



УНИВЕРЗИТЕТ У КРАГУЈЕВЦУ
БРОЈ М-01-34812
ДАТУМ 23-04-2025
КРАГУЈЕВАЦ

Graz, March 25, 2025

Confirmation

To whom it may concern,

I hereby confirm that Dr. Marijana Bugarčić completed a research stay at the University of Graz, Department for Human Resource Management, in February and March 2025. She collaborated with me on a research project exploring diversity management in corporate sustainability reporting in Serbia.

The professional and personal exchange was highly enriching for me and the entire Institute, and we would be delighted to welcome her back in the future.

Sincerely,

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REPORT ON COMPLETED POSTDOCTORAL RESEARCH

Title of the Research: Diversity Management as a Mechanism for Improving Corporate ESG Performance

Researcher: Dr. Marijana Bugarčić, Assistant Professor with a PhD

Home Institution: Faculty of Economics, University of Kragujevac

Host Institution: Department of Human Resource Management, University of Graz

Mentor: Uni.-Prof. Dr. Renate Ortlieb

Duration of Stay: 2 months

Research Objectives and Methodology

The objective of this research was to examine and analyze how diversity management practices within organizations influence their ESG performance (environmental, social, and governance). A special focus was placed on understanding the mechanisms through which the implementation of diversity strategies can be used to improve sustainable and responsible business practices. The research was conducted using qualitative methods, including analysis of secondary sources such as annual reports, sustainability reports, internal policies, and publicly available data from Austrian companies operating in Serbia. Additionally, a review of relevant legal and institutional frameworks (including EU sustainability directives, the GRI index, ESRS standards, and the Non-financial Reporting Directive – NFRD) was performed, along with a critical reflection through a comparative analysis of the Austrian and Serbian contexts.

Based on the review of the aforementioned standards and regulations, it can be concluded that there is an increasing significance in the contemporary regulatory framework for the integration of diversity and inclusion principles as a core element of ESG reporting, which imposes the need for companies to adopt a systemic approach in planning, implementing, and monitoring diversity policies.

During the sampling process, collaboration was established with the Economic Department of the Austrian Embassy, which facilitated access to Austrian companies operating in Serbia. It was subsequently verified that the observed companies were listed on a global stock exchange and met the criteria for reporting under the EU Non-financial Reporting Directive. As a result, ESG reports containing relevant information about corporate social responsibility and sustainable practices were made available. The total sample included 32 companies, for which reports from 2021, 2022, and 2023 were analyzed.

Presentation and Dissemination of Research Results

Diversity management in most of the analyzed Austrian companies is integrated into a broader ESG strategy, particularly through social responsibility objectives. Diversity management in these companies is not presented as an isolated initiative but as part of a systemic approach to sustainable development and responsible business practices.

A review of relevant literature was also conducted, which allowed for the identification of key factors for the successful implementation of ESG principles. Among the most significant are

support from top management, employee training, and continuous monitoring of the effects of implementation. The analysis showed a clear connection between a high level of institutionalized diversity management and better results in ESG reporting. Companies that strategically manage diversity report higher levels of employee trust, lower turnover, and greater innovation. However, a critical reflection points to the existence of a "window dressing" effect – situations where diversity is emphasized in reports but is not supported by concrete and substantive organizational practices.

Based on the insights gained, a paper has been prepared and submitted for the 15th International Scientific Conference on Business and Management 2025, which will be held on May 15–16, 2025, in Vilnius, Lithuania. The title of the paper is: *Diversity Metrics and ESG Reporting: Challenges of Measurement and Implementation*.

Based on the findings of the research, the following conclusions were drawn: it is necessary to develop systemic and integrated approaches to diversity, rather than focusing solely on declarative policies. ESG reports should include both quantitative and qualitative indicators of diversity. Organizations should align diversity policies with broader strategic goals of sustainability and innovation.

Particularly in countries that are candidates for EU membership, such as Serbia, it is recommended to transfer the experience from the Austrian context regarding regulatory alignment and the application of best practices. This can ensure more efficient and long-term sustainable integration of ESG principles into corporate business strategies.

Additional Contributions of the Postdoctoral Stay and Knowledge Exchange

The postdoctoral research significantly contributed to strengthening academic collaboration between the Faculty of Economics at the University of Kragujevac and the School of Business, Economics and Social Sciences at the University of Graz. During the research stay, contacts were established with researchers and faculty members working in the fields of human resource management, sustainability, and organizational behavior.

The collaboration established through this visit lays the foundation for future joint activities, including:

- Publishing joint papers in international scientific journals
- Organizing joint scientific events, seminars, and workshops
- Staff and student mobility through the Erasmus+ program
- Developing bilateral research projects and joint applications for European funds (e.g., Horizon Europe).

During the postdoctoral research stay, I had the opportunity to attend the Schumpeter Lectures at the University of Graz, which further enriched my understanding of contemporary economic and social phenomena. Particularly inspiring was the speech by Nobel laureate Eric Maskin, who spoke about voting theory and how the design of electoral systems can shape the outcomes of democracy.

These lectures confirmed the importance of economics as a discipline that analyzes not only numbers but also the rules that guide society.

In the spirit of Schumpeter's thought that "the history of economic analysis is not just a story of theories but of ideas that change the world," these experiences prompted further reflections on what ideas shape our future and what is truly important today.

Perspectives and Plans

This postdoctoral research has enabled a deeper understanding of the interdependence between diversity management and ESG performance, with results significant for the improvement of organizational strategies in companies striving for sustainable and responsible business practices. Based on the achieved results, the following opportunities for further development have been identified:

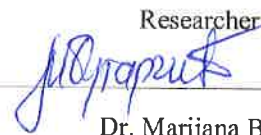
- Publication of results in international scientific journals, contributing to the scientific discourse in the fields of management, sustainability, and corporate social responsibility.
- Development of course content at the Faculty of Economics at the University of Kragujevac, through the integration of topics such as ESG reporting, diversity management, and sustainable leadership into existing and new study programs.
- Application for new research grants and calls, aiming to continue research work and create recommendations for regulatory policies.
- Applications for international research projects, leveraging the established collaboration with the School of Business, Economics and Social Sciences at the University of Graz.
- Enhancement of staff and researcher mobility, as well as student exchanges.

Supervisor


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Researcher


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