IMPACT OF WORKFORCE DIVERSITY MANAGEMENT ON ORGANIZATIONAL PERFORMANCE: JOB RELATED ATTITUDE & JOB OUTCOME AS MEDIATOR AND WORKFORCE AFFINITY AS MODERATOR

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ABSTRACT

Workforce diversity refers to employees with different Age, Gender, Education, Region and celebrating these differences refer to managing workforce diversity. Organizations constantly strive to find out various ways and means of increasing employee performance which is being practiced now a day is recruiting and managing a diverse workforce. likert scale questionnaires were used to measure the variables. The study utilizes a mixed-method approach, incorporating quantitative analysis of survey data from 371 participants. The study finding shows a) there is a significant relationship between the workforce diversity and organizational performance; b) job related attitudes and job outcome was found to be an significant mediator beside this workforce affinity was also found significant moderator.

Keywords: workforce diversity management, organizational performance, job related attitude, job outcome, workforce affinity, moderator.

INTRODUCTION

Background of the Study

In the field of management, many researchers and professionals have been interested in the topic of diversity and diversity management (DM) because of the increasing internationalization of business and shifting demographics of labor markets throughout the globe (Byrd & Scott, 2018). Therefore, workforce diversity has evolved as a major strategic objective that many firms think can be used as a means of fostering justice and fairness in the workplace. Inequalities in promotion, salary, training, turnover, mutual acceptance, and work satisfaction may result from a company's inability to effectively manage racial, gender, educational, occupational, ethnic, and religious diversity (Yadav & Lenka, 2020). Training initiatives, family-friendly policies, mentorship opportunities, and advocacy groups are only some of the policies and activities that make up the diversity management role at organizations (Stazyk, Davis, & Liang, 2021). "Diversity management," as defined by Gomez-Mejia et al. (2010), is the collection of actions involved in integrating diverse employees into the workforce and exploiting their diversity to the firm's competitive advantage. Additionally, it's a tactic for spreading awareness of, and support for, diversity initiatives inside a business. Given the changing demographics of the contemporary workforce, it is an issue that must be addressed daily by businesses. Consequently, the significance of investigating the diversity management will increase with time (Kim et al., 2021).

Preeti bedi et al. (2014) pointed out, businesses are beginning to see diversity as something to embrace to create a more strong and competitive company. Similarly, businesses, government agencies, and nonprofit organizations should all be paying more attention to the challenge of managing their increasingly diverse workforces (H. W. Lee & Kim, 2020). In addition, as pointed out by Choi and Rainey (2020), it is now crucial for businesses to be aware of how diversity affects crucial metrics like performance of employees, their attitudes towards the job and their perceptions. So it is no surprise that

in recent years, experts in the field of diversity studies have come to agree that the goal of diversity management has shifted from affirmative action programs to capitalizing on differences to boost performance of the organizations (Moon & Christensen, 2020).

LITERATURE REVIEW
Workplace Diversity Management
In 21st century, diversity in the workplace has emerged as a critical issue for organizations to address (Ohunakin, Adeniji, Ogunnaike, Igbadume, & Akintayo, 2019). According to Gomez-Mejia et al. (2017), most organizations intentionally form diverse teams so that different perspectives may be applied to an issue. As a result, many businesses now include diversity management as a core aspect of their entire strategy (Olusegun, Abdulraheem, & Nassir, 2018). For a company to be successful in attracting and retaining a diverse workforce, it must design and execute policies and procedures that encourage employees from all walks of life to work together in an inclusive environment. It is of no surprise that productive organizations are prepared to devote resources to managing diversity in the workplace once they realize the urgency of the situation. In fact, one of the most important tenets of diversity is that businesses with racially and ethnically diverse staffs are better able to compete in today's global economy (Caron, Asselin, & Beaudoin, 2019).

One of the most important problems today is how to effectively manage a workforce that is becoming more diverse considering different workforce settings (Coronado et al., 2020). Most diversity management research has been conducted in the United States, Europe, and South Africa, but new evidence suggests that local firms are not taking workforce diversity into account in their day-to-day activities (Riccucci, 2021).

Worked Force Diversity Management and Organizational Performance
The organizational success or failure is dependent upon the organizational performance. The organizational performance is defined by Al-Qudah, Obeidat & Shrouf, (2020) as an organizational decision made in line with its accomplished goals. Popescu (2020) categorized the organization's performance into two segments, i.e., a) a measure of how well an organization would be able to operate and generate revenue from its processes known as financial performance (FP) and b) a measure that cannot be quantified in terms of money refers to non-financial performance (NFP). When people believe that the assets, both human and material, that make up an organization are valuable and are being put to good use, such company is more likely to succeed (Coronado et al., 2020).

Theoretical Perspective
Social identity theory suggests that individuals will cluster together in groups defined by shared values and identities, such as those based on race, gender, sexual orientation, and other demographic factors (Setati, Zhuwao, Ngirande, & Ndlovu, 2019). This idea is being used in this particular research setting to illustrate the ways in which diverse teams within an organization work together and work towards the organizational performance. When fostering a diverse workforce, employees must think about how their contributions will benefit the company (Verma, 2020). This means welcoming individuals of all backgrounds and identities into the workplace and actively encouraging them to share their own experiences and viewpoints (Wikhamn & Wikhamn, 2020). As a result, the Social Identity Theory contributes to an understanding of diversity because of its emphasis on interpersonal dynamics. Because it helps to explain how fundamental differences or similarities in employees' social identities can either boost or dampen the quality of services provided by organizations, Social Identity Theory is a crucial tool for explaining the connection between diversity management and organizational performance (Aderibigbe, 2021).

Mediating role of Job-Related Attitude and Job Outcome
Employee job-related attitudes, such as job commitment and employee trust etc. (Hassan & Jan, 2017), and employee job-related outcomes, such as employee performance (Andrew, 2017), have been found to significantly impact organizational performance. While on the other hand, Employee job-related attitude and outcomes are significantly influenced by workforce diversity management, according to recent studies.

Workforce Affinity as a Moderating Factor
By forming affinity groups, employees who have similar experiences, hobbies, or demographics may

bond together towards achieving the rotational goals. Studies have demonstrated that individuals gravitate toward social circles that have comparable demographic, behavioral, and socio-emotional traits (Moon, 2018). Therefore, studies have shown that participation in affinity groups increases feelings of community. Although affinity groups are still mostly mandatory, organizations have different policies on diversity and inclusion. In certain organizations, all workers, regardless of whether they share the fundamental trait that defines the group, are included in the affinity group (Shi, Pathak, Song, & Hoskisson, 2018).

Problem Statement of the Study

The management of a diversified workforce is a strategically very challenging task that is faced by the organizations (Gomez & Bernet, 2019). Literature exhibits mix findings (positive, negative or neutral), pertaining to the association between diversity management and organizational performance (Jayawardana & Priyashantha, 2019; Joshi, Inouye, & Robinson, 2018; Syed, 2020). Such inconsistent results indicate the need for further empirical studies in the context of diversity management and organizational performance. Recent investigations reported that little attention has been paid towards the diversity management activities and practices in the organization (Froidevaux et al., 2020; Joshi et al., 2018; Nizamidou, 2022). Porcena, Parboteeah and Mero (2020) have reported that researchers have failed to examine the organizational advantages of diversity management because the literature pertaining to diversity management is inconsistent (Joshi et al., 2018; M. F. Ozbilgin & Yalkin, 2019; Sims, 2018). Even though, diversity management has a considerable influence over attitudes and behaviors of the employees. Researchers argued that there are still needs to study how diversity management impacts the employees and organizational performance (M. F. Ozbilgin & Yalkin, 2019; Sims, 2018)

Objectives of the Study

Below are the research objectives of the current study.
1. To investigate the impact of workforce diversity management on organizational performance.
2. To analyze the mediating role of job-related attitude i.e., employee trust between the impacts of workforce diversity management on organizational performance.
3. To determine the mediating role of job-related attitude i.e., employee commitment between the impact of workforce diversity management on organizational performance.
4. To investigate the mediating role of job-related outcome i.e., employee performance between the impact of workforce diversity management on organizational performance.
5. To examine the moderating role of workforce affinity between the impact of workforce diversity management on organizational performance.

Hence on the basis of above literature the following hypothesis has been developed

Hypotheses of the Study

H_1: Diversity management has a significant effect on job-associated-attitude.

$H_{1.1}$: Acculturation has a significant effect on employee trust and employee commitment.

$H_{1.2}$: Hiring practice has a significant effect on employee trust and employee commitment.

$H_{1.3}$: Career development has a significant effect on employee trust and employee commitment.

$H_{1.4}$: Organizational image has a significant effect on employee trust and employee commitment.

$H_{1.5}$: Equality concern has a significant effect on employee trust and employee commitment.

$H_{1.6}$: Management practice has a significant effect on employee trust and employee commitment.

$H_{1.7}$: Conflict management has a significant effect on employee trust and employee commitment.

H_2: Diversity management has a significant effect on job-associated-outcome.

$H_{2.1}$: Acculturation has a significant effect on employee performance.

$H_{2.2}$: Hiring practice has a significant effect on employee performance.

$H_{2.3}$: Career development has a significant effect on employee performance.

$H_{2.4}$: Organizational image has a significant effect on employee performance.

$H_{2.5}$: Equality concern has a significant effect on employee performance.

$H_{2.6}$: Management practice has a significant effect on employee performance.

$H_{2.7}$: Conflict management has a significant effect on employee performance.

H_3: Diversity management has a significant effect on organizational performance.

$H_{3.1}$: Acculturation has a significant effect on organizational performance.

$H_{3.2}$: Hiring practice has a significant effect on organizational performance.

$H_{3.3}$: Career development has a significant effect on organizational performance.

$H_{3.4}$: Organizational image has a significant effect on organizational performance.

$H_{3.5}$: Equality concern has a significant effect on organizational performance.

$H_{3.6}$: Management practice has a significant effect on organizational performance.

$H_{3.7}$: Conflict management has a significant effect on organizational performance.

H_4: Employee job-associated-attitude has a significant effect on organizational performance.

$H_{4.1}$: Employee trust has a significant effect on organizational performance.

$H_{4.2}$: Employee commitment has a significant effect on organizational performance.

H_5: Employee job-associated-outcome has a significant effect on organizational performance.

$H_{5.1}$: Employee performance has a significant effect on organizational performance.

H_6: Job-associated-attitude mediates between diversity management and organization performance.

$H_{6.1}$: Employee trust mediates between diversity management and organization performance.

$H_{6.1}$: Employee commitment mediates between diversity management and organization performance.

H_7: Job-associated-outcome mediates between diversity management and organization performance.

$H_{7.1}$: Employee performance mediates between diversity management and organization performance.

H_8: Workforce affinity moderates between diversity management and organization performance.

Hence on the basis of the above study Following is the conceptual framework of the study.

Conceptual Framework of the Study
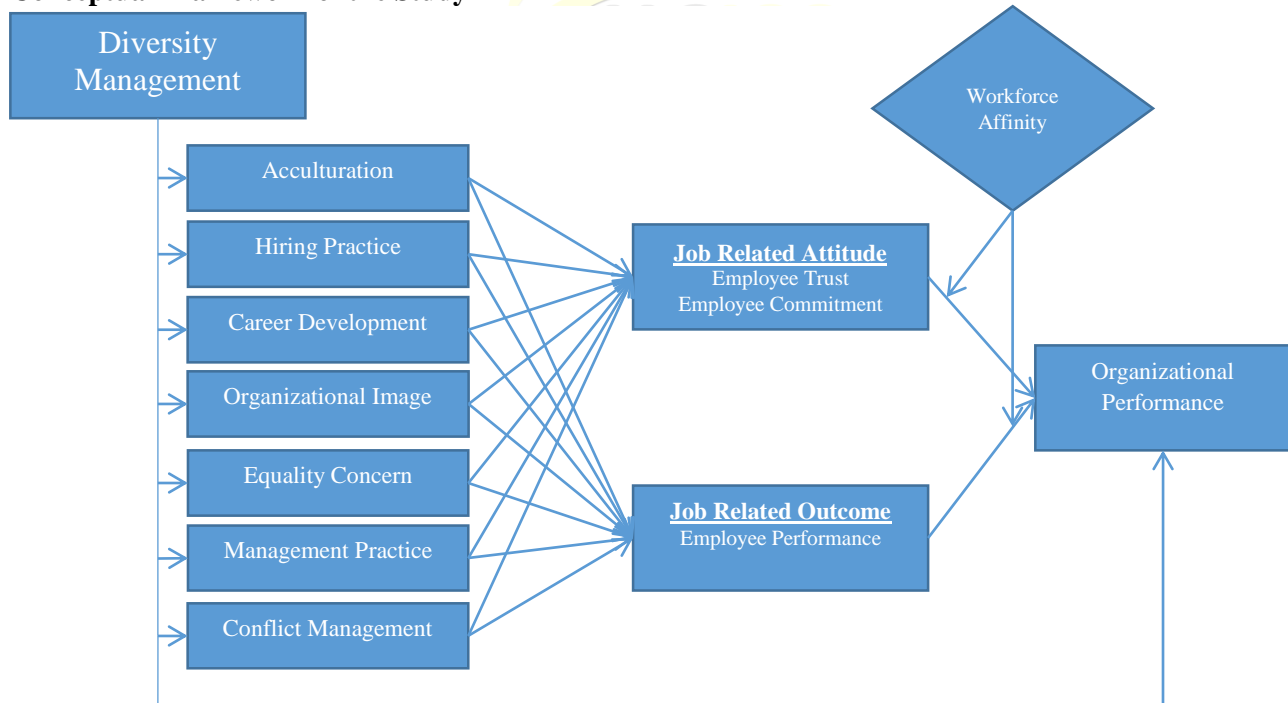
METHODOLOGY
Population of the Study
The population (targeted) was the employees working under the China-Pakistan-Economic-Corridor (CPEC) projects for social sector enhancement. The reason to select the employees working in the social sector development projects of CPEC is because, within the social sector development projects of CPEC, the workforce is diversified on the basis of (culture, economic, race, color, religion, political-views, age and gender, etc (Siddiqui, 2019; Kumar & Isran, 2019). Secondly, social sector development projects play a vital role in achieve sustainable and greater economic growth. The population is mentioned underneath.

Population

Projects	Population
People-to-People-Exchange	1694
Knowledge Transfer	1268
Pakistan Social Science Academy Establishment	1863
Knowledge-Transfer-Education-Sector	1744
Total	**6569**

Source: CPEC Projects (2021)

Sample Size of the Study
The scholar utilized the Yamane (1967) projected formula to quantify the accurate size of the sample.

The ultimate projected size was 377 staff members working on the aforementioned projects.

Sample-Size

Population	Total
$n = N/1+N*(e)^2$ $n=6569/1+6569*(.05)^2$	n = 377
Total Sample	**377**

Sampling Design Study
The researcher used the stratified sampling with a proportionate sampling distribution technique. The second is the proposed calculation.

Populace-Proportion

Projects	Population	Proportion
People-to-People-Exchange	1694	97
Knowledge Transfer	1268	73
Pakistan Social Science Academy Establishment	1863	107
Knowledge-Transfer-Education-Sector	1744	100
Total	**6569**	**377**

RESULTS AND DISCUSSION
Demographic Information

Gender	Characteristics	Frequencies	Percentage
Gender	Female	159	43.3
	Male	208`	56.7
Ages	**Total**	**367**	**100**
Ages	21-30 years	144	39.2
	31-40 years	145	39.5
	41-50 years	78	21.3
Projects	**Total**	**367**	**100**
Projects	People Exchange	108	29.4
	Knowledge Transfer	88	24.0

	Pakistan SS Academy	77	21.0
	Knowledge Transfer	94	25.6
Education	**Total**	367	100
Education	Intermediate	96	26.2
	Graduate	165	45.0
	Master	106	13.8
	Total	367	100

Normality Measurements

Factors	N	Mean	Std. Deviation	Skewness	Kurtosis
	Stats	Stats	Stats	Stats	Stats
Diversity Management	367	2.99	1.22	-0.035	-1.287
Job Related Attitude	367	2.98	1.68	0.038	-1.634
Job Related Outcome	367	2.79	1.61	0.157	-1.621
Workforce Affinity	367	2.90	1.43	0.079	-1.639
Organizational Performance	367	2.96	1.70	0.009	-1.303

Note. Stats: Statistics, Std: Standard

The measure of how closely related time periods across an assortment of time intervals relate to one another is known as serial correlation, also known as autocorrelation. It measures the relationship between the present value and the past value of an element. The autocorrelation was assessed using the Durbin-Watson (D-W) method. The D-W score ranges from 0 to 4, having a value of 2 denoting little autocorrelation (Watson, 1951). The estimated D-W value of 1.96 in Table 4.11 shows that the dataset is unaffected by autocorrelation issues.

Multicollinearity is a statistical property that occurs when predictors in a multivariate regression model are strongly correlated. This suggests that linearity may be properly predicted. The Tolerance and VIF which stands for Variance Inflation Factor, were used to assess multicollinearity. O'Brien (2007) proposed a tolerance threshold of less than 0.20 and a VIF threshold of less than 10. The findings indicated that there was no multicollinearity issue. Collinearity and DW Outcome.

Factors	Collinearity		D-W
	Tolerance	VIF	
(Constant)			
Diversity Management	.411	2.43	
Job Related Attitude	.628	1.59	
Job Related Outcome	.402	2.48	1.96
Workforce Affinity	.282	3.54	

Note. DV: Organizational Performance, D-W: Durbin-Watson

Results of CFA

Fitness Indices						
Absolute		Parsimony		Incremental		
Indices	Weight	Indices	Weight	Indices	Weight	
GFI	0.91	X^2/df	2.8	AGFI	0.97	
RMS	0.07			CFI	0.92	
RMSEA	0.08			TLI	0.93	
NFI	0.94					

Factors	Reliability	items	Convergence		Discriminant				
			CR	AVE	1	2	3	4	5
1. Diversity Management	.82	13	0.85	0.78	0.88				
2. Job Related Attitude	.86	7	0.80	0.71	0.91	0.84			
3. Job Related Behavior	.79	5	0.77	0.69	0.09	0.08	0.83		
4. Workforce Affinity	.89	5	0.80	0.62	0.04	0.06	0.81	0.78	
5. Organizational Performance	.86	7	0.81	0.80	0.03	0.02	0.21	0.14	0.89

Factors	Hetrotrait-Monotrait				
	1	2	3	4	5
1. Diversity Management	.439**	--			
2. Job Related Attitude	.319**	.328**	--		
3. Job Related Behavior	.461**	.502**	.365**	--	
4. Workforce Affinity	.510**	.530**	.085*	.231**	--
5.Organizational Performance	.579**	.690**	.380**	.311**	.461**

Ratio = 75.3%

Note. RMS: Root mean square, CR: Composite Reliability, GFI: Goodness of fit

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