related initiatives, including dedicated diversity management staff, to build up a collaborative and supportive culture while improving the overall performance (Corporate Leadership Council, 2003). Konrad's research (2003) shows that a robust and diverse labor pool would empower companies to win in the competition for the best talent. Meanwhile, with the development of the global economy, organizations have to recruit a diverse employees workforce to effectively deal with an increasingly diverse customer base. However, Konrad also stated that increasing diversity inclusion would help companies with international footprints better adapt to the local market and increase top-line revenue. In contrast,

for companies operating in niche markets or specific regions, we need to be cautious when evaluating the benefits and costs of diversity inclusion, given that those companies might need a specific type of employee to target their market.

## **3 Data**

### **3.1 Overview**

Our study is based on data from multiple sources. For the companies' performance index, we take the average of the company's percentage of change in stock price and percentage of change in the Glassdoor rating scores. The companies' stock prices are each company's annual average closing price provided by Yahoo Finance. The Glassdoor rating score is a comprehensive score that reflects employees' overall satisfaction level with the companies they are working at. Our model includes the data from the year 2014 to 2021. The independent variables include the percentage of female employees, the percentage of non-American employees, the percentage of employees from underrepresented groups, and the percentage of LGBTQ+ employees. All of the data used as independent variables mentioned above are provided by the company's official website and diversity & inclusion reports. Given one of the evaluation factors are company's stock price, the model has randomly selected 20 public financial services companies in the United States. To avoid any potential biases, the random sampling process is stratified random sampling by setting strata in geographic location and company size. To examine the impact of diversity inclusions on companies' overall performance in the financial services industry, the company Raymond James will serve as the control group given the vast majority of financial services firms have promoted their diversity inclusion while Raymond James has remained at the same level in its diversity recruiting.

The research kept track of each randomly selected company's overall performance index over years to further explore the potential relationship. This is panel data given it covers 21 companies with different levels of diversity inclusion from 2014 to 2021, where the year 2018 will serve as the treatment year.

### **3.2 Key Variables**

Our model seeks to see if the significant increase in diversity inclusion in financial services companies in 2018 has effectively helped companies improve their overall performance. Thus, our analysis covered the data from 2014 to 2021 to explore the pre-treatment and post-treatment trends.

The companies included in the model are selected with a stratified random sampling method on an individual company level. The main variables in the table include Year, Company, percent of female employees, percent of Non-American employees, percent of employees from underrepresented groups (Black and Hispanic), percent of LGBTQ employees, the percentage of change in stock price, the percentage of change in Glassdoor rating, Performance Index, post, IncDiverse, and IncDiverse \* Post.

The variable "year" covers from 2014 to 2021. It indicates which specific year the observation data is collected.

The variable "company" is a categorical variable, which indicates which company the observation is.

The variable "percent of female employees" is the percentage of female employees among all employees in the related company in a particular year. For Raymond James, this value is relatively stable from 2014 to 2021. However, for the other 20 companies we selected

randomly, they have experienced a continuous increase in diversity inclusion and a significant increase in 2018.

The variable “percent of Non-American employees” is the percentage of not American employees among all employees in the related company in a particular year. For Raymond James, this value is relatively stable from the year 2014 to 2021. However, for the other 20 companies we selected randomly, they have experienced a continuous increase in diversity inclusion and a significant increase in 2018.

The variable “percent of LGBTQ employees” is the percentage of LGBTQ employees among all employees in the related company in a particular year. For Raymond James, this value is relatively stable from the year 2014 to 2021. However, for the other 20 companies we selected randomly, they have experienced a continuous increase in diversity inclusion and a significant increase in 2018.

The variable “percentage of change in stock price” is a variable to help us calculate the overall performance index value. The variable is based on each company’s annual average closing stock price. In order to eliminate the impact of company size, marketing positioning, or other company-specific factors on the stock prices, we use the percentage of change instead of absolute value to examine the trend of stock price.

The variable “percentage of change in Glassdoor rating” is a variable to help us calculate the overall performance index value. The variable is based on each selected company’s yearly average Glassdoor ratings. The rating reflects employees’ overall satisfaction level with the company and the company’s public reputation. In order to eliminate the impact of company size, marketing positioning, or other company-specific factors on the rating score, we use the percentage of change instead of absolute value to examine the trend of the rating score.



The variable “Performance Index” is calculated by using the average of “percentage of change in stock price” and “percentage of change in Glassdoor rating.” According to several leading human capital management consulting reports, 2 of the most critical factors when evaluating a company’s overall performance are the stock prices (from a financial standpoint) and public ratings (from a public relations and awareness standpoint). Therefore, we then calculate the “Performance Index” for each observation by averaging these two variables.

The variable “post” is a dummy variable indicating whether the observation data is collected before or after treatment. The randomly selected financial services companies have significantly increased their effort in diversity inclusion since 2018. Therefore, to examine the effect of increased diversity inclusion on financial services companies’ overall performance level, we assign “1” to the variable post if the data is collected after 2018 and “0” otherwise. Since we are including the year fixed effect in the regression model, the variable “post” will be completely absorbed by the year fixed effect so that it is not included in the regression formula as an individual variable.

Also, two new variables are generated to help better proceed to the regression analysis. The first variable is a dummy variable called “IncDiverse.” It is the variable indicating if the observation is the company that has increased diversity inclusion in 2018. We would assign “1” if the company increases its diversity inclusion in 2018 and 0 otherwise. The other variable is an interactive variable called “IncDiverse \* Post,” which is generated by multiplying “Post” and “IncDiverse.” Therefore, we would get “1” if the observation is the company that has increased diversity inclusion in the year after 2018, and 0 otherwise.

### 3.3 Sample Characteristics

Table 1 below records the important statistical characteristics of the variables we mentioned previously for each company respectively.

**Table 1:** Annual Evolution of Average Performance Index

	Companies With Increased Diversity Inclusion	Company Without Diversity Inclusion (Raymond James)
Year	(A)	(B)
2014	0.1120 (0.263)	0.2270
2015	0.1319 (0.284)	0.1710
2016	0.2048 (0.283)	0.0260
2017	0.1388 (0.297)	0.0310
2018	0.2057 (0.231)	0.0270
2019	0.2584 (0.214)	0.0300
2020	0.2650 (0.296)	0.0160
2021	0.2698 (0.236)	0.0110
Number of Observations	160	8

From Table 1, we can see that for both companies with increased diversity inclusion in employees and companies without a significant increase in diversity inclusion. The performance index increased relatively before 2018. However, after 2018, we can find that companies with increased diversity inclusion are experiencing an increasingly better overall performance, while the company without the increase in diversity inclusion is experiencing a decreasing performance index. This provides reasonable evidence to hypothesize that increases in diversity inclusion might be effective in improving companies' overall performance in the financial services industry.

## **4 Model**

### **4.1 Methodology**

In this paper, we used the difference-in-differences (DID) regression model to estimate the increased diversity inclusion's impact on the companies' overall performance in the financial services industry, measured by the weighted performance index. Considering that companies' performance levels can be impacted by other company-specific factors other than the increased diversity inclusion, we further include Raymond James as a control group. This company has not purposely increased its diversity inclusion over the years. The rationale behind this is that although both groups of companies have slightly increased diversity inclusion from 2014 to 2018, in 2018, with the diversity parade and government policies in promoting diversity recruiting, those companies besides Raymond James have all demonstrated a significant increase in their employee diversity. However, Raymond James has not followed the trend and maintained its original level of diversity inclusion. Therefore, we expect to see a parallel trend between the pre and post-treatment groups, which will be further examined in the later section.

If the model shows a significant increase in the performance index after 2018 (the treatment) in companies with increased diversity inclusion compared to the previous trend, and the regression shows that variables are statistically significant, we can then show that the increase in employee diversity could lead to a higher performance index (a financial service's company's overall performance in both financial and reputational aspects).

## 4.2 Empirical Strategy

The main regression formula would be:

$$\text{Performance-Index}_{s,t} = \beta_0 + \beta_1 * \text{PercentFemale}_{s,t} + \beta_2 * \text{PercentNonAmerican}_{s,t} + \beta_3 * \text{PercentUnderrepresented} + \beta_4 * \text{PercentLGBTQ}_{s,t} + \beta_5 * \text{IncDiverse}_s + \beta_6 * \text{post}_t * \text{IncDiverse}_s + Y_t + \varepsilon_{s,t}$$

In which the key variables have the following meanings:

- Performance-Index<sub>s,t</sub> is the average performance index level in company type *s* in year *t*. The companies will be categorized into 2 groups those that increased diversity inclusion and the one that didn't;
- PercentFemale<sub>s,t</sub> is a numerical variable that shows the percentage of female employees company *s* has in year *t*;
- PercentNonAmerican<sub>s,t</sub> is a numerical variable that shows the percentage of employees who are not American that company *s* has in year *t*;
- PercentUnderrepresented<sub>s,t</sub> is a numerical variable that shows the percentage of employees who are from underrepresented racial groups, including Black and Hispanic, that company *s* has in year *t*;
- PercentLGBTQ<sub>s,t</sub> is a numerical variable that shows the percentage of employees

who are LGBTQ+ that company  $s$  has in year  $t$ ;

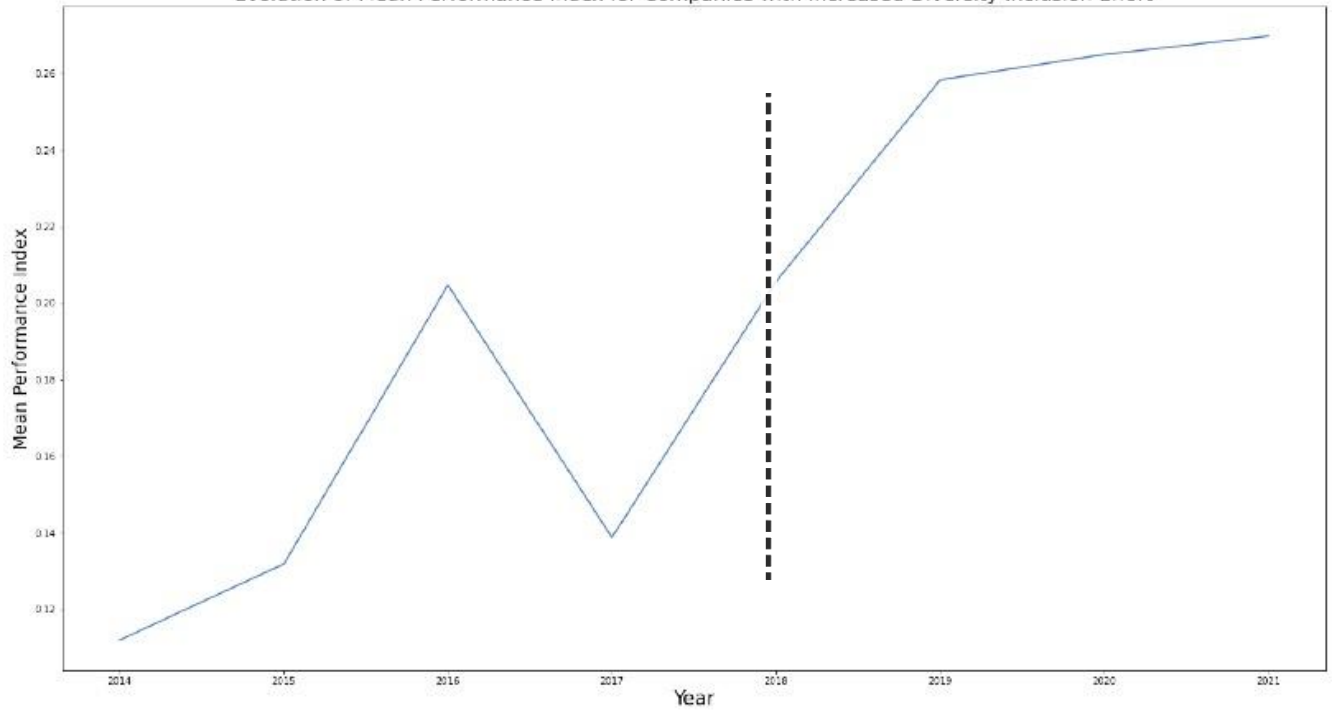
- $\text{IncDiverse}_s$  is a dummy variable that equals 1 if the company has increased the diversity inclusion and 0 if not;
- $\text{Post}_t * \text{IncDiverse}_s$  is an interactive variable. It equals 1 if the company has increased its diversity inclusion and it is in the year after treatment (2018) and 0 otherwise;
- $Y_t$  is a year fixed effect;
- $\varepsilon_{s,t}$  is the error term.

As shown in the empirical formula, besides the dummy variables we mentioned previously, we also include an interactive variable  $\text{Post}_t * \text{IncDiverse}_s$ . This interactive variable equals 1 if both of the variables  $\text{IncDiverse}$  and  $\text{Post}$  equal to 1. This indicates that the observation data is collected in the year after 2018 (representing post-treatment) and belongs to the companies that have significantly increased their employee diversity that year.

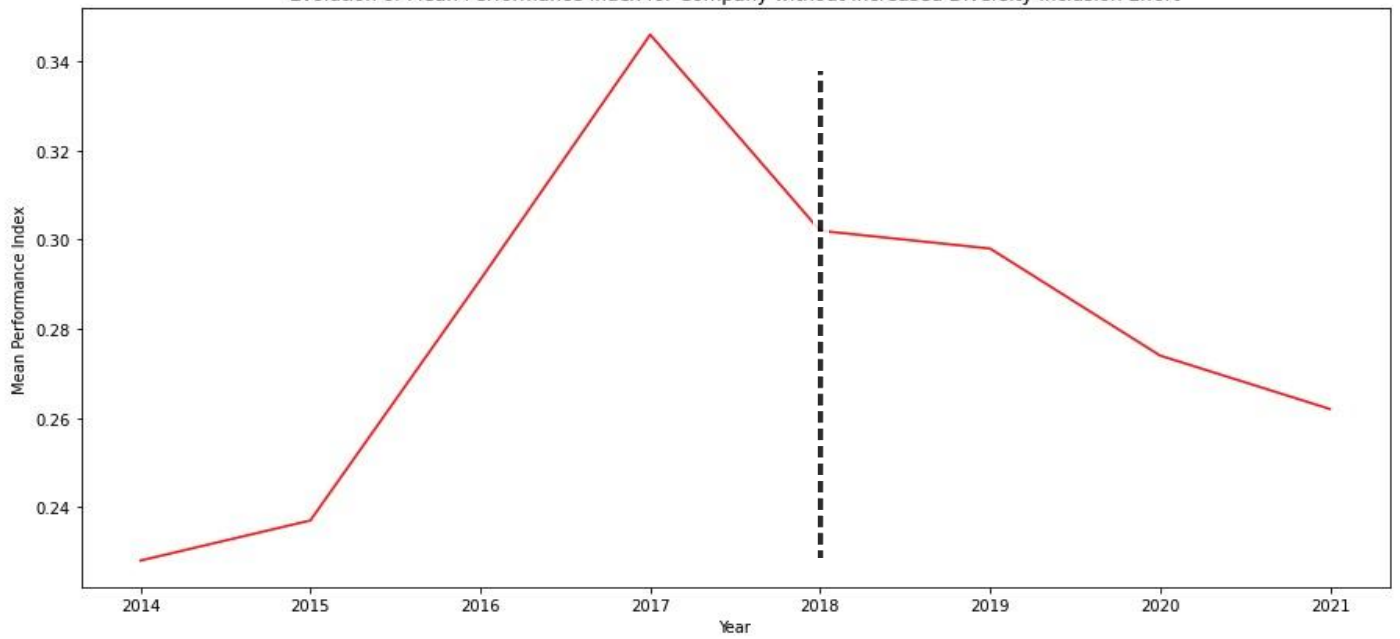
### 4.3 Regression Model

As mentioned previously, our analysis utilized the main empirical formula to run regressions to explore the relationship between increased diversity inclusion and the overall performance of companies in the financial services industry. The visualizations generated are shown below. The first visualization is the evolution of the average performance index for companies that have significantly increased their diversity inclusion in 2018. The second visualization shows the trend in the performance index for Raymond James, the company that has remained at the relatively same level of diversity inclusion in 2018 and years afterward.

Evolution of Mean Performance Index for Companies with Increased Diversity Inclusion Effort



Evolution of Mean Performance Index for Company without Increased Diversity Inclusion Effort



From the figures above, we can see that after the increase in diversity inclusion in 2018, the average performance index for companies that have improved employee diversity has suddenly increased. However, before the year 2018, we can see that the mean performance index of both categories of companies remains a relatively parallel increasing trend. This can initially show that the increase in diversity inclusion could help boost companies' overall performance index in the financial services industry, and our model has included practical estimators. We will further run regression and generate the results to validate the relationship.

However, after 2018 when Raymond James failed to keep up with the trend and improve diversity inclusions, its overall performance kept decreasing, which can be caused by the failure to promote employee diversity or other company-specific factors. To further explore whether the relationship between diversity inclusion and companies' overall performance still holds, we will proceed to multi-linear regression to test the coefficients.

## **5 Main Results**

### **5.1 Regression Tables**

Table 2 below summarizes our regression results using the main empirical formula we mentioned previously. As stated in our model design, we run the regressions for companies that drastically increased diversity inclusion in 2018 and Raymond James, the one that did not increase diversity inclusion effort significantly.

**Table 2:** The Effect of Diversity Inclusion on Financial Services Companies' Overall Performance

	<b>Difference-in-difference</b>		
	(A)	(B)	(C)
<i>Percent Female</i>	0.0330 (0.002)	0.0290 (0.001)	0.0135 (0.013)
<i>Percent Non-American</i>	0.0260 (0.003)	0.0281 (0.002)	-0.0257 (0.002)
<i>Precent Underrepresented</i>	0.0721 (0.005)	0.0718 (0.005)	0.0821 (0.003)
<i>Percent LGBTQ</i>	0.0241 (0.001)	0.0211 (0.002)	0.0342 (0.002)
<i>IncDiverse</i>		0.014** (0.009)	0.015** (0.008)
<i>IncDiverse * Post</i>			0.2277** (0.136)
<i>Constant</i>	Yes	Yes	Yes
<i>Year Fixed Effect</i>	Yes	Yes	Yes
Number of observations	168	168	168
$R^2$	0.391	0.405	0.415

Notes: Dependent Variable: Performance Index for sample companies in the financial services industry. Least-squared dummy variables (LSDV) regressions. Huber-White standard errors are in parentheses.

\*\* Significance at the 5-percent level.



The regression output shows that all coefficients are statistically significant at a 1% significance level. This indicates that the independent variables we include in our model, Percent Female, Percent Non-American, Percent Underrepresented, Percent LGBTQ, IncDiverse, and IncDiverse\*Post, are correlated with the dependent variable (financial services companies' performance index).

For "Percent Female," it is a numerical variable indicating the average percentage of female employees across companies in year  $t$ . The coefficient of 0.0135 means that companies with a 1 unit increase in female employees percentage tend to have 0.0135 points higher performance index score, holding other variables constant.

For "Percent Non-American," it is a numerical variable indicating the average percentage of non-American employees across companies in year  $t$ . The coefficient of 0.0257 means that companies with a 1 unit increase in non-American employees percentage tend to have 0.0257 points higher performance index score, holding other variables constant.

For "Percent Underrepresented," it is a numerical variable indicating the average percentage of employees from underrepresented groups across companies in year  $t$ . The coefficient of 0.0821 means that companies with a 1 unit increase in non-American employees percentage tend to have 0.0821 points higher performance index score, holding other variables constant.

For "Percent LGBTQ," it is a numerical variable indicating the average percentage of LGBTQ+ employees across companies in year  $t$ . The coefficient of 0.0342 means that companies with a 1 unit increase in non-American employees percentage tend to have 0.0342 points higher performance index score, holding other variables constant.

For “IncDiverse,” it is a dummy variable indicating if the company has significantly increased its diversity inclusion recruiting (equals 1 if it has significantly increased and 0 otherwise). The coefficient of 0.0150 means that companies that increased their diversity inclusion significantly tend to have 0.0150 points higher performance index scores, holding other variables constant.

For “IncDiverse\*Post,” it is an interactive variable indicating if the observation is in the year after 2018 and has significantly increased its employee diversity (equals 1 if it is after 2018 and has significantly increased and 0 otherwise). The coefficient of 0.2277 means that companies drastically increased their diversity inclusion in 2018 tend to have 0.2277 points higher performance index score compared to the previous years and the control group, holding other variables constant.

This result validates our hypothesis that companies significantly increased their diversity inclusion performed better compared to the company without after the year 2018. However, this result conflicts with several immigration and employment policies released to reduce employee demographic diversity, and we are still not sure about the fundamental reason behind this conflict. As the performance index is derived from Glassdoor ratings, it is reasonable to make the scientific hypothesis that social pressure regarding employee diversity has been raised by those policies, which exerted social pressure on companies within industries dominated by certain races and gender.

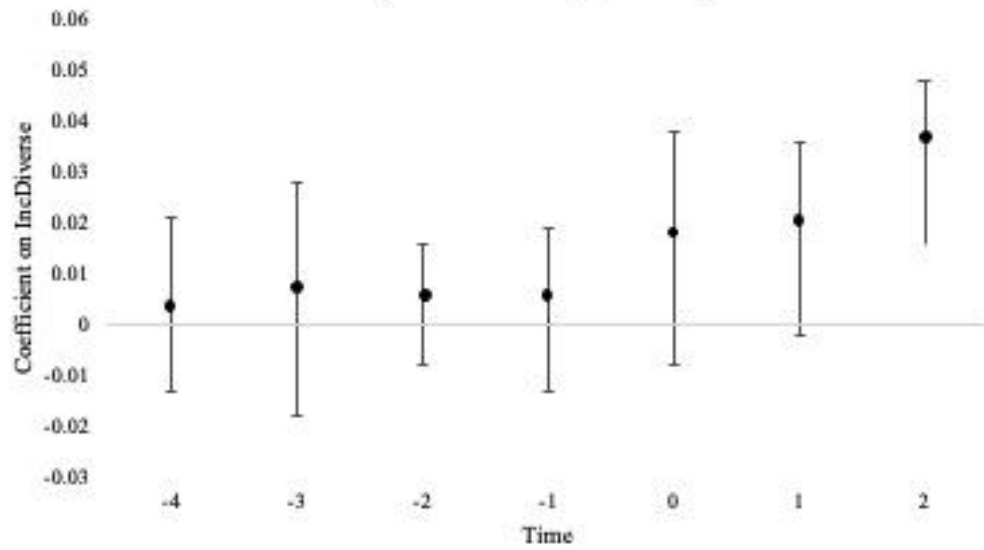
Among all coefficients, we can see that the variable “IncDiverse \* Post” has the most significant impact on the dependent variable (overall performance index), indicating the significant increase in diversity inclusion in 2018 has helped companies improve the overall performance index substantially compared to the control group. However, the impact of

IncDiverse (whether the company has significantly increased diversity inclusion in 2018) on the overall performance index was not huge. This looks contrary to the intuition, but it is possible that companies that have demonstrated significant diversity inclusion efforts in previous years tend to have higher ratings and performance index in the controversial time, given that people have more faith in them. This introduces a potential problem to our model: an increased overall performance index might not result from increased employee diversity. To solve this potential problem in our model, we will further proceed with the robustness check in the following section.

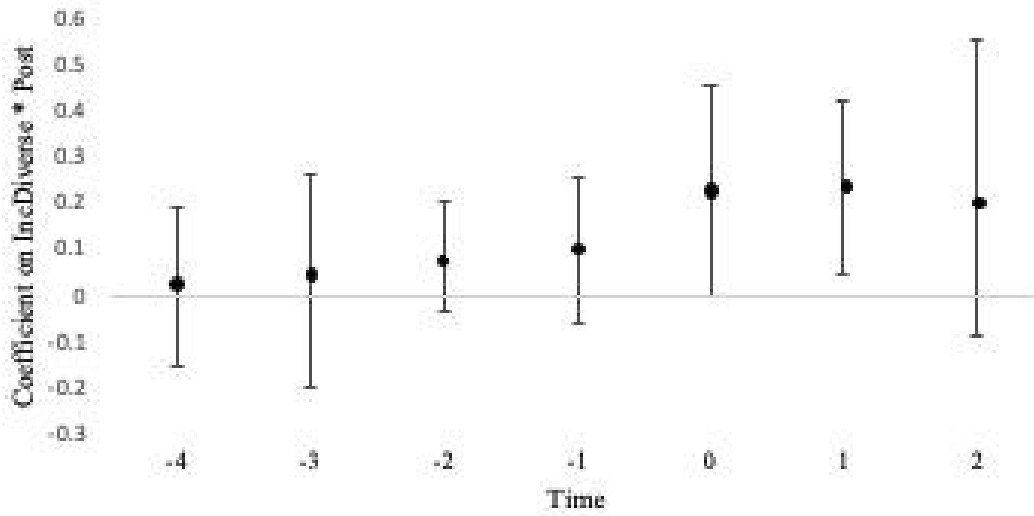
## **6 Robustness Checks**

To further ensure the parallel trend in our model and conclude the causality between the increased diversity inclusion and performance index for companies in the financial services industry, we further replicate the whole model and run the regression for the pre-treatment group (the year before 2018). Thus, we make each year in our dataset a “fake” treatment: for example, assign each year between 2014 and 2021 as the threshold of post-treatment, respectively. When replicating this, if we can get a parallel trend and show the coefficients for the “IncDiverse” and “Post \* IncDiverse” variables in the formula in each regression with “fake” treatments are statistically insignificant (for the pre-treatment group), we then can validate that the change in diversity inclusion causes the difference in the performance index.

Coefficient on IncDiverse for Companies Increased Diversity Inclusion Significantly



Coefficient on IncDiverse \* Post for Companies Increased Diversity Inclusion Significantly



As shown above, we can see that for each coefficient on the two variables, the coefficient value before the year 2018 (time = 0) is close to 0, indicating a relatively insignificant variable, while the value of the coefficient increase dramatically after the year 2018 and remain at similar level going forward. Meanwhile, the coefficients before 2018 (time = 0) show a P-value greater than 5%, indicating that these variables are statistically insignificant at the 5% significance level. This robustness check shows that the parallel trend hypothesis holds for financial services companies that have significantly increased their diversity inclusion. The increase in the performance index level is related to the drastic increase in diversity inclusion in 2018.

However, the coefficient values for both of these two variables have been slightly increasing after 2018 ( t=0), which might show the evidence of the delayed effect of increased diversity inclusion on companies' performance index.

## **7 Conclusion**

This paper takes a different approach from previous studies in that the relationship between companies' overall performance index and diversity inclusion level is narrowed down to the financial services industry. With the Diff-in-Diff model, we found that all the coefficients for the independent variables included in our model are statistically significant at a 5% significance level. This shows evidence for our hypothesis that the increase in diversity inclusion could help financial services companies improve their performance index (a weighted average of stock performance and Glassdoor ratings). Our study finds that the performance index for companies that have been drastically increasing their diversity inclusion efforts is higher than the control group.

The study reinforces the initiatives of diversity inclusion that have been presented in past literature: a diverse employee pool can primarily help build an inclusive company culture, which would improve companies' reputations while reducing the employee turnover rate. A reduced turnover rate could further contribute to an outstanding financial return, especially for senior-level people, who have a more direct impacts on companies' overall development and performance.

We would like to conclude by discussing some of the potential extensions and future work of this study. First, due to lack of data, the paper did not separate the impacts of diversity inclusion brought by senior level and junior level people. In the future, we can use web scraping algorithms to add this position level feature and run two separate models for these two groups correspondingly.

Second, it would be worthwhile to explore the fundamental reason behind the drastic increase in diversity inclusion for many companies in 2018. Although there is a significant amount of news and interviews discussing how social pressure drove companies to make this significant movement in diversity recruiting, we still lack scientific support and research papers exploring the potential casual relationship.

Also, we could add more factors to our calculation of the performance index. Currently, we used the two most important factors: stock performance and Glassdoor rating scores. In the future study, we can add more factors, such as those companies' annual spending on recruiting & diversity-related lawsuits and employee turnover rate, to the calculation and get a more comprehensive performance index.

Lastly, a reasonable extension of this paper is to explore the valid reasons behind the slight increase of coefficient values in later years shown in our robustness checks. We have

noticed that all of the coefficient plots show that coefficient values on independent variables start to increase slightly after 2018, especially in 2021. This might be due to some company or industry-specific factors. Also, we initially assume that the increase in diversity inclusion might not immediately impact the company's performance index. Instead, the effects can be delayed as newly hired employees might need time to be familiar with the job and start contributing to companies' performance afterward. However, this is worth conducting further study and analysis.

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