

Analysis of Workforce Diversity, Commitment of Employee's and its Effects on Organizational Performance: Corporate Sector in Islamabad Pakistan

SCHEHAR BANO

PhD Scholar, Preston University Islamabad, Pakistan

Email: schehar@gmail.com

MUHAMMAD FAHAD ASLAM KHAN

MS Scholar, Preston University Islamabad, Pakistan.

Email: fahad_khan_1@yahoo.com

HABIBULLAH

Mphil Scholar, Preston University Islamabad, Pakistan

Email: habib_orakzai@hotmail.com

NAVEED AKHTAR BUTT

Assistant Professor and PhD Scholar

University of Management and Technology, Lahore

Email: mnabpk@gmail.com

Abstract

Workforce diversity and employees commitment in the context of Globalization has attained significant attention of today's Researchers. This paper endeavors to ascertain major factors of work-setting and its effects on organizational performance. Two independent variables i.e workforce diversity and committed workforce relations have been analyzed on employee's organizational performance. Data was collected from 286 respondents from employee's belonging to the corporate sector of Islamabad Pakistan. Middle level management tiers were segment of the study age ranging from 30 to 40 years. Questionnaire was administered using five point likert scale. Result reveals that there is 71% variation between committed work force and organizational performance: henceforth, that committed work force is an important factor of organizational growth with a t-value of (17.295). The p-value values indicates that the variables are significant as $P < .05$. Similarly, committed work force effects have variation on organizational performance by 20 %. The results further represent that the variables are significant with the p-value of $< .05$). It is evident from the analysis that diverse workforce once managed well on the work environment and employee's are committed then organizational performance is with t-value of 6.679. It is therefore imperative for the organizations to accord due priority to the major work-setting like diversity and employee commitment in the organizations facilitating employees to yield befitting organizational loyalty.

Keywords: Work-setting, conducive work environment, organizational loyalty, and employees commitment

Introduction

The perception of the employees regarding work-setting significantly affects the job behaviors and attitudes particularly in the context of today's diverse workforce environment which necessitates requisite organization supports, fair HR policies and adequately representation of employees to attain state of socially fit in an organization (McKay et al., 2008).

It influences the job satisfaction, involvement (Hicks-Clarke and Iles, 2000), and the performance of the employees (McKay et al., 2008). As diverse workforce creates the feeling of identification and satisfaction (Jams et al., 1990), it has been accepted by the researchers that diverse but committed work environment is related negatively to turnover intentions (McKay et al., 2007). Similarly, committed work force is essential in performance orientation organizations, therefore, it is imperative to engender committed workforce which would ultimately demonstrate organizational loyalty and subsequent giving impetus to its performance. This paper attempts to find out as to how workforce diversity and workforce commitment would contribute in organizational performance. The objectives of this paper entail to establish the relation of these important elements of an organization. It also aims at finding out as to how major factors of work-setting contribute in the organizational performance.

However, the question arises that whether strong perceptions of diverse workforce and commitment could enhance organizational performance. To answer this question the researchers attempts that perceptions of committed work environment along with diverse workforce are equally important to enhance organizational performance (Schwepker, 2001) because it is related to psychosomatic through which diverse but committed work environment brings change in the organizational performance.

The intentions to attaining opportunity out of the diverse workforce and engendering commitment among the employees are distinguishable from psychological point of view of employees which ultimately enhances organizational performance. Conducive work environment contributive of blend of skill is desirable in context of employee's perspective as regard to their organization's rules, policies, values, and practices aligned with a super objective of the organizational strategy (Schwepker, 2001). A majority of the literature on conducive work environment refers to the development of a five-factor procedure consisting of instrumental, caring, independence, rules, and law and cipher conducive work environments (Martin and Cullen, 2006). From this point of view, conducive work environment in the presentence of diverse work force are best seen across organizations and their affects on employees occur via an competitive fit (Coldwell et al., 2008). The emphasis of this study is to analyze individual employee perspectives and their alignment towards a single goal of organizational fit. However, it is not one-dimensional arrangement that assesses perceptions that one's organization has developed and maintains an judicious and ethical code in implementation and communication of policy (Mulki et al., 2008).

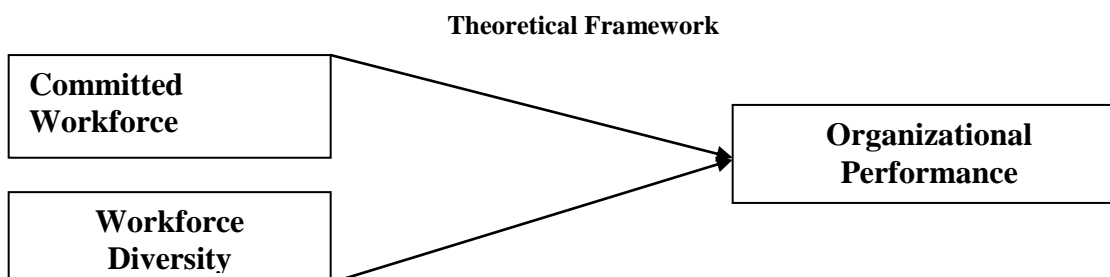
Literature Review

In general terms, the committed work environment of diverse workforce is defined as the extent to which an organization concentrates on maintaining a versatile workplace (Cox, 2001). In addition, recent research has illustrated a more specific definition that conceptualizes diverse workforce with committed work environment as the extent to which a firm implements fair human resource policies and socially merges under-represented employees (McKay et al., 2008). The factors that compose a positive diverse conducive work environment include personal demographics, professional characteristics, department structural diversity, perceptions of department conducive work environment for diversity, views of the institution's commitment to diversity, and personal experiences with diversity (Mayhew et al., 2006).

A central argument within diversity literature is whether diversity should be specifically or generally defined (Nkomo, 1995). Scholars favor a specific definition and argue that the area of expertise of diversity research should be restricted to particular cultural categories such as race and gender. In comparison, scholars who prefer a broad definition (Jackson et al., 1995) argue that diversity embraces all the possible ways people can differ. Individuals do not only differ due to their race, gender, age and other demographic features, but they also differ because of their values, disabilities, organizational functions, tenure, and personality.

A common question usually researched is what does differing levels of diversity conducive work environments in organizations look like? Demographical diversity is an important aspect of diversity in committed work environment (Hyde and Hopkins, 2004) and this diversity is integrated throughout an

organization, from the top (e.g., senior managers) to bottom, in ranking (e.g., rank-and-file employees). The incorporation of diversity is a major determinant of conducive work environment (Kossek and Zonia, 1993). A non-racial, diverse conducive work environment ensures its employees that their organization is sophisticatedly invested in their employment and values, despite their demographical differences (Kossek and Zonia, 1993). Conversely, unsupportive, racially diverse organizations do not only display lack of diversity but also imply that their organization shares a close similarity in terms of demographics among their employees and prove that they do not consistently promote diversity efforts (Hyde and Hopkins, 2004). It is researched and proven that maintaining a pro-diversity conducive work environment effectively can provide a firm competitive advantage relative to its competitors (Hicks-Clarke and Iles, 2000).



H1: Committed Workforce has significant integrative effect on organizational performance

Relationship of Diverse workforce with Organizational Performance

Research in business management, psychology, and social psychology has led to the consideration of the impact of different types of heterogeneity on performance outcomes (Wise and Tschirhart, 2000). According to constructed research, it has been determined that in heterogeneous work settings, members of one of the visible minorities are more likely to depart the organization and suffer from higher rates of absenteeism (Tsui et al., 1992). In addition, special diversity-related initiatives such as dedicated diversity management staffs and workplace programs and benefits such as flexible work arrangements, domestic partner benefits, corporate-sponsored employee affinity groups, and other programs are designed and promoted by organizations to help attract and retain a diverse workforce (Corporate Leadership Council, 2003).

Diversified committed work environment ensures positive relation among employees and the organization in terms of how employees feel about their job and employer, job/career satisfaction, job involvement, organizational identification (Hicks-Clarke and Iles, 2000), sales performance (McKay et al., 2008), and organizational effectiveness (McKay et al., 2009). A significant correlation between perceived diversity, committed work environment and organizational performance has been found by McKay et al., (2007) and this relationship is thoroughly explained through psychological contract and person-fit theories (Kristof-Brown et al., 2002).

Employees' level of comfort at an organization is higher when the diversity and committed work environment is high rather than low due to the perception of care that is felt among employees. As a result, these perceptions contribute to the long term success of an organization as the employees chose to remain loyal to the organization with decreased turnover intentions (McKay and Avery, 2005). This perspective is supported by the literature that illustrates that diversity increase self-confident which in turn enhances organizational performance that are caused due to the feelings of dissatisfaction and identification with one's job and organization (James et al., 1990). Therefore, increase diversity perceptions and commitment feelings lead to enhance organizational performance and decrease turn over intentions.

H2: Committed work environment has significant integrative effect on organizational performance

Relationship of Committed work environment with Organizational performance

Moral code deals with moral values and codes which help for determining whether the attitude or behavior is right or wrong. Formation of difference between desired behaviors and values of organizational culture (stereotyped behaviors and values) and those that the organization has to present out is said to be denoted by ethics (Schultz and Werner, 2005). Honesty, loyalty, courage, tolerance, respect, responsibility and justice are some ethical values in this context (Karakose, 2007). The concept of committed work environment of an organization developed by Cullen and Victor (1987) meant the perceptions of typical procedures and practices of the organization having committed content that prevailed (Cullen and Victor, 1987). In this context ethical and conducive work environment is a crucial component of the overall conducive work environment or culture of the organization (Cullen and Victor, 1987), constructs known since long ago to be influencing decision making of the individuals.

With conducive work environment in diverse workforce imbued with commitment different positive job attitudes like job satisfaction and organizational performance are linked (Cullen and Martin, 2006). The effect of this apparent committed work environment is explained through felt ambiguity. Official policy of the organization related to better reward, judicious work practices and confidence by the organization in maintaining its set organizational standards, probably results in employees feeling less ambiguity on handling is professional and judicious. The removal of this ambiguity due to well managed diverse manpower inculcated sense of commitment probably leads to greater job satisfaction (Schwepker, 2001). Moreover positive work attitudes may be created by perceiving an ethical, procedural justice and apt work environment as employees may take the ethical organizations to be having positive work environment having prominence in trust and honesty, hence the commitment towards organizational goals (Schwepker, 2001). In general, experimental research confirms the association between the perception of judicious work environment and positive outcomes of the employees (Mulki et al., 2008).

Research Methodology

Sample & Respondents:

Data was collected from the 286 respondents from middle level workers belongs to corporate sector of Islamabad. This sample was chosen by considering their personal distinctiveness as age ranges from (30-40), qualification (degree level), work experience with the organization, and number of performance assessments in the organization.

Instrument & Measure:

A structured questionnaire was used to collect data. Questionnaire was revised by considering study requirements, and eighteen more items were added for identifying effects of performance appraisal and rare abilities. The respondents were asked to articulate their judgments using a five point Likert scale ranging from strongly disagreed (1) to strongly agreed (5).

Procedure and Analysis:

The questionnaire for survey was self-governed and in person disseminated by the researcher among the respondents for the study. One questionnaire was given to each of the respondents according to the extent and nature of data information required for this study. Researchers endowed with indispensable support to respondents in making technicalities understandable in answering the queries. For analysis of data quantitative tools and techniques Statistical Package for Social Sciences (SPSS) was utilized for the data analysis. Descriptive frequencies, percentage and correlation were drawn using SPSS.

Results & Data Analysis

Table -1 Regression analysis of diverse workforce, committed work environment and Organizational performance.

Independent Variables	B	Std. Error	t-stat	Sig	F- Stat	sig	R-Square	Adjusted R-Square
(Constant)	4.345	.213	20.366	.000	6.96.981	.000	.848	.847
Committed Workforce								
Diverse Workforce	.710	.041	17.295	.000				
	.203	.030	6.679	.000				

Dependent Variable: Organizational performance

The above table clarifies the regression analysis of diverse workforce and committed work environment with respect to organizational performance. Regression analysis is a statistical technique used for the exploration of associations between variables. Typically, the researcher looks for the fundamental cause of one variable upon another. The regression analysis is executed in order to check sensitivity in the variables. The result of the table explains that the beta value of diverse workforce with respect to organizational performance is (.710). It means that there is 71% variation between work force diversity and organizational performance. The analysis reveals that work force diversity is an important factor of organizational performance with a t-value of (17.295). The p-value values indicates that the variables are significant as $P < .05$.

To investigate such problems, the researcher accumulates data on the essential variables of attention and utilizes regression to analyse the quantitative outcome of the fundamental variables. The researcher also usually evaluates the “statistical significance” of the predictable associations, that is, the amount of confidence that the accurate association is close to the probable association.

The beta estimates (.203) of committed workforce and organizational performance indicates that is sensitivity between the results and relationship between the variables exists. The beta results demonstrate that if there is one degree change in committed work environment there will be 20% change in organizational loyalty. The results further portray that the variables are significant with the p-value of ($p < .05$). It is evident from the analysis commitment work environment is an important factor of organizational performance with the t-value of (6.679).

Discussion & Managerial Implication

Integrating diverse workforce and committed workforce:

Schwartz and Carroll, (2003) used corporate social responsibility theory to understand the relationship between psychological integration of diverse workforce, committed work environment and employees performance. The corporations must maximize their profits or share values for fulfilling their economic responsibility by increase in sales, creation of new jobs, avoidance of litigation, and by improvement in morale of the employees or the public image of the corporation (Schwartz and Carroll, 2003) which could be achieved through apt management of diverse workforce and committed workforce and its effect on organizational performance. The fulfillment of legal responsibility results in adherence to legal laws and playing by rules of the game (Jamali, 2008). Finally, corporations must set the best practices and adhere to, for satisfying their organizational responsibility (Schwartz and Carroll, 2003). In addition they must present the organization as just, fair, moral and respectful of people (Jamali, 2008).

Moreover, prior research highlights the accomplishment of these judicious practices and proper reward system for knowledgeable employees can be viewed as an expectation from employees as well as extra effort on the organization's behalf (Jamali, 2008). As such the accomplishments of these responsibilities will probably results in positive employee outcomes unrelated to supplementary employee effort. Better workforce diversity practices and commitment of employees' is an attitude that refers to the individual's opinion and value about the organization in his mind and are a likely impact which does not encompasses enhanced employees effort on the job. Due to the strong association between the responsibilities accomplishment and employee value expectation we claims that organizational performance are a likely outcome reciprocated by employees. Result of this study also indicates that both workforce diversity and employees commitment enhances organizational performance. The result of this study is therefore in conformity of studies conducted by the other scholars.

Organizational Performance

In organizational loyalty the employees identify with an organization and its goals, and wish to remain its members (Langton and Robbins, 2003), this has been recognized as the main measurement for mental health (Warr, 1987). In a research it was concluded by Cullen et al., (2003) that the committed employees in judicious & conducive work environment demonstrate positive relations with respect to the organizational performance. An egoistic conducive work environment results in employees believing that the organization supports and endorses self-interested behaviors at the cost of other people (Cullen et al., 2003). The chance of cooperation and cohesiveness which exists in benevolent conducive work environments decreases in an egoistic conducive work environment and employees might stop identifying with the organization as they think the values to be against what is generally acceptable (Cullen et al., 2003).

No relationship was found empirically between affective organizational performance and negative mood (mood that related to stress and frustration) (Kelloway and Rogers, 1997). In a study in 1992 Spector and Chen explored the relationship of stress factors of work with withdrawal, aggression, substance abuse and theft (Spector and Chen, 1992) hence conducive work environment with well managed diverged workforce with a passion to work with dedication would enhance organizational performance. The result of this study demonstrate similar results as strength of diverse work force with dedicated passion by the employees result in organizational performance: henceforth, it is argued that result of this study is aligned with the work done by the other scholars on similar factors.

Conclusion and Recommendations

In the light of extensive literature, the present study reveals that diverse workforce and committed work environments could be sighted as a collaborative mean of influencing organization commitment and other employee attitudinal outcomes. If the employees perceive consistencies connecting the diversity and committed work environment at their workplace, an expected positive response will emerge from their end. Employee commitment and satisfaction can be achieved by ensuring appropriate diverse workforce practices and providing sound conducive work environments. The employees express negative attitudes only when they are treated unfairly.

The employee attitudinal outcomes may be in negative as well as positive forms. The negative and positive forms are dependent on diverse workforce practices and committed work practices and conducive work environments provided. Diverse workforce positive affects the organizations which includes the ability to attract new employees, welcomes their creativity with more flexibility in system to enhance the quality (Cox, 1991). Poor diversity and ethical conducive work environment result in a great deal of behavioral problem which are of immense apprehension to the organizations. This crucial nature of problems needs to be deliberated and solved on priority to ensure the survival of the firm in competitive market. Most of the organizations come frontward and take imperative actions by nourishing positive committed cultures within the organization that helps the employees in coping with work desired environment.

Such action of management realizes the workforce that they are supported by their organization in their proceedings. Furthermore, this positive cultural environment should be maintained so it will not subside to more aggressive and deviant behaviors that have been so detrimental to organizations in the past. In the end, we conclude that diverse workforce and committed work environment have integrative influence over organizational performance and other employee attitudes. It is recommended that organization ought to accord due priority for optimum utilization of strength of workforce diversity and institute measures to enhance commitment among the employees for improvement of organizational performance.

Future Research

In this article, we were only concerned with investigating the integrative effects on diverse workforce and committed work environment on organizational performance. However, the future studies may concentrate on examining the integrative effects of diverse workforce, committed work environment, and social corporate responsibility on other employee attitudinal outcomes like organizational citizenship behavior etc.

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