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"The impact of workforce diversity on organizational performance of cement industry of Pakistan"



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Dedication

I dedicate this research to my parents, my brother, my friends and my teachers, who have always supported me in every field of life and during my MBA and always supporting me and encouraging me to excel in my studies and in life.

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Abstract

This research paper is about Organizational performance how it is affected by diversity because

to motivate employees to do better work and show positive attitude and behavior towards

organization and managing workforce diversity is one of the most important factors that must

be dealt with. Organizational performance comes along or is directly related to the diversity in

an organization if an employee is showing positive or healthy relation with its subordinates that

shows that the organization and employees both are progressing in a positive manner and past

different researches have shown that work force diversity has its effect on employees personal

performance along with organizational performance.it also comes along by managing social

and skill diversity. The study found skills category diversity to be the most significant factor

that positively affected the performance of the selected cement corporations. Social category

diversity was found to affect performance positively and was the second most influencing

factor. The relationship between employee diversity and organization performance of the

selected cement companies was found to be significant by organization management and

leadership.

Research was conducted in Private organizations it was a quantitative research and random

sampling technique was used. One more plus point that comes directly with diversity is better

decision making.

Key words: Employee Diversity, Performance, Social Diversity, Skills Diversity

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Chapter 1

1 Introduction

Chapter Introduction

There is growing recognition on a global basis of the undeniably critical role that human capital plays in the sustainability of organizations in all sectors of business and community-related activity. In the resource-based view of the firm, human capital is frequently assumed to contribute to competitive advantage due to its inimitability based on its intangible, firm-specific, and socially complex nature. Consistent with this view, investments in firm-specific human capital have a significant impact on learning and firm performance. Empirical evidence exists that demonstrates of the inimitability of human capital unlike other firm tangible or intangible assets that contribute to a firm's competitive advantage (Nile & Dyer, 2004).

The concept of diversity started mainly in the United States of America, with many corporations hiring diversity experts to help them implement their diversity programs. American companies are known to address diversity directly with many corporations hiring diversity managers and monitoring being done at the state level. Smith (2013) reports that diversity practices are the right thing to do and they also positively impact a business' bottom line. According to McKinsey and Company (2013), earnings of the most diverse companies in the United States of America were an average of fourteen percent higher than the least. Companies that saw diversity as a source of competitive advantage went ahead to create proper diversity channels and metrics across their organizations to enhance employee diversity and hence employee retention, engagement and productivity (PWC, 2014).

The EU has developed a strong commitment to equality and positive action policies. Across Europe, there is a trend to strengthen legislation against discrimination as indicated by directives on equal treatment of people irrespective of their race and ethnic backgrounds and on the equal treatment of persons in the labor market, adopted by the EU Council of Ministers in 2004. Many companies have cited employee diversity as a key success factor. Erich (2012) reports that TNT Express Austria has seen a continuous increase in the company results since 1998, a significant improvement in quality and high customer and employee satisfaction. The company attributes the success to attraction and retention of diverse high caliber employees. The Scandia hotel in Sweden recorded increased hotel stays and became a contractor of choice for more than one hundred companies by implementing an aggressive employee diversity

program that targeted to bring on board more disabled customers and other customers with special needs. Scandia hired a disability coordinator, worked to make each hotel barrier free and invested in diversity training for all staff members (Mattsson, 2012). South Africa presents a dominant study case for diversity in Africa. In South Africa where a non-racial, democratic constitution came into effect in 1996, equal rights legislation was implemented at just about the same time as its affirmative action policies, and many of its companies have been trying to almost simultaneously design and implement diversity management programs. The results of both equal rights laws and the affirmative action policies in South Africa are already evident in the increased proportion of Black managers, though these rates are still far from their demographic representation in the wider society. As the racial and cultural profile of South African organizations continues to change, the process of managing diversity is becoming more important (Horwitz, 2002). However, as legislation and adoption of workplace diversity management practices continue to take root in South Africa, the impact of these diversity management programs on organization performance are not documented. The situation in Brazil is quite like that of South Africa, with both legislation and government measures to combat employment discrimination taking place recently. Brazil, however, is quite different because it has long been a heterogeneous society, the product of several migration flows relatively early in its development. As a result, Brazilians take pride in their tradition of nonprejudicial national ideology and see this as an impetus for their recent positive economic performance. Nevertheless, inequalities do exist, and the concern of Brazilian companies with the practice of managing cultural diversity is quite recent and relatively limited. In a global survey on gender diversity in Latin America, McKinsey and Company (2013) report that diverse leadership teams that include significant numbers of women generate higher financial returns. Although the population in Brazil is rather diverse, those companies that have developed programs are primarily subsidiaries of U.S enterprises (Perez-Floriano & Gonzalez, 2007).

1.1 Diversified workforce

Diversified human resource is gathered or hired by employers as a result when they hire employees from various backgrounds consist of different cultural and ethnic background, age, belief, race, traits etc. It is diversity in which the organizations are believing and order to achieve their goals employers don't care about the background of the employee like culture, religion what he or she demands is the skills that the persons carries in order to complete that job or not.

Variety of employees is becoming an international rule and creating some problems for HR managers. The critical wants of different ventures in this condition is to make numerous decisions such as:

- 1. Embracing ethical HR guidelines to safeguard that no specific cluster of workers are differentiated
- 2. Applying active communication networks
- Inserting employees with active communication abilities particularly executives and supervisors
- 4. Creating chances aimed only for workers to take linguistic lessons in order to safeguard that they can comprehend each vital data transferred and to increase their communication skills with job context because communication in vital skill required in diverse workforce. Human resource diversity is one of the important human resource current issue.

1.1.1 Assistances Resulting from Diversified Human Resources

- 1. The number of ideas is more in diverse organizational culture when compared it to the stagnant one because the more the brain the better and more the ideas will emerge.
- 2. Businesses can improve its appeal as "an employer of choice".
- 3. There are some conditions in which employees with a specific cultural background can be helpful with more positive results rather than other under specific circumstances.
- 4. Aids job seekers, employees and employers.
- 5. Offers bosses with skills in people management.

More realistic or up to date organizations believe in workforce diversity and they apply these rules in their business as they know it is becoming an international phenomena and without it there is very rare chances of getting in to the leaders board diversification no doubt brings numerous number of advantages to the organization in start it do gives you a hard time but slowly and gradually it turn out to be favorable. Different working atmosphere promotes different individuals as of distinct areas of the globe. Just because of opening different virtual offices the point of making an office in a single area diminishes because through various communication methods you can interact or communicate with each other and can tell each other about the progress for example an office in London can connect to one of his officer in India through virtual communication method.

With assorted qualities comes new method for expression miscommunication is the biggest factors that going against diversity and due to miscommunication misconception among employees took place which later build trust issues and then employees are not ready to work with each other in the same workplace. This also creates a negative working environment for employees and none of the workers are willingly to work in this type of atmosphere as they are more inclined towards a better working environment. An assorted work atmosphere frequently indicates that agents impart in slightly various methods. That can carry around confusion or unfluctuating coincidental affront among representatives who are not customary to each other's community customs. Improper guidance effects work setting efficiency and can make an aggressive or toxic atmosphere if not handled properly. As suggested by means of the University of California, San Francisco, supervisors be able to keep left from irrelevant communication subject to by looking at such traditions more and more and by enhancing an atmosphere of clearness besides honesty once observed miscommunication can be rectified. As per The Multi-ethnic Benefit, a more different working situation presents further prospective solutions for concerns and an extra compliant workplace environment. Reps reflecting a broad range of faces will undoubtedly provide a more noteworthy variety of alternatives a few of which might not ever be deemed by a fewer divergent work atmosphere and be able to take extra participation in performing such choosing. That elasticity provides company the volume to tackle difficult conditions all the extra punctually, and subsequently respond to deviations in the professional setting. Today as well as over, advancing an assorted domain could entail additional operating expenses, which a corporation must understand just about by enlarging the varying attributes in the running situation. This often relates to employees who have varied bodily demands, for instance, an ascent done for somebody in a wheelchair or items engraved in Braille for a representative who's visually impaired. Not everything member of staff requires can be expected ahead of time, and an organization may need to make constant adjustments in accord with oblige their various working environment. In businesses that don't emulate a different work atmosphere, the early shifts toward enhancement may meet with a few oppositions. This varies from typecasting in that a recently procured worker is not being judged on specific expected qualities, but rather just because he is unique in relation to most of the workforce. As shown by the University of Florida, such defiance can provoke hindered competence, disputes between the new envoy and his colleagues, and yet lawful action created by the new operative for saw hostile feeling in the laboring atmosphere.

1.2 Cement Industry Overview

There are seventeen cement manufacturing companies in Pakistan that are registered with All Pakistan Cement Manufacturing Association. Few are owned by establishment subsidiary's and other companies are owned by private business owners and groups in each economy, development industry is the foundation of the nation. Concrete industry in development division assumes an imperative job in the improvement of the nation, regarding commitment towards Gross domestic product, business openings, fares and imports. Cement industry in Pakistan is a market of 35 plus million tons that grows at around 3% per annum in terms of production volume and nearly 8% in terms of sales value. Out of total yield, around 8 million tons or 23% volume is exported. The cement industry is important for the economy. Besides making a direct contribution of 7.5 percent to large-scale manufacturing, the industry influences growth in the allied segments (e.g., steel; chemicals, wood). At present, there are 24 manufacturing units operating in the country with a total installed annual capacity of 49.4 million tons. The industry operates in two separate zones - North and South - with Northern Zone representing around 80 percent of the total production capacity and sales. The manufacturers in the South Zone have more room for revenue diversification as they can tap several export markets (via sea).3 The export potential for manufacturers in the Northern Zone, however, is limited to Afghanistan and India only. According to the All Pakistan Cement Manufacturing Association (APCMA), Lucky Cement, DG cement, Bestway cement and maple leaf cement are the market leaders in term of market share in the industry and largest cement manufacturers of Pakistan. They contribute towards its very own development as well as endeavor to fortify concrete area in Pakistan. They center around satisfying local interest of its items as well as bolstering global market, they send out in nations, for example, Afghanistan, India, Nepal, and so forth. It has significant fares in Nepal. The positive effect of its fares can be decided from their offer cost in financial exchanges. Fortunate bond fares to around twentytwo nations of South East and Center East Asia and the African subcontinent.

1.3 Problem statement

Diverse workforce is creating problems like discontented employees in an organization where people from different backgrounds working together in same environment to achieve personal and organizational goals whereas it is also noticed heavily that employees do not feel comfortable working with their colleagues bosses and other staff from different backgrounds which creates differences among them as a result their performance is not up to the mark it creates demotivation and an unhealthy working environment and eventually effects organization performance.

1.4 Research Questions

- What is the influence of workforce diversity on organizational performance?
- What is the impact of employees' skills variety on organization performance of selected cement industry organizations?
- What effect does employee social diversity have on organization performance of selected cement industry organizations?

1.5 Purpose of study

Main purpose of this research was to investigate the impact of employee diversity on organizational performance of selected cement companies of Pakistan. The following are objectives:

- To examine the impact of workforce variety has on organizational performance.
- To establish the influence of employee's skill diversity on the organizational performance
- To determine the impact employee's social diversity on organizational performance.

1.6 Justification of the Study

The purpose of this study was to assess the effect of employees' diversity on organization performance, study outcomes will be valuable to these corporations' administration as it will recommend strategy and application of employees' diversity programs in the businesses by sketching finest procedures that can further the impact of these systems on organization performance. The discovery of this investigation will also be utilized by other businesses to extend good quality procedures in employees' assortment managing through building sustainable diversity management models and programs. Additionally, the research will encourage further curiosity and more studies in the area of worker diversity at the workplace especially in our region. There are limited researches in the vicinity of workforce diversity in Pakistan since existing research has concentrated primarily on developed economies. It is vital to assess employee diversity in the environment of emerging countries.

Chapter 2

2 Literature review

Chapter Introduction

This portion of the research contains the literature review. This will help in understanding the concepts of "Impact of diversity on organizational performance". Moreover, this will broaden the knowledge of the readers about the works presented by different authors.

It is stated that diversity can be simply explained as the differences between age, sex, education, physical abilities, practices, class, gender, religion etc. Grobler (2002:46) has made it confirm by adding one to two more things according to him all human beings are same but there are few characteristics like biological and environmental which are different.

It is further elaborated in two branches. First branch consists of race, sex, age etc. that creates the modifications among different characters. These differences are easily noticeable and can be examined and they have the most impact thirdly they work as the filter for people how to see the world. Second dimension is your education. Skills, demography, earning and so on these are considered as second dimension because you cannot judge these qualities in first meeting or encounter you can only judge these things if u meet them regularly (Ashton 2010). World becoming a global village has made this world a competitive aged and only diversification can provide u with lead people with different backgrounds and cultures are interacting with each other. The difference in people can be considered as a threat but the profits or benefits are far more then we realize the more brains the more power you have their experiences works for us as an edge over other who do not believe in diversification.

Many institutions believe in diversity because of their own understanding for example the implement diversity because they want new things in their company they believe in change and on the other side this has also increased problems for management as well because it is very hard to cater diversity and mangers mostly give their 100 percent to control it and tackling this difference among people has been the priority for managers in organization special or certain set of skills are required to handle it the biggest factor that have to be kept in mind that everyone one should be treated with dignity to discrimination should be done for that purpose multicultural skills are required and for leaders in business world they know as day is progressing focus on diversification is growing exponentially so they have to be sharp.

2.1 Employee Diversity

Assorted variety alludes to assortment and contrasts in a gathering (Nile & Dyer, 2004). It describes the structure of a gathering as per at least one qualities of its individuals. The importance of assortment can stretch out past race and sex to incorporate a wide range of individual contrasts, for example, ethnicity, age, religion, incapacity status, geographic area, character, sexual inclinations, and a horde of other individual, statistic, and hierarchical attributes. Decent variety can in this manner be a comprehensive term that consolidates individuals from various characterizations (Herring,2009) In the work environment, this implies the assorted variety among individuals identified with so much factors as age, culture, instruction, representative status, family status, sex, national birthplace, physical appearance, race, provincial source, religion, sexual direction, and thinking style.

Evolution of the Concept of Employee Diversity. During the 1990s, the idea of assorted variety picked up prominence as an alternative admin tactic and has kept on doing so due to the winning social and monetary atmosphere. Over the most recent two decades, social changes have generously expanded worker workforce diversity and cross-culturalist (Cook and Glass, 2009; Seaman,2006). It is presently not a decision but rather an imperative for any effective representative system in view of the aggressive weights on associations to support and improve financial execution and the changing desires and goals of society. These weights are constraining consideration on the need to address relevant substances, which have generally been disregarded. Work showcase measurements show that the representative of the twenty-first century is turning out to be increasingly assorted as far as components, for example, race and ethnic cause, sex, age, sexual direction and political what's more, strict conviction. The present business condition has three key highlights that are going about as impetuses of assorted variety in the work environment. These are: the changing examples of work advertise socioeconomics, the expanding globalization of organizations and the changing examples of work association, creation and rivalry.

2.2 Types of diversity

Diversity is of many types and they must be handled very carefully few of the diversity types are illustrated as under.

2.2.1 Gender Diversity

This type of diversity means that two types of people male and female working under a single roof. According to old thinking second set of people women were mostly one referred to work in their homes to take care of their children's, husband and home. Facilities like getting education was not for them the only set of responsibilities awarded to them were the same as mentioned above. (Beena S. Saji, (2004)) as a result there were very fewer female individuals who went out of the box and got what they wanted education and were considered as minority because they were very few in numbers (Zorlu Senyucel, (2011)). How time is changing and financial wants of the family is growing and awareness here also increasing about how important it is for woman to work and people are accepting it and even opportunities are there (Vickie Cox Edmondson, (2009)) it also has changed the corporate sector. Another plus point it has gifted is encouragement of healthy competition and increase in the workforce.

2.2.2 Cultural and religious diversity

This section tells you about the people who are from different backgrounds they follow different religion and still they work in the same place interaction with each other their religious backgrounds have immense impact all of them work collectively in order to meet organizational goals and execution of policies (Maak, Structure an comprehensive variety culture values process and practices Oct, (2004)). People with their specific religious attitude working in an organization can make tension because they are not aware of the culture of the organization how people work there as businesses want to hire employees from different backgrounds to maximize its profit through their set of skills and experiences (Baier, (1958)).

In this situation misunderstanding among fairness and multiplicity rises as businesses are aggressively embedded in diversity seeing the validating values and beliefs is an essential test fundamentally variety differ from tactical wants. (Beena S. Saji (2004)). Those policies focus on the settings on employment. Outdated standards do not focus on these types of factors which plays an important role for the organization outcomes (Marques, (2008)).

2.2.3 Social and income diversity

This means when employees are from different groups like there is a difference in their income level and their social life and they work together in the organization to grab those goals. This situation crates an interesting environment in the organization, and it can be healthy process as well a negative depends on the situation (Tickner, (2006)). People working in this situation can help the organization to build those type of policies which are in favor of both the parties' employees and organization and people of different backgrounds helps increasing harmony (Cox Edmondson, (2009)).

2.2.4 Language diversity

One more aspect of people working under one roof is language and they speak different language but working to attain same goals. It depends on people to people what language they speak (Vickie Cox Edmondson, (2009). It tells you about the culture and taste different ventures who have employed people who speaks different language and are of different identity are doing a national service because people working in the same area and by interaction, communication and collaborative work it encourages harmony among different group of people (Vickie Cox Edmondson, (2009). As the world is becoming global village and we can experience migration at a very fast pace and interaction of people from different areas has become so easy (Chrobot Mason, (2003)). There is no discouragement to adopt diversity for workplace another profit of diversity on the prime level is we can reach to customers more easily and rapidly and we can be proud of that (Zorlu Senyuccel, (2011)). With the help of customer it is easy to identify that how they are more comfortable with they can easily express themselves in which type of environment they are more adjustable because it is easy for customer to understand in the way in which they want to know (Allen, Dawson, Wheatley and White (2007).

2.3 Evaluating the Impact of Diversity on Business Performance.

To identify the interrelationship between business performance and diversity at organizational level, it's important to be clear about how diversity and performance are defined and measured. Diversity ranges from distributive concerns based on the traditional categories of race, ethnicity and gender to the inclusion of a vast array of differences in age, sexual orientation, disability, employment status, tenure, function, educational background, lifestyle, religion, values and beliefs in addition to race, ethnicity and gender. Anderson and Metcalf (2003) identify three different categories of employee diversity: Social category diversity relates to differences in

demographic characteristics, such as age, gender, ethnicity and geographical region of origin; Informational diversity refers to diversity of background such as knowledge, education, experience, tenure and functional background; and value diversity which includes differences in personality and attitudes.

Diversity enhances customer relations and increases market share; diversity enhances employee relations and reduces the cost of labor; diversity improves employee quality and performance in terms of diverse skills, creativity, problem-solving and flexibility. Research findings suggest that having a diverse employee leads to increased market share and increased sales to minority-culture groups (Cox & Blake, 2001). This is explained by the preference of many customers to buy from people like themselves and from organizations that promote diversity. Diversity contributes to increased market share because it enhances an organization's ability 'to deal more sensitively with multicultural domestic and foreign customers, thereby increasing customer satisfaction, keeping and gaining market share' (Bhadury, 2000).

Several studies indicate that employers who successfully manage diversity are better at attracting and retaining skills and talent 'because many workers are drawn to companies that embrace diversity' (Woods & Sciarini, 2005). As well as recruiting the best people in the labor market by embracing diversity, such employers can also benefit from cost savings by having a more cost-effective recruitment process. McEnrue (2003) found that the recruitment expenditure of organizations that value diversity is forty percent less than that of those that don't and that they suffer less from high costs of labor turnover, absenteeism and discrimination lawsuits (Cox, 2001). Advocates of diversity management argue that an inclusive diversity climate increases the performance and productivity level of employees through increased job satisfaction and commitment. They also argue that diversity fosters an adaptability to environmental change and organizational flexibility – and provides a competitive edge by doing so (Cox & Blake, 2001). This study adopted the following measures of organization performance: Customer satisfaction and market share, Employee satisfaction and labor costs, Employee quality and performance.

2.4 Social diversity

According to (Anderson & Metcalf, 2003) social category diversity is linked to differences in cultures and demographic attributes of employees. These differences can be in age, ethnicity, gender and places of origin. This diversity is associated with a mix of viewpoints, 23 opinions and experiences at the workplace. Gender and age diversity have been associated with

enhanced business performance through increased employee satisfaction and overall firm productivity which in return reduces labor costs. A productive employee on the other hand, delivers results through increased sales, costs savings, improving their job efficiency which feed to the overall bottom line results for an organization. Employees' age diversity on the other hand is an excellent source of organization learning that promotes innovativeness which results in new and better products and services in the marketplace and efficient business processes that impact the bottom line. On the other hand, companies which promote gender diversity earn both professional acclaims today complemented with increased employee and customers loyalty. They also attract many job applicants, which means they have the choice of hiring the best employees in the market which becomes a source of competitive advantage. Increased customer satisfaction is associated with an improved bottom line since customers always reward such organizations with repeat business and hence sustained revenue growth (Kochan, 2003). Ethnic diversity has been found to have a positive impact on firms that operate in industries more open to trade e.g. multinationals. These organizations can hire employees that reflect the ethnicity of the markets they serve. This makes it easy for such businesses to communicate to their customers in these markets more effectively. Establishing a positive image in the communities the organization operates will reflect on the company's bottom line, due to sustained sales and profitability. Social category diversity allows employees to be able to communicate to different categories of customers more effectively. It helps an organization navigate past biases or misconceptions through respect for differences that they may not understand. This in return helps an organization expand its market share, increase customer satisfaction and loyalty (Gilbert & Ivancevich, 2000). The study therefore tested the following hypothesis.

H1: Employees' social diversity has positive and significant impact on organizational performance

2.5 Skills and informational diversity

Skills and informational diversity are the result of diversity in employees' education and experiences. Skills diversity contributes positively to employee's productivity and hence the overall organization productivity. Skills diversity leads to innovation and hence overall improved quality of programs, products and services that the organization offers. Skills diversity creates a large pool of experiences, ideas and education that creates new products (Cox, 2001). Such firms create an environment of high productivity and thus attract top talent employees and can retain these employees due to their progressive nature. The overall benefit

is savings in recruitment and training costs, as well as the advantage of maintaining corporate knowledge and expertise (DiTomaso, 2007). This led the study to make the following hypothesis.

H2: Employees' skills diversity does not affect organization performance of selected state corporations in Kenya.

2.6 Diversity and performance

study document investigates developing assorted qualities and screens its effect on representative accomplishment. It develops a connection between or focusses on missing connection between opposing qualities administration particularly the assorted qualities in nature and worker result. Differing qualities in the working environment is nomination on the association offering worth to the blend of representatives in their volunteers (Mor Barak et al. 1998, pg.83). The act of assorted qualities leaves individuals' contrasts excluding and emphasizing. New point of view of differences spotlights on everybody is novel and purified with the various aptitudes and are considered profitable for the associations (Cox, (1994)). In future ages the possibility of assorted qualities has transformed and changed to a more vital idea. The present professional pioneers are of the supposition that differences have vital execution advantages (White, (2007)). To efficiently cook the sectional customers which are viably developing in amount and shaping a noteworthy piece of shopper business sector it has gotten to be fundamental that industry need to take extra various staff (Richard, (2003)). Differences in the labor force goes about as higher pointer on the estates that distinctive perspective can give a stage which help ingenious conducts to handle with thoughtful rational subsequently mounting innovativeness and progress which resultantly stimuluses improved commanding implementation (Blake, (1991)). Prior examination incredibly concentrates on the advantages that differences gives which incorporate depiction and allotment the top ability accessible price viability as there is little income and less claims enhances shop comprehension and business sector capacity greater adaptability and the component of advancement is additionally included the methodologies headed for critical thinking are enhanced the association turns out to be more adaptable as it give convenience to workers of various foundations and to wrap things up basic leadership power gets to be unrivaled (Robinson, (1997) (Griscombe and Mattis, (2002) Watson et al (1993). Numerous associations are of the perspective that differences is just essential to manage the legitimate necessities in an association and association basic it to give a palatable workforce though some association grasp assorted qualities since they can relate the advantages accompanying the presentation of it (Ely, (1995).

The study checks and screens the workforce diversity and its effect on workforce outcome. It tries to match these two things and wants to check out which is affecting which and to how much context because the diversity which you found in an organization is directly linked with the employee results and secondly assortment in an establishment depict the ethos environment of business (Mor Barak et al. 1998, pg.83). Another benefit that variety brings in employee is it declares everyone no one similar every individual ha his or her own personal set of skills those are not standard or not found in everyone they are unique it helps in removing personal differences (Cox, (1994)). During this time or few years back concept of diversity has changed, and organizations or business leaders have realized how much diversity is important for performance (White, (2007). It has also become important to target those customers which are few in quantity nut lucrative for this diversity is essential (Richard, (2003). In order to gain competitive advantage diversity again plays a crucial role it provides you with problem solving techniques (Blake, (1991). Other benefits according to different researches that diversity provides you are availability of best talent in diversity because of different people with different set of skills you have the best talent when compared with the stagnant one and due to diversity you are more cost effective when compared with others and because of diverse workforce you have more ideas and decision making become more easy and strong (Robinson, (1997) (Griscombe and Mattis, (2002) Watson et al (1993). Some organization are having an orthodox mentality that diversity in organization is only implemented because organization just wants to fulfill the legal requirements whereas there is no other use of it or there is no other benefits related to it this is the reason which is taking different businesses towards destruction and getting themselves in the worst place they can ever imagine (Ely, (1995). This new mixture of people has opened new pathways and gave way to new opportunities. This has become pivotal in the business world today as means for connecting with companies from around the globe and for foreign professionals to share their business about their location. Similar to the fact that the presentation of the entire association depends on the performance of each employee, the variety workforce at individual level will have a positive effect on the workers both technically and psychologically and motivate more performance from them hence increasing the performance of the whole organization at large.

2.7 Workforce variety and individual outcome

Different people working in the same environment tor under one roof has a great effect and different researches have shown that it has a positive impact on employees when people from different background work together. Agreeing to (Zonia, 1993; Kossek, 1993) in industry like media diversity in employees have increased competition and it has increased or encouraged healthy motivation among them. Diversity in top level of management has motivated and encouraged the workforce and it also helps preventing discrimination innovation is another factor which is directly linked with diversification the more diverse the workforce is the more chance of innovation are there. Diversity in personal characteristics have always supported change or have accepted change (Ely, (1995). (Markel, (2003) maintained the research of (Kanter, (1997) if you have minorities in your team it helps you in change. Diversity in various field helps you to attain skills (Kossel, (1993) and by attaining these skills it is considered as a resource for the enterprise. Distribution of these abilities experiences and understanding between employees is one of the ways to gain better results through workforce diversity it is easy to handle more complicated or complex situation because it helps an individual to be more competent (Konard, (2003)). If you see positive attitude towards diversity you will experience more innovation positive performance better working environment.

2.8 Staff variety and group outcome

Different researches have revealed that various people working in a group from different backgrounds like gender, culture, income group helps you by giving various ideas or solutions for an issue and is considered as one of the biggest advantage of diversity but some of the researches very few have shown results which are not similar to the one mention earlier (Libel, (1996)). Area like media innovation or new ideas is very important because it is a field where new ideas or creativity is required it is the basic requirement and creativity or new ideas comes as a results of different people working in a team and by using their brains collectively they come up with different ideas and then they are formulated and executed in the end. Research of (McLeod, (1996)) have stated that people from different background in a group are more effective than those groups where you will find no diversity as innovation and creativity is directly linked with diversity different studies has advised that firmness of the team decreases which ultimately effects the performance of the business if you have demographic diversity (Martins, Gutek & Reilly, (1998).

2.9 Workforce diversity and organizational outcomes

Varity of people working in a single organization has very lively effect on the outcome of the business if they are handled and used properly (Cox, (1994). Those organization which are more diverse when it comes to culture are performing better as they know what the market is demanding (Richard, (2003). According to (Stites-Doe, (1997) studies have showed that in large American firms where more female workers are working then other organization where women's are less in numbers there performance is far better than the other because the ideas are more and there is a healthy completion among them which ultimately benefits the organization Mixture of people in an office has vibrant results on the business results if coped and tailored correctly (Cox, (1994). It improves the value kind and route of distribution of the manufactured goods and converts it corresponding to the market condition. Another research showed that there is an amazing and significance outcome in the performance of the business if there is sex and upper level management diversity. 35% more profit on parity and 34% more pay back to the stockholders were observed when an organization which has this type of diversity was compared with other firms (Catakyst, (2004).

2.10 Diversity and decision making

For better decision or decision making diversity is required the reason is when you have different people from different backgrounds their style of thinking, ideas are different then they will provide you multiple option and out that picking the best is easy it also helps or provide a better working environment people working their will enjoy inspiration, innovation, knowledge, skill transfer (Amara, 2007) they will work as a facilitator for their business enrichment. If it goes totally opposite then the results are going to be very devastating for both the employees as well as organization organizational performance will deteriorate and when referred to employee's personal conflicts will arise fight for authority and miscommunication will increase which will lead to employee resignation (Jackson,1991; William and O'Reilly, 1998; John,1995). This difference in employees if goes wrong will play very negatively for company's growth many of the researches have focused on workforce diversity being essential for business outcome and leadership skills.

Resource based view stated that there is a healthy or positive relationship among outcome and diversity on the other hand other theories like self-categorization and social identity theory claims totally opposite to it and support negative relationship (Mohammad et al, 2007). A lope hole of gender diversity if it goes wrong is it creates problem in decision making process (Jackson et al, 2003). Groups like which have people from different ethnicity were better than

the stagnant ones (McLeod et al, 1996; Watson et al, 1993). On the other hand, it is observed that diversity in organization has reduced communication and direction (Lazear, 1999; Morgan and Vardy, 2009) and employee turnover has increased (Jackson, et al 1991). Nesher and Murphy (1997) have experienced that there is more professional backing and likeness in the same group rather than diverse people. De et al, (2009) has stated that cause for the denial of mixed team members and decreasing performance is ethnic diversity.

Differences arises because there are difference in attitudes, religion, affiliation likes dislikes, thinking, ideas, interest, resources etc. it is not true that conflicts are negative or they have bad impact it depends on how they are catered if they are catered in a positive manner then they have positive outcomes which are even motivating and constructive (Kigali, (2006)). It directly related with the outcome and quality of the venture conflicts are very important for life and you learn a lot from it. Sometimes when business leaders ignore the fight between workers those issues transform into bigger disasters, they sometime take them personally they bring emotions in it which can be a big blow for the organization. Personal capability of being not able to work with other employees is considered relationship failure or association clash and it creates stiffness, irritation and hostility between employees.

2.11 Information processing theory and decision theory

Grunfeld and Neale (2006) give a hypothetical way to deal with portray the impacts of assorted variety through a system of data and basic leadership. This point of view shows how heterogeneity inside a gathering influences the trading of data and the capacity of basic leadership. This hypothesis exhibits the potential points of interest of heterogeneous gatherings. The system exhibits that individuals from various gatherings approach a more noteworthy assortment of data utilizing a greater number of contacts and systems outside the gathering than homogeneous colleagues would do. Instructively heterogeneous gatherings can be at the same time delegated in-gathering or out-bunch individuals dependent on numerous measurements (Hew stone et al., 2002). Gatherings where individuals from another subgroup have diverse utilitarian foundations would be reliable with the way that they likewise have various degrees of training and work encounters. In view of subgroup development, individuals know their disparities and hope to be diverse along instructive lines. This inspires less dubious and equivocal conditions in which individuals are bound to acknowledge their educational contrasts and participate (Arena and Elmer's, 2006). All things considered; they may apply more exertion toward controlling assignment centered gathering forms instead of battling about relationship related issues. Individuals from instructively heterogeneous gatherings are expected to have distinctive preparing and socialization encounters (Mortensen & Hinds, 2001). Discussions and contradictions about gathering assignments frequently emerge from contrasts in information and encounters (Witten Baum and Stusser, 2006). The nearness of alternate points of view is probably going to show itself as intragroup assignment strife (Palled et al., 2009). Palled (2006) found that utilitarian foundation and instructive assorted variety were identified with clashes that concentrated on the assignment or substance of thoughts. The hypothesis gives an establishment to exhibiting the impact of representatives' abilities/instructive decent variety.

2.12 Social Identity Theory (SIT)

SIT is the most alluded to of the distinctive hypothesis' scientists apply to clarify the procedures that underlie assorted variety impacts on authoritative and group execution (Gillespie and Weingarten, 2000). It depends on the supposition that an individual is endeavoring to accomplish an acceptable mental self-portrait and a positive idea of oneself. The SIT perceives bunch enrollments and attempts to clarify the subsequent procedures of the gathering and the person. The hypothesis predicts that gatherings heterogeneous on social class attributes are a probable wellspring of disappointment, inconvenience, antagonistic vibe, and uneasiness in gatherings (Tajfel and Turner, 1986; John, 1997). Advocates contend that differing social class qualities are probably going to expand the gatherings' relationship struggle (Chadwick and John, 2007). Individuals in unmistakably differing gatherings can encounter more relationship clashes than individuals in bunches that are obviously comparable. In addition, messages may endure twisting (Cox, 2003) with the possibility to cause struggle since endeavors to share perspectives crosswise over statistic limits might be foiled. Heterogeneity on the components of sex and ethnicity can likewise be identified with progressively relational pressure, lower levels of amicability, and lower levels of fulfillment (Riordan & Shore, 2007). Solid sub groupings can prompt political issues and clandestine relationship strife inside the gathering. This can prompt power differentials enabling a subgroup to overwhelm discourse and counteract the cooperation of others (Brett, Gillespie and Weingarten, 2000). These gathering forms are probably going to strengthen relationship struggle. This hypothesis hence gives an establishment to exhibiting the impact of workers' social classification assorted variety.

2.13 Social Categorization Theory

Social-classification hypothesis, by (Turner, 1987) recommends that individuals have a place with a wide range of social gatherings (e.g. country, business, or school). It predicts that people sort themselves into personality bunches dependent on striking qualities and that they demonstration working together with their classes and support settings that confirm bunch character (Hogg and Terry, 2000). In outcome, unique people are less inclined to work together with each other contrasted with comparative people. Along these lines, social arrangement may upset elaboration of errand pertinent data on account of potential predispositions towards inbunch individuals and negative inclinations towards out-bunch individuals. (Knippenberg, Klee and De-Drue, 2007). This is a hypothesis of oneself, bunch procedures, and social cognizance (Turner et al., 1987) which rose up out of research on social character hypothesis. It is worried about variety in self-order (in the level, substance, and importance of self-classes. It centers around the qualification among individual and social personality. Social-arrangement hypothesis tries to show how the new, higher-request procedures of gathering conduct can be clarified as far as a move in self-recognition from self-order as far as close to home character to self-classification as far as social personality.

2.14 Similarity/ Attraction Theory

Byrne's, (1970) hypothesis of impact and fascination accept that one's assessment of another is the aftereffect of support related with the other. Closeness/fascination hypothesis sets that individuals like and are pulled into other people who are comparable, as opposed to different, to themselves; "flying creatures of a plume," the aphorism goes, "herd together." Social logical research has given impressive help to principles of the hypothesis since the mid-1900s. The hypothesis gives a closefisted illustrative and prescient system for inspecting how and why individuals are pulled in to and impacted by others in their social universes. Notwithstanding individuals' tendencies to be pulled into the individuals who share comparable frames of mind, individuals are additionally pulled into other people who show character attributes that resemble their own. (Byrne, 1971). Different analysts from an assortment of fields, for example, advertising, political theory, social brain research, and human science have upheld the suppositions of comparability/fascination hypothesis. Furthermore, associations that might be seen to be biased dependent on religion, ethnicity, age, and sex may prompt hurtful and negative impacts on group cohesiveness (Tirana, Garcia and Colella, 2010). The contention is that individuals of comparable strict foundation, ethnicity, age gathering, and sexual orientation

may will in general like to cooperate because of their regular qualities in this way improving gathering cohesiveness and execution.

2.15 Strategic choice theory.

Vital decision scholars contend that top officials settle on choices that impact hierarchical results and execution. (Roberson and Park, 2007) expressed that low to direct degrees of pioneer racial decent variety may debilitate key basic leadership through diminished correspondence and expanded clash among hierarchical pioneers, in this manner contrarily affecting firm execution. Compelling key decision requires the activity of intensity and that authoritative on-screen characters have the prudence to act in their very own choice. In this manner, Chiefs are accepted to have generous breathing space in forming their associations (Finkelstein and Hambrick, 1996). The contention that statistic decent variety is thought to be related with subjective capacities that grow a group's enlightening assets and upgrades its critical thinking limit was progressed by (Dutton and Duncan, 1987). In this way, inside the setting of top supervisory crews, decent variety widens the scope of subjective points of view expected to perceive vital chances and think about different vital decisions or choices (Wiersma and Bartle 1992). Key decision hypothesis could consequently bolster the standards and precepts of incorporating workforce assorted variety in all degrees of an association for ideal outcomes.

2.16 Theoretical framework

There is divergence into sectoral aims behind bringing up variety programs. In the private segment, the key in drivers of diversity programs are lawful agreements and improved maintenance supply to varied populations. In the private segment, the contentions for diversity revolve around hiring and saving ability and enhancing effectiveness in the market. The volunteer region on the contrary has been propelled by the need to associate volunteer summaries with those of the populations they serve. These differences in background purposes largely influence the layout and selection of measures and measurement instruments for diversity.

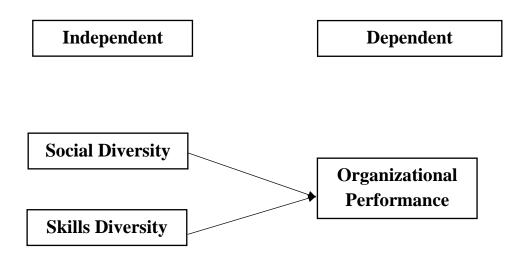


Figure 1 theoretical Framework

2.17 Formation of Hypothesis

When obtaining the accurate knowledge about theoretical framework, following stage is the building of hypothesis. Numeral hypothesis is made to observe the theoretical framework as stated earlier and afterword's these established hypotheses are going to be showed right or wrong subject to data gathering from the workers of the organization.

H1: Employees' social diversity has a positive and significant impact on the organization performance.

H2: Employees' skills diversity has a positive and significant impact on organization performance

2.17.1 Operationalization of variables

To determine the impact of employees' social diversity upon organization performance	Independent variable Social diversity	Age Gender Ethnicity	How employees of these corporations perceive age, ethnicity and gender to affect their organization performance	Scale	Data collecting method Questionnaire	Mean, Percentage Standard deviation ANOVA
To determine the effect of employees' skills diversity on organization performance of selected cement companies In Pakistan.	Independent variable Skills diversity	Education Experience	How employees of these corporations perceive education and experience to affect their organization performance	Ordinal	Questionnaire	Mean, Percentage, Standard deviation, ANOVA

Chapter 3

3 Research Methodology

Introduction

In this section of the study "impact of diversity on organizational performance of cement industry in Islamabad Pakistan" clarifies the approach used for piloting investigation and statistical gears remaining implemented to authenticate the theoretical structure. This section contains investigation, investigation approach, investigation method, investigation approach, time horizon, population and sample size, sampling method, data collection, unit analysis and operational definitions.

3.1 Research Method and Approach

Reason for research is to find out the influence diversity (i.e. gender, educational, ethnic, cultural, language etc.) on organizational performance in cement industry of Pakistan. To find out the impact deductive method of research is used in this type of method the researcher first identifies the problem and then he or she identifies the solution, and, in the end, recommendation is given. This type of research consists of quantifiable analysis which gives vivid records in the shape of plots and pie charts, tables after giving a report (Trochim, 2006). For quantitative type of results SPSS software is used numerous types of test will be used like regression, correlation from the data gathered from employees working in these five organizations. Correlation test is used to identify the relationship among different variables and what type of relation it is, and regression analysis was conducted to find how variation between variables was there.

3.2 Research strategy

In continuance with the examination, the approach used for analysis of data is explained. As this study is to find the effect of diversified workforce on organizational performance in cement industry of Islamabad Pakistan. Survey is performed among members of selected five largest cement manufacturers of Pakistan . Main basis of numbers is gathered. Questionnaires are planned related to independent and dependent variable, as mentioned in the theoretical framework.

3.3 Time Horizon

Suanders et al. (2009) proposes that dual perceptions of study. It may be cross-sectional or longitudinal. Longitudinal study is in consequence after investigator needs to get definite individual actions and their development. While cross sectional study is accepted to fold the statistics once investigator takes to inspect definite variation or happening at a specific point in period. While cross sectional investigation is of importance to investigator when he/ she must ascertain an association among variables or human behaviors. To examine the effect of variety on organizational performance in cement industry, cross sectional examination is done.

3.4 Population

The members included in investigation are workers from cement producing companies of Pakistan. It includes both members male, gender class, protected class etc. having expert knowledge and experience employed in the organization fluctuating from less than one year to 10 years. Total 250 questionnaires were distributed, and 204 questionnaires were received from them.

3.5 Sample Size

The study is concentrating on the cement manufacturing business, aiming cement manufacturing companies specifically. Green (1991) sample size formula that suggests 100 an appropriate size for a study but to get better generalize results we took a size of 250 out which we got 204 responses.

3.6 Sampling Technique

Selected organizations are large organizations. They have employees in very large numbers so random sampling size method was utilized in random sampling techniques fair method of choosing an individual from population is used there is equal number of chances for every individual to be selected in the sample.

3.7 Data Collection

The accompanying part of the postulation contains the strategy, which is utilized for information assortment. As examined before in inquire about approach, deductive methodology is utilized to think about the examination and this sort of concentrate is simply Quantitative sort i.e., in view of survey.

3.7.1 Data Collection Methods

In this research, the self-administered investigation technique was used. Questionnaire was also filled by using both online and in person. As per convenience most of participants were from Islamabad based cement companies i.e. Bestway cement ,lucky cement, maple leaf cement, fauji cement the organizations where it was conducted contact with the head of top management in HR department was made and detail about research was given to him different employees from different section were chosen by random sampling and then they were distributed with the questionnaires they were given with the time of 10 days and just to make sure that they should fill those questionnaires in 10 days and email was forwarded to all those employees by the HR department. The questionnaire consists of 5-point Likert Scale starting from strongly disagree to strongly agree with 1 to 5 in numbers.

3.7.2 Research instrument

In present investigation, ancillary data is gathered from various articles and journals linking to diversity in an association and its impact on the workforce Subordinate data is of its greatest status as it delivers the grounds for investigation as debated in literature review. The questionnaire combined 29 items and included of different divisions for each variable. In order to develop this questionnaire, the questions have been taken from the thesis "Effect of employee diversity on organizational performance of selected state corporations in Kenya by Anne FREDAH NJERI WACHIRA October 2016.

3.8 Unit of Analysis

Main reason behind research of this topic was to discover the effect of "diversity (i.e. gender, educational, ethnic, skill and social etc.) on organizational performance". In this study the focusing points are social and skill diversity in employees and how its effects organizational performance. The unit of analysis is the employees of these five cement companies specifically targeting the middle level employees Islamabad.

3.9 Operational definitions

Employee Diversity: Diversity refers to differences or on the other hand those human characteristics that are not quite the same as our own and outside the gatherings wherein we have a place (Stoller & Gibson, 2004).

Social Diversity: Social assorted variety identifies with contrasts in statistic attributes, for example, age, sexual orientation, ethnicity and geographical area of origin (Anderson & Metcalf, 2003).

Skills Diversity: Skills variety signifies to diversity of background such as knowledge, education, experience, tenure and functional background (Anderson & Metcalf, 2003)

Performance: Corporate accomplishment shows the outcomes/results of work done/endeavors/activities that the company attempts to satisfy the spread-out objectives/goals. As per Moseng and Bredrup (2003) corporate implementation is the coordination of the company's viability, proficiency and versatility.

Chapter 4

4 Data analysis and findings

Chapter Introduction

This section will discuss regarding the findings and examines the date gathered from the questionnaires. The answers of this study will be reviewed after analysis of data by utilizing statistical gears which will aid to establish the relation among dependent and independent variables. Hypothesis are confirmed with the use of regression and correlation analysis.

4.1 Demographic Analysis

This investigation will examine the populace's highlights of the association the information which has been assembled from representatives, sex, education, experience and age of the respondents.

4.1.1 Organization

The investigation is done related to cement industry. The organizations that were included in the study were five biggest corporations in terms of cement manufacturing and head count all the respondents were from these five organization as we have only focused on these five organization.

4.1.2 Gender

The table signifies the gender of the respondents. The males lead the females, out of the total population of N=204, there were 69.6% of male respondents and 30.4% were females.

Gender							
		Frequency	Percent	Valid	Cumulative		
				Percent	Percent		
Valid	Male	142	69.6	69.6	100.0		
	Female	62	30.4	30.4	30.4		
	Total	204	100.0	100.0			

4.1.3 Education

The table represents the education or qualifications of the respondents. Out of total sample of N=204, 122 of the respondents have done masters with the percentage of 59.8% 77 of the respondents have completed bachelors that makes them 37.7% and Five respondents have done High school or other superior qualification that makes them 2.5 % of the respondents.

Education						
		Frequency	Percent	Valid	Cumulative	
				Percent	Percent	
Valid	Bachelors	77	37.7	37.7	37.7	
	Masters	122	59.8	59.8	100.0	
	High school	5	2.5	2.5	40.2	
	Total	204	100.0	100.0		

4.1.4 Experience

The experience of the respondents total respondents are 204 out of which 62 have the experience of 1 to 5 years 51 of the respondents have the experience of maximum 5 to 10 years, 79 employees have the experience 11 to 15 years and 12 of employees have more than 15 years of experience which make them most less in numbers.

	Experience							
		Frequency	Percent	Valid	Cumulative			
				Percent	Percent			
Valid	1-5 years	62	30.4	30.4	30.4			
	6-10 years	51	25	25	25			
	11-15 years	79	38.7	38.7	38.7			
	15+ years	12	5.9	5.9	5.9			
	Total	204	100.0	100.0				

4.1.5 Age

The table mention below depicts the individual ages of the respondents. 13.7% of the respondents lie between the ages of 18-24 years, 56.9% of the respondents are among the ages of 25-34 years, 27.5% of the employee are between the ages of 35-44 years, while rest of the 2% of the respondents lie between the ages of 45-60 years.

	Age							
		Frequency	Percent	Valid	Cumulative			
				Percent	Percent			
Valid	18-24	28	13.7	13.7	13.7			
	years							
	25-34	116	56.9	56.9	56.9			
	years							
	35-44	56	27.5	27.5	27.5			
	years							
	45-60	4	2.0	2.0	2.0			
	years							
	Total	50	100.0	100.0				

4.2 Reliability Analysis

The reliability analysis is used to test the regularity of the scale, which will measure the construct. In order to check the reliability of the scale Cronbach's alpha is used. If alpha is greater than 0.7 then the scale is reliable.

Reliability Statistics	
Cronbach's Alpha	N of Items
.810	3

The table shows that the value of alpha is 0.810, which clearly states that the scale opted is reliable. Thus, the instrument can be used further.

4.3 Descriptive Analysis

A descriptive statistic is a summary statistic that quantitatively describes or summarizes features of a collection of information, while descriptive statistics is the process of using and analyzing those statistics.

Descriptive Statistics								
	N	Minimum	Maximum	Mean	Std. Deviation			
Skills Diversity	204	6.14	26.71	12.5931	2.86825			
Social Diversity	204	13.04	55.36	28.7892	5.34606			
Organizational performance	204	4.20	20.00	8.6235	2.31241			
Valid N (likewise)	204							

The above mentioned table depicts mean standard deviation of the variable used in research framework, on the findings on skills diversity, the Scale that was used was a Likert scale of five where: 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5= Strongly Agree. As shown by the data mean of 12.5931, it is evident that the respondents agreed on the skills diversity indicators as an influencing factor on organization performance. From the standard deviation 2.86825, it is evident that the individual statements standard deviations are close indicating low variations among the respondents' responses. This shows that the respondents perceived skills diversity as an important factor that affects organization performance. Cox (2001) found that diversity improves employee quality and performance in terms of diverse skills, creativity, problem-solving and flexibility. As shown by the data mean of 28.7892, it is evident that the respondents agreed on the social diversity indicators as an influencing factor on organization performance. The individual statements standard deviations are close indicating low variations among the respondents' responses. This indicates that the respondents perceived that overall social diversity to have minimal influence on the organization

performance. As shown by the data mean of 8.235, it is evident that the respondents agreed on the organization performance indicators. From the standard deviation it is evident that the individual statements standard deviations are close indicating low variations among the respondents' responses. This shows that the respondents felt employee's diversity led to improved employees' performance, reduced labor costs and increased market share. According to Page (2007) groups displaying a range of perspectives outperform groups of like-minded experts. Diversity is associated with superior outcomes over homogeneity because progress and innovation are more dependent on diverse groups working together and capitalizing 50 on their individuality than on lone thinkers with high intelligence. The best group decisions and predictions are those that draw on unique qualities.

4.4 Correlation

Measures of direct association between two variables is shown by correlation coefficient. The values are always between +1 and -1 of correlation coefficient. +1 correlation coefficient shows stated that two variables are correctly related in a positive linear sense. Whereas if it is -1 that suggests it oppositely that they are associated in a negative linear sense. And if it is 0 then there is no relation among the two variables.

		OP	SD	SOD			
OP	Pearson	1					
	Correlation						
SD	Pearson	.743**	1				
	Correlation						
SOD	Pearson	.728**	.705**	1			
Correlation							
**. Correlation is significant at the 0.01 level (2-tailed). N=204							

To study the variables, we conducted a correlation test and from the findings of aforementioned table, it found a strong positive correlation between skill diversity and organizational performance as shown by the correlation factor 0.743 this shows strong positive relationship of skill diversity with organizational performance and it means that this strong positive relationship was found to be statistically significant as the significant value was 0.000 which is less than 0.01. The results indicate a strong positive relationship between skills diversity and

organization performance with a 99% confidence level for this result. The findings concur with the research findings by (DiTomaso, 2007) whereby skills and knowledge diversity drives creativity and performance, on complex tasks, with equally skilled leadership, diverse teams will outperform teams that aren't diverse. Diversity enhances customer relations and increases market share; diversity enhances employee relations and reduces the cost of labor; diversity improves employee quality and performance in terms of diverse skills, creativity, problem-solving and flexibility

It also found a strong positive relationship of social diversity on organizational performance as shown by the correlation factor 0.728 which is the indication of strong positive relation and it was found to be statistically significant as the significant value was 0.000 which is less than 0.01. The results indicate a strong positive relationship between skills diversity and organization performance with a 99% confidence level for this result. Social category diversity allows employees to be able to communicate to different categories of customers more effectively. It helps an organization navigate past biases or misconceptions through respect for differences that they may not understand. This in return helps an organization expand its market share, increase customer satisfaction and loyalty (Gilbert & Ivancevich, 2000).

4.5 Regression

Regression analysis is a statistical procedure for assessing the associations between the variables. The regression analysis is used in direction to comprehend the independent and dependent variables are linked to each other.

Model Summary						
Model	R	R square	R Square change	Sig F	Beta	
1.	.728	.531	.531	.000	.728	
A. Predicto	ors: (Constar	nt), SOD				

The value of R square is more 50% shows that the model is fit and significant and that the relationship between constant and dependent variable is significant. The table above shows value of R square at 0.531 it means that 53% variation in the organizational performance

(dependent variable) is caused by social diversity (independent variable) which means the model is fit. The sign of beta coefficient shows the positive relationship between independent and dependent variable in this case it means social diversity has a positive impact on organizational performance which is the dependent variable.

	Model Summary						
Model	R	R square	R Square change	Sig F	Beta		
2.	.743	.552	.552	.000	.743		
A. Predic	A. Predictors (constant), SD						

The value of R square is more 50% shows that the model is fit and significant and that the relationship between constant and dependent variable is significant. The table above shows value of R square at 0.552 it means that 55% variation in the organizational performance (dependent variable) is caused by skills diversity (independent variable) which means the model is fit. The sign of beta coefficient shows the positive relationship between independent and dependent variable in this case it means social diversity has a positive impact on organizational performance which is the dependent variable.

	Coefficients							
Mo	odel	Unstandardized Coefficients		Standardized	t	Sig.		
				Coefficients				
		В	Std. Error	Beta				
1	(Constant)	0.633	0.12		5.275	.000		
	Social diversity	.315	.021	.728	15.114	.000		
	Skill diversity	.599	.038	.743	15.772	.000		
A.	A. Dependent Variable: OP							

A unit increase in the skills diversity will lead to an increase in performance of selected cement companies by a factor of 0.599; a unit increase in social diversity will lead to an increase in performance of selected cement companies by a factor of 0.315. Furthermore, this table show T-values of the constant and independent variables and if the t value is greater than 1.96 it is said to have a significant impact or relationship among the variables. From the table given above it is evident that the hypothesis is accepted because the T-value 15.114 of social diversity and 15.772 of skill diversity are greater and this proves the significant relation on organizational performance.

This shows that diversity is a key organizational aspect that these corporations must consider in order to improve performance. Additionally, the performance of the selected cement corporations has positive relationship with skills diversity and social diversity in that order. This also implies that the skills diversity contributed more to performance of selected corporations. At 0.01 level of significance and 99% level of confidence, skills diversity, social diversity and values diversity were all significant indicating that they indeed influenced organization performance.

Chapter 5

5 Conclusion and Recommendation

Introduction

In this section we will give the review of the results, inference and suggestions to manage workforce diversity effectively to enhance organizational performance. From the findings, majority of the respondents were male at 69.6% while the rest were female. The study also reveals that majority of the respondent had attained University level of education. 37% of the respondents had worked with their organization for 6 to 10 years while 55% of the respondents were at Middle level management and almost 15% were at supervisory level management.

5.1 Effect of Skills Variety on Organization Performance

Skill diversity impacted the performance of the selected companies positively and had the most significant impact on the performance of the companies. The correlation analysis further demonstrates that abilities decent variety had a positive association with organizational performance. As demonstrated in writing, worker aptitudes, instruction and experience assorted variety drive inventiveness and execution, on complex undertakings, with similarly talented initiative, various groups will outflank groups that aren't differing. groups made from people with an expansiveness of utilitarian encounters are appropriate to conquering correspondence hindrances since colleagues can identify with each other's capacities while yet understanding the presentation advantages of various practical encounters. Decent variety builds the open door for inventiveness and the nature of the result of gathering work.

The descriptive statistics exhibit that the chose enterprises had employed workers with diverse education and experience and along these lines had a different arrangement of knowledge and skill. Skills are the outcome of diverse education and experience. The respondents agreed that assorted variety in representatives' skills had expanded by and large firm innovativeness and advancement, improved the nature of their projects, items and administrations, improved in general firm profitability, had prompted new items advancement and that decent variety in workers' abilities had empowered the association draw in and hold the best ability in the business. Writing shows that decent variety is related with better results over homogeneity since progress and development is progressively reliant on differing bunches cooperating and benefiting from their skill.

5.2 Outcome of Social Diversity on Organization Performance

This investigation found that social decent variety influences the association execution of the chose enterprises emphatically and had the importance impact on the exhibition of the chose organizations. The connection investigation additionally indicates a solid positive connection between the two. That having assorted workers prompts expanded piece of the overall industry and expanded deals to minority-culture gatherings. This is clarified by the inclination of numerous clients to purchase from individuals such as themselves and from associations that advance decent variety. Decent variety adds to expanded piece of the pie since it improves an association's capacity 'to bargain more delicately with multicultural household and remote clients, in this manner expanding consumer loyalty, keeping and picking up share of the overall industry. The illustrative measurements show that that social decent variety had empowered their associations increment consumer loyalty and devotion. The chose state partnerships had a fair portrayal of representatives from various age bunches with the respondents concurring that age assorted variety in their organization had prompted expanded information sharing and inventiveness in the association. The respondents were anyway nonpartisan that the chose enterprises had a reasonable portrayal of the sexual orientation in their association, that ethnic assorted variety had empowered their organizations enter new markets and that ethnic decent variety had helped the chosen companies comprehend various classes of clients better and offer better assistance conveyance. It is likewise remarkable that the respondents differ that the chose state companies had equivalent sex portrayal. They likewise differ that sexual orientation decent variety had prompted improved client dedication and maintenance and that sex assorted variety in the organization had expanded worker fulfillment and maintenance. Nonetheless, they stayed impartial that sexual orientation decent variety programs had expanded the quantity of employment candidates of either sex.

The results of analysis on ethnic and sexual orientation decent variety concur with yet in addition turn off from key research discoveries like that which showed that the positive connection between business execution and worker assorted variety in development situated associations remains constant for race decent variety just as sex assorted variety individually. no huge direct impacts of either racial or sexual orientation decent variety on business execution. He stipulates that sexual orientation decent variety effects bunch forms while racial assorted variety has negative impacts. He found no help for the possibility that assorted variety that matches a company's customer base expands deals by fulfilling clients' longing to collaborate with the individuals who physically look like them.

5.3 Employee Diversity and Organization Performance

This investigation used the criteria of consumer loyalty and part of the overall industry, worker fulfillment and work costs, representative quality and execution as the criteria for evaluation of association execution. The unmistakable insights point to the respondents concurring that worker decent variety influences consumer loyalty and piece of the overall industry, representative fulfillment and work costs, representative quality and execution with the most critical effect being on worker quality and execution as far as different abilities, innovativeness, critical thinking and adaptability, consumer loyalty and piece of the overall industry. The respondents recommended routes through which the association could improve worker decent variety to improve their association execution. As per the discoveries, a portion of the respondents showed that improving sexual orientation assorted variety and local portrayal would thus upgrade representative decent variety as an essential for reasonable presentation. Writing shows that decent variety upgrades client relations and builds piece of the overall industry; assorted variety upgrades representative relations and decreases the expense of work; assorted variety improves worker quality and execution as far as various abilities, innovativeness, critical thinking and adaptability. It's additionally contended that, with declining homogeneity in the representative, it has gotten crucial for companies to create equivalent chances and assorted variety the board strategies to hold the abilities of workers with different foundations to ensure their aggressive situation in the commercial center.

5.4 Conclusions

The examination saw social diversity as the second most noteworthy variable influencing employee diversity part on company performance. The examination infers that social assortment permitted the chose state companies upgrade consumer loyalty and devotion while age decent variety in the chose state partnerships had controlled to improved knowledge sharing and advancement in the association. It is likewise striking that there was having to improve sexual orientation portrayal and territorial portrayal in the chose state enterprises to upgrade representative assorted variety and as a necessity for fitting performance. The examination found that skills diversity is the highly inducing component on organization result of the selected cement companies. The chosen companies had employed staff with fluctuated training and information and therefore had a different arrangement of information and ability. The worker skill diversity thus had expanded in general firm inventiveness and development, improved the nature of their projects, items and administrations, improved by and large firm efficiency had prompted new products advancement and had empowered the organization to

draw in and retain the best ability in business. The investigation found that qualities assorted variety significantly affected association execution and was the second most noteworthy variable with a moderate positive association with business performance. The chosen cement companies had differing characters and frames of mind and this diversity influenced team's performance. Workforce decent variety was found to influence consumer satisfaction and market share, worker fulfillment and labor costs, worker quality and execution with the most critical effect being on representative quality and execution as far as different abilities, imagination, critical thinking and adaptability. Be that as it may, this connection between worker decent variety and association execution is directed by the outer condition, association the board and initiative and government policies.

5.5 Managerial Implications

This study was conducted on workforce diversity and what impact does having a diverse workforce has on organizational performance. Although there have been researches on the matter in past, but the studies have been more of experimental and case studies of sort. This study will provide theoretical and conclusive evidence to the managers of cement manufacturing companies that how you manage your diverse work force can affect business performance positively or negatively. The study also seeks to provide quantitative data that will provide a clear position on the impact of employee diversity since previous studies present a conflicting position on the role of diversity. The study will therefore provide empirical evidence which will be of use to industry practitioners, researchers and policy developers in the design and implementation of employee diversity programs. The finding of this research will also be used by other organizations and the government to further best practices in employees' diversity management through building sustainable diversity management models and programs. Additionally, the study will stimulate further interest and more studies in the area of employee diversity at the workplace especially in Pakistan. Also, through the results of this managers can see that social and skills diversity if managed properly has positive and significant impact on organizational performance. Especially in cement sector of Pakistan where they rely heavily on exports of their products to different neighboring countries and different parts of the country. So, these companies need to have diverse workforce in terms of gender, age and ethnicity and it is also found in the study that social diversity has a positive and significant impact on business performance. This study was conducted against the background of several limitations like availability of study respondents and their willingness to participate in the study which posed a significant challenge. To improve the response rate in

this segment of the population, respondents were sought and interviewed during office hours. Another challenge was that the study relied on a small data set drawn from selected public organization due to constraints in financial and time resources.

5.6 Recommendations

The results in this suggests that companies ought to endeavor to improve their employees' skills diversity with a strong prominence on diversity in education and experience of employees that creates a diverse set of knowledge and expertise. This will to an enormous degree improve their organization performance. Cement companies can also harness the diversity of their employees in values in terms of personality and attitudes in order to improve their teams' performance which in turn would have a definite effect on business performance. The other variable of interest to companies as per the results of this research is employees' social diversity which can be harnessed to enhance consumer satisfaction and loyalty. Social diversity in the perspective of employees' age can also be used to enhance employee knowledge sharing and creativity in these organizations. However, organizations need to improve their gender representation and regional portrayal to enhance employee diversity as a prerequisite for suitable performance.

5.7 Direction for Future Research

The two independent variables that were studied effect the performance of selected cement companies significantly and depicts that social diversity if not managed effectively could have adverse effect on organizational outcomes, Therefore, further research should be conducted to investigate the other aspects of employee diversity that influence the performance of the selected businesses and were not included. Research recommends further research work to be done on ethnic diversity in employees' social diversity to be able to determine its relevance in the diversity debate and if it has a place in the significance of employees' diversity. Another area of interest in research would be how to integrate employees' diversity in an atmosphere that additionally allows for efficient talent managing. This would ensure that while organizations pursue diversity in order to comply with regulations, they also are able to integrate employees' diversity in their talent management programs for competitiveness. As this research was limited to the cement sector of Pakistan and in cement sector research covered only five companies and more researches ought to be led to focus on different areas like the banking sector, commercial sector and education sector. The research also proposes that more studies should be led on the relationship between diversity and performance in further sectors.

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SURVEY QUESTIONNAIRE

I, Muhammad Abubakar currently enrolled in MBA program from Bahria University Islamabad to accomplish the degree requirement a research is being carried out on studying the impact of diversity on organizational performance in manufacturing industry. I guarantee the data which will be gathered will only be used for academic purposes only.

Name (optional):

Gender: 1) Male 2) Female

Education: 1) intermediate 2) Bachelors

3) Masters/PHD

Experience: 1) 1-5 years 2) 6-10

3)11+

Age: 1) 18 to 24 2) 25 to 34 3) 35 to 44 4) 45 to 60

Job Position JP: 1) Senior level 2) Middle level 3) Front line

Please rate the following statements related to your organization using the scale provided below:

1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree						
A. Social Diversity	1	2	3	4	5	
1. The company has a balanced representation of employees from						
different age groups						
2.Age diversity in the company has led to increased innovation						
3. Age diversity has led to increased employees' conflicts						

4. Age diversity has enhanced employee productivity					
5. The company has fair representation of the ethnic groups in Pakistan					
6. Ethnic diversity has enabled the company to enter new markets					
7. Ethnic diversity has helped the company improve service delivery					
8. The company has an equal gender representation					
9. Gender diversity in the company has increased employee satisfaction					
10. Gender diversity has led to improved customer loyalty					
11. Gender diversity programs has increased the number of jobs					
applicants of either gender					
12. Overall, social diversity has enhanced organization productivity					
13. Overall, social diversity has enabled our company to reach new					
markets					
14. Overall, social diversity has enabled our company increase					
customer satisfaction.					
B. Skills Diversity	1	2	3	4	5
1. Our organization hires people with diverse experience backgrounds.					
2. Diversity in employee's skills has increased overall firm innovation.					
3. Diversity in employee skills has led to new products development.					
4. Diversity in employee skills has improved the quality of our products.					

5. Diversity in employees' skills enabled the organization to retain the						
best talent in our industry.						
6. Our organization has a diverse set of expertise.						
7. Diversity in employee's skills has improved overall firm productivity.						
C. Organizational Performance	1	2	3	4	5	
		•		•	•	
1. Our employees diversity affects the quality of decisions made						
by the organization						
2. Our Employees diversity affects overall organization						
productivity						
3. Employee diversity has increased our market share						
4. Employee diversity has reduced labor costs						

5. Employee diversity has improved employee performance

literature

14	8%	2%	12%
50 SIMILARITY INDEX	NTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS
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