https://doi.org/10.62370/hbds.v26i2.278787

Human Behavior, Development and Society
E-ISSN 2651-1762, Vol 26 No 2, August 2025

The Influence of DEI and Organizational Justice on Employee Engagement: A Comparative Study between Gen Y and Z

Kakada Eng[1*] and Phanasan Kohsuwan[1]
Panyapiwat Institute of Management[1], Thailand
*Corresponding Author: kakada.eng@gmail.com

Date Received: 1 February 2025 Revised: 1 April 2025 Accepted: 10 April 2025

Paper Type: Original Research

Abstract

Aim/Purpose: This study explored how Diversity, Equity, and Inclusion (DEI) practices, specifically through Inclusive Leadership, Diversity Attributes, and a DEI-oriented organizational climate, influenced perceptions of fairness and employee engagement among Generations Y and Z in Bangkok, Thailand. It addresses the need to understand generational differences in responses to DEI initiatives and their impact on workplace engagement.

Introduction/Background: Organizations face challenges in addressing the specific needs of multigenerational workforces, and this study offers a framework for understanding how DEI practices can effectively tackle these challenges. The emphasis on generational differences reflects shifting workforce expectations and the growing demand for inclusivity in leadership and decision-making processes. This research bridges the gap between theoretical frameworks and practical applications of DEI, equipping organizations with tools to navigate generational complexities effectively.

Methodology: A quantitative methodology was employed in this research study. Self-administered questionnaires were used to collect data from 793 participants, including 392 individuals from Generation Z and 401 from Generation Y. A stratified convenience sample was used to ensure representation across various industries in Bangkok, Thailand. The questionnaire assessed perceptions of inclusive leadership, organizational justice, and employee engagement using validated scales. The Structural Equation Modeling (SEM) technique was applied to analyze relationships among the key variables and evaluate the significance of observed effects. The use of validated scales and SEM analysis enhanced the study's precision and generalizability, offering valuable insights into the interplay between leadership, justice, and engagement. Additionally, the stratified sampling approach ensured that the data represented a diverse range of industries and organizational settings, broadening the applicability of the findings.

Findings: Inclusive Leadership, marked by transparency, approachability, and support, boosts perceptions of fairness, especially among Generation Z. This generation values leadership that fosters trust and inclusivity. Organizational Justice—covering Distributive, Procedural, Interactional, and Informational Justice—is key to engagement for both Gen Z and Gen Y. Gen Z prioritizes fairness in resource allocation, processes, communication, and transparency, while Gen Y focuses on alignment with personal goals. These generational differences highlight the need for DEI-driven leadership and policies that meet diverse expectations, fostering cohesion, reducing conflicts, and improving productivity.

Contribution/Impact on Society: This research advances the understanding of employee engagement in diverse workplaces by integrating generational perspectives into DEI and Organizational Justice theories. It underscores the critical role of inclusive and transparent leadership in driving engagement, and highlights the necessity of tailored DEI initiatives to meet the distinct preferences of different generational cohorts. The findings have broader implications for organizational practices, emphasizing equity and inclusivity as essential to enhancing workforce engagement and well-being. This research also provides actionable insights for policymakers and practitioners striving to create equitable and inclusive organizational environments that foster innovation and collaboration.

Recommendations: Organizations should invest in leadership development programs that emphasize inclusive leadership styles focused on transparency, approachability, and supportiveness. Creating a positive diversity climate through policies and practices that prioritize equity and inclusion is essential for fostering a sense of belonging and psychological safety among employees. Engagement strategies should be tailored to the unique needs of Generations Y and Z, recognizing their distinct expectations and preferences. Recommendations include implementing mentorship programs, establishing forums for open dialogue on diversity issues, and aligning DEI goals with organizational values and strategies. Organizations should integrate DEI metrics into performance evaluations to ensure accountability and continuous improvement in fostering inclusivity. Leveraging technology to enhance communication and collaboration across generational cohorts can further strengthen engagement and drive innovation.

Research Limitations: This study's reliance on self-reported data may have introduced bias, and it focused on a single geographical area (Bangkok, Thailand). While the sample size was robust, these factors may limit the generalizability of its findings to other cultural or organizational settings. External factors influencing employee engagement, such as economic conditions or industry-specific considerations, were not explored in depth. Future research studies could address these limitations by employing longitudinal designs and incorporating qualitative methods to gain deeper insights into employees' lived experiences. While the quantitative methods used were rigorous, nuanced or context-specific factors influencing fairness and engagement perceptions may have been overlooked.

Future Research: Future studies should broaden the geographical and cultural scope to validate these findings in different contexts. Longitudinal research could provide deeper insights into how generational preferences and engagement evolve over time. Further research also could explore the interplay between DEI practices and organizational factors like innovation, employee retention, and performance metrics. Investigating the impact of technological advancements and remote work on DEI outcomes could offer valuable insights for modern workplaces. Examining cultural diversity within generational cohorts also could help refine strategies. Understanding the influence of macroeconomic trends and global movements on DEI perceptions could provide a holistic view of how societal changes shape workplace dynamics.

Keywords: *Diversity, equity, inclusion leadership, Generations Y & Z*

Introduction

High employee turnover rates can lead to losses for a company. The turnover phenomenon begins with turnover intention, which is influenced by a healthy workplace culture, fair compensation, and employee well-being (Cedaryana & Safria, 2024). High employee turnover continues to challenge organizations, negatively affecting productivity, recruitment costs, sales, and morale (Mor Barak, 2015). Despite initiatives to combat turnover, resignation rates remain high, particularly among younger generations with differing workplace expectations. Key contributors are thought to include insufficient management support for Diversity, Equity, and Inclusion (DEI), ineffective organizational justice, and a lack of inclusive leadership. These leave employees feeling excluded, disengaged, and undervalued, which increases their likelihood of leaving the organization.

Diversity, Equity, and Inclusion are critical for fostering organizational belonging and fairness. Diversity encompasses varied attributes such as race, gender, age, and abilities, encouraging innovation and improving problem-solving. Diverse workplaces are 35% more likely to outperform less diverse ones in terms of profitability (Hunt et al., 2015). Equity ensures fair treatment and addresses systemic inequalities, while inclusion creates environments where employees feel valued and respected. Inclusive workplaces significantly enhance engagement and retention, with inclusive cultures being 2.3 times more likely to drive innovation, and 3.8 times more likely to retain employees (Deloitte, 2018).

Equity-driven policies support career growth, particularly for underrepresented groups, strengthening trust and loyalty. For instance, Salesforce's Equal Pay initiative improved pay parity, enhancing trust in its workforce and building a strong commitment to the organization (Salesforce, 2019). DEI also is aligned with global priorities like the United Nations Sustainable Development Goals, which address inequality and promote sustainable growth. Organizations adopting DEI principles, such as Unilever through its Sustainable Living Plan, have seen significant improvement in employee engagement and societal impact (Unilever, 2020).

Organizational Justice is another essential factor, encompassing distributive, procedural, informational, and interactional fairness. Perceived injustice leads to dissatisfaction and disengagement, contributing to turnover. Generations Y and Z, who form much of today's workforce, highly value fairness and transparency, making justice crucial for retention. A previous study showed that fairness-driven organizations experienced 30% lower turnover and 40% higher engagement (Colquitt et al., 2001).

Inclusive Leadership identifies these challenges by prioritizing fairness, valuing diverse perspectives, and fostering belonging in the workplace. Leaders who fail to embrace inclusivity risk alienating younger employees who value transparency and collaboration. For example, Google's Inclusive Leadership training has boosted team performance and innovation (Google, 2021). Inclusive leaders mitigate feelings of exclusion, reducing turnover and increasing engagement.

Employee Engagement, a vital retention factor, hinges on interconnected elements like a positive DEI climate, organizational justice, and inclusive leadership. These create a supportive environment where employees feel intellectually and emotionally committed. Engaged teams are 21% more profitable and experience 59% less turnover than disengaged ones (Gallup, 2020). Companies like Adobe leverage DEI initiatives, such as employee resource groups, to enhance retention and innovation (Adobe, 2020).

Generations Y (born from 1981 to 1996) and Z (1996 to 2012) bring distinct workplace expectations. Millennials (Gen Y) prioritize career growth and collaboration, while Gen Z emphasizes authenticity, equity, and social responsibility. Both generations demand visible DEI commitments, with Gen Z being particularly intolerant of inaction (Dimock, 2019). Organizations failing to adapt risk disengagement and high turnover.

This research explored DEI's influence on employee engagement, focusing on policies, diversity dimensions, inclusive leadership, and organizational justice, particularly concerning Generations Y and Z. Addressing these issues may enable organizations to align with global DEI priorities, foster innovation, and build sustainable, inclusive workplaces.

Literature Review

This literature review explored five key constructs—Inclusive Leadership, Diversity Characteristics, DEI Climate, Organizational Justice, and Employee Engagement of Generations Y and Z—which formed the foundation of the study's conceptual framework. Each element is critical in understanding how modern organizations can cultivate equitable, innovative, and high-performing workplaces. Together, these components provide a comprehensive lens for examining how justice and inclusivity drive employee engagement and organizational success.

Inclusive Leadership

Inclusive leadership creates an environment in which individuals feel bonded, respected, and empowered to make valuable contributions. Grounded in transformational and servant leadership, this model focuses on appreciation of multiple perspectives, allowing all perspectives to be heard, and building trust through transparency, empathy, and approachability. Central to this is psychological safety, where employees feel secure expressing themselves, taking risks, and innovating without fear of negative consequences (Edmondson, 1999).

Inclusive leadership enhances team outcomes, particularly in diverse teams, by encouraging mutual respect, collaboration, and innovation (Randel et al., 2018). It positively promotes team

bonding and organizational effectiveness, thus promoting knowledge-sharing and creative problem solving (Nishii & Mayer, 2009). In addition to moral obligations, inclusive leadership offers valuable strategic advantages: it enhances employee engagement, adaptability, and competitiveness in fast-moving markets. By fostering inclusivity, organizations can drive innovation and remain resilient in globalized workforces (Hollander, 2012). According to this evidence, the following hypothesis was proposed:

H_1: Inclusion leadership (consisting of Openness, Accessibility, and Availability) positively influences organizational justice.

Diversity Characteristics

Workplace diversity, encompassing both surface-level (e.g., gender, race, age) and deep-level attributes (e.g., values, personality), offers significant organizational benefits when managed effectively. Surface-level diversity enhances creativity and innovation, particularly when diverse perspectives are valued, improving team performance and organizational reputation (Ely & Thomas, 2001; Sabharwal, 2014). Addressing age-based biases through mentorship, clear promotion policies, and flexible work hours fosters inclusion, boosts employee engagement, and reduces turnover.

Though less visible, deep-level diversity promotes innovation and collaboration by encouraging unconventional thinking and cultural understanding (Hofstede, 1980; Jehn et al., 1999). Diverse teams aligned in values outperform homogeneous ones, driving resiliency, adaptability, and problem-solving capabilities (Phillips et al., 2003). Bringing diversity into organizational practices increases trust, employee satisfaction, and long-term success, making organizations more inclusive, innovative, and competitive in the globalized world. The following hypothesis was proposed based on this evidence:

H_2: Diversity Characteristics (focusing on both Surface and Deep-Level attributes) positively influences organizational justice.

Diversity, Equity, and Inclusion (DEI) Climate

A strong Diversity, Equity, and Inclusion (DEI) climate reflects an organization's commitment to creating an equitable, inclusive workplace where employees feel included, valued, and respected. DEI initiatives eliminate systemic barriers, promote fairness, and empower employees to engage actively in decision-making (Mor Barak, 2015).

Research has shown that a positive DEI climate enhances job satisfaction, increases employee effort, and fosters stronger engagement (Kossek & Zonia, 1993). Organizations with inclusive DEI practices experience reduced turnover, improved innovation, and enhanced employee well-being (Gonzalez & DeNisi, 2009). Equitable management, including pay equity and transparent promotions, directly improves job satisfaction and retention, particularly among younger generations focused on fairness and social justice (Travis & Mor Barak, 2010; Schroth, 2019). Through efforts to close systemic gaps and promote inclusivity, organizations may attract the best and brightest talent, improve performance, and become viable by sustaining longevity. On the basis of this reported data, the following hypothesis was suggested:

H_3: DEI climate (i.e., DEI policies, culture, racial equity, empowerment, and representation and participation) positively influences organizational justice.

Organizational Justice

Organizational justice (including distributive, procedural, interactional, and informational justice) promotes fairness, trust, and satisfaction in the workplace. Distributive justice guarantees the fairness of reward distribution according to equity, equality, or need, contributing to satisfaction and motivation, and thus to diminished turnover. Procedural justice is concerned with fair, equitable decision-making processes (see Brockner, 2002). Interactional justice is concerned with respectful, empathetic, sensitive, and constructive communication-building, with morale-enhancing and conflict-reducing effects, which is especially needed in crisis moments. Informational justice facilitates timely,

transparent, and forthright communication that contributes to greater trust, motivation, and comprehension of decisions (Bisel, 2021).

In combination, these fairness dimensions enhance job satisfaction, performance, and retention, as well as build trust, especially in Generations Y and Z, who prefer transparency and authenticity. Organization-based justice efforts promote employee participation, trust, and better organizational outcomes. The following hypotheses were proposed based on this evidence:

- H_{4a}*:* Distributive Justice positively influences Employee Engagement of Generation Y and Z employees.
- H_{4b}*:* Procedural Justice positively influences Employee Engagement of Generation Y and Z employees.
- H_{4c}*:* Informational Justice positively influences Employee Engagement of Generation Y and Z employees.
- H_{4d}*:* Interactional Justice positively influences Employee Engagement of Generation Y and Z employees.

Engagement of Generation Y and Z Employees

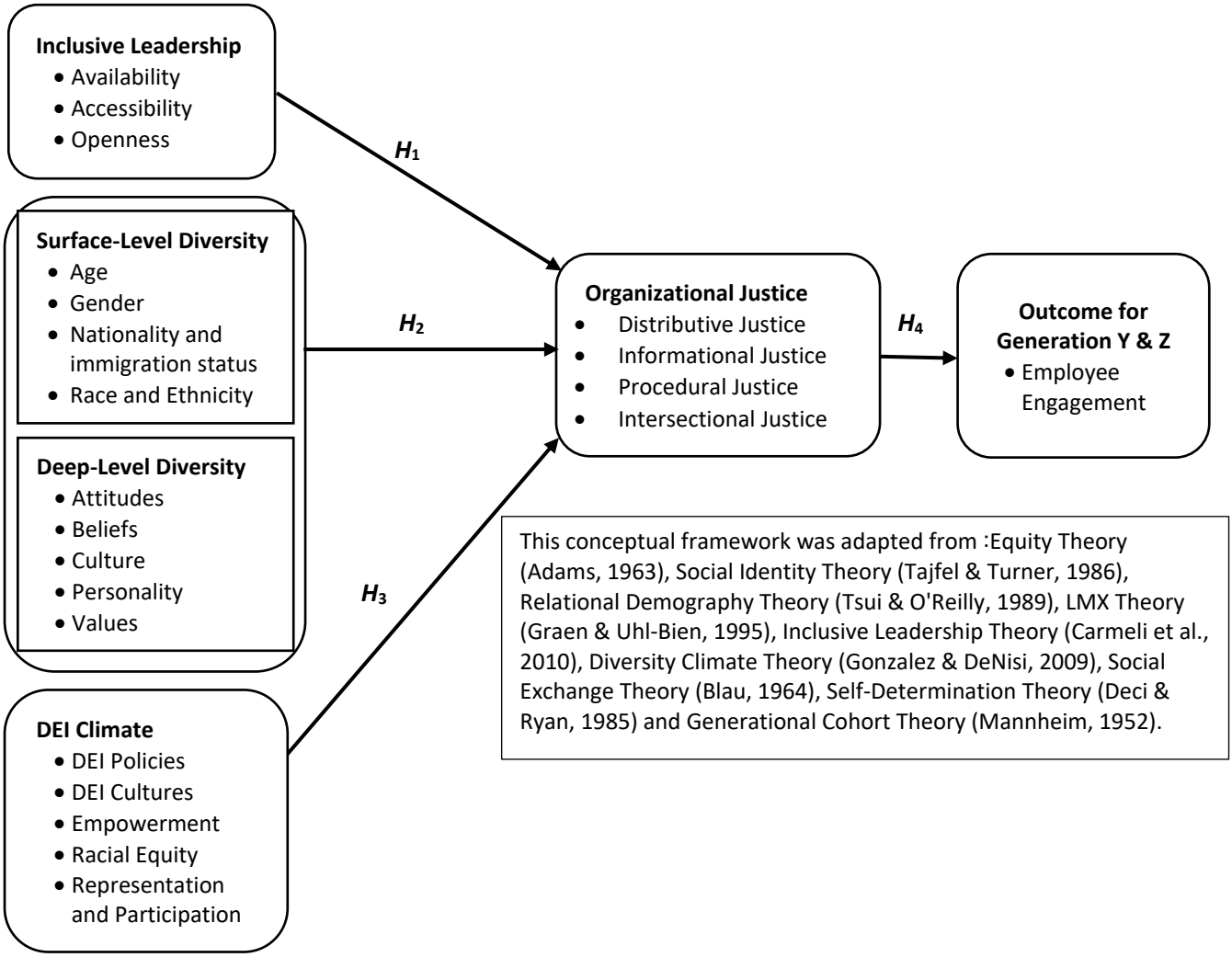
Generations Y (Millennials, 1981–1996) and Z (1997–2012) bring unique expectations to the workplace. Millennials are driven by work-life balance, career development, and good work, whereas Gen Z employees are motivated by authenticity, social justice, and technological savvy (Schroth, 2019). Both generations are committed to diversity, equity, and inclusion and believe that organizations' cultures and policies should formally reflect these principles. Evidence points to Millennials abandoning workplaces that neglect inclusion and identity, while Gen Z flourishes in cultures that validate voice and values.

Employee Engagement, defined as active emotional and physical commitment (Kahn, 1990), fosters productivity, innovation, and retention. Aligning engagement strategies with the values of Generations Y and Z—such as inclusivity, purpose, and flexibility—enables organizations to motivate employees, drive innovation, and achieve sustainable success. Based on this evidence, the following hypothesis was proposed:

- H_{4e}*:* Overall, Organizational Justice positively influences Employee Engagement of Generation Y and Z employees.

The above hypotheses were generated and displayed in a conceptual framework (Figure 1). Underlying the framework is its description of the relationships between social media marketing, customer experience, trust, brand awareness, and consumer purchase intent, pointing out the complex associations and mediating processes that drive consumer decision-making.

Figure 1 *Conceptual Framework*



Source: Developed by Authors

Methodology

A quantitative research method was employed in this study. An online survey was conducted using items with a 7-point Likert scale (*Strongly Agree* = 7; *Agree* = 6; *Somewhat Agree* = 5; *Neither Agree nor Disagree* = 4; *Somewhat Disagree* = 3; *Disagre*e = 2; *Strongly Disagree* = 1). The questionnaire, divided into six parts (demographic data, inclusive leadership, diversity characteristics, DEI climate, organizational justice, and employee engagement), was translated into Thai using the back-translation technique to ensure linguistic and conceptual equivalence. The target population included Generation Y and Generation Z employees working in medium to large companies in Bangkok, Thailand.

To validate the content of the questionnaire, the Index of Item-Objective Congruence (IOC) was employed. Three independent experts reviewed each item to assess its relevance to the study's objectives. Using a scoring system ranging from -1 (*not relevant*) to 0 (*uncertain relevance*) to +1 (*relevant*), the experts evaluated the clarity and alignment of each item with the intended construct. An IOC score of .50 or higher was considered acceptable for inclusion in the final survey instrument. Items that scored below this threshold were revised or removed. This process ensured that the survey maintained strong content validity and minimized measurement error, making it suitable for pilot testing and subsequent data collection.

A pilot test was conducted with 39 respondents to assess reliability and validity, followed by Cronbach's Alpha (CA) and Exploratory Factor Analysis (EFA). The Inclusive Leadership scale, consisting of 5 items, achieved a CA score of .854. The Diversity Characteristic scale, comprising 3 items, had a reliability coefficient of .793, indicating good reliability. The DEI Climate scale, also with 3 items,

showed solid internal consistency with a CA score of .916. The Organizational Justice dimension was divided into four sub-scales: Procedural Justice (4 items; CA .960), Distributive Justice (3 items; CA .885), Interactional Justice (3 items; CA .976), and Informational Justice (3 items; A .976).

The Engagement with Organization Event scale, with 4 items, achieved a CA of .966. Overall, the pilot study confirmed that the instrument was reliable and appropriate for the main study, as all constructs exceeded the suggested threshold of .70 for Cronbach's alpha, indicating strong reliability.

After refining the survey questionnaire, data were collected from a convenience sample of 793 respondents (401 from Generation Y and 392 from Generation Z) using a self-administered online questionnaire. The final data were reviewed and analyzed using descriptive statistics, Cronbach's alpha analysis for scale reliability, Confirmatory Factor Analysis (CFA) to assess validity, and Structural Equation Modeling (SEM) to analyze the conceptual model and test hypothesis paths.

Data Analysis

The data analysis was conducted using SPSS 28.0 and AMOS 28.0 to explore generational differences, assess internal consistency, and validate the measurement model. Below is a detailed explanation of the statistical methods that were utilized.

Descriptive statistics were performed to summarize demographic and occupational differences between Generation Y (*n* = 401) and Generation Z (*n* = 392). Key findings included: Sexuality: While the majority identified as Straight, Generation Z showed a higher proportion of Bi-sexual (11.99%) and Lesbian (9.44%) individuals; Occupation: Both groups were predominantly Employees, but Generation Z had more Students (8.16%) and Business Owners (5.36%); Ethnicity: Most respondents were Asian or South Asian, highlighting the sample's diversity; Industry Representation: Generation Z was more represented in Technologies (13.52%) and Banking (10.46%), while Generation Y leaned toward Other industries (63.09%); Education: Generation Y included more Master's degree holders, whereas Generation Z had more Bachelor's degree holders; Income: Generation Y concentrated in higher income brackets (e.g., 38.65% earning B100,000–B150,000), whereas Generation Z had a greater proportion in the lower bracket (e.g., 36.73% earning under B15,000).

Cronbach's alpha was calculated using SPSS to evaluate the internal consistency of all constructs. The results demonstrated high reliability across constructs: Inclusive Leadership: .932 for Generation Y and .831 for Generation Z; Diversity Characteristics: .858 for Generation Y and .872 for Generation Z; DEI Climate: .844 for Generation Y and .876 for Generation Z; Organizational Justice: Ranged from .856 to .886 across dimensions for both groups; Engagement with Organization Events: .884 for Generation Y and .899 for Generation Z. These scores indicate strong internal consistency, confirming the reliability of the measurement constructs.

CFA was performed using AMOS 28.0 to validate the measurement model and ensure construct validity. Fit indices, including CMIN/*DF*, GFI, CFI, and RMSEA, were used to evaluate its goodness-of-fit for the overall sample and each generation. The results demonstrated an acceptable model fit across groups, as detailed in the CFA section. The analyses were conducted using licensed versions of SPSS 28.0 and AMOS 28.0, ensuring compliance with copyright regulations. SPSS was employed for descriptive reliability analyses due to its robust data management capabilities, while AMOS was utilized for CFA and SEM, enabling graphical modeling and detailed evaluation of latent variables.

Confirmatory Factor Analysis (CFA) was conducted to evaluate the measurement model's fit across the overall sample, Generation Y (Gen Y), and Generation Z (Gen Z). Table 1 summarizes the model fit indices and thresholds used for assessment.

For the overall sample, the model fit was moderate. The Chi-square to degrees of freedom ratio (CMIN/*DF*) was 6.389, exceeding the recommended threshold of < 3.0 (Byrne, 2016). This higher value can be attributed to the complexity of the model and the large sample size, which is known to inflate Chi-square statistics (Hair et al., 2013). However, the Goodness of Fit Index (GFI) was 0.909, meeting the acceptable threshold of > .90, and the Comparative Fit Index (CFI) was .916, surpassing the criterion of > .90, indicating a robust model fit. The Root Mean Square Error of Approximation (RMSEA)

was .082, slightly above the recommended threshold of < .08 (Hu & Bentler, 1999), reflecting a model that is acceptable, but could benefit from further refinement.

Table 1 *Model Fit Index*

Principle	Type	Threshold	Model
CMIN / *DF*	Overall	< 3.00	6.389
	Gen Y		4.393
	Gen Z		3.315
GFI	Overall	> .09	.909
	Gen Y		.874
	Gen Z		.884
CFI	Overall	> .90	.916
	Gen Y		.901
	Gen Z		.918
RMSEA	Overall	< .08	.082
	Gen Y		.092
	Gen Z		.077

Note. Minimum Value of Discrepancy (χ^2/df), Goodness of Fit Index (GFI), Comparative Fit Index (CFI), Root Mean Square Error of Approximation (RMSEA).

For Generation Y, the model demonstrated acceptable fit indices. The CMIN/*DF* ratio was 4.393, slightly above the ideal threshold, but within reasonable limits for exploratory models. The GFI value of .874 fell slightly below the recommended threshold of .90, but remained close. The CFI was .901, meeting the acceptable criterion of > .90. The RMSEA value was .092, marginally exceeding the threshold of < .08, indicating a moderate fit. These results suggest that while some indices deviated from recommended thresholds, the overall model fit was within an acceptable range for this cohort.

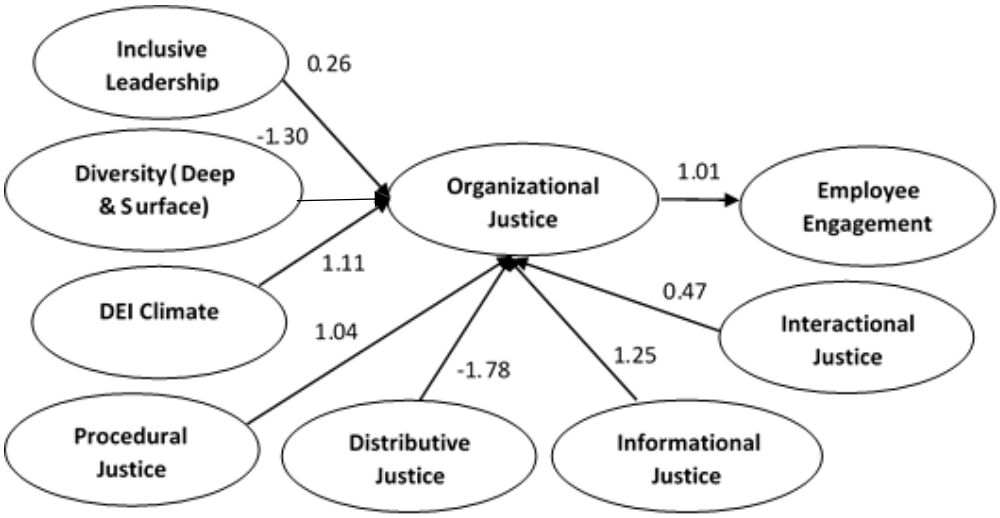
For Generation Z, the CFA results showed a comparatively better fit. The CMIN/DF ratio was 3.315, approaching the recommended threshold of < 3.0. The GFI value of .884 was close to the acceptable threshold, while the CFI value of .918 exceeded the benchmark of > .90, signifying a robust model fit. Additionally, the RMSEA value was .077, within the acceptable range of < .08, indicating a good fit. These results suggested that the measurement model aligned more closely with Generation Z compared to the other group. The results demonstrated that the model was reliable and valid across all groups, with variations in fit indices reflecting generational differences.

For the overall sample and Generation Y, some indices (e.g., CMIN/*DF* and RMSEA) exceeded recommended thresholds. These deviations, however, were consistent with literature on structural equation modeling, which highlights that larger sample sizes and complex models tend to inflate Chi-square values and affect fit indices (Hair et al., 2013). Despite these deviations, the indices remained within an acceptable range for exploratory research. Both GFI and CFI values for the overall sample and Gen Z met or exceeded recommended thresholds, indicating a robust model fit. For Gen Y, although the GFI and RMSEA were slightly below ideal levels, the results were still acceptable for exploratory contexts. The comparatively better fit for Gen Z suggested that the model's constructs were aligned more closely with this group's perceptions and experiences. This generational distinction could reflect unique attitudes, behaviors, or environmental influences associated with Gen Z.

Overall, the CFA results indicated an acceptable to good model fit across the samples, with Generation Z displaying the strongest alignment with the measurement model.

In this study, Structural Equation Modeling was used to investigate the relationships between inclusive leadership, diversity characteristics, DEI Climate, and organizational justice that impact employee engagement and compare the overall results (Gen Y & Gen Z), as well as those for Gen Y and Gen Z. The structural model is illustrated in Figure 2.

Figure 2 *Summary of Structural Equation Modeling for Both Generationss Y and Z*



This section presents the hypothesis testing results of the structural equation model, summarized in Table 2. The proposed model included 8 hypotheses related to inclusive leadership, diversity characteristics, DEI Climate, and organizational justice that impact employee engagement.

Table 2 *Hypothesis Testing Results*

Hypothesis	Variables	Generation	Estimate	*SE*	CR	*p*	Finding
H_1	Inclu → Org_Just	Overall	0.27	.17	1.44	.15	Supported
		Gen Y	-0.28	.28	-0.59	.55	Not supported
		Gen Z	0.69	.46	1.50	.13	Not supported
H_2	DivChar → Org_Just	Overall	-1.31	.18	-6.90	.00***	Supported
		Gen Y	-0.77	.37	-1.61	.028*	Supported
		Gen Z	-1.32	.27	-5.03	.00***	Supported
H_3	DEI → Org_Just	Overall	1.12	1.20	.93	.35	Not supported
		Gen Y	1.44	1.30	1.10	.27	Not supported
		Gen Z	0.66	.25	2.58	.01**	Supported
H_{4a}	Prod → Org_Just	Overall	1.04	1.10	.95	.34	Not supported
		Gen Y	1.22	1.40	.87	.39	Not supported
		Gen Z	0.96	.90	1.07	.29	Not supported
H_{4b}	Dis → Org_Just	Overall	-1.78	.41	-3.83	.00***	Supported
		Gen Y	0.19	.28	0.43	.67	Not supported
		Gen Z	-1.19	.41	-3.05	.002**	Supported
H_{4c}	Inter → Org_Just	Overall	0.47	.49	0.85	.39	Not supported
		Gen Y	0.77	.28	1.87	.06	Not supported
		Gen Z	0.06	.66	0.08	.93	Not supported
H_{4d}	Info → Org_Just	Overall	1.25	.29	3.86	.00***	Supported
		Gen Y	-1.27	.32	-2.65	.008**	Not supported
		Gen Z	1.17	.39	3.12	.002**	Supported
H_{4e}	Org_Just → Em	Overall	1.01	1.30	.78	.43	Not supported
		Gen Y	1.01	1.20	.84	.40	Not supported
		Gen Z	1.02	1.40	.73	.46	Not supported

Code. β = Beta; *SE* = Standard Error; CR = Composite Reliability; * $p < .05$; ** $p < .01$; *** $p < .001$

Theoretical Contributions and Managerial Implications

This study analyzed the impact of Diversity, Equity, and Inclusion practices—Inclusive Leadership, Diversity Characteristics, and DEI Climate—on Organizational Justice and Employee Engagement among Generations Y and Z in Bangkok, Thailand. It identified generational differences in perceptions of DEI initiatives and Organizational Justice, offering actionable strategies to better engage and retain these workforce cohorts. The findings both confirm and challenge existing theories and practices.

Inclusive leadership (H_1) positively impacted organizational justice overall; however, the non-significant results across generational cohorts suggested that inclusive practices alone are insufficient. This contrasted with earlier studies that underscored inclusive leadership's importance in fostering fairness (Carmeli et al., 2010). Managers should integrate inclusive leadership with transparent communication and decision-making to create fair perceptions across diverse employee groups.

Diversity Characteristics and Organizational Justice (H_2), along with the negative impact of diversity characteristics on organizational justice, particularly for Generation Z, emphasized the need to manage perceptions of diversity proactively. This finding supported Social Identity Theory, which highlights subgroup dynamics (Tajfel & Turner, 1986), and was aligned with research indicating that unmanaged diversity can lead to concerns about fairness (Harrison et al., 1998). To mitigate these challenges, managers can implement bias training, mentorship programs, and open dialogue.

DEI Climate and Organizational Justice (H_3): for Generation Z, the significant positive relationship between DEI climate and organizational justice reflected their heightened sensitivity to inclusivity. This confirms generational research that has linked DEI initiatives with fairness perceptions (Schroth, 2019). Managers can prioritize visible, authentic DEI efforts, including employee resource groups and inclusive policies, to engage younger employees effectively.

Procedural Justice and Organizational Justice (H_{4a}): the lack of significant impact of procedural justice across all groups indicated that transparent processes alone were insufficient to enhance fairness perceptions. This challenges earlier findings that procedural justice drives fairness (Colquitt et al., 2001). Managers should combine procedural fairness with other dimensions, such as distributive and informational justice, to foster a holistic sense of organizational justice.

Distributive Justice and Organizational Justice (H_{4b}): the significant negative impact of distributive justice on organizational justice for Generation Z, highlighted the critical importance of equitable resource allocation. This finding is aligned with Equity Theory, which emphasizes fairness in outcomes (Adams, 1965). Managers should establish transparent criteria for distributing rewards and resources to meet younger employees' expectations for equity.

Interactional Justice and Organizational Justice (H_{4c}): the non-significant impact of interactional justice on organizational fairness perceptions, diverged from prior studies emphasizing respectful treatment (Greenberg, 1993). Managers should consider embedding interactional fairness within broader justice strategies, and training leaders to prioritize respectful communication.

Informational Justice and Organizational Justice (H_{4d}): the significant positive influence of informational justice, particularly for Generation Z, highlights the critical role of transparent communication. This supported earlier research linking informational justice with trust and fairness (Colquitt et al., 2013). Managers should leverage digital tools to ensure timely, clear communication of organizational decisions and policies.

Organizational Justice and Engagement (H_{4e}): the non-significant impact of organizational justice on engagement across all groups, suggested that fairness alone does not drive engagement. This finding aligns with broader engagement research emphasizing the importance of meaningful work and a supportive organizational culture (Kahn, 1990). Managers should integrate fairness initiatives with broader strategies to foster employee engagement.

Conclusions

A key finding of this study was the importance of the interplay between DEI climate, justice dimensions, and employee engagement and could be the focus of future research. Organizations could benefit significantly from tailored DEI strategies that account for generational and cultural diversity.

By embedding core values of inclusivity and fairness into their policies and practices, companies can foster a more engaged and equitable workplace. Practical implications might include designing leadership training programs that align with the inclusive leadership styles valued by Generations Y and Z or implementing flexible policies that address the evolving needs of a multigenerational workforce.

Limitations and Suggestions for Future Research

This study's focus on Generations Y and Z provides valuable insights into their perceptions of Diversity, Equity, and Inclusion and Organizational Justice. However, its generalizability is limited due to its exclusion of older cohorts, such as Generation X, and emerging ones, like Generation Alpha. These limitations highlight the need for future research to encompass a broader age range to capture diverse perceptions across all workforce generations. Such efforts would provide a more comprehensive understanding of generational dynamics and their impact on DEI climate and employee engagement.

The study's geographic focus on Bangkok limits its applicability to other regions. Future studies should include diverse geographic and cultural contexts within Thailand and internationally to examine how regional, cultural, and organizational differences influence perceptions of DEI and Justice. Incorporating cross-cultural comparisons could shed light on universal principles versus culturally specific approaches to fostering inclusivity and fairness in organizations.

This study relied solely on self-reported data, which may have introduced response biases such as social desirability or subjective interpretation of survey items. To mitigate these limitations, future research could integrate objective performance and retention data to provide a more balanced and nuanced understanding of DEI's impact on employee engagement. Combining subjective and objective data would enhance the reliability and applicability of the findings. A longitudinal research design could also provide deeper insights into how generational values, organizational structures, and societal expectations evolve. Such an approach would allow researchers to observe changes in DEI and justice perceptions as workforce demographics shift, new policies emerge, and societal norms evolve. For example, longitudinal studies could explore whether the increasing emphasis on intersectionality and diverse leadership styles continues to shape workplace inclusion or if new trends emerge that redefine engagement strategies.

The interplay between DEI climate, justice dimensions, and employee engagement could profitably be a focus of future research by examining specific drivers of perceptions across different industries and professional roles. For instance, exploring why Generation Z respondents are more represented in technology and banking industries while Generation Y is more prominent in "Other" industries could offer valuable industry-specific insights into engagement strategies.

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