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RESEARCH PAPER

The Impact of Diversity Management and Organizational Performance in Higher Education Sector in Pakistan

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ABSTRACT

Organizations are becoming more and more3 diverse that requires inclusion of diversity management by HR managers. The studies, suggest organizations to support full participation of all the flavors of workforce for reaping optimal organizational performance, otherwise, a poorly managed diversity may cause this performance as low. In this regard, the studies elaborating the fostering effect of diversity management HR policies for achieving sustainable competitive advantage are very rare. Thus, 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 500 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. Practical implications for policy makers have also been discussed

| **Keywords:** | Diversity Management, Organizational Performance, Workforce Diversity |

Introduction

Workforce diversity, without any question is the extremely important asset of companies in Pakistan. Worldwide, the corporations are developing more and more diverse that requires inclusion of diversity management by HR managers in their organizations. The companies are confronting challenges for management of diverse workforce. That is why workforce diversity management has become a key element for organizational leadership to handle workforce diversity to improve organizational performance. The increase of gender and ethnologically diverse employees has made effective management of personnel diversity as a business necessity and business case for organizations (Roberson et al., 2017). Therefore, organizations are developing approaches, rules, policies, regulations to manage their workforce to avoid resulting challenges of inconsistency and lack of coherence of workforce in their groups, etc. Thus, there is significant scholarly vital interest in how to competently manage the diverse personnel in organizations and its potential consequences on the organizational performance. This advances to growing interest of academicians and professionals to recognizing the controllable aspects for successful diversity management in Pakistan.

Diversity is combination of differences and resemblances of worker's attributes, including age, gender, race, religion, ethnicity, culture and socioeconomic background, schooling level, tenure and other physical characteristics within organization (Choi & Rainey, 2010; Hoang et al., 2022). Diversity management refers to organization's statutes,

regulations, rules, policies, programs and practices to encourage diverse workforce and to offer the equal opportunities to all personnel unhindered by individual employee's characteristics such as race, gender, ethnicity, religion, education, function, and capabilities. There are unique views of diversity management. The first aspect of diversity management is conventional, which assumes the affirmative actions (AA) and make equal employment opportunities (EEO) in staffing, recruitment and selection process. The most important purpose of this kind of diversity management is to guarantee sufficient representation of women in organizations. The next phase of diversity management concentrated on different management methodologies regarding diverse member of staff collaborations, associations, retention, and performance. The third is more comprehensive strategy which includes all aspects of affirmative actions, equal employment opportunities, employee associations, retention, collaborations, and performance. This approach believes all diversity related processes, systems, and programs under comprehensive diversity management (Pitts, 2009). Diversity Management includes all regulations, rules, policies, guidelines, and practices that work out as performance enhancer of organizations through enhanced acceptability, acknowledgement, innovation and creation, optimistic image, thinking style and conduct of employees.

The service scenario is changing speedily in Pakistan due to growing tendency of diverse workforce in organizations. Therefore, there is need to understand the effect of diversity management practices on the organizational performance. More, to satisfy them in each phase of economic cycle. The organizations need to create and employ diversity management regulations, rules, and policies to attract and recruit, retain & develop diverse personnel to enhance organizational performance.

There are two theories of diversity and inclusion which are and Optimal Distinctive Theory (ODT) and Social Categorization Theory (SCT) theory which give bases for examinations. According to SCT, individuals enhance their social identity by utilizing social categorization processes which supports demographically similar members and exhibit biasness against other demographically dissimilar members (Moon, 2018; Moon & Christensen, 2020). SCT encourages that people tend to keep a greater level of self-esteem attained through with social comparisons with other members (Williams, K. Y., 1998). Based on these social assessments, individuals categorize & differentiate themselves from others into social groups according to their demographic's characteristics of gender, ethnicity, race, religion and demonstrate favoritism and support concerning similar members of their team but defamation, insult and degradation concerning other non-similar members and consequents in intergroup prejudice and skirmishes in organizations (Choi, 2009). The most important assumption of social categorization theory is that people classify based on the social information of for each other. Ethnicity, sex and age are main dimensions of the social categorization assumptions (Stolier & Freeman, 2016). The most important assumption of SCT is that the diversity is detrimental to employee's performance owing to severe interpersonal conflicts occurring from dissimilarities amongst the diverse employees (Moon & Christensen, 2020).

Alternatively, diversity and inclusion are backed by ODT. Following ODT, all persons have opposite needs that trigger simultaneously, i.e., uniqueness and belongingness, have a tendency to grow up insight of one's inclusion (Oberfield, 2016) to a social class. Inclusion is the notion to which an employee believes that she or he is valuable and highly regarded member. The belongingness indicates an individual's wish to create and maintain interactive relations with other persons in a team. Uniqueness means, the wish of a person to be unique with other relevant persons. Individuals should balance these two-fold opposing need to feeling the sense of inclusion to accomplish their ideal level of social identity. Therefore, ODT suggests that leadership can manage their diverse employees having different physical characteristics by creating such a work atmosphere in which the workers feel included (Shore et al., 2011). Major assumption of information decision theory is that the workforce diversity may be the human resource capital of various perspectives

that increases the decision making excellence and employees performance (Moon & Christensen, 2020). Further, the ODT proposed that diverse employees outperform their similar counterparts. The most significant assumption of ODT is that diverse employees composition may present a substantial pool of task associated resources, including expertise, abilities, skills, and unique inspirations that boost organizational performance (King et al., 2009). The present research on diversity management has mainly been focused on the advanced countries like UK, USA, Australia, Netherland and European countries (Yadav & Lenka, 2022) but has given less attention in Pakistan which shows how diversity related differences are managed efficiently to augment organizational performance. In this research paper, we examine the associations of the diversity management practice and organizational performance in Pakistan.

Managing diversity enhances inclusive atmosphere, leading to boosting organizational performance. Organizations face constant pressure to make sure gender diversity. Consequently, it is necessary to examine the effect of diversity management practices on organizational performance. This study believes that diversity management practices perform a very significant role to augment the performance of organizations in Pakistan.

Currently there is a large gap in the organizations with respect to the ratio of female and male employees in Pakistan, whereas, providing equal significance to male and female employees lead to organizational performance. There is less empirical research concerning the effectiveness of diversity management policies, processes, systems, and structures of effective diversity management to improve the organizational performance. Therefore, there is need to do more research on how diversity shall be managed to organizational performance. Therefore, we decided to conduct this research EPDMP scale.

By analyzing the relationships of diversity management practices and organizational performance, the authors contribute to the body of knowledge significantly. The authors of the study made a substantial and most important theoretical contribution by bolstering the research of diversity management in Pakistan and broadens and complements UK, US and European based literature of diversity management. Moreover, the conclusion of this research directs human resource manager in assessing and advancing diversity management practices in their organizations, thereby, boosting organizational performance. Based on the findings of the study, the leaders can determine what diversity management policies and practices should be addressed for their organizational performance.

By showing the result of diversity management policies on organizational performance, we empower leaders and policy makers to develop such human resource statutes, regulations, policies, rules and practices regarding the workforce diversity to supports organizations to enhance the organizational performance in form of innovation, creativity, visibility, quality of decision making process, productivity and the employees satisfaction, which have already been confirmed in the USA and UK, the benefits of diverse employees having different race, gender, ethnicity and religion.

Literature Review

As per Social Identity Theory (SCT) and Optimal Distinctive Theory (ODT), this study is being done to examine the effect of diversity management on organizational performance. After studying relevant literature, this research used ODT theory and SCT and offering theoretical support to know diversity management. Moreover, the ODT is immensely applied in diversity management literature. These theories are concisely described in next sections to better understand this research.

Workforce Diversity: Workforce Diversity is combination of differences and resemblances of worker's attributes, including age, gender, race, religion, ethnicity, culture and socioeconomic background, schooling level, tenure and other physical characteristics within organization (Choi & Rainey, 2010; Hoang et al., 2022). Diversity management refers to organization's statutes, regulations, rules, policies, programs and practices to encourage diverse workforce and to offer the equal opportunities to all personnel unhindered by individual employee's characteristics such as race, gender, ethnicity, religion, education, function, and capabilities. The workforce diversity comprises any kind of differences, including demographic and other physical characteristics in which member's categories themselves and others into subcategories which has the major influence on employees' interactions and successive outcomes in organizations (DiTomaso et al., 2007).

Women participation services both in all sectors has been increasing in Pakistan since the past decade, taking the workforce to a more diverse in all profit and non-profit organizations. The corporations which will adopt the women component of labor market will be more capable to take up benefit of full potential of employees to improve their organizational performance. This way, their employee base will be more stronger, and such organizations will be more efficient to respond effectively and successfully to changing population requirements (Pitts 2009). The total population of Pakistan is 207,774,520. The ratio of males to females is 1.06 female (Wazir & Goujon, 2019). These numbers show that men and women are equal in Pakistan. The total number of males in Pakistan is 106,449,322, while the number of females is 101,314,780. It is clear from the statistics that there is diversity in existing workforce and in potential workforce in Pakistan. Therefore, it needs to be managed properly as workforce diversity is double edged sword in organizations (Guillaume et al., 2017). Diversity is a big source of wide range of skills and ideas that can augment organizations' capabilities to settle organizational management issues and make better decisions (Jehn & Bezrukova, 2004).

Diversity Management Practices: Diversity management literature shows that ODT proposes that organizations can deal with their employees having distinct characteristics by creating such a work atmosphere where they think included (Shore et al., 2011). It is crucial to create effective diversity management policies in Pakistan. It requires more endeavors to implement international diversity management practices to manage diverse personnel as compared to maintaining existing human resource regulations intact. This highlights the significance of efficient diversity management in Pakistan. Numerous research reviews and meta-analyses have got investigated the effect of diversity on organizational performance and showed that the relationship between diversity and its conclusions is complicated, mixed, and ambiguous (Guillaume et al., 2017). One reason of mixed and equivocal conclusions described by diversity management scholars is the absence of a reliable and valid scale of measurement of diversity management practices construct (Carstens & De Kock, 2017). Though there are some measures of diversity management, but they not have precise scale development techniques with respect to reliability and construct validity (Richard et al., 2013). Reliability and validity of scale is necessary to make sure that it assesses the same concept what is supposed to measure by it. Only one scale in diversity management was developed by Carstens and De Kock (2017) for effective diversity management competencies which has undertaken a thorough scale development process. Furthermore, if companies must establish fairer and inclusive workplace climate, they must assess how their diverse personnel understand diversity management systems in their organizations. Current research on diversity management emphasis on organizations, instead of worker-focused research which is also key limitation in previous research (Godard & Delaney, 2000). Whereas perceptions of personnel of reality are expected to impact their performance more than actual practices of organizations. Therefore, Lilian Otaye-Ebede (2018) developed a measure of diversity management from perspective of employees which is adopted for this study, as main focus of the study is employee centric.

Following ODT, all persons have opposite needs that initiate simultaneously, i.e., uniqueness and belongingness, have a tendency to grow perception of one's inclusion (Oberfield, 2016). Inclusion is level to which point an employee feels that he or she is indispensable and respectable member of organization. Belongingness means the individual's desire to create and maintain inter-personal relations with other individuals. Uniqueness means the desire of an individual to be unique with other related individuals. People need to balance these two opponent desires to feeling the sense of inclusion to accomplish ideal stage of their social identity. Therefore, ODT suggests that organizations can manage their diverse employees having diversity management practices in place. (Shore et al., 2011). Hence, based on the above literature, it is assumed that diversity management practices, are linked to organizational performance. Hence, we hypothesize that Diversity management practices positively associates with organizational performance.

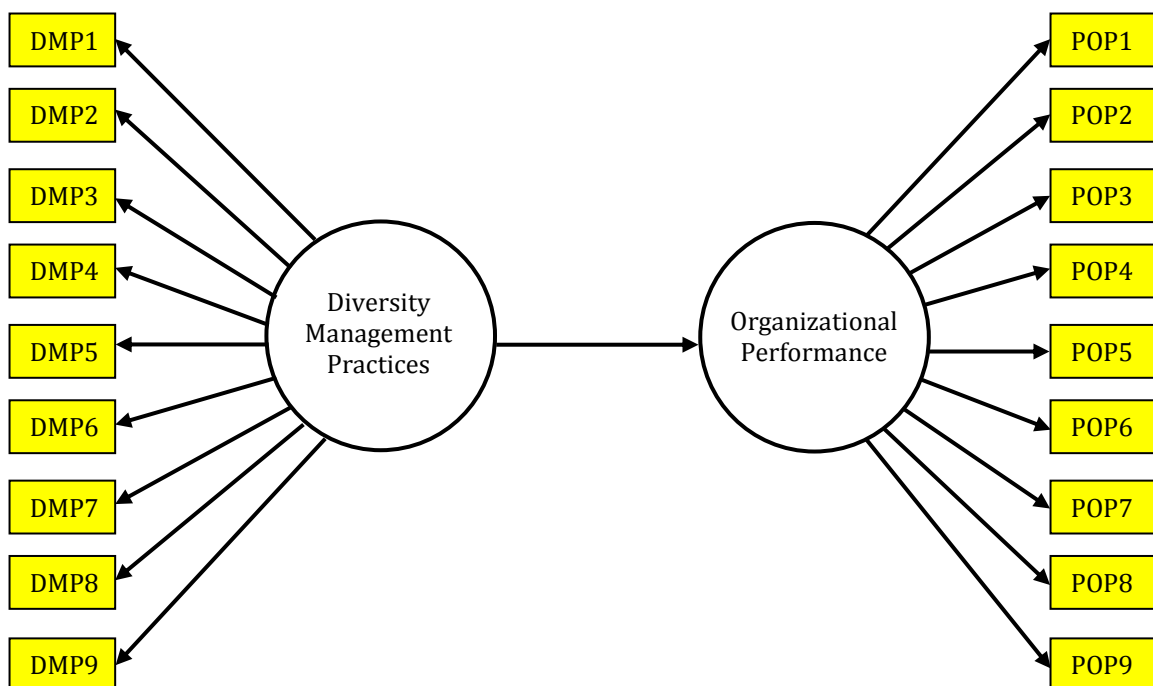The study suggests the following conceptual model, Figure 1.

Figure 1: Conceptual Framework showing association between DMP and OP

Material and Methods

The research philosophy of this study is the positivism because positivist scientist rigorously concentrates on scientific and experimenter methods to produce precise knowledge, facts, data, and figures not including any kind of impact of human prejudices and interpretations (Saunders et al., 2007). Research is deductive as it examines the hypotheses and research methods are quantitative. Furthermore, this study is a cross sectional that employed purposive sampling. Probability sampling procedure could not be utilized in this study because universities did not share complete list of their employees. Therefore, non-probability procedure of convenience sampling is utilized. Further, the population frame is employees of universities of Pakistan, sample size is 500 employees and data collection tool is structured questionnaire. This method is widely utilized to understand individual behaviors in social sciences (Jamal et al., 2022).

Accordingly, data were collected, through questionnaire from employees of top five universities of all provinces and federal capital of Pakistan. For nonprobability sampling, a larger sample size is needed. As suggested by Hair, et al. (2013), bigger sample size is better, therefore, this study implemented the procedure as suggested by Krejcie and Morgan, (1970) and sample size for current study was 500. The questionnaire was translated to google form to save cost and time and to increase reliability. The link of questionnaire was sent to employees of universities over emails and WhatsApp. The responses to google form questionnaire were made mandatory. Therefore, the chances. There were 510 filled google form, and all responses were valid for data analysis. The response rate was higher than 50%, therefore, it is considered to be acceptable for study.(Bell & Bryman, 2019). See Table 1.

Table 1
Validity of instruments

Construct	No. of Items	Source	Reliability
Diversity management practices	10	(Otaye-Ebede, 2018)	Factor Loading >.60 Cronbach alpha .93
Perceived organizational performance questionnaire	09	(Kundu et al., 2019)	Factor Loading >.60 Cronbach alpha .89

It indicates 25 % from private sector and 74% from public sector. Additional, 49% from management and 50% from faculty. Gender diversity, 75% male and 24% female. Religious diversity, 99% Muslims, .4% Hindus and .4% Christian. Ethnic diversity, Baluchi 3.5%, Pashtun were13%, Punjabi 73%, Sindhi 6%, Kashmiris 2% and Others were 1%. The age of respondents was ranging 19 to 60 years (mean age 33.73 years and Std. Deviation 10.312 years). Experience from 18 to 60 (mean number of the years 8.28). Level of education was very high as PhD 31.7%, MS/MPhil 34.2%, BS/Master 30.2% and 3.9%. It appears that current study sample is highly spread across all demographic categories therefore is the true representative of the entire demographics categories of Pakistan.

Instrument of measurement

Diversity management practices: EPDMP scale developed by (Otaye-Ebede, 2018) is adapted in the current study.

Organizational performance: Organizational performance in this study was developed by Kundu et al., (2019).

All items of scales are measured on the five points Likert scale for the research study.

Table 2
Validity of instrument for this study

Construct	No. of Items	Source	Reliability
Diversity management practices questionnaire	10	(Otaye-Ebede, 2018)	Factor Loading >.60 Cronbach alpha .93
Perceived organizational performance questionnaire	09	(Kundu et al., 2019)	Factor Loading >.60 Cronbach alpha .89

Data analysis

We applied the partial least square structural equation modelling (PLS-SEM) with SmartPLS 3.0. The primary reason that SmartPLS 3.0 is selected is that analysis of SmartPLS is believed one of the greatest statistical procedures for structural equation modelling, which can evaluate measurement model and structural model instantaneously (Hair et al, 2013).

Results and Discussion

CMB take place when instrument creates a bias and bias in data collection due for overlapping between the constructs (Jamal et al., 2022). We used VIFs -collinearity variance inflation factors procedure to study VIFs. The data have got CMB issues if values of VIFs are more than 3.3 (Kock, 2015) and our results revealed no issue of CMB.

Measurement Model

Convergent validity, factor loading and discriminant validity of indicators of constructs were performed in measurement model with the help of SmartPLS 3.0. Average variance extracted, Cronbach's alpha and composite reliability are utilized to establish convergent validity (Jamal et al., 2022) as convergent validity determines similarity in the theoretical concepts.

Table 3
CR, Cronbach's alpha and AVE

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

Table 3 indicates that Cronbach's alpha was 0.9176 and 0.9324, AVEs 0.6045 and 0.623 and CR 0.932 and 0.9428, respectively. The values of AVE ≥ 0.50 (Hair et al., 2019), Cronbach's alpha > 0.70, Ramayah (2011) and CR > 0.70, (Hair et al., 2019). Therefore, it satisfies the criterion of convergent validity, Cronbach's alpha and reliability of instruments.

Figure 2 Measurement Model
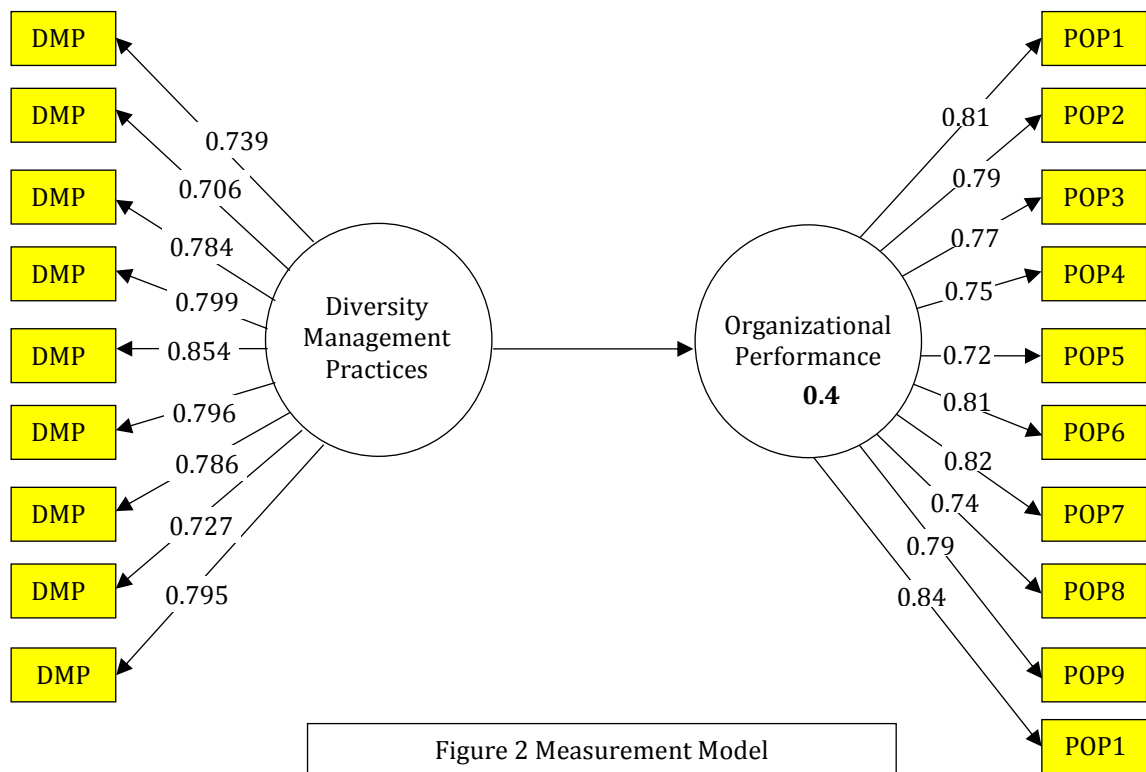
Discriminant validity is employed for identification of constructs that do not correlate with each other. It may be analyzed by Fornell Larcker which is extensively

recommended by researchers to determine validity of latent variables (Benitez et al., 2020). In this measure, AVE are compared with correlation of squared inter-construct in structural model. Shared variance of all the constructs of the model should not be greater than their AVE values (Hair et al., 2019). Table 5 indicates the results of Fornell-Larcker criteria showed that diagonal values of square root of AVE are greater than other values in their appropriate rows. Table 5 also shows that with respect to measurement model, there are no issues of the discriminant validity between constructs in study.

Table 5
Fornell Larcker criterion

	Diversity management practices	Organizational Performance
Diversity management practices	0.7775	
Organizational Performance	0.5041	0.7893

Structural Model

After the evidence that data has no issues of convergent and discernment validity, we investigated the hypotheses. Table 6 reveals the results of the structural model. Result shows that diversity management practices (β 0.1377, p < 0.000) is positively associated with organizational performance. Therefore, the hypothesis is accepted.

Table 6
Beta

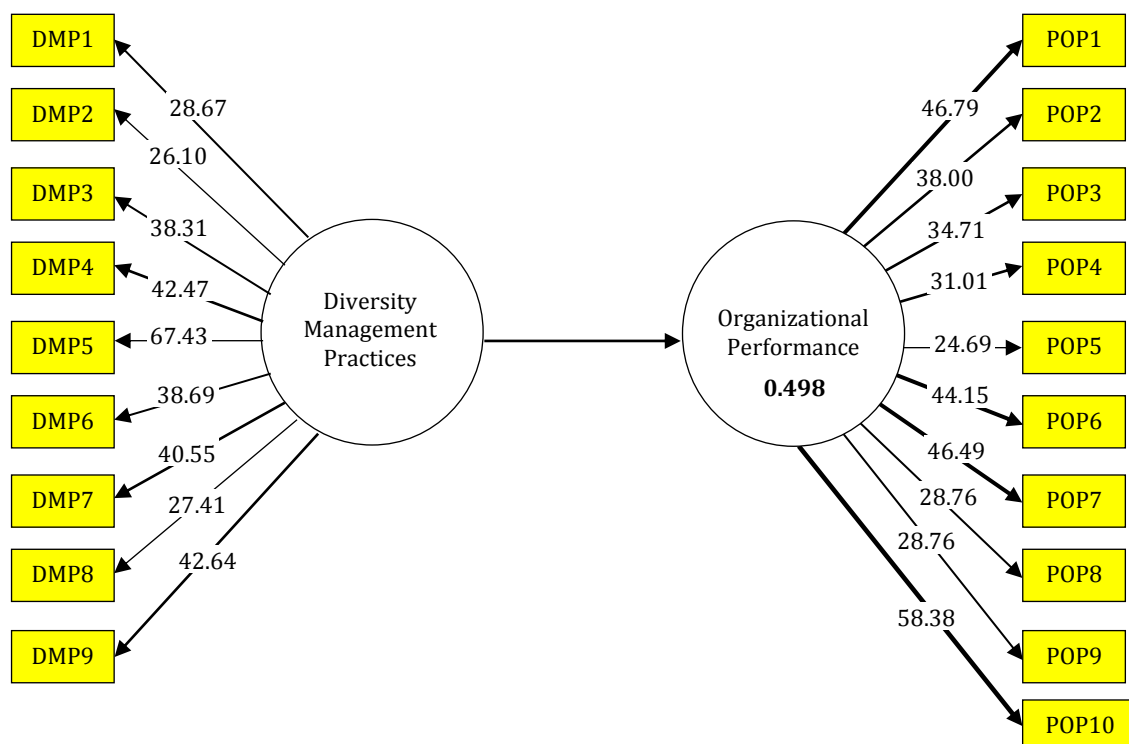|	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
Diversity management practices -> Organizational Performance	0.1377	0.1433	0.0524	2.6287	0.0043

Figure: Structural model

Discussion

To meet up research objective 1, frequencies for the demographic variables of research study shows that 25 % from private sector and 74% from public sector. Additional, 49% from management and 50% from faculty. Gender diversity, 75% male and 24% female. Religious diversity, 99% Muslims, .4% Hindus and .4% Christian. Ethnic diversity, Baluchi 3.5%, Pashtun were13%, Punjabi 73%, Sindhi 6%, Kashmiris 2% and Others were 1%. The age of respondents was ranging 19 to 60 years (mean age 33.73 years and Std. Deviation 10.312 years). Experience from 18 to 60 (mean number of the years 8.28). Level of education was very high as PhD 31.7%, MS/MPhil 34.2%, BS/Master 30.2% and 3.9%.

Research objective 2 for research was to study existence of perception of diversity management practices in organizations. As per results of the study, it was proved that not only the perception about diversity management practices happens in organizations but also, they have positive effect on organizational performance and are in consistent with the results of (Nguyen et al., 2022; Otaye-Ebede, 2018). It was also found that when employees perceive that their organizations respect diversity through its efficient implementation in organizations, they offer high-quality services to customers and resultantly rise in organizational performance. Moreover, results of study also endorse that diversity management practices have effects on how employees identify their organizations, such that they are more predictable to stay in their organizations when they comprehend that diversity management policies are implemented fairly and effectively. Therefore, results of the study can help leaders to assess DMP with respect to their organizational performance and to understand their shortcomings regarding diversity management in the organizations. This study made a important and major theoretical contributions to achieve research objective 2 of this study by strengthening research and consciousness on diversity management in Pakistan and extends and complements UK, USA and European based literature on diversity management.

Research objective 3 for this study was to examine the association of diversity management and its impacts on organizational performance. Results signifies that (β 0.2025, p < 0.000 and t-value is 5.1395) and satisfies all criterion of path analysis. Hence, Hypothesis has been accepted and study established positive and significant association between diversity management and organizational performance. Moreover, findings of the research can guide HR managers in assessing and advancing their diversity management in the organizations, thereby, boosting organizational performance. Our study strengthens the finding of earlier studies i.e. (Nguyen et al., 2022; Otaye-Ebede, 2018). Consequently, results of the study are completely in consistent with earlier research studies. Further, results of the study are also in consistent with prior research studies which said that diversity management has proved positive links with organizational performance (Ashikali & Groeneveld, 2015; Groeneveld & Verbeek, 2012) thereby challenging managers to manage a diverse workforce in the organizations effectively. Moreover, results of the study also enlightened that the association of diversity management practices and organizational is more significant in universities in Pakistan. This suggests that diversity management is very important for the organizational performance. This relationship of diversity management and organizational performance is explained by ODT/information decision theory for effective diversity management. It is therefore extremely important for organizations to devise effective diversity management to improve organizational performance. Moreover, diversity management is very significant factor especially in the higher education sector in Pakistan, where there are more diverse students and faculty in terms of race, gender, ethnicity, and religion, etc. The results of present study show that diversity management effect the workforce diversity regarding organizational performance. Further results add a new direction for more research studies in this regard. In addition, the conclusions suggests that diversity management may have different effects in other sectors like IT, manufacturing with different conditions in Pakistan. Moreover, the conclusions of this study can guide HR

in evaluating and advancing diversity management policies in their organizations, thereby, increasing organizational performance.

The findings of study offer several theoretical implications. For the current study, several associations have been analyzed in context of social categorization theory. The impacts of diversity management on organizational performance were examined. Research on diversity management may has been done in distinct methodological contexts. Nevertheless, the current study presents a review and appropriate synthesis of diversity and diversity management and organizational performance. This literature is extremely useful to understand the depths and unpredictability of associations under different study circumstances and environments. Further, current study has also implications for social researchers who apply the survey data to explain diversity management. Theoretical implications may be summarized as 1) research supports and validates results of the contemporary research in diversity management and 2) research supports and validates optimal distinctive theory for the inclusive environment in Pakistan.

The conclusions of this study offer important perceptions to consultants and practitioners as well. Diversity management has demonstrated to have significant and positive connections with organizational performance thereby challenging executives and leaders to manage diverse workforce in the organizations to bring in value addition to boost organizational performance. The usefulness of diversity management is shown in shape of enhanced performance due to innovation, visibility, creativity, quality of the decision making, productivity and the employee satisfaction. Current study will help managers to formulate strategies for effective diversity management in their organizations. The organization with strong diversity management regulations, policies, rules, programs and practices to promote the heterogeneous workforce by offering equal opportunities for all employees unhindered by individual employee's identities such as race, ethnicity, education, gender, religion, function and abilities will only survive in today's highly diverse workforce as the organizations are incessantly getting flooded with the diverse workforce with respect to the gender in Pakistan. Therefore, the leaders need to build a strong diversity management regulations, policies, rules, programs and practices and implement them in true letter & spirit in the organizations.

There are also some limitations that should be recorded for interpretation of results of the study. First, the study was performed in higher education sector. The focus of current study was on diversity and diversity management. Secondly, respondents of study are only employees of the universities. Furthermore, research model is limited to assess the impact of diversity management practices on organizational performance. Fourth, sample is also restricted to the specific number for current study. Although, data was not restricted to specific age, education, gender, ethnicity, religion but the several factors dominated the others. For example, 49% from management and 50% from faculty. Gender diversity, 75% male and 24% female. Religious diversity, 99% Muslims, .4% Hindus and .4% Christian. Ethnic diversity, Baluchi 3.5%, Pashtun were13%, Punjabi 73%, Sindhi 6%, Kashmiris 2% and Others were 1%. The age of respondents was ranging 19 to 60 years (mean age 33.73 years and Std. Deviation 10.312 years). Experience from 18 to 60 (mean number of the years 8.28). Level of education was very high as PhD 31.7%, MS/MPhil 34.2%, BS/Master 30.2% and 3.9%. For its generalizability, the results of this study should be validated in other sectors of Pakistan like manufacturing, IT, etc, for cross sector validation. Fifth, although the data was collected from all provinces but more than 73% were Punjabis, therefore, the results of study could be different if data is collected with equal number of respondents from all provinces of Pakistan. Last of all, the data is cross-sectional in nature and collected within a certain time period.

Based on the above stated limitations of the study, the directions for future research can be proposed. The current study is focusing on higher education of Pakistan. The future studies may also concentrate on other sectors. Secondly, the respondents of present study

is only the employees of universities. Future studies may focus on employees from manufacturing, IT and other sectors of Pakistan. Thirdly, research model was designed to examine the impact of diversity management practices on organizational performance. Future studies must focus on other factors with the mediating and moderating impact of leadership styles and different dimensions. Fourthly, the respondent of study is also limited to a specific sample and mostly from the Punjab province. Future studies may also focus on the other provinces of Pakistan with the same number of the respondents from the each province. Moreover, future studies can also concentrate on generalizing the conclusions of current study in other countries for further validation in the cultural context. Lastly, the data for the study was cross sectional and collected within a specific time period, the future studies may focus on longitudinal in the same and/or different contexts. This research adopted available questionnaires with a small number of minor modifications therein. Therefore, additionally to questionnaire method, future research can consider assessment of constructs in alternative approaches, including observations and interviews which might contribute towards understanding of the different characteristics of the diversity management and organizational performance.

Conclusion

The results of study concluded that diversity management have positive and significant direct impact on organizational performance. It has been concluded that 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. The results of study also concluded that diversity management has positive and significant impact on organizational performance.

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