



Human Resource Management

Elixir Human Res. Mgmt. 77 (2014) 29241-29245

Elixir
ISSN: 2229-712X

Impact of workforce diversity and managerial expertise on the organization's effectiveness

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ARTICLE INFO

Article history:

Received: 21 February 2013;

Received in revised form:

5 December 2014;

Accepted: 16 December 2014;

Keywords

Workforce diversity,
Managerial expertise,
Organization's effectiveness,
Leadership,
Motivation.

ABSTRACT

Workforce diversity is the simplest way that gives three types of outcomes any organization which is quality, quantity and social integration. As the theories shows, by different experts like Sociotechnical theory (Kolodny & Kiggundu, 1980; Trist & Bamforth, 1951), group process and productivity theory (Steiner, 1972), input-process-output models (Gladstein, 1984; Hackman & Morris, 1975; McGrath, 1984). Work force diversity includes different demographic factors like age, gender, experience and educational background. Different theories are given by different experts on these factors. In diversity difference of gender leads to high conflicts in group works. High level management teams with greater age diversity were less likely to engage in agreement-seeking behaviors that could result in reaching strategic consensus. Educational background is main factor in diversity. Employees are come from different regions only the education is the main thing that leads him in a proper way to work as an employee in an organization. And at the end leadership is only the way to handle the diversity in the organization. Only an expert leader can lead his work force through motivation and other ways like training and development of employees to work as a member of the organization. So a leader should have the both styles transactional and transformer. In simple words we can say workforce diversity and good leadership can work better for the enhancement of the organization.

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Introduction

Workforce diversity includes the range of ways in which people experience a unique group identity, which includes gender, identity, educational background, sexual orientation, race, ethnicity and age. An organization's culture tends to determine the extent to which it is culturally diverse. Workforce diversity is most beneficial way of working of an organization. Basically this study shows the relationship between two variables, dependent variable, and independent variable. Workforce diversity & managerial expertise are independent variables and organization's effectiveness is dependent variable. Workforce diversity is factor which affects the organization's effectiveness. Today in almost all the organizations there is diversity means employees are coming from different culture and areas for work. But there are some differences between the people and main difficulty is the difference of culture.

The employees are coming from different areas and culture to do work in the same organization. To take work efficiently from these employees different organizations are applying different strategies. If the workforce of an organization is arranged in good way then that organization will easily achieve its goals. The diversity in the workplace gives many benefits to an organization, and also it leads to many challenges. It is the responsibility of managers or leaders within organizations to use diversity as an effective tool in order to enhance organizational effectiveness. To handle the workforce diversity, top management can play a vital role. Demographic factors such as age, gender, education, background and experience effects on the organization's effectiveness.

As teams do work with other teams, the organizations can make opportunities as well as challenges for team working. In this research, we consider how the demographic factors of the organizations effects teamwork and so attempt to contribute to the academic discourse on diversity in two ways. (Tsui & Gutek, 2000), which focuses on the distribution of demographic attributes. Like age, gender, ethnicity, educational background etc. First, we give attention to the intrinsic value of diversity in relation to a team's external Relationships. To meet the organizational goals and objectives, each team must be effective in terms of its internal working. Every team must efficiently manage its relationships with other teams also with individuals in the organization. Through their relationships, team workers may get needed resources and exert influence that is beneficial to the team and its individual workers. Past research, social psychological theory, has focused on the negative relationship between team diversity and internal team processes such as team cooperation.

In studies of diversity and organization's demography, including age, gender, ethnicity, personal specialization, educational background, cultural differences, and personality. We refer to these characteristics as the content of diversity (following Jackson, May, & Whitney, 1995).

Problem Statement

There are many challenges to managing diverse organizations. Managing the diversity is more simply acknowledging differences in employees. Many organizational theorists have suggested reasons that workforce highly diverse in work-relevant characteristics can be difficult to motivate and manage. There are many challenges which are faced by

culturally diverse organizations, and a great challenge is miscommunication within an organization. Workforce diversity has a negative impact on the organization's goals and objectives if diversity doesn't manage, because team work can achieve the organization's goals very easily as compare to individual work. Then after that it also requires expert managers to manage the team work diversity. The main problem is that in diverse workplaces, people have different cultural values which may create different gaps between them. These gaps lead to great challenges and problems for both employees and organizations. The solution for this problem is the responsibility of managers or leaders.

So it's a big problem for any organization, to get expert managers to handle the workforce. If they have expert managers then they can manage their teams efficiently to become effective.

Significant of study

This study will help the people that how to work with other people and it is beneficial for them. This study will also help managers to understand demographic characteristics in diversity like age, gender, ethnicity, educational background. These are very much important while doing work as manager in any organization and also beneficial for the organizations. Diversity is beneficial for both the organization and for the employees. Diversity brings to benefits such as good decision making and problem solving, creativity and innovation, which leads to quality product development, and more effective marketing. Simply recognizing diversity in an organization helps to link the variety of talents within the organization. Diversity also gives organizations the ability to compete as globally. Diverse organizations will be successful as long as there is good and effective communication within them. Because employees from different cultures perceive messages in different ways, communication is better for the performance of an organization. Misunderstandings within a diverse organization will lead to great challenges. Diversity is not only about preventing unfair discrimination and improving equality, but also about valuing differences such areas as ethnicity, age, race, culture, sexual orientation, physical disability, and religious belief. So in future this study will be helpful for both the managers and for the organizations. They can get guidance through this study while working.

Objectives of study

The followings are the objectives of the study:

1. To explore the impact of the workforce diversity on the organizations effectiveness in Punjab (PAKISTAN).
2. To explore that how an expert manager can manage the workforce effectively in any organization.
3. To study that how the goals and objectives of any organization are affected due to demographic factors age, gender, education, experience and background.
4. To study whether workforce diversity is beneficial or not for modern organizations?
5. To study that there must be some expert managers in every organization for their survival.

Hypotheses

H1: workforce diversity has positive impact on organization effectiveness.

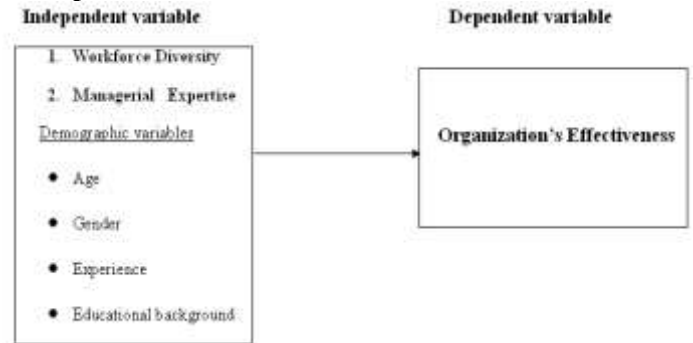
H2: Managerial expertise increase the organizational effectiveness

H3: Male employees can manage easily in diverse workplace as compare to female.

H4: Good leadership can manage the workforce diversity and its demographic factors.

H5: Diversity is beneficial for both employees and organizational effectiveness.

Conceptual Framework



Research Methodology

In this research we distribute questionnaire among 5 different organizations ranging from small entrepreneurial business enterprises to large organizations. Total questionnaire which are distributed are 60 questionnaires and out of these 60 we receive back 45 questionnaire from all these organizations. From these questionnaires I found 3 incomplete questionnaires. So I have 42 questionnaires. The mode this research work was established in English, because English is well understood in the majority of working areas, especially by those of our sampling frame.

Measurement

I personally develop all questionnaires then I do pretesting of these questionnaires almost 2 times. After pretesting of these questionnaire I found that 80% to 85% same results that means questionnaires are valid for this survey for research.

Workforce diversity

7 questions are given to respondents about workforce diversity. Five options are given against each question 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree. Reliability results for cronbach's alpha in this study are found 0.624 for workforce diversity.

Managerial Expertise

5 questions are given to respondents about managerial expertise. Five options are given against each question 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree. Reliability results for cronbach's alpha in this study are found 0.615 for managerial expertise.

Organization's Effectiveness

4 questions are given to respondents about organization's effectiveness. Five options are given against each question 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree. Reliability results for cronbach's alpha in this study are found 0.506 for organization's effectiveness.

Results

Frequency results represent about the responses of the respondents that how many employees support workforce diversity in their organization. Workforce diversity is measured by using 5 likert scale where "1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree and 5= strongly agree". Table 1 consists of the items used for measuring the workforce diversity response frequencies against each item. Furthermore, mean and standard deviation of each item is also given in order to find out average response.

Results of the first question regarding workforce diversity zero respondents answered highly disagree, zero respondents

reported disagree about first question, only 4 respondents were neither agree nor disagree, 23 respondents were agree about first question, 15 respondents showed strongly agree towards first question which is "You support workforce diversity" and mean average of the respondent lead towards agreement with this question about workforce diversity. It means that mostly people support workforce diversity. Now second question regarding workforce diversity is "Workforce diversity is beneficial for organization" and zero respondents answered strongly disagree, 1 respondent answered disagree, 4 respondents say neither agree nor disagree, 24 answered for agree and 13 showed strongly agreement with this question. So mean average of the respondent lead towards agreement with this question about workforce diversity. It means that workforce diversity is beneficial for any organization. Next question regarding workforce diversity is "Workforce diversity is beneficial for employees." Only 4 respondents answered strongly disagree, zero respondent answered disagree, 3 respondents say neither agree nor disagree, 31 answered for agree and 4 showed strongly agreement with this question. So mean average of the respondent also lead towards agreement with this question about workforce diversity. It shows that workforce diversity is also beneficial for the employees.

Now the 4th question regarding workforce diversity is "W.F.D influence firm's effectiveness." Only 3 respondents answered strongly disagree, zero respondent answered disagree, 2 respondents say neither agree nor disagree, 20 answered for agree and 17 showed strongly agreement with this question. So mean averages of the respondent lead towards agree and strongly agree with this question about workforce diversity. It means that W.F.D affects the organization's effectiveness. The 5th question regarding workforce diversity is "Educated people are more efficient as compare to uneducated." zero respondent answered strongly disagree, only one respondent answered disagree, 6 respondents say neither agree nor disagree, 18 answered for agree and 17 showed strongly agreement with this question. So mean averages of the respondent is same like 4th question that is agree and strongly agree with this question about workforce diversity. Results shows that educated people are more effective than uneducated people. Now the 6th question regarding workforce diversity is "One man show is better than workforce diversity." 14 respondents answered strongly disagree, 22 respondents answered disagree, 6 respondents say neither agree nor disagree, zero answered for agree and zero showed strongly agreement with this question. Now the mean averages of the respondent lead towards disagree and strongly disagree with this question about workforce diversity. Results shows that one man show is not good for any organization.

The last question regarding workforce diversity is "You like to work with your colleagues." and zero respondent answered strongly disagree, only 3 respondents answered disagree, 3 respondents say neither agree nor disagree, 26 answered for agree and 10 showed strongly agreement with this question. So mean average of the respondent lead towards agreement with this question about workforce diversity. This result shows that mostly people like to work with their colleagues who are beneficial for both the firm and the employees.

Managerial Expertise

Managerial expertise is also measured by using 5 likert scale where "1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree and 5= strongly agree". Table 2 consists of the items used for measuring this variable and their response

frequency. Mean and standard deviation has also been found out to gauge the average and variation in the data.

Results of the first question as "Good managers can manage well differences of cultures.", regarding managerial expertise reported only one respondent was highly disagree with this question, 2 were disagree, 3 respondents neither agree nor disagree, 25 go for agree and 11 respondents answered for strongly agree. Mean averages shows that majority of people are agree with this question, which shows that expert or good managers can manage workforce from different cultures efficiently.

The second question regarding managerial expertise is "Managers can play vital role to increase firm's productivity." Responses are zero respondent answered strongly disagree, zero respondent answered disagree, 1 respondent say neither agree nor disagree, 19 answered for agree and 22 showed strongly agreement with this question. Mean averages of the respondent lead towards strongly agree with this question about managerial expertise. It means that mostly people are highly agree that managers can play vital role for the organization. The 3rd question regarding managerial expertise is "Males can manage easily manage as compare to female" Responses are 3 respondents answered strongly disagree, 11 respondents answered disagree, 4 respondent say neither agree nor disagree, 19 answered for agree and 5 showed strongly agreement with this question. Mean averages of the respondent shows that some people think that male employees can manage easily as compare to females mostly males think so and some people think that this statement is wrong especially females thinks so. Now there is confusion between both males and females also with this question. but we should go for the results of respondents which shows agreement towards this question.

The 4th question regarding managerial expertise is "Manager's biasness decrease firm's performance." Responses are only one respondent answered strongly disagree, 5 respondent answered disagree, 1 respondent say neither agree nor disagree, 26 answered for agree and 9 showed strongly agreement with this question. Mean averages of the respondent lead towards agree with this question about managerial expertise. It means that mostly people think that biased manager is barrier for organization's effectiveness.

The last question regarding managerial expertise is "Your leader motivates you." Responses are 3 respondents answered strongly disagree, 2 respondents answered disagree, 4 respondents say neither agree nor disagree, 23 answered for agree and 10 showed strongly agreement with this question. Mean averages of the respondent lead towards agree with this question about managerial expertise. It shows that in mostly firms of Pakistan mostly leaders motivate their employees through different ways of motivation. Organization's effectiveness is also measured by using 5 likert scale where "1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree and 5= strongly agree". Table 2 consists of the items used for measuring this variable and their response frequency. Mean and standard deviation is also measured.

Results of the first question as "Organization's effectiveness Increases employee efficiency.", regarding organization's effectiveness reported zero respondent was highly disagree with this question, 3 were disagree, 9 respondents neither agree nor disagree, 25 go for agree and 5 respondents answered for strongly agree.

Table 1. Workforce diversity

Item #	Workforce diversity	1	2	3	4	5	Mean	St. Deviation
1	You support workforce diversity.	0	0	4	23	15	4.2619	0.62701
2	Workforce diversity is beneficial for organization.	0	1	4	24	13	4.1667	0.69551
3	Workforce diversity is beneficial for employees.	4	0	3	31	4	3.7381	0.98920
4	W.F.D influence firm's effectiveness.	3	0	2	20	17	4.1429	1.04931
5	Educated people are more efficient as compare to uneducated.	0	1	6	18	17	4.2143	0.78198
6	One man show is better than workforce diversity.	14	22	6	0	0	1.8095	0.67130
7	You like to work with your colleagues.	0	3	3	26	10	4.0238	0.78050

Table 2. shows the frequencies of second independent variable "managerial expertise".

Item #	Managerial Expertise	1	2	3	4	5	Mean	St. Deviation
1	Good managers can manage well differences of cultures.	1	2	3	25	11	4.0238	0.86920
2	Managers can play vital role to increase firm's productivity.	0	0	1	19	22	4.5000	0.55216
3	Males can manage easily manage as compare to female.	3	11	4	19	5	3.2857	1.19523
4	Manager's biasness decrease firm's performance.	1	5	1	26	9	3.8810	0.96783
5	Your leader motivates you.	3	2	4	23	10	3.8333	1.08012

Table 3

Item #	Organization's effectiveness	1	2	3	4	5	Mean	St. Deviation
1	Organization's effectiveness Increases employee efficiency.	0	3	9	25	5	3.7619	0.75900
2	Organization's effectiveness Increases competition.	0	3	7	25	7	3.8571	0.78310
3	Organization's effectiveness Depends on good management.	0	1	3	28	10	4.1190	0.63255
4	Organization's effectiveness Increases firm's goodwill.	0	0	2	25	15	4.3095	0.56258

Mean averages shows that majority of people are agree with this question, which shows that firm's effectiveness increase employees efficiency as firms become effective with effective staff so firm's effectiveness increases it increases employees efficiency.

The second question regarding organization's effectiveness is "Organization's effectiveness Increases competition." Responses are zero respondent answered strongly disagree, 3 respondents answered disagree, 7 respondents say neither agree nor disagree, 25 answered for agree and 7 showed strongly agreement with this question. Mean averages of the respondent lead towards agree with this question about organization's effectiveness. It means that if effectiveness of any organization increases it increases competition for that organization, because only best and effective firms are come into great competitions. 3rd question regarding organization's effectiveness is "Organization's effectiveness Depends on good management." Responses are zero respondent answered strongly disagree, 1 respondent answered disagree, 3 respondents say neither agree nor disagree, 28 answered for agree and 10 showed strongly agreement with this question. Mean averages of the respondent lead towards agree with this question about organization's effectiveness. It means that if the management is best then organization is the best organization. Mostly people know that what this question requires so they give answers according to the requirement.

4th and last question regarding organization's effectiveness is "Organization's effectiveness Increases firm's goodwill." Responses are zero respondent answered strongly disagree, 0 respondent answered disagree, 2 respondents say neither agree nor disagree, 25 answered for agree and 15 showed strongly agreement with this question. Mean averages of the respondent lead towards agree with this question about organization's effectiveness. It shows that popularity of the firms is due their effectiveness or best efforts. And mostly people know that firm's effectiveness increases its popularity.

Association of workforce diversity and organization's effectiveness

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.409	.575		5.928	.000
Workforce diversity	.160	.152	.165	1.055	.298

a. Dependent Variable: organization effectiveness

Association of managerial expertise and organization's effectiveness

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.380	.444		7.618	.000
Managerial expertise	.162	.112	.222	1.440	.158

a. Dependent Variable: organization effectiveness

Conclusion

The results of the study show strong support for the proposed hypothesis of the research.

Results shows strong support for H: 2, H: 4, H: 5 of my research. H: 1 and H: 3 are not fully supported by results. So the conclusion of my research goes for hypothesis 2, 4, and 5. That is managerial expertise increase the organization's effectiveness, good leadership can manage workforce diversity and its demographic factors and diversity is beneficial for both employees and organization's effectiveness.

People of PAKISTAN know the benefits and challenges to the workforce diversity and they are doing efforts to work efficiently in a diverse workplace. Managers also know their responsibilities towards their working in a diverse workplace.

Both employees and managers can make any organization an effective and productive organization. Therefore the conclusion is that workforce diversity and expert managers can make the organization effective. These two independent variables are most important for any organization's effectiveness which is dependent variable. The last phenomena that I conclude from this research is that people working in the organizations of Punjab are very efficient and only expert and good managers can manage them to take effective work from them in order to increase organization's effectiveness.

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