Workforce Diversity Management towards Organizational Performance: The Case of AlAujan Group, Kingdom of Bahrain

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Abstract

This study aims to assess the influence of workforce diversity management to organizational performance with particular emphasis on AlAujan Group Company. The Group is one of the largest private sector companies in Bahrain, with companies in the food, personal care, fashion and real estate sectors. The study utilized a descriptive research design involving 120 conveniently sampled respondents. An adopted questionnaire was used as data gathering tool. The study found that over-all organizational climate has a significant impact on organizational performance. However, looking at the individual indicators, only Top Management Support and Personal Diversity Experience are significant at 0.05 while Co-workers Behaviour is significant only at 0.10.

Keywords-- Co-Workers Behaviour, Organizational Performance, Personal Diversity Experience, Top Management Support, Workforce Diversity Climate

I. INTRODUCTION

Al-Aujan Group Company is one of the top groups in Kingdom of Bahrain. The company was founded by Mr. A.Lateef Khalid Al Aujan in 1972.The Group is one of the largest private sector companies in Bahrain, with companies in the food, personal care, fashion (footwear) and real estate sectors. Due to the availability of workforce diversity in the workplace, the company is an ideal model for the study of diversity studies. Organizational performance measures how organizations achieve their objectives through their core strategies successfully (or not). Increasing organizational performance is one of almost all organizations in every industry's most important organizational goals.

Workforce diversity also offers the opportunity to combine specific strengths for the benefit of organizational efficiency. Since each employee has different backgrounds and different strengths, they can be combined to improve performance and productivity. Having a diverse workforce in place has also a practical advantage. Since individuals have their unique time commitments, a varied group helps to ensure that work tasks can be carried out at all times of the year.

As cited by Anthony (2014), many studies suggest that Workforce diversity is a positive factor that leads to a competitive economic advantage for organizations. Moreover, workforce diversity continues to receive a great attention from many organizations to improve employees' efficacy that leads to reach higher performance. Effective management of workforce diversity has a positive effect on competitive advantage. The comparative advantage is a strategic element that makes an organization different. According to Ogbo and Wilfred (2014), managing workforce diversity effectively has a positive effect on competitive advantage. The competitive advantage is an element of strategy that gives an organization a distinctive competence. This competence and advantage stem from the process in which the management of diversity positively affects organizational behaviour and effectiveness.

Considering the value of workforce diveristy in a multicultural company, this study is conduected to asess wheteher or not Al Aujan Group is properly implementing diversity management practicies and how such practice affects the level of organizational perfromance. The results of the study will be helpful in the further undesratnding of both the application and implication of workforce diversity to organizations.

II. THEORETICAL FRAMEWORK

This study was based on Theory of Performance (ToP) developed by Elger (2007) which links six basic axioms to a framework which was used to fully explain performance and performance improvements.

Bransford others etal (2000), performance means producing significant results. An individual performer can be a person or a collective individuals working together. Therefore, performance development is a process and the performance level shows the location of the process. The current performance levels holistically rely on six components, which are context, knowledge, skill level, identity level, personal and fixed factors. Three axioms are

proposed for effective improvement of performance. They included performance mindset, immersion in an enriching environment and engagement in reflective practice.

Among the three axioms, immersion in an enriching environment was of primary interest of the study. This axiom suggested that as people mature in a discipline, they assumed the common identity of the professional community while enhancing their unique character. It develops its mission, the way of doing business and its uniqueness when an organization matures.

However, finding a common identity in modern organizations may be difficult especially in multinational companies. As observed by Foster and Harris (2005), the goal of achieving a sustainable competitive advantage and the necessity to become an employer of choice has

prompted organizations around the world to accept the concept of diversity. Diversity Management, therefore, is triggered by the desire to steer diverse characteristics of modern corporate setting towards achieving anticipated performance.

In the (ToP) lens, performance improvement of any organization requires individual diversity to be utilized to come from the development in which the diversity management positively affects organizational behaviour and performance. In fact, the same authors noted that the diversity management is very important in the harmonization of employee multiple differences and commonalities so that the organization and its individuals can achieve their aims and objectives.
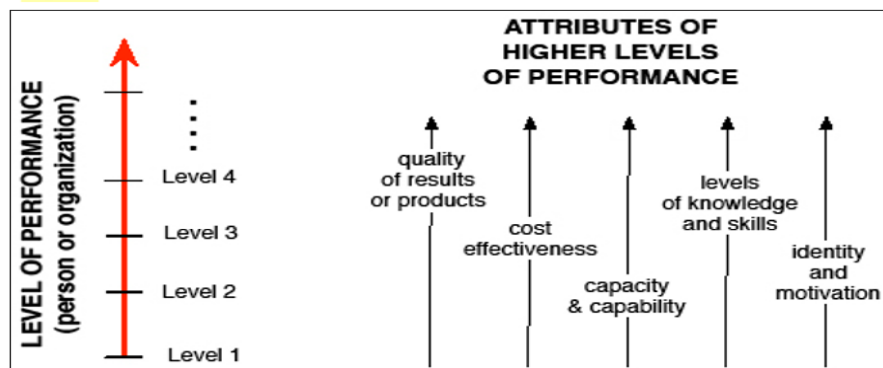

Figure 1: Performance advancing through levels

With the theory in place, the researcher aims to assess how performance improvement of any organization requires individual diversity to be utilized to stem from the development in which the management of diversity positively affects organizational behaviours and effectiveness. Hurtado others et. al (1999) posited that organizational diagnosis is an essential prerequisite for diversity-related organizational change efforts. In order to quantify and meld a company's or an organization to quantify and mold strategies that creates a diversity-friendly environment, it is better to examine its diversity climate than its diversity culture. With this in mind, the researchers consider that the ability of the organization to manage workforce diversity could be better if assessed using five dimensions, namely, Top management support, Supervisors' behaviours, Co-workers' behaviours, Organizational resources and support , Personal diversity experiences. By using a summary perception of organizational policies and procedures, respondents draw inferences on the organizational climate as defined. Therefore, climate perceptions for diversity can be combined with organizational change efforts aimed at improving the climate.

On the other hand, Armstrong (2005) noted that organizational performance should be measured using a balanced scorecard. This measurement should be in terms of Customer Satisfaction, Financial Growth, Learning and Development, and Internal Process

Objectives

This study aims to provide an assessment of the influence of workforce diversity management to organizational performance. Specifically it aims to achieve the following objectives;

1. Assess the level of diversity management implementation in Al Aujan Group.
2. Assess the level of organizational performance of Al Aujan Group
3. Evaluate the influence of diversity management on organizational performance.

III. METHODOLOGY

The study utilizes a descriptive research design involving 120 conveniently sampled employees of Al Aujan Group. The questionnaire of organizational performance was adopted from the works of Weldetekle (2010) while the instrument developed by Yeo (2006) was

used for the measurement of workforce diversity management. Simple linear regression was used to assess the influence of workforce diversity management to organizational performance.

Workforce Diversity Management Implementation

IV. RESULTS AND DISCUSSION

The section presents the results and the consequent discussions derived from the data gathering an analysis.

Table 1. Workforce Diversity Management in terms of Top Management Support

Indicators	SD	X	Qualitative Interpretation
Administrative leadership (e.g. Managers, Heads) encourages appreciation of group differences at this organization.	0.92	2.45	Poor Workforce Diversity Management
Administrative leadership is committed to creating an organizational environment that welcomes all employees.	0.92	2.60	Good Workforce Diversity Management
Administrative leadership emphasizes the importance of attracting a diverse workforce.	0.87	2.50	Poor Workforce Diversity Management
Administrative leadership talks about the value of having a diverse workforce.	0.88	2.63	Good Workforce Diversity Management
Over-all	**0.90**	**2.55**	**Good Workforce Diversity Management**

Table 1 shows the level of workforce diversity management of the organization in terms of Top management support. As what can be gleaned from the table, the over-all workforce diversity of climate as manifested Top management and executives', adoption activities to reward and support behaviours that welcomes workforce diversity is good (x=2.55, SD=0.90). This would suggest that Top managements implements rewarded and supported practices, procedures, activities and behaviours that convey clear messages to employees that focus their efforts and attention to maximize workforce diversity. These routines and rewards together imply and interact the organization's strategic focus and generate the environment's climate.

Based on the results, the management of the organization talks about the value of a diverse workforce (indicator 4) and is committed to providing an organizational environment that embraces all employees (indicator 2). It can be noted, however, that the organization still needs to work administrative practices in order to emphasize the significance of garnering a diverse workforce (indicator 3).

Schneider (1990) noted that the dimension of top management support is critical in the current conceptualization of assessment of the climate for diversity and measures the level of support given to diversity initiatives by the organization's administration.

Table 2. Workforce Diversity Management in terms of Supervisors Behavior

Indicators	SD	X	Qualitative Interpretation
In the organization, supervisors encourage employees to express different views and perspectives.	0.94	2.63	Good Workforce Diversity Management
In work, supervisors are willing to allow employees to challenge popular ideas.	0.98	2.51	Good Workforce Diversity Management
Supervisors make employees aware of the harm of stereotyping people.	0.97	2.53	Good Workforce Diversity Management
Supervisors instruct us on good ways to communicate across gender, ethnic, racial, and social differences.	0.93	2.67	Good Workforce Diversity Management
Supervisors are sensitive to the needs of employees from minority groups (example, religious fasting periods).	1.04	3.00	Good Workforce Diversity Management
Over-all	**0.97**	**2.67**	**Good Workforce Diversity Management**

Table 2 shows that organizations' workforce diversity management in terms of Supervisor behaviour. The weighted mean of 2.67 (SD=0.97) indicates good workforce diversity climate. This would mean that the

organization's supervisor adopts an inclusive and welcoming approach to supervision that meets the needs of all employees. In fact, supervisors are aware of the needs of employees from minorities such as religious fasting

(indicator 9). Furthermore, supervisors inform employees to interact gender, ethnic, racial and social differences in good ways (indicator 8) and encourage employees to hold different views and perspectives (indicator 5).

This is very positive as Yeo (2006) noted that fair and inclusive supervising approach supports the individual needs of workers to respect group differences and creates a collaborative learning environment for all employees. Supervisors communicate that it is a main point to respect group differences and contribute to the perceptions of workers that the organization's climate supports diversity by showing employees to be culturally sensitive and allowing multiple views and perspectives to be developed in workforce.

Table 3. Workforce Diversity Management in terms of Co-workers Behavior

Indicators	SD	X	Qualitative Interpretation
Co-workers' verbal comments mostly indicate a sign of respect for minority group members.	1.04	2.78	Good Workforce Diversity Management
Co-workers use appropriate language when referring to minority groups.	1.04	2.73	Good Workforce Diversity Management
Co-workers of different racial/ethnic backgrounds participate equally in organizational decisions.	1.04	2.92	Good Workforce Diversity Management
Workers who voice minority opinions are accepted by fellow workers.	0.98	2.63	Good Workforce Diversity Management
Over-all	**1.03**	**2.77**	**Good Workforce Diversity Management**

Table 3 shows that the level of workforce diversity management of organization in terms of Co-workers behaviours. As what can be gleaned from the table, the over-all mean indicates that the organization has in place a good level (x=2.77, SD=1.03) behaviours from and among co-workers in terms of supporting workers diversity. However, the respondents' opinion in this matter seems to be varied as evidenced by the high value of standard deviation.

Furthermore, the results indicate that employees of various racial / ethnic backgrounds are equally involved in organizational decisions (indicator 12). In addition, it can be surmised that the verbal comments of co-workers most often show respect for members of minority groups (indicator 10) and use appropriate language when referring to minority groups (indicator 11).

It is substantial to include employees ' perceptions of the behaviours of fellow employees with regard to workforce diversity problems. This dimension addresses the perceptions of typical organizational behaviours. Employees should adopt appropriate and respectful language and have equal opportunities for organizational participation in different subject areas in an environment that welcomes and accepts different points of view Yeo (2006).

Table 4. Workforce Diversity Management in terms of Organizational Resources and Support

Indicators	SD	X	Qualitative Interpretation
This organization regularly organizes themed events and activities to promote understanding of people from different backgrounds and cultures.	0.98	2.63	Good Workforce Diversity Management
There are formal groups that appeal to workers' varied interests.	0.84	2.56	Good Workforce Diversity Management
The organization often invites guest speakers from minority groups.	0.89	2.58	Good Workforce Diversity Management
Special events are planned with the goal of including all the cultures in the organization (example, Holiday concert music selection).	0.94	2.57	Good Workforce Diversity Management
Adequate attention is given to important festivals and holidays of all the cultures in the organization	0.89	2.51	Good Workforce Diversity Management
Within the organization's buildings, there are displays and images of people from different cultural and racial groups.	0.97	2.63	Good Workforce Diversity Management
Food services provide culturally diverse food selections.	0.87	2.65	Good Workforce Diversity Management

	SD	X	Qualitative Interpretation
Over-all	**0.91**	**2.59**	**Good Workforce Diversity Management**

The level of Workforce Diversity Management of Aljuan Group in terms of Organizational Resources and Support is shown in Table 4. As what can be gleaned from the table, the overall mean of this dimension is rated at 2.59 (*SD*=0.91) suggesting a good level of Workforce Diversity Climate.

The organization demonstrates good practices for workforce diversity, including the provision of food services that are culturally diverse(indicator 20), buildings within the organization, exhibits and images of people from different cultural and racial groups(indicator 19), and the regular undertake of thematic events and activities to promote understanding of the people from different cultural and racial groups(indicator 19).

This is a good sign for Al Aujan Group as Organizational policies and practices that relate to the availability of resources and support, across identity groups, are likely to shape perceptions of intergroup relations, and the diversity climate (Datnow and Cooper, 2000). In order to create a truly inclusive environment, resources and support should be available for all employees, and not only for minority groups.

Table 5. Workforce Diversity Management in terms of Personal Diversity Experience

Indicators	SD	X	Qualitative Interpretation
I have never been treated differently at this organization because of my race, sex, religion, or personal preferences.	0.88	2.54	Good Workforce Diversity Management
I have no experienced racial discrimination at this organization.	0.87	2.56	Good Workforce Diversity Management
At this organization, I have not observed conflict among people of different backgrounds.	0.75	2.53	Good Workforce Diversity Management
At this organization, I never hear offensive jokes and stories about people from minority groups.	1.00	2.74	Good Workforce Diversity Management
I never hear co-workers engage in humor that may be rude or offensive to people from minority groups.	0.84	2.51	Good Workforce Diversity Management
I have never heard supervisors and/or staff engage in humor that may be rude or offensive to people from minority groups.	0.87	2.56	Good Workforce Diversity Management
I have never been treated unfairly by a supervisor or staff member.	0.95	2.56	Good Workforce Diversity Management
Supervisors have never made embarrassing comments about my background in class.	0.95	2.56	Good Workforce Diversity Management
Over-all	**0.98**	**2.57**	**Good Workforce Diversity Management**

Finally, table 5shows the level of workforce diversity management in terms of Personal Diversity Experience. As what is presented in the table, the over-all weighted mean suggests that the organization provided employee experience that are in favour of workforce diversity (*x*=2.57, *SD*=0.98). This would mean that, in general, the employees have not experienced any negative behaviours from management and co-workers due to the race, religion, gender and other differences.

In fact, employees say they never hear offensive jokes and stories about people from minority groups in their organization (indicator 24). In addition, employees in this organization have no experience of racial discrimination and have not observed conflicts between people of different backgrounds (indicators 22 and 23). In addition, employees have never heard supervisors or employees engage in humour that may be rude or offensive to people from minority groups and that a supervisor or employee has never treated them unfairly (indicators 25 and 26).

In the theoretical definition, Schneider & Reichers, (1990) noted that a central idea is the assumption that climate perceptions emerge from interactions between organizational members. In other words, respondents are likely to form opinions about diversity in the work environment based on their accumulated personal experiences (as regards diversity) in the current environment. In addition, although an organization can support diversity in its institutional policies and can be multicultural in numbers, quantified measures alone do not create a welcoming environment for all employees. For example, it is possible that employees can report for being segregated by race or other cultural backgrounds in a "diversified" organization (according to the percentages of minority representation). In fact, such a "diversified" organization has a weak / negative diversity climate with

little interaction and understanding among groups. It is therefore important to evaluate the reports of the employees

on personal experiences related to diversity in order to gain a valid and complete understanding of their climate.

Organizational Performance

Table 6. Level of Organizational Performance

Indicators	SD	X	Qualitative Interpretation
Customer Satisfaction			
My organization makes every effort to satisfy its customers.	0.96	2.90	Good Organizational Performance
Our service quality and infrastructures are adequate.	1.06	2.77	Good Organizational Performance
I believe that my organization acquires the maximum expectation level of customer satisfaction.	0.92	2.85	Good Organizational Performance
Financial Growth			
During the last three years my organization achieves financial targets (savings and/or revenues).	0.93	2.82	Good Organizational Performance
During the last three years my organization has achieved the necessary financial growth as set by management	0.84	2.74	Good Organizational Performance
Learning & Development			
My organization encourages employees to learn and develop their competency.	0.88	2.77	Good Organizational Performance
ET promotes to develop intellectual capital through organizational, team and individual learning.	0.93	2.63	Good Organizational Performance
My organization has accumulated the required resource (knowledge, equipment and technology).	0.88	2.56	Good Organizational Performance
The right quality workforce is available to meet present and future needs.	0.88	2.57	Good Organizational Performance
Internal processes			
Internal work processes are exhaustively identified.	1.00	2.68	Good Organizational Performance
Internal work processes are clearly designed, well integrated and cost effective.	1.00	2.53	Good Organizational Performance
Work processes are supported through Enterprise Resources Planning system.	0.96	2.71	Good Organizational Performance
The interaction within and/or across sections, departments is smooth.	1.12	2.42	Poor Organizational Performance
Over-all	**0.95**	**2.69**	**Good Organizational Performance**

Table 6 shows the assessment of the organizational performance of Aljuan Group. As the over-all results show, as perceived by the respondents, the organization is performing at a good level (x=2.69, SD=0.95) in terms of Customer Satisfaction, Financial Growth, Learning and Development, and Internal Process.

Looking at the individual dimensions, customer satisfaction tends to be the highest contributor of the company's overall performance. It is an evidence that the organization makes every effort to satisfy its customers as

their service quality and infrastructures are adequate and the organization acquires the maximum expectation level of customer satisfaction. On the other hand, despite being at a good performance level, internal processes seem to be an area to focus improvement on. It has been observed that the organization can work on improving internal work processes in terms of identifying and designing it. The support of Enterprise Resources Support (ERP) system also needs be established in the Work processes to improve the interaction within and/or across sections, departments.

Influence of Workforce Diversity Management on Organizational Performance

Table 7. Regression Analysis for the Influence of Workforce Diversity Management to Organizational Performance

Regression Statistics	
Multiple R	0.644996
R Square	0.41602
Adj. R Square	0.392281
Standard Error	0.384264
Observations	129

ANOVA

	Df	SS	MS	F	Significance F
Regression	5	12.93843	2.587686	17.52475	4.46E-13**
Residual	123	18.16205	0.147659		
Total	128	31.10048			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%
Intercept	0.63874	0.25525	2.50242	0.01364*	0.133493	1.144006
TMS	0.22464	0.06191	3.62803	0.00041**	0.10208	0.347209
SB	0.10769	0.06361	1.69295	0.09299	-0.01822	0.233612
CWB	0.13092	0.05104	2.56491	0.01152*	0.029886	0.231972
ORS	0.09395	0.06492	1.44704	0.15042	-0.03457	0.22248
PDE	0.24419	0.06556	3.72465	0.00029**	0.114418	0.373965

significant at 0.10
significant at 0.05

Table 7 presents the regression analysis of the influence of Workforce Diversity Management to Organizational Performance. As the table shows, the computed significance level of the over-all model is lesser that 0.05 ($p= 4.46 \times 10^{-13}$). Thus, over-all organizational climate has a significant influence on organizational performance. In fact, looking at the adjusted R square value, 39.2% of the variations in the dependent variable (Organizational Performance) can be explained by the dependent variable (Workforce Diversity Climate).

This findings support the study of Bleijenbergh and others (2010) suggesting that diversity is increasingly recognized & utilized as an important organizational resource in regards to whether the goal is to be an employer of choice to provide an excellent customer service or to maintain a competitive edge against competitors. This is due to the observation that, at least in the business case, as a "business case," diversity engenders a competitive advantage by providing a better corporate image, improving group and organizational performance, and attracting and retaining human capital.

However, looking at the individual indicators, only Top Management Support (TMS) and Personal Diversity Experience (PDE) are significant at 0.05 while Co-workers Behaviour (CB) is significant only at 0.10. The varying contribution of each of the dimensions of organizational climate may suggest that organizational resources and supervisors' behaviour may have played fewer roles in influencing organizational performance and that other areas of workforce diversity climate have compensated for these areas. For example, the lack of institutional resources to cater to workforce diversity may have been outweighed by the personal experience of the employees as actual experience may derive more value that physical facilities.

V.   CONCLUSION

The main goal of this inquiry is to assess the influence of Workforce Diversity Management to Organizational Performance. Based on the findings of the study, the researchers derived three conclusions. First, over-all Perceived Workforce Diversity Climate significantly influences organizational Performance. This is to say that organizations that make good use of workforce diversity tend to perform well in a balance scorecard basis. Second, among workforce diversity climate dimensions, only Top management, Co-workers' Behavior, and Personal diversity significantly influence organizational performance. Finally, Supervisors' behaviors and Organizational Support and Resources do not significantly influence organizational performance. The varying effect of the dimensions may suggest a possibility of significantly relevant dimensions compensating for those that were statistically observed otherwise.

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