

Managing Diversity and Equity in Thai Industrial Organizations: Strategies for Sustainable Growth

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Abstract: - The objectives of this research are 1) studied the organized and the process of the industrial which is focus on the variety and equality in the industrial 2) studied the factors relation of services guidelines the variety of administrations and equality in the industrial 3) developed the Structural Equation Model of variety administration guidelines and equality in industrial. To study the factors the variety of management and equality in the industrial organization by used mixed method research which included quantitative and qualitative research. The sample group is the person in the industrial department which is amount 500 persons. Analysis the data by descriptive statistics references and analysis the factors by the Structural Equation Model(SEM) The development Structural Equation Model found that corresponded and blended with the evidence data (CMIN- $p = 0.170$, CMIN/DF = 1.105, GFI = 0.966, RMSEA = 0.014) which is suitability of model in the explanation and support in the variety administration and equality of industrial which the research showed that the participation that has the influences on the leadership ($\beta = 0.86$). The following is the excellence of resources ($\beta = 0.67$). And there is the ability of management ($\beta = 0.52$) which is the ability of management has the influences of the resources ($\beta = 0.41$). Transformational leadership promotes the development of management skills. ($\beta = 0.35$) Overall, the results highlighted the vital role of full participation in promoting effective leadership, maximizing resource allocation, and achieving long-term competitiveness. Furthermore, this research proposes a context-specific policy framework that integrates smoothly Diversity, Equity, and Inclusion (DEI) principles with both corporate governance and the supply chain. The findings resulting from this study offer workable solutions designed to strengthen the flexibility of the industrial sector and enhance the overall competency of Thai industries.

Key-Words: - Diversity Management, Equity, Structural Equation Model, Participation-Centric Leadership, Organizational Sustainability.

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1 Introduction

In the present time every variety of the organization and the equality have accepted as the world class of organizations which cannot ignore it. Enterprises now operate within increasingly complex socio-economic contexts, where efficiency-based approaches alone are insufficient to sustain long-term development, [1]. The administration promotes diversity, equity, and inclusion (DEI). It must be integrated into the policy framework of the organization because it is an element directly related to workforce development, innovation promotion and enhancing international competitiveness. [2]. The organization which has the team of administration that has the variety of money and the social which is

the sustainable encourage [3]. Integrating diversity, equity, and inclusion (DEI) initiatives in organizations not only fosters fairness but also enhances creativity, adaptability, and workforce engagement, which are important in an unpredictable industrial environment.

Industrial in Thailand is still factor of GDP and the growth of the country. However, inequalities are still evident. Many workers are employed in the informal economy, and women continue to be underrepresented in industrial jobs compared to ASEAN averages, [4]. At the same time, economic power is concentrated in large corporate groups, making it difficult for smaller firms and low-income groups to improve their position, [5]. Although some progress has been made, diversity and equity

practices are still limited, especially in small and medium-sized enterprises (SMEs), which often depend on temporary or insecure labour without sufficient protections, [6]. The study is focus on solving the problems by development of strategy Structural Equation Model which has been passed. There are three factors which are Transformational leadership, management capabilities and participatory practices, the main idea of investing in people, using resources more efficiently and involving employees in decision-making, will help industrial organizations in Thailand create fair and supportive workplaces. These changes can also improve competitiveness and support sustainable long-term growth. [7].

1.1 Research Objectives

- i. For study the organization and the process of the industrial which has the variety of the administration and equality has influence on the variety and equality's strategy in Thailand industrial.
- ii. To examine the interrelationships among diversity, equity, and inclusion (DEI) factors in enhancing organizational competitiveness and resilience.
- iii. To develop and validate a structural equation model (SEM) that demonstrates how DEI practices can support sustainable growth in Thai industries.

2 Literature Review

2.1 Transformational Leadership

Leadership is the influence on vary culture and increased of adjustment instead of using power and only control. This leadership is focus on the vision trust and the environment which the workers feel as the participate. The leadership has the support and decreased the obstacle [8]. In the industrial 5.0 Transformational leadership is highly relevant as it connects people-centered values with technological innovation, allowing organizations to become more resilient and sustainable [9]. The research which is from many regions, is shown that the relation of team in organization. [10]. However, the evidence of Thailand which has still limited of role's leadership that researched topic [11].

2.2 Management Capability

The capability of administration has the quality relations. For example, the good emotion, the capability of communication, the good relationship

that all of skills are encourage the teamwork and decreased the conflict [12]. In Industrials 5.0 that the flexibility of administration still is very useful for people's needs and the growth of technology [13]. Managers who can adapt and make good use of tools such as AI and automation not only increase productivity but also improve competitiveness, [14]. Evidence from ASEAN industries shows that larger companies often have stronger managerial practices than SMEs, which points to the importance of studying how these capabilities are developed in Thai industrial organizations.

2.3 Human Resource Excellence and DEI Integration

Human resource management (HRM) practices that highlight diversity, equity, and inclusion (DEI) are widely recognized as the key to improving performance and innovation. When DEI principles are included into hiring, training, and employee recognition and reward systems, organizations can create more equitable workplaces that promote creativity and support long-term growth. [15]. In industrial sectors, HR excellence frameworks have been shown to connect policies with daily operations and empower employees, which strengthens competitiveness, [16]. International research also shows that companies with greater workforce diversity tend to perform better financially—for example, by generating stronger returns on assets and building higher investor confidence. This suggests that inclusive governance contributes directly to sustainable growth, [17]. In Thailand, however, HR models that focus on DEI are still not well established, leaving room for new policies and organizational changes.

2.4 Participation Centric

Active employee involvement—especially when it encompasses neurodiverse individuals—has been shown to enhance affective commitment while lowering the likelihood of turnover intentions, [18]. The role of participate who need to support and increase the organization's work. The result of organization and participate in the world's values (GVCs). There are the vital factors to increase for the industry which has influence in product and innovation. [19]. In Thailand has the limited and that's important for the role to take care of the participation in the organization. The administration is focus on the worker is as the center that is good body, emotion's workers. There are good for the long time flexible and suability. [20].

2.5 Participation Centric

Drawing on the reviewed literature, this study develops a conceptual framework that integrates four core constructs: transformational leadership, management capability, human resource excellence, and participation-centric orientation. These elements are proposed to interact dynamically in shaping effective DEI management patterns within the industrial context. The proposed Structural Equation Model (SEM) (Figure 1) reflects both theoretical and real-world relevance, providing a strong foundation for causal relationship testing and evaluating DEI mechanisms for improving organizational efficiency in the Thai industrial sector.

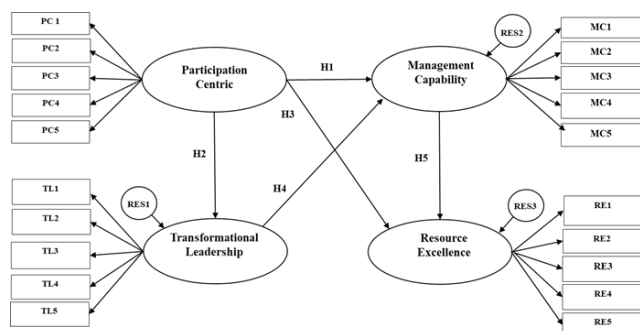


Fig. 1: Proposed Research Framework

Source: Created by the authors (2025)

3 Research Design and Methods

3.1 Target Group and Sampling Process

This study examined employees and executives from medium- and large-scale industrial organizations in Thailand, representing a population of 2,122 individuals, [21], [22]. A total of 500 respondents was determined as the appropriate sample size using Yamane's formula, [23], applying a 95% confidence level and a 5% margin of error, [24]. Data were collected between August and December 2024 through a multi-stage approach: cluster sampling divided the population into employees and executives, followed by simple random sampling within each group to ensure representativeness and minimize bias.

3.2 Research Tools

The primary data collection tool was a structured questionnaire utilizing a five-point Likert scale. Content validity was confirmed by three subject-matter experts with over a decade of industrial experience. There found that the relation between the questions and objectives (IOC) are 0.50 to 1.00 which is that the acceptance of standard, studied the 30 samples. There are very similar of the targets group

which is clear and respectful. Discrimination indices fell between 0.61 and 0.72, while Cronbach's alpha reached 0.97, indicating excellent internal consistency and appropriateness for large-scale application, [25].

3.3 Data Examination

To identify latent variables, exploratory factor analysis (EFA) with principal component extraction and Varimax rotation was performed. Subsequently, the proposed model was developed and validated through structural equation modelling (SEM) using AMOS. The model's fit was evaluated against widely accepted standards, including χ^2/df values below 5, goodness-of-fit index (GFI) values above 0.90, and root mean square error of approximation (RMSEA) values below 0.08, in line with established SEM guidelines, [26]. Such rigorous evaluation guarantees the methodological robustness and theoretical validity of the study's hypothesis testing.

4 Results

There are techniques variables which are evaluation and result. The confirmatory factor analysis (CFA) and the Structural Equation Model (SEM) are order to confidence and related to the theory.

4.1 Model Fit

The structural model demonstrates consistency with the empirical data; the result is: CMIN-p = 0.170 (> 0.05), CMIN/DF = 1.105 (< 2.00), GFI = 0.966 (> 0.90) and RMSEA = 0.014 (< 0.08) The goodness-of-fit index indicates that the model meets the goodness-of-fit criteria statistically significantly.

4.2 Path Relationships

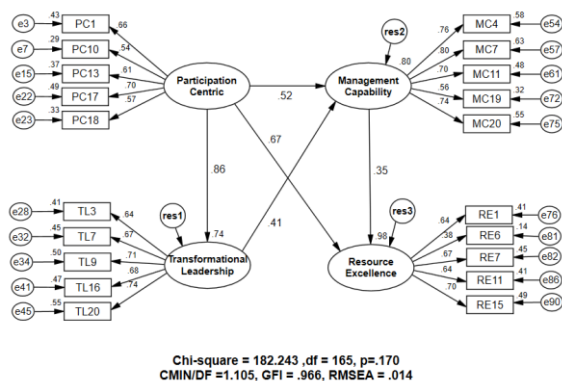
Standard path coefficients indicate a strong link between the four structural aspects. Participatory practices were found to have the most significant direct impact on transformational leadership ($\beta = 0.86$), highlighting the key role of employee involvement in building participatory leadership. Participation also significantly affected resource excellence ($\beta = 0.67$) and leadership managerial potential ($\beta = 0.52$), suggesting that participatory practices empower leaders while improving organizational efficiency and governance. Furthermore, transformational leadership had a positive influence on managerial potential ($\beta = 0.41$), demonstrating that visionary and participatory leadership effectively strengthens managerial capabilities.

Table 1. Hypotheses Test Results of the SEM

Hypothesis	Path	β	R^2	Variance	C. R.	Sign.
H1	Participation → Management Capability	0.52	0.80	0.06	4.64	**
H2	Participation → Transformational Leadership	0.86	0.74	0.03	11.35	**
H3	Participation → Resource Excellence	0.67	0.98	0.00	5.59	**
H4	Transformational Leadership → Management Capability	0.41	0.80	0.06	3.77	**
H5	Management Capability → Resource Excellence	0.35	0.98	0.00	3.20	**

Note: *** $p < 0.001$

Source: Researchers' computations (2025)



Picture 2: Structural equation model of diversity, equity, and inclusion management (DEI)

Source: Researchers' computations (2025)

The ability of manage focus on the resource ($\beta = 0.35$) which can conclude the management in the resource. The path of hypothesis at 0.001 which can confirm that the strategies for this model.

4.3 Variance Explained (R^2)

From picture 2 The structural equation model for managing diversity, equity, and inclusion (DEI)

shows the relationship between key structural factors. The results in Table 1 show a high explained variance (R^2) for management ability (0.80), transformational leadership (0.74), and resource excellence (0.98), showing strong predictive power. However, the unusually high R^2 for resource excellence may suggest the possibility of overfitting or multiple correlations [27], [28], [29]. Future studies are recommended to test the model with large or longitudinal datasets to ensure its reliability and applicability.

4.4 Group Comparisons

From Table 2 The big of organization is the important factor DEI that is more than the medium of the organization. The big organization has the high scores in the management ($M = 4.62$, $SD = 0.33$) while the medium has the scores of leader in low score ($M = 4.41$, $SD = 0.36$) the difference has the statics is $p < 0.05$ which is focus on the size of organization and the strategies DEI.

Table 2. Comparison of DEI Components by Enterprise Size

Component	Large Enterprises (M, SD)	Level	Medium Enterprises (M, SD)	Level
Overall	4.58 (0.32)	Very High	4.48 (0.32)	High
Transformational Leadership	4.54 (0.42)	Very High	4.41 (0.36)	High
Management Capability	4.62 (0.33)	Very High	4.53 (0.36)	Very High
Resource Excellence	4.59 (0.34)	Very High	4.50 (0.38)	Very High
Participation-Centric	4.57 (0.36)	Very High	4.46 (0.37)	High

Note: The data show statistically significant differences at the 0.05 level.

Source: Researchers' computations (2025)

4.5 Observed Variables

Table 3 shows the observed variables with their factor loadings. The items all loaded well (above 0.60), indicating that the measurement model is both reliable and valid.

Table 3. Structural Equation Model: Observed Variable Loadings by Construct

Construct	Sample Items (abbreviated)	Loading Range	Mean Range
Participation-Centric	Employee feedback, interdepartmental meetings, policy input	0.54–0.70	4.15–4.58
Management Capability	Motivation, decision-making, risk management	0.56–0.80	4.52–4.70
Transformational Leadership	Ethical role model, encouragement, positive change	0.64–0.74	4.63–4.67
Resource Excellence	Efficient use of resources, supportive environment	0.38–0.70	4.29–4.71

Note: All observed variables exceeded the recommended threshold of 0.50, confirming measurement validity.

4.6 Summary of Results

The SEM results confirm that Participation-Centric practices represent the most influential driver, shaping transformational leadership, management capability, and resource excellence. Notably, enterprise size influenced DEI prioritization, with large firms showing stronger alignment than medium-sized organizations. The model's high explanatory power underscores its practical utility, although the elevated R^2 for resource excellence suggests possible overfitting, requiring careful interpretation and future validation.

5 Discussion

The results confirm that the proposed structural model is valid, with Participation-Centric practices emerging as the primary driver of diversity and equity management in Thai industrial organizations. These findings advance theory by emphasizing participation as a central construct and provide practical implications for strengthening inclusive governance. In particular, this study both corroborates previous findings and contributes to the literature by contextualizing DEI practices within structured industrial hierarchies.

5.1 Participation-Centric Influences Management Capability

The study found that participatory practices improves management capabilities by promoting accountability, a sense of ownership, and improved operational efficiency. This is consistent with previous research showing that participatory decision-making increases trust between managers and employees while also supporting the retention of talented personnel within the organization [30], [31]. In the Thai organizational context, participatory mechanisms play an important role in reducing conflict and promoting fair governance within organizations, most especially in today's rapidly changing technological environment.

5.2 Participation-Centric Influences Transformational Leadership

The results suggest that participatory practices substantially enhance transformational leadership by boosting intrinsic motivation and promoting collaborative teamwork, [32], [33]. Participation, therefore, represents an essential condition for leadership effectiveness rather than a supportive practice. In Thailand's hierarchical industrial context, institutionalizing participatory mechanisms enhances leadership adaptability and legitimacy, mitigating cultural constraints on employee voice.

5.3 Participation Centric Influences Resource Excellence

The results emphasize the crucial contribution of employee as well as stakeholder involvement in attaining resource excellence. The participation has the part of knowledge and support the resources. [34], [35] Although the explanation is too high ($R^2 = 0.98$) can point that the strong ability but there increase the suitable model. The study in the future can correct the relation in the industry and the long detail. Although there are limited but the evidence can show that the framework's work for the organization.

5.4 Transformational Leadership Influences Management Capability

The results confirm that transformational leadership (TL) contributes to positive management potential, particularly in areas of knowledge management, adaptability, and innovation culture within organizations [36], [37]. Leaders who build trust and promote knowledge sharing can transform the individual capabilities of personnel into collective potential. In the Thai industrial context, this underscores the need for leadership development programs that incorporate collaborative and trust-

based practices to strengthen organizational adaptability and resilience for the future.

5.5 Management Capability Influences Resource Excellence

The findings show that management capability significantly contributes to resource excellence by mobilizing and optimizing organizational assets. The knowledge management is as the process of the competitions.[38], [39], [40] it is the especially for SMEs in Thailand. The strong management can help and improve the process, the flexible in the future.

5.6 Theoretical and practical impacts.

This study advances DEI scholarship by positioning participation as both a driver and enabler of leadership, management capability, and resource excellence. Theoretically, this research extends existing frameworks by emphasizing participatory decision-making in the Asian hierarchical context. Practically, the study suggests that organizations should establish collaborative decision-making processes to promote mental safety, accountability, and shared responsibility. Integrating DEI practices at all levels across the organization will enable companies to build trust, enhance competitiveness, and align with global sustainability standards. [41], [42].

6 Conclusion

Study the factors of influences on management and equality in the industrial's organization in Thailand. Development of the Structural Equation Model (SEM) showed that the factors of relations which the model has clear and respect.

The result indicated that the roles of participation which has the influences. The roles of leadership, the ability of management and the best of resources that is the roles of leadership can help the management. While the ability of management in the resources. The result show that the participation is very important of culture's organization and can cure the ability in the competition.

From a theoretical viewpoint, this research enhances DEI studies by adapting accepted frameworks to the Thai industrial context. While hierarchical organizational structures often limit employee participation, the practical application of this study emphasizes the need for participation mechanisms, leadership development, and the implementation of DEI into ESG strategies. These

are essential steps in building resilience and aligning with global sustainability standards.

Although the model can explain clearly. Especially it is for the resources. But the possibility can have so the research in the future should be the longitudinal or cross-industry and the factors, for examples: the digital and the culture's organization can understand in DEI of industrial organization.

7 Suggestions

This study presents five integrated policy recommendations to enhance diversity, equity, and inclusion (DEI) within Thai industrial organizations: 1) The objectives of organization by the indicator (KPI) and the system of evaluations for result and strategies DEI was evaluated.

2) Support the group in order to create the leadership and the chance, the lady is supported. And the nations of labor are adapted, flexible of future organization. There can grow in the positions.

3) The participation in the organization has the position level. There are support the labor and the balances of organizations by created the environment and the decision of system.

4) Strengthen accountability and support evidence-based decision-making through DEI dashboards that track progress and support ESG-aligned follow-up reporting.

5) Create shared best practices across the organization to align with global sustainability standards and strengthen long-term competitiveness by integrating DEI into supply chain and ESG strategies.

8 Study Limitations and Directions for Future Research

The investigation acknowledges certain constraints. First, there is the research in the future or the model longitudinal which is designed the relationship of reasons. Second, there are focus on the group of SMEs (SMEs). The third limitation, the exceptionally high R^2 value, raises concerns about potential over-adjustment. It should be modeled with alternative datasets or methods such as PLS-SEM. Finally, the exclusion of control factors, including digital transformation, cultural values, and organizational policy context, suggests that future research should incorporate these variables to enhance the explanatory depth and robustness of the structural equation model.

Declaration of Generative AI and AI-assisted Technologies in the Writing Process

Generative AI support was used in a limited manner during the preparation of this manuscript, specifically with Language Tool to refine wording in selected parts of the Abstract and Introduction. The writer accepts the responsibility through the outcome which are approved.

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Contribution of Individual Authors to the Creation of a Scientific Article (Ghostwriting Policy)

- Pachawalee Nuanllaong: Their duties include formulating research hypotheses, defining the scope and objectives of the research, developing research methodology, planning the research process, and summarizing the research results.
- Angkul Chantruprakakul: Planned and executed the statistical methodology; validated and interpreted quantitative findings.

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Conflict of Interest

The authors affirm that they have no involvement or financial, personal, or professional relationship that could be interpreted as a potential conflict of interest affecting the research presented in this article.

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