

Original Article

# The Role of HRM in Promoting Diversity, Equity, and Inclusion (DEI) in the Workplace

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## Abstract

This research aims to look at the connections between organisational performance, diversity, and human resource management (HRM) practices in Pakistan. The study investigates three specific hypotheses regarding employee retention and turnover rates concerning diversity, equity, and inclusion (DEI) initiatives, gender and HRM practice supporting DEI, and the effect of HRM's dedication to DEI on organizational performance and competitive advantage. The research used quantitative methodology by analysis of survey data. According to the results of the mediation analysis, there is a substantial link between gender and HRM strategies that promote equality, diversity, and inclusion. However, employee turnover and retention rates are not significantly correlated with the success of DEI efforts. The dedication of HRM to diversity, equality, and inclusion has an overall appreciable beneficial effect on organisational performance. These results have significant management repercussions, highlighting the need for gender-sensitive HRM practices, ongoing assessment of DEI programmes, integrating DEI efforts with overall organisational strategy, and establishing a supportive and inclusive workplace. The research adds to the body of knowledge on HRM and diversity in the Pakistani context and offers practitioners advice on how to improve organisational performance and diversity.

**Keywords:** Diversity, Equity, Inclusion, HRM, Organizational Performance, Employee Satisfaction

## INTRODUCTION

DEI (diversity, equality, and inclusion) promotion in the workplace has become a crucial topic of concern for HRM professionals throughout the globe. Pakistan needs effective ways to create a fair and inclusive workplace since it is a developing nation with a diversified workforce. With information gleaned from pertinent research publications that emphasise the importance of HRM practises in this area, this study intends to investigate the function of HRM in fostering DEI in the Pakistani workplace.

While many studies like (Zhang et al., 2021) examined DEI activities in the education sector, few directly addressed Pakistan's corporate environment. Research is thus required to take into account the particular cultural, institutional, and legal elements that have an impact on DEI practises in Pakistani organisations. In addition, rather than offering particular techniques appropriate for the Pakistani context, the literature generally focuses on generic concepts and procedures for creating an inclusive diversity culture (Kaliannan et al., 2023). Igboanugo et al. (2022) suggest the paradigm for an inclusive workplace culture is not unique to the Pakistani environment. Effective HRM practises in Pakistan depend on understanding the connections between workplace culture, DEI efforts, and their effects on employee experiences and organisational results. Additionally, according to (Storm et al., 2023), the current literature often ignores the idea of workplace innovation and its possible link to DEI practices. Organisations may establish a work environment that supports social innovation and social quality by merging workplace innovation and DEI projects. Insights into the possible synergies and reciprocal reinforcement of these ideas might be gained by investigating the junction of workplace innovation, DEI, and social quality in the Pakistani setting.

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The study goals listed below were created using the previously mentioned research questions:

- To examine the relationship between HRM promoting DEI and employee satisfaction.
- To investigate the relationship between HRM promoting DEI and organizational performance.
- To explore the impact of employee satisfaction on organizational performance.
- To assess the mediating role of employee satisfaction in the relationship between HRM promoting DEI and organizational performance.

## 1. LITERATURE REVIEW

This section analyses prior material and develops theories. In this work, a methodical technique has been used to search academic databases and electronic library databases for relevant material. The literature review chapter provides an in-depth analysis and synthesis of the available studies on the function of human resource management (HRM) in fostering diversity, equality, and inclusion (DEI) at work.

### HRM and Diversity

An essential component of efficient human resource management (HRM) procedures is the promotion of diversity at work. Diversity refers to the inclusion of people from different backgrounds, including those related to race, ethnicity, gender, age, religion, and sexual orientation (Sousa & Ramos, 2019). This allows for the introduction of a variety of perspectives, life experiences, and personality qualities into an organisation (Azevedo et al., 2021). Through a variety of tactics and programmes, HRM is crucial to recruiting, selecting, and keeping a diverse workforce. The recruiting and selection process is a crucial area where HRM can support diversity. According to research, HR managers should use a variety of sourcing strategies to find competent candidates, including partnerships with minority organisations and educational institutions. Blind hiring practices may also lessen prejudice throughout the selection process since they anonymize applicant information to lessen unconscious biases (Joshi et al., 2015). Another method HRM may promote diversity is via inclusive talent management techniques. This entails giving people from all backgrounds access to equitable possibilities for professional development. By establishing fair and open performance management practices that enable each employee to demonstrate their skills and grow within the company, HRM can guarantee that all employees have equal access to chances (Joshi et al., 2015).

Promoting diversity also requires fostering an inclusive workplace culture, and HRM is crucial in establishing this culture (Kusku et al., 2022). Clear anti-discrimination policies and equal opportunity practise should be established and communicated by HRM, with a focus on zero tolerance for any kind of prejudice. The management of discriminatory situations should be included in these rules, which should also be reevaluated and modified regularly to reflect changing diversity, equality, and inclusion (DEI) standards. HRM may also affect organisational culture by putting in place training and development programmes that improve staff members' cultural sensitivity, awareness, and competence (Wood, 2021). Particularly inclusive leadership development programmes provide managers with the know-how and abilities to promote an inclusive workplace where each person's contributions are acknowledged and respected (Joshi et al., 2015).

### HRM and Equity

Human resource management (HRM) practises may successfully promote equity in the workplace as a basic component. Regardless of an employee's characteristics or history, HRM is essential in assuring fair treatment, equal opportunity, and the correction of disparities (Omidi et al., 2023). HRM may actively assist equality in several crucial areas, including the recruiting and selection processes. HR professionals should design impartial hiring procedures to provide a fair opportunity for all candidates. To reduce prejudice and improve fairness in the selection process, (De Alwis et al., 2022) stress the significance of utilising standardised criteria and blind recruitment practices, where applicant information that may identify their identity is eliminated.

HRM may promote equality in addition to hiring by putting in place fair and open performance management processes. This entails establishing universally relevant, unbiased performance criteria (Al Doghan et al., 2019). There should be regular, objective performance appraisals, open lines of communication, and feedback systems in place. To lessen the impact of biases in the assessment process, managers should debate and analyse performance evaluations during calibration meetings. HRM should

create policies and processes that provide equitable possibilities for career advancement to promote equality (Ugarte & Rubery, 2021). All workers should have access to training, mentoring, and professional development opportunities. This guarantees that people from all backgrounds have the opportunity to advance in the organisation and develop their abilities, therefore bridging the gap between various employee groups (Zulmi et al., 2021).

HRM also help equality by putting in place practises and policies that promote work-life balance and address a range of demands. To do this, flexible work schedules, parental leave policies, and accommodations for workers with disabilities must be put into place. HRM may promote a more equitable work environment by acknowledging and resolving each employee's unique difficulties and situations (Podgorodnichenko et al., 2022). HRM activities may support an egalitarian workplace culture. HRM should create and promote clear anti-discrimination and equal opportunity policies. Any type of discrimination or harassment should be treated with zero tolerance, and this policy should be vigorously promoted. By increasing awareness and fostering understanding among workers, regular training sessions on unconscious bias, inclusion, and diversity may also help to create a more fair work environment (Oosthuizen et al., 2019).

### **HRM and Inclusion**

One of the main goals of human resource management (HRM) practises is inclusion in the workplace. To foster an atmosphere where everyone feels appreciated, respected, and empowered to share their thoughts and abilities, HRM is crucial. Various HRM practices and activities that enhance diversity and employee engagement underpin this inclusion (Henao et al., 2021). HRM can support inclusion throughout the hiring and selection process. HR professionals may build a wide talent pipeline by putting practices in place that draw in a varied pool of applicants. Collaborating with minority organisations and educational institutions may assist HRM access a greater variety of competent candidates (Fletcher & Beauregard, 2022). Additionally, by using blind recruiting procedures that exclude all identifying information from applicants, HRM may guarantee a transparent, fair, and bias-free hiring process (Brookhart et al., 2016). HRM may also promote inclusiveness through training and development programmes that improve staff members' understanding, empathy, and cultural competency (Umeh et al., 2023). Through these initiatives, people from different origins are encouraged to be tolerant of one another, prejudice is lessened, and a feeling of community is fostered. (Bhatti et al., 2019) emphasises the value of training initiatives in giving staff members the knowledge and abilities they need to react appropriately in emergencies. According to (Mostafa et al., 2015), interactive exercises and discussion-based diversity training may have a good impact on workers' attitudes and behaviour towards diversity. HRM should also provide leadership development programmes that emphasise the importance of inclusive leadership and give managers the information and abilities they need to foster an inclusive workplace (Alshar & Shivalini, 2022).

HRM may further encourage inclusiveness by putting in place procedures and policies that cater to the various demands of workers (Harney & Collings, 2021). To facilitate work-life balance and unique situations, this involves providing flexible work arrangements, such as remote work choices or flexible scheduling. It is essential to provide accommodations for workers with disabilities to guarantee equal access and opportunity for everyone (Prund, 2021). The HRM may assist employee resource groups (ERGs), which can contribute significantly to encouraging inclusiveness. Underrepresented workers may interact, exchange experiences, and support the company's DEI activities via ERGs, which are voluntary, employee-led organisations. ERGs should be given more attention, be given more resources, and be included in decision-making processes. According to (Mostafa et al., 2015), these groups may improve employee engagement, aid in the acquisition and retention of diverse talent, and provide invaluable advice to HRM on matters about diversity and inclusion.

### **Theoretical Review**

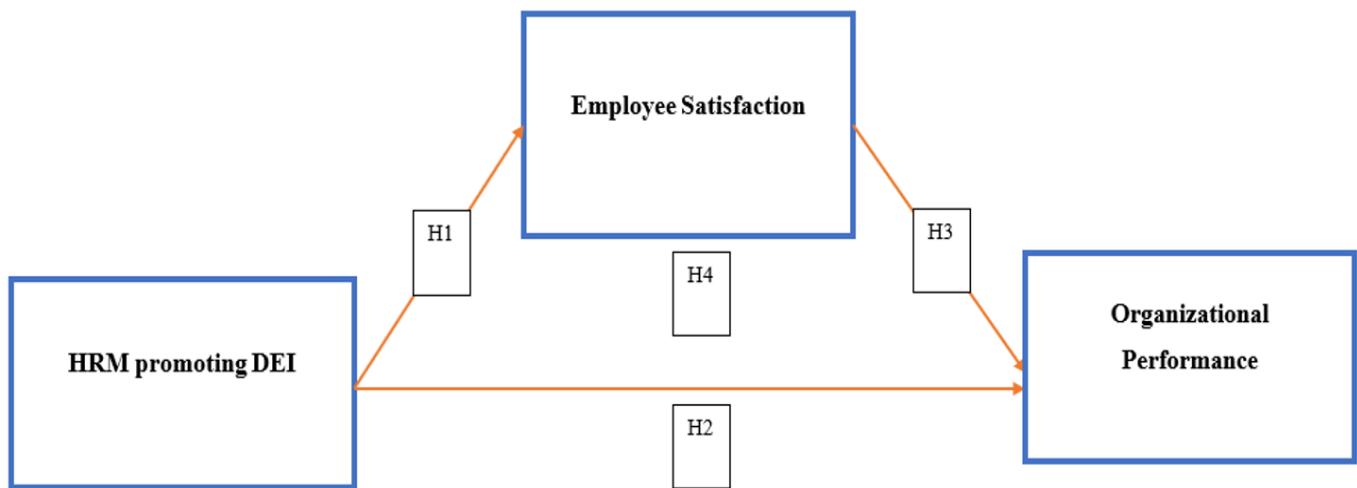
Several theories that give a theoretical framework for comprehending the mechanisms via which HRM practises impact DEI outcomes support the role of human resource management (HRM) in promoting diversity, equality, and inclusion (DEI) in the workplace. Two important ideas that provide support for this field of research are the Social Identity Theory and the Resource-Based View (Keegan & Hartog, 2019).

A useful foundation for comprehending how HRM practises affect employees' social identities and their support for inclusion and diversity in the workplace is provided by the social identity theory (Scheepers & Ellemers, 2019). To preserve a good social identity, which is directly related to their self-esteem and

general well-being, people attempt to favourably separate their in-group from out-groups, according to this idea (Davis et al., 2019). By encouraging an inclusive workplace that celebrates and promotes various identities, HRM practices play a critical role in forming social identities at work (Bochatay et al., 2019). Additionally, the Social Identity Theory emphasises the value of HRM procedures in enhancing staff members' willingness to oppose discriminatory actions. Employer social identities may become more prominent in the workplace when diversity and inclusion are prioritised in HRM practices, creating a feeling of shared responsibility for furthering diversity, equality, and inclusion. When workers strongly identify with their workgroup and believe that HRM practices support their social identities, they are more likely to encounter discriminatory practices (Jansen & Delahajj, 2020).

A strategic management paradigm known as the Resource-Based Theory (RBT) emphasises the importance of an organization's resources and skills in gaining a competitive edge. The Resource-Based Theory specifically gives helpful insights into how HRM practises and initiatives may serve as beneficial resources that support the organization's DEI goals in the context of HRM's role in encouraging DEI in the workplace (Craig et al., 2023). To coordinate equal employment opportunities and advance DEI, HRM practices that are formalised and organised, according to (Barney et al., 2021) are essential. These procedures provide a framework for putting into action DEI activities including mentoring programmes, diversity training efforts, and inclusive leadership development. Employment equality policies and HRM practices affected hiring choices, (Stoelhorst, 2023). This suggests that HRM practices have the power to change the workforce's demographics and improve DEI results. The Resource-Based Theory places a strong emphasis on how HRM practises may aid in the development of organisational capabilities that support DEI goals (Zhang et al., 2016). HRM practices that emphasise diversity training, mentoring, and inclusive leadership development have a positive impact on employees' attitudes, behaviours, and performance in support of diversity and inclusion within the organisation by enhancing their competence in DEI-related areas (Wimalasiri, 2022).

## Hypothesis Development



**Figure II - Theoretical Framework**

H1: The promotion of Diversity, Equity, and Inclusion (DEI) by HRM has a positive impact on employee satisfaction.

H2: The promotion of Diversity, Equity, and Inclusion (DEI) by HRM has a positive impact on organizational performance.

H3: Employee satisfaction has a positive impact on organizational performance.

H4: Employee satisfaction plays a mediating role in the relationship between HRM promoting DEI and organizational performance.

## 2. METHODOLOGY

The methods used to explore the theories around HRM practices that support diversity, equality, and inclusion and their effects on employee happiness, engagement, retention, turnover, organisational

performance, and competitive advantage are presented in this section.

### Research Framework

The research framework for this study was built on the theoretical foundations of HRM practice, diversity, equality, and inclusion, and their impact on various organisational outcomes. The framework makes use of studies by (Keating, 2022; Shi et al., 2020; Treiblmaier & Sillaber, 2021) that provide insightful information on the connection between HRM procedures and organisational performance. Incorporating ideas from the above studies the research approach for this study is primary research which emphasises the importance of HRM practices, in influencing different organisational outcomes.

### Research Philosophy

The study's goal of examining the effects of HRM practises supporting diversity, equality, and inclusion on employee happiness, engagement, retention, turnover rates, organisational performance, and competitive advantage is aligned with the research methodology, which is interpretivism-based. According to (Gannon et al., 2022) interpretative research philosophy seeks to comprehend social processes via unique, subjective interpretations and meanings. This technique aims to identify distinct employee perspectives, interpretations, and assessments of the connections between HRM practices and various organisational outcomes.

### Research Approach

To examine the connections between human resource management (HRM) practises that support diversity, equality, and inclusion and different organisational outcomes, a quantitative research technique was used in this study. To test hypotheses and derive statistical conclusions, the process involves acquiring and analysing numerical data (Stainback et al., 2016). A Likert scale questionnaire was used to gather primary data. Likert scales are often used in survey research to evaluate the attitudes, perceptions, and opinions of respondents by offering a variety of pre-prepared response options. The questionnaire included questions on competitive advantage, organisational performance, employee satisfaction, engagement, retention, turnover, and HRM practices that encourage diversity, equality, and inclusion.

### Research Design

A correlational research technique was used to examine the effects of HRM practices fostering diversity, equality, and inclusion on employee satisfaction, engagement, retention, turnover rates, organisational performance, and competitive advantage. Without changing the actual working environment, this study approach enabled the investigation of correlations and connections between variables (Aust et al., 2020). Participants' opinions of HRM practises, employee satisfaction, engagement, retention, turnover rates, organisational performance, and competitive advantage were evaluated using a Likert scale questionnaire (Zhang et al., 2016). The survey's numerical measures made it easier to quantify participant replies, which then allowed for statistical analysis (Wood, 2021).

### Population and Sampling

Employees from various firms across industries who work for Pakistani organisations and have taken part in diversity, equality, and inclusion programmes make up the population for this study. People from different organisational levels within these organisations are included in the target population. A stratified random sampling strategy was used to guarantee a representative sample from the target population (Zhang et al., 2020). 150 workers from different Pakistani companies made up the sample size for the aforementioned research. These workers received the questionnaire, which was intended to elicit their replies and insights. Nevertheless, 21 out of the 150 workers chose not to complete the survey, yielding a response percentage of 79.3%. In the end, 119 full replies were submitted by volunteers who were willing to take part in the research. These replies served as the basis for data analysis and the development of study hypotheses.

### Operationalization and Variable Measurement

A Likert scale survey was created to evaluate the study's factors. Three parts, one for each of the three hypotheses, made up the questionnaire. A 5-point Likert scale was used to gauge the participants' degree of agreement with a series of statements (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree). The questions in the survey were created to gauge important factors including employee happiness, engagement, retention, turnover rates, organisational performance, and

competitive advantage as well as HRM practices that support diversity, equality, and inclusion. The Likert scale questionnaire for Hypothesis 1 asked respondents to rate statements like "HRM practices in my organisation promote diversity, equity, and inclusion" and "I feel engaged and motivated to perform well due to the diversity and inclusion efforts of HRM." The operationalization of the variables has been provided in the appendix.

It included claims like "My organisation has effective diversity, equity, and inclusion (DEI) initiatives implemented by HRM" and "The HRM efforts to create an inclusive work environment reduce turnover rates." Hypothesis 2 examined the relationship between effective DEI initiatives and employee retention and reduced turnover rates. Statements like "The HRM's commitment to diversity, equity, and inclusion is evident in my organisation" and "I believe that the organization's commitment to diversity, equity, and inclusion positively impacts its overall performance" were included to test Hypothesis 3 and 4, which focused on the impact of HRM's commitment to diversity, equity, and inclusion on organisational performance and competitive advantage.

Using SPSS, descriptive and inferential statistical analyses of the acquired data were performed. The demographic data and survey answers were compiled into descriptive statistics using frequencies, percentages, means, and standard deviations.

Inferential studies, such as correlation analysis and multiple regression analysis, were carried out to assess the hypotheses. Correlation analysis was used to investigate the connections between employee happiness, engagement, retention, turnover rates, organisational performance, and competitive advantage with HRM practices promoting diversity, equality, and inclusion. While accounting for any confounding factors, multiple regression analysis was used to establish how well HRM practices predict these organisational outcomes. To guarantee participant anonymity, voluntary participation, informed consent, and data protection, this research adhered to ethical standards.

### Limitations

Although the study's validity and reliability were improved, there are still several shortcomings that must be noted. First, the study's cross-sectional design makes it difficult to establish causal links. Future studies using longitudinal or experimental approaches may provide stronger proof. Furthermore, the research used self-reported data, which might be biased by responses. Third, only organisations that have undertaken diversity, equality, and inclusion programmes may be able to generalise the results. To improve external validity, future studies might include a wider spectrum of organisations.

### Analysis, Findings & Discussions

The study's results on how HRM may support diversity, equality, and inclusion (DEI) at work are presented, examined, and put to a test of validity in this section.

**Table 2**

Descriptive Statistics of the Demographic Data

Gender of the Employees		Age of the Employees		Education of the employees		Experience in the organization		Designation of the Employees	
	Percent		Percent		Percent		Percent		Percent
Male	63.9	20 or less	23.5	Bachelors	43.7	Less than 1 year	30.3	Internee	28.6
Female	31.9	21-40	60.5	Masters	31.9	1-4 years	26.9	Supervisor	37.0
Prefer not to say	4.2	41-60	13.4	M.Phil	18.5	5-7 years	6.7	General Manager	10.9
		Above 60	2.5	Ph.D	5.9	8-10 years	31.1	Manager	18.5
						More than 10 years	5.0	Head of Department	5.0
Total	100.0		100.0		100.0		100.0		100.0

119 people filled out the questionnaire, and the results in Table 2 showed a varied demographic profile. Gender-wise, 31.9% of respondents identified as women, 63.9% as males, and 4.2% did not reveal. 60.5% of the participants were between the ages of 21 and 40, while 23.5% were 20 years of age or younger, suggesting a sizable proportion of younger individuals. In terms of education, 43.7% of the population possessed a bachelor's degree, 31.9% a master's degree, 18.5% an M.Phil. degree, and 5.9% a PhD. Since most of them had bachelor's or master's degrees, it is important to take educational backgrounds into account while evaluating replies.

In terms of experience levels, the distribution of experience throughout the organisation is shown by the numbers 30.3% and 31.1%, respectively, having less than a year and 8–10 years of experience. There was variation in job titles: 18.5% were managers, 28.6% were interns, and 37.0% were supervisors. When examining the connection between HRM practices and employee outcomes, it is essential to acknowledge the variety of job roles.

**Table 3**

Skewness and Kurtosis

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
HRM_Promoting_DEI	119	3.8193	.55966	-.829	.222	1.534	.440
Employee_Satisfaction	119	3.9317	.48241	-.755	.222	1.727	.440
Organizational_Performance	119	3.8971	.49190	-.774	.222	1.624	.440
Valid N (listwise)	119						

- The skewness score is -.829, with a standard error of .222, for HRM promoting DEI, which examines the connection between employee happiness and engagement and HRM practices that promote diversity, equality, and inclusion. Kurtosis is 1.534 with a .440 standard deviation.
- The second variable looks at how well-executed DEI activities by HRM affects satisfaction. This variable has a skewness score of -.755 and a standard deviation of .222. Kurtosis is 1.727 with a .440 standard deviation.
- The third element in the table above examines the beneficial effects of HRM's dedication to inclusion, equality, and diversity on organisational success. This variable has a skewness value of -.774 and a standard error of .222. Kurtosis is 1.624 with a .440 standard deviation.

**Table 4**

Reliability Tests

Reliability Statistics	
Cronbach's Alpha	N of Items
.887	24

The Likert scale questionnaire items' internal consistency or reliability is shown by the reliability statistics for each hypothesis. The Cronbach's Alpha coefficient for this study is 0.887, which is regarded as being fairly high. The scale in this instance has 24 items on it. The items used to assess the construct of DEI have a good degree of internal consistency, according to Cronbach's Alpha rating of 0.887. This implies that the scale's components are closely connected and consistently gauge the fundamental idea of DEI. It suggests that the scale is accurate and has repeatable outcomes when determining how HRM contributes to DEI.

**Table 5**

Correlations of the Variables

		Correlations							
		Gender	Age	Education	Experience	Designation	HRM_Promoting DEI	Employee_Satisfaction	Organizational Performance
Spearman's rho	Gender	1.000							
	Age	-.418**	1.000						
	Education	-.093	.426**	1.000					
	Experience	.356**	-.257**	.200*	1.000				
	Designation	-.450**	.650**	.383*	-.233*	1.000			
	HRM_Promoting DEI	-.099	.010	-.042	.178	.157	1.000		
	Employee_Satisfaction	-.042	.042	.077	.147	.225*	.523**	1.000	
	Organizational_Performance	.033	.066	-.019	-.011	.074	.525**	.432**	1.000

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

Table 5 lists Spearman's rho correlation coefficients for various variables related to the topic as well as other elements like gender, age, education, experience, designation, employee satisfaction, and organisational performance.

The table's other variables do not significantly correlate with gender. This shows that the other characteristics taken into account in the research do not strongly correlate with gender. Age and HRM boosting DEI, employee happiness, or organisational success don't correlate in any meaningful ways. The promotion of DEI, employee happiness, organisational success and education do not significantly correlate. Experience does not significantly correlate with HRM supporting DEI, employee happiness, or organisational success. The promotion of DEI by HRM, employee happiness, or organisational success is not significantly correlated with the designation.

There are no meaningful relationships between HRM and DEI that are promoted in the table. This suggests that there is no clear relationship between gender, age, education, experience, or designation and how much HRM encourages DEI. Employee satisfaction is not significantly correlated with other factors like organisational success, gender, age, education, or experience. Organisational performance and other factors like gender, age, education, or experience do not significantly correlate with one another.

### Mediation Analysis

**Table 6** - Summary of Model and Coefficients for the Relationship Between Employee Satisfaction (ES) and HRM Diversity, Equity, and Inclusion (HRM\_DEI)

Outcome Variable	R	R-sq	MSE	F	df1	df2	p
Model Summary	0.6563	0.4307	0.1336	88.5056	1	117	0
ES	coeff	constant	HRM_DEI				
Model	SE	1.7712	0.5657				

The model summary indicates that the promotion of DEI through HRM has a considerable beneficial effect on employee satisfaction. According to the coefficient of determination (R-squared), the diversity, equality, and inclusion (DEI) efforts of the HRM may account for around 43.07% of the variation in employee satisfaction (ES). The model's overall significance is further supported by the F-statistic of 88.5056 with

a p-value of 0.0000, indicating that the strategy taken by HRM towards DEI has a significant impact on employee satisfaction. Now that we are concentrating on the specific model coefficients, we discover that the constant term reflects the initial level of worker satisfaction when the HRM's DEI initiatives are not present. The coefficient value of 1.7712 implies that the average employee satisfaction is at this level even in the absence of HRM activities aimed towards DEI. The findings, in light of Pakistani workplaces, demonstrate the relevance of HRM's contribution to DEI projects and the potential advantages it may have for employee happiness and, as a consequence, organisational success.

**Table 7** - Multiple Regression Analysis for the Outcome Variable (OP) with Predictor Variables HRM\_DEI and Employee Satisfaction (ES)

Outcome Variable	Model Summary	R	R-sq	MSE	F	df1	df2	p
		0.6529	0.4263	0.1412	43.0993	2	116	0
op	Model	coeff	constant	HRM_DEI	ES	HRM_DEI	ES	
		SE	1.2407	0.295	0.389	0.295	0.389	

According to the model summary, the predictors HRM\_DEI are responsible for 42.63% of the variation in the outcome variable OP. The F-statistic ( $F = 43.0993$ ) and corresponding p-value ( $p = 0.001$ ) show that the model has a significant overall fit. The model's coefficients provide light on how HRM\_DEI, OP, and ES interact with one another. The intercept is represented by a constant term with a coefficient of 1.2407. This shows that the predicted value of the outcome variable (OP) is 1.2407 when all predictor variables (HRM\_DEI, OP, and ES) are zero.

Moving on to the predictor variables, HRM\_DEI has a coefficient of 0.295, suggesting that, while other predictors are held constant, a rise of 0.295 units in the outcome variable (OP) is to be predicted for every unit increase in HRM\_DEI. Similarly, leaving other predictors constant, a one-unit rise in ES results in an anticipated increase of 0.389 units in OP. Furthermore, the estimates' level of uncertainty is shown by the standard errors (SE) connected to the coefficients. The coefficients are more accurate and dependable when the standard errors are smaller.

**Table 8** - Model Summary and Coefficients for the Relationship between HRM\_DEI and Organizational Performance (OP)

Outcome Variable	Model Summary	R	R-sq	MSE	F	df1	df2	p
OP		0.586	0.3434	0.1602	61.1979	1	117	0
	Model	coeff	constant	HRM_DEI				
		SE	1.9298	0.5151				

According to the model summary, there is a statistically significant link between organisational performance and HRM's support of DEI. A somewhat positive link between these two variables is shown by the correlation coefficient (R) of 0.586. Additionally, the R-squared value of 0.3434 implies that HRM's initiatives to support DEI may account for around 34.34% of the variation in organisational performance.

The average squared difference between the predicted values of OP and the actual observed values is represented by the Mean Squared Error (MSE) value of 0.1602, which is. Better model fit and accuracy is indicated by a lower MSE. With 1 and 117 degrees of freedom, the F-statistic of 61.1979 produced a p-value of 0, indicating that the correlation between HRM\_DEI and OP is statistically significant. In other words, stronger organisational performance at work in Pakistan is correlated with HRM's support of diversity, equity, and inclusion. The HRM\_DEI coefficient is 1.9298, and the standard error (SE) is 0.5151. The size and direction of the impact of HRM's DEI promotion activities on organisational performance are shown by this coefficient. The positive and statistically significant coefficient suggests that Organisational Performance tends to rise when HRM concentrates on fostering DEI in the workplace.

**Table 9** - Total, Direct, And Indirect Effects Of X On Y

Effect	SE	t	p	LLCI	ULCI
The total effect of X on Y	0.5151	0.0658	7.8229	0	0.3847
Direct effect	0.295	0.0819	3.6011	0.0005	0.1327
Indirect effect - (ES)	0.2201	0.0836		0.0772	0.4087

Three main impacts are the subject of the analysis: the overall impact of HRM\_DEI on organisational performance (OP), the direct impact of HRM\_DEI on OP, and the indirect impact of HRM\_DEI on OP due to its impact on employee satisfaction (ES). The results show that HRM\_DEI has a considerable and advantageous influence on employee satisfaction as well as organisational performance.

First, 0.5151 is reported as the overall impact of HRM\_DEI on OP, with a standard error of 0.0658 and a t-value of 7.8229. This result is statistically significant ( $p = 0.001$ ), demonstrating that HRM strategies that support diversity, equality, and inclusion have a strong beneficial influence on overall organisational performance in Pakistan.

Second, a 0.295 direct impact of HRM\_DEI on OP is estimated, with a t-value of 3.6011 and a standard error of 0.0819. This direct impact, like the overall effect, is statistically significant ( $p = 0.0005$ ), supporting the idea that HRM practices may help to create an inclusive and diverse workplace that improves organisational performance.

Third, the research investigates how employee satisfaction (ES) and HRM\_DEI indirectly affect organisational performance (OP). The discrepancy between the overall impact and the direct effect serves as a proxy for this indirect effect. 0.2201 is determined to be the indirect impact, with a standard deviation of 0.0836. The table does not, however, include the t-value and p-value for this impact. However, it's crucial to remember that the presence of a beneficial indirect effect suggests that a significant proportion of HRM's influence on organisational success is achieved through raising employee happiness.

### 3. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the study's results provide important new understandings of the connections between organisational outcomes, diversity, equality, inclusion programmes, HRM practices, and gender.

The 1st objective of this research was to determine if employee satisfaction and HRM's (Human Resource Management) support of diversity, equity, and inclusion (DEI) are correlated. This result demonstrates that HRM's initiatives to support DEI have a beneficial impact on employee satisfaction inside the company. The statistical model used in this research well describes the connection between employee satisfaction and the advancement of DEI, giving confidence in the validity of our results.

The 2nd objective was to investigate the relationship between employee satisfaction and the promotion of diversity, equity, and inclusion (DEI) through human resource management (HRM), with an emphasis on how this relationship affected organisational performance. The mediation analysis by Andrew Hayes findings shows a significant relationship between organisational effectiveness and HRM's support of DEI. There is a considerable correlation between these variables. This shows that businesses tend to achieve greater levels of organisational success when they actively push DEI projects via their HRM practices. Results show that organisations are more likely to enjoy increased organisational performance if they prioritise and execute DEI practices via HRM.

The study's final aim was to investigate the relationship between employee satisfaction and the effect of diversity, equity, and inclusion (DEI) promotion on organisational performance. We have gained important insights into the link between these variables through a thorough investigation of statistical tests. Our results give substantial support for Hypothesis 4, which asserts that HRM's promotion of DEI is strongly correlated with employee satisfaction. There is a strong correlation between these two parameters. The results suggest that the HRM's initiatives to advance DEI have a positive impact on employee satisfaction, which helps to increase overall employee happiness inside the company.

The research provides useful insights for HRM experts and organisational leaders who want to improve diversity, equality, and inclusion. The findings highlight the significance of gender-inclusive policies and the requirement for HRM practices that respect gender differences and advance equal opportunities. Companies are urged to assess diversity and inclusion programmes' impact on staff retention regularly. According to the results, a comprehensive plan that connects diversity and inclusion to more general organisational elements like strategy and leadership is essential for both overall performance and competitive advantage. It is recommended that HRM professionals keep an eye on and evaluate data related to diversity programmes, tailoring activities to the specifics of their workplace and workforce demographics. To further understand the intricate connections between HRM practices, diversity, equality, inclusion, and organisational results, the study also recommends that future research use a mixed approaches approach, integrating quantitative and qualitative methods. By putting these sensible ideas into practice, companies may increase employee satisfaction and engagement while also improving overall performance.

Key management lessons may be learned from the study's results by HRM specialists and organisational executives. Gender-sensitive HRM procedures should be given top priority by managers to guarantee fair treatment and equitable representation throughout the hiring, promotion, and development phases. Diversity and inclusion programmes must undergo routine review, which goes beyond basic metrics such as retention rates. To meet objectives for customer happiness, innovation, and productivity, DEI activities must be integrated into the larger organisational plan. To improve comprehension of DEI concerns and practical solutions, managers are encouraged to engage in ongoing learning and development. It takes proactive leadership from managers to create an open and inclusive work environment. They must encourage teamwork, communication, and the active promotion of DEI ideals. Last but not least, a thorough grasp of DEI issues can be attained by combining quantitative data and qualitative insights from employee surveys, focus groups, or interviews. This will allow for the development of customised DEI initiatives and well-informed decision-making for a workplace that is more diverse, equitable, and productive.

### Competing Interests

The authors did not declare any competing interest.

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## Appendix

### A1 - Operationalization of the Variables

The terms and language used in a study's operational definitions are specific to that study. The following are the operational definitions of the study's variables:

#### a. Diversity

A theoretical framework offered by (Aust et al., 2020) provides helpful insights into comprehending and managing diversity within organisations. The authors stress the significance of evaluating diversity using both informational diversity and demographic characteristics. A quantitative assessment of the representation of various groups within the workforce is required when considering demographic considerations (Tensay & Singh, 2020). This method makes it possible to identify underrepresented groups and assists organisations in creating inclusivity-enhancing initiatives.

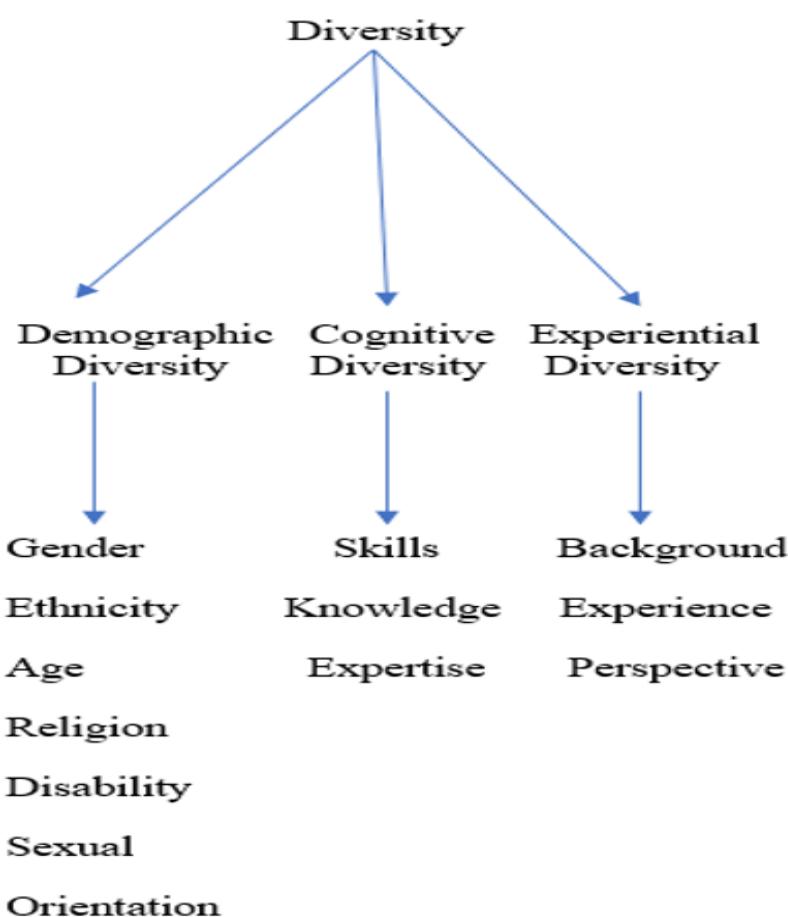


Figure 1 - Operationalization of Diversity

### b. Equity

Operationalizing equity involves putting practices and policies in place that promote fairness and minimise bias, as well as looking at resource distribution and analysing the experiences of diverse groups inside the firm. Jang et al. (2019) look at how corporate social responsibility (CSR) and human resources (HR) interact in ethical leadership. They underline the role that HR practises play in promoting moral behaviour and responsible leadership inside firms. This research underlines the need to include CSR initiatives that advance justice and equality in their practices and policies (Neuhaus et al., 2022). By operationalizing equity via the use of anti-discrimination legislation, equal opportunity practises, and inclusive HRM policies, organisations may overcome systemic obstacles and prejudices (Grazina et al., 2022).

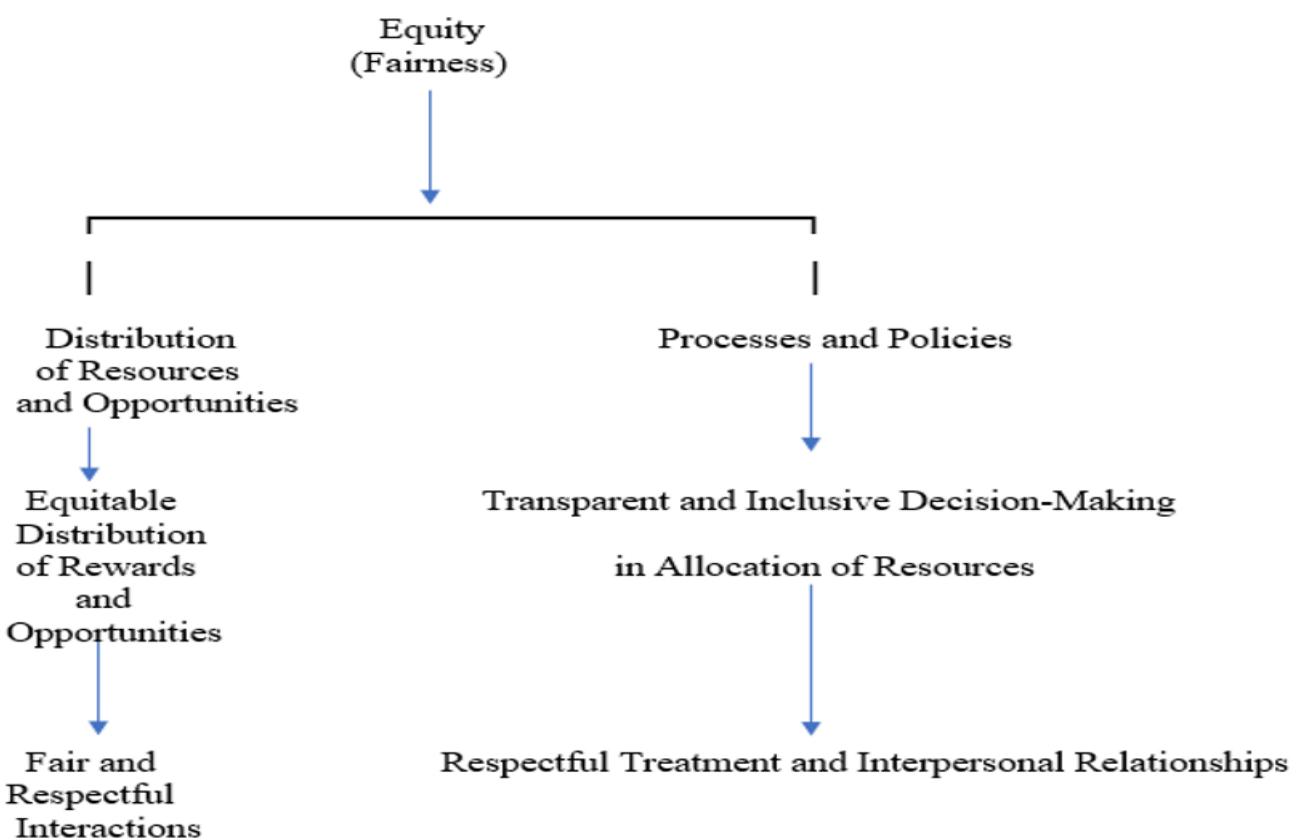


Figure II - Operationalization of Equity

### c. Inclusion

A crucial component of organisational success is fostering an inclusive environment where people from all backgrounds feel appreciated, respected, and included (Sahoo & Brice, 2023). Evaluating the feeling of inclusion among workers is one method for operationalizing inclusion. Data on employee perceptions of inclusion, psychological safety, and opportunities for meaningful involvement may be gathered via employee surveys, interviews, or focus groups (Yan et al., 2023). These techniques provide information on people's general well-being and job happiness, as well as how much they feel involved and appreciated at work.

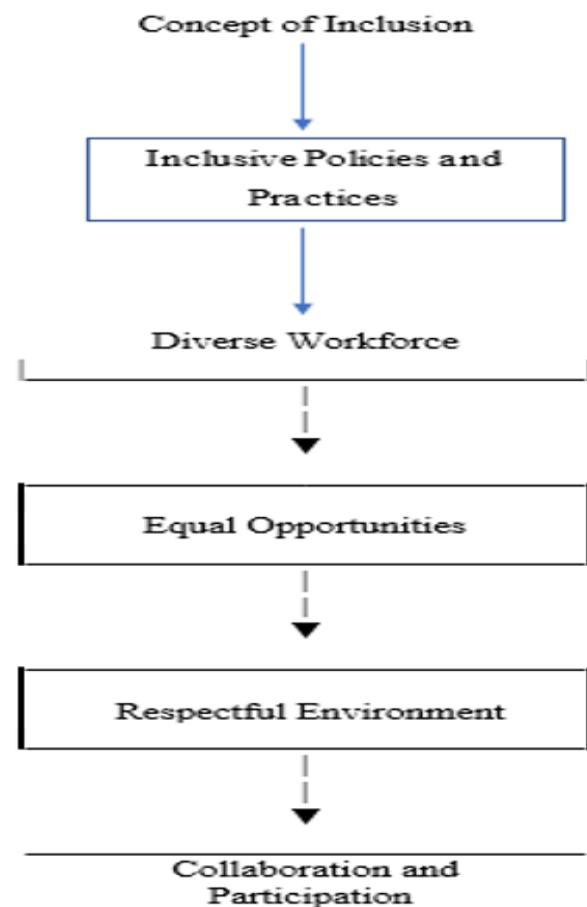


Figure III - Operationalization of Inclusion