

# **A Quantitative Analysis of Transformational Leadership, Diversity, and Inclusion in Federal Logistics Companies**

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## **Abstract**

This quantitative correlation study examined the relationship between transformational leadership (TL) and diversity and inclusion (D&I) within medium federal contracting agencies in Virginia, North Carolina, South Carolina, Georgia, and Florida. The lack of understanding of how transformational leadership influences the evolution of D&I is responsible for low job satisfaction in acquisition logistics organizations, threatens logistics firms' sustainability, and hinders productivity, performance, and legal compliance. In the federal acquisition sector, meeting clients' strict demands relies on effective communication and swift coordination between supervisors and teams, and failing to coordinate effectively can lead to costly delays and misinformation. Despite its significant impact on organizational well-being, coordination between leaders and human resource personnel remains unexplored in many parts of the United States. Using stratified sampling, 162 participants, including employees, managers, and policymakers from acquisition logistics firms in the western US, were surveyed with a two-part questionnaire developed using Scarpello and Vandenberg's (1987) Satisfaction with My Supervisor Scale (SWMSS) and Ashikali and Groeneveld's (2015) D&I scale. A Cronbach's test indicated high reliability for the SWMSS ( $\alpha = 0.950$ ) and D&I ( $\alpha = 0.993$ ). Findings revealed a strong positive correlation between TL and D&I ( $\rho = 0.987$ ;  $p < 0.0001$ ). The adopted linear regression model suggests that increases in TL are associated with proportional increases in workplace D&I, indicating that transformational leaders play a critical role in advancing organizational inclusion efforts. Data were collected via an online SurveyMonkey distribution. Organizations should adopt TL principles to foster inclusive, equitable, and performance-driven workplace cultures. Recommendations include replicating the study in different sectors and regions to enhance generalizability.

**Keywords:** Transformational leadership, diversity and inclusion, leadership strategies, workplace culture, diversity culture, leader-member exchange

## Introduction

Workplace diversity and inclusion (D&I) promote stability and productivity in modern labor markets. A diverse workplace encourages a range of differences among employees (Aliyu & Abubakar, 2024; Jejenywa et al., 2024). Inclusion refers to an organizational culture that ensures all employees feel valued and empowered to contribute to critical decisions (Mukupa et al., 2023). According to Aliyu & Abubakar (2024), the benefits of D&I include enhanced creativity, innovation, and problem-solving skills that stem from diverse perspectives. Furthermore, scholars such as Santuzzi et al. (2022) and Leuhery et al. (2024) associate inclusive workplaces with higher employee satisfaction and retention.

Diversity and inclusion remain among the most studied concepts among many scholars in the US labor market. They have also attracted significant scholarly attention following the US government's recent audits, which identified employment discrimination as a leading obstacle to social justice in the corporate sector (Federal Trade Commission, 2024). A 2024 report by the Federal Trade Commission revealed that many employers discriminate against workers based on gender, ethnicity, and sexuality. Such revelations have necessitated several anti-discrimination laws, including Title VII of the Civil Rights Act of 1964, the Equal Pay Act of 1963, the Civil Rights Act of 1991, and the Rehabilitation Act of 1973 (Federal Trade Commission, 2024). Most small- and medium-sized logistics firms lack the transformative leadership qualities necessary to nurture workplace D&I.

### *Industry, Problem, and Purpose*

The problem examined in this study is the lack of leadership qualities needed to nurture D&I in the workplace. According to Morris (2023), overlooking the role of transformational leadership in the evolution of D&I causes low job satisfaction among acquisition logistics organizations (Lee & Shin, 2024). It also increases turnover intent, threatens companies' sustainability, and hinders human resource productivity (Morris, 2023). Most acquisition firms rely on effective communication and swift coordination between supervisors and their teams to meet their clients' demands. Thus, overlooking factors such as effective communication often leads to delays, misinformation, and mishandled products.

This quantitative correlational study examines the relationship between transformational leadership strategies and diversity and inclusion (D&I) in medium-sized federal contracting agencies in the selected Southern United States. It investigated the link between employee performance and transformational leadership attributes in the workplace. The research is based on Aliyu and Abubakar's (2024) hypothesis that transformational leadership practices strengthen diversity and inclusion in these organizations.

This study surveyed literature from various platforms, including Columbia Southern University's online library. These resources were supplemented with online libraries, including Taylor & Francis Online, SAGE, ScienceDirect, and Google Scholar. The search words used to identify the required readings included workplace D&I, transformational leadership, leadership theories, cultural intelligence, and LMX.

## Literature Review

Wadhwa and Aggarwal (2023) define diversity as the presence of varied individual characteristics, such as race, gender, age, and background, within a group or organization (p. 64). They also consider inclusion to be a situation in which companies create internal environments that ensure their employees and other workplace stakeholders feel respected, valued, and able to contribute to critical organizational affairs. Conversely, firms with inclusive workplaces emphasize the active integration of diverse voices into decision-making processes (Aliyu & Abubakar, 2024; Wadhwa & Aggarwal, 2023). According to Garg and Sangwan (2020), workplace D&I fosters innovation and creativity and broadens employees' problem-solving skills by integrating diverse perspectives and experiences (Leuhery et al., 2022; McCallaghan et al., 2019; Santuzzi et al., 2022). Diversity and inclusion promote equity, respect, and belonging among all staff members.

Several factors influence workplace D&I, including training and awareness programs, organizational culture, and leadership style. Leaders who employ transformational administrative strategies can promote workplace D&I and enable their organizations to enjoy its benefits (Leuhery et al., 2024). Through workplace D&I, organizations can minimize employee turnover, which costs them approximately \$15,000 per worker per year (Bolden-Barrett, 2017; Jejenywa et al., 2024). Thus, companies that acknowledge D&I in their workplaces promote confidence, job satisfaction, and employee commitment. Scholars such as Qalati et al. (2022) and Hasib et al. (2020) explain the statistical connection between transformational leadership and D&I through frameworks such as transformational leadership and the leader-member exchange (LMX) theories.

Transformational leadership theory is suitable for fostering diversity and inclusion in most workplaces (Qalati et al., 2022). Transformational leaders often inspire and motivate their followers by promoting a shared vision. They also encourage innovation and guide their followers through innovative thinking. According to James MacGregor Burns (1978), transformational leadership theory creates significant change in individuals and social systems. It alludes to how transformative leaders influence followers through idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Qalati et al., 2022). In an organizational setting, transformational leadership promotes D&I by driving organizational change, enhancing employee morale, and fostering continuous improvement (Qalati et al., 2022).

The LMX theory extends transformational leadership by addressing the conditions necessary for workplace inclusion. Organizations that emphasize productive leader-productive member relationships often benefit from improved individual performance, job satisfaction, and overall organizational effectiveness (Hasib et al., 2020). Thus, leaders who practice LMX usually form unique exchanges with each team member, resulting in varying levels of trust, respect, and support. Consequently, the LMX theory explains how transformational leadership fosters job satisfaction and employee performance by motivating and providing professional support. Fruitful interactions between leaders and their followers promote employee satisfaction and boost performance through motivation, communication, and personalized development.

### ***Theoretical Connection between Transformational Leadership and Workplace D&I***

Diversity climate is fundamental to measuring how organizations relate to their employees. Companies that foster diverse cultures tend to have better relationships with their employees than those with strict cultures. It is a shared perception of how an organization values

its workers (McCallaghan et al., 2019). Diversity and inclusion in the workplace foster broader perspectives, enhance problem-solving, and contribute to improved organizational performance by leveraging the strengths of a heterogeneous workforce. Transformational leadership influences the core values of diverse organizational climates. According to McCallaghan et al.'s (2019) study, diversity climate is hypothesized to mediate the relationship between leadership and job satisfaction.

McCallaghan et al. (2019) outline that job satisfaction is one of the key employee performance metrics influenced by adopting a diverse and inclusive work environment. Diversity and inclusion foster a sense of belonging and respect among employees. Workers who feel valued regardless of their social and cultural backgrounds are often highly engaged and motivated. Thus, inclusive environments promote open communication, enhance collaboration, and reduce workplace tension (McCallaghan et al., 2019). Diverse teams also bring varied perspectives to improve creativity and problem-solving, the key drivers of job satisfaction. Current literature identifies innovativeness and diversity climate as the principal dimensions of transformational leadership's impact on workplace D&I.

Tariq et al. (2021) define employee innovativeness as the ability and willingness of workers to generate, promote, and implement new ideas within an organization. Innovativeness among workers is often driven by autonomy, psychological safety, supportive leadership, and access to resources. Transformational leaders promote employee innovativeness by inspiring creativity, challenging norms, and encouraging creativity (Tariq et al., 2021). Transformational leaders cultivate supportive environments for innovation through intellectual stimulation and individualized consideration. Positive diversity climates enhance creativity, reduce discrimination, and improve job satisfaction, while a poor diversity climate triggers exclusion, resentment, and lower morale.

### ***The Gap in Current Literature***

The lack of coordination between leaders and human resource personnel remains unexplored in many parts of the United States. Nair and Adetayo (2019) highlight the underrepresentation of women in the healthcare sector, noting that only 14% serve as plastic surgeons and just 7% hold executive roles in US hospitals. While the lack of diversity across most US firms is complex, leadership's lack of awareness plays a significant role in perpetuating the consequences. Additionally, a 2018 US Bureau of Labor Statistics report found that only 15% of public relations (PR) companies are racially diverse (Bardhan & Gower, 2020). Poor diversity policies are a primary threat to employee retention in the PR industry. Although women make up 70% of the workforce in this sector, men dominate executive positions, further underscoring the lack of diversity in leadership roles. Bardhan and Gower (2020) attribute the poor diversity in the PR sector to limited awareness of its benefits and potential to drive sustainable productivity.

### **Methods**

This quantitative correlational study examined the relationship between transformational leadership and workplace D&I. The researcher sampled 162 program and product managers from small to medium federal government contracting agencies in the Southern United States. Employees and company policymakers were also targeted to increase participation and minimize

bias. Stratified sampling was used to ensure an accurate and representative sample of participants. This technique allowed the population to be divided into key subgroups, managers and employees, based on shared characteristics. Randomly sampling within each stratum minimized bias and improved the precision of estimates. The required data were obtained from major cities in Virginia, North Carolina, South Carolina, Georgia, and Florida.

This research used Scarpello and Vandenberg's (1987) Satisfaction with My Supervisor Scale (SWMSS) to measure transformational leadership. It also employed Ashikali and Groeneveld's (2015) D&I scale to quantify diversity and inclusion among the studied organizations. Both instruments facilitated data collection from 162 participants to examine how transformational leadership influences workplace D&I. The required sample size was calculated using the G\*Power model to enhance reliability. The threshold parameters ( $\alpha = 0.05$ ,  $1 - \beta = 0.2$ ) were adopted to yield a sufficient sample for a correlational analysis. This method yielded 80 participants as the minimum sample size to minimize the risk of type II error.

### ***Research Question***

- **RQ1:** Do transformational leadership strategies influence the implementation and integration of D&I policies into the organizational cultures of small and medium federal government contracting logistics management companies?
- **H1<sub>0</sub>:** There is no statistically significant relationship between transformational leadership strategies and the implementation or integration of D&I policies in the organizational cultures of small and medium federal government contracting logistics management companies.
- **H1<sub>a</sub>:** There is a statistically significant relationship between transformational leadership strategies and the implementation or integration of D&I policies in the organizational cultures of small and medium federal government contracting logistics management companies.

Strict inclusion and exclusion criteria were applied to ensure the recruited participants met the study's primary requirements. The inclusion and exclusion criteria were categorized to allow the sampling of the desired firms and human respondents. The inclusion criteria emphasized firms in Virginia, North Carolina, South Carolina, Georgia, and Florida. On the other hand, the exclusion criteria allowed the researcher to remove unqualified firms and human participants from the study. The strict inclusion and exclusion criteria ensured the collected data reflected informed perspectives relevant to leadership practices and D&I initiatives.

### ***Instrumentation***

The study's independent variable was transformational leadership, while the dependent variable was workplace D&I. Transformational leadership was measured using Scarpello and Vandenberg's (1987) Satisfaction with My Supervisor Scale (SWMSS), while workplace D&I was measured using Ashikali and Groeneveld's (2015) D&I scale. The SWMSS assesses vital administrative metrics, including leadership style, communication, and a leader's overall relationship with their followers. Scarpello and Vandenberg (1987) maintain that SWMSS measures supervisory satisfaction using fairness, support, recognition, and guidance. The

SWMSS also uses a 5-point Likert scale ranging from 1 (“Strongly Disagree”) to 5 (“Strongly Agree”) to measure workers’ satisfaction with their supervisors.

The SWMSS was considered adequate for measuring transformational leadership because it was previously tested and proven to be an effective instrument. Scarpello and Vandenberg (1989) used it to measure employee satisfaction with their supervisors. They tested it on over 3,000 employees across various industries, producing valid, reliable, and highly generalizable findings. The reliability tests revealed that the SWMSS had high consistency, as evidenced by Cronbach’s alphas ranging from 0.95 to 0.96. On the other hand, the D&I scale has also been tested in various studies, yielding consistent performance parameters. Ashikali and Groeneveld (2015) used it to examine the effects of diversity management (DM) practices on workplace inclusion and employee outcomes in public-sector organizations.

### ***Validity and Reliability***

The convergent and criterion validity for both Scarpello and Vandenberg’s (1987) SWMSS and Ashikali and Groeneveld’s (2015) D&I scales were established using multiple quantitative studies. Twelve quantitative studies, including Mukupa et al. (2023), Lee and Shin (2024), Jejenywa et al. (2024), and Ince (2023), were used to test the instruments’ overall performance metrics. The selected studies encompassed approximately 2,500 participants across various settings worldwide. The SWMSS demonstrated strong internal consistency, as evidenced by Cronbach’s alpha scores above 0.8 across all studies.

The D&I scale also yielded Cronbach’s alpha scores above the 0.7 threshold for acceptable reliability (Jejenywa et al., 2024). The factorial validity for both tools was confirmed through confirmatory factor analysis, and the model fit was evaluated using comparative fit index (CFI), Tucker-Lewis’s index (TLI), standardized root mean square residual (SRMR), and root mean square error of approximation (RMSEA). Such tests followed the thresholds for good model fit (CFI and TLI close to .95, SRMR and RMSEA below .08) (Fan & Sivo, 2007; Hu & Bentler, 1998). The results suggest that both instruments reliably capture their respective constructs across diverse organizational and cultural settings.

### ***Data Collection and Analysis***

Participants were recruited via email invitations that included links to SurveyMonkey surveys. Initial contact was made with the selected companies’ employees and supervisors, requesting permission to access participants’ emails for subsequent communications. The respondents were instructed to rate each survey item on a 5-point Likert scale, ranging from 1 (“Strongly Disagree”) to 5 (“Strongly Agree”), for both the dependent and independent variables. Even though the average survey duration was 15 minutes, participants were given 48 minutes before the official questionnaire closure to encourage participation.

The survey allowed voluntary participation to protect the respondents’ confidentiality. Informed consent detailing the purpose, duration, and protocol for participating in the study was presented to each participant. All respondents were instructed to agree to the terms of the informed consent document before participating in the study. Those who intended to withdraw from the study were advised to submit official requests to remove their data before analysis. The residual survey data were stored in a secure vault and encrypted with a strong password to

prevent unauthorized access. All collected data will be stored securely for three years, after which it will be deleted safely using BleachBit.

The processed data were subject to descriptive, inferential, and non-statistical tests. The descriptive tests performed on the data included mean, median, mode, standard deviations (SD), and correlation coefficients. The correlation coefficient was used to measure the strength and direction of the relationship between transformational leadership and workplace D&I among the studied firms. The inferential tests performed included the t-test, analysis of variance (ANOVA), and the R-squared ( $R^2$ ) statistic. The t-test assessed whether transformational leadership practices predict a company's workplace D&I, while ANOVA tested the regression model's overall statistical significance. The  $R^2$  statistic measured the precision with which the model explains variations in the study's dependent variable. The non-statistical test selected for this study is the scatter plot analysis, which enabled the researcher to visualize the relationship between transformational leadership and workplace D&I.

Linear regression was used to model the relationship between transformational leadership practices and workplace D&I. This method models the relationship between the two variables by fitting a straight line to the equation that describes it. In this study, the adopted model took the form  $D\&I = \beta_0 + \beta_1 TL + \varepsilon$ , where D&I represents workplace diversity and inclusion, TL denotes transformational leadership,  $\beta_0$  is the intercept,  $\beta_1$  is the slope, and  $\varepsilon$  represents the error term.

## Results

The analyses performed on the collected data include descriptive statistics, normality tests, and inferential statistics. All the survey responses were screened and tested for outliers. Since preliminary tests indicated that the collected data were not normally distributed, the Shapiro-Wilk test was conducted to confirm this. Cronbach's alpha method was also used to determine the data's reliability. Following Izah et al.'s (2023) recommendations, 0.7 was adopted as the threshold Cronbach's alpha for acceptable validity.

Data was obtained from 162 participants, including employees, managers, and policymakers from acquisition logistics firms in the western US. The researcher employed SurveyMonkey to ensure uniform representation and reduce selection bias across the strata. The average response rate was 96.3% ( $n = 156$ ). The surveyed population consisted of 3.85% aged 18-29 ( $n = 6$ ), 35.90% aged 30-44 ( $n = 56$ ), 57.05% aged 46-60 ( $n = 89$ ), and 3.21% aged 60+ ( $n = 5$ ). Additionally, 47.44% of the reporting participants ( $n = 74$ ) were female, while the remaining 52.56% ( $n = 82$ ) were male.

A descriptive analysis measured central tendency, range, variance, and standard deviation. The computed means of the variables had standard deviations (SD) ranging from 0.85558 to 1.11510. The corresponding standard errors (SE) of 0.201 imply that the estimate of skewness is stable and precise, as shown in Table 1.

**Table 4**  
*Descriptive Statistics*

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness

	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error
TL	133	1.00	5.00	3.7267	.08769	1.01133	-.543	.210
DM	133	1.17	5.00	4.0175	.07419	.85558	-1.021	.210
IC	133	1.00	5.00	3.9649	.08315	.95898	-.980	.210
DC	133	1.00	5.00	4.1203	.07449	.85904	-1.182	.210
AC	133	1.00	5.00	4.1203	.07449	.85904	-1.182	.210
OCB	133	1.00	5.00	3.0203	.09669	1.11510	-.011	.210
Valid N (listwise)	133							

*Note.* The low standard errors indicate that the sample mean is a reliable estimate of the population mean.

A reliability analysis was conducted using Cronbach's alpha method to assess the internal consistency of the Transformational Leadership Scale. The resulting coefficient for transformational leadership was 0.950, indicating excellent internal consistency among the items (see Table 3).

**Table 3**  
*Reliability Statistics for Transformational Leadership*

Reliability Statistics	
Cronbach's Alpha	N of Items
.950	14

*Note.* This table indicates the average Cronbach's alpha for the tested questionnaire. It indicates the accuracy with which the instrument measured the independent variable.

The Cronbach's alphas for the instruments for the independent variables indicated high reliability. The computed Cronbach's alpha for this variable was 0.993. Since the value exceeded 0.7, the threshold for acceptable reliability, the researcher concluded that the data had excellent internal consistency among the items (see Table 3).

**Table 3**  
*Reliability Statistics for D&I*

Reliability Statistics	
Cronbach's Alpha	N of Items
.993	25

*Note.* This table shows the average Cronbach's alpha for the tested data-collection instrument.

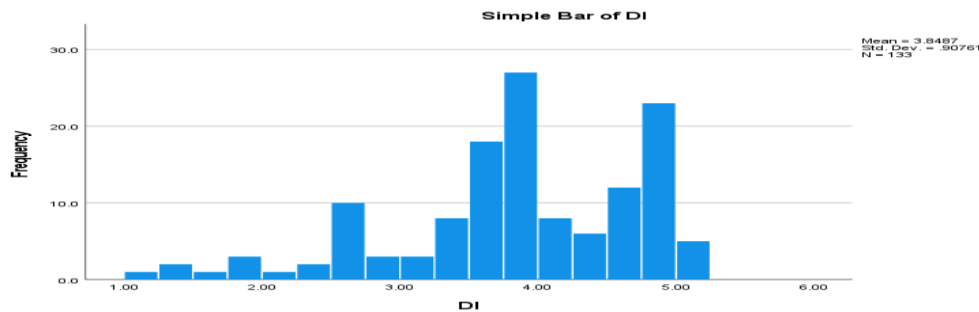
### *Exploratory Analysis*

The participants' behavior was visualized using a histogram, illustrating their preferred responses to various survey questions. According to Bok et al. (2020), histograms are essential for visualizing the distribution of numerical data. They reveal the data's shape, central tendency, spread, and the presence of outliers (Bok et al., 2020). The corresponding histograms indicate

that both D&I and transformational leadership were characterized by positively skewed data, as shown in Figures 1 and 2.

**Figure 1**

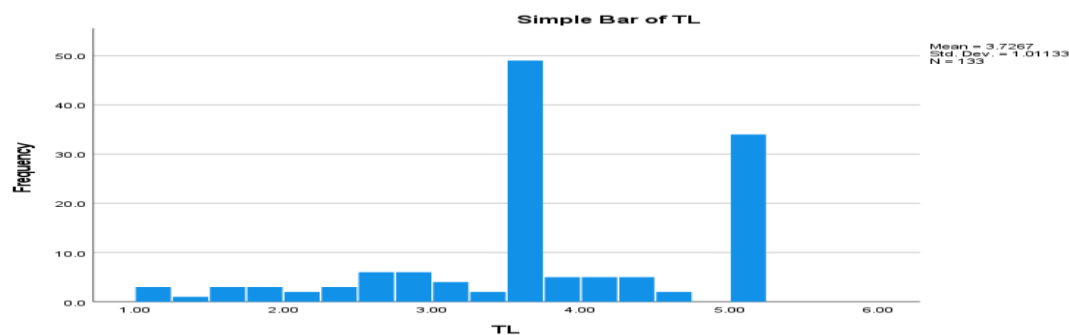
*The Histogram for Workplace D&I*



*Note.* This figure shows that most participants agreed or strongly agreed with the survey statements relating to workplace D&I.

**Figure 2**

*The Histogram for Transformational Leadership*



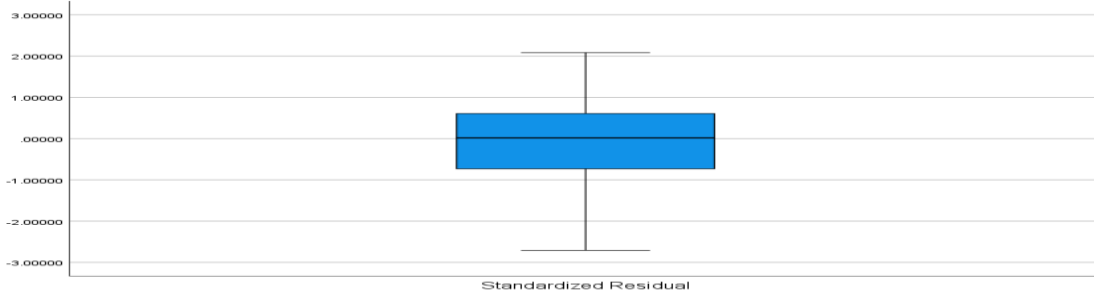
*Note.* The positive skewness suggests that most participants selected “I Agree” or “Strongly Agree” to the survey statements relating to this variable.

### ***Outlier Analysis***

Outlier analysis was conducted to identify any abnormalities within the gathered dataset. Outliers are the data points within a dataset that may significantly deviate from the dataset’s regular pattern or model, indicating errors and anomalies (Wada, 2020). The boxplot method was used to identify the potential outliers within the dataset. Even though the boxplot suggested the data’s median is not centered, as evidenced by the uneven whiskers, it showed no outliers, as illustrated in Figure 3. Only the dependent variable was analyzed for outliers to avoid distorting regression, correlation, or mean-based statistics.

**Figure 3**

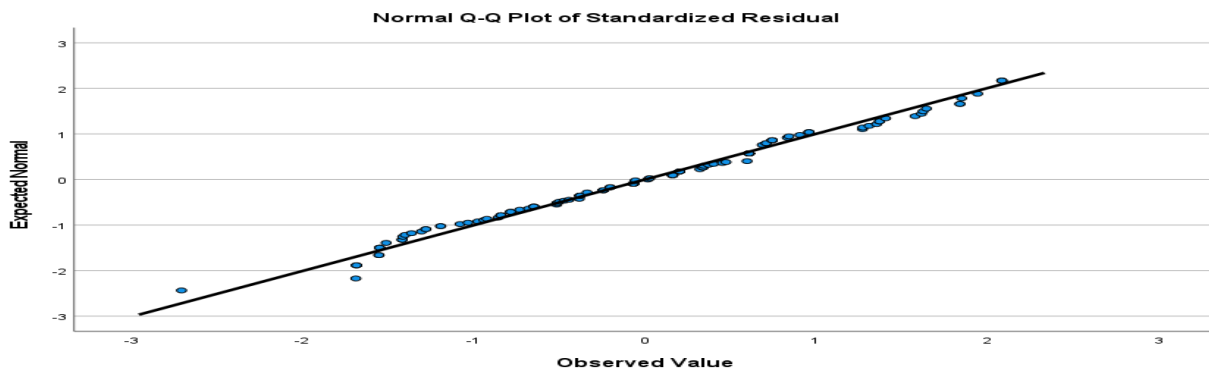
*The Boxplot for Workplace D&I*



*Note.* The boxplot shows no outliers and suggests the data is not abnormally skewed.

A QQ-normal plot was used to test the dataset’s residuals for the normal distribution, following Yang et al.’s (2023) recommendations. The results show that most data points align with the diagonal reference line. Consequently, the residuals follow a nearly perfect normal distribution, with minimal deviation from the line of best fit (see Figure 4).

**Figure 4**  
*The Normal QQ-Plot of Standardized Residual*



*Note.* The QQ-plot reveals a normal distribution of the data’s residuals.

***Inferential Analysis***

The Shapiro-Wilk test was used to assess the dataset for normality. The findings revealed that all scale items had *W* values below 0.9, indicating that the data were not normally distributed. Consequently, the Spearman correlation was preferred to the Pearson method. The correlation analysis revealed a strong positive correlation between transformational leadership and workplace diversity and inclusion among the studied organizations ( $\rho = 0.987$ ;  $p < 0.0001$ ), as shown in Table 4. The regression model also yielded a standardized coefficient ( $\beta_1$ ) of 0.987, suggesting that a unit increase in the standard deviation of transformational leadership is associated with a 0.987 standard deviation increase in D&I.

**Table 4**  
*Correlation Analysis with Averaged D&I Indicators*

Correlations		
	DI	TL

DI	Pearson Correlation	1	.987**
	Sig. (2-tailed)		.000
	N	133	133
TL	Pearson Correlation	.987**	1
	Sig. (2-tailed)	.000	
	N	133	133

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

*Note.* TL exhibits a strong positive correlation with D&I, as evidenced by Spearman  $\rho$  of 0.987.

The outcomes of this study lead to the rejection of the null hypothesis ( $H_{10}$ ), which states that there is no statistically significant relationship between transformational leadership and workplace D&I among logistics contracting firms in the Southern United States. The final part of this article presents the study's recommendations, conclusions, and relevance to the field.

## Implications and Limitations

The findings of this study contribute meaningful insights into the evolving discourse surrounding leadership and organizational inclusion. This research revealed statistically significant positive relationships between transformational leadership and D&I factors, such as diversity management, diversity culture, inclusive culture, affective commitment, and organizational citizenship behavior. These outcomes have significant implications spanning academic theory and real-world organizational practice.

The study establishes a robust positive correlation between transformational leadership and key D&I indicators. This finding suggests that the principal dimensions of transformational leadership, such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration, play a critical role in fostering environments that embrace diversity and encourage inclusivity. This study's findings encourage a deeper theoretical exploration of leadership behaviors that influence D&I outcomes, particularly within complex, multi-layered organizational systems like federal contracting agencies. It also contributes to the emerging literature by advocating the integration of leadership theory with diversity research. The research situates transformational leadership within the context of medium-sized federal contractors in the Southern United States.

The study faced three principal limitations threatening its capacity to meet the intended goals. First, the data collection process is expected to be prone to errors stemming from participant self-reporting bias. The self-reported questionnaires used to collect data are vulnerable to exaggeration or dishonesty among the surveyed employees or leaders. Second, the latent metrics used to indicate this variable may not fully capture all transformational leadership dimensions in a typical organization. Finally, the researcher focused less on defining and quantifying D&I among the studied firms.

## Recommendations and Conclusions

This study offers valuable insights into various aspects of transformational leadership and its impacts on workplace D&I among logistics firms. The findings can guide administrators of acquisition logistics firms to consider transformational leadership as a vital factor affecting employee satisfaction and overall dedication to their employers. This research bridges a gap in

the existing literature by identifying and measuring the association between transformational leadership and workplace D&I among acquisition logistics firms in the Southern United States.

The managers, executives, and policymakers of small and medium contracting firms can use this study's findings to identify the principal factors promoting workplace inclusion and diversity. They can use such findings to identify transformational leadership as a foundational approach for cultivating inclusive and diverse workplaces. Small- and medium-sized contracting firms should invest in leadership development programs that emphasize empathy, vision, individualized support, and intellectual openness. Companies across all sectors and regions should utilize the insights from this study to integrate inclusive values into their leadership models. Additionally, firms should embed these leadership values into their hiring practices, performance evaluations, and executive coaching initiatives to promote sustained diversity management and inclusive cultures.

Future research should explore how transformational leadership impacts D&I outcomes across different organizational types and sizes beyond medium-sized federal contractors. Comparative studies involving private-sector firms, non-profits, and large multinational organizations could validate the generalizability of the findings obtained in this research. Additionally, longitudinal studies may provide a deeper understanding of how sustained transformational leadership practices influence long-term D&I development. Future researchers should also examine how cultural, regional, or sector-specific factors moderate the relationship between leadership and D&I. Such researchers should also consider expanding the scope beyond the Southern United States to include nationwide or global contexts. Such measures could help future studies to establish a more comprehensive view of inclusive leadership practices. Additionally, future research should incorporate employee perceptions and leadership behavior assessments across diverse demographics using qualitative methodologies such as interviews.

This study underscores the significance of leadership in fostering diverse and inclusive workplaces. It suggests that sustained efforts in leadership development are essential for achieving lasting organizational change. Future research should continue exploring these relationships across industries to refine leadership models that prioritize D&I as integral to organizational effectiveness. The study offers transformative leadership blueprints that promote productivity through inclusion and diversity. It raises awareness of the dangers of overlooking D&I's benefits, given its positive impact on organizational success. The study guides leaders in making more informed decisions, especially in recruitment and employee engagement, by highlighting D&I's role in shaping organizational prosperity.

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