



Integrating DEI Into ESG Strategies: A Social Perspective in Higher Education Institutions

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Abstract: *This study examines the role of Diversity, Equity, and Inclusion (DEI) as a key operational component of the social dimension within Environmental, Social, and Governance (ESG) frameworks in Higher Education Institutions (HEIs). Drawing on contemporary ESG and DEI theory, the paper conceptualizes DEI as a measurable and practice-oriented mechanism through which social sustainability can be strengthened in academic environments. The empirical research was conducted in the first quarter of 2025 and included undergraduate, master's, and doctoral students from two HEIs in Serbia. Data were collected using a structured questionnaire based on a validated multicultural competence framework and measured on a five-point Likert scale. Quantitative analysis involved descriptive statistics, independent samples t-tests to examine gender differences, and one-way ANOVA to assess differences across levels of study. The findings indicate a very high overall perception of DEI practices, particularly regarding faculty support, inclusive academic climate, and students' openness to working with individuals from diverse backgrounds. Statistically significant gender differences were observed in several DEI dimensions, with female students reporting higher awareness and perceived cultural competence, while no significant differences were found across levels of study. The study provides practical insights for integrating DEI into ESG strategies in HEIs, supporting institutional social responsibility, inclusive governance, and long-term social sustainability.*

Keywords: Diversity, Equity, Inclusion, HEI, ESG, Social sustainability

JEL Classification: I23 · I24

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1. INTRODUCTION

In the contemporary higher education system, the concepts of sustainability and social responsibility are gaining increasing importance. Integrating the DEI principles into the core operational strategies of HEIs has become essential for achieving a socially responsible university system. DEI components contribute to the creation of a fairer academic environment that values diversity and promotes equal access to educational and professional opportunities. In this context, the ESG approach in higher education goes beyond the traditional understanding of sustainability, as it integrates environmental, social, and governance dimensions. The primary mission of HEIs is the creation and dissemination of knowledge; however, they are also tasked with equipping future generations with the necessary skills and competencies to effectively address sustainability challenges (Alenezi & Alanazi, 2024). Today, sustainability is increasingly linked to social issues and challenges. For this reason, many HEIs have incorporated DEI principles into their institutional missions, demonstrating a strong commitment to fostering an inclusive academic environment (Fagun, 2025).

Within the DEI framework, diversity refers to the recognition of physical and social characteristics that distinguish individuals or groups, emphasizing these differences as sources of strength. Equity, as a key component of the DEI approach, ensures equal opportunities and access regardless of background by removing barriers that hinder participation and creating fair conditions for all. Inclusion represents the active appreciation of diverse perspectives and the engagement of individuals from all social backgrounds, fostering a sense of belonging and recognition of each community member for who they truly are (Yanikoglu, 2025). The various forms of diversity that must be integrated into HEIs' strategic decisions relate to socio-demographic characteristics such as gender, age, ethnicity, religion, sexual orientation, beliefs, lifestyle, nationality, physical characteristics, and many others (Bele & Hebalkar, 2023; Lumadi, 2008).

This research aims to examine students' perceptions of the implementation of DEI principles within their higher education institutions, with particular emphasis on inclusivity, equal opportunities, and campus diversity. Based on this objective, the following research question has been formulated:

Q1: How do students perceive the implementation of diversity, equity, and inclusion (DEI) principles within their higher education institutions, and in what ways do these practices influence their academic experiences and institutional engagement?

2. LITERATURE REVIEW

In the last few years, the concept of ESG has become more important in higher education. Many universities try to connect their main goals with sustainable development and social responsibility. At the beginning, ESG was created to follow and evaluate companies, mostly in the financial and business fields. Today, it is used in a much wider context to observe how institutions behave and how responsible they are toward society (Li et al., 2021).

The environmental and governance parts of ESG are already well structured and measurable, but the social part (S) is still less researched and not clearly defined (Boubaker et al., 2018). This social pillar includes equality, human rights, diversity, and the relationship between institutions and the community. Still, these values are difficult to measure precisely, since they depend on people's perception and cultural background.

The idea of DEI has changed much in the last decade. It shows the social, organizational, and cultural changes that happen in workplaces today. In the study of [Park et al. \(2025\)](#), DEI was first used as a way to correct unfair situations in management and organization. The goal was to reduce inequality in hiring and promotion. Later, the DEI idea became wider and included also topics of organizational culture, leader responsibility, and justice inside institutions. [Verma \(2024\)](#) explains that diversity means differences between people in the work environment, like gender, ethnicity, age, or social background. Equity means fairness in systems and rules, knowing that not all people start from the same position. Inclusion means active participation and a feeling of belonging, when every person is respected, listened and supported. All these together make DEI not only a formal rule but a real practice that helps to create fairness and real participation in organizations.

Because of that, many researchers include the concept of DEI to explain the social side of ESG in a more practical and visible way. DEI helps to turn social ideas into real institutional actions and policies that can be compared and evaluated ([Roberson, 2019](#); [Shore et al., 2011](#)).

Recent studies see DEI also as a moral and practical need. [Wang et al. \(2024\)](#) found that DEI has a strong effect on work culture and on the well-being of workers, especially through anti-racism programs, trainings, and development activities. They write that DEI works best when it is a long-term plan with real support from leaders, not only one short event. In the same way, [Hattery et al. \(2022\)](#) show that diversity in teams can bring more creativity, innovation, and better decision-making. But they also say that fairness and inclusion need active management, otherwise it becomes only formal or surface-level. The authors see DEI not only as an ethical value but as a way to support learning and to make organizations more strong. In general, these studies show that DEI is now a basic part of sustainable and responsible institutions, because it joins fairness, participation, and representation on all levels.

Several studies show that organizations with developed DEI practices achieve better ESG results. [Gidage's \(2025\)](#) study found that companies that promote diversity and inclusion receive higher ESG scores and gain more trust from employees and the public. The same authors also point out that DEI-based management improves adaptability and long-term resilience. These results show that DEI is not only about ethics, but also about the sustainability and growth of institutions.

In universities, ESG is becoming a practical framework for understanding how they contribute to society and equality inside their structures ([Alenezi & Alanazi, 2024](#)). However, environmental activities are still more visible, while the social part is less developed ([Dutta et al., 2025](#)). Including DEI principles in ESG strategies allows universities to build inclusive policies, ensure equal opportunities, and support students and staff through a positive and safe environment.

A good example is the study of [Smith et al. \(2017\)](#), which examined how students experience diversity and cultural competence at universities. More than 90% of the students said that teachers and staff were open and accepting of everyone. Most of them also learned about different cultures and were ready to work with people of any background. This shows that an inclusive environment supports the development of intercultural and professional skills. The same authors also expanded the idea of diversity beyond ethnicity, adding gender, religion, disability, and socioeconomic background. These factors help to understand how universities can promote fairness, equality, and cultural understanding. From this point of view, DEI is the most practical and measurable way to develop the social part of ESG in higher education.

Newer studies confirm this link. According to [Yanikoglu \(2025\)](#), the language and communication used at universities strongly affect the level of inclusion. Authors also stress that wider access to education requires fairness and accessibility. These results show that DEI should be seen as a permanent part of institutional culture and long-term sustainability strategy, not just as a one-time initiative.

Altogether, previous studies ([Alenezi & Alanazi, 2024](#); [Li et al., 2021](#); [Roberson, 2019](#); [Smith et al., 2017](#)) clearly show that ESG becomes complete only when it includes DEI principles. With DEI, institutions can create inclusive environments, support social sustainability, and strengthen social cohesion in the academic community.

3. METHODOLOGY

This paper aims to examine the role of DEI as key indicators of the social dimension in ESG frameworks within HEIs. The research aims to assess students' perceptions of DEI practices in their institutions, focusing on inclusivity, equal opportunities, and campus diversity. The study objectives were to identify students' views about diversity in the department and university, perceptions of faculty's acceptance and accommodation of diversity, and knowledge and development of skills related to cultural competence. Quantitative data were collected and analyzed to determine if objectives were met. The sample included students of undergraduate studies, and post-graduate students (Master's and doctoral students) at the Belgrade Metropolitan University and the University of Kragujevac. Data collection was carried out during the first quarter of 2025.

The multicultural competence questionnaire was designed according to the study of [Smith et al. \(2017\)](#), in order to measure students' perceptions of diversity, inclusion, and multicultural competence during their studies. Perceptions were measured on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire included statements related to attitudes of faculty, staff, and students toward diversity. Students were asked if faculty and staff accept all individuals regardless of differences, include multicultural topics in the study program, and use neutral and inclusive language. Questions also examined whether minority students were treated equally, whether faculty were open and supportive to all students, and whether they avoided stereotypes based on age or gender. Additional items asked if faculty made adjustments for religious reasons (for example, changing assignment deadlines) and if the faculty provided information in accessible formats, such as video materials, to meet the needs of all students. Students were also asked if their peers were open and supportive toward everyone, including minority groups. Finally, the questionnaire measured students' personal development: whether they developed multicultural competencies, increased knowledge about people from different backgrounds, and felt open to cooperation with people from different cultures. Demographic data included gender, level of study, and year of study (for undergraduate students only).

The sample is characterized by a higher representation of male respondents (69.64%), while females make up 30.36% of the total. Most participants are undergraduate students (60.71%), followed by PhD students (28.58%) and master's students (10.71%). This distribution shows that the sample includes students from different academic levels, providing a balanced overview of perceptions among individuals at various stages of their studies. The predominance of undergraduate students is expected, since universities generally have a larger number of students enrolled in undergraduate programs compared to master's and doctoral studies. Therefore, the difference in representation by study level can be considered natural and consistent with the overall student population structure. This structure allows comparison of attitudes toward multicultural competence and inclusion across different study levels, which contributes to the validity and representativeness of the research findings.

Table 1. Sample characteristics

	Frequency (N=56)	
	N	%
Gender		
Female	17	30,36%
Male	39	69,64%
Level of study		
Undergraduate studies	34	60,71%
Master's students	6	10,71%
PhD students	16	28,58

Source: Authors

4 RESULTS AND DISCUSSION

At the beginning of the analysis, a descriptive statistical analysis was applied in order to determine the average value (M) and standard deviation (SD) of the items used to measure the variables of the model. The results are shown in Table 2.

Table 2. Results of descriptive statistics

Items	M	SD
Faculty and staff in the department were accepting of all individuals (regardless of diversity).	4,8214	,38646
Multicultural topics were addressed (within my curriculum).	4,1964	,79589
Faculty were open to learning about different cultures.	4,3929	,86715
Faculty used neutral language indicating acceptance (of varied sexual orientation).	4,2143	,92862
Minority students were not singled out (to represent the options of entire minority population).	4,4821	,97218
Faculty in the major were open and supportive of all students (including minority students).	4,7143	,59435
Faculty avoided stereotyping by age.	4,7500	,51346
Faculty used gender neutral language.	4,0536	,99854
Faculty accommodated students for religious accommodations.	3,8571	1,48236
Faculty presented information in accessible formats (such as closed captioned videos) to meet all students' needs.	4,3036	1,23465
Students in the major were open and supportive of all students (including minority students).	4,2500	,91949
I have developed the skills to be a culturally competent health professional.	4,1250	1,12916
I have increased my knowledge of people with diverse backgrounds.	4,2679	1,03557
I am open to working with people with diverse backgrounds.	4,9821	,13363

Source: Authors

On a five-point scale, the average value of DEI findings is 4.38, which can be characterized as very high, and which leads to the conclusion that there are DEI practices and strategies in HEIs. Among all measured items, the statement “*I am open to working with people with diverse backgrounds*” obtained the highest mean value (M = 4.98). This result indicates a very high level of agreement among respondents and reflects students’ strong openness and willingness to collaborate with individuals from different cultural, ethnic, and social backgrounds. Such a result suggests that the participants possess well-developed intercultural awareness and acceptance, which are essential components of DEI-related competencies. It also implies that HEIs have likely

succeeded in fostering an academic culture that values diversity and prepares students for professional environments characterized by inclusivity and global collaboration. At the same time, this item had the lowest standard deviation ($SD = 0.13$), which, as such, indicates a high degree of homogeneity of students' attitudes.

The second-highest mean value was recorded for the statement "*Faculty and staff in the department were accepting of all individuals (regardless of diversity)*" ($M = 4.82$), suggesting that students largely perceive their academic environment as open and welcoming to diversity. This perception reflects a generally inclusive institutional culture, where faculty and staff demonstrate respect and support for all members of the academic community, regardless of their background. Closely following is the item "*Faculty in the major were open and supportive of all students (including minority students)*" ($M = 4.71$), which further reinforces the idea that teaching staff play a significant role in promoting inclusivity and ensuring equal participation of all students. The item "*Faculty avoided stereotyping by age*" ($M = 4.75$) also indicates a strong awareness among educators regarding potential biases, suggesting that age-related stereotypes are effectively minimized within the learning environment.

Moderately high means were found for "*Minority students were not singled out to represent the opinions of entire minority populations*" ($M = 4.48$) and "*Faculty were open to learning about different cultures*" ($M = 4.39$). These results suggest that faculty members are generally sensitive to issues of representation and are willing to expand their cultural understanding, contributing to a respectful and equitable classroom climate. The item "*Faculty presented information in accessible formats (such as closed-captioned videos) to meet all students' needs*" ($M = 4.30$) also scored relatively high, reflecting institutional efforts to accommodate diverse learning needs and promote accessibility. Items related to curriculum content and communication practices, such as "*Multicultural topics were addressed within my curriculum*" ($M = 4.19$) and "*Faculty used neutral language indicating acceptance of varied sexual orientations*" ($M = 4.21$), showed positive but slightly lower averages, indicating room for further integration of DEI topics into teaching materials and language practices. Meanwhile, "*Students in the major were open and supportive of all students (including minority students)*" ($M = 4.25$) suggests a positive peer culture that aligns with institutional DEI efforts.

On the other hand, "*I have increased my knowledge of people with diverse backgrounds*" ($M = 4.27$) and "*I have developed the skills to be a culturally competent health professional*" ($M = 4.13$) demonstrate that students recognize personal growth in cultural competence but may still require more experiential learning opportunities to strengthen these skills. The lowest mean was observed for "*Faculty accommodated students for religious accommodations*" ($M = 3.86$), indicating that while general inclusivity is well established, religious accommodation remains an area where further institutional attention and support are needed. In order to determine the differences in the attitudes of male and female students, a t-test was applied, the results of which are shown in Table 3.

The t-test results revealed statistically significant gender differences across several DEI-related items, with women students reporting higher mean scores than their male counterparts. Female respondents perceived that multicultural topics were more frequently addressed within their curriculum and that faculty demonstrated greater openness to learning about different cultures. This finding may suggest that women are generally more attuned to diversity-related content and possibly more responsive to inclusive pedagogical practices. It also aligns with previous research indicating that women tend to show stronger sensitivity toward multiculturalism and social equity

issues in educational settings. Furthermore, women students rated higher agreement with the statements that faculty used neutral language, indicating acceptance of varied sexual orientations and that minority students were not singled out to represent entire minority populations. These perceptions reflect a stronger awareness of linguistic inclusivity and representational fairness among female students, which may stem from a heightened sensitivity to social identity and discrimination dynamics. The finding highlights that female students might experience or notice inclusive practices more readily, possibly due to their own experiences. The gender difference was also evident in the items “Faculty accommodated students for religious accommodations” and “I have developed the skills to be a culturally competent health professional.” Higher female scores in these areas suggest a stronger perception of institutional support for diverse religious needs and greater self-assessed competence in intercultural understanding. This may indicate that women students engage more deeply with DEI-related learning opportunities, particularly those fostering empathy, reflection, and communication across cultural boundaries. Overall, these findings imply that women students not only perceive a more inclusive and equitable academic environment but also internalize DEI principles more effectively.

Table 3. Results of the t-test

Items	Mean difference	p value
Faculty and staff in the department were accepting of all individuals (regardless of diversity).	-0.87	0.441
Multicultural topics were addressed (within my curriculum).	-0.47	0.038*
Faculty were open to learning about different cultures.	-0.53	0.046*
Faculty used neutral language indicating acceptance (of varied sexual orientation).	-0.45	0.006*
Minority students were not singled out (to represent the options of entire minority population).	0.26	0.034*
Faculty in the major were open and supportive of all students (including minority students).	-0.24	0.439
Faculty avoided stereotyping by age.	-0.19	0.077
Faculty used gender neutral language.	-0.85	0.206
Faculty accommodated students for religious accommodations.	-0.62	0.003*
Faculty presented information in accessible formats (such as closed captioned videos) to meet all students' needs.	-0.07	0.147
Students in the major were open and supportive of all students (including minority students).	-0.65	0.845
I have developed the skills to be a culturally competent health professional.	-0.15	0.013*
I have increased my knowledge of people with diverse backgrounds.	-0.12	0.547
I am open to working with people with diverse backgrounds.	-0.05	0.592

Note: * - Results are significant at 0,05 level

Source: Authors

The results of ANOVA test revealed no statistically significant differences among undergraduate, master’s, and doctoral students regarding their perceptions of DEI-related practices within their institutions. This finding suggests a relatively consistent level of awareness and experience with diversity, equity, and inclusion across all levels of study. Such uniformity may indicate that DEI principles are embedded institutionally rather than being limited to specific academic levels or programs. In other words, students appear to encounter similar inclusive practices, faculty behaviors, and institutional policies throughout their academic progression. The absence of variation across study levels also implies that HEIs have established a stable and coherent approach to DEI implementation. This consistency may result from university-wide initiatives, such as faculty training, standardized curricula, or campus-wide policies promoting inclusivity and equity. It

is also possible that DEI topics are introduced early in students' educational experience, allowing for the formation of stable perceptions that persist through advanced stages of study. However, while the lack of significant differences is generally positive, it also points to potential limitations in the differentiation or deepening of DEI engagement at higher academic levels. Ideally, graduate and doctoral programs should provide more advanced and context-specific opportunities for critical reflection on diversity and social responsibility. Therefore, future institutional efforts might consider tailoring DEI education and experiences to align with the increasing academic and professional maturity of students, ensuring that inclusivity remains not only consistent but also progressively enriching throughout higher education.

5. CONCLUSION

Students perceive the implementation of DEI principles within their HEIs as highly positive, indicating that these institutions foster inclusive, equitable, and supportive academic environments. They recognize that faculty and staff demonstrate openness, respect, and a commitment to accommodating diverse cultural, social, and individual needs, which contributes to a sense of belonging and fairness across the campus. DEI practices are perceived to enhance students' academic experiences by promoting intercultural understanding, reducing stereotyping, and creating opportunities for collaboration with peers from diverse backgrounds. These practices also influence institutional engagement, as students report feeling more valued and supported, which encourages active participation in academic and extracurricular activities. The findings suggest that students, particularly women, internalize DEI principles and develop cultural competence, which prepares them for professional environments characterized by inclusivity and global collaboration. Overall, the perception of effective DEI implementation strengthens both the quality of learning and the level of engagement within the HEI, fostering an academic culture that aligns with principles of social responsibility and equitable opportunity.

The limitations of this study primarily arise from the scope of data collection and the characteristics of the sample. First, the research was conducted at only two universities, which limits the extent to which the findings can be generalized to the broader population of higher education institutions. Differences in institutional policies, campus culture, and student demographics at other universities may result in variations in the implementation and perception of DEI principles that are not captured in this study. Second, the relatively small sample size further constrains the robustness of the statistical analyses, potentially affecting the reliability and precision of the results. While the descriptive statistics provide valuable insights into students' perceptions, the limited sample reduces the ability to detect subtle patterns or differences across subgroups, such as academic disciplines or specific demographic categories. Consequently, caution is warranted when interpreting these findings, and they should be considered indicative rather than definitive. Future research should aim to include a larger, more diverse sample across multiple HEIs to strengthen the generalizability of the results, allow for more sophisticated statistical analyses, and provide a deeper understanding of how DEI practices are perceived and experienced across different contexts in higher education.

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