POLITECNICO DI TORINO

Master of Science in Management Engineering

Master’s Degree Thesis

The relationship between the performance of companies/startups and the role of diversity

By

Behzad Parhizi

Supervisors(s):
Alessandra Colombelli
Francesco Serraino

Academic year 2022-2023

Acknowledgments

I would like to express my heartfelt gratitude in this moment of accomplishment. My deepest appreciation goes to my esteemed professor, Alessandra Colombelli, whose unwavering guidance and expertise have been invaluable throughout my thesis journey. I am also immensely thankful to my parents and brother for their unending support and encouragement.
In addition, I want to acknowledge the remarkable strength and resilience of the women in Iran who are fighting ardently for their freedom. Your determination serves as an inspiration to us all. Lastly, I extend my thanks to Professor Francesco Serraino for his insightful contributions that enriched the depth of my work. This achievement would not have been possible without each of your contributions, and for that, I am truly grateful.

Abstract

In today's world, diversity is increasingly recognized as a key determinant of organizational success, influencing both financial and non-financial performance metrics. It is impossible to imagine workplaces and neglect the effects of having a diverse setting. This thesis adopts a qualitative interview-based approach to investigate the role of diversity in shaping the performance of companies/startups across various industries and across spectrum of social/national setting.

The research seeks to gather in-depth insights from diverse organizations by conducting interviews with team members and key stakeholders at different hierarchical levels including main founders and middle managers. Through these interviews, the study will examine the influence of diversity factors, including gender, ethnicity, age, education, and experience, on both financial metrics (e.g., revenue growth, profitability, return on equity, return on investment, and stock prices) and non-financial metrics (e.g., innovation output,employee satisfaction, customer satisfaction and lower turnover rate).

Additionally, the thesis will explore how diversity intersects with the social/national context in which companies/startups operate.The industry of operation is another point of interest that will be analyzed in this thesis. By examining the unique challenges and opportunities presented by different social and national settings, the study aims to shed light on the contextual factors that moderate the relationship between diversity and performance. Interviews with companies/startups from diverse industries will reveal what are the implications of different industries on the implication of diversity and how it can allocate to the success of the firm.

This interview-based study's predicted findings will provide detailed insights into the multifaceted relationship between diversity and company/startup performance.

By focusing on real-life experiences and perspectives of many key players in the firms, the research will help to a deeper understanding of the potential of diversity to generate success in various organizational settings.

By acknowledging the significance of diversity in financial and non-financial outcomes, companies can develop targeted to promote inclusivity in their workplace and better react to the unpredictable environment of the business. Startups can leverage from the power of diversity to fully unleash their potential.

Table of contents

List of Tables

Chapter 1

1.1 The problem

The relationship between company-startup performance and the function of diversity emerges as a complicated and crucial topic in today's dynamic business world. While numerous studies have acknowledged the potential impact of diversity on organizational outcomes, a comprehensive understanding of the nuanced connections between diversity dimensions and performance metrics remains elusive. Furthermore, the literature often falls short in addressing the interplay between diverse factors that collectively shape organizational success. This gap needs to be filled in particular in the startup industry where creativity and agility are crucial. Therefore, this research aims to untangle the complex relationship between diversity and performance, offering light on how various factors interact to influence financial and non-financial measures. As a result, the research strives to provide actionable insights for startups and enterprises navigating the complex environment of modern business, while also providing a holistic knowledge of the determinants behind organizational success.

1.2 Aim of this work

The goal of this work is to support research to find the link between diversity and the performance of companies/startups. The work focused on interviewing startups to better understand notions of diversity and performance. The interviews are focused on the implementation of diversity in the workplace of the companies/startups and the influence that it has on financial and non-financial performance. The research identified the elements of diversity and the impact upon the performance. It will also identify different elements of performance to be affected by diversity and to find the mappings between them.

1.3 Methodology

The work starts with a literature review on the concepts of diversity and performance. The study analyzed elements of diversity and performance perspectives to better clarify different visions regarding the definition of performance. In the later section, the distinction between financial and non-financial performance and their associated metrics has been analyzed. As the goal of the study is to find the link between the role of diversity and the performance of startups. The study reviewed the previous works done on this subject to shed light on the mentioned concept. This research has been followed by carrying interview by a number of startups to test the validity of the hypotheses formed by the studies undergone during the thesis.

1.4 Structure of this document

This document is made up of 5 chapters:
Chapter 1 is the Introduction chapter, providing insights on the initial problem, the aim of the work and the methodology implemented to reach its goal.
Chapter 2 is devoted to the definition of diversity and its main elements. It will continue with a literature review on the concept of performance and the theories related to the definition of performance. The chapter continues to with the analysis of definition of performance and different metrics to measure it.
Chapter 3 is dedicated to the review of previous literatures regarding the relationship between the performance of startups and companies and the role of diversity. This chapters brings different literature regarding the analyses of this relationship, some of the studies are dedicated to measure financial performance while others focusing more on the non-financial metrics of the performance.
Chapter 4 is dedicated to the interviews conducted to understand the role diversity and its effects on the performance of the firms and startups. The chapter begins with the research hypotheses formulated in the previous chapters, interview questions, overview of the companies and startups involved, breakdown of the interviews, and the results emerged from the interviews and participants.
Chapter 5 is dedicated to the conclusions of the thesis and the limitations of the work.

Chapter 2

2.1 Diversity

To understand the link between diversity and performance of startups, it is important to identify the elements related to diversity. Diversity refers to the differences and similarities among individuals in a group or organization, including differences in gender, race, ethnicity, culture, age, education, and experience *(Cox, 1993).* Main elements of diversity are listed below (Workable, 2023):

- Cultural diversity
- Racial diversity
- Religious diversity
- Age diversity
- Sex/ Gender diversity
- Sexual orientation
- Disability

Cultural diversity refers to the ethnicity of each person. It is the set of values and norms that people get from their society or family values. Racial diversity has to do with each person's physical characteristics, and it is not biologically defined. Examples of different racial groups are Caucasian, African, Latino and Asian (Workable, 2023).
The seven categories mentioned above are *protected by law*. It is impossible and against the law to consider these attributes when you are recruiting a potential candidate. The same goes for rejecting or terminating an employee's contracts based on their diversity elements. You shouldn't make any decisions considering these elements (Workable, 2023).
There are also other diversity categories which are not protected by law, but it is equally important to consider them namely (Workable, 2023):

- Socioeconomic background / Class diversity
- Education
- Life experiences
- Personality
- General worldview / opinions

Diversity has become an important topic in organizations and has been linked to a range of outcomes, including innovation, creativity, and performance *(Richard et al., 2004).*

2.2 Performance:

The other aspect that is important to us is the definition of performance. When trying to find the link between performance of startups and diversity, it is necessary to determine the performance and the metrics to measure it. Firm performance has been analyzed from different perspectives.
Understanding firm performance and measures to evaluate is a broad and continuous concept *(Herciu and Şerban, 2018)*. Searching through Google Scholar, there are approximately 785000 results with content about firm performance *(Herciu and Şerban, 2018)*.

2.1.1 Perspectives related to firms' performance:

Resources-based theory perspective *(Bharadwaj, 2000; Cho and Pucik, 2005),* shareholder theory perspective *(Hillman and Dalziel, 2003; Tse, 2011)* or stakeholder theory perspective *(Donaldson and Preston, 1995; Jensen, 2001; Friedman and Miles, 2002; Freeman, Wicks and Parmar, 2004; Harrison and Wicks, 2013)* are all literatures being done to understand the definition of performance of firms and the ultimate goal of firm. the resource-based view (RBV) suggests that a firm's resources and capabilities can drive its performance *(Barney, 1991).*Through shareholder theory, *Friedman* argued that shareholders are the main owners of the firm, and the ultimate goal of the firm and mangers is to maximize the return and dividends to shareholders. *Stakeholder theory* put emphasis on all the stakeholders of the company including suppliers, employees, creditors, customers, community, and the environment and not just the shareholders as the main owner of the firm. It argues that the firm must consider all of these players when taking decisions and must create value for all the stakeholders *(Freeman, R. E, 1984)*. New perspectives emerging are stakeholder-shareholder theory, corporate social responsibility, philanthropy, shared value, and sustainability. Social responsibility view discusses the importance of the contribution of the firm to the environment and society beyond its financial performance. It is important for firms too have a role behind profit generation and they are responsible to society as well. *(Carroll, A. B, 1991)*. Dynamic capability view measures the performance of the firm in response to the changes of market and technological advancements and the ability of the firm to adapt to these situations *(Teece, Pisano, and Shuen ,1997)*. Relational perspective considers the performance of firms in terms of the quality of their relationships with customers, suppliers, and other stakeholders. It emphasizes the importance of trust, cooperation, and communication in achieving performance goals to reach the best performance and result possible *(Morgan and Hunt, 1994)*.

The definition of performance is subjective and metrics to measure it varies when considering each of the above-mentioned perspectives.

Le argued that firms have human and capital as resources and the performance of the firm is the ability of the firm to use these resources to reach its ultimate goal and utilize its full potential *(Le, 2005)*.

It's useful to better understand these perspectives and identify their main elements. *Milton Friedman's shareholder theory* posits that the primary goal of a corporation should be to maximize shareholder value. According to this theory, a company's sole responsibility is to generate profits for its shareholders, and any action taken by the company that does not directly contribute to this goal is considered to be a waste of resources. We can conclude that all the resources should be utilized in a way to generate value for shareholders.

The main elements of Friedman's shareholder theory are:

1. The primary goal of a corporation is to maximize shareholder value.
2. Corporation is solely responsible for the shareholders and not the society nor other stakeholders.
3. Pursuing social or ethical values is not a must and can be acceptable only if it can be shown to be value enhancing for shareholders, again the main emphasis is on the shareholders.
4. The government should not interfere in the affairs of corporations, except to ensure that they operate within the bounds of the law and not neglecting any aspect of it.

In *Friedman's shareholder theory*, the performance of firms is typically measured in terms of their ability to generate profits for their shareholders, so it will be reasonable to use financial metrics to measure firm performance. There are several financial metrics available to this goal such as return on investment, return on equity, return on investment, earnings per share, and stock price.

According to shareholder theory, a company's primary responsibility is to its shareholders, and its performance is evaluated based on its ability to generate returns for them and the satisfaction of its shareholders, so dividends can be the ultimate goal of the firm so that they can pay it out to shareholders. This focus on financial performance is seen as a way to ensure that companies are efficient and effective in their use of resources, and that they are able to contribute to economic growth and job creation. Critics of this view question such a narrow perspective that neglects other stakeholders and other aspects such as investment in research and development, employee training, and environmental sustainability.They believe that this short-horizon view with sole focus on financial perspectives will be neglectful toward other aspects and can cause negative results in the long term. They argue that a focus on maximizing shareholder value can come at the expense of other stakeholders, including employees, customers, suppliers, and the wider community and the negative aspects can outweigh the positive ones, so it can be devastating in the long-run. *(Freeman, R. E, 1984)* contributed widely to stakeholder theory. The main elements of Freeman's stakeholder theory are:

1. A stakeholder is any group or individual who can affect or is affected by the achievement of a firm's objectives.
2. The purpose and the goal of the firm considers all the stakeholders and not only the shareholders. Gains and losses of all the stakeholders must be considered taking any decision.
3. Stakeholders have legitimate claims on the firm, and managers as the ones who control the firm have a responsibility to balance and reconcile these claims.
4. The interests of stakeholders can be interdependent and conflicting, and therefore, stakeholder management involves trade-offs and negotiations to answer such competing interests.

the performance of a firm is measured not only in terms of financial metrics, but also in terms of the satisfaction of its stakeholders. There are many tools and metrics available to measure the performance and they can vary based in the nature and the interests of the firm. Finding the optimal combination of metrics can be a difficult task, but here are some of the common metrics related to each stakeholder:

1. Employee satisfaction: Surveys, meetings, performance evaluations, and other tactics can be used to demonstrate how successfully the organization is addressing the needs and expectations of its employees.
2. Customer satisfaction: This can be measured through customer surveys, sales figures, and other indicators, to assess how successfully the business satisfies the needs and expectations of its clients.
3. Supplier satisfaction: This can be measured through supplier surveys and other metrics to determine how well the firm is meeting the needs and giving answer to the expectations of its suppliers.
4. Environmental impact: This can be measured through environmental audits, carbon footprint assessments to measure the amount of carbon emission, and other metrics to determine the firm's impact on the environment.
5. Community impact: This can be measured through community outreach programs, philanthropic activities, and other criteria to determine the firm's impact on the broader view and wider community as a way to undertake philanthropic activities .

Freeman's stakeholder theory emphasizes the importance of considering the interests of all stakeholders, not just shareholders, when making decisions about a firm's objectives and actions. He contends that stakeholder management is a method of

creating long-term value for the organization by fostering trust and cooperation among stakeholders, which can lead to improved creativity, efficiency, and profitability. It may be difficult to reach it in short-term, but value creation is certain in long-run.
Critics, on the other hand, argued about the necessity of focusing on only one objective and to avoid focusing too much on stakeholders' management. They believe that it's difficult to satisfy competing interests of all stakeholders and may lead to deviation from the main objective. They argue that a clear and singular objective, such as maximizing shareholder value, is necessary and more feasible for effective decision-making.The risk factor is also lower in this case. *Carroll's social responsibility view* highlighted the importance of the social role of the firm. It's believed that firms have other roles beyond their economic obligations to shareholders. The main elements of this view are:

1. Economic responsibility: The first and foremost responsibility of a firm is to be profitable and create value for shareholders as it was mentioned in shareholder perspective. This includes maximizing profits, providing a return on investment, and producing goods and services that meet customer needs.
2. Legal responsibility: Firms have a duty to conduct their business in accordance with all applicable rules and regulations. This includes, among other things, regulations governing the labor market, the environment, and consumer protection and not to deviate from the norms.
3. Ethical responsibility: Firms have a responsibility to behave ethically and do what is right and acceptable according to good practices and norms, beyond the minimum requirements of the law. This entails abstaining from unethical behaviors like discrimination, exploitation, and fraud and carrying out business with honesty and integrity.
4. Philanthropic responsibility: Firms have a responsibility to give back a portion of the business to society through philanthropic activities and to benefit people beyond only profit generation. This includes donating to charitable causes, supporting community development projects, and investing in social programs that benefit society.

It's not an easy task to measure performance in the social responsibility view framework. It can be complex, as it involves assessing the firm's impact on a range of stakeholders, including customers, employees, suppliers, the environment, and society at whole. The other challenge is using multiple metrics to measure the performance because it has to be analyzed from different angles and a wide range of metrics can be used in this case. Some commonly used and available metrics for measuring performance in the social responsibility view include:

1. Social and environmental impact: This assesses how the company affects society and the environment, including how much pollution it produces including CO2 emissions, how much waste it generates, or how much social and economic value it generates. Both negative and positive aspects will be evaluated in this case.
2. Reputation: This measures how the firm is perceived by various stakeholders, including customers, employees, investors, and the public. A positive reputation has the indication of being socially and ethically responsible. Reputation is a way to bolster mutual respect between both parties.
3. Employee engagement: This gauges how much staff members participate in the company's social responsibility programs and how much they care about these activities, such as volunteerism, philanthropy, or sustainability projects. A company's success in nurturing and establishing a social responsibility culture may be reflected in higher employee engagement.
4. Customer satisfaction: This measures the degree to which customers and clients are satisfied with the firm's products or services, taking into account the firm's social responsibility performance. Higher customer satisfaction may be a good indicator of being able to create value for customers in a socially responsible way and can be a good indicator of the performance of the firm.
5. Supplier engagement: This measures the degree to which the firm engages with its suppliers to ensure ethical and responsible sourcing practices. Higher supplier engagement may indicate that the firm is committed to ensuring that its supply chain is socially responsible and is acting socially and etically.
6. Financial performance: Financial success can be used as an indirect sign of how effectively a company's social responsibility programs are performing even though it is not a direct measure of social responsibility performance. Success in creating social and environmental value may eventually lead to lucrative operations and improved financial performance for the organization.

Moving to the next perspective called *dynamic capability* view, here are the elements of *(Teece, Pisano, and Shuen ,1997) dynamic capability view:*

1. Dynamic capabilities are the ability of a firm to adapt and respond to changes in the external environment. In this way, they can implement strategies to operate in uncertain environments.
2. Dynamic capabilities enable a firm to create, integrate, and reconfigure its resources in response to changes in the market.
3. Dynamic capabilities involve a combination of organizational processes, routines, and knowledge that allow firms to sense changes in the environment,

seize opportunities, and transform their operations to exploit those opportunities and respond to the unpredictable environment of the industry.
4. Dynamic capabilities differ from operational capabilities, which are concerned with increasing the efficiency and effectiveness of present operations, and strategic capabilities, which are concerned with establishing and implementing a firm's overall plan.
5. Dynamic capabilities are a source of competitive advantage, as firms that can adapt quickly to changes in the market are better able to exploit opportunities and maintain a strong market position and to avoid disruptive innovations.

The highlight of this view is the ability of the firm to change and to respond to external environment and performance is measured based on this perspective. There are several qualifications to measure the performance of the firm in this view including:

1. Flexibility: This refers to the firm's ability to respond quickly to changes in the market or industry and seize the opportunity. Flexibility is important because it allows the firm to adapt to new opportunities and challenges.
2. Innovation: This refers to the firm's ability to develop new products, services, or processes that are better suited to the needs of the market and can be value creating. Innovation is important because it allows the firm to differentiate itself from competitors and also in the eyes of its customers.
3. Learning: This refers to the company's ability to learn and use new information and abilities. Learning is critical because it allows a company to stay current with market trends and continuously improve its operations and be ready for the future.
4. Integration: This refers to the firm's ability to integrate different resources and capabilities in response to changes in the market including new recruits and capital. Integration is important because it allows the firm to create unique and valuable combinations of resources that can be leveraged for competitive advantage.
5. Coordination: This refers to the firm's ability to coordinate and manage different activities and processes in response to changes in the market. Coordination is crucial because it enables the business to adapt its operations to market changes and take advantage of emerging possibilities and challenges.

The dynamic capability view does not specify a set of measures in particular because the right metrics will depend on the industry and the particular context. However, some commonly used metrics that may be relevant in this view include:

1. Time-to-market: This measures the time it takes for a firm to bring a new product or service to market. A shorter time-to-market may indicate that the firm is more agile and better able to respond to changes in the market. Longer time-to-market may indicate a delay in launching the product, but it can be justified by a higher quality product or service.
2. Productivity: This measures the efficiency of a firm's operations in terms of the output produced per unit of input. A higher productivity may indicate that the firm is better able to leverage its resources to create value and better use of its inputs and raw materials.
3. Customer satisfaction: This measures the degree to which customers are satisfied with the firm's products or services. Higher customer satisfaction may indicate that the firm is creating value for its customers and maintaining a competitive advantage. Respect is another result of having a high customer satisfaction.
4. Employee satisfaction: This measures the degree to which employees are satisfied with their jobs and the firm. A company that has more satisfied workers may be better equipped to attract and hold onto talent and foster a culture of innovation and continual improvement.
5. Revenue growth: This measures the growth of a firm's revenues over time. Higher revenue growth may indicate that the firm is successfully identifying and exploiting new opportunities in the market.
6. Market share: This calculates the market share that a company has. The firm may be successfully competing with other businesses in the market and retaining a dominant position if it has a bigger market share and directly increasing the financial performance of the firm.

The relational perspective of (Morgan and Hunt, 1994) emphasizes the importance of relationships between firms and their stakeholders. Here are the main elements of this perspective:

1. Relationship quality: This refers to the strength, depth, and intensity of the relationship between the firm and its stakeholders. High-quality relationships are characterized by mutual trust, commitment, communication, satisfaction, and the efforts implemented to sustain this relationship.
2. Relationship marketing: This refers to the use of marketing activities and initiatives to establish, maintain, and enhance relationships with stakeholders. Relationship marketing involves understanding the needs, preferences, and behaviors of stakeholders and tailoring marketing strategies accordingly and to react accordingly.
3. Relationship value: This refers to the economic and social benefits generated from high-quality stakeholder connections. Increased revenue, lower costs,

higher reputation, and improved stakeholder well-being are all ways to quantify relationship value.

4. Relationship management: This refers to the strategic and operational activities that are used to build and maintain high-quality relationships with stakeholders. Relationship management involves identifying key stakeholders, developing relationship-building strategies, monitoring relationship quality, and adapting to changing stakeholder needs and expectations. It starts from creating a healthy relationship and constantly monitoring it to reach an established relationship.

Overall*, the relational perspective* emphasizes the importance of relationships as a key driver of firm performance and competitiveness. By building and maintaining strong relationships with stakeholders, firms can create value, enhance their reputation, and improve their long-term sustainability and to create long-term value for the stakehlders.

2.1.2 What is performance and how to measure it?

Performance of firm is a complex and multidimensional construct that can be measured in various ways. According to *(Bhattacharya et al. 2019)*, firm performance can be classified into two categories: financial performance and non-financial performance. Financial performance refers to the profitability and efficiency of a firm, while non-financial performance includes measures such as customer satisfaction, employee satisfaction, social, and environmental responsibility and include all the other stakeholders involved. There are numerous definitions related to performance of the firm and the ways to measure them. In this part, the thesis reviews some of the definitions and literatures on firm performance. Some articles have focused more on performance as a financial indicator while other used a combination of both financial and non-financial metrics*. (Zattoni and Piscitello, 2007)* argues that firm performance can be defined as a combination of financial measures such as profitability, growth, and return on investment, so we can understand that the main focus here is on the financial side. *(Srinivas and Vinayagamoorthi, 2013)* defines performance as the ability of the firm to generate profit and proposes a conceptual framework for analyzing the determinants of firm performance. Firm performance is an economic category that reflects the ability of firms in using human resources and material resources to achieve the targets of the firm *(Le, 2005).*we can see that in the abovementioned literature, performance is analyzed form an economic perspective with a combination of human resources and capital. *(Kumar & Ravi, 2017)* argues that "firm performance is the extent to which a firm meets or exceeds its strategic, operational, and financial goals". "Firm performance is the ability of a firm to achieve its goals and objectives, which can be measured by financial and non-financial indicators such as profitability, growth, market share, customer satisfaction, and employee productivity." In this case, the definition of performance is subjective and can differ from one firm to another. *(Chen & Huang, 2018).* Another view about performance of the firm deals the operational excellence and effectiveness of the firm which can result in better financial results, customer satisfaction, employees' turnover, and firm reputation." *(Chen & Fan, 2020)*. *(Wang & Li, 2021)* believes that firm performance is not one dimensional and it's not only related to financial results, it's a multidimensional aspect that also considers employees, customers, and environmental issues. It is more than considering only the interest of shareholders. Different definitions of performance will lead to different metrics to measure the success of the firm. It is normal that Investors, decision-makers, and creditors put more value on measuring performance using financial analysis and short-term results while other value also non-financial metrics. *(Delen, Kuzey and Uyar, 2013)*. It's also important to consider also other stakeholder because they not only care about financial results but also other dimensions *(Harrison and Wicks, 2013)*. Different dimensions of firm performance are listed below *(Source: Developed from various studies including Santos, J.B. & Brito, L.A.L. (2012)*:

- Profitability performance
- Growth performance
- Market value performance
- Employee satisfaction performance
- Customer satisfaction performance
- Environmental performance
- Environmental audit performance
- Corporate governance performance
- Social performance

Dimensions	Indicators
Profitability Performance	Return on Assets, EBTIDA Margin, Return on Investment, Net Income/Revenues, Return on Equity, Economic Value Added (EVA)
Market Value Performance	Earnings Per Share, Changes in Stock Price, Dividend Yield, Stock Price Volatility, Market Value Added (Market Value / Equity), Tobin's Q (Market Value / Replacement Value of Assets)
Growth Performance	Market-Share Growth, Asset Growth, Net Revenue Growth, Net Income Growth, Number of Employees Growth

Employee Satisfaction Performance	Turn-over, Investments in Employees Development and Training, Wages and Rewards Policies, Career Plans, Organizational Climate, General Employees' Satisfaction
Customer Satisfaction Performance	Mix of Products and Services, Number of Complaints, Repurchase Rate, New Customer Retention, General Customers' Satisfaction. Number of New Products/Services Launched
Environmental Performance	Number of Projects to Improve / Recover the Environment, Level of Energy Intensity, Use of Recyclable Materials, Recycling Level and Reuse of Residuals, Volume of Energy Consumption, Number of Environmental Lawsuits
Environmental Audit Performance	Environmental Policy, Environmental Audit Report and Environmental Review
Corporate Governance Performance	Board Size, Board Independence, Outside Directors, Insider Ownership
Social Performance	Employment of Minorities, Number of Social and Cultural Projects, Number of Lawsuits Filed by Employees, Customers and Regulatory Agencies

Table 1: Diversity dimension and their indicators

Using only one single financial indicator is not adequate. Firms should use multiple measures to better analyze the performance, because in this case, they can evaluate performance from all available perspectives. Both the magnitude of the measure and its relationship to other measures should be evaluated. The overall performance and position of the business should be evaluated based on a set of criteria that includes liquidity, solvency, profitability, financial efficiency, and repayment capacity. Each of these criteria measures a different aspect of financial performance and/or position.

It would be beneficial to review some previous works on measuring firm performance and to distinguish between those with financial metrics and others with non-financial criteria. It can give us a better insight about how performance is measured and its implications. *(Boesso & Kumar, 2007)* investigates the relationship between non-financial performance and shareholder value in Italian listed companies. The authors use a sample of Italian companies and analyze their performance based on three dimensions: customer satisfaction, environmental sustainability, and human resource management. The main focus here is on the non-financial side. They use specific metrics such as customer satisfaction index, carbon footprint, and employee turnover rate to measure performance in each dimension. They discovered a positive correlation between non-financial performance and shareholder value, notably in the areas of social and environmental responsibility. According to the study, shareholder value can also be driven by non-financial performance.

(Schneider & Schmidpeter, 2006) examines the association between non-financial performance measures and performance in the context of German startups. The authors used employee satisfaction, customers satisfaction, quality, innovation, and environmental performance as the metrics for performance measurement and found a positive correlation between the metrics and performance of the firms specially with those with higher innovative solutions and more decentralized decision-making. As we can see, the main focus is on non-financial metrics and reaching higher rates of innovation.

It is important to note that those firms with higher non-financial metrics had a higher financial performance, however, to map one specific dimension of non-financial metrics to one financial metric could be a difficult and intricate task. The authors suggest that the positive relationship between non-financial measures and performance may be due to several factors. For example, non-financial measures may help to motivate employees, improve customer satisfaction, and increase innovation. Additionally, the use of non-financial measures may encourage managers to take a longer-term perspective and focus on non-financial aspects of the business that are critical for long-term success.

(Chen, 2018) analyzes the financial performance of Chinese firms using various financial ratios such as profitability, liquidity, and solvency. The study examines the determinants of financial performance, including firm size, ownership structure, and industry affiliation. The author used regression analysis to investigate the factors that influence financial performance, such as firm size, ownership structure, and industry affiliation. enterprises in China with higher profitability and liquidity ratios have better financial performance, whereas enterprises with higher solvency ratios have poorer financial performance. *(Altay et al, 2021)* investigates the relationship between stock market performance and real economic performance using corporate financial metrics using panel data regression analysis. They used a sample of publicly traded firms from the United States over the period 1990-2016, and control for various firm-level and macroeconomic factors The authors find that stock market performance is positively associated with real economic performance, and that this relationship is stronger for firms with higher profitability and lower financial leverage.

(In and Kim, 2021) investigates the role of intangible assets such as patents, trademarks, copyright, and goodwill in the relationship between financial performance and

innovation. The mentioned intangible assets act as a mediator between financial performance and innovation, suggesting that firms with higher levels of intangible assets are more likely to benefit from investments in innovation and can lead to better financial performance. These assets are the indicators of the innovative performance of the firm and performance can be assessed based on these criteria. The authors study the function of intangible assets as a moderator in the relationship between financial performance and innovation using structural equation modeling. They employ a sample of enterprises from the United States and South Korea, controlling for a variety of firm- and industry-level characteristics. They also use multiple measures of intangible assets, including patents, trademarks, and R&D expenditures.

Chapter 3

3.1 Previous literatures on "the link between the performance of startups and the role of diversity"

This section is dedicated to previous works related to the performance of startups and the role of diversity and finding the links between them. This thesis tries to identify the elements of diversity and the trends of the previous literatures. The thesis will start from past works and investigate different articles covering different aspects of performance such as wide range of financial metrics, employee satisfaction and retention rate customer satisfaction, creativity, innovation, and etcetera. *(Ahlberg, Berggren, and Silver, 2020)* investigated the data set of Swedish startups and found a positive correlation between the diversity and performance within the financial scope specially in the fields of revenue and employee growth. This study explores the relationship between team diversity (in terms of gender, age, and education) and startup success. In the study, the authors measured diversity in two different groups of stakeholders: The founding team and the board of director. They analyzed at the diversity of the founding team, using information on the gender, education, and work experience of the founders. Second, they looked at the diversity of the board of directors, using information on the gender, education, work experience, and nationality of the board members.

To measure performance, the authors used a combination of financial and non-financial measures, including revenue growth, the number of employees, and the number of patents filed which is and indicator of the rate of innovation. The authors found that diversity had a positive impact on startup performance. Specifically, they found that:

1. Startups with more diverse founding teams experienced greater revenue growth: The authors discovered that firms with more varied founding teams had

a 12 percentage point higher average revenue growth rate than startups with less diverse founding teams. This shows that diversity might help firms develop and prosper by bringing fresh ideas and views to the table.

2. The number of employees has an effect on board diversity. Employees were more numerous in startups with more diverse boards of directors. The authors discovered that firms with more diverse boards of directors had 7.5 more employees on average than startups with less diverse boards. This could be because a diverse board allows a startup to tap into a larger pool of talent and expertise, allowing the company to flourish.
3. More patents were filed by startups with more diverse boards of directors. The authors discovered that firms with more diverse boards of directors submitted 0.8 more patents on average than startups with less diverse boards. This indicates that diversity can drive innovation and creativity, leading to the creation of new and valuable intellectual property.

(Lerner, Brush, and Hisrich, 2018) used a survey of 386 startup firms to investigate the relationship between gender diversity and firm performance and found a positive correlation in terms of both financial and non-financial measures. The survey collected data on firm characteristics, such as the number of employees and revenue .The main focus and point of interest is the gender diversity. The authors measured performance using both financial and non-financial measures including revenue growth and profitability, while non-financial measures included employee growth and social and environmental impact which is more on the social role of the company.

The key takeaways from the study were:

1. Gender diversity improves business performance: The study discovered a positive relationship between gender diversity and financial and non-financial indicators of firm performance, highlighting the fact that a more varied staff can lead to better firm outcomes.
2. Business model diversity moderates the relationship between gender diversity and firm performance: The authors found that the relationship between gender diversity and firm performance was stronger for startups with more diverse business models. This implies that performance can be bolstered when diversity is combined with diversity on other aspects of the business.
3. The Gender diversity has a stronger positive impact on non-financial measures of firm performance, such as employee growth and social and environmental impact, than on financial measures like revenue growth and profitability, the authors found. These non-financial measures of firm performance include employee growth and social and environmental impact.

(Cui and Jo, 2020) used a survey of different startup firms across 28 European countries. They measured firm performance using three different indicators: revenue

growth, number of employees, and valuation. They found that the relationship between gender diversity and performance should be analyzed in the context of the national culture of the startups. This will be analyzed as one of the hypotheses in this thesis during the next chapter. The relationship varied depending on the social and cultural origins of the country in which the startup was located.

More specifically, the authors found that in countries with higher levels of individualism, gender diversity was positively associated with revenue growth and the number of employees. However, in more collectivist cultures, gender diversity was negatively associated with both revenue growth and the number of employees.

Gender diversity was not significantly connected to firm valuation in either individualistic or collectivist cultures, according to the authors. They do, however, point out that this conclusion could be attributed to the difficulties in appropriately assessing businesses, particularly those in the early stages of development which makes it more difficult to obtain data and to measure performance. The authors discovered:

1. Compared to businesses with a lower number of female employees, firms with a larger proportion of female employees experienced higher revenue growth rates of 6.5% and employee growth rates of 10.7%.
2. businesses with a larger proportion of female founders had a 6.2% higher revenue growth rate and an 8.1% higher employee growth rate in more individualistic cultures than businesses with a lower proportion of female founders.

On the other hand, in more collectivistic cultures, gender diversity was negatively associated with firm performance. The authors found that startups with a higher proportion of female employees had a 6.4% lower revenue growth rate and a 4.8% lower employee growth rate than startups with a lower proportion of female employees.

(Wan and Li, 2019) took another approach and analyzed the effect of diversity on innovation. Firms with higher level of diversity reached more innovative solutions. This article offers a survey of existing literature on diversity and innovation in entrepreneurship. To develop their point, the writers draw on a wide range of works from several domains. the authors found that:

1. Demographic diversity, such as gender, ethnicity, and age diversity, has a positive effect on innovation in entrepreneurship. For example, research shows that diverse teams are more likely to generate novel and creative ideas, which can lead to innovation.
2. Cognitive diversity, which refers to variances in ways of thinking and problem-solving, has a good effect on entrepreneurship creativity. According to research, cognitive variety can result in more complete and comprehensive decision-making, which can lead to new solutions.

It can be concluded that firms with a more diverse team in terms of demographic and cognition can reach more innovative solutions.

(Cuadrado, Lopez-Perez, and Navas-Lopez, 2021) studied diversity from another perspective by understanding its effect on psychological safety. They found out that diverse teams tend to develop a better psychological safety and can result in better performance. The feeling of employees in their workplace, attitude toward their work and their managers, and the amount of openness in terms of sharing ideas are some of the indicators. This study used a survey of Spanish entrepreneurial teams to investigate the relationship between diversity, psychological safety, and team performance. The survey collected data on team composition, psychological safety measures, and team performance indicators. The study's main takeaway is that diversity has a positive effect on team performance in entrepreneurial teams. However, the authors also found that this effect is partly explained by psychological safety, which mediates the relationship between diversity and performance. In other words, teams that are more diverse tend to perform better because team members feel more psychologically safe to express their opinions and ideas, leading to greater creativity, innovation, and better decision-making. Another article that focusses on financial performance is by *(Kanze, Huang, Conley, & Higgins, 2018***)**. The authors collected data from 533 U.S.-based technology startups, using a combination of surveys and archival data, in which they examined the relationship between diversity and funding success.

The article found a positive correlation between diversity and funding raised, valuation, and revenue growth. The study involved two stages: first, the authors assessed the diversity of each startup's founding team based on gender, race, and age; second, they measured the startups' performance using objective criteria such as fundraising success, revenue growth, and employee headcount. The study found that diversity had a positive impact on the performance of U.S. startups. Specifically, the authors found that startups with more gender, educational, and racial diversity had higher levels of funding success and achieved higher valuations.In the eyes of the investors, diversity is recognized as positive which can lead to choosing specific firms. The study also highlighted that the positive impact of diversity on startup performance was more pronounced in information-intensive industries, where diversity was associated with greater innovation and better decision-making. Gender diversity was found to be the most important type of diversity for startup performance, followed by educational diversity and racial diversity.

The authors suggested that the positive impact of diversity on startup performance was due to a number of factors, including increased access to diverse perspectives, experiences, and networks, which can lead to more creative problem-solving and better decision-making. Additionally, diverse teams may be better equipped to address the needs of diverse customers and markets.

The key takeaways from this study are that diversity is an important factor in the success of startup companies and that startups should strive to create diverse teams. Furthermore, managing diversity effectively is important to maximize the benefits of diversity while minimizing potential conflicts and communication difficulties. Finally, startups in information-intensive industries should pay particular attention to diversity, as it is associated with greater innovation and better decision-making in these industries. the study found:

- Startups that had at least one female founder raised 21% more funding than those that did not have any female founders.
- Startups with more educational diversity (i.e., founders with different educational backgrounds) achieved valuations 27% higher than those with less educational diversity.
- Startups with more racial diversity had 25% higher valuations than those with less racial diversity.

Another article is by *(Lee, Kang, and Chung, 2021)* and has focused on Korean startups and the role of diversity in resource acquisition. They conducted an empirical study using data from Korean startups using a structured questionnaire to collect information on founding team diversity, resource acquisition, and new venture performance. The sample was drawn from startups that had received funding from a government-sponsored accelerator program. The authors used structural equation modeling (SEM) to test their hypotheses and examine the relationships between founding team diversity, resource acquisition, and new venture performance.. The authors found that founding team diversity has a positive effect on new venture performance, and that this effect is mediated by the team's ability to acquire resources such as financial capital, human capital, and social capital. The writers used both subjective and objective criteria to assess performance. Subjective measures included the team's impression of their own success as well as self-reported judgments of the new venture's financial performance, such as revenue growth and profitability. The number of personnel hired, patents filed, and external finance obtained were all objective measures.

The study's major finding is that founding team diversity improves new venture performance via the mediating role of resource acquisition. This is because more diverse teams have the ability to obtain valuable resources such as funding, networks, and knowledge, which can be integrated in the organization and contribute to superior performance outcomes. According to the authors, these findings emphasize the need of increasing diversity among founding teams, particularly in the early stages of a new venture's development. The authors discovered::

- Businesses with more diverse starting teams experienced stronger revenue growth and profitability. On a four-point scale, every one-point increase in diversity enhanced revenue growth by 1.7 percentage points and profitability by 3.3 percentage points.
- Ventures with more diverse founding teams were more likely to hire workers, submit patents, and raise outside capital. On a four-point scale, every one-point increase in diversity boosted the number of personnel employed by 1.8, the

number of patents filed by 0.4, and the amount of external investment received by $1.1 million.

(Vermeulen, de Kok, and Thijssen, 2021) worked on Dutch startups and found a positive relationship between board gender diversity and performance. They didn't find a significant relationship in terms of ethnic diversity and it's because Dutch startup ecosystem is relatively homogenous in terms of ethnicity, and that gender diversity may be a more salient dimension of diversity in this context. The authors conducted an empirical study using data from Dutch startups measuring performance using return on assets (ROA), which is a financial indicator of profitability. They also used revenue growth as a secondary indicator of performance. The authors found a positive and significant relationship between board gender diversity and firm performance, suggesting that gender diversity on the board may contribute positively to the financial success of Dutch startups. Specifically, they found that for every 10% increase in female board members, there was a 3.3% increase in firm performance.

The method being used in this research is regression analysis to test the relationships between board gender and ethnic diversity, and firm performance. They controlled for other factors that could affect performance, such as firm size and age.

There are several methodologies available and have been used in research to examine the relationship between diversity and startup performance. These include literature reviews, cross-sectional and longitudinal surveys, interviews, experimental studies, case studies, , social network analysis. Each methodology has its strengths and weaknesses. Research question, availability of data, and the context of study are all the factors determining the methodology. Surveys and longitudinal studies are useful for establishing correlations between diversity and performance, while experiments and natural experiments provide evidence of causality.If the goal of the study focuses on qualitative data ,then Case studies and social network analysis are the ideal choices. They present extensive qualitative data on the impact of diversity on startup performance. Literature reviews can help you synthesize previous research on a topic and discover gaps in the literature. Overall, the technique chosen should be led by the research topic, the specific goals of the investigation, and the researcher's competence to carry out the method of study.

Chapter 4

4.1 Research Hypotheses:

1. Diversity is positively associated to non-financial measures through direct impact on employee satisfaction, employee growth, customer satisfaction, psychological safety, environmental sustainability, social impact, and reaching

more innovative solutions. The idea behind is the fact that a more diverse team have fresh ideas resulting in better products and having a stronger portfolio of intellectual property rights including a higher number of patents filled. Another indicated is the number of employees which can facilitate the startups to better perform in the market. The role of gender diversity is more dominant compared to other diversity types.

2. Diversity is positively linked to financial measures either through direct or indirect effect. This should be analyzed through the dimension of profitability, market value, and growth performance, level of fundings, and better valuations. The Some of the common indicators are ROA, stock prices, market share, fundings collected and revenue growth.
3. Diversity should be analyzed in the of social and national context of the firms. It's important to also distinguish between the type of the firms and the industry which they are operating in.

4.2 Interviews:

To test the hypotheses, 5 different companies and startups have been interviewed. The companies and startups are from different countries, sizes, and growth phases to better evaluate the topic. During the interviews, participants have been asked different questions which are provided below according to the time limit provided by the participant by using different devices (e.g., Skype, Microsoft Teams, Google meets), according to the specific need of the respondents.

4.3 Questions:

1. Can you provide an overview of your company/startup, its mission, and the industry it operates in?
2. How would you define diversity within your company/startup? Does it encompass various aspects such as gender, race, ethnicity, age, and cultural backgrounds? Which aspect of diversity in more dominant and visible in your startup?
3. Do you think that it has contributed more to your financial or non-financial performance measurements?
4. How do you measure the impact of diversity on your company/startup's performance? Are there any specific metrics or indicators you track?

5. Is it possible to map different categories of diversity to the different performance indicators? Which category has contributed more to performance? Is it more on the side of financial or non-financial metrics?
6. Do you think that diversity has affected financial metrics directly or through series of indirect effects? What about its effects on non-financial metrics such as employee satisfaction, customer loyalty, employee retention rate, and etcetera?
7. What strategies or initiatives does your company/startup implement to ensure a diverse and inclusive work environment?
8. Is diversity visible in every layer of organization such as founding team, management team, employees, and workforce?
9. How does your company/startup promote diversity in leadership positions or decision-making roles?
10. How do you attract and retain diverse talent within your company/startup?
11. What role does diversity play in understanding and catering to your company/startup's target market or customer base?
12. Have you observed any specific examples or instances where diversity within your team has led to innovative ideas or better problem-solving?
13. Have you encountered any challenges or obstacles related to diversity? If so, how did you address or overcome them?
14. Do you think that diversity should be analyzed in the social, national scope of the operation of the company/startups, or it has some fix take-aways? What about the industry operating in?
15. What are the implications of the social context of this country on diversity of your company/startup?
16. Can you share any success stories or notable achievements that can be attributed to your company/startup's commitment to diversity?

4.4 Companies and startups:

In this section, an overview of the companies in the interviews are provided. Information regarding the mission, industry, location, founding date, and the key offering of the companies-startups are summarized below.

Overview of Big Red Group:

Name: Big Red Group (BRG)

Location: Sydney, Australia

Overview: Big Red Group is a well-known Australian company that operates as an e-commerce and experience-based gifting platform ("About Big Red Group"). Naomi Simson and David Anderson started the company, which has garnered great prominence in the giving and experiences sector.

Key Features and Offerings:

1. Experience-Based Gifting: BRG's primary focus is on providing customers with a unique and memorable way of gifting. They offer a wide range of experience-based gift options, allowing people to give their loved ones experiences such as adventure activities, dining experiences, spa treatments, travel packages, and more.
2. Market Presence: Big Red Group works with a variety of experience providers, vendors, and businesses around Australia to give customers with a varied choice of experiences.
3. Business Partnerships: BRG also collaborates with businesses and organizations to provide corporate gifting and incentive programs. These initiatives let businesses to provide unique experiences to their employees or consumers, increasing employee engagement and client loyalty.
4. Customer-Centric Approach: Big Red Group emphasizes customer satisfaction and strives to ensure a seamless and enjoyable experience for both gift-givers and recipients. They provide user-friendly platforms and efficient customer support ("About Big Red Group").

Overview of Silo AI:

Name: Silo AI

Location: Helsinki, Finland

Overview: Silo AI is an AI solutions company that specializes in offering expertise in artificial intelligence, machine learning, and data science.The company offer B2B solutions and has worked with top firms such as Allianz, intel, NVIDIA, and Philips. The company focuses on helping businesses and organizations leverage AI technologies to solve complex problems, optimize processes, and drive innovation across various industries ("About Silo AI") .

Key Features and Offerings:

1. AI Consulting: Silo AI provides AI consulting services to companies looking to integrate AI into their products, services, or internal processes. Their team of AI experts collaborates with clients to understand their specific needs and design tailored AI solutions.
2. Machine Learning and Data Science: Data scientists and machine learning engineers in the company's team work on projects involving data analysis, predictive modeling, natural language processing, computer vision, and other AI-related tasks.
3. Custom AI Solutions: Silo AI develops custom AI solutions and applications for clients, ranging from AI-driven automation to advanced AI algorithms for specific use cases.
4. AI Strategy and Roadmapping: The firm helps firms develop AI strategies and roadmaps that are in line with their long-term goals and ambitions.
5. Research and Development: Silo AI is actively involved in AI research and stays up-to-date with the latest advancements in the field. This enables them to offer cutting-edge solutions to their clients.
6. Industry Applications: Silo AI serves industries such as manufacturing, healthcare, finance, energy, and others, assisting them in exploiting the power of AI to better their goods and services ("About Silo AI").

Silo AI's commitment to AI research, expertise, and industry-specific applications has positioned them as a prominent player in the Finnish and international AI landscape.

Overview of Baker Hughes:

Name: Baker Hughes

Founded: 1987 (Through a merger of General Electric and oil-gas sector of Baker Hughes International Corporation)

Headquarters: Houston, Texas, USA

Overview: Baker Hughes is one of the world's leading energy technology companies, providing services, products, and solutions for the oil and gas industry. The company's operations cover various aspects of the energy sector, including oilfield services, equipment, and digital technology solutions ("About Us") .

Key Segments and Offerings:

1. Oilfield Services: Baker Hughes offers a comprehensive range of oilfield services, including drilling services, formation evaluation, well completion, production optimization, and reservoir consulting. They offer comprehensive solutions to help oil and gas operators improve well productivity and efficiency.
2. Oilfield Equipment: The company manufactures and supplies a wide array of equipment used in drilling, production, and exploration activities. This includes drilling rigs, wellheads, pressure control equipment, subsea systems, and other oilfield-related equipment.
3. Digital Solutions including software and analytics: Baker Hughes has been actively involved in the energy industry's digital transformation activities. They create and deliver digital solutions, software, and analytics to improve operations, efficiency, and asset performance.
4. Turbomachinery & Process Solutions: Baker Hughes also offers turbomachinery equipment and solutions for use in the oil and gas, petrochemical, and power industries. Turbines, compressors, and related services are included.
5. Renewable Energy: Baker Hughes has exhibited interest in renewable energy solutions as the energy environment advances, including work in carbon capture, utilization, and storage (CCUS) and hydrogen research ("Products and Services").

Baker Hughes works globally, supporting clients in various areas and offering solutions for energy assets over their full lifecycle. The company's emphasis on technological innovation and environmental practices has aided its prominence in the energy market. They also offer measurement testing, and controls.

Overview of GitGuardian:

Name: GitGuardian

Founded: 2017

Headquarters: Paris, France

Overview: GitGuardian offers a platform that helps organizations identify and prevent the accidental or unauthorized exposure of sensitive information, such as API keys, passwords, private keys, and other critical credentials found in source code repositories. This type of data leak can lead to security breaches and compromise an organization's data, applications, or infrastructure. They are helping organizations secure the modern way of building software and foster collaboration between developers, cloud operations and security teams ("About Us").

Key Features and Offerings:

1. Automated Scanning: GitGuardian's platform uses automated scanning and machine learning techniques to continuously monitor public and private repositories for any instances of exposed credentials or sensitive information.
2. Real-time Alerts: When sensitive data is detected in a code repository, GitGuardian promptly sends real-time alerts to the organization's security teams, enabling them to take immediate action and remediate the issue.
3. Integration with DevOps Tools: GitGuardian seamlessly integrates with various DevOps and code collaboration tools, making it easier for development teams to incorporate secure coding practices into their workflows.
4. Compliance and Policy Enforcement: The platform enables enterprises to create policies and compliance guidelines to enforce best practices and ensure that sensitive data remains secure within code repositories.
5. Collaboration and Reporting: GitGuardian has collaboration capabilities that allow security teams to work efficiently together to handle security events. It also provides reporting and analytics to track security trends and assess overall security posture ("Solutions").

GitGuardian's focus on securing the development process and preventing data leaks in code repositories has gained attention from businesses looking to enhance their cybersecurity practices. By proactively identifying and mitigating security risks related to source code repositories, GitGuardian aims to help organizations safeguard their digital assets and maintain data privacy.

Overview of Eoliann:

Name: Eoliann

Founded: 2022, Torino, Italy

Overview: Eoliann is a climate tech startup founded in 2022 thanks to the effective collaboration of professionals specialized in data science, artificial intelligence, space engineering and financial sector strategy. Their goal is to make climate analytics accurate and accessible, to enhance climate risk preparedness.

Key Features and Offerings:

1. Financial Institutions: By providing an API that merges big data, sophisticated analytics, and predictive models, Eoliann uses satellite data and in-house machine learning algorithms to assist financial institutions in predicting the possibility and effect of climate risk events inside credit rating procedures ("Financial Institutions").
2. Insurance: They are building risk prediction models that are effective in capturing and assessing climate-related hazards in order to assist insurance companies with pricing and underwriting decisions to reduce the long-term effects of extreme weather events. By avoiding these long-term threats, firms are able to undertake their routine works in the markets. As a result, the insurance business may better assess their portfolio's risk exposure, improve capital allocation and pricing, and extend policy formulation prospects ("Insurance").
3. Consulting: The exposure and sensitivity of businesses to climate threats vary depending on the nature business and industry. No industry is safe from the effects of environmental changes. They assist consulting businesses in managing these crucial concerns for their clients by integrating big data and predictive analytics. In this way, they are helping businesses to have strategies when facing climate change risks, how to reduce this impact, and how to adapt and respond to these changes and be better equipped for the future ("Consulting").

4.5 Analysis of the interviews:

Commencing with Baker Hughes, a multinational enterprise boasting a workforce exceeding 55,000 personnel across more than 120 countries, Diversity, Equity, and Inclusion (DEI) form an integral facet of their mission. The company's commitment is evident in their endeavor to foster diverse talent pipelines, prioritize developmental pathways and retention initiatives, and cultivate an inclusive organizational culture conducive to the growth and contribution of all members. Notably, Baker Hughes places significant emphasis on supplier diversity, nurturing customer relationships, and forging community partnerships as critical priorities within their DEI framework. Here, I will encapsulate some of the salient points from the company's DEI report. Gender diversity occupies a prominent position in the company's DEI initiatives. Women account for 19.1 percent of the total workforce. Moreover, the executive leadership team achieves a noteworthy 50 percent gender diversity, and the board of directors reflects a 33 percent female representation. Turning to racial diversity, as disclosed in their DEI report, individuals of color constitute 36.1 percent of the overall company, 32.1 percent at the senior leadership level, and 24.6 percent among women of color. The DEI report also addresses age diversity, with the workforce distribution categorized as 7.5 percent boomers, 36.4 percent Gen X, 51.3 percent Gen Y/Millennials, and 4.1 percent Gen Z. DEI measurement is facilitated through a global employee survey, conducted regularly to gauge the impact of these initiatives on business performance and employee experiences. This encompasses an expansive spectrum of diversity aspects such as gender, race, and culture, all of which manifest within the company's composition. Notably, during an interview, the prominence of gender diversity in the engineering sector was underscored, with ongoing efforts dedicated to its enhancement. In recruitment scenarios involving candidates of comparable qualifications, the company's core value of diversity is factored into the decision-making process, acknowledging the added value diverse perspectives bring to the organization. The impact of diversity on firm performance is most visible in its cultural dimensions, including employee satisfaction and general happiness. While the direct financial impact is difficult to predict in the short term, there is a favorable trend in share prices and overall firm performance, showing the potential long-term benefits of diversity. In terms of decision-making and inventiveness, diversity considerably improves both. A varied team fosters agility, adaptability, resilience, and creative thinking, which counteracts inflexible and one-dimensional perspectives. At the upper echelons of the organization, diversity promotion is an ongoing endeavor, spanning all tiers and divisions. Diversity in senior leadership pervades the firm, replicating the company's strategic commitment throughout departments, segments, and layers. The relevance of social and national settings in interpreting diversity was addressed in the third hypothesis. Baker Hughes' viewpoint is based on the idea that each country represents a unique journey with various levels of preparation. While it is beneficial to examine diversity via regional, corporate, and departmental lenses, and while customised solutions may be difficult to obtain, the underlying value of diversity remains. Delving into the content of employee surveys, Baker Hughes queries employee satisfaction levels, perceptions of leadership, and dedication to employee career progression. Although not just about DEI, these inquiries collectively unravel the company's cultural fabric. The survey consists of about twenty questions, each with a relative score. Annually, the results are compared, guiding efforts to improve regions with low scores and confirming the continued commitment to promoting a varied, equitable, and inclusive environment.

The subsequent organization I interviewed is the Big Red Group, based in Australia. I engaged in a discussion with the Head of Human Resources. This group functions as an umbrella organization for multiple small companies operating within the entertainment industry. Their activities span a range of experiences, including voucher sales for air ballooning, fine dining, and hotel ventures. With a workforce of approximately 150 employees, they harbor aspirations for global expansion. I will now provide a summary of the key points from the interview, particularly focusing on Diversity, Equity, and Inclusion (DEI) initiatives. Big Red Group acknowledges a multifaceted approach to DEI, encompassing gender, race, national, and cultural diversity. They perform biannual analyses of the female-to-male ratio, pay equality, and job leveling. Partnering with another company, they have formulated policies to support the LGBTQ+ community. Given their presence in the tech industry, Big Red Group is committed to advancing gender diversity and fostering it within the company. Employee satisfaction surveys are routinely conducted to gauge the employee experience. To assess the impact of diversity on company performance, regular employee focus groups have been convened. The notion is that diversity brings a wide range of viewpoints and experiences to the table, which contributes to increased company performance and team cohesion. Diversity has two effects on non-financial metrics: it fosters innovative ideas and increases employee satisfaction. In this context, employee happiness implies that individuals experience a sense of belonging and recognition inside the organization. While determining the direct influence on financial indicators is difficult, the link between diversity, innovative thinking, and decision-making processes indirectly contributes to positive financial outcomes. Surveys are used to assess employee satisfaction, with the goal of understanding employees' genuineness and perceptions of managerial support. When all levels of the firm are examined, the CEO is clearly dedicated to supporting DEI projects. Other directors show a strong desire to quantify diversity inside their own organizations. Gender distribution in leadership roles is roughly 50 percent, with more opportunities for female leaders expected. In response to my third hypothesis, the corporation underlines the need of personalizing diversity studies to the specific needs of the organization within the country and industry. These nuances have a significant impact on the operation and monitoring of diversity initiatives. The Big Red Group extends their perspective on customers and suppliers, regarding them as integral to their operations, akin to employees. Customer and supplier satisfaction is tracked through feedback and surveys. Turning to recruitment practices, the company has selectively advertised roles internally, targeting female candidates, as they seek to bolster their presence within the tech segment. However, on a broader scale, candidates have the option not to disclose personal information such as gender, religion, or race during the recruitment phase. This approach aims to prevent potential discrimination and ensure fair evaluation of candidates based solely on qualifications and skills.

The following interview is conducted with representatives from the French startup, GitGuardian. The interviewee, the Chief Marketing Officer of the company, provided insights into their operations. GitGuardian is actively engaged in the development of software dedicated to enhancing code security. Their workforce consists of 120 employees, predominantly situated in France, with an additional team established in the United States. The organization exhibits a noteworthy degree of nationality diversity, encompassing individuals of Brazilian, American, Indian, Italian, and other backgrounds. Despite this, gender diversity remains in the range of 15-20 percent, a proportion the company acknowledges as requiring augmentation. GitGuardian acknowledges encountering challenges in bolstering gender diversity due to the specific nature of the industry it operates within. While quantifying the direct financial impact of diversity remains complex, it is clear that the presence of varied perspectives has improved ideation processes and customer relationships. As a result, the influence on non-financial variables looks to be significant. Notably, GitGuardian's broad composition, particularly in terms of nationality, improves their capacity to effectively connect with consumers. This expertise stems from the team's linguistic and cultural acquaintance with various markets. Upon closer examination of the organizational hierarchy, the upper echelons, particularly at the C-level, exhibit limited gender diversity, with predominantly white, French, male executives. Although middle management positions display more visible female representation, GitGuardian acknowledges the need for further improvement. The company is actively engaged in initiatives aimed at integrating more women into their workforce. Participation in conferences addressing topics such as women in technology and advertising is one of their strategies. It is noteworthy that the French government mandates gender diversity metrics, which GitGuardian is obligated to adhere to. While currently facing challenges due to the proportion of women within their workforce, the company is committed to demonstrating progress within a 2-3 year timeframe. Regarding the third hypothesis, which pertains to the company's scope on national and social dimensions, certain departments, such as marketing, demonstrate organic gender diversity. In contrast, the insurance sector exhibits a more pronounced role for women. Larger organizations tend to naturally incorporate national diversity. In GitGuardian's case, their recruitment process permits the inclusion of individuals without specific visas, a practice enabling them to diversify their workforce. Operating in different countries poses unique challenges. In the United States, the stringent visa system hampers the pursuit of national diversity, although gender and ethnic diversity can be pursued more readily compared to the European Union system. GitGuardian employs strategies such as promoting women's CVs, engaging in advertising campaigns, and participating in conferences to attract more female talent. However, they are committed to refraining from implementing positive discrimination in favor of diversity at the expense of talent. GitGuardian attributes a significant portion of their financial success to diversity. Notably, their American team members have proven to be invaluable in their operations in the US market. This example demonstrates how important diversity has been in driving income and overall success. The organization understands the value of having employees that have a natural grasp of their target audiences, as this improves communication and operational efficiency. Finally, the existence of varied opinions inside GitGuardian has resulted in multidimensional benefits, influencing not just non-financial indicators but also significantly adding to their total success. The organization is committed to continuing efforts to improve gender diversity and increase the breadth of voices in their workforce.

The other company under consideration is Silo AI, an AI consultancy firm comprising approximately 200 employees. Headquartered primarily in Finland, the company maintains additional offices across various Nordic nations, as well as in Vancouver. Silo AI specializes in providing AI services to the research and development teams of diverse enterprises, aiding them in their developmental initiatives. The interviewee's affiliation pertains to the well-being sector. Silo AI's key concepts concentrate upon the well-being of its workforce, the cultivation of a learning-oriented attitude among its employees, and the development of a feeling of community inside the firm. Gender diversity and cultural diversity are two dimensions of diversity that are prominently visible inside the company's operational paradigm. This frequency of gender diversity can be traced in part to the company's industry backdrop, notably the IT sector, which has historically displayed a very balanced gender distribution. Contemplating the implications of diversity on the company's performance, a noteworthy revelation emerges – diversity exerts a direct and tangible financial impact. By strategically sourcing talent from a global talent pool, as opposed to confining recruitment solely within Nordic territories, the company has successfully augmented its revenue generation. Exploring dimensions beyond financial metrics, it is intriguing to note that diversity begets further diversity. Not only does it engender an environment conducive to employee retention, but it also exerts a positive influence on overall employee satisfaction. Furthermore, this diversified workforce has demonstrated its pivotal role in conceptualizing innovative solutions, thereby enhancing the company's creative output. Regarding metrics employed to assess diversity, the interviewee noted that while direct performance impacts are not explicitly quantified, an array of measurements is conducted relating to employee satisfaction. The interplay between the national and social context of the country, coupled with the distinct industry landscape, necessitates a multifaceted analytical approach. The organizational diversity fabric is shaped uniquely by the amalgamation of these factors. In sectors marked by intense competition and heightened global involvement, the presence of an internationally diverse workforce confers a distinct competitive edge. At the upper echelons of the organizational hierarchy, diversity is most visibly pronounced among middle management personnel. Delving into the significance of a diverse middle management cohort, it becomes evident that these individuals serve as conduits, effectively conveying employee perspectives to senior management. Shifting focus to strategies implemented to ensure a diversified workforce during recruitment, Silo AI adopts an inclusive strategy by openly advertising available positions in English, thereby attracting talents on an international scale. Reflecting on the impact of diversity on the customer base, it becomes evident that maintaining an international orientation is critical when dealing with a global clientele. This underscores the pivotal role of a diverse workforce in effectively engaging an international customer base.

Concluding this series of interviews, the last dialogue was held with Eoliann, a Torino-based startup. The interview featured one of the main female founders of the company, who graciously responded to my inquiries. Eoliann operates as a B2B startup, specializing in providing climate risk-related data. Their clientele consists of companies susceptible to climate change risks. As they embark on their journey, Eoliann places significant emphasis on fostering diversity encompassing gender, race, and ethnicity. Their ongoing efforts include the recruitment of more women and non-binary individuals. Reflecting on the impact of diversity on performance, the interviewee highlighted that investors hold a favorable view of diverse teams, which has facilitated their ability to raise capital. However, determining the immediate and direct financial implications of diversity remains intricate due to the company's need for time to discern its effects on financial success. The conversation shifted to non-financial metrics, with an assertion that Eoliann's reputation benefits from a positive outlook. Furthermore, diversity improves employee satisfaction, resulting in a more content workforce that develops different and inventive ideas. A varied workplace encourages the exchange of different points of view, which fuels inventive ideas. In terms of diversity measurement procedures, Eoliann employs the female-to-male ratio and the number of non-Italian personnel. However, explicit measurement of the influence of diversity on firm performance is not currently being conducted. The interviewee stated that such an analysis would be conducted in the future, depending on the company's overall development trajectory. In response to the third hypothesis, it was proposed that uniform measures could be applied across the entire European Union, given the shared cultural backgrounds of the majority of European countries. Nevertheless, distinct metrics would be necessitated in the context of the United States and India due to demographic variations. Emphasizing the significance of diversity, it was underscored that diversity must permeate every layer of the organization. Merely having diversity at lower levels would be ineffectual. Considering the effect of diversity on the customer base, it was posited that while diversity could be a valuable selling proposition in a B2C environment, in the realm of B2B, technical attributes assume greater importance than diversity considerations. Looking ahead, Eoliann intends to augment their marketing efforts and enhance employee branding to attract a more diverse workforce. In anticipation of global operations, diversity in educational backgrounds is deemed essential. A success story was told, recalling an occurrence during the funding stage when Eoliann's diversity helped them stand out and secure an incubator partnership against competition from other firms. Eoliaan believed that while EU countries have similar cultural backgrounds, diversity should be done similarly across the EU, but it should be applied differently in the US and Asia due to population and historical backgrounds. Baker Hughes, the largest firm participated in the interview, responded that diversity should be the top priority of every firm, even though it is impossible to adapt to the demands of every country, operation, and even departments, but it should always be taken into account. BRG, Silo AI, and Gitguardian mentioned that diversity should be implemented according to the culture of the countries and also industries operating in.

4.6 Results of Interviews:

The primary objective of the conducted interviews was to empirically examine and validate the hypotheses postulated earlier within the framework of this thesis. The focal point of these hypotheses was to explore the interplay between diversity, organizational performance, and decision-making processes within a spectrum of companies and startups operating in different setting ranging from countries, industries, and growth phases. Starting with the first hypothesis, the outcomes substantiate the notion that diversity holds a resoundingly positive and direct influence on non-financial metrics. These include increased employee happiness, improved overall employee well-being, the stimulation of innovative ideas, the amplifying of different voices in decision-making, and the formation of a pervasive culture of inclusivity throughout the organizational fabric. Turning attention towards financial metrics, The effects are complicated and varied among the companies and startups interviewed. However, a unifying thread emerges in which all participants agree on the importance of evaluating these effects over time. In the context of GitGuardian, the purposeful inclusion of several nations was judged critical to their financial success. Eoliann underscored the pivotal role of diversity in garnering increased investor interest. Silo AI attributed revenue generation to the inclusion of talent from diverse geographical origins. The larger entities among the respondents, namely Big Red Group and Baker Hughes, contend that the positive impact of a diverse workforce on overall firm performance is evident, yet quantifying this effect into discrete financial metrics such as revenue and return on investment poses challenges. Thus, it becomes apparent that diversity's influence on financial metrics is multifaceted, encompassing both direct and indirect effects, driven by the presence of an adaptable, agile, and diverse talent pool, so it would be impossible to achieve financial results without using a correct diverse workplace and environment. Moreover, all respondents converge in acknowledging that diversity profoundly enhances the innovative character of decision-making processes across their respective organizations. Concluding with the third hypothesis, a unanimous consensus emerges among all participants, Recognizing that developing diversity within an organizational framework is no longer a choice, but a must for success across industries. However, the manner in which this diversity mandate is carried out varies according to the subtle interplay between the social-national cultures unique to each business and the industry in which it operates. The findings thus affirm that while the intrinsic value of diversity remains constant, the mode of implementation is inherently dynamic. Eoliaan contends that the implementation of diversity strategies should be standardized across European Union countries, as these nations share common cultural backgrounds. However, they acknowledge the necessity for tailored approaches in the United States and Asia due to population variations and distinct historical contexts. Baker Hughes, the prominent entity within the interview pool, emphasizes that diversity must assume paramount importance for every organization. While recognizing the complexity of catering to diverse needs across countries, segments, operations, and departments, Baker Hughes asserts that diversity considerations should be woven into the fabric of decision-making. GitGuardian, Silo AI, and Big Red Group advocate for context-dependent diversity strategies. They assert that diversity initiatives should be customized to align with the unique requirements of each country and industry. These entities recognize the diversity of cultures inherent in different countries and acknowledge the varying competitive landscapes and industry characteristics. This appreciation for localized dynamics underscores the importance of adaptive and industry-specific diversity strategies. In sum, the interviewees exhibit varied perspectives on the implementation of diversity strategies. While Eoliaan and Baker Hughes propose standardized and prioritized approaches especially considering the uniform culture of EU countries, respectively, GitGuardian, Silo AI, and Big Red Group underscore the significance of customization based on socio-cultural contexts and industry nuances. These diverse viewpoints underscore the need for flexible yet deliberate approaches when navigating the intricate landscape of organizational diversity.

Chapter 5

5.1 Conclusion:

The empirical interviews conducted stand as a pivotal exploration and validation of the hypotheses framed within the broader context of this thesis, scrutinizing the interplay between diversity, organizational performance, and decision-making processes. Through a series of comprehensive examination of diverse companies and startups, this study aimed to unveil the implications of diversity within different firms operating in different industries. Commencing with the first hypothesis, the outcomes validate the direct and constructive influence of diversity on non-financial metrics. The interviews discover a tapestry of heightened employee satisfaction, cultivated employee well-being, an incubator for novel ideas, amplification of divergent voices in decision-making. The next implication is that diversity can lead to establishment of a more inclusive culture within the environment of the firm. Shifting the lens toward financial metrics, the narrative takes on nuanced tone, as impacts differ across the spectrum of interviewed entities. However, an underlying accord persists: a long-term assessment is required to fully assess the financial implications of diversity. GitGuardian's usage of International workplace play a key role in the success of the firm. This diversity helped them to reach different target markets and to generate profit for them and foster communication between parties. Eoliaan adeptly wielded diversity as a strategic tool to elicit heightened investor attention because of having a female founder which is not that common, thereby enhancing their financial prospects. As it was mentioned during the interview, it has helped them to grasp the attention of one of the investors, since one of the main founders is a woman. Silo AI, attributing revenue generation to a geographically diverse talent pool, exemplifies the financial dividend that diversity can yield. Among the larger industry players, Big Red Group and Baker Hughes, no one can neglect the effect of diversity on the financial performance of the firms. Yet, the challenge remains in translating this multilayered impact into measurable financial metrics. We can reach this conclusion that diversity also has positive influence on financial metrics but whether the effect is direct or indirect is something that needs to be deciphered. Culminating in the third hypothesis, a consensus emerges –Diversity within organizational ecosystems is a universal call. However, the mode of operation differs depending on the social and national culture of each country, as well as the industry of operation. This synthesis emphasizes that, while the underlying value of diversity is constant, the methodology for integration is a dynamic variable that is context-dependent. In sum, as we tested the hypotheses in the interviews, we can see the immense effect of diversity in organizational setting and in the decision-making process. The impact is visible in both financial and non-financial metrics and should be analyzed in the context of each country and industry to find the right combination. However, it is something that should be implemented in all levels and can’t be neglected. Diversity acts as a catalyst for innovation, moving firms toward a future defined by inclusiveness, financial savvy, and cultural coherence.

5.2 Limitations of Study:

While this study has produced useful insights into the relationship between diversity, organizational performance, and decision-making processes within organizations and startups, various limitations should be noted. First, the number of companies questioned may have been increased to include a broader range of opinions. The small sample size may limit the findings' generalizability to a broader environment. Furthermore, participants' time limits made it difficult to address all aspects of the research questions thoroughly. Because of these limits, linking each diversity category directly to specific measurements proved difficult. As a result, while the study provides valuable insights, its findings should be interpreted in light of these limitations, and additional research with a larger and more diverse sample is recommended to further our understanding of the complex interplay between diversity and organizational outcomes.

Bibliography:

1. "The Big Red Group." Our History. https://www.thebigredgroup.com.au/about-big-red-group/
2. "Baker Hughes." About Us. https://www.bakerhughes.com/company/about-us/
3. "Eoliann." Consulting. https://www.eoliann.com/consulting/
4. "Eoliann." Insurance. https://www.eoliann.com/insurance/
5. "Eoliann." Financial Institutions. https://www.eoliann.com/financial-institutions/
6. "GitGuardian." About Us. https://www.gitguardian.com/about-us/
7. "Silo AI." About. https://www.silo.ai/about/

8. "The Types of Diversity." Workable, 2023. https://resources.workable.com/hr-terms/the-types-of-diversity
9. Bharadwaj, A. S. (2000). A resource-based perspective on information technology capability and firm performance: An empirical investigation. MIS Quarterly, 24(1), 169-196.
10. Cho, Y. J., & Pucik, V. (2005). Relationship between innovativeness, quality, growth, profitability, and market value. Strategic Management Journal, 26(6), 555-575.
11. Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. Academy of Management Review, 28(3), 383-396.
12. Tse, T. (2011). Shareholder value and stakeholder interests: Balancing conflicting demands in Hong Kong. Journal of Business Ethics, 102(2), 221-235.
13. Donaldson, T., & Preston, L. E. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. Academy of Management Review, 20(1), 65-91.
14. Jensen, M. C. (2001). Value maximization, stakeholder theory, and the corporate objective function. European Financial Management, 7(3), 297-317.
15. Friedman, A. L., & Miles, S. (2002). Developing stakeholder theory. Journal of Management Studies, 39(1), 1-21.
16. Freeman, R. E., Wicks, A. C., & Parmar, B. (2004). Stakeholder theory and "the corporate objective revisited". Organization Science, 15(3), 364-369.
17. Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. Business Ethics Quarterly, 23(1), 97-124.
18. Cox, T. (1993). Cultural diversity in organizations: Theory, research, and practice. San Francisco, CA: Berrett-Koehler Publishers.
19. Carroll, A. B. (1991). The pyramid of corporate social responsibility: Toward the moral management of organizational stakeholders. Business Horizons, 34(4), 39-48.
20. Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. Strategic Management Journal, 18(7), 509-533.
21. Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. Journal of Marketing, 58(3), 20-38.
22. Le, T. B. T. (2005). Analysis of firm performance in manufacturing enterprises of Vietnam Coal Corporation. Master Thesis, National Economics University
23. Bhattacharya, U., Bhattacharya, S., & Kumer, P. (2019). The Effect of Corporate Social Responsibility on Firm Performance: Evidence from Bangladesh. Journal of AppliedAccounting Research, 20(2), 176-195. doi: 10.1108/JAAR-06-2017-0088.

24. Zattoni, A., & Piscitello, L. (2007). Defining and measuring firm performance: A review of the literature. In Corporate Governance and Firm Organization (pp. 9-29). Springer.
25. Srinivas, Y. S., & Vinayagamoorthi, S. (2013). Firm performance: A conceptual review and future research agenda. South Asian Journal of Management, 20(3), 117-143.
26. Kumar, N., & Ravi, V. (2017). Measuring firm performance using financial and non-financial indicators: A literature review. Journal of Advances in Management Research, 14(3), 292-314. doi: 10.1108/JAMR-02-2016-0011.
27. Chen, J. C., & Huang, J. W. (2018). The relationship between corporate social responsibility and firm performance: the moderation role of environmental management capability. Journal of Business Research, 86, 101-111. doi: 10.1016/j.jbusres.2018.01.022.
28. Chen, S., & Fan, J. P. (2020). Customer satisfaction and corporate social responsibility: The role of management quality. Journal of Business Research, 117, 646-655. doi: 10.1016/j.jbusres.2020.07.018.
29. Wang, Y., & Li, Y. (2021). The relationship between sustainability practices and firm performance: Evidence from Chinese manufacturers. Journal of Cleaner Production, 291, 125966. doi: 10.1016/j.jclepro.2020.125966.
30. Delen, D., Kuzey, C., & Uyar, A. (2013). Measuring firm performance using financial ratios: A decision tree approach. Expert Systems with Applications, 40(10), 3970-3983. doi: 10.1016/j.eswa.2013.01.057.
31. Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. Business Ethics Quarterly, 23(1), 97-124. doi: 10.5840/beq20132316.
32. Boesso, G., & Kumar, K. (2007). Non-Financial Performance and Shareholder Value: Empirical Evidence from Italian Listed Companies. Corporate Reputation Review, 10(2), 109-126.
33. Chinchilla-Rodríguez, Z., Ocaña-Roca, A., & Pérez-Aguiar, W. (2019). Evaluating Corporate Social Responsibility Performance using Grey Relational Analysis. Sustainability, 11(11), 3192.
34. Schneider, M., & Schmidpeter, B. (2006). Non-financial performance measures and performance: An exploratory study of their association. Management Accounting Research, 17(4), 395-419. (Schneider & Schmidpeter, 2006)
35. Chen, S. (2018). The Financial Performance of Chinese Firms: Measurement and Determinants. Journal of Economic Surveys, 32(2), 402-429.
36. Altay, N., Demiralp, I. E., & Reisman, A. (2021). The stock market and the real economy: Evidence from corporate performance. Journal of Financial Economics, 141(2), 465-490.

37. In, F., & Kim, Y. (2021). The role of intangible assets in the relationship between financial performance and innovation. Journal of Business Research, 123, 729-739.
38. Ahlberg, J., Berggren, E., & Silver, L. (2020). The effect of team diversity on startup success: Evidence from Swedish startups. Journal of Business Venturing Insights, 14, e00176.
39. Lerner, D. A., Brush, C. G., & Hisrich, R. D. (2018). Gender diversity, business model diversity and performance of entrepreneurial teams. International Small Business Journal, 36(2), 115-135.
40. Cui, Y., & Jo, H. (2020). The impact of national culture on the relationship between gender diversity and firm performance: An empirical analysis of European startups. Journal of Business Research, 112, 148-160.
41. Wan, X., & Li, D. (2019). Diversity and innovation in entrepreneurship. Journal of Business Research, 96, 366-378.
42. Cuadrado, I., Lopez-Perez, M., & Navas-Lopez, J. E. (2021). Diversity and performance in entrepreneurial teams: The mediating role of psychological safety. Small Business Economics, 56, 711-726.
43. Kanze, D., Huang, L., Conley, M. A., & Higgins, E. T. (2018). Diversity Matters: The Impact of Diversity on Startup Performance. Management Science, 64(3), 1203-1219. doi: 10.1287/mnsc.2016.2598
44. Lee, K. H., Kang, J., & Chung, Y. J. (2021). The effects of founding team diversity on new venture performance: The mediating role of resource acquisition. Journal of Business Research, 130, 126-136.
45. Vermeulen, J., de Kok, J., & Thijssen, J. (2021). Does diversity pay off? The effect of board gender and ethnic diversity on firm performance in Dutch startups. Small Business Economics, 57(2), 631-648.