

DIVERSITY MANAGEMENT PRACTICES AND ORGANIZATIONAL PERFORMANCE IN PAKISTAN

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Abstract. *Diversity management practices are becoming the norm of the day and a challenge for HR*

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managers. Keeping this organizational reality in mind, the main purpose of the research is to explain the relationships between diversity management practices and organizational performance. Hypotheses has been developed and the diversity management practices, and the organizational performance have been measured using the Employees' perception of diversity management practices (EPDMP) scale and on a sample size of 514 employees from public and private sector organizations across Pakistan. The results confirm the relationship between diversity management practices and organizational performance. It has been concluded that higher workforce diversity does not automatically produce an inclusive climate, specific working environment is required to support workforce diversity where diverse employees are valued and appreciated. Lastly, some practical implications for HR managers and policy makers have also been discussed.

Keywords: Workforce Diversity, Diversity Management, Organizational Performance

1 Introduction

Workforce diversity, without doubt is the highly significant asset of organizations in Pakistan. Globally, the organizations are becoming more diverse that necessitates incorporation of diversity management practices by the HR managers in their respective organizations. The organizations are facing challenges for managing diverse workforce in general and gender and ethnicity in particular. That is why diversity management has become a critical element for the organizational leadership to manage the workforce diversity to enhance organizational performance. The growth of gender and ethnically diverse workforce has made successful management of workforce diversity as a business essential and the

the business case for organizations (Roberson et al., 2017). Consequently, the corporations are developing strategies, rules, regulations, and policies to manage their diverse employees to avoid the resulting challenges of conflict and lack of coherence of diverse employees in their teams, etc. Thus, there is considerable scholarly important interest in how to efficiently manage the diverse employees in the organizations and its possible consequences on organizational performance. This leads to the growing interest of the professionals and academicians to identifying the controllable factors for effective workforce diversity management in Pakistan.

Diversity is the combination of differences and similarities of employee's dimensions, including gender, age, race, ethnicity, religion, culture, socioeconomic background, education level, tenure and other characteristics within an organization (Choi & Rainey, 2010; Hoang et al., 2022). The diversity management refers to the organization's rules, regulations, policies, programs and practices to promote heterogeneous workforce at workplace and to offer equal opportunities to all employees unrestricted by individual employee's identities such as gender, race, ethnicity, education, religion, function and abilities (Choi, 2009; Hoang et al., 2022; Pitts & Jarry, 2009; Sabharwal et al., 2018).

There are different views of diversity management. The first view of diversity management is traditional, which undertakes the affirmative action (AA) or equal employment opportunity (EEO) in the recruitment and selection process. The main purpose of this type of diversity management is to ensure the adequate representation of all groups including women and minorities in the organizations. The next stage of diversity management focused on different management approaches regarding diverse employee collaborations, retention, and performance. The third and the more comprehensive approach which includes all the elements of affirmative actions (AA), equal employment opportunities (EEO), employee collaborations, retention and performance. This approach considers all workforce diversity relevant systems, processes and programs under the comprehensive diversity management system (D. Pitts, 2009). Diversity Management includes all those rules, regulations, policies, guidelines, policies and practices that work as performance enhancer of the organizations through increased acceptability, recognition, innovation & creation, positive image, thinking style and behavior of employees. Therefore, Diversity Management acts beyond the traditional rules, regulations, policies, guidelines and practices and changes the overall organizational environment to effectively manage its diverse work force from the perspective of Strategic Human Resource Management (Thomas, 1990).

The employment scenario is changing very speedily in Pakistan due to increasing trend of diverse workforce in the organizations. Therefore, there is need to know the impact of diversity management practices on organizational performance in order to focus on this emerging area of human resource

management. Further, to satisfy them in every phase of the economic cycle, Diversity management is an integral component of human resource management. The rules, regulations and policies that make up the diversity management function vary among organizations, including training programs, family-friendly regulations, mentoring and coaching opportunities (Pitts, 2009). The public and private sector organizations need to develop and implement diversity management rules, regulations, and policies to attract & recruit, retain and develop a diverse workforce to increase organizational performance.

The existing research on diversity management practices has primarily been focused on advanced countries like USA, UK, etc, but has paid less attention in Pakistan to how gender and ethnic diversity related differences are managed effectively to enhance organizational performance. In this paper, we study the associations of diversity management practice and organizational performance in Pakistan.

Literature Review and Hypothesis Development

Workforce diversity

Workforce Diversity is the combination of differences and similarities of employee's dimension, including gender, age, race, ethnicity, religion, culture, socioeconomic background, education level, tenure and other characteristics within an organization (Choi & Rainey, 2010; Hoang et al., 2022). The workforce diversity refers to any kind of differences, including demographic and other characteristics in which employee's categories themselves and others into subgroups which has a major impact on group and teams' interactions and subsequent consequences in the organizations (DiTomaso et al., 2007).

Women participation and inclusion in education and services both in public and private sectors has been on the speedy increase in Pakistan since the last decade, taking the university graduates and workforce to a more diverse in the universities, workplace and all profit and non-profit organizations. Those organizations which will embrace the women component of the labor market will be more able to take benefit of the full potential of their employees to improve the organizational performance. In this way, their employee base will be stronger, and these organizations will be more capable to respond efficiently and effectively to the changing population needs (Pitts 2009). The total population of Pakistan is 207,774,520. The ratio of males to females is 1.06 female (Wazir & Goujon, 2019). The above statistics show that males and females are more or less equal in Pakistan for their numbers. The total number of male/men in Pakistan is 106,449,322, while the number of female/women of all ages are 101,314,780.

It is evident from the above statistics that there is diversity in the existing workforce and in the potential workforce in Pakistan. Therefore, it needs to be

managed properly as workforce diversity is double edged sword in organizations (Guillaume et al., 2017). Workforce diversity is a great source of a broad range of innovations, ideas, and skills that can improve the organizations' abilities to solve organizational problems and make better decisions (Jehn & Bezrukova, 2004). Therefore, workforce diversity is an important factor where organizations can manage their diverse employees effectively to enhance their organizational performance. The following are the major theories on the basis of which this study is being conducted.

Diversity management practices

Organizational leaders have a great interest to manage the increasing diverse workforce in their organizations to improve their organizational performance. It is very important to develop effective diversity management practices in their respective organizations for successful diversity management in Pakistan. It needs more efforts to adopt international developed human resource diversity management practices to manage diverse workforce as compared to keeping the existing human resource rules and regulations intact. This emphasizes the importance of effective diversity management. Moreover, the relationship between diversity management practices and organizational performance is dependent relative on the various other factors including the role of leadership, etc. Therefore, it is very crucial to investigate the factors that impact the association of diversity management practices and organizational performance in Pakistan.

Subsequently, several research reviews and meta-analyses have investigated the effects of workforce diversity on teams and organizational performance and revealed that the connection between workforce diversity and its conclusions is complex, mixed, and equivocal (Guillaume et al., 2017). One of the reasons of the mixed and equivocal findings explained by diversity management scholars is the lack of a dependable and valid scale of measurement of the diversity management practices construct (Carstens & De Kock, 2017). Although there are certain measures of workforce diversity management, but they lack precise scale development procedures with respect to the reliability and construct validity (Richard et al., 2013). The reliability and validity of the scale is essential to ensure that it measures the same concept what is meant to measure by it in the study. Only one scale in diversity management field which was developed by Carstens and De Kock (2017) for the effective diversity management competencies has undertaken a thorough scale development procedure and process which are deemed essential for the measurement factors. Furthermore, if organizations have to establish the fairer and inclusive workplace environment, they have to evaluate how their diverse employees perceive diversity management practices in their organizations. Existing human resource management research has underlined the focus on organizations, rather than employee-focused research which is also major limitation in the previous research (Godard & Delaney, 2000). Whereas

perceptions of employees of reality are likely to affect their performance more than factual practices and policies of the organizations.

Social exchange theory

Social exchange theory is the most significant theoretical model for the understanding of workplace behaviors of employees (Cropanzano & Mitchell, 2005). As per this theory, social exchanges include a series of exchanges that generate responsibilities, and these exchanges are generally understood as interdependent and conditional on the activities of another person (Cropanzano & Mitchell, 2005). The social exchange theory supports the concept that the association between organizations and their employees, such as supervisors and subordinates, is based on the exchange of determination and trustworthiness for advantages such as support and appreciation (Mayo et al., 2016).

The main purpose of diversity management is to create a workplace environment that values the employees' differences; therefore, diversity management can be regarded as investment in the form of the organizations' human capital of diverse employees. It promotes employees' perceptions regarding organizational support and stimulates the positive work attitude, mindsets, and behaviors of employees for achieving the organizational goals and objectives (Kahn et al., 2015). Based on this argument, diversity management includes the social exchange context that creates the workplace environment in which employees feel the senses of belongingness to other dissimilar group members while maintaining and having their own unique social identities in the organizations. Based on the social exchange theory, the researcher expects that employees who value workforce diversity and diversity management practices will respond through displaying their positive attitudes and behaviors that is appreciated by their organizations as social exchange indicates to a social relationship among the employees and their organizations.

Social identity/category theory (SCT) and optimal distinctive theory (ODT).

The Social identity theory focused mainly on intergroup relations. Social identity theory basically is a theory of conflict and collaboration among groups, and it attributes how group of people view and behave towards each other for the opportunities available to a team and its members in order to protect and promote their positive uniqueness (Hogg et al., 2017). According to theory of social identity the employees incline to categorize themselves in their organizations and others into several social categories, such as gender, religion, gender, age, ethnicity etc, (Ashforth & Mael, 2016).

The social identity theory and optimal distinctive theory show the extent to which diverse workforce experience openness and the valuing of the differences of the employees in the organizations. The social category theory describes the

connection between social constructs and personal identities that individuals assign to their affiliation of specific identity teams and groups (Mor Barak et al., 2016). The social category theory suggests that people have an inherent aspiration to fit in to groups that provoke a constructive and distinctive identity and resultantly excludes those who are different from them due to such features (Hogg et al., 2017).

According to optimal distinctiveness theory, people instantaneously seek out resemblances with others while thinking the need for distinctiveness. As per this theory the individual feels the necessity to stay faithful to their original identities while also feeling regarded as a respected partner of the group at the same time. The inclusion depends on maintaining the balance between a shared identity and distinction from the group members (Randel et al., 2018).

The social identities result from different factors including ethnicity and cultural background. The ethnic and cultural diversity refers to people that are from socially distinctive groups in the population. Their distinctiveness is either connected with evident biological, physical and stylistic attributes or with less evident customs, beliefs and values, therefore ethnic and cultural diversity is more significant than less evident differences (Mayo et al., 2016).

As per Social Categorization Theory, individuals increase their social identity by using social categorization processes that support demographically similar group members and show biasness against other demographically dissimilar group members (Moon, 2018; Moon & Christensen, 2020). Based on these social comparisons, individuals classify & distinguish themselves and others into social categories according to their demographic attributes of gender, ethnicity, religion, race and show favoritism and support towards similar members of their group but defamation and degradation towards other non-similar group members and results in intergroup bias and conflicts in the organizations (Choi, 2009). Therefore, SCT predicts the negative relations between the workforce demographic diversity and organizational performance, which can be improved through effective role of leadership and human resource diversity management policies and practices of the organizations.

On the other hand, the diversity and inclusion are supported by ODT. As per ODT, all individuals have opposing needs that activate simultaneously, i.e., belongingness and uniqueness, tend to grow perception of one's inclusion (Oberfield, 2016) to a social group. Inclusion is degree to which extent an individual employee feels that she or he is a valuable and respectable member of the team. The belongingness means an individual's desire to establish and maintain interpersonal relations with other individuals in a team. Uniqueness means, the desire of an individual to be distinctive with other relevant individuals. Individuals need to balance these two opposing desires to feel a sense of inclusion to achieve ideal level of their social identity. Therefore, ODT proposes that the organizations

can manage their employees having different characteristics by forming such a work environment where they feel included (Shore et al., 2011). Hence, it can be assumed that diversity management practices, are related to organizational performance. A number of researchers (Groeneveld & Verbeek, 2012; Ashikali & Groeneveld, 2015; Nguyen et al., 2022) have looked at this aspect. Hence, we hypothesize that: *H*: Diversity management practices positively associates with organizational performance

Perceptions of organizational performance

It is necessary to understand the effects of workforce diversity management on organizational performance and employee satisfaction, etc. A large number of workforce diversity management scholars including have contended for the effective diversity management. This study will at the perception of respondents on a five-point Likert scale by employing of scale of Dagher et al. (1998); Kundu et al. (2019), and Blouch and Azeem (2019).

1. Competitive advantage
2. Higher productivity
3. Highly motivated employees
4. Full participation of all employees
5. More innovative solutions
6. More satisfied employees
7. More diverse opinions in decision making
8. Higher morale
9. Lower turnover
10. Less internal conflict
11. Better customer service

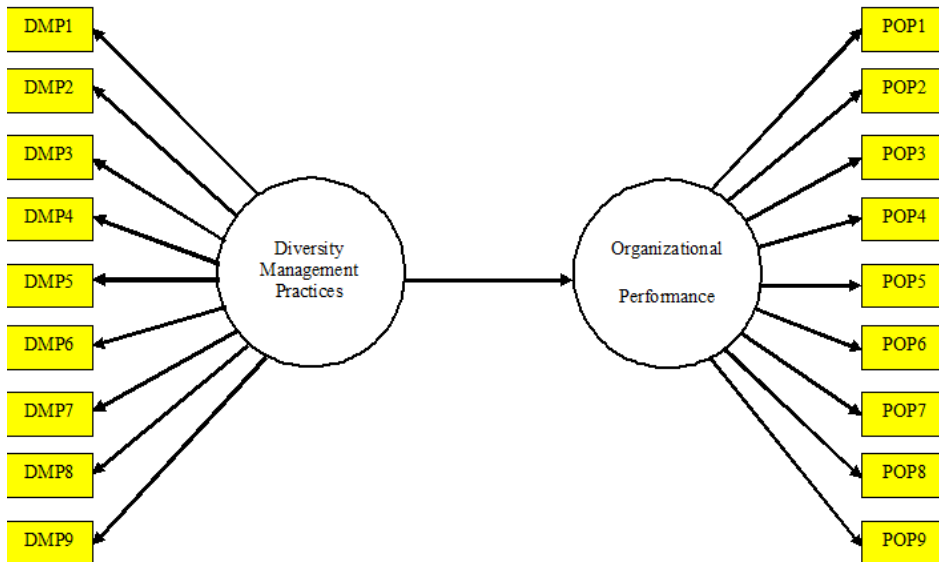


Figure 1: Conceptual Model of the Study

H: Diversity management practices positively associates with organizational performance

Research Methodology

The research philosophy for this study is positivism because positivist scientist strictly focusses on scientific and empiricist methods to produce accurate knowledge, data, facts and figures without any kind of influence of human biases and interpretations (Saunders et al. 2019). The research approach for this study is deductive as it tests the hypotheses. The research methods of this study are quantitative. Moreover, this study is a cross sectional that utilized the purposive sampling. The Probability sampling technique could not be used in this study because the universities did not share the complete list of their employees due to certain legal and confidentiality issues. Therefore, non-probability technique of convenience sampling is used with precautionary measures as proposed by. Further, the population frame is the individual employees of universities of Pakistan, sample size is 514 individual employees and data collection tool is structured questionnaire.

Accordingly, data were gathered, through survey, using questionnaire from employees of the top five universities of all provinces and federal capital of Pakistan including the top ten universities of Pakistan as per HEC ranking. Normally for the nonprobability sampling, a large sample size is required. As recommended by Hair, et al. (2013), larger sample size is much better; therefore, to accomplish a bigger sample, this study adopted the procedure as recommended by Krejcie and Morgan, (1970), which employs 3.5% of error to determine the

maximum sample size. Thus, the sample size for the current study was determined to be 514 for achieving the significant results.

Since respondents of the study were employees of universities, the researcher decided to develop online google form as the best possible solution to collecting data more efficiently and effectively. Therefore, for collection of data for this study, the questionnaire was converted into google form in order to save postal cost, reduce delivery time, increase accuracy and reliability. The link of the questionnaire was forwarded to the employees of the universities through emails and WhatsApp messages with follow-ups through friends and colleagues. The responses to the questionnaire in google form were made mandatory except the name of respondents due to the issue of confidentiality. Therefore, the chances of unfilled incomplete questionnaire and missing values reduced to zero as google form did not allow the form submission unless the responses are made to each item of the questionnaire.

A total of 900 questionnaires were distributed amongst Vice Chancellors, Directors, Deans, Chairpersons, Registrars, Treasurers, Controller of Examinations, Faculty members and other employees of the universities in Pakistan. 550 filled questionnaires were received. However, 36 questionnaires were rejected as they look improperly filled with non-serious attitude. The required sample of 514 responses were found satisfactory which took almost a year for this data collection. There were 514 filled questionnaires, and all responses were usable for data analysis. As the response rate is higher than 50%, therefore, it is deemed to be reasonable for the current study (Bryman & Bell, 2011).

Sample description

It shows that out of 514 respondents, 25.7 % were from private sector and 74.3% were from public sector. Further, 49.2% from management and 50.8% from faculty. With respect to gender diversity, 75.1% were male, .4% were transgender and 24.4% were female. Regarding religious diversity, 99.2% were Muslims, .4% were Hindus and .4% were Christian. In connection with ethnic diversity, Baluchis were 3.5%, Pashtuns 13.2%, Punjabis 73%, Sindhis 6.4%, Kashmiris 2.7% and Others 1.2%. The age of the respondents was ranging from 19 to 60 years (mean age was 33.73 years and the Std. Deviation was 10.312 years). The number of years worked ranges from 18 to 60 (mean number of years was 8.28). it shows that the current study sample is well spread over all demographic categories and therefore is a true representative of all demographics categories in Pakistan. As the collection of data was made from universities of Pakistan; hence, the education level of the respondents was very high. The PhD degree holders were 31.7%, MS/MPhil (18 years' education) degree holders were 34.2%, BS/Master (16 years' education) degree holders were 30.2% and BA (14 years' education) degree holders were 3.9%.

Instrument to measure diversity management and organizational performance. Employees' perception of diversity management practices scale was developed by Otaye-Ebede (2018). While scale developed by Shore et al. (2011) was employed to measure organizational performance. Five points Likert scale was employed for all.

Measurement model (validity, reliability). Structural equation modelling (SEM) in SmartPLS 3 was employed for both the measurement and structural models. SmartPLS is generally considered one of the best statistical procedures for the structural equation (Hair et al, 2013). The PLS algorithm was done to check the reliability of the constructs. The convergent validity, discriminant validity and factor loading of the indicators of the construct were performed.

Table 2: Composite Reliability (CR), Cronbach's Alpha and AVE

		Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Diversity practices (DMP)	mgt	0.9176	0.919	0.932	0.6045
Organizational Performance (OP)		0.9324	0.934	0.9428	0.623

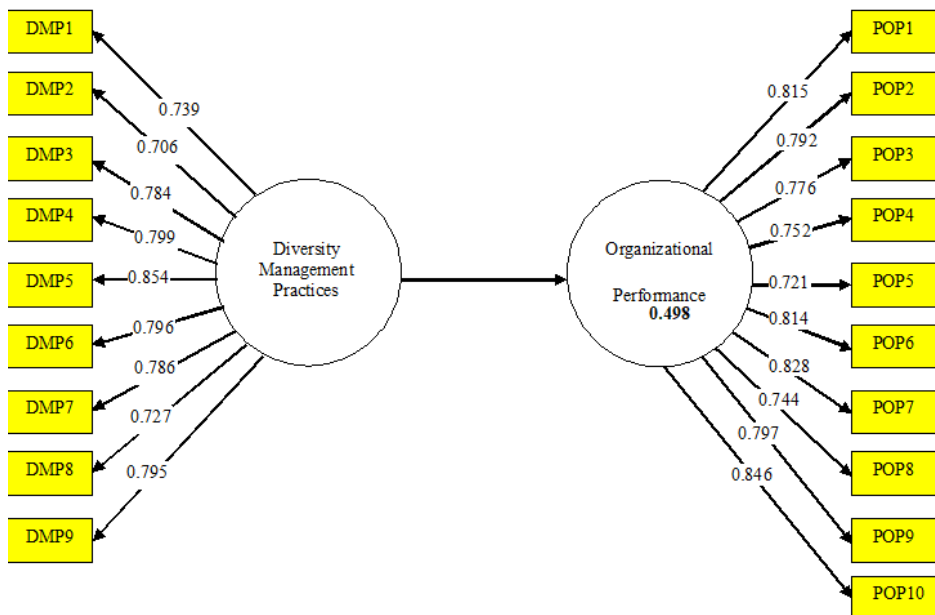


Figure 2 Measurement Model of the Study

Moreover, we assessed the Cronbach's alpha, Composite Reliabilities and Average Variance Extracted to check variance explained. The Cronbach's alpha of the constructs was 0.918 and 0.932, AVEs of the constructs were 0.605 and 0.623

and the corresponding CR values were also 0.932 and 0.943, respectively. The values of Average Variance Extracted ≥ 0.50 (Hair et al., 2019), Cronbach's alpha > 0.70 , Ramayah (2011) and Composite Reliabilities > 0.70 , (Hair et al., 2019). Therefore, it fulfils the criterion of Cronbach's alpha, convergent validity and reliability of instruments of this study.

Table 3: *Measurement model (Outer Loadings)*

Constructs	Indicators	Factor Loading
Diversity Management Practices (DMP)	DMP1	0.739
	DMP2	0.706
	DMP3	0.784
	DMP4	0.799
	DMP5	0.854
	DMP6	0.796
	DMP7	0.786
	DMP8	0.727
	DMP9	0.796
Organizational Performance (OP)	OP1	0.815
	OP2	0.792
	OP3	0.776
	OP4	0.752
	OP5	0.721
	OP6	0.814
	OP7	0.828
	OP8	0.744
	OP9	0.797
	OP10	0.846

Structural model

As per Duarte and Raposo (2010), in structural equation modeling (SEM), structural model is a representation of hypothesized relationship. The structural model or inner model shows the relationships among the constructs being assed (Hair et al., 2014).- As per Henseler et al. (2009), three criteria number 1 Coefficient of Determination (R2), number 2 Effect Size (f^2) and number 3 Path coefficients determine the hypothesized relationships among constructs. The coefficient of determination (R2) is one of the standard assessment criteria for the assessment of the structural model (Hair et al., 2019). The R2 values of 0.25, 0.50 and 0.75 may be considered weak, moderate and substantial respectively (Hair et al., 2011). The R2 is the function of the number of predictor constructs. The greater the number of predictor constructs, the higher the R2. The R2 is also known as in sample predictive power and it ranges from 0 to 1, with greater values

indicating a higher explanatory power. R square of this study Original Sample (O) (0.50), Sample Mean (M) (0.51), Standard Deviation (0.0365), T Statistics (13.62) and P values is 0, which is acceptable. The f^2 is a measure of the magnitude of the effect that is independent of sample size and its values of 0.35, or greater, 0.15, 0.02 indicating large, medium or weak effect size respectively (Benitez et al., 2020). In this study f^2 of diversity management practices is 0.020. Path coefficients/Beta overall of Diversity management practices (DMP)-> Organizational Performance (OP) is Original Sample (O) (0.138), Sample Mean (M) (0.143), Standard Deviation (0.05), T Statistics (2.63) and P Values is 0.00, which is in the acceptable range.

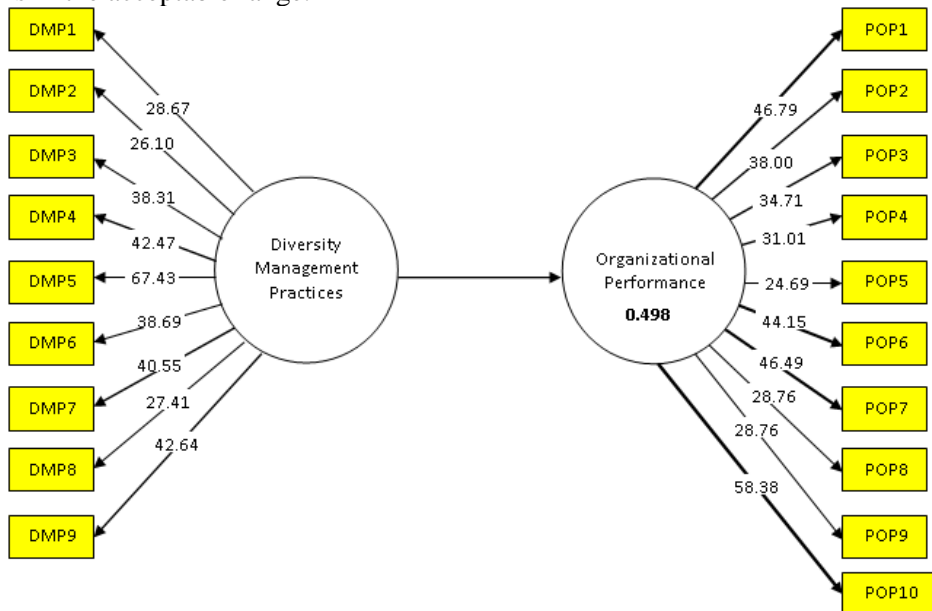


Figure 3 Structural Model of the Study

Data Analysis and Results

The data analysis was conducted through Statistical Package for Social Sciences (SPSS. 25) and Partial Least Squares (SmartPLS) to read the connections between the constructs for determining the structural equation modelling (SEM). PLS SEM is used to access the interrelation of the constructs. Keeping in view the nature of this research study, SmartPLS is deemed as the most appropriate software for assessing the variance-based structural equation modelling. The results of hypothesis are examined on three different criteria. First of all, P-value which will be significant if less than 0.05. Then, T-value, which must be greater than 1.96 and finally bootstrapped confidence interval with 2.5% (LLCI) lower limit and 97.5% (ULCI) upper limit and there should be no zero value within the range of LLCI and ULCI.

- DMP1 This organization conveys diversity training goals to employees
- DMP2 In this organization, role models from diverse backgrounds including gender, ethnic and religion are nourished and educated to be mentors
- DMP3 This organization has formal systems for acquiring feedback on diversity management human resource practices
- DMP4 This organization spends a lot of money and time on workforce diversity awareness seminars, workshops, and related trainings, etc,
- DMP5 This organization assesses the usefulness of diversity trainings, workshops and seminars provided to employees
- DMP6 Employees of this organization normally go through trainings, seminars workshops, and diversity associated issues
- DMP7 This organization shares diversity management associated issues, memos, circulars, notifications, and office orders with employees
- DMP8 The management of this organization puts a lot of importance on having a diverse workforce
- DMP9 Employees have complete access to diversity materials and literature used in this organization

As per the results of the current study, it was confirmed that not only the perception about the stated above diversity management practices exists in the sampled organizations of Pakistan but also, they have positive and significant impact on the organizational performance in Pakistan and confirms the findings of Otaye-Ebede (2018). It was found that when employees observe that their organizations value workforce diversity through its effective implementation in their organizations, they provide high-quality services to the customers and resultantly increase in overall organizational performance. The workforce diversity management practices are the organization’s rules, regulations, policies, programs, and practices to promote heterogeneous workforce at workplace and to offer equal opportunities for all employees unhindered by individual employee’s identities such as gender, race, ethnicity, education, religion, function and (Choi, 2009; Hoang et al., 2022; Pitts & Jarry, 2009; Sabharwal et al., 2018).

Therefore, the results of this study can help leaders to evaluate DMP with respect to their own performance and to recognize their shortcomings with respect to the diversity management in their organizations.

Table 4: *Model Fitness Indices*

R	R²	MSE	F	df1	df2	p
0.683	0.47	0.43	49.04	9.00	504.00	.00

Table 5: *Multiple Regression Statistics*

Variables	B	SE	T	p-value	LLCI	ULCI
Constant	18.939	2.0964	9.0344	.0000	14.8210	23.058
Main effects:						
DMP	.2001	.0389	5.1395	.0000	.1236	.2766

The research was aimed to investigate the relationship of diversity management practices and its effects on organizational performance. The hypothesis H1 states “diversity management practices positively associate with organizational performance.” Table indicates that path coefficient “B” of diversity management practices (DMP) with organizational performance was reported as 0.20 and T-value was stated as 5.14, which is greater than 1.96. P-value was reported as 0.000, which is lower than 0.05 and bootstrapped interval was reported at 0.12 (2.5% LLCI) and 0.28 (97.5% ULCI). In the range of LLCI and ULCI there is no zero value. Therefore, it satisfies all the criterion of path analysis. Hence, H1 for the current research study has been accepted. Moreover, the current research study recognized a positive and significant relationship between diversity management practices and organizational performance and hypothesis H1 has been accepted. Thus, the results of this research study have showed that there is a significant and positive impact of diversity management practices on organizational performance. Further, the results of this study are consistent with previous research studies which said that diversity management has proved positive links with organizational performance (Groeneveld and Verbeek 2012), thereby challenging administrators to manage a diverse workforce in their organizations effectively.

The results of this study are also consistent with previous research studies which have claimed that diversity management practices have a positive impact on organizational performance. The literature has stated the significant relationship of diversity management, as a core function of strategic human resource management, which incorporates the organizational policies and practices to manage diverse employees at the workplace effectively and to bring value addition in the shape of creativity and innovation to increase the organizational performance (Ashikali, & Groeneveld, 2011; Pitts, 2009). Moreover, the results of this study also enlightened that the relationship of diversity management practices and organizational is significant in higher education sector in Pakistan. This indicates that diversity management is a very important factor for organizational performance. The relationship of diversity management and organizational performance is explained by information decision theory and optimal distinctive theory for effective diversity management. It is therefore very important for organizations to formulate effective diversity management practices to enhance their organizational performance. Furthermore, diversity management is a very critical factor especially in higher education sector in Pakistan, here more diverse students and faculty in terms of gender, race, ethnicity, religion, etc.

The results of this study show that the diversity management is the critical and helpful factor that contributes towards the enhancement of organizational performance in Pakistan. Therefore, the public and private sector organizations need to develop and implement diversity management rules, regulations and policies to attract & recruit, retain and develop a diverse workforce to increase organizational performance and the diversity management includes all the organizational rules, regulations, and policies to bring about the supposed value addition of workforce diversity to enhanced legitimacy, creativity, innovation, and positive employee attitudes & behaviors, ultimately boosting organizational performance (Ashikali & Groeneveld 2015). The results of study provide empirical evidence for the conception reported earlier by the scholars who have contended that employees' perceptions of human resource practices including diversity management practices and climate for diversity directly impacts employees attitude and behavior (Pitts, 2009).

Implications

This study was designed to study the existence of the perception of diversity management practices in organizations in Pakistan and to investigate the impact of the diversity management practices on organizational performance. The previous research studies have shown, the effectiveness of leadership for workforce diversity management in the form of improved performance due to innovation, creativity, visibility, productivity, quality decision making and employee satisfaction (Yukl, 2012). This research made a significant and major theoretical contribution by strengthening the research and awareness on diversity management practices in Pakistan.

Limitations and Future Research Directions

Limitations. The study has some limitations. First, this study was conducted in higher education sector of Pakistan with only workforce diversity and diversity management as variables of the study. Secondly, the focus of this study is only the employees of universities recognized by HEC. Fourth, the sample size is also restricted to a specific number of respondents for the current study.

Future research directions. Keeping the limitations of the study in mind, future studies can take other sectors of Pakistan into consideration. Secondly, future studies might focus on employees from manufacturing and other sectors of Pakistan. Thirdly, future studies should focus on other factors with moderating impact of leadership. Fourthly, future studies can take the whole Pakistan with equal number of respondents from each province. Lastly, the data for this study was cross sectional and collected within a specified time period, the future studies can focus on longitudinal data in the same or different contexts.

Conclusion

The results of the study concluded that the diversity management practices have positive and significant direct impact on the organizational performance. In other words, higher workforce diversity does not automatically produce an inclusive climate, but a specific working environment is required to support workforce diversity where diverse employees feel valued and appreciated. Therefore, policy makers need to devise such human resource diversity management statutes, rules, regulations, policies, and practices to promote heterogeneous workforce at workplace and to offer equal opportunities to all employees unrestricted by individual employee's identities such as gender, race, ethnicity, education, religion, function, and abilities.

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