


The Effect of Diversity and Inclusion on Organizational Performance and Employee Satisfaction in Universities of Rural Sindh

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ABSTRACT

The paper examines how diversity and inclusion (D&I) programs affect organizational performance and job satisfaction among workers in rural Sindh Pakistani universities. A quantitative method was employed to obtain data on 270 employees in six institutions. In the study, workforce diversity, inclusive leadership practices, and institutional inclusion policies were analyzed in terms of their impact.

The results suggest that the three D&I dimensions are very useful in improving the organizational performance and employee satisfaction. Institutional policies turned out to be most relevant to satisfaction whereas workforce diversity provided the greatest predictor of performance. The correlation coefficients of the constructs are high implying that the constructs are a synergistic ecosystem.

The findings demonstrate how essential integrated D&I policies are in this regard such as the strong anti-discrimination policy, investment in inclusive leadership, and the deliberate drive to diversify the workforce. These are key initiatives that can foster an institutional resilience and enhance the well-being of the employees working in rural institutions of higher learning that are characterized by structural inequalities.

Article Type: Original

OPEN ACCESS



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Received:

1 August, 2025

Revised:

22 August, 2025

Accepted:

5 September, 2025

Published:

30 September, 2025

Keywords: *diversity and inclusion, organizational performance, employee satisfaction*

JEL Classification: M14

How to cite this article (APA): Soofi, A. H., Shahid, N., & Ali, A. (2025). The Effect of Diversity and Inclusion on Organizational Performance and Employee Satisfaction in Universities of Rural Sindh. *JISR management and social sciences & economics*, 23(3), 25–42.

<https://doi.org/10.31384/jisrmsse/2025.23.3.2>

INTRODUCTION

Diversity and inclusion (D&I) have become in recent years strategy priorities of institutions of higher learning globally, and their impact on the organizational performance has increasingly proven empirically. As universities proceed through the contemporary circumstances of multidimensional social and economic conditions, the integration of various voices into academic and administrative frameworks has been crucial in encouraging new innovations, involvement, and the effectiveness of organizations (Alshaabani, 2023). In rural provinces like Sindh, where universities usually struggle with such challenges as structural inequality and non-inclusiveness in governance, the concept of the relationship between D&I and performance is not only topical but imperative at the same time.

It has also been noted that workforce diversity which is characterized by differences in gender, socioeconomic status as well as sociocultural identity can be used as an impetus to foster collaboration in the workplace and enhance decision making. Diversity is not only effective to address issues and develop innovative solutions but also results in observable increases in institutional performance when tapped with wide-reaching policies and just management (Abdelhay, 2025; Platania et al., 2025). Such consequences are especially relevant to the rural Universities where the inclusion plans at the local level can play an important role in staff, students and academic efficiency.

Through inclusive leadership, diverse staffs are empowered and given a chance to operate a participatory-based governance style and absorb equity into the organizational culture Platania et al. (2025). Theoretical knowledge holds that culturally competent and fair leaders can generate better trust and commitment among their employees, thus leading to a high degree of performance Sewante et al. (2025). Furthermore, institutional inclusions policies, well-defined and regularly applied, offer the organizational blueprint that guards against discrimination and fosters equality in the course of hiring and promotion, as well as professional growth Etalong et al. (2025).

There is a rising connection between the effectiveness of these D&I strategies since it is closely attached to major indicators of organizational performance i.e., employee productivity, academic quality, and operational efficiency. According to empirical information, diverse and inclusive environment prompts institutions to become better prepared towards responding to change and fulfilling the needs of students and achieving strategic objectives Mukred (2025). Moreover, satisfaction among employees has been proved to grow at an inclusive environment further catalyzing a chain of relationship between performance, retention, and morale Rajak (2025). This research is interested in determining

how diversity and inclusion can affect the performance of universities in rural Sindh. This study attempts to address this empirical desideratum with differentiated approaches to these variables that are key to matters related to inclusivity and diversity in the workforce, inclusive leadership, an institutional inclusion policy, organizational performance, and employee satisfaction by using five structured scales that center these significant factors. It brings knowledge to the wider discussion since it presents the model that is data based, taking into account regional realities, and backed up by the up-to-date global literature.

The concept of diversity and inclusion (D&I) has become a strategic necessity among institutions of higher learning around the world and an increasing amount of empirical evidence supports this notion by highlighting its beneficial effect on organizational performance. In the time of complicated social and economic issues, it is crucial to incorporate various views into the academic and administrative systems to promote innovation, interaction, and institutional efficiency (Alshaabani, 2023). This call has become particularly urgent in such places as rural Sindh, Pakistan where the universities frequently wrestle with structural inequalities and exclusive modes of governance establishment. In this case, the knowledge of nexus between D&I initiatives and institutional success is not only topical but also a core of sustainable development.

Although international studies have revealed that diversity in the workforce, in terms of gender, ethnicity, and socio-cultural background, can positively impact collaboration and decision-making (Abdelhay, 2025), little has been done to understand how this can happen in the limited resources and rural settings. Equally, inclusive leadership, where diverse teams have power and equity is made a fundamental part of organizational culture (Platania et al., 2025), and institutional inclusion policies that are formalized (Etalong et al., 2025) are also identified as enablers. Nevertheless, their interdependence and comparative impact on performance and satisfaction in the context of a particular socio-cultural community of rural Sindh is a specific gap in the research.

This research paper seeks to fill this gap by coming up with and testing an integrated model. It looks at the effects of workforce diversity (WFD), inclusive leadership practices (ILP) and institutional inclusion policies (IIP) on performance (OP) and employee satisfaction (ES) in university of rural Sindh. Theoretically, the contribution of this research is that the already established D&I models are applied to a marginalized environment and their main aspects are put to the test to determine the cohesiveness of these aspects as an interdependent ecosystem instead of separate variables. In a practical sense, it offers evidence-based advice to university leaders and policymakers that aim to use D&I as the means of alleviating structural obstacles and improving institutional health in disadvantaged environments.

Research Objectives

1. Examine the effect of workforce diversity, inclusive leadership practices and institutional inclusion policies on organizational performance in universities of rural Sindh.
2. Examine the effect of workforce diversity, inclusive leadership practices and institutional inclusion policies on employee satisfaction in universities of rural Sindh.

Research Questions

1. What is the effect of workforce diversity, inclusive leadership practices and institutional inclusion policies on organizational performance in universities of rural Sindh?
2. What is the effect of workforce diversity, inclusive leadership practices and institutional inclusion policies on employee satisfaction in universities of rural Sindh?

LITERATURE REVIEW

Workforce diversity and organizational performance

The issue of workforce diversity, including gender differences, ethnic as well as age and culture differences, has come to be as a key contributor to the achievement of innovation and efficiencies in any organization. Diversity in higher education helps to improve teaching procedures, work across disciplines and increase the scope of decision-making ability. In a meta-analysis study and conclusion, Okatta et al. (2024) established that organizations that fostered diversity enjoyed a degree of knowledge production, collaboration, and policy responsiveness. On the same note, Castelino and Shinde (2023) noted that different faculty and administrative teams increase academic integrity and institutional strength in times of crisis.

The concept of workforce diversity including their differences in terms of gender, ethnicity, age, and cultural background is well known as the driver of innovation and operational efficiency. In tertiary education, a diverse faculty and staff bring benefits to improve the enriched pedagogical strategies, interdisciplinary teamwork, and enhanced decision-making. In a meta-analysis study, Okatta et al. (2024) found that companies with strong diversity values have better knowledge generation and flexibility. On the same note, Castelino and Shinde (2023) say that heterogeneous academic teams enhance institutional integrity and crisis-resilience. This involves the first hypothesis:

H1: Workforce diversity has positive and significant effect on organizational performance.

Workforce diversity and employee satisfaction

Several studies have also been developing a case that the diversity of the workforce leads to higher satisfaction amongst employees. When employees working in different settings feel valued and empowered, chances are high that they feel the effect due to the appreciation of their identities within the institution or the adoption of equality. Mousa (2021) conducted research whose findings have linked gender diversity management in universities with faculty happiness and retention. Similar research by Arman (2021) confirmed that the notion of inclusion in minority employees had a strong effect on two practical outcomes, i.e., job satisfaction and loyalty.

An inclusive workplace is positively related to employee satisfaction when managed in a diverse workplace. As people get to feel that they are valued, and they are given equal opportunities, the level of belonging and job satisfaction is enhanced. According to Mousa (2021), the effective gender diversity management in universities was associated with the increased faculty well-being and retention. In line with this, Arman (2021) established that the perceived inclusion greatly enhances job satisfaction and loyalty among minority employees.

H2: Workforce diversity has positive and significant effect on employee satisfaction.

Inclusive leadership practices and organizational performance

Inclusive leadership imparts a system in which diversity of voice and views are embraced with the use of differences as a catalyst of innovation and performance. The research by Gbobaniyi et al. (2023) identified that inclusive styles of leadership promote academic loyalty and reputation of the institutions. When the leadership plays a supportive role towards diversity, a ripple effect is triggered whereby the achievement of the strategic goals and responsiveness of the institution enhances. Gbobaniyi et al. (2023) also established the fact that inclusive leaders enhance faculty-institutional compatibility due to psychological safety and support.

Inclusive leadership is a proactive approach that is focused on soliciting, valuing, and incorporating various perspectives, thus promoting psychological safety and innovativeness. Gbobaniyi et al. (2023) established that this kind of leadership style contributes to academic loyalty and institutional reputation. Inclusive

leaders reduce power distance and support participative governance to align the faculty activity with the strategic objectives, thus enhancing performance on a broader level (Gbobaniyi et al., 2023).

H3: Inclusive leadership practices have positive and significant effect on organizational performance.

Inclusive leadership practices and employee satisfaction

The positive contributions of inclusive leaders to emotional engagement and satisfaction are through a minimized power distance and shared ownership. According to Li and Zhou (2023), inclusive leadership has an immense impact on job satisfaction among young employees working in the university due to valuing the special perceptions of the young men. Along the same lines, Alang et al. (2022) also discovered that inclusive leadership in public institutions was associated with reduced turnover rates as well as increased levels of employee trust and moral.

Inclusive leaders have a direct influence on emotional engagement and satisfaction of employees. Li and Zhou (2023) concluded that inclusive leadership has a lot to contribute to job satisfaction among young university workers by accepting their distinct points of views. Alang et al. (2022) also linked inclusive leadership in state organizations to a reduced turnover intention and an increased level of trust and morale.

H4: Inclusive leadership practices have positive and significant effect on employee satisfaction.

Institutional inclusion policies and organizational performance

Embracing policies on formal inclusions makes equality institutional and sustain any performance results. Castelino and Shinde (2023) emphasized that colleges that have a strong system of inclusion experience greater academic output and reduced discord. When it comes to accountability and institutional agility, Gidi et al. (2024) observed that the structured diversity management system in Ethiopian universities gave priority to local control.

Institutionalized inclusion policies through policies are formal and efficient and instigate a framework of sustainable performance. Castelino and Shinde (2023) highlighted that those universities which had good systems of inclusions enjoy more academic production and less conflict. As it was observed by Gidi et al. (2024), structured diversity management improves the accountability and institutional agility of Ethiopian universities.

H5: Institutional inclusion policies have positive and significant effect on organizational performance.

Institutional inclusion policies and employee satisfaction

Institutions that have strong and effective inclusion rules and regulations show high rates of faculty devotion and contention. In a study by Taamneh et al. (2024), it was highlighted that clear inclusion practices help in the faculty engagement particularly among the marginalized academic groups. On the same note, McMichael (2023) associated the positively designed strategies of diversity with the rise of employee pride and the decline of burnout in leadership.

Institutional policies ought to be clear and fair to the morale of employees. Taamneh et al. (2024) emphasized the fact that transparent inclusion practices contribute to a great level of engagement, especially when marginalized populations are involved. McMichael (2023) also associated the clearly defined diversity strategies with the heightened employee pride and the lowered burnout.

H6: Institutional inclusion policies have positive and significant effect on employee satisfaction.

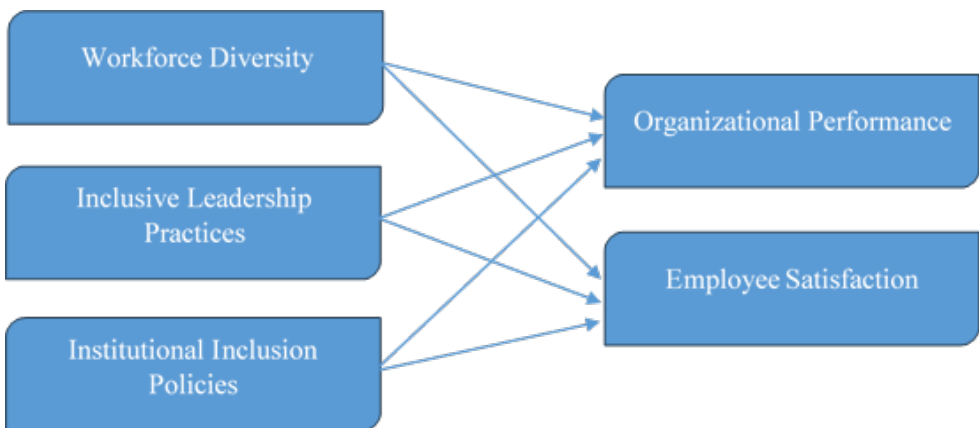


Figure 1: Research Model (Source: Self-generated)

RESEARCH METHODOLOGY

The type of study adopted in this paper was quantitative and descriptive-correlational study that aimed at exploring the correlations between the constructs of D and I and outcome variables. It included academic and administrative staff of six universities in Khairpur and Sukkur division, Sindh: Shah Abdul Latif University (SALU) Khairpur, Benazir Bhutto Shaheed University

of Technology and Skill Development (BBS-UTECH) Khairpur, Mehran University of Engineering and Technology-SZAB Campus (MUET-SZAB) Khairpur, IBA University Sukkur, Begum Nusrat Bhutto Women University (BNBWU) Sukkur and Aror University of Art, Architecture, These institutions were chosen selectively to reflect a combination of a general, technical, technology-oriented, and women universities, to have a spectrum of institutional forms that are common in rural Sindh and to have the opportunity to study D&I dynamics in varied contexts.

A structured questionnaire, which was composed of five sections, was used to gather the data with a 5-point Likert scale (1=Strongly Disagree to 5=Strongly Agree). The Workforce Diversity (WFD), Inclusive Leadership Practices (ILP), and Institutional Inclusion Policies (IIP) scales were modified based on the tool created by Chrobot-Mason and Aramovich (2013) when addressing the diversity and inclusion issue. Organizational Performance (OP) and Employee Satisfaction (ES) scales were based on the scales that OM et al. (2020) and Spector (1985) use and modified with context-specific items. This was adapted to make the tool applicable to the higher education context in Pakistan. The research was done through physical and online surveys, which produced 270 responses, which could be used.

The SPSS (Statistical Package of the Social Sciences) was used to analyze the data. The SPSS was chosen because it has an excellent capability of performing basic statistical analysis such as reliability testing, correlation, and regression that were of primary importance to this study. Its ease of use and popularity among the researchers of the social sciences also predisposed it to a reasonable and reasonable choice Pallant (2020). The evaluation was conducted in three steps: Originality of the analysis was measured with the help of Cronbach's alpha. Second, Pearson correlation was the analysis used to determine the bivariate relationship between variables. Lastly, the analysis by multiple linear regression was carried out to determine the predictive strength of WFD, ILP and IIP on both OP and ES to enable testing of all the six hypotheses.

Data analysis

Reliability

Table 1.

Internal Consistency Reliability for the Likert Scale

Scale	Number of Items	Cronbach's α
Likert Scale	25	.94

The scale has great internal consistency reliability as shown in the table. The value of Cronbach Alpha is 0.94 that is far greater than most widely-held standard alpha value (0.70), so the 25 items measure the same underlying construct with great reliability. The value indicates that items have a high level of consistency in terms of answers and that the scale will show a consistent level of scores. This reliability is brought about by the big number of items (25).

Correlation analysis

Table 2.

Bivariate Correlations among Study Variables

Variable	1	2	3	4	5
1. WFD	—				
2. ILP	.70**	—			
3. IIP	.82**	.73**	—		
4. OP	.88**	.78**	.81**	—	
5. ES	.86**	.79**	.87**	.85**	—

N = 270. WFD = workforce diversity; ILP = inclusive leadership practices; IIP = institutional inclusion policies; OP = Organizational Performance; ES = Employee Satisfaction. $p < .001$ (two-tailed).

The findings of this table indicate that there is a strong and statistically significant positive relationship (all $p < 0.01$), between each two of these five variables (WFD, ILP, IIP, OP, ES) on the basis of a sample of 270. All the pairwise correlations are significant ($r = .70$ to $r = .88$), which means that these constructs are closely intertwined. There is the strongest connection between WFD and OP ($r = .88$) and between IIP and ES ($r = .87$). Altogether, the fact that the correlations are high implies that, the greater the score on any variable, the greener the score in other variables.

Regression analysis 1

Table 3.

Model Summary for Regression Predicting Organizational Performance

	R	R ²	Adjusted R ²	SE
Model	.91	.83	.83	0.42

Note. Predictors: (Constant), IIP, ILP, WFD.

This multiple regression model (on predictors IIP, ILP and WFD) is presented as having an excellent explanatory power as it has a very high multiple correlation

coefficient ($R = .91$). These three predictors are very effective so the model can explain 83 percent of the variance ($R^2 = .83$) of the outcome variable. A small difference in R^2 and adjusted R^2 (83 vs. 83) implies that there is minimal cost associated with the complex model, and the standard error of .416 implies fairly accurate predictions.

Table 4.

Analysis of Variance for Regression Predicting Organizational Performance

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	227.28	3	75.76	437.42*	.000 ^b
Residual	46.07	266	0.17		
Total	273.35	269			

Note. The dependent variable is Organizational Performance (OP). Predictors: (Constant), IIP, ILP, WFD. $p < .001$.

According to this ANOVA, there is high statistical significance in the regression model (with IIP, ILP, and WFD predicting OP) ($F(3, 266) = 437.42, p < .001$). That the value of significance is very small ($p = .000$) shows that the model has a significant contribution to the variance of the dependent variable (OP) other than the variation that is attributable by chance alone. The high F-stat compared to the residual mean square also shows that the model can predict well in agreement with the high R^2 value observed earlier.

Table 5.

Regression Coefficients Predicting Organizational Performance

Predictor	B	SE	β	t	Sig.
Constant	1.08	0.61		1.77	.079
WFD	0.48	0.04	.55	12.16*	.000
ILP	0.27	0.04	.28	7.25*	.000
IIP	0.19	0.06	.16	3.48*	.001

Note. The dependent variable is Organizational Performance (OP). $p < .001$.

All the three exogenous variables (WFD, ILP, and IIP) indicate a marked positive and significant association ($p < 0.01$) with the outcome variable OP confirmed by significant t-tests of the exogenous variables. The strongest unique effect on WFD is found to belong to the independent influence on (Standardized Beta = .55), ILP (Beta = .28) and IIP (Beta = .16). Constant term (1.075) is not significant ($p = .079$), which implies that the regression line would not be going away much near the origin, when predictors are equal to zero. The model affirms that the higher the scores, on any predictor, the more elevated was OP, where the inmost was WFD.

Regression analysis 2

Table 6.

Model Summary for Regression Predicting Employee Satisfaction

	R	R ²	Adjusted R ²	SE
Model	.92	.85	.85	0.42

Note. Predictors: (Constant), IIP, ILP, WFD.
SE = standard error of the estimate.

This model (based on predictors IIP, ILP and WFD) shows excellent predictive effect on the dependent variable, as there is the almost perfect multiple correlation (R =.92). It accounts 85 percent of the variation (R² =.85) and this means that the combination of the predictors explains prevailing variation in the outcome. The fact that the adjusted R² (.85) is very close to the R² (.85) yet there are three predictors and the standard error is such low value (.42), which means that estimates are extremely accurate. This is a very powerful model of explanation on the whole.

Table 7.

Analysis of Variance for Regression Predicting Employee Satisfaction

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	273.29	3	91.10	510.00*	.000 ^b
Residual	47.51	266	0.18		
Total	320.80	269			

Note. The dependent variable is Employee Satisfaction (ES). Predictors: (Constant), IIP, ILP, WFD. p < .001.

This ES (Employee Satisfaction) regression model is statistically significant in a high degree (F (3, 266) = 510.00, p < .001). The approach towards zero significance value (p = .000) affirms the predictors (IIP, ILP, WFD) indeed communally describe a big measure of the variance in ES. This represents an excellent fit of the model as evident by the large F-statistic (510) in relation to the value of residual mean square (.18) reported previously. This outcome is a very strong refuting of null hypothesis that the predictors do not influence ES.

All the predictors (WFD, ILP, and IIP) indicate a strongly significant positive correlation with Employee Satisfaction (ES) (p < .001). IIP shows the greatest unique impact (Beta = .38), immediately followed by WFD (Beta = .37) and ILP (Beta = .26). Contrary to earlier models, the constant term (-2.14) has a p-value of 0.001 which implies that there is a negative baseline level of ES when predictor variables are 0. The findings show that the positive changes of any of the predictors relate to the increased ES, and IIP is the most influential driver.

Table 8.
Regression Coefficients Predicting Employee Satisfaction

Predictor	B	SE	β	t	Sig.
Constant	-2.14	0.62		-3.46*	.001
WFD	0.35	0.04	.37	8.61*	.000
ILP	0.28	0.04	.26	7.24*	.000
IIP	0.48	0.06	.38	8.67*	.000

Note. The dependent variable is Employee Satisfaction (ES). Predictors: (Constant), IIP, ILP, WFD. $p < .001$.

Hypothesis acceptance and rejection table

Table 9.
Summary of Hypothesis Testing Results

Hypothesis	Statement	Statistical Values	Decision
H1	Workforce diversity has a positive and significant effect on organizational performance.	$\beta = .55, p < .001$	Supported
H2	Workforce diversity has a positive and significant effect on employee satisfaction.	$\beta = .37, p < .001$	Supported
H3	Inclusive leadership practices have a positive and significant effect on organizational performance.	$\beta = .28, p < .001$	Supported
H4	Inclusive leadership practices have a positive and significant effect on employee satisfaction.	$\beta = .26, p < .001$	Supported
H5	Institutional inclusion policies have a positive and significant effect on organizational performance.	$\beta = .16, p = .001$	Supported
H6	Institutional inclusion policies have a positive and significant effect on employee satisfaction.	$\beta = .38, p < .001$	Supported

Note. The statistical values are standardized beta coefficients (β) from regression analyses. $N = 270$.

RESULT DISCUSSION

The formulated quantitative study offers strong empirical findings illustrating the pivotal importance of diversity and inclusion (D&I) programs in improving the overall performance (OP) of organizations as well as employee satisfaction (ES) in universities in rural Sindh. Some of the significant findings indicate strong positive mixed relationships between all the constructs of D&I, i.e., Workforce Diversity [WFD], Inclusive Leadership Practices [ILP] and Institutional Inclusion Policies [IIP] and outcome variables i.e., OP, ES, and support all six hypotheses (H1 H6).

The high intercorrelation levels between WFD, ILP, and IIP ($r = .70$ to $.82$; $p < .001$) are consistent with the international studies that D&I performs as a holistic ecosystem, but not isolated projects (Platania et al., 2025; Sewante et al., 2025). This synergy is especially strong in the situation of rural Sindh, where the structural inequalities increase the necessity of D&I being coordinated. The reliability of this composite framework is also confirmed by the extremely high Cronbach alpha ($=.94$) caveat.

Analysis of the regression model of OP ($R^2 = .83$, $F = 437.42$, $p < .001$) supports WFD as the most potent predictor ($b = .55$, $p < .001$) which is consistent with the global meta-analyses of the diversity contributions to innovation and quality in decision-making (Okatta et al., 2024). This particular discovery is particularly poignant in the rural aspect of Sindh, where a wide assortment of faculty and staff thoroughly disproves a long legacy of exclusion practices (Castelino & Shinde, 2023). OP is also supported by ILP ($B = 28$, $p < .001$) and IIP ($B = 16$, $p = .001$), instigating that diversity potential can be translated into practicable performance benefits when leadership inclusivity and policy constructs are implemented (Gbobaniyi et al., 2023; Gidi et al., 2024). In the case of ES ($R^2 = .85$, $F = 510.00$, $p < .001$), IIP was found to be the strong predictor ($p < .001$, $\beta = .38$). Such significant results indicated the utmost priority of formal institutional commitment even in the marginalized contexts. This is consistent with Taamneh et al. (2024), which identified fair and obvious anti-discrimination policies and equal treatment during the recruitment process as the factors that enhance psychological safety of underrepresented groups. The resulting global evidence that representation and inclusive leadership positively correlate with job satisfaction and retention is further supported by WFD ($\beta = .37$, $p < .001$) and ILP ($\beta = .26$, $p < .001$) Li and Zhou (2023); Mousa (2021). This huge negative constant ($bp = -2.14$, $p = .001$), serves as a pivotal piece of information; the level of ES at the baseline, in case of rural Sindh universities is dangerously low unless supported by well-engineered D&I programs.

Answers of research questions

Research Question 1: What is the effect of workforce diversity, inclusive leadership practices and institutional inclusion policies on organizational performance in universities of rural Sindh?

Diversity in workforce, institutions leadership and institutions policies are very important and enhance the performance of organizations within universities that are located in rural Sindh. The most influential positive impact is the one that workforce diversity has as it helps innovate and make decisions. Inclusive leadership creates a more favorable quality of governance and adaptation,

and definite inclusion policy guarantees reasonable practice and the effective functioning of operations. These factors in combination provide a friendly environment that promotes quality standards in academics and realization of strategic goals. This synergy plays the crucial role in addressing structural inequalities in the rural area.

Research Question 2: What is the effect of workforce diversity, inclusive leadership practices and institutional inclusion policies on employee satisfaction in universities of rural Sindh?

To a large extent, such factors contribute extremely to the satisfaction of employees, most influential being institutional policies. Labor policies on fair recruitments, anti-discrimination laws, and transparent policies shower employees with a sense of value and security. Diversity in the workforce leads to a sense of belonging and inclusive leadership limits the power gap and fosters participation. Nonetheless, without such initiatives the level of satisfaction is extremely low, which underlines its need. Enhanced satisfaction is directly connected with increased motivation, retention, and emotional commitment rate among employees.

CONCLUSION

The study helps to develop strong empirical findings to the effect that diversity and inclusion (D&I) initiatives play a key role in influencing organizational performance (OP) and employee satisfaction (ES) in universities of rural Sindh. The study affirms workforce diversity (WFD) and inclusive leadership practices (ILP) and institutional inclusion policies (IIP) as the correlated factors that generate a synergistic ecosystem which effectively improves the operational results and the human capital well-being. The workforce diversity was found to be the most important predictor of organizational performance (550) underlining its special importance as a source of innovation, breadth in decision-making context, and solid institutional resilience. By the same token, the positive overall effect of institutional inclusion policies on designing satisfaction (beta = .38) indicated that a more concrete and visible system of equity is essential in developing the sense of psychological safety and belonging among employees. Inclusive leadership also supported both OP (b = .28) and ES (b = .26) which is confirmative of the ability of leadership to reconcile the difference in views and to foster participatory governance.

The implications underlying the study are theoretical because it expounds global frameworks of D&I to resource-limiting, rural environments. It substantiates the empirical interdependence of WFD, ILP, and IIP as the single ecosystem instead of separate interventions, and it is thus in line with holistic models suggested

by such researchers as Platania et al. (2025) and Sewante et al. (2025). The fear-instilling baseline value of employee satisfaction (constant = -2.14) in cases where D&I initiatives are not harnessed serves to add a whole new meaning to the theories of motivation in the work place by highlighting, the non-negotiability of structured equity in marginalized environments.

To be practical, three things have to be done by the university administrators and policymakers:

Make inclusion an institution by updating and formulating better anti-discrimination policies and fair recruitment procedures

Invest on leadership training on developing inclusive behaviors (e.g. active seeking of diverse input, cultural competence).

Advocate workforce diversity through conscious hiring and retention practices that overcome exclusion criteria in the past.

Its low baseline ES is a red light that requires the systemic change as soon as possible; otherwise, unless intentional and targeted integration of D&I, universities will face the reality of continuous discontent, talent loss, and performance degradation.

The shortcomings of this study involve its geographic scope because it was only conducted in rural Sindh and therefore the study could not be generalized in urban areas or even in other provinces. The cross-sectional research design does not permit cause and effect assumptions and that self-reported survey may produce answer bias. Also, some socioeconomic variables (e.g., funding, regional politics) were not examined, and internal driver sources could be missed out, which exerted external pressures on the D&I implementation.

RECOMMENDATION OF FUTURE RESEARCH

Use longitudinal designs to understand causality between D&I initiatives and performance outcomes.

Add geographic variety in terms of counterposing rural and urban universities in Pakistan, and the Global South.

Explore intersectional elements of diversity (e.g. ethnicity, disability, socioeconomic status).

Focus on indirect results (e.g., quality and retention of learning) amongst the student on D&I.

Formulate locally adequate D&I systems in the case of impoverished educational facilities.

Finally, the present study offers D&I as not only fringe initiatives but rather as the basis of sustainable development, equity, and excellence in higher education. By adopting such evidence-based methods, universities in rural Sindh and similar areas in the world will turn structural inequalities into a locomotive of innovations and inclusivity.

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