

# Innovations

## The Effects of Workforce Diversity Management and Organizational Performance: The Case of Four Universities in Ethiopian Public HEIs

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### Abstract

*The purpose of this study is to explore the relationships between workforce diversity and organizational performance in selected four universities in Ethiopian Public HEIs. The study used a combination of purposive, stratified and systematic sampling techniques in four Federal universities. The number of respondents has been chosen employing a proportional sampling technique from each university and 386 respondents were participated. Quantitative and Qualitative descriptive survey was conducted for the study. Analysis techniques which used for quantitative study were descriptive statistics, correlation and linear regression. The discussion specifically examined diversity forms such as Diversity Climate, Value, Organizational Justice, Identity, Schemas, and Communication, as manifested within the context of the higher institutions. The equity theory was used as the theoretical framework in the discussion on the role of workforce diversity in the organizational performance. Various notable supports from the review of literature was observed along with existing theories and views on the importance of diversity management for effective and efficient organizational processes and overall performance. The current changes in the academic environment have showing several challenges such as workforce diversity, which has both negative and positive impacts on the performance of the organization depending on how well it is managed. Evidences reveled that failure to effectively manage diversity in the workforce can lead to poor performance of the organization. The relationships between diversity management (diversity climate, organizational justice, identity, values, schemas and communication) and academic performance were analyzed. The result of the study shows that there are statistically significant positive relationships between three sub-dimensions of diversity management and academic performance*

**Keywords:** *Workforce diversity, organizational performance, Diversity Climate, Value, Organizational Justice, Identity, Schemas, Communication*

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## 1. Introduction

The diversity of the workforce is one of the most significant aspects and a challenge for organizations across all industries. More people from diverse backgrounds are joining forces to work on the same platform, increasing the diversity of the workforce globally. Organizations have a diverse range of people, and as a result, diversity can impact many aspects of the organization (Swasto, 2016).

In order to maximize their efforts, organizations must increase diversity and hire personnel from diverse backgrounds. In addition, they must create a diversity strategy to promote equal opportunity and combat workplace discrimination (Carr, 2013). Workforce diversity refers to the range of demographic traits, notably in terms of age, gender, color, origin, ethnicity, culture, and handicap that make up an organization's workforce. Different people come with different viewpoints and provide a wide range of options to challenge obstacles. Therefore, it can be argued that having a diverse workforce and managing it properly is an important factor on improving the performance of the organization (Dessler, 2011).

The institutions that consistently exhibit a high level of personnel diversity in Ethiopia were the subject of this investigation. Globally, workplace diversity is increasing and is becoming more and more important to organizational success (Taylor, 2011). It fosters innovation and creativity among individuals and teams where human resource diversity attracts significant management attention and presents organizations with difficult challenges. Thus, managing workforce diversity becomes a crucial strategy for firms, particularly in universities and other higher learning institutions where the level of worker diversity is very high. In order to improve performance and efficiency among the people recruited from a varied group of different backgrounds, it is crucial to institutionalize workforce diversity (Beytekin et al., 2010),

Van Knippenberg and Shippers (2007) argued that effectively managed workforce results could be visualized as the comprehensive growth of the organizational members' competitiveness among the people, improved work performance, innovativeness, and creative workplace. Thomas (1990) defines diversity as "those individual differences that are socially and historically significant and which have resulted in differences in power and privilege inside as well as outside of organizations." Hashim, Ullah, and Khan, (2017) highlighted the two different perspectives as "workforce diversity refers to the division of the workforce into distinct categories that (a) have a perceived commonality within a given cultural or national context and that (b) impact potentially harmful or beneficial employment outcomes such as job opportunities, treatment in the workplace, and promotion prospects—irrespective of job-related skills and qualifications". Cox (1994) defined, "Cultural diversity means the representation, in one social system, for people with distinctly different group affiliations of cultural significance."

### 1.1 Purpose of the study

The general objective of this study is to establish the relationship of workforce diversity and the organizational performance of selected universities in Ethiopia.

### 1.2 Research Objectives

The research objectives were to:

- To examine how the Workforce Diversity Management is perceived in HEIs in Ethiopia.
- To examine the relationship of Workforce Diversity Management and organizational performance of the Ethiopia HEIs.

### 1.3 Research Questions

The study sought to answer the following research questions:

- How is workplace diversity management perceived in the Ethiopian public HEIs?
- What is the effect of workforce diversity management and organizational performance universities in Ethiopia?

### 1.4 Theoretical Framework

Theoretical framework Resource Based View (RBV) theory developed by Grant (1991) was used to guide this study. According to Grant, the Resource Based View (RBV) theory approach to organizational competitive gain states that internal sources are more significant for a corporation than external variables in establishing and maintaining organizational competitive gain. In this regard, internal sources, such as physical resources, human resources, and organizational resources, are typically used to assess the performance of a company. The mix, quantity, and type of a company's internal assets must be taken into first and foremost account when formulating strategies that could result in lasting competitive advantage (Barney, 1991). Bestowing on resource-based view theory, workforce diversity can be a resource of sustained competitive advantage Richard, O. C. (2000). This is because it is hard to be imitated by competitors, rare and very valuable (Subhash & Archana, 2017).

Workforce diversity increases competitive advantage by enhancing organizational branding and this can bring organizational performance. The resource-based theory hypothesizes a positive significant relationship between workforce diversity and organizational performance. Most studies have upheld the theoretical proposition of the theory that workforce diversity significantly boosts performance (Bleijenbergh et al., 2010). While some studies (Kerga&Asefa, 2018; Darwin & Palanisamy, 2015) disregarded the theoretical proposition by establishing that some workforce diversity factors (age, gender, ethnicity and work experience diversity) had no significant influence on performance. This theory was relevant to this study since it sought to test its theoretical proposition that workforce diversity (age and gender diversity) significantly boosts organizational performance in the context of Hither Institutions of Ethiopia.

### 1.5 Literature Review

This section presented the studies conducted and the findings observed on the relationship between workforce diversity and performance. The interrelationship between employee workforce diversity and organizational culture attracts many researchers and academicians to target the diverse industrial sector. Furthermore, the internationalization of the business and human resources creates opportunities and challenges for the organizations to utilize and manage the resources within the set boundaries of the organizational culture. Therefore, in this section of the study, an attempt has been made to explore and investigate the previous studies focused on the interrelationship of employee workforce diversity and organizational culture in Universities and Higher education institutions worldwide.

The literature on workforce diversity highlighted the impact on various dimensions like a significant impact on organizational performance (Richard et al. 2013), innovation orientation; and promotion of employees Cho et al. 2017). In addition, several studies highlight the gender diversity practices of many universities, such as Vermeulen (2010) highlighted diversity management for higher education institutions of South Africa and Germany.

With the successful adoption of diversity management, many firms saw a major improvement in the work environment, in motivating and effective staff, and in keeping important personnel (Ullah, Malik, Zeb, Rehman, 2019). Managing diversity and teamwork had further effects on employees' perceptions of marginalization and organizational effectiveness (Ullah, Afghan, & Afridi, 2019). The advantages of diversity in adaptation, different problem-solving techniques, the availability of multiple services, range of talents, and experience are highlighted by Green et al. (2015). Hashim, Ullah, and Khan (2017) deduced that gender

diversity in the workplace had a significant favorable impact on employees' performance and discovered that both institutional effectiveness and workforce diversity were statistically significant.

Universities and other higher education institutions are under intense pressure to adapt to changing internal and external environmental conditions, as well as to globalization and worldwide competitiveness (Beytekin et al. 2010). Organizational culture, as it relates to the educational system and administrative powers of universities, is recognized as a key element in harmonizing an integrated strategy in response to global demands (Bartell, 2003). As a result, the performance of the individual and the institution was influenced by the university's strong organizational culture values on "mission, leadership, information, strategy, and socialization" (Taye et al. 2019).

There is a wide range of literature on the social exchange theory's influence on human resource management outcomes. According to the social exchange hypothesis, an organization's and its management's investments in human resource practices will result in favorable work attitudes and behavior (Aryee et al., 2002; Gould-Williams, 2007). The reasoning is founded on the reciprocity ideas of social exchange theory (Blau, 1964), which holds that people feel compelled to reciprocate when they experience fair and admirable treatment. Reciprocity is a necessary component of social interaction and group dynamics.

This justification holds that workers who positively view HRM procedures will also display attitudes and behaviors that are advantageous to the company (Gould-Williams, 2007). Employee reactions to HR procedures are influenced by how they view the HR procedures as a whole (Wright PM, et al., 2007). Thus, it can be suggested that when employees believe that human resource procedures are advantageous to them, they will respond in a positive attitude and conduct that will help the firm achieve its objectives and improve its performance. Similar conclusions can be drawn about how the impact of employees' views of diversity management on their attitudes and behavior affects diversity management outcomes (Ashikali & Groeneveld, 2015).

## **2. Methodology**

Quantitative and Qualitative descriptive survey was conducted for the study. In order to gather relevant information, structured questionnaire was used for survey method. Key Informant Interview were conducted and triangulated in the discussion part. Analysis techniques which used for quantitative study were descriptive statistics, correlation and linear regression. Descriptive Statistics were used to present information about the respondents' profiles and the dimensions of the study variables (diversity management and organizational performance).The collected data was analyzed using correlation and regression analysis using statistical package v23.

## **3. Data Source**

The source of data collection for this research is from different faculty of four targeted universities of Ethiopia. The study gathered the primary data from four Universities namely BDU, AAU, JU and HU 386 respondents were involved.

**4. Findings and discussion**

The study gathered the primary data from four Universities namely BDU, AAU, JU and HU 386 respondents were involved.

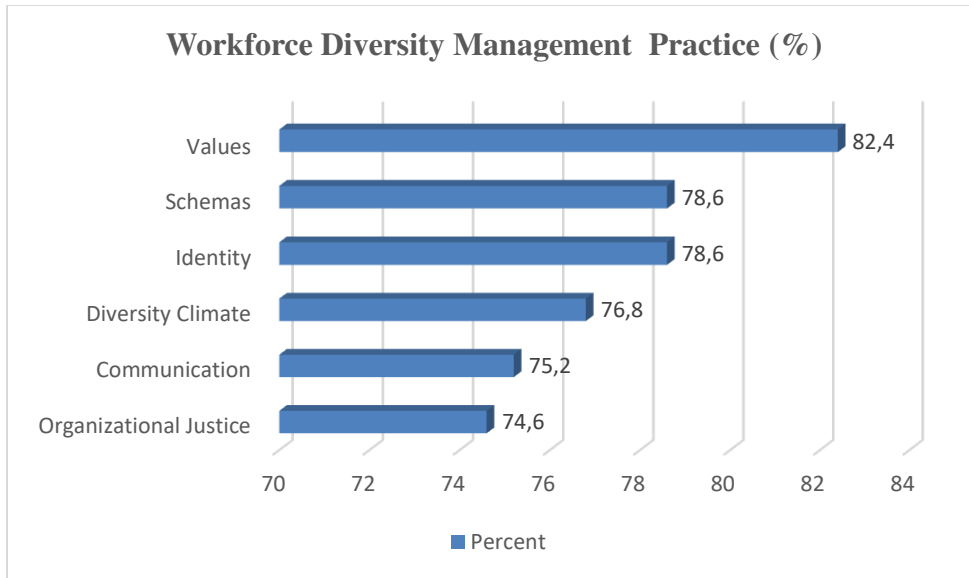
**Table 4.1: Demographic details of the respondents (Gender, Marital Status, Age, Religion)**

Variables	Description	BDU		AAU		JU		HU		No		%age	
		N	%	N	%	N	%	N	%	N	%	N	%
<b>Gender</b>	Male	92	81.4	63	56.8	48	59.3	47	58.0	250	64.8		
	Female	21	18.6	48	43.2	33	40.7	34	42.0	136	35.2		
	<b>Total</b>	<b>113</b>		<b>111</b>		<b>81</b>		<b>81</b>		<b>386</b>	<b>100</b>		
<b>Marital Status</b>	Single	17	15.0	36	32.4	25	30.9	26	32.1	104	26.9		
	Married	96	85.0	75	67.6	56	69.1	55	67.9	282	73.1		
	<b>Total</b>	<b>113</b>		<b>111</b>		<b>81</b>		<b>81</b>		<b>386</b>	<b>100</b>		
<b>Age</b>	20-30	1	0.9	4	3.6	2	2.5	3	3.7	10	2.6		
	31-40	30	26.5	51	45.9	39	48.1	38	46.9	158	40.9		
	41-50	48	42.5	56	50.5	40	49.4	40	49.4	184	47.7		
	51-60	24	21.2	-	-	-	-	-	-	24	6.2		
	Above 60	10	8.8	-	-	-	-	-	-	10	2.6		
<b>Total</b>	<b>113</b>		<b>111</b>		<b>81</b>		<b>81</b>		<b>386</b>	<b>100</b>			
<b>Religion</b>	Christian	100	88.5	95	85.6	69	85.2	71	87.7	335	86.8		
	Muslim	13	11.5	16	14.4	12	14.8	10	12.3	51	13.2		
	<b>Total</b>	<b>113</b>		<b>111</b>		<b>81</b>		<b>81</b>		<b>386</b>	<b>100</b>		

From this 250 (64.8%) of the respondents are male, while 136(35.2%) are female and 282 (73.1%) of the respondents were married and 104 (26.9%) were not married. And also 10 (2.6%) of the respondents were within the ages of 20-30 years, 158(40.9%) where within the ages of 31-40 years, 184(47.7%), 24(6.2%) where within the age of 41-50 years, where within the age of 51-60 and 10 (2.6%) where above 60 years. The researcher investigate the religious diversity and 335 (86.8%) where Christian and 51(13.2%) are Muslim. Descriptive Statistics were used to present information about the respondents' profiles and the dimensions of the study variables (diversity management, organizational performance and leadership styles). Under this objective, there are six dimensions which measure the perception of university respondents towards diversity management at workplaces. The responses to the diversity management were classified on a 5-point Likert-type scale; (1=strongly disagree; 2=disagree; 3=neither agree nor disagree; 4=Agree; 5=Strongly Agree). Table 4.3 depicts the finding of respondents' perception of the first objective, which is how the workplace diversity is perceived in HEIs in Ethiopia.

**Table 4.1: Descriptive Statistics of Workforce Diversity Management**

	Mean	Std. Deviation	N
Diversity Climate	3.84	1.00099	386
Organizational Justice	3.73	.98424	386
Identity	3.93	.86271	386
Values	4.12	.73772	386
Schemas	3.93	.86555	386
Communication	3.76	1.02886	386



**Figure 4.1: Descriptive Statistics of workforce diversity management**

**How the workforce diversity management is perceived in HEIs in Ethiopia.**

Workforce diversity management is a strategy that is intended to develop and maintains a positive workplace environment. Therefore, a successful diversity workforce management program will promote respect for and acknowledgement of the individual distinctions within a group of employees (Osmond, 2008). The presence of a varied workforce that will support the firm in achieving its corporate objective is an essential requirement for diversity management (Harvey & Allard, 2012).

Therefore, the fundamental concept of diversity management in businesses is that every employee, regardless of who they are, what they are, or where they are from, must be given the opportunity to fully participate in the organization's operations. A diverse workforce can thrive, achieve their potential, participate meaningfully in institutional or organizational life, and eventually contribute to the flourishing of self and others through such involvement, claims diversity management theory (Sturm, 2011a).

**Diversity Climate**

The result of the study shows that diversity climate in their institution is perceived above average (3.8). This implies that the perception of respondents on diversity climate is about 77%. The key informant interview result also shows senior management team members of higher institutions are committed to enhanced teaching staff diversity. There are encouraging initiatives to take steps to increase teaching staff diversity; university policies support leaders to increase the diversity of teaching staff and university leaders are aligned in teaching staff diversity to the university's mission and vision.

Other works on diversity climate in higher education have more of an emphasis on programs meant to foster an inclusive environment. It is advised to concentrate on persuading people to adopt a diversity climate change while trying to build an involvement to manage diversity. It follows that fostering an inclusive environment is essential to maintaining academic success and retaining diverse individuals from various backgrounds. Numerous studies indicate that emphasizing the promotion of an inclusive environment for students at higher educational institutions is more beneficial and advised. Scacco and Warren (2018) looked at whether regular inter-group interactions among members of different religious groups in Nigeria resulted in more cohesiveness and less prejudice.

Recent research analyzing the effectiveness of diversity climate programs has revealed that existing techniques enhanced the representation of marginalized groups by reducing discrimination and fostering

more inclusive workplaces. However, other studies have showed that workshops and training programs for diversity management have been found to be unsuccessful (Bezrukova et al., 2016). Some interventions intended to promote diversity and inclusion actually achieves the opposite effect (Dobbin and Kalev, 2018). For instance, Dobbin et al., (2007) found that diversity training workshops had little effect on improving workplace diversity. Similarly, Kulik et al. (2007) found that employees often respond to compulsory diversity training with anger and resistance and some report also increased hostility toward members of other groups subsequently.

### **Organizational Justice**

The average score for organizational justice is 3.73 and this implies that perception of respondents on organizational Justice Practice is about 75%. 6. The key informant interview result also shows that, in most institutions people at work are treated fairly regardless of who they are, policies are implemented consistently for all and university leaders strive to create a comfortable working environment for all types of people. There is no significant exclusion of certain people for giving opportunities at work because of who they are in this university.

Organizations have consistently sought to update their management procedures in an effort to boost their competitiveness, which has led to a rise in passion for diversity management. Diversity causes more conflicts, which, depending on the sort of conflict that is sparked, may be advantageous if they are handled correctly. Task conflict, socio-emotional conflict, and value conflict are three different sorts of disputes that can arise in a diverse group. When people disagree on the purpose of the activities being performed and have divergent thoughts and opinions, task conflict results. Relationship-based emotional tensions and unfavorable feelings among group members are referred to as socio-emotional conflicts (Jehn, 1995). Value conflict refers to differences in terms of people's expectations about having a satisfactory outcome and when such outcome may be achieved (Gebert, Boerner, & Kearney, 2006).

### **Identity**

Concerning the identity dimension of workplace diversity management, respondents scored 3.93 which imply that the perception of respondents on belonging to the institution with sense of strong identity was 79%. Staffs consider themselves part of their work team in this university. A sense of identity and belongingness is defined as being accepted, valued, involved, and encouraged by others in the academic environment and of feeling of being an important part of institution. Staffs' sense of belonging has been identified as a potential power to promote engagement and academic performance of the institution. Sense of affiliation is a basic human need and everyone needs to be recognized and engaged.

A sense of belonging echoes the feeling that one fits in and belongs to, or is a member of the academic community in question. Viewing oneself as being accepted within a discipline rather than on its borders is a sense of belonging. It validates one's personal belief that leaders' presence and assistances within the academic community demonstrate their value as an accepted member (Trujillo & Tanne, 2014).

### **Values**

The research result indicated respondents have strong value of diversity in the universities with average score of 4.12. Almost all respondents have strongly believed that diversity is vital to the university's success and entertain to work with people from different backgrounds (82%). Diversity extends beyond students and faculty members. It also includes how universities teach, what policies they have, and more. Every member of the faculty should value to bring social coherence and accelerate academic performance. Leaders who value diversity will offer more worldviews for students to be innovative and can learn from peers with different perspectives shaped by a variety of experiences.

### **Schemas**

Schemas are basically the way of thinking and understanding things in everyday activities and routines. They are developed in people mind by their past experiences. In a workplace context, schemas govern how staffs approach their work and what positive or negative impacts may impose. The descriptive statistics of this study indicates that perception of respondents on schemas is 79% with mean score of 3.93. Through interview, the researcher found that university staffs are not stereotyped at work.

### **Communication**

Communication in culturally diverse group in workplace is about accepting and respecting others differences and understanding that everyone is unique. The staff workers in the selected universities are comprised from diverse backgrounds. From the research survey, the perception of respondents on Communication is about 75% with the mean score of 3.76. This diversity has little challenge to understand their differences and how communicate in their workplace. Respondents from key informant interview were also described there is no difficulty to discuss tasks with their co-workers because of our differences and they can communicate effectively across identity differences at work.

Diversity can be demonstrated in many ways. Differences in race, gender, Schemas, upbringing, and world views are among the few in which people can be different. This research revealed the fact that University leaders are entertaining differences in their campuses under the effect of multinational setup of Ethiopia in recent decades. The members of institutions who come together to achieve organizational strategic priorities such as academic performance want to familiarize to their organizations and they want to respect their differences. When leaders handle differences at an institutional level, there will be a high performing culture and employees will be engaged in innovative works so as to achieve high academic performances in their respective institutions. However, employees' job performance and organizational commitment levels may decrease, and conflicts may arise when diversity are not managed correctly (Hostager & Meuse, 2008).

According to studies, academic performance is improved in varied organizational contexts that include higher education institutions over less diverse ones (Terenzini, Cabrera, Colbeck, Bjorklund & Parente, 2001). However, Metcalfe, J., & Kornell, N. (2003) argued that, despite the fact that diversity has many benefits, there may also be drawbacks, and that there has been little rigorous research on how diversity affects academic performance, casting doubt on the existence of any relationship at all. Organizations are thought to gain from diversity management, which includes enhancing the positive benefits and reducing the negative effects. Other studies also shows that the climate and culture of the institution, as well as the manner in which people working in there behave, are significantly influenced by the values and beliefs held by the parties concerned Ashton and Lee, (2010). Every organization has their own kind of diverse backgrounds and diversity is inevitable in Higher Education Institutions.

Understanding cultural differences is essential for managing institutional diversity effectively (O'Donnell and Boyle, 2008). According to Schein (2004), another important factor is an organization's flexibility, which demonstrates how much it is aware of and willing to take into account the cultural orientations of various groups of people who just so happen to be a part of a same institution. It follows that the success of diversity management would be demonstrated by how individuals behaved as members of the organization, regardless of how much their belief, viewpoints, or cultural orientations differed.

A well understanding of cultural differences is critical to challenge the problem of stereotypes, the reduction of bias, and the enablement of institutions to fulfill their integration mandate (Schlueter, E., & Scheepers, P. (2010). If the institution does not foster this it will not experience growth that comes as a result of contribution from the diversity backgrounds (Thomas, 2010).

This research also confirms that every staff member feel empowered and engaged to perform their functions to their full potential. Differences in their respective universities are well acknowledged and utilized and this enabled them to achieve the vision and mission of their institution.



**The relationship between workforce diversity management on Organizational performance of the Ethiopian Public HEIs**

One of the main objectives of this research is to investigate relationship between *workforce diversity management* and the *organizational performance* of the Ethiopian Public HEIs.

The relationships between *workforce diversity management* (diversity climate, organizational justice, identity, values, schemas and communication) and organizational performance were analyzed. The result of the study shows that there are statistically significant positive relationships between three sub-dimensions of *workforce diversity management* and the *organizational performance*. This implies that organizational performance of HEIs might be affected by the elements of diversity management.

**Table 4.2: The relationship of workforce diversity and the organizational performance**

Workforce Diversity Management Diminutions		Organizational Performance of the Ethiopia HEIs
Diversity Climate	Pearson Correlation	.632**
	Sig. (2-tailed)	.000
Organizational Justice	Pearson Correlation	.590**
	Sig. (2-tailed)	.000
Identity	Pearson Correlation	.545**
	Sig. (2-tailed)	.000
Values	Pearson Correlation	.363**
	Sig. (2-tailed)	.000
Schemas	Pearson Correlation	.503**
	Sig. (2-tailed)	.000
Communication	Pearson Correlation	.506**
	Sig. (2-tailed)	.000
N		386

A Pearson product-moment correlation was conducted to evaluate the relationship between perceived *workforce diversity management* and the *organizational performance* of the Ethiopian Public HEIs. The correlation analysis result shows that there was a strong, positive correlation between each diversity dimensions and performance of the Ethiopian Public HEIs.

- There was a strong, positive correlation between diversity climate and organizational performance of the Ethiopian Public HEIs ( $r=0.632$ ,  $N=386$ ,  $p<0.05$ ) indicating that high levels of diversity climate practice is associated with high levels of performance.
- There was also a strong, positive correlation between Organizational Justice and performance of the Ethiopian Public HEIs ( $r=0.590$ ,  $N=386$ ,  $p<0.05$ ) indicating that high levels of Organizational Justice practice is associated with high levels of performance.
- There was also a strong, positive correlation between Identity and performance of the Ethiopian Public HEIs ( $r=0.545$ ,  $N=386$ ,  $p<0.05$ ) indicating that high levels of Identity practice is associated with high levels of performance.
- There was also a medium, positive correlation between values on diversity and Academic performance of the Ethiopian Public HEIs ( $r=0.363$ ,  $N=386$ ,  $p<0.05$ ) indicating that high levels of values on diversity is associated with high levels of performance.
- There was also a strong, positive correlation between Schemas and performance of the Ethiopian Public HEIs ( $r=0.503$ ,  $N=386$ ,  $p<0.05$ ) indicating that high levels of Schemas practice is associated with high levels of performance.
- There was also a strong, positive correlation between communication and performance of the Ethiopian Public HEIs ( $r=0.506$ ,  $N=386$ ,  $p<0.05$ ) indicating that high levels of communication practice is associated with high levels of performance.

**The effect of workforce diversity management on the organizational performance of the Ethiopian Public HEIs**

Multiple regression analysis was conducted to examine how diversity affects the organizational performance of the Ethiopian Public HEIs. Simultaneous multiple regression was conducted to investigate the best predictors of organizational performance. The goodness of fit results of standard linear multiple regressions ( $R^2$ ) with performance as a dependent variable and Communication, Values, Diversity Climate, Identity, Schemas, and Organizational Justice are independent variables.

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.704 <sup>a</sup>	.496	.488	.63589	1.954
a. Predictors: (Constant), Communication, Values, Diversity Climate, Identity, Schemas, Organizational Justice					
b. Dependent Variable: Performance					

The multiple regression model with all six predictors produced  $R^2 = 0.496$ ,  $F = 62.067$ ,  $p < .005$ . This indicates that 49.6% of the variance in organizational performance can be predicted from the combination of Communication, Values, Diversity Climate, Identity, Schemas, and Organizational Justice. This result can be interpreted as 50.4% of the changes in general academic performance can be explained by other variables.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	150.581	6	25.097	62.067	.000 <sup>b</sup>
	Residual	153.249	379	.404		
	Total	303.829	385			
a. Dependent Variable: Performance						
b. Predictors: (Constant), Communication, Values, Diversity Climate, Identity, Schemas, Organizational Justice						

The ANOVA table indicates that the effect of diversity management on the organizational performance of the Ethiopia HEIs is statistically significant.

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.910	.202		4.515	.000
	Diversity Climate	.320	.046	.360	6.878	.000
	Organizational Justice	.124	.052	.137	2.370	.018
	Identity	.116	.058	.112	2.006	.046
	Values	.004	.054	.004	.078	.938
	Schemas	.119	.055	.116	2.150	.032
	Communication	.114	.045	.132	2.537	.012
a. Dependent Variable: Organizational Performance						

The above table shows that the p-value of the t-test for each predictor, we can see that each of the diversity management practices contributes to the model (all except values are statistically significant). All predictors had positive regression weights, indicating institutions with exercising greater diversity management practices were expected to have higher organizational Performance.

In this research, the perceived workforce diversity management and the degree of relationship of these attributes with organizational performance of Ethiopian Public HEIs is explored and analyzed using quantitative and qualitative methods. Therefore, the diversity dimensions such as gender and religion are discussed under the contexts of Ethiopia Public HEIs. And also the respondents' perceptions on each diversity management dimensions were assessed (Diversity Climate, Organizational Justice, Identity, Values, Schemas and Communication). The study presents the moderating role of leadership style on the relationships of diversity management and organizational performance.

The result of this study shows that the Ethiopian Public HEIs have strong perceived workforce diversity management and the degree of relationship of these attributes with organizational performance of the institutions is encouraging. However, gender diversity has relatively low score. This implies that even there were more male in universities, than females due to the nature of work there was good gender diversity. A mix of cognitive abilities of men and women may increase the organization's overall creativity and innovation. Evidences indicate that because of gender discrimination, women do not get same opportunities as men get for education and promotion (Bhushan, 2016).

Other study indicates that diversity management challenges lead to less coherence, less effective communication, increased anxiety, and conflict among diverse groups. However, when diversity is not managed properly it can bring negative effects, such as increased egocentrism, and negative relationships characterized by hostility, rejection, divisiveness, scapegoating, bullying, stereotyping, prejudice, and racism. On the other hand, proactive diversity management strategy which includes creating positive campus diversity plicate, promoting organizational justice and good communication will strengthen the academic performance of Ethiopian Public HIs(Johnson & Johnson, 2000, p. 15).

Many authors have dealt with attributes of organizational performance and a number of performance measures have thus been developed (Kaplan and Norton, 2005). Some of these works are based on financial (Kamyabi and Devi, 2012) and non-financial (Gronum, Verreyne and Kastle, 2012) indicators, and others are based on the combination of both financial and non-financial measures (Kaplan and Norton, 2005). These indicators were mainly developed to serve profit-oriented organizations, and are therefore not suitable for HEIs where teaching, research, community service and peer reviewed scientific publications are the main functions.

There are numerous effects of workforce diversity on the performance of HEIs and any other corporate organizations (Ellison and Eatman, 2008). These effects can be positive or negative. Positive effects, among others, include: increased organizational flexibility and adaptability, enabling HEIs to respond vigilantly to the dynamics in organizational landscape compared to homogeneous organizations, leading to improved productivity (Barabino, M.C., Jacobs, B., Maggio, M.A., Barabino *et al.*, 2001); improved problem-solving, increased creativity and innovation, improved skill and improved organizational reputation leading to enhanced competitiveness. Diverse workforce has as well been viewed as a pillar for the achievement of organizational mission through stimulating team spirit in the workgroup (Nishii & Özbilgin, 2007).

The success of any organization in today's globalized and competitive environment also depends on effective management of heterogeneity in culture, functions, knowledge and skills (Lawal *et al.*, 2018). Diversity management has been accepted as an important aspect of contemporary management practices since it significantly impacts organizational performance in general. Diversity management is rapidly emerging as a strategy to create a richly diverse and inclusive work environment. Successful application of such practices is found to have a profound impact on organizational performance.

Diverse teams that demonstrate a wide range of perspectives and ideas seem to consistently outperform like-minded groups particularly while working on complex problems and challenging situations. There are numerous research articles that highlight the relationship between effective diversity management and organizational performance. The reason behind diversity having such a positive impact is quite obvious. Diverse groups are less vulnerable to groupthink, a cognitive phenomenon which is observed when teams make ineffective decisions because they value conformity and harmony over objectivity, critical evaluation and accuracy of analysis. Diversity in work groups constantly presents opportunities to view the world through a variety of cultural lenses, and this in turn leads the groups to make better decisions and create more effective solutions.

Previous studies have shown that diversity management has an important effect on organizational performance. For example, Choi and Rainey (2010)'s study which was conducted on employees in U.S. federal agencies indicated that racial diversity moderated by diversity management policies and practices and team processes correlates positively with organizational performance. In a study which was done in the same context, it was also found that diversity management is strongly linked to both work group performance and job satisfaction (Pitts, 2009). Additionally, in a recent study, Choi, Sung, and Zhang (2017) found that diversity education positively affects innovative climate, employee competence and employee satisfaction, thus increasing the innovation and operational efficiency of an organization.

Finally, this research also shows that the overall perception of respondents towards workplace diversity measurement such as diversity climate, organizational justice, identity, values, schemas and communication is strong. Therefore, the diversity management in EHIs can be considered as a strong side of university management in general. This finding of the study indicates that if diversity management is done in the accurate manner and with high commitment by considering all its challenges and problem, it will increase organizational performance and will be beneficial for the institution.

## **5. Conclusions and Implications**

This study revealed that diversity management practices in higher education institutions is very crucial and needs to be carefully handled in a sustainable way so that EHIs may be more safe, welcoming, conflict free work places and enjoyable by people of diverse backgrounds. The effect of workforce diversity classification like diversity climate, value, organizational justice, and identity has been observed as significantly and positively practiced in universities and the results have shown that a perceived higher degree of diversity climate is the outcome of supportive policies and top management support, significantly influencing employees' autonomy in the high organizational concern. It is evident from the results that the faculty members who perceived high organizational justice significantly believed more in values, policies, procedures, transparency, decision making etc.

Developing a deeper understanding of workforce diversity management and leadership is important for the development of HEIs where employees with diverse backgrounds work together and leaders are confronted with the challenge of managing these employees of diverse values and interests. Diversity management is the most important factor in HEIs to bring positive impact on academic performance. And also, leadership can play significant role in moderating the relationship between diversity management and academic performance.

Diversity in higher education is critically important to ensuring academic performance. Research shows that diversity and diversity management are no longer ordinary topical issues for debate in organizations but are now a reality to be seriously addressed. This is so because the workplace environment has become diverse and multicultural especially in higher education institutions in the country like Ethiopia having multinational people groups.

## 6. Limitation and Study Forward

The current study analyzed workforce diversity with rich facts like diversity climate, value, organizational justice, and identity on organizational culture in higher education and universities of Ethiopia. However, future studies can deploy the same measure on other sectors of the economy by adding more workforce diversity measures.

## 7. Recommendations

Based on the outcomes of this study, workforce diversity significantly influences organizational performance; therefore, the policymakers and Higher Institution Leaders must concentrate on ensuring workforce diversity management to improve organizational performance that will help the overall success of Ethiopian Higher Institutions.

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