

Institutional Quality, Organizational Culture, and the Labour Market Inclusion of People with Disabilities: A Multilevel Conceptual Model of Ethical Business Conduct, Corporate Social Responsibility, and ESG Practices

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ABSTRACT

Building on Acemoglu and Robinson's theory of inclusive institutions, this study develops and empirically tests a multilevel model linking institutional quality, organizational culture, and labour market inclusion of people with disabilities through ethical business conduct, corporate social responsibility (CSR), and ESG practices. Institutional quality was assessed using a composite indicator derived from the World Bank's Worldwide Governance Indicators (WGI-CI), while labour market inclusion was measured through the Disability Employment Gap (DEG) and the derived Labour Market Inclusiveness Index (LMII). At the organizational level, the study introduces the Organizational Inclusiveness Index (OII), integrating organizational culture, ethical culture, CSR/ESG implementation, and inclusive employment policies. The empirical analysis covered 30 companies in nine countries. Results show a statistically significant positive relationship between organizational culture and ethical culture, and a strong positive association between institutional quality and average organizational inclusiveness at country level. However, neither the WGI-CI-LMII nor the OII-LMII relationship was statistically significant. The findings therefore support H1 but not H2 in the present sample. The study contributes an original multilevel framework and a composite OII for examining institutional, organizational, and labour market dimensions of inclusion in international comparative research.

Keywords— institutional inclusiveness, organizational culture, business ethics, ESG, labour market inclusiveness

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INTRODUCTION

Research shows that economic and broader developmental success depends primarily on the inclusiveness of political and economic institutions (Acemoglu & Robinson, 2013). Do national economies with inclusive political and economic institutions also tend to score well on labour market inclusiveness? This study sets out to build a conceptual model linking the inclusiveness of political and economic institutions to organizational culture, with the application of ethical principles treated theoretically as a possible mediating mechanism. The model is intended to help clarify the significance of business ethics as an outcome of contemporary corporate governance, and the role organizational culture plays in shaping ethical conduct within international marketing activities, sustainability, and corporate governance more broadly. It is set within a national framework that tries to account for the path of economic growth while also questioning why certain groups within society remain poor and subordinate. What actually explains the major differences in poverty and prosperity, and in patterns of national growth? Acemoglu and Robinson argue that most of the hypotheses put forward by social scientists to explain unethical behaviour simply do not hold up: the widely accepted geography hypothesis shows no direct or consistent link to climate or geography, and the culture hypothesis, which ties prosperity to religion, values, and ethical principles, fails to explain why inequalities within national borders persist so stubbornly. In their view, the extent to which people trust one another and are able to cooperate stems from the inclusiveness of institutions (Acemoglu & Robinson, 2013, p. 34).

Global inequality is often put down to ignorance in particular areas of life and work. Yet the main obstacle to adopting policies that would reduce market injustices and spur economic growth is not the ignorance of politicians and economists, but the constraints they face within their societies' political and economic institutions.

Organizational culture, then, is not primarily a product of geography, cultural history, or ignorance. Making sense of global inequality (Acemoglu & Robinson, 2013, p. 72) means understanding why some societies are organized in ways that are efficient and socially desirable, rather than searching for the cause in ignorance or a lack of culture. The explanation lies instead in the different types of state policy and social arrangement that shape economic incentives and the behaviour of everyone operating within the organizational culture of the nations concerned (Manzoor et al., 2025). Taking as its starting point the assumption that organizational culture grows out of these state policies and social arrangements, which in turn shape the values, norms, and behavioural patterns of employees and management, this study looks at how far different organizational contexts affect the implementation of ethical standards, social responsibility, and ESG activity. The theoretical chain being tested empirically runs as follows: inclusive political institutions → inclusive economic institutions → greater public participation → higher employment and less discrimination → a more inclusive labour market. Here, labour market inclusiveness is operationalized specifically with respect to people with disabilities, using the Disability Employment Gap (DEG) and its derived Labour Market Inclusiveness Index (LMII). Other indicators of labour market inclusiveness — such as employment gaps for women, older workers, or other vulnerable groups — fall outside the empirical scope of this study.

Drawing on the existing literature, the study starts from the premise that countries with more inclusive political institutions achieve higher labour market inclusiveness, measured through the employment of vulnerable groups and narrower labour market gaps. This premise was tested empirically by comparing institutional quality indicators (the Worldwide Governance Indicators) with the Disability Employment Gap across nine countries at different stages of institutional development, drawing on a sample of 30 companies. The selection of countries and

companies, together with the methodology applied, is described in detail in the Methodology section.

1.1. Theoretical Background

Wealthy nations are wealthy, for the most part, because at some point over the past three hundred years they managed to develop inclusive institutions. These institutions survived through a process of positive cycles (Acemoglu & Robinson, 2013, p. 34). Even where they were inclusive only in a limited sense at first, and sometimes fragile, they generated a dynamic that fed into a positive feedback loop, gradually increasing their own inclusiveness. Once pluralism took hold, institutions tended to grow more inclusive over time, even if that process was uneven and uncertain. Drawing on a sample of more than 170 countries, the authors show that institutional inclusiveness raises GDP per capita by roughly 20% over 25 years in the long run, and they identify mechanisms such as greater investment in education, health, and economic reform (Acemoglu et al., 2019). Earlier work has shown that institutional quality needs to be adapted to national context; Rodrik (2004) accepts that institutions matter but warns against assuming there is a single institutional model that fits every country. Dobre and colleagues (2019) studied EU member states with more inclusive versus more extractive institutional traits and concluded that institutional quality substantially alters the effects of policies aimed at reducing income inequality (Dobre et al., 2019). Existing research does not directly connect the theory of inclusive political institutions to indicators such as the Disability Employment Gap (DEG) or the Disability Unemployment Ratio (DUR) — these represent two research traditions that have largely developed in isolation from one another, one in institutional economics, the other in labour economics and disability employment policy. This paper brings the two traditions together into a single model: inclusive political institutions → inclusive economic institutions → labour market inclusiveness → employment

of people with disabilities (measured through DEG and DUR).

Including people with disabilities in education is not the final stage of social inclusion but one of its key preconditions. Inclusive education only delivers its long-term benefits once the competencies, qualifications, and social skills it produces open the way to further education, vocational training, and employment. Bringing people with disabilities into employment can be seen as one of the key end points of educational and professional inclusion, with a successful transition from education into the world of work forming an important part of post-school inclusion and the long-term social inclusion of people with disabilities (Tran, 2026; Turumova et al., 2026).

This broadens the understanding of inclusion beyond the boundaries of educational institutions. Access to education and vocational training is not, on its own, enough if people with disabilities run into institutional, organizational, or physical barriers to employment once their education is complete. The transition from education into the world of work is therefore an important link between education policy and labour market policy. Genuine inclusion means not just access to learning and to qualifications, but the chance to actually put them to use, through equal access to employment, professional development, and career progression.

The aim of the paper — grounded theoretically in research on institutional inclusiveness and tested empirically using OECD, ILO, and Eurostat data on the employment of people with disabilities — is to examine how far institutional inclusiveness is associated with labour market inclusiveness, and, through company-level research, to establish whether and to what extent indicators of inclusiveness are reflected in the employment of people with disabilities.

Organizational culture is the pattern of basic assumptions that a given group — in this case, a

nation, or a company operating within a national framework — has invented, discovered, or developed while learning to cope with problems of external adaptation and internal integration (Schein & Schein, 2017). Business ethics develops within a given organizational culture at three levels: artefacts, espoused values, and underlying assumptions. National cultures tend to differ mainly at the level of values, whereas organizational cultures tend to differ mainly at the level of practices (Hofstede et al., 1990). The institutional and national cultural environment is assumed to be linked to the features of organizational culture, which may in turn be associated with higher labour market inclusiveness (Leal Filho et al., 2024). This study treats national culture as a contextual variable that may shape the formation of organizational culture: following Hofstede, national cultures differ primarily in the values individuals hold, while organizational cultures differ in organizational practices (Hofstede et al., 1990). Hofstede's cultural dimensions are therefore used here to interpret the national cultural environment in which organizations operate, while organizational culture itself is analysed through patterns of behaviour, management, and the application of ethical principles within the organization. It is on this theoretical foundation that the concept of corporate social responsibility (CSR) has developed, growing over recent decades from a set of voluntary social activities into a strategic instrument of sustainable business. CSR is now seen as an integrated management model through which organizations try to reconcile economic goals with environmental protection, social responsibility, and the interests of various stakeholders. Carroll (1991) frames corporate social responsibility as encompassing economic, legal, ethical, and philanthropic responsibility, with all four dimensions interconnected within a single framework of responsible management. Later work has broadened the role of CSR still further, placing more weight on sustainability, transparency, and long-term value creation for all stakeholders. In today's business

environment, CSR forms an important bridge between organizational culture and the ESG approach: organizations that build a culture of trust, integrity, inclusiveness, and accountability find it easier to fold the principles of corporate social responsibility into their strategies and business processes (Porter & Kramer, 2006).

A culture of that kind also lays the groundwork for successfully implementing ESG principles, where ethical values are treated not merely as a regulatory requirement (Roy et al., 2024) but as an integral part of organizational identity and a source of lasting competitive advantage.

2. METHODOLOGY

The aim of the study was to examine the relationship between institutional inclusiveness and labour market inclusiveness, and to establish how far the quality of the institutional environment is related to the labour market inclusion of people with disabilities. The theoretical framework rests on Acemoglu and Robinson's concept of inclusive institutions together with current theories of organizational culture, business ethics, and corporate social responsibility. The empirical work drew on internationally comparable indicators of disability employment available through the OECD, ILO, and Eurostat databases, alongside primary research carried out in a selected set of companies.

The purpose of the empirical research was to establish whether institutional inclusiveness carries through to the organizational level via inclusive employment policies, and to examine how closely disability employment indicators are related to organizational culture, the application of ethical business principles, and the implementation of CSR and ESG practices.

The study brings together two levels of empirical analysis. The macro level covers indicators of a country's institutional quality (WGI-CI) and of labour market inclusiveness for people with disabilities (DEG/LMII), while the organizational level covers organizational culture, ethical culture, CSR/ESG practice,

inclusive employment policy, and the composite OII. Because companies are nested within countries, the data have a hierarchical structure.

To avoid the pseudo-replication that would result from treating a single country-level value (WGI-CI, LMII) as if it were repeated across every company — artificially inflating the number of independent observations — the relationships among the country-level indicators (WGI-CI, OII, LMII) were analysed at country level ($N = 9$), using the average OII value per country (Table 4). The relationship between organizational culture and ethical culture, which concerns individual company characteristics only, was analysed at the level of the full company sample ($N = 30$).

The quality of the institutional environment is assessed using the Worldwide Governance Indicators (WGI), developed by the World Bank. The WGI comprise six composite indicators (Kaufmann et al., 2011) that measure the quality of governance in more than 200 countries: (1) voice and accountability, (2) political stability and absence of violence, (3) government effectiveness, (4) regulatory quality, (5) rule of law, and (6) control of corruption. For the purposes of this study, a composite WGI-CI indicator was constructed as the arithmetic mean of the six WGI dimensions:

$$WGI-CI = (VA + PS + GE + RQ + RL + CC) / 6$$

where VA is Voice and Accountability, PS is Political Stability, GE is Government Effectiveness, RQ is Regulatory Quality, RL is Rule of Law, and CC is Control of Corruption. WGI-CI is not an official World Bank index but a composite indicator derived for the purposes of this study. In this paper, WGI-CI serves as an empirical proxy for the institutional conditions associated with inclusiveness.

Labour market inclusiveness is assessed using the Disability Employment Gap (DEG), the difference between the employment rate of people without disabilities and that of people with disabilities, expressed in percentage points:

$$DEG = ER1 - EROSI$$

where ER1 is the employment rate of people without disabilities and EROSI is the employment rate of people with disabilities. Lower DEG values indicate greater labour market inclusion of people with disabilities, while higher values point to a wider gap in access to employment. To make interpretation easier and keep the direction consistent with WGI-CI and OII (where a higher value means greater inclusiveness), a derived disability-related labour market inclusiveness score was created for this study, referred to from here on as the Labour Market Inclusiveness Index (LMII):

$$LMII = 100 - DEG$$

To gauge the level of organizational inclusiveness, this study develops the Organizational Inclusiveness Index (OII), an additive model that quantifies organizational inclusiveness across four complementary dimensions: P_1 — organizational culture (values, norms, and practices oriented toward inclusiveness, operationalised in part through items drawn from the Competing Values Framework, on which the Organizational Culture Assessment Instrument, OCAI, is based); P_2 — ethical culture (the degree of development of ethical principles, integrity, and responsible governance); P_3 — the application of corporate social responsibility and ESG principles (how far sustainability is embedded in business processes); and P_4 — inclusive employment policy (the employment of people with disabilities, workplace accommodation, equal opportunity in hiring and career development, and other inclusion measures). Organizational inclusiveness is calculated as:

$$OII = (P_1 + P_2 + P_3 + P_4) / 4$$

where $0 \leq P_i \leq 25$, and consequently $0 \leq OII \leq 25$. The value of each dimension is derived from five items per indicator, listed in Table 1 (20 items in total across the four dimensions), rated on a 1–5 Likert scale via desk research, survey, or interview with the person responsible for

human resources, depending on the nature of the item, so that all four dimensions carry equal weight in the overall index value. A higher OII points to a greater degree of organizational inclusiveness, a more developed ethical and organizational culture, and closer integration of

CSR, ESG, and inclusive employment policy into the company's business processes. Weighting the four dimensions equally is a simplification; alternative weighting approaches — based on factor analysis, for instance — could be applied in future research.

TABLE 1. COMPONENTS OF THE ADDITIVE MODEL AND DATA SOURCES FOR QUANTIFYING THE LEVEL OF ORGANIZATIONAL INCLUSIVENESS — OII

Indicator	Item No.	Item	Source*
P1 — Organizational culture	1.1	Employees feel safe expressing their opinions and disagreement without fear of negative consequences	A
	1.2	Communication between employees and management is open and two-way	A, I
	1.3	Different opinions, experiences, and approaches are actively encouraged and valued	A
	1.4	Management consistently demonstrates commitment to inclusive values through its own conduct	A, I
	1.5	New employees, regardless of background, quickly feel accepted and part of the team	A
P2 — Ethical culture	2.1	The organization has a formally adopted, publicly available code of ethics/conduct	D
	2.2	A safe, confidential mechanism exists for reporting unethical conduct, free of any risk of retaliation	D, I
	2.3	Ethical principles are applied consistently to all employees, regardless of hierarchical position	A

Indicator	Item No.	Item	Source*
	2.4	The organization provides regular employee training on ethical standards	I, D
	2.5	Senior management publicly advocates for and applies the organization's ethical values	I, D
P3 — Application of corporate social responsibility and ESG principles	3.1	The organization regularly publishes an ESG or sustainability report that is publicly available	D
	3.2	Defined, measurable targets (KPIs) exist for the social dimension of ESG	D
	3.3	The organization carries out concrete corporate social responsibility activities	D, I
	3.4	There is transparent reporting on the structural diversity of management and supervisory bodies	D
	3.5	ESG criteria are integrated into strategic decision-making, not confined to communication activities	I
P4 — Inclusive employment policy	4.1	The organization has a formally adopted equal-opportunity employment policy	D
	4.2	Concrete programmes exist for employing and accommodating people with disabilities in the workplace	D, I
	4.3	The candidate selection process includes mechanisms for reducing bias	I
	4.4	The organization systematically monitors	D, I

Indicator	Item No.	Item	Source*
		and reports on employee diversity indicators	
	4.5	Career-advancement and mentoring programmes are equally accessible to all groups of employees	

* Data source codes: D = desk research (publicly available data), A = survey, I = interview with HR managers.

Source: author's own compilation.

In each company, the survey and accompanying questions were completed by the person responsible for human resources. All respondents were informed in advance that the data collected would be treated as confidential and published anonymously, without identifying either the respondent or the company they represented. Desk research was carried out independently, drawing on publicly available data. The value recorded for each company therefore reflects a single respondent supplemented with desk-research data, rather than an aggregate of responses from several employees within the same company (N = 30 respondents, one per company) — a limitation of the study that is worth flagging openly. For items where two data sources were built in for triangulation, a rule of precedence was set in advance: desk research took priority whenever documented facts were involved, while survey or interview responses took priority for more perceptual items. The five-item sum for each indicator (ranging from 5 to 25) was linearly transformed onto a 0–25 scale using $P_i = [(\Sigma \text{Likert} - 5) / 20] \times 25$, which preserves the theoretical range set out in Equation (4). Missing responses at the item level were handled by substituting the mean of the remaining items within the same indicator, provided at least three of the five items had been answered; otherwise the company was excluded from the calculation of that indicator.

Organizational culture within dimension P₁ was assessed using elements of the Organizational Culture Assessment Instrument (OCAI), built

on the Competing Values Framework (CVF). A separate analysis of dominant culture types (clan, adhocracy, market, hierarchy) following the full OCAI typology falls outside the scope of this paper; it is proposed here as a direction for future research that could examine how particular culture types relate to organizational inclusiveness, business ethics, and CSR/ESG practice.

Two hypotheses were formulated for the study:

H1: The level of implementation of ethical business principles is statistically significantly associated with the characteristics of organizational culture.

H2: Higher institutional quality is statistically associated with a smaller employment gap between people with and without disabilities — that is, with a higher level of disability-related labour market inclusiveness.

The empirical research was carried out at companies in Denmark, the Netherlands, Sweden, Canada, Croatia, Russia, Turkey, Serbia, and Jordan. Countries were selected through a convenience (purposive) procedure, guided by prior research on the level of inclusiveness of political and economic institutions in each country and by the availability of disability employment data. A country was only included if data could be gathered from at least three companies operating there. In total, the research covered nine countries and 30 companies, with the country selection deliberately spanning very high, medium, and lower levels of institutional and economic development (measured by GDP

per capita, Table 2), so as to allow enough variability in the key variables to test the hypotheses. The selection of countries and companies is one of the study's main limitations, since it does not allow statistical generalisation to the broader population of countries or companies; even so, we believe it provides enough information for an initial test of the hypotheses set out above.

Data processing and analysis relied on both descriptive and inferential statistics. The reliability of the OII scale was assessed using Cronbach's alpha. Correlational analysis (Pearson's correlation coefficient) was used to establish the direction and strength of the relationship between institutional inclusiveness, organizational inclusiveness, and labour market inclusiveness at country level ($N = 9$). Simple linear regression was applied at company level ($N = 30$), with organizational culture (P_1) entered as the independent variable and ethical

culture (P_2) as the dependent variable, to test H1. Multiple linear regression was applied separately at country level ($N = 9$) to examine the combined predictive contribution of institutional inclusiveness (WGI-CI) and organizational inclusiveness (OII) to labour market inclusiveness (LMII). Given the small number of countries in the study, the country-level regression results should be read with caution, given the limited statistical power of the test.

3. RESULTS

The following results come from the empirical research conducted at 30 companies across the nine selected countries, ranked here by GDP per capita (PPP) in 2025 (Table 2). The chosen countries span very high, medium, and lower levels of economic development, giving the variability in institutional and labour market indicators needed to test the hypotheses.

TABLE 2. GDP PER CAPITA (PPP), 2025

Rank	Country	USD
1.	Denmark	≈ 86,100
2.	Netherlands	≈ 84,700
3.	Sweden	≈ 74,100
4.	Canada	≈ 66,500
5.	Croatia	≈ 47,900
6.	Russia	≈ 43,600
7.	Turkey	≈ 42,800
8.	Serbia	≈ 34,800
9.	Jordan	≈ 13,800

Source: IMF, *World Economic Outlook* (April 2026).

The quality of the institutional environment was assessed using the WGI, reported here as WGI-CI in Table 3. The underlying WGI values refer to 2024 and are expressed on a scale running roughly from -2.5 to $+2.5$, where a higher value denotes better governance. WGI-CI was calculated as the arithmetic mean of the six WGI dimensions (Equation 1).

TABLE 3. COMPOSITE INSTITUTIONAL INCLUSIVENESS INDEX (WGI-CI), 2024

Rank	Country	WGI-CI
1.	Denmark	1.80
2.	Netherlands	1.58
3.	Sweden	1.53
4.	Canada	1.39
5.	Croatia	0.46
6.	Russia	-0.02
7.	Turkey	-0.20
8.	Serbia	-0.62
9.	Jordan	-0.96

Source: World Bank, *Worldwide Governance Indicators*.

Table 3 shows that the country ranking by WGI-CI closely tracks the ranking by GDP per capita (Table 2).

Organizational inclusiveness was measured with the composite OII (Equation 4) across the 30 companies, at least three per country. Table 4 reports the average OII value for each country.

TABLE 4. COMPOSITE ORGANIZATIONAL INCLUSIVENESS INDICATOR (OII)

Country	OII ($\bar{x}$, 0–25)	Number of Companies
Denmark	20.75	3
Netherlands	18.58	3
Sweden	19.44	4
Canada	22.17	3
Croatia	16.81	4
Russia	17.92	3
Turkey	15.50	3
Serbia	10.94	4
Jordan	12.50	3

Source: author's own research; composite OII index, country average based on a sample of at least three companies.

Scale reliability was assessed using Cronbach's alpha. The Organizational Inclusiveness Index,

made up of the four dimensions described above (organizational culture, ethical culture,

CSR/ESG implementation, and inclusive employment policy), achieved a Cronbach's α of 0.923, indicating high internal consistency among the included dimensions and confirming that they reliably measure a shared underlying construct of organizational inclusiveness.

Labour market inclusiveness is expressed through the Disability Employment Gap (DEG, Equation 2) and the derived Labour Market Inclusiveness Index (LMII, Equation 3), where a higher LMII value denotes greater labour market inclusiveness (Table 5).

TABLE 5. LABOUR MARKET INCLUSIVENESS (LMII)

Country	Year	DEG	LMII	Source
Denmark	2023	28.70	71.30	OECD
Netherlands	2023	23.80	76.20	OECD
Sweden	2023	23.70	76.30	OECD
Canada	2022	16.00	84.00	National
Croatia	2023	42.20	57.80	OECD
Russia	2021	32.70	67.30	Estimate
Turkey	2022	24.20	75.80	Estimate
Serbia	-	41.30	58.70	Estimate
Jordan	2017	18.50	81.50	Estimate

Sources: OECD — figures based on EU Statistics on Income and Living Conditions (EU-SILC), 2023; Canada — Statistics Canada, Canadian Survey on Disability, 2022; Russia — estimate based on World Bank data showing 26.3% employment among people with disabilities in 2021 against an overall employment rate of 59.024% for ages 15+ in 2021; Turkey — estimate from a secondary source (dergipark.org.tr): 50.8% employment among people with disabilities versus 75% among people without disabilities; Serbia — estimate based on data from the Statistical Office of the Republic of Serbia; Jordan — estimate based on sex-disaggregated data (bi.org); the overall DEG figure was not directly available.

The data used in the study come mainly from official international sources (OECD, the World Bank, and Statistics Canada). For EU member states, OECD figures based on the 2023 EU-SILC survey were used, while official 2022 Statistics Canada data were used for Canada. For

Russia, Turkey, Serbia, and Jordan, in the absence of internationally comparable DEG indicators, the values shown are estimates drawn from available national statistical sources or international institutions. Because these estimates rest on different methodological approaches and different reference years (2017–2023), they are not fully comparable with the harmonised OECD/EU-SILC data used for the other five countries — an important limitation when interpreting the LMII results (see the Limitations subsection in the Conclusion).

Since WGI-CI and LMII are country-level characteristics while OII varies at company level, the correlational and regression analyses of the relationships among these indicators were carried out at country level ($N = 9$), using the country-average OII values from Table 4 (see the Methodology section).

Pearson correlation analysis revealed a strong, statistically significant positive relationship between institutional inclusiveness (WGI-CI) and average organizational inclusiveness (OII) at country level ($r = 0.888$; $p = 0.001$; $N = 9$), suggesting that companies operating in countries with a better institutional environment tend, on average, to reach higher levels of organizational inclusiveness. The relationship between organizational inclusiveness (OII) and labour market inclusiveness (LMII) was positive but modest and not statistically significant ($r = 0.391$; $p = 0.298$; $N = 9$). The relationship between institutional inclusiveness (WGI-CI) and labour market inclusiveness (LMII) was likewise positive, though weaker still and again not statistically significant ($r = 0.258$; $p = 0.503$; $N = 9$).

Simple linear regression at company level ($N = 30$) showed a statistically significant positive relationship between organizational culture (P_1) and ethical culture (P_2). The regression model was statistically significant, $F(1, 28) = 41.107$, $p < 0.001$, and accounted for 59.5% of the variance in ethical culture ($R^2 = 0.595$; adjusted $R^2 = 0.580$). Organizational culture was a statistically significant positive predictor of ethical culture ($B = 0.650$; $SE = 0.101$; $\beta = 0.771$; $t(28) = 6.411$; $p < 0.001$; 95% CI [0.443, 0.858]). These results support H1: a higher level of organizational culture is statistically significantly associated with a higher level of implementation of ethical business principles.

The country-level model ($N = 9$) testing the combined predictive contribution of institutional inclusiveness (WGI-CI) and organizational inclusiveness (OII) to labour market inclusiveness (LMII) was not statistically significant ($R^2 = 0.190$; $F(2, 6) = 0.705$; $p = 0.531$), and H2 was therefore not empirically confirmed in this sample.

The country-level correlation and regression results need to be read with real caution. A sample of nine countries offers very limited statistical power for detecting a relationship of moderate strength — a correlation on the order

of $r \approx 0.39$, of the kind found between OII and LMII, would need a considerably larger number of countries to reach the conventional 5% significance threshold. H2 can only be regarded as having been tested in an exploratory sense, and the regression results should be treated as preliminary. The findings therefore do not support the conclusion that no relationship exists between organizational inclusiveness and labour market inclusiveness — only that none was confirmed within this small sample.

4. DISCUSSION

The findings can also be read against the broader backdrop of the transition from educational and professional inclusion toward labour market inclusion. Cross-country differences in the Disability Employment Gap do not reflect labour market characteristics alone; they may also be tied to how well the whole system works in moving people with disabilities from education and vocational training into employment. A high level of institutional and organizational inclusiveness can create more favourable conditions for that transition, whereas weaker links between education, rehabilitation, and employment policy can limit what inclusive education achieves once schooling ends.

Seen this way, organizational employment policy, workplace accommodation, bias reduction in candidate selection, and career-development opportunities are simply a continuation of the inclusion process that begins in the education system. Labour market inclusiveness can then be read as a meaningful indicator of what earlier educational and professional interventions actually achieve in practice. That framing matters particularly for research into the relationship between institutional quality, organizational culture, and the employment of people with disabilities, because it lets inclusion be treated as one continuous process rather than a set of separate education and employment policies.

Croatia posts a WGI-CI of 0.46, well below the developed Western European countries in the sample, and the lowest LMII among the EU member states covered by the study (57.8). Its average OII (16.81) is likewise below the sample mean, which fits the picture painted by an OECD report on Croatia (OECD, 2026): only around 23% of people with disabilities were employed in 2023 — one of the lowest rates among OECD countries — and the disability employment gap in Croatia runs above 40 percentage points, among the highest in Europe. The same report notes that roughly a third of people with disabilities in Croatia live in low-income households, well above the European average, and that educational attainment for this group remains low and has not improved since 2015. Despite recent reforms — a strengthened vocational rehabilitation system, employment quotas, and a single disability-assessment body — the report finds that disability assessment is still fragmented and largely medical in orientation, and it calls for a more comprehensive approach built around prevention and early intervention (OECD, 2026). The findings of this study — a low WGI-CI, a low LMII, and a below-average OII — line up with that picture and suggest that Croatia's institutional, labour market, and organizational inclusiveness all lag behind comparable European countries.

The comparative picture across the other countries partly matches what the country-level correlation analysis would predict. Denmark records the highest institutional inclusiveness in the sample (WGI-CI = 1.80), alongside high labour market inclusiveness (LMII = 71.3) and a relatively well-developed organizational inclusiveness (OII = 20.75). The Netherlands shows a very high WGI-CI (1.58) and one of the highest LMII scores (76.2), together with a high OII (18.58). Sweden combines very high institutional inclusiveness (WGI-CI = 1.53) with a high LMII (76.3) and a high OII (19.44). Canada achieves a very high WGI-CI (1.39), the highest LMII in the sample (84.0), and the highest average OII (22.17); because the

Canadian LMII figure comes from a different official source (Statistics Canada), direct comparison with the European countries calls for some caution. Russia shows low institutional inclusiveness (WGI-CI = -0.02) alongside a moderately estimated LMII (67.3); its organizational inclusiveness (OII = 17.92) is higher than the institutional indicators would predict, which may point to variation in organizational practice within the sample or simply reflect the small number of companies per country. Turkey posts a negative WGI-CI (-0.20) alongside a relatively high estimated LMII (75.8), while its average OII (15.50) sits below the sample mean — these figures should be read cautiously, since the LMII value rests on an estimate. Serbia has a low WGI-CI (-0.62), a low LMII (58.7), and the lowest OII in the sample (10.94), with all three indicators pointing consistently to lower institutional, market, and organizational inclusiveness. Jordan records the lowest WGI-CI in the sample (-0.96), yet its estimated LMII (81.5) comes in higher than one would expect, while its OII is comparatively low (12.50) — this mismatch may reflect methodological differences in national labour market statistics or particular features of how disability employment is measured there, so the Jordanian figures call for special caution in interpretation.

Overall, the comparative analysis suggests that the institutional environment (WGI-CI) tracks organizational inclusiveness (OII) fairly consistently — a pattern borne out by the strong sample-level correlation ($r = 0.888$) — while the relationship of WGI-CI and OII with labour market inclusiveness (LMII) is less consistent, with several countries (Jordan and Turkey, in particular) departing from the expected pattern. This fits with the finding that neither OII nor WGI-CI reached statistical significance in its relationship with LMII in this sample.

4.1. Limitations of the Study

The study has several limitations. The sample of 30 companies across nine countries cannot be

considered representative of national economies; countries and companies were selected through a convenience rather than a random procedure, guided by data availability and prior evidence on institutional inclusiveness. Because of the nested structure of the data (companies within countries), relationships among the country-level indicators were analysed at country level ($N = 9$), which reduced statistical power compared with a company-level analysis; formal multilevel (hierarchical) modelling, which would have allowed both levels to be analysed simultaneously, was not carried out, given the small number of countries involved. LMII values for four of the nine countries (Russia, Turkey, Serbia, Jordan) were derived from estimates based on different national sources and different reference years (2017–2022), so they are not fully comparable with the harmonised OECD/EU-SILC data available for the remaining five. DEG for EU countries depends on a survey-based definition of disability and self-reported activity limitation, so it is not the only relevant OECD indicator; future work should also draw on the adjusted Disability Employment Gap, which multiplies the employment gap by disability prevalence and is interpreted as the share of the working-age population not working because of disability. Organizational culture, moreover, was measured in this study through items drawn from the OCAI/CVF framework within the P_1 dimension of the OII; a separate analysis of dominant culture types under the full OCAI typology was not carried out and remains a direction for future work. Finally, the cross-sectional design of the study rules out causal conclusions about the direction of the relationships among the constructs examined.

Future research should expand both the number of companies and the number of countries analysed, drawing on harmonised international labour market datasets wherever possible. A larger set of countries would make it possible to apply formal multilevel (hierarchical linear) modelling and structural equation modelling

(SEM) to assess measurement and structural relationships among institutional inclusiveness, organizational culture, ethical culture, CSR/ESG implementation, and labour market inclusiveness simultaneously — including tests of mediation, moderation, and model invariance across groups of countries (MGA-SEM). Such an approach would give a fuller picture of the mechanisms through which institutional inclusiveness might be linked to organizational behaviour and labour market outcomes. The OII, for its part, is a reliable composite indicator at this preliminary stage of development, though its factorial and construct validity still needs to be confirmed on a larger sample.

Notwithstanding these limitations, the study demonstrates that macro-level institutional indicators can feasibly be combined with meso-level organizational measures and labour market outcomes within a single analytical framework, provided the levels of analysis are kept methodologically transparent and properly separated — a step that is essential for interpreting this kind of data reliably.

5. CONCLUSION

This paper contributes to bringing together institutional economics, organizational culture, and labour market inclusiveness by proposing a multilevel conceptual framework that links institutional inclusiveness, organizational inclusiveness, and labour market outcomes. Building on the theoretical foundations laid by Acemoglu and Robinson, the study extends existing research by asking whether inclusive political and economic institutions show up not only in macroeconomic outcomes but also in organizational practice and in the labour market inclusion of people with disabilities.

The empirical analysis, carried out at 30 companies, confirmed a statistically significant positive relationship between organizational culture and ethical culture. Organizational culture was a significant predictor of ethical culture ($B = 0.650$; $\beta = 0.771$; $p < 0.001$), with the model explaining 59.5% of the variance in

ethical culture ($R^2 = 0.595$), lending empirical support to H1. At country level, a strong positive relationship was found between institutional inclusiveness (WGI-CI) and average organizational inclusiveness (OII) ($r = 0.888$; $p = 0.001$), indicating that a more favourable institutional environment goes together with a higher average level of organizational inclusiveness.

The second hypothesis, which links institutional inclusiveness directly to labour market inclusiveness, was not confirmed in this sample: neither the direct WGI-CI–LMII relationship ($r = 0.258$; $p = 0.503$), nor the OII–LMII relationship ($r = 0.391$; $p = 0.298$), nor the combined regression model ($R^2 = 0.190$; $p = 0.531$) reached statistical significance. This should be read with caution, given the small number of countries analysed ($N = 9$) and the correspondingly limited statistical power, rather than as evidence that no relationship exists between institutional, organizational, and labour market inclusiveness. The results do not support

the conclusion that the relationship between institutional inclusiveness and labour market inclusiveness is indirect or mediated by organizational factors. Such a conclusion would require a statistically significant mediation effect. Based on the present data, it is not possible to determine reliably whether the relationship is direct, mediated, or absent. A larger sample of countries would be needed to examine this relationship more robustly.

The study's contribution lies in developing the Organizational Inclusiveness Index (OII) as a composite indicator that brings organizational culture, ethical culture, CSR/ESG implementation, and inclusive employment policy together within a single analytical framework. The instrument's high internal consistency (Cronbach's $\alpha = 0.923$) suggests that the proposed index is a reliable measure of organizational inclusiveness and offers a useful basis for future comparative research across different institutional settings.

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8. AUTHOR DECLARATION

The author confirms that this manuscript is an original work, has not been published previously, and is not currently under consideration for publication elsewhere. The author declares that there are no conflicts of interest related to the research, authorship, or publication of this article.

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